Investigating The Effect of IFRS Implementation on Accounting Information Relevance

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ABSTRACT

The primary objective of this study is to evaluate the impact of International Financial Reporting Standards (IFRS) on the value of accounting information, as this metric serves as the predominant benchmark for a company's financial statements. This study employs a library research methodology to compare pre- and post-IFRS implementation values in Indonesia against an understanding of accounting information value from existing companies. The findings of this study indicate that IFRS adoption does not significantly alter the value of accounting information in Indonesia. The implementation of IFRS principles is unlikely to induce substantial changes in countries such as Indonesia, which operates within a legal system that is unable to provide investors with adequate safeguards for secure investments. This situation is further exacerbated by the limited capacity of the legal function in these countries, particularly in the context of the predominant role of banks. The influence of global factors on the value of accounting information, particularly in Indonesia, further compounded these challenges. Theoretically, this study enriches the literature on the effectiveness of IFRS adoption in developing countries such as Indonesia. The findings also reinforce or challenge previous studies regarding value relevance and the transparency of accounting information following IFRS adoption.

Keywords: Value Relevance, IFRS Adoptions, Financial Statement, Accounting Information, Indonesia.

ABSTRAK

Tujuan utama studi ini adalah untuk mengevaluasi dampak Standar Pelaporan Keuangan Internasional (IFRS) terhadap nilai informasi akuntansi, karena metrik ini berfungsi sebagai tolok ukur utama untuk laporan keuangan perusahaan. Studi ini menggunakan metodologi riset kepustakaan untuk membandingkan nilai sebelum dan sesudah penerapan IFRS di Indonesia dengan pemahaman nilai informasi akuntansi dari perusahaan-perusahaan yang sudah ada. Temuan studi ini menunjukkan bahwa adopsi IFRS tidak secara signifikan mengubah nilai informasi akuntansi di Indonesia. Implementasi prinsip-prinsip IFRS kemungkinan besar tidak akan mendorong perubahan substansial di negara-negara seperti Indonesia, yang beroperasi dalam sistem hukum yang tidak mampu memberikan perlindungan yang memadai bagi investor untuk investasi yang aman. Situasi ini semakin diperparah oleh terbatasnya kapasitas fungsi hukum di negara-negara tersebut, terutama dalam konteks peran dominan bank. Pengaruh faktor-faktor global terhadap nilai informasi akuntansi, terutama di Indonesia, semakin memperparah tantangan ini. Secara teoritis, studi ini memperkaya literatur tentang efektivitas adopsi IFRS di negara-negara berkembang seperti Indonesia. Temuan ini juga memperkuat atau menantang studi-studi sebelumnya mengenai relevansi nilai dan transparansi informasi akuntansi setelah adopsi IFRS.

Kata Kunci: *Relevansi Nilai, Adopsi IFRS, Laporan Keuangan,* Imformasi Akuntansi, *Indonesia.*

INTRODUCTION

In the business and corporate sectors, globalization has been a driving force in the erosion of national borders, facilitating the cross-border exchange of economic activities such as the buying and selling of shares. Consequently, shares of businesses based in multiple countries are now available for purchase by potential stock buyers (Suhartono, 2018). Consequently, potential stock buyers utilize a company's financial statements as a crucial reference point when making decisions. In a business context, a company's financial data constitutes its most significant component. This data manifests in the form of financial statements that can explicitly represent the condition of the business. The International Accounting Standards Board (IASB), an entity that establishes applied accounting standards, such as Financial Accounting Standards (SAS) and international accounting standards, including International Financial Reporting Standards (IFRS), asserts that the primary objective of financial reporting is the provision and presentation of pertinent information to investors (Yuniarso & Lako, 2018).

