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The Role of International Accounting Standard 36 in Addressing the Decline in the Value of Long-Term Liabilities and the Possibility of Application in Iraq

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This research aims to explain the role of the International Accounting Standard (36) in addressing the decline in the value of long-term liabilities and the possibility of application in Iraq; this is because long-term liabilities were considered an important component of the financial position disclosure for most facilities, large values that constitute the largest percentage of the capital, especially in industrial enterprises. The liabilities are used for more than one fiscal year, and contribute to creating revenue through its interaction with the other liabilities of the facility. The researcher used a questionnaire in the research, reached the most important conclusions: the absence of the application of International Standard No. (36) in Iraqi institutions and companies, one of the most important reasons for not applying the long-term asset impairment test. The failure to apply the same standard in calculating the value of the long-term asset in Iraqi institutions and companies, leads to misleading and opaque financial statements published. The process of sharp decline to which the asset is exposed, due to the presence of a specific event, led to a decrease; the events may be external, such as changes in the legal or economic environment or in the market or cultural environment surrounding the asset. As for internal events, they are related to the original origin, such as technological and technical changes in the nature of the fixed asset.
Also, the use of the accounting system applied in public sector institutions and Iraqi companies, and the application of impairment of long-term liabilities are hindered in accordance with Standard (36). The research also reached the most important recommendations, to

adopt international accounting standards in Iraq, which lead to raising the level of the accounting profession, and gave importance to many contemporary accounting problems, including the problem of declining long-term liabilities. The application of the impairment test in Iraqi companies and institutions, protects users of financial information from misleading items in published financial statements; the necessity of seeking the concerned parties represented by the Iraqi Financial Supervision Bureau, academics and professionals, and the Iraqi Accountants and Auditors Syndicate, set the Iraqi accounting standard that complies with the international standard (36), for the purpose of re-fixed liabilities of the facilities evaluation.

Key words: *International Accounting Standard 36, long-term liabilities, Iraq.*

Introduction

Accounting Standard 36 defines accounting treatment, announcing the decrease in the value of all liabilities. This standard also replaces the requirement to estimate the asset's return value, a recognised impairment loss that is included in 16th International Accounting Standard (modified in 1993 by property, construction and equipment), the Twenty-Second International Accounting Standard (amended 1993, business combination), the Twenty-eighth International Accounting Standard (reformulated in 1994, accounting for investments in associates), and the thirty-first International Accounting Standard (reformulated in 1994, financial report on shares in joint ventures). Substantial changes from the requirements and previous interpretations were presented on a separate basis for the conclusions of the Thirty-Sixth International Standard. Long-term liabilities were an important component of a financial position statement for most organisations; the amounts were large and the largest proportion of the capital was especially in industrial organisations. Liabilities are used for more than one financial period, and this contributes to creating revenue as it interacts with other liabilities of the organisation, in addition to making use of these liabilities to obtain external financing from lenders; impairment of long-term liabilities occurs, when the carrying amount of the asset is not recoverable, as the sharp decline occupies the mindset of many bodies concerned with local and international accounting standards. This is because this sharp decline is not expected in value, as a result of several factors, including technical and technological innovation, new competitors entering the market, and also, this decrease usually occurs suddenly, and is considered a great challenge for accountants, auditors and researchers in accounting thought, where the International Accounting Standards Board knew of this decline; this led to an inability to fully recover the carrying amount over the expected life of the asset. As for the International Accounting Standards Board, the decrease was known as the increase in the carrying amount of the stage book over the recoverable amount.

Research Methodology

Research Problem

With change in economic events and conditions, the inflationary circumstances, the book cost (the amount charged) of the long-term asset is not fully recoverable; the company then has a loss problem represented by the impairment of long-term liabilities, and there is the following question: What is the extent of the availability of the main ingredients for the implementation of International Accounting Standard No. 36 in Iraqi companies?

The Study Hypothesis

1. There are obstacles to the application of Iraqi companies to the standard 36, to revalue fixed liabilities in light of the unstable difference in long-term asset prices.
2. There were no differences between the respondents' answers about the effect of applying IAS 36, the decrease in the value of liabilities, important in addressing the sharp decline in the value of long-term liabilities.

