FIRM ATTRIBUTES AND IFRS COMPLIANCE LEVEL OF FINANCIAL SERVICE FIRMS IN NIGERIA

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Abstract
The study examines the impact of firm attributes on the compliance with International Financial Reporting Standard using selected listed financial service firms in Nigeria. The study employs quantitative research design and sourced data from secondary sources using annual reports and accounts of 56 listed financial firms for a nine-year period of study, 2013 to 2021. Compliance checklist was adapted from international accounting standard number and compliance levels were scored using unweighted and weighted approaches based on content analysis. Firm attributes was proxied by, firm's age, profitability, liquidity and leverage. Panel least squares estimation techniques were employed. The study found that Firm's age positively affects IFRS compliance level of financial service firms in Nigeria. It also found that profitability and leverage negatively affect their IFRS compliance level while liquidity has no significant impact on IFRS compliance level of financial service firms in Nigeria. The study concludes that firm characteristic should be considered in determining the IFRS compliance levels by the listed firms in Nigeria. Hence, the study recommends that these factors should be given adequate attention by the Financial Reporting Council of Nigeria, Central Bank of Nigeria and Nigerian Exchange Group Plc (NGX) formerly Stock Exchange Commission in ensuring the IFRSs compliance among the listed financial firms in the country.

Key words: IFRS, compliance level, firms attributes, NGX, Panel least squares estimation

1. Introduction

The International Financial Reporting Standard (IFRS) is one that has given a uniform face lift to financial reporting globally. Especially as it became a necessary condition for effective participation in the global economic space of today (Taiwo & Adejare, 2014 in Osemwegie-Ero, Atarere & Erhirhie 2019). Thus, the adoption of IFRS by firms is considered a very important change and development that the financial reporting sector has ever witnessed (Daske, Luz, Christino, Rodrigo, 2008). Advocates of IFRS have argued that embracing it has advantages such as enhancement of comparability and reliability of financial statements, improvement of transparency of corporations, cross-border investment encouragement and improvement efficiency of capital market (Glaum, Schmidt, Street, & Vogel, 2013). The call to adopt a single set of accounting standards, such as the IFRS set up by International Accounting Standard Board (IASB), worldwide has been on the increase. Presently, many countries have legislated on the adoption of IFRS or made it a policy to combine IFRS and local accounting standards. Though there are several items to mandatorily disclose once a company has expressed unreserved statement of compliance with IFRS, there are other information that such a company should voluntarily disclose.

Recently, both accounting researchers and regulators have shown agreat interest in the factors that encourage companies to comply with both mandatory and voluntary information disclosure requirements.

Thus, with the need for accounting disclosures in place, regulators are trying to ensure transparency and accuracy of financial information through increased content disclosure and setting up enforcement mechanisms in order to ensure that companies comply with the disclosure requirements. It is believed that comparability would be enhanced through it and, by implication; financial statements too will be more useful for business decision making (Brown, 2011). Against these backdrops, earlier empirical researches suggest that cost of equity capital (Botosan & Plumlee, 2002; Francis, LaFond, Olsson, & Schipper, 2005), investors' welfare (Gao, 2010) and debt cost (Francis et al., 2005) are some of the factors that influenced and affected disclosure. Also, the compliance level has been attributed to many factors which varied from country to country. For instance, Bova and Pereira (2012) showed a positive significant relationship between IFRS compliance and foreign ownership among the firms in Kenya. While Fekete, Matis, and Lukács (2008) reveal that such type of industry and corporate size are factors that influence the level of IFRS compliance most significantly among the Hungarian listed companies. Adhikari & Tondkar (1992) discovered that the required disclosure details and quality vary significantly. Similarly, Street & Bryant (2000) have shown evidence that companies listed in US complies with International Accounting Standard disclosure requirements more than those that are not listed or without filing.

The above gaps of mixed results among the various writers, differences in compliance levels in geographical locations such as the developed climes and the developing ones, for instance, Africa with Nigeria in particular, is a motivation, for the study which the writers, intends to fill. Also, the fact that Nigeria have adopted and mandated her use of the IFRS, does not necessarily mean that the disclosure requirements will be complied with fully. This implies that the fact that a country making adoption of IFRS mandatory does not translate to automatic homogeneity between the expected outcomes and actual implementation. This means formal IFRS compliance and *de facto* compliance are two separate things; the *de facto* compliance could face challenges (Khaled & Hichem, 2016). This again is another motivation for the study, more so, the socio-cultural environment of developing nations is unique and their professional and regulatory bodies are less effective than those of the developed countries (Dahawy& Conover, 2007). Against this backdrop, the study's main objective is to examine firm attributes (proxy by firm's age, profitability, liquidity and leverage) and the effect on IFRS compliance level by financial service firms in Nigeria. The choice of this sector is prompted by the early adoption of IFRS by firms in the financial industry. Other sections of the work are organised as follows: section 2 is on review of literature and theoretical framework, section 3 presents the methodology while 4 and 5 examines data; research findings and concludes the study.