The utilization of data in the estimation of market value can confer value relevance, thereby informing investment decisions. Consequently, investment decisions can be made by the value and usefulness of accounting data. That is to say, relevant accounting data based on applicable standards can influence investment decisions (Susilo, 2018). Companies employ financial statements to convey their financial conditions to external parties for consideration and to hold the company accountable. Investors are among the external groups that generally utilize financial data of a general nature. To ensure that their investment choices will generate profits, investors can forecast the company's financial status using financial statements (Shinta & Suyanto, 2020).

To ensure the uniformity of financial statements, they are prepared in accordance with a set of rules or guidelines known as accounting standards. These standards encompass the definition, recognition, measurement, and presentation of financial statement items or accounts. However, it should be noted that these standards vary in scope around the world due to the non-uniformity of regulations across different regions (Khairani, 2018). In the context of financial statement preparation, businesses are required to adhere to the accounting rules established by their respective nations. For businesses reliant on domestic entities for survival, this adherence is typically not problematic. However, for businesses reliant on external entities, challenges may arise. The necessity for standardization or universal guidelines arises from the interactions between these entities, with the objective of ensuring a level playing field for accounting perspectives across nations (Yacub & Gamayuni, 2020).

The establishment of the International Accounting Standards Committee (IASC) in 1973 was driven by the necessity for a universal implementation benchmark. In 2001, the IASC underwent a name change, becoming known as the International Accounting Standards Board (IASB). The objective of this change

was to establish accounting principles that are more advanced and universally applicable. The International Financial Reporting Standards (IFRS) address the fundamental issue of proper financial reporting (Yuniarso & Lako, 2019). This objective is consistent with the G-20 summit's April 2, 2009, resolution in London, which sought to establish a unified set of advanced global accounting standards, with the aim of providing high-quality financial data for global capital markets. Indonesia, in its capacity as a member of the G-20, has also expressed its commitment to adopting the International Financial Reporting Standards (IFRS) as its financial reporting standard. The International Accounting Standards Board (IASB) and the International Accounting Standards Committee (IASC) were established with the objective of developing superior international financial reporting standards. To provide high-quality financial information in the global capital markets, the G-20 conference in London on April 2, 2009 mandated the creation of a single set of superior global accounting standards with principles-based standards that have been released by the IASC and IASB to achieve this goal (Anida, 2023).

The Indonesian Institute of Accountants (IAI) has endeavored to adapt International Financial Reporting Standards (IFRS) into regulations that apply to accounting provisions. The adaptation of the provisions contained in IFRS in Indonesia commenced in 2008, and the PSAK used all current IFRS until 2010. IFRS was fully adopted by publicly traded companies in 2012 after the development of supporting infrastructure was completed in 2011. Consequently, on January 1, 2012, Indonesia formally adopted IFRS for publicly traded private entities. The implementation of IFRS in Indonesia is expected to enhance the relevance and utility of accounting data for all companies. Ensuring the accuracy of financial statements is crucial to preventing stakeholders from being misled. The availability of precise and accurate financial data serves as a reliable representation of private financial records, a notion further reinforced by regulatory frameworks such as IFRS, which instill a sense of security among potential investors (Sinatra et al., 2022).

The term "quality financial statements" refers to financial statements that are free from engineering and have accounting information value. By recording financial conditions clearly and precisely, it can be used as a consideration and present information that is in accordance with the facts. Accounting information is considered relevant based on its capacity as a medium for depicting the condition of the company as represented by the stock price (Petra, 2021). Investors consider a company's profit value when making judgments about their investments. A business with good earnings is a business that investors want to invest in. Nevertheless, because businesses often falsify and misuse financial statements for their own benefit, the profits shown in the reports may not accurately represent the state of the business. Consequently, the true performance of the company is no longer reflected in the financial statements (Leonitha, 2018).