The Study Objectives

The research aims to study the standard 36 issued by the International Accounting Standards Board; the relevant criteria related to the issue of impairment of long-term liabilities are also touched upon. The study the accounting treatment for depreciation of long-term liabilities, teaches about the concept of a sharp decline in the value of long-term liabilities, and measures the extent of the applicability of the International Accounting Standard No.36 the decrease in the value of liabilities in Iraq.

The Study Importance

The financial community in general and the Iraqi community in particular need new accounting standards; the issue of assessing long-term liabilities at fair value when they fall short of the cost charged to the asset is covered, thereafter, the companies recognise the impairment loss and the disclosure.

Study and Sample of the Research Community

The research community is represented in the profit and service industrial units; as for the research sample, it consists of employees of Al-Muthanna Cement Factory and Samawah Cement Factory and Al-Muthanna University.

Study Method

The study is based on the following scientific methods:

Scientific Method

This method has been relied upon by reviewing the scientific sources represented in scientific books, theses, and some websites.

Inductive Method

This method was adopted through generalising the results of the study and the recommendations recommended by the researcher in the industrial and service units.

The Concept of International Standard No. (36)

The International Accounting Standards Board (IFRS) approved International Accounting Standard (36) in April, which became effective for financial statements covering the periods starting from July 1, 1999; after this date, this standard shows accounting treatment for impairment in liabilities and disclosures. The standard also presents sources of information on impairment and methods for measuring impairment that require the thirty-sixth International Accounting Standard; the recoverable amount must be evaluated when there was an indication that the asset may be impaired. IFRS 36 requires recognition of a loss in impairment (impairment of an asset), when the recorded amount (the book value) of an asset exceeds its recoverable amount. The impairment loss must be recognised in the income statement of the registered liabilities, as to how much it costs and treats them as a decrease in revaluation of liabilities, recorded for a revalued amount; this requires the thirty-sixth International Accounting Standard, and the recoverable amount must be measured based on the net selling price or value used - whichever is higher (net selling price is the amount that can be obtained from selling an asset in a purely commercial process between interested and willing parties to that asset, after deducting any additional direct costs related to the disposal process), or the value in use (the present value of the estimated future cash flows expected to

arise from the continued use of the asset and from its sale at the end of its life). The thirty-sixth International Accounting Standard requires that the recognised impairment loss be reversed in prior years only, if there has been a change in the estimates used to determine the recoverable amount since the last decrease was recognised. However, the impairment loss is reversed only to the extent that the recorded amount of an asset does not exceed the recorded amount that would have been assigned to the asset (less amortisation), if no loss had been recognized in previous years. A reversal of the impairment loss should be recognised in the income statement of the recorded liabilities by their cost and treated as an increase in the revaluation of the liabilities recorded at the revalued amount.

The standard aims to indicate the procedures applied by the establishment to ensure that its liabilities are registered no more than its recoverable amount; the original shall be registered in excess of its recoverable amount, if its recorded amount exceeds the amount that will be recovered through the use or sale of the asset, in this case, the asset is described as impaired, and the standard requires an entity to recognise an impairment loss.

The Concept, Characteristics and Types of Long-Term Liabilities

The term fixed liabilities refers to those liabilities that are of a physical nature; they are acquired by the economic units, especially industrial and service ones to assist in the production process for a number of accounting periods. The common elements of this asset (land, buildings, machinery and equipment, fixtures, furniture, cars, etc.).

Also known as property and liabilities owned by the project, are used to assist in the conduct of his business, such as machinery, cars, land, furniture, and buildings (Sunqrat, 2008).

Fixed liabilities (long-term liabilities) are defined as all liabilities acquired by the enterprise with a view to being used in its production, marketing or administrative operations and for more than one fiscal year, not for the purpose of reselling for a profit (Al-Anati, 2008).
Fixed liabilities are also known as those that extend their use, benefiting from it for a long time that lasts for a few years or many years; this period is called the age of the original as it depends on the nature of the original (Al-Saffar, 2003).

It is defined as tangible and intangible liabilities, some of which are subject to depreciation, such as machinery, equipment and cars, and some of them are not subject to depreciation, such as land.