2. Literature Review

2.1 Conceptual review

The International Financial Reporting (IFRS) concept is a set of accounting rules for financial statements of public companies that seeks to make them consistent, transparent, and easily comparable globally. It currently has complete profiles for 166 jurisdictions, including those in the European Union. The adoption became necessary when the European Parliament adopted the regulation of consolidated accounts of listed companies, including banks and insurance companies. On February 27, 2006, the Financial Accounting Board (FASB) and IASB together signed a memorandum of understanding to set up

common accounting standards of a high quality for stock markets globally (Tyrrall, Woodward, & Rakhimbekova, 2007).

IASB is a London-based board; it develops international accounting standards. The board set up IFRS and emphasises the need for standards with principles that are sound and clearly stated. This is why the standards are also said to be principle-based. These standards differ from national standards. For instance, the United States has national accounting standards. These standards have more application rules or guidance, which is why the standards are said to be rule-based sometimes. The US also has the Generally Accepted Accounting Principles (GAAP). This, however, is not really the case; the US standards too are principle-based although they have more application rules or guidance. IFRS do not make clear differences regarding the several circumstances which require distinct accounting requirements. This does not in achieving specific accounting impacts through structuring of transactions. A school of thought argues that because IFRS are based on principles primarily, they centre on the fundamental obligations and rights and economic objective of a transaction; it does not provide any descriptive guidance or rules.

The countries usually consider the advantages of IFRS, with regard to equity markets in most cases, before deciding to adopt it eventually instead of the initial standards used (Brown, 2011; Daske et al., 2008). This might explain why scholars have measured equity markets as a means of evaluating the degree of advantages (Al-Htaybat, 2017; He & Lu, 2018; Tyrrall Woodward, Rakhimbekova, 2007). Therefore, in 2012, Nigeria in a bid to align herself with world best practices (in accounting and financial reporting), adopted the IFRS, and took the step further by making it compulsory for certain firms in the country.

2.1.1 Firm Attributes

Firm attributes sometimes referred to as firm characteristics, are specifics and features such as company age, profitability, liquidity, leverage, industry type, geographical location, tangibility, nature of business among others which may distinguish a company from another (Akinsulire, 2011). Thus, the study is specific of those exclusive factors (age, profitability, liquidity, leverage, industry type) that standthe firm out, as they relate to the IFRS.

a Company Age and IFRS Compliance

Ponce, Hlacius, Mates and Maciuca, 2016) revealed that the financial report's quality is influenced by the length of time in which a firm is listed on the stock market. Glaum and Street (2003) also stated that a company's compliance with the disclosure requirements of IFRS is influenced by company age. In their comparison of younger and older companies, they contend and argue that there is a tendency that younger companies' managers would not have adequate experience to run a listed company and to comply with requirements. As a result of this, they argue that there is the tendency for the accounting systems of younger companies to be inadequate because of the lower quality of their disclosures and accounting, while older companies, on the other hand, have the tendency of possessing standardized accounting systems and higher disclosures and high-quality accounting systems due to more experienced staff and managers. Glaum & Street (2003) also posit that the business establishment of younger companies may focus on development of market and product instead of focusing on accounting.

The above results imply that older listed NXG companies tend to have higher levels of IFRS compliance than younger ones. This prediction is supported with two arguments. The first is that older companies are mature and have adequate experience; there is a high possibility of them using experienced and qualified

staff and standardized systems of accounting. As a result of these qualities, older companies tend to achieve higher level of disclosure compliance than younger ones (Fernandes, 2017; Rahman & Hamdan, 2019; Uyar, Kilic, Ataman, & Gokcen, 2016). The other argument is that if younger companies disclose some information like new products, development expenditures, research, and capital expenditures, they have a high tendency to have competitive disadvantage because their competitors could use the information which they disclosed and improve on it. In the long run, the younger companies would be at the losing end. However, disclosing such information may not affect older companies because they already enjoy competitive advantage and have a high position in the market (Owusu-Ansah, 1998; Al-Sammari, 2005). *The study therefore does not predict a relationship between company age and IFRS compliance.*