In relation to this issue, it is imperative to periodically enhance the quality of financial accounting reports in accordance with SAK. A multitude of empirical studies have indicated a decline in the reliability of financial statement information for capital market entities. Consequently, investors who rely on financial statements encounter significant challenges. The findings of prior studies have yielded contradictory results, leaving unclear whether the adoption of IFRS contributes to enhancing the quality of accounting data (Vinella et al., 2022). The value of accounting information to any organization is expected to increase following the adoption of IFRS in Indonesia. Financial statements should be presented with the utmost accuracy to avoid misleading stakeholders, who are the users of the reports. High-quality financial statements demonstrate quality data that is accessible for evaluation and utilization by external parties. Moreover, rules such as IFRS reduce the cost for investors to obtain the necessary data. The reduction of risks related to information asymmetry, such as moral hazard

(corruption) and disadvantage selection (information embezzlement), is of paramount importance (Harahap et al., 2022)

Investors generally seek to allocate their financial resources to businesses that demonstrate robust financial performance. This metric serves as a means to assess the relevance of accounting information post-implementation of the International Financial Reporting Standards (IFRS), as it constitutes the primary benchmark for evaluating the financial statements of a company (Prasetyawati et al., 2023). The financial statements of a company, particularly its profit and loss records, offer insights into its financial health. These statements are instrumental in determining the company's profit value. Conversely, the financial situation report serves as a representation of the net value of the company's resources, which is the foundation for the book value. This essay aims to explore the impact of the implementation of International Financial Reporting Standards (IFRS) on the value of accounting information in Indonesia. This study seeks to answer the research question "How does the relevance of accounting information differ between the pre- and post-IFRS adoption periods in Indonesia?"

LITERATURE REVIEW
Signaling Theory
Spence's seminal study, Job Market Signaling, pioneered the field of signaling theory, which posits that signaling occurs when an information owner transmits a signal to a receiver, aiming to impart valuable information that will influence the receiver's behavior. This interpretation of the signal by the receiver is a crucial aspect of the signaling process, as it leads to a change in the receiver's actions (Lestari, 2017). The concept that a company's success can serve as a favorable signal for investment has been identified as a motivating factor for company management in terms of dividend distribution. Investors are likely to purchase the company's shares in response to this signal, thereby increasing the number of trading transactions involving the company's shares. Consequently, the value of the company or the market price of the shares is expected to rise (Amanda et al., 2019).

As postulated by the aforementioned hypothesis, companies seeking to disseminate information regarding their circumstances with the objective of mitigating the potential for erroneous data dissemination may find that this initiative will enhance external stakeholders' awareness of the enterprise's prevailing state. In response to this information, external parties are likely to interpret it as a signal, thereby attempting to assuage concerns and avert the undervaluation of the company (Suryani, 2024)

In the context of this study, the adoption of IFRS serves as a positive signal sent by companies to external stakeholders, indicating their commitment to enhancing the transparency and quality of financial reporting. This signal is expected to influence investor perception and decision-making by increasing trust in the relevance of the accounting information provided. Hence, signaling theory supports the notion that IFRS adoption can improve the value relevance of accounting information.

Efficient Market Theory
This notion posits that market prices perpetually reflect accessible information, with any security consistently trading at a fair price. The rationale behind this assertion lies in the inherent relationship between security prices and their intrinsic value. A market is deemed "efficient" if it can promptly and accurately respond to incoming information, thereby achieving a new equilibrium price that aligns with the available data. Theoretically, events are regarded as sources of information. Investors seek reliable and comprehensive information, and they can utilize the information disseminated in the market to inform their investment choices (Giovanni et al., 2023).

The presence of investor competition is a critical factor that contributes to the efficiency of the market. The process of identifying undervalued stocks often necessitates a substantial investment of time and resources. Investors who employ this strategy conduct meticulous research, examining historical stock

prices and dividend trends to discern stocks that are undervalued (Liani et al., 2024). Investors who possess superior knowledge about a company relative to other market participants can strategically capitalize on this advantage by purchasing the company's stock during periods of positive news and divesting during adverse scenarios. Once the market has efficiently reacted, price adjustments have been executed, and new information has been thoroughly reflected, the price trend will cease to exist. Prices will then undergo a partial adjustment in response to the new information. Overreaction, a term used to describe prices that exhibit an exaggerated response to new information, leading to an increase beyond the new price, is a phenomenon that is of particular concern to market participants in efficient markets. The availability of options in such markets is a crucial aspect for ensuring the stability and integrity of financial systems (Yulianti & Komara, 2020).