Long-Term Asset Characteristics

1. It is an asset with a long-term productive life, meaning that the project retains it for a period of time of more than one fiscal year due to the nature of its use and manufacture, for example devices and equipment (Al-Saffar, 2006).
2. It is acquired for the purpose of using it in the project activity and not for the purpose of selling and trading in it as it is in the case of the goods, so the purpose of purchasing it is to obtain the services provided by these liabilities to complete the project works, for example the means of transportation that are used to transport the sold or purchased goods.

3. It has a tangible physical entity and therefore it is called the tangible liabilities to distinguish it from intangible liabilities such as patent and fame (Aboud, Hamad, 2011).

The Main Types of Long-Term Liabilities

Long-term liabilities were often classified into two main types:

1. **Tangible Liabilities**: They were liabilities with a tangible physical entity, such as lands, buildings, and machinery. This type of asset can be classified or divided into two types:
a. Liabilities were subject to consumption and include liabilities with a specific useful life, such as buildings and office equipment.
b. Land was the only asset that is not subject to consumption because its useful life is not specified**.**
2. Intangible Liabilities: This term is coined to describe liabilities that are used in economic unit operations but do not have a tangible physical entity, yet they are long-term liabilities such as trademarks, copyrights, copyrights, and goodwill (Megs, 2007).

Dispense With Fixed Liabilities

Economic units dispense with some of their fixed liabilities by selling when there is no need for them or by replacing them with another asset to update their liabilities, Or, those liabilities may be converted into scrap as a result of their depreciation, and through this it can clarify the ways of dispensing with the following:

Elimination of the Fixed Asset as a Result of the End of its Useful Life

This process that takes place at the end of the productive life of the asset is made by making it scrap. The principal may be dispensed with during the fiscal year, so the expense of extinction for that part of the year must be calculated, the accumulated depreciation complex from the beginning of the period; the accounting treatment for the dispensing process is summarised by cancelling the expense of the extinction allowance by making it owe its value at the expiry date. As well as excluding the account of the original dispensed account by making it creditor at its cost, so that its balance becomes zero, the asset's depreciation pool may not in any way exceed its cost. In the state of the sale value of the scrap, it will be disposed of and treated as capital losses; as for the sale of this scrap, three cases may appear, the selling price may be equal to the value of the debris, thus the scrap account is closed without profit or loss. In another case, the selling price may be greater than the value of the scrap fixed in the books, thereby achieving capital gains that are recognised on the date of dispensing. In the event that the selling price is less than the value of the scrap, in this case the sale results in a capital loss (Al-Shawi, 1976).

Dispense With the Fixed Asset by Selling

The process of selling a fixed asset may result in capital gains or losses that are reached by comparing the book cost of the asset (cost - depreciation complex) with the selling value and one of the following cases may appear:

1. That the selling value is equal to the book value of the asset, in which case there is no profit or loss.
2. That the selling value be greater than the book cost of the asset, in which case the sale results in capital gains.
3. The selling value of the asset is less than the book value, in which case capital losses are achieved (Al-Shawi, 1976).

Dispense With the Fixed Asset by Exchange

Sometimes due to accelerating technological developments, some economic units may resort to replacing their fixed liabilities with other similar fixed liabilities that have more sophistication and greater service to the production process; likewise, economic units, because of the absence of a need for one of their fixed liabilities, may replace that asset with another that is not similar (Al-Shawi, 1976).

The Concept of a Decrease in the Value of Fixed Liabilities and the Factors That Lead To a Sharp Decline

Several studies have been conducted at the level of the International Accounting Standards Board to develop a specific definition of this phenomenon; in 1993, the International Accounting Standards Board defined this decrease as the inability to fully recover the carrying amount over the expected life of the asset. The International Accounting Standards Board (IASB) also defined this decrease in 1996 as the increase in the carrying amount of the carryover over the recoverable amount.

The factors that lead to a decrease in the value of a fixed asset are divided into two types:

Basic Factors

Factors Due To the Nature of the Original

In accordance with the generally accepted accounting policies, commodity inventories are valued based on cost or net selling value, which is less as a practical basis for measuring the loss that should be recognised and accounted for in the current period; however, this rule cannot be applied to property and equipment, even if these liabilities are partially obsolete.

