

# Investigating the Impact of Ownership Structure and Board Characteristics on Accounting Conservatism in Financial Reports of Iraq and UAE

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## 1. Round 1

### 1.1. Reviewer 1

Reviewer:

In the introduction, the phrase “Due to structural differences between the capital markets of Iraq and the UAE and those of developed countries...” could benefit from more specifics on what these structural differences are, supported by citations.

The hypotheses section should provide a brief rationale linking each variable to accounting conservatism based on prior empirical findings to reinforce their theoretical basis.

In Table 2, the text following the table states that "accounting conservatism in Iraq has a slightly higher average compared to the UAE." It would be beneficial to explain why this difference might exist.

The numbering of equations, particularly around Equation (1) and Equation (2), appears inconsistent in the text and should be revised for clarity and consistency.

The discussion section should elaborate on how the findings can inform corporate governance policies for regulators and corporate stakeholders in Iraq and UAE.

Authors revised the manuscript and uploaded the new document.

### 1.2. Reviewer 2

Reviewer:

The section on corporate governance discusses board characteristics extensively, but it lacks explicit mention of regional corporate governance policies in Iraq and UAE. Adding this context could enhance the theoretical foundation.

The statement “However, a review of the literature indicates that there has been no significant research on this topic in the capital markets of Iraq and the UAE.” needs stronger evidence, such as a summary of related studies and their limitations.

In the research methodology, it would be helpful to explain why family ownership (FAMOW) is included as a control variable but not analyzed as an independent variable.

The choice of panel data regression is appropriate but lacks justification regarding why this method is more suitable than alternative approaches such as fixed-effects or random-effects models.

In the results section, the finding that board size has a negative impact on conservatism in Iraq should include possible explanations, such as cultural or regulatory factors influencing board effectiveness.

The Variance Inflation Factor (VIF) values are briefly mentioned. A more in-depth discussion on the potential implications of multicollinearity for variable relationships would be beneficial.

While the study states that the Durbin-Wu-Hausman test confirms no endogeneity, discussing potential omitted variable bias or measurement errors would strengthen the robustness of the findings.

Authors revised the manuscript and uploaded the new document.

## 2. Revised

Editor’s decision after revisions: Accepted.

Editor in Chief’s decision: Accepted.