Clean Surplus Theory
The application of value accounting is supported by the notion of net surplus, as posited by Scott. Ohlson's net surplus theory offers a reliable framework for measuring how markets respond to income and balance sheet elements. The statement of changes in equity, which includes the relationship between balance sheet and income statement items (income and book value of equity), highly benefits from accounting's guiding function. The change in book value of equity is equal to income minus dividends or net capital contributions. The concept of "net surplus" is pivotal in this regard. The market value of a company can be modeled using dividends, book value of shares, and earnings from current and future periods to provide a comprehensive assessment. Conversely, dividend policy is deemed inconsequential in determining the book value of equity, that is, it does not result in a decrease in the book value of equity without a concomitant decrease in profits. In instances where the estimated goodwill value is determined to be equivalent to zero, the book value of equity functions as an objective indicator of the market value of the company (Wrianta, 2022).

The company's value can be determined by reviewing its financial data, which reveals the results of its operating and financial activities. At the end of the fiscal year, the company's viability must be assessed, considering the dynamic environmental changes that occur in the financial statements. It is important to note that the predicted future book value of a company's stock and its overall profits can be used to determine its market value. Projected future earnings provide the necessary information for calculating the present value, which is then used to assess the value of the business. Therefore, the key elements in determining the value of a company are the book value of equity and earnings (Cwyl, 2022)

Value Relevance
The concept of value relevance is interpreted in four distinct ways, as outlined below (Valencia et al., 2022): First, the initial interpretation posits that financial statement data exhibits the stock price by comparing the change in stock price to the intrinsic value of the stock. Second, the secondary interpretation asserts that financial data holds value if it incorporates variables that are employed in valuation models or facilitate their prediction. Third, the third interpretation posits that the influence of financial statement information on stock prices, manifested through the elevation of investors' expectations, serves as a metric for value relevance. This is further supported by the existence of statistical relationships that assess the extent to which investors utilize financial information in pricing decisions.The fourth interpretation asserts that value relevance is determined by the ability of financial statement information to capture or summarize information that affects stock value, irrespective of its source. This understanding posits that financial statements do not necessarily have to be the primary source of information.

International Financial Reporting Standard
There are at least a number of institutions with international levels that produce national accounting standards. One such institution is the International Accounting Standards Board (IASB), which successfully formulated the International Financial Reporting Standards (IFRS). The majority of standards incorporated into the IFRS were previously International Accounting Standards (IAS) (Linuhur, 2023). The International Accounting Standards Committee (IASC) published the IAS from 1973 to 2001.

Accounting standards are often applicable to four primary domains. The initial relationship pertains to the delineation of the components of financial statements or other pertinent information. The subsequent relationship concerns the determination of documenting transactions and their categorization into assets, liabilities, and other categories, in accordance with accounting rules and definitions. The subsequent relationship pertains to evaluation and measurement. Accounting rules serve as a medium for calculating all financial reporting indicators during the course of transactions and when the information is presented (Dewi & Dewi, 2019).

The presentation of financial statements necessitates the recognition of their role as a medium for identifying each report indicator, which is also the third item in the standard. The presentation and disclosure of financial statements constitutes the final item. This fourth element is evidently a requirement for the disclosure and presentation of financial statement data. The balance sheet and profit/loss statement, which are the primary contents of the report, or the notes accompanying the financial statements, both have the capacity to contain information (Inasius et al., 2020).