b Company Profitability and IFRS Compliance

The study defines profitability as the ratio of net income before tax to total shareholders' equity. Most studies usually use Return on Equity (ROE) profitability in showing the relationship to IFRS compliance because it is a firm size's variable. Though the political costs of profitable firms tend to be very high where the financial statements they published are IFRS compliant, this usually enhances reliability. In addition, if they comply with IFRS, this is a signal of the reported profits' reliability and compliance. Again, where management complies and discloses to the stakeholders, it shows a positive relationship between profitability and disclosure index, this could be explained by the company's broader social responsibility programmes. Profitable firms reveal their social contributions to the community by disseminating their social information (Haniffa & Cooke, 2005). Although other studies (Dumontier & Raffournier, 1998; McNally, Eng & Hasseldine, 1982) believe that compliance disclosure and profitability are not dependent on each other. *Thus, our hypothesis states that there is no relationship between a company's profitability and IFRS compliance.*

c Liquidity and IFRS Compliance

Often, the concern that companies whose liquidity ratio is lower must allay the lenders and investors' fear is common. It must also meet the lenders and investors' informational needs on the ability of the company to fulfil its short-term financial obligations while it does not cease operations, nor its long-term assets are liquidated. For this reason, there is a tendency of higher disclosures in annual reports by companies having lower liquidity than companies having higher liquidity (Wallace &Naser, 1995). Hence more disclosures are expected from companies having a lower liquidity to comply more with disclosure requirements of IFRS than those with higher liquidity. However, the managers of financially buoyant companies, since they have no reason to hide anything in their financial reports, tend to disclose more information and have higher disclosure levels than lower liquidity ones (Kahled & Hichem, 2016). Therefore, companies with lower liquidity find it difficult to get capital from bank compared to those with higher liquidity (Wallace & Naser, 1995), even though their financial situation is good enough to fulfil their short-term obligations (Fernandes, 2017; Gonçalves & Lopes, 2014; Hossain & Reaz, 2007). *Thus, the study predicts that there is no relationship between a firm's liquidity and her IFRS compliance level.*

d Leverage and IFRS Compliance

Leverage can be defined as the firm's year-end total liabilities divided by total assets. Some studies have suggested that disclosure level is significantly influenced by leverage, for instance, the study by Sengupta (1998) reveals that companies whose disclosure is high have a lower debt issuance cost; this supports the views that default risk perception is reduced by disclosures. Similarly, Zarzeski (1996) shows a

correlation between higher quality of disclosures in annual reports and lower debt ratios. According to her, this is due to the fact that the basic capital source is the bank in several countries (Switzerland, Germany, etc.) and disclosures largely concern private companies. However, this argument ignores the public debt markets where more financial information from public companies is requested by public debtors sometimes (Mbir, Agyemang, Tackie, & Abeka, 2020). Previous research on financial disclosures usually use leverage as a common feature of firms. Jensen and Meckling (1976) argue that companies which are highly leveraged make higher disclosures for the purpose of cutting down the cost of monitoring. Similarly, Malone et al. (1993) contend that managers try to satisfy the shareholders' information needs in case of low leverage ratio, but there is higher disclosure when the leverage ratio is high. This is supported by Abd-Elsalam (1999) who also posits that firms are highly leveraged for agency cost reduction, and this results in more disclosure. Zarzeski (1996) states that firms, whose debt ratio are high do disclose to their creditors more private information. Therefore, there is lower discloser because the creditors have been given direct information already. From the foregoing, the *study does not predict that a company's leverage's influences on compliance with IFRS disclosure.*