Accountants were reluctant to allocate the value that the asset will bear in the books; this frequency appears because the fixed liabilities differ from the inventory, and accountants treat this partial obsolescence by calculating the depreciation premium by distributing the cost of the asset to the accounting periods of the asset. The boards of international and local financial accounting standards also left the economic unit management the freedom to choose its accounting policy, which is consistent with the nature of the asset and its uses and freedom to change this policy when the economic conditions surrounding economic unity change.

Factors of the Traditional Concept of Consumption

When extrapolating the scope of the international standard (36) regarding the impairment of liabilities and interpretations attached to this standard, note that the concept of consumption is completely excluded from the scope of the standard, because this decrease reported by the standard is the sharp decline in the value of the asset, which was defined by the standard in the inability to fully recover the book value of the asset; either loss is intended to distribute the cost of the asset to this productive life economically. From an accounting point of view, extinction is defined as a method that aims to distribute the cost of the asset minus the value of the scrap over the years of the productive life of the asset.

Factors Due To Technological Developments and Economic Variables

This factor was not a problem or an impediment to accounting thought or accountants and auditors a decade ago, due to the slow progress of technology and the suitability of the calculated extinction premium for the asset to its nature. Today, in light of this technological advancement and its tremendous speed, note that the depreciation premium is no longer sufficient to cover the size of the decrease in the asset's value; this pushed both the owners of accounting thought and the concerned authorities, by setting standards at the international and local levels in order to study this decline and know its causes.

Secondary Factors

These factors are divided into internal and external factors as follows:

Internal Factors

a. Earthquakes, volcanoes, and natural disasters.
b. Planning to stop or dispense with a user's origin.
c. Economic restructuring of internal plans.

External Factors

a. The sharp decline in the market value of liabilities due to technological progress or increase.
The intensity of the existing competition.
b. Changes in local regulations, laws, and tax laws in a way that contradicts
Economic Unity Policy
c. The increase in prices due to the occurrence of economic inflation, which clearly affects the prevailing discount rate.

The Applied Side of Research

Objectives of the Field Study

The field study aims to study the problem of depreciation of long-term liabilities, how to deal with it according to international accounting standards, measuring the extent of its applicability in Iraq as one of the modern research fields in contemporary accounting thought. It also seeks to test the research hypothesis, and aims to discuss the acceptance of this hypothesis or its dissolution; the researcher used the research objectives in the questionnaire list questions

Questionnaire Design

The survey list is designed to fit the goals and assumptions of the research, taking into account the design of the list format in an organised and easy way.

Statistical Methods Used

Statistical analysis to analyse field study data as non-standard metadata relied on an analysis of the sample responses that were included in the survey list; the five-year Descartes statistical program has been relied on in statistical analysis to reach the mean and standard deviation.

The Research Sample

A questionnaire was distributed to workers in the research sample of Al-Muthanna, Cement Factory, Al-Samawa Cement Factory and Al-Muthanna University, and consists of (60) accounting specialists and practitioners; the questionnaire was based on a set of questions to test the research hypothesis. For each question, the workers were to select five options (Strongly Agree, Agree, Neutral, Disagree, Strongly Disagree).

General Information Related To the Individuals in the Research Sample

The researcher prepared a questionnaire and this was classified according to the scientific level, gender, years of service, as well as specialisation, as shown in the table below:

Table 1

Information	**properties**	**Repetition**	**Percent (%)**
The scientific qualification	Mid School degree	-	-
	Institute	18	30
	The baccalaureate	31	52
	Master	9	15
	Doctorate	2	3
Sex	Male	43	72
	Female	17	28
Years of employment	Less of 5 years	17	28
	More of 10 years	25	42
	More of 20 years	18	30
Specialisation	Administration	10	17
	Accounting	40	67
	Banking and Financial Sciences	5	8
	Other specialties	5	8

The table shows the following:

The Scientific Qualification

It was clear from the previous table that the highest percentage for the selected sample are holders of a bachelor’s degree, as it reached 52% and the institute’s certificate 30%, while the master's degree was 15% and PhD 3%.

Sex

By analysing the table, it was noted that the highest percentage of the research sample is male, where the percentage reached 72%, while the female percentage reached 28%.

Years of Employment

Through the analysis of the previous table, note that the highest percentage of the sample is those who have more of ten years of employment, which represents 42%, that 30% of the sample have more of twenty years of service, and 28% of the sample have less than five years of employment.