Several previous studies have discussed the impact of IFRS adoption on the quality of financial reporting. A study by Leonitha (2018) showed that the adoption of IFRS in Indonesia improved the transparency of accounting information. Another study by Cwyl, J. (2022) in South Korea also demonstrated similar results. However, there are also contradictory findings, such as those by Rahman et al. (2019) in Malaysia, which indicated that IFRS adoption did not significantly affect the transparency of financial reporting. These differing results highlight the need for a comprehensive study in the Indonesian context, particularly using a Systematic Literature Review approach.

METHODS
This research employs a qualitative research method of library research to explore the comparison of transparency of accounting information before and after the adoption of IFRS in Indonesia. In the context of comparison, library research can provide numerous secondary data sources that offer references to support research and strengthen research discussions. Library research can obtain references and documents that contain data that has been tested for validity (Sugiyono, 2018).

Library research is a It is a method of collecting library data, reading and recording, and processing research materials. The study is carried out by collecting discussion topics, looking for supporting information, emphasizing the focus of research, and organizing information materials, as well as finding reference materials relevant to the topic of discussion (Zed, 2004).

RESULT AND DISCUSSION
Since January 1, 2012, Indonesia has adopted the International Financial Reporting Standards (IFRS) in its entirety. However, as of January 1, 2010, 19 new Public Sector Accounting Standards (PSAS) and 7 new International Accounting Standards (IAS) have adopted IFRS, marking the start of the gradual implementation of IFRS. One of the commitments made by the Indonesian government as a member of the G-20 forum is IFRS convergence. The potential impact of IFRS adoption on the enhancement of accounting data quality in Indonesia remains a subject of ongoing debate and critical study, akin to the ongoing discourse in other countries. The extant research on the impact of IFRS adoption on the quality of accounting information has yielded contradictory findings (Prasetyawati et al., 2023).

The implementation of an IFRS-based approach to accounting treatment, characterized by its emphasis on enhanced rigor and transparency in accounting principles, has the potential to mitigate the prevalence of accounting information asymmetry between management and external stakeholders, such as creditors or investors, who are typically privy to internal company data. This phenomenon, termed "information asymmetry," arises when management possesses a greater degree of access to internal data compared

to external parties. This privileged information can be exploited by management to manipulate accounting data, with the aim of enhancing the company's reputation and attracting additional creditors or investors. Earnings management, defined as the practice of manipulating financial statements to temporarily improve or worsen a company's performance, is a form of this manipulation (Harahap et al., 2022).

The International Accounting Standards Board (IASB) established the International Financial Reporting Standards (IFRS) to establish accounting principles that are globally applicable and comprehensible to financial statement readers across various international contexts. Multinational corporations leverage IFRS to formulate transparent, consistent, and globally comparable financial statements, thereby empowering stakeholders with reliable information for decision-making. Moreover, IFRS establishes guidelines to mitigate unethical earnings management techniques and promote fair and honest accounting practices. According to the IAI statement, the integration of PSAK with IFRS is a three-step process (Vinella et al., 2022): First, the adoption period (2008-2010) involved a concerted effort to implement all International Financial Reporting Standards (IFRS) in the PSAK. This stage also entailed the preparation of the necessary infrastructure and an assessment of the impact of adoption on relevant PSAK. Second, the final preparation (2011) marks the initiation of the implementation of IFRS-based PSAK in stages, following the completion of the necessary infrastructure. Third, the implementation phase (2012), marks the full implementation of the IFRS-based PSAK, overseen meticulously by the IAI.

The initial full adoption of IFRS necessitates the implementation of the comprehensive toolkit and its translation, as stipulated by the Financial Accounting Standards Board (DSAK). Subsequent adoptions are contingent upon the modification of the prevailing circumstances within the adopting nation. A notable aspect of IFRS adoption is its piecemeal implementation, which entails the adoption of a standard in stages. Consequently, there is a paucity of research elucidating the impact of IFRS implementation on the quality of accounting information. Since 2010, Indonesia has been implementing IFRS in a gradual manner, with the intention of fully adopting it by 2012.However, research on the impact of IFRS adoption in Indonesia on the quality of accounting data remains scarce. The objective of this study is to ascertain whether the progressive adoption of IFRS in 2010 has led to an enhancement in the quality of accounting data provided by Indonesian public companies (Petra, 2021).

