Recognition Of Revenue In Mobile Phone Companies Under IFRS 15

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Abstract:
The aim of this research is to find out the adequacy and appropriateness of revenue recognition procedures in mobile phone companies and to know how well they comply with international financial reporting standards.

The most important conclusion reached by the researcher is the lack of experience and know-how in the accounting and administrative staff working in most mobile phone companies.

The most important recommendations of the research are the need to provide an efficient accounting and administrative staff with sufficient experience and know-how in the methods of recognizing revenues generated by mobile phone companies.

Keys words: mobile phone companies•Revenues •Recognition•standards IFRS 15

Introduction:
The mobile phone companies occupy a large part of the Iraqi economic activity as they are large companies that achieve high financial revenues. Therefore, these companies have to be promoted in order to develop their work performance and tasks in line with the requirements of the International Financial Reporting