Specialisation

Note that 67% of the sample individuals have degrees in accounting specialties, 17% of the sample individuals have certificates in business administration specialisations and that 8% of the sample individuals have financial and banking specialisation certificates and these specialties are close to a major in accounting and that 8% of the workers in the sample have certificates in other disciplines.

Survey List and Analysis Results

The research relied on the survey list as an important source for obtaining the data necessary to conduct the analytical study; the list has been designed to produce it in a way that leads to obtaining the required information accurately and objectively, converts descriptive opinions to quantitative formulas. The mean and standard deviation were used, to measure the percentage of answering questions designed in the survey list. The survey list included 16 questions divided into two axes, the first pillar included six questions related to how to address the long-term depreciation of liabilities, the twelfth topic questions about the applicability of the international standard (36).

The decrease in the value of liabilities and how to apply it, if any. Accordingly, the respondents who answered (disagree, strongly disagree) to the first question, their answers are taken into account, otherwise, the respondents' answers will be excluded if their answers to the first question are (strongly agree, agree, neutral).

Table 2

P	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q12	Q13	Q14	Q15	Q16
1	5	4	4	4	3	3	5	4	4	5	5	4	3	3	4	4
2	5	4	3	4	4	4	5	4	4	3	5	4	4	3	3	4
3	4	4	3	5	3	3	5	5	4	4	5	3	3	4	4	4
4	5	4	4	5	4	3	5	4	4	2	5	5	4	4	4	5
5	4	3	4	4	5	5	5	4	4	5	5	5	4	4	3	3
6	4	4	3	3	3	4	5	4	5	3	5	4	3	4	3	3
7	5	4	3	3	4	3	5	4	4	5	5	3	3	3	3	4
8	5	4	3	4	4	4	4	5	4	4	5	3	3	3	4	4
9	5	4	3	4	4	4	4	4	5	4	5	3	2	1	3	3
10	4	5	4	4	3	4	5	4	4	5	5	3	3	3	4	3
11	4	4	5	4	4	4	4	4	5	3	5	4	5	3	2	3
12	5	4	3	4	4	3	5	4	4	4	5	3	4	3	3	4
13	5	4	4	5	5	5	4	4	5	3	5	4	2	4	3	3
14	4	4	3	4	5	4	5	5	4	4	5	4	4	3	4	4
15	4	4	3	3	3	3	4	4	5	3	5	4	3	4	5	3
16	5	4	4	4	4	4	5	3	4	4	5	4	4	4	4	4
17	4	3	3	4	3	3	4	3	4	4	5	3	4	4	4	3
18	5	5	4	4	3	3	5	5	5	5	5	4	3	4	3	3
19	5	4	3	5	2	3	4	4	5	3	5	3	2	2	3	3
20	5	4	4	4	3	1	4	5	3	3	5	2	3	3	4	4
21	5	4	3	5	4	5	5	2	4	3	5	1	5	1	5	5
22	5	4	3	4	4	4	5	5	4	4	5	4	4	4	3	4
23	4	4	5	5	4	4	5	5	4	4	4	5	5	4	4	5
24	5	4	3	4	4	4	5	5	4	4	4	3	3	3	4	4
25	5	4	3	4	4	4	5	5	4	4	4	3	4	3	4	3
26	5	4	3	4	4	4	5	5	5	4	4	3	3	4	3	3
27	4	4	5	4	4	3	5	3	5	4	5	5	4	4	4	5
28	4	3	3	4	5	3	5	5	5	5	4	4	4	4	5	5
29	5	4	3	4	4	4	5	4	4	5	5	3	4	4	3	3
30	5	5	4	5	4	5	5	5	5	4	4	4	4	2	4	4
31	4	5	3	4	4	3	5	4	5	4	4	3	4	3	4	4
32	4	5	3	5	4	3	5	4	5	3	4	5	4	2	5	4
33	5	5	4	3	4	4	5	4	4	3	3	3	3	3	4	3
34	4	4	3	3	2	2	4	3	5	3	3	4	5	3	3	4
35	4	4	3	4	4	4	5	4	5	4	4	3	3	4	4	3
36	4	4	4	5	3	3	4	5	4	3	4	3	3	3	4	4
37	4	5	3	5	4	4	4	3	3	4	3	3	4	4	3	3
38	4	3	3	2	4	2	4	4	5	3	2	2	2	3	3	4
39	4	4	4	4	4	4	5	4	2	4	5	4	3	4	4	3
40	5	4	3	4	4	3	5	3	1	5	5	3	2	3	4	5
41	5	3	3	4	4	3	5	3	2	4	5	3	4	3	4	3
42	4	4	2	4	3	4	4	4		3	4	4	4	5	4	3
43	4	4	5	4	4	2	4	3	3	3	4	2	2	3	2	2
44	4	3	3	4	2	3	4	3	4	3	2	4	3	5	3	3
45	4	4	3	3	5	4	4	2	3	3	4	2	2	3	3	4
46	5	4	3	3	2	3	4	3	4	3	2	2	3	4	5	1
47	5	4	4	5	5	5	4	4	4	4	3	2	2	2	3	2
48	5	4	3	4	4	4	4	5	4	4	3	4	4	4	4	4
49	4`	5	4	4	5	4	5	5	5	4	3	4	4	4	3	2