The hypothesis that accounting standards, particularly IFRS, alone are not sufficient to improve the quality of accounting information is supported by empirical data (Susilo, 2018). This claim is supported by the findings of a study by Yuniarso & Lako (2019) that determined the quality of accounting information is determined by the institutional environment of preparers of financial statements and not by standards. This assertion is of particular significance given that the design of IFRS is intended for institutional environments characterized by common law customs (Yuniarso & Lako, 2019). The conceptual underpinnings of IFRS bear a notable resemblance to accounting standards prevalent in common law countries (Anida, 2023), underscoring the ongoing significance of IFRS's study in countries with a code law tradition.

The financial system model of code-law countries is generally characterized by its stakeholder-orientation (Susilo, 2018). To ensure uniformity, regulatory bodies, under state control, establish accounting standards through a complex network of rules and regulations. Capital markets have become a secondary funding option due to the significant reliance on banks for corporate funding (Susilo, 2018). The primary emphasis of financial reporting is on lenders and taxes, owing to the substantial

involvement of the government in establishing accounting practices and the pervasive influence of banks in the domain of corporate funding. Conversely, the financial systems of common law countries are predominantly focused on shareholders. Private professional organizations that utilize generally accepted practices as the principal foundation for the standard-setting process are responsible for creating accounting standards. Given the pivotal role of capital markets in corporate finance, financial reporting ought to encompass public transparency.

In the context of international business literature, Indonesia is classified as a nation that falls within the ambit of the code law country group (Yacub & Gamayuni, 2020). Research conducted by Yuniarso & Lako (2019) has indicated that countries belonging to this group characteristically exhibit deficiencies in their legal systems and offer a substandard level of investor protection. The prevalence of concentrated ownership in Indonesia can be attributed, at least in part, to the inadequacy of investor protection measures. The findings demonstrate a high percentage of majority shareholder ownership, are consistent with this observation. To meet their financial demands, countries in the code-law country group tend to rely more on banks than capital markets.

Compared to common law, code law countries place less emphasis on the need for public disclosure due to these different aspects of the institutional context. The implementation of International Financial Reporting Standards (IFRS) may be hindered in its efforts to improve the quality of accounting data. Sinatra et al. (2022) found that when IFRS is applied in an inappropriate institutional environment, the quality of accounting information is not significantly improved. This finding aligns with the assertion posited by Yuniarso & Lako (2018) that the specific characteristics of a nation determine the impact of IFRS implementation on the quality of accounting information.

Table 1: Variations in Indonesia's accounting practices before and after adopting the International Financial Reporting Standards (IFRS)

NO	BEFORE	AFTER
1	The valuation is based on the Statement of Financial Accounting Standards	The valuation is based on fair value
2	The implementation principle is based on rules	The implementation principle utilizes a principle-based approach
3	It is important to note that there is a possibility that the company's financial data may not be updated when made available to external parties	Reports disseminated to external audiences must exhibit factual proximity to internal reports

Source: (Suhartono, 2018)

Under the previous rule-based system, financial statements in Indonesia were often criticized for being untimely and lacking transparency, which limited their informational value for stakeholders. The adoption of IFRS, with its principle-based approach and fair value orientation, aims to produce financial reports that are more relevant and reliable, as well as reflective of current economic conditions.