2.2 Empirical Review

Results of empirical works on the association between the levels of a company's age and IFRS compliance have been mixed. Owusu-Ansah (1998) discovers that there is a significantly positive correlation between company age and mandatory disclosure among Zimbabwean listed companies. However, Glaum & Street (2003) reveal that there is no significant association between IFRS compliance levels and company age among Germany's New Market companies. Same with Al-Shammari, Brown, Tarca (2008) who found out that the level of compliance with IFRS is not significantly influenced by company age in the full Gulf Cooperation Council (GCC). On company profitability and IFRS compliance, there are a quantum of research work done on the relationship between disclosure level and profitability of companies with conflicting results. For instance, Wallace and Naser (1995); Wallace, Naser & Mora (1994) both reveal that the duo is significantly related, but Dumontier and Raffournier (1998) showed that they are not related. Similarly, Glaum, Schmidi, Vogel and Street (2013), Street and Gray (2002) and Street and Bryant (2000) discovered that there are no relationship between compliance with IFRS disclosure and company profit. In the same vein, previous research has investigated the link between compliance and profitability with mixed findings. For instance, the findings of Jibril (2019) reveal that profitability and compliance with IFRS have a significant relationship while Al-Mutawaa and Hewaidy (2010), Street and Gray (2002), Dumontier and Raffournier (1998) and Tower et al. (1999) discover that the relationship between the two is insignificant. In addition, Hodgdon, Tondkar, Adhikari, and Harless, (2009), and Guerreiro, Rodrigues, and Craig, (2008) showed that there exists a negative correlation between profitability and IFRS compliance.

Other studies on the relationship between profitability and disclosure show conflicting findings. For instance, Wallace & Naser (1995), and Singhvi & Desai (1971), reveal that disclosure level and profitability have a significant relationship. By contrast, Dumontier and Raffournier (1998), McNally, Eng and Hasseldine (1982) do not find any relationship between the two. Work on

liquidity and IFRS compliance by Wallace et al. (1995) on Spanish companies, reveals a significant negative relationship, which conflicts with work of Dumontier, and Raffournier, (1998), who find a statistically insignificant positive association between the two variables. However, Al-Shammari et al. (2008) and Owusu-Ansah & Yeoh (2005) reveals there is no correlation between the two variables.

Furthermore, on firm attribute: leverage and IFRS Compliance, results of Kahled and Hichem, 2016, reveals that agency cost is increased by higher leverage, and agency cost and information asymmetry between the managers and debt holders could be reduced with IAS compliance.

Other studies, however, have found contrasting findings on the relationship between IFRS compliance and leverage. For instance, the study of Al-Shammari et al. (2008) reveal that compliance with IFRS and leverage are positively related while Kim et al. (2011) reveals that the two variables have a negative correlation. Also, findings of Al-Mutawaa & Hewaidy (2010), Hodgdon et al. (2009), Murphy (1999), Dumontier and Raffournier (1998) showed that an insignificant correlation exists between the two variables.

Other studies on the relationship between disclosure level and gearing have shown mixed results over time. Scholars such as Barako, Hancok, Izan,(2006); Naser, et al. (2002), Wallace et al. (1994), Schipper (1981), and others, find a positive association between the two, but this is different for others who reveals that a negative association exists between them. Thus, the study used leverage as a control variable.

2.3 Theoretical Review

The study adopts the Agency theory in explaining the relationship among the variables studied. Thus, the work adopts and is hinged upon the agency theory. This theory was developed in the economics literature in the 1960s and 1970s (Namazi, 2013) and was developed by Jensen & Meckling (1976). It has the tenets of Principal-Agent relationship. The Agency Theory primarily relates to situations in which one person (the agent) is engaged by another person (the principal) to act on his/her behalf. In this case, the state officers charged with the responsibility of budget execution take managerial decisions and actions on behalf of the governments which serve the needs of the public. Both the agents and the principal are utility maximizers motivated by pecuniary and non-pecuniary items that cause incentive problems under conditions of uncertainty and information asymmetry.

When the principal is well informed about the actions of the agent, then it becomes more possible to curb agent opportunism and thus the agent is bound to act and behave in the interests of the principal. The agency model explains the central problems in hierarchical interactions between budget participants in policy implementation and policy-making concerns hence the role of city county governments in service delivery to the public. It also concerns problems that arise when the city county budget participant's conflict and when both the agents and the principal have different attitudes and preferences towards risk

The agency cost refers to the addition of residual loss, bonding cost, and monitoring cost. The agency relationship causes the problem of information asymmetry because the managers have more access to information than the shareholders do (Jensen & Meckling, 1976). One of the ways of attenuating this problem is optimal contracts which help harmonise the interests of both the managers and those of the shareholders (Healy & Palepu, 2001). Another way is through voluntary disclosure. By revealing more voluntary information, the agent costs are reduced (Barako et al., 2006) and the external users are convinced by this of the maximal actions of the managers (Watson, Shrives, & Marston, 2002).