50	4	5	4	4	5	4	4	5	4	4	4	5	3	4	4	4
51	3	4	4	3	5	1	4	3	4	5	2	5	3	4	2	5
52	5	4	4	5	4	4	4	5	3	5	4	4	4	3	3	2
53	4	4	4	4	5	5	4	4	2	4	4	4	4	2	4	4
54	3	5		4	3	4	4	3	4	3	3	4	4	3	3	4
55	5	4	4	3	4	4	5	4	4	4	4	5	3	3	4	4
56	3	4	4	3	4	2	4	5	3	3	4	4	2	1	2	2
57	5	4	4	3	4	5	4	4	4	5	4	4	3	3	3	3
58	5	4	3	5	3	4	5	3	3	3	3	4	4	4	3	3
59	4	3	4	5	3	3	4	4	5	3	2	3	4	3	3	4
60	4	4	3	4	2	4	4	3	3	4	4	4	3	3	4	3
Total	266	243	209	241	227	214	272	240	237	227	249	213	204	197	213	211
Mean	4.43	4.1	3.4	4.0	3.78	3.57	4.53	4	4.02	3.78	4.15	3.55	3.4	3.28	3.55	3.51
Standard deviation	0.59	0.5	0.65	0.7	0.83	0.91	0.5	0.82	0.9	0.76	0.95	0.91	0.82	0.86	0.75	0.87

The scores for answering the questions were determined according to the scores of the ordinal measurement. The weighted average determines the approval scores based on the scores of the arrangement as follows: (1) Strongly disagree, greater than (1) and less than (2), the degree of approval of the question will be not agree, greater than (2) and less than (3), the degree of approval will be neutral, greater than (3) and less than (4), so the degree of approval of the question will be agree, greater than (4) and less than (5), so the degree of approval of the question will be strongly Agree.

The statistical analysis of the first axis was as follows:

Table 3

Phrase	Mean	Standard deviation	The direction of the answer
Possibility of impairment of the asset, the recoverable amount of the asset must be evaluated	4.43	0.59	agreement
The increase in the value in which the original value is recorded as a result of re-evaluation. This increase must be recorded and added directly to the property rights under the name of the re-evaluation surplus.	4.1	0.5	agreement
The decrease in the value of a fixed asset is measured and treated on a reasonable and consistent basis	3.4	0.65	agreement
Acknowledgment of the loss of the fixed asset's value and disclose this decrease in the items of the income statement	4.02	0.7	agreement
The asset is recognised in the budget when the expected future economic benefits to the entity are likely to occur	3.78	0.83	agreement
The necessity for economic units to record the value of their book liabilities in line with the expected quantity obtained from the use of the asset	3.57	0.91	agreement

From the previous table, the following is clear, through the statistical analysis of the questionnaire clauses it was found that the first question (when there is an indication of the possibility of a decrease in the value of the asset, the amount of the recoverable amount of the asset must be evaluated), got a mean of 4.43 and a minimum standard deviation of 0.59, which means agreeing to the phrase.