An examination of the table reveals at least three differences that have been identified in the accounting system in Indonesia both prior to and following the implementation of the International Financial Reporting Standards (IFRS). Among these differences are: First, PSAK, which was originally based on Historical Cost changed its paradigm to Fair Value based. The primary motivation behind this shift was to align the principles of financial reporting with those of International Financial Reporting Standards

(IFRS). A key tenet of the new framework pertains to the reassessment of the accuracy of assets, liabilities, and equity, which is to be conducted based on the present value. A notable implication of this change is the necessity to revalue assets, particularly in instances of asset impairment, to ensure the accuracy of financial statements. Second, PSAK which was originally more Rule Based (as USGAAP) changed to Principle Based. Rule-based systems are characterized by the clear delineation of boundaries, as exemplified by the determination of materiality, where a threshold of 75% is typically considered material. In contrast, the principle-based approach adopted by IFRS (International Financial Reporting Standards) involves the adoption of principles from the updated PSAK to regulate the accounting policies of companies. These principles serve as a reference for accountants and management, providing a basis for the formulation of accounting policies. Third, the update PSAK to bring transparency. In this case, the report issued to external parties must have sufficient factual proximity to the internal report. The company must issue important and significant disclosures so that readers of reports issued to external parties can analyze the company with better facts.

A substantial body of research has been conducted in Indonesia on the implementation of IFRS adoption and the significance of accounting information in the country. According to research conducted by Yuniarso & Lako (2018) the implementation of IFRS exerts a considerable impact on businesses, particularly with regard to their financial reporting. The objective of incorporating international accounting standards into domestic accounting standards is to generate highly accountable financial statements and more precise and pertinent information from the company's financial statements. This integration fosters greater comparability among financial statements, thereby providing reliable data for evaluating the company's assets, debt, equity, income, and expenses.

This discrepancy can be attributed to the fundamental nature of IFRS as a principles-based standard, which has the capacity to enhance the value of accounting information. The objective of IFRS is to provide a more precise depiction of a business's economic position and performance by facilitating the measurement of fair value. This enhanced precision in financial reporting is intended to support the decision-making process of investors. In comparison to local accounting rules, IFRS demands a more comprehensive disclosure of the financial situation. According to the stated objective of IFRS, which is to ensure that a company's internal financial statements for the period included in the annual financial statements contain accurate and transparent information to help shareholders avoid poor decision-making, the IFRS is intended to help shareholders make informed decisions (Shinta & Suyanto, 2020).

Meanwhile, Khairani (2018) asserts that the value of accounting information is equally relevant both pre- and post-implementation of IFRS as a whole. This requirement is based on the idea that IFRS adoption will not always run smoothly to improve the quality of accounting information value, especially in countries that are considered to have inadequate legal protection. The Indonesian economy has been influenced by global economic conditions, which have led to a decline in the worldwide financial situation from 3.1% to 3.0%. The high liquidity of listed companies, active trading, and strong financial performance support this condition, and are accompanied by a decrease in the prices of goods that fluctuate in an unstable environment. The global economic cycle and order have undergone significant changes, which have had a profound impact on this phenomenon. The most salient change is evident in the global economic landscape, characterized by the sustained positive growth of affluent economies in comparison to the rest of the developing world. A further shift is evident in the cyclical fluctuations of product prices within the market, which have exhibited a downward trend consequent to the United States' termination of its accommodating monetary policy. This development signifies the genesis of a transition in global capital flows.

CONCLUSION

A comparison of the suitability of accounting information value both prior to and following the implementation of the International Financial Reporting Standards (IFRS) regulations in Indonesia reveals no significant alterations. The adoption of IFRS has been demonstrated to enhance the quality of accounting information, particularly in countries with perceived inadequacies in legal protection and excessive bank control over funding. This phenomenon is further compounded by the global influence on the value of accounting information, a situation that is particularly salient in Indonesia. The high liquidity of listed companies, active trading, and strong financial performance suggest that the latest shift may signal impending changes in global capital flows.

This research is not without its limitations, as the utilization of information in this writing only includes secondary information and does not involve a direct review of specific subjects. Therefore, a number of suggestions are put forward for future researchers. For researchers who may undertake a similar study, it is recommended that they develop research objectives that are more focused on the specific aspects of the study. Researchers must understand the focus of the study to be studied by multiplying literature studies related to the focus of the study to be researched.

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