Agency problem is also reduced through regulations because a full disclosure of private information is obligatory on the managers (Healy & Palepu, 2001). Al-Razeen & Karbhari (2004) have, however, argued the full disclosure is not sure even when there are regulations. The divergence between shareholders and managers' interests can be explained by lack of full disclosure (Lev & Penman, 1990). Furthermore, the rationale behind corporate reporting regulations is to help investors have access to the minimum amount of information which they need to make their business decisions (Al-Razeen & Karbhari, 2004).

3. Methodology

The study adopts the ex post facto research design and used secondary data which was got from annual financial reports of financial service firms listed in the Nigeria Exchange Group. A total of fifty-six (56) financial firms, for a period of nine years, from 2013-2021 (see table 1) was used. The Panel least squares regression was employed as inferential statistics, while mean, minimum, and maximum and standard deviation was employed as descriptive statistics of the study. The study adopts weighted average index method following earlier research studies (Bova & Pereira, 2012; Glaum et al., 2013; Hodgdon et al., 2009; Street & Gray, 2002). The compliance index was developed based on IAS 1: Presentation of Financial Statement. The study considers the level of compliance from quality and extent perspectives. The quality compliance level was done by assigned weight to the level of disclosure. This was considered on the measurement of 4 Likert scale, using 0 for noncompliance, 1 for qualitative disclosure, 2 for quantitative disclosure and 3 for both quantitative and qualitative disclosure. In addition, the extent of compliance was determined using dichotomy, that is, 1 if the company complied and 0 if otherwise.

Table 1: List of financial service companies listed on NGX floor as at 1/1/2012

S/N	Sub-Sector	Number	Percent
1	Bank	15	26.8
2	Insurance	30	53.6
3	Mortgage	2	3.6
4	Micro Finance	3	5.4
5	Others	6	10.7
6	Total	56	100

Source: Authors Compilation, 2022

3.1 Model Specification

Flowing from the theoretical framework and extant literature, this study specified the model as;

IFRS Compliance = ƒ(Firm Attributes) ……………………………………...................(1)

IFRSC = ƒ(Firm Age, Profitability, Liquidity, Leverage) ………...............……….. (2)

In econometric form:

$IFRSC_{it} = \beta_0 + \beta_1 FAGE_{it} + \beta_2 PROF_{it} + \beta_3 LIQ_{it} + \beta_4 LEV_{it} + \varepsilon_{it}$…………....(3)

Where: IFRSC= IFRS Compliance level; β_0 = Constant; FAGE= Firm Age; PROF = Profitability; LIQ = Liquidity; LEV = Leverage; $\beta_1, \beta_2, \beta_3, \beta_4$ = Coefficient of explanatory variables; ε = Standard error; i = Cross sectional (Companies); t = Time Series; A priori expectations in with extant literature to be $\beta_1, \beta_2, \beta_3, \beta_4 > 0$

4. Results and Discussion

4.1 Descriptive Statistics

Table 2: Summary of descriptive statistics

Variables	Mean	Median	Max	Min	Std. Dev.	Obs
IFRS Compliance	0.604	0.6068	0.8013	0.3269	0.0786	495
Age	32	27	75	1	17	495
Profitability	0.1114	0.0981	0.9977	-0.2866	0.1156	495
Leverage	4.9428	0.8396	327.4877	-9.6000	26.4104	495
Liquidity	6.3188	0.2966	144.0523	-0.0752	15.7285	495

Source: Authors Computation, 2022

From Table 2, the average IFRSs compliance level among the listed financial firms in Nigeria stood at 60.4% while the maximum level of 80.1% level of IFRSs compliance out of about 85 compliance items utilised by this study. The implication of this is that there is need for more monitoring effort by the regulatory authorities such FRCN, CBN and NGX in ensuring adequate compliance among the listed financial services firm in Nigeria in the period under study. The means of Age, profitability, leverage, and liquidity stood at 32 years, 0.1114, 4.9428 and 6.3188, respectively.

Table 3: Correction Coefficient Matrix

	IFRS Compliance	Firm Age	Profitability	Liquidity	Leverage
IFRS Compliance	1				
Firm Age	0.2399*	1			
	0.0000				
Profitability	-0.0733	-0.2476*	1		
	0.8985	0.0000			
Liquidity	0.0518	0.1512*	-0.05280	1	
	0.9976	0.0154	0.99700		
Leverage	-0.1691*	-0.0592	0.11010	0.0084	1
	0.0033	0.9876	0.26040	1.0000	

Note: *indicates level of significance at 1%, 5% and 10% correspondingly

The table above shows that relationship between variables used in the study. Further, the study also shows that there is absence of multicollinearity issue. As observed the association between the variables of the study was below the 0.8. This implies that the variable is free from multicollinearity problems (Studenmond, 2014).