The second phrase (when increasing the value in which the original is recorded as a result of revaluation, this increase must be recorded and added directly to the property rights under the name of the revaluation surplus, and the accounting value of the increase over the revaluation is recognised as income), got a mean of 4.1 and a minimum standard deviation of 0.5, which means agreeing to the phrase through the answers of the research sample.

The third term (the decrease in the value of a fixed asset is measured and treated on a reasonable and consistent basis), got a mean of 3.4 and a minimum standard deviation of 0.65, which means that the answer to the phrase is neutrality.

The fourth question (recognition of the loss of the decrease in the value of the fixed asset and the disclosure of this decrease in the items of the income statement), got an average mean of 4.02 and a minimum standard deviation of 0.7, which means agreeing to the phrase.

The fifth question (the budget is recognised when the expected future economic benefits for the facility are likely to occur), got a mean of 3.78 and a minimum standard deviation of 0.83, which means agreeing to the phrase.

The sixth question (the need for economic units to record the value of their book liabilities in line with the amount expected to be obtained from the use of the asset), got a mean of 3.57 and a minimum standard deviation of 0.91, which means agreeing to the phrase.

As for the second axis, its statistical results are as follows:

Phrase	Mean	Standard deviation	The direction of the answer
The absence of the application of international standard No.36 in Iraqi institutions and companies is one of the most important reasons for not applying the impairment test in Iraq	4.53	0.5	Completely agree
The use of the accounting system applied in public sector institutions and Iraqi companies hinders the application of the impairment of long-term liabilities	4	0.82	agreement
Failure to apply the calculation of the value of the long-term asset in the institution in which you work leads to misleading and lack of transparency in the financial statements	4.02	0.9	agreement

The first question (The absence of the application of International Standard No.36 in Iraqi institutions and companies, one of the most important reasons for not applying the impairment test in Iraq), got a mean of 4.53 and a minimum standard deviation of 0.5, which means agreeing to the phrase.

The second question (that the use of the accounting system applied in public sector institutions and Iraqi companies hinders the application of the decline in the value of long-term liabilities), got a mean of 4 and a minimum standard deviation of 0.82, which means agreeing to the phrase.

The third question (that not applying the calculation of the value of the long-term asset in the institution in which you work leads to misleading and lack of transparency in the financial statements), got a mean of 4.02 and a minimum standard deviation of 0.9, which means agreeing to the phrase.

Conclusion

The absence of the application of International Standard No. (36) in Iraqi institutions and companies is one of the most important reasons for not applying the long-term impairment test**.** Failure to apply the calculation of the value of the long-term asset in Iraqi institutions and companies leads to misleading information and lack of transparency in the published financial statements. The process of sharp decline to which the asset is exposed, is due to the presence of a specific event that led to this decrease. These events may be external, such as changes in the legal or economic environment or in the market environment surrounding the asset; as for internal events, they are events related to the original asset, such as technological and technical changes in the nature of the fixed asset. The use of the accounting system applied in public sector institutions and Iraqi companies, impedes the application of long-term asset impairment. There is a lack of specific and structured rules for the revaluation process, despite the existence of more than one international accounting standard for fixed liabilities such as International Standard No.36; this solves many accounting problems related to fixed liabilities in terms of how to prove and how to address depreciation and sharp decline, due to the absence of residents and professionals (consulting institutions or evaluation offices).

Recommendations

The adoption of international accounting standards (36) in Iraq leads to raising the level of the accounting profession, and giving importance to many contemporary accounting problems, including the problem of declining long-term liabilities. The application of the impairment test in Iraqi companies and institutions, protects the financial community from misleading information in the published financial statements. Some countries suffer from continuous depreciation of the value of liabilities, suffering from inflation by presenting tables containing estimates of the value of future cash flows; these tables are circulated for use, making it easier for the economic unit accountants to evaluate the low liabilities based on these schedules This method greatly reduces the intended degree of manipulation and fraud. The attempt of the concerned authorities, including academics and professionals, and the Iraqi Accountants and Auditors Syndicate, establish an accounting standard consistent with the Iraqi environment for the revaluation of fixed liabilities. The Iraqi university professors and the Iraqi Accountants and Auditors Syndicate play their role in explaining and clarifying the practical importance of the re-evaluation of those in charge of the Iraqi economic units.

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