4.2 Regression results

Prior to the estimation of the model of the study, the Hausman Test was carried out to know which effect specification to read the result from.

Table 4: ***Hausmantest of effect specification***

Effects Test	Statistic	d.f.	Prob.
Period F	0.220510	(2,102)	0.8047
Period Chi-square	0.869321	2	0.6475

Source: Authors' computation, 2022

Table 4 present the result of the Hausman test, HM (2,74) = 0.220510, p = 0.8047. Leaning on this result, the study ignored the fixed effect model at 5%, therefore accepted the random effect model of the panel least squares the regression.

Table 5: Panel least squares (random effect)

Variables		Dependent variable: IFRS Complaince			
		B	S.E	t-Stat.	Prob.
Constant		16.9471	12.8123	1.3227	0.2432
Firm Age		0.6237	0.2863	2.1771	0.0345**
Profitability		-0.1663	0.5650	-2.9428	0.0050**
Liquidity		0.0112	0.0194	0.5650	0.5648
Leverage		-0.0465	0.0196	2.3648	0.0214**
R-squared	0.811201				
Adjusted R-squared	**0.769286**				
S.E. of regression	**0.204215**				
F-statistic	31.263721				
Prob (F-statistic)	0.001603				
Durbin-Watson	2.048				

Result from the regression result (random panel least squares) revealed that Firm age have positive impact on IFRS compliance, $\beta_1 = 0.6237$; SE = 0.2863, p = 0.0345< 0.05. This implies that as a financial service firms becomes old the more they company with IFRS.This finding is in dissonance with previous studies of Fernandes, 2017; Rahman & Hamdan, 2019; Uyar et al., 2016. As regards profitability, it was revealed that as financial services firms becomes more profitable, they tends not to comply with IFRS in order to avoid some reporting need, $\beta_2 = -0.1663$; SE = 0.5650, p = 0.0050< 0.05. This finding is consist with the previous studies of Hodgdon et al., 2009; Hodgdon et al., 2008; Hossain & Reaz, 2007; Jibril, 2019; Khaled & Hichem, 2016. The study also found that liquidty have no significant impact on IFRS complaince of financial service firms in Nigeria, $\beta_3 = 0.0112$; SE = 0.0194, p = 0.5648> 0.05. This finding is not consistent with previous studies of Fernandes, 2017; Gonçalves & Lopes, 2014; Hossain & Reaz, 2007.

Lastly, leverage as a measure of risk reveals an inverse association with extent of IFRS complaince among the listed financial service companies in Nigeria at 5% level of statistical significant. It is reasonable to believe that companies that face significant risk would not like to disclose those risk in order to present negative reaction stakeholders. The finding is consistent with findings from prior studies of Jensen & Meckling, 1976; Mbir, Agyemang, Tackie, Abeka, 2020 that revealed that those charged with government would manage and doctor financial reports to hide the negative information.

4.3 Summary and Conclusion

The study examined the impact of firm attributes on IFRSs compliance among financial service firms in Nigeria. The result from the analyses reveal that firm age is positively and significantly affect the IFRSs compliance among financial service firms in Nigeria. The study further found that profitability and Leverage negatively affects IFRSs compliance among financial service firms in Nigeria. While liquidity have no impact on IFRSs compliance among financial service firms in Nigeria. Hence, the study recommends that these factors should be given adequate attention by FRCN, CBN and NGX in ensuring the IFRSs compliance among the listed firms in the country. Following the adoption of IFRS in 2012 by the Nigerian government and following the series of codes of corporate governance, the country aimed to strengthen the level of disclosure among the listed companies. The current study examined the relationship between firm’s and their compliance with the IFRS standards. The findings from this study have some implication and contribution to corporate reporting as it provides recent findings that complement earlier studies. This study also extends the frontier of knowledge by considering these potential determinants of the level of IFRS compliance among the listed companies in the financial services sector in Nigeria. It becomes expedient to make recommendations that a firm’s age, profitability, liquidity and leverage should be given adequate attention by FRCN, CBN and NGX in ensuring theIFRSs compliance among the listed financial firms in the country. Those charged with government should take adequate measures in ensuring that annual reports and accounts contain appropriate disclosure in line with enabling financial reporting standards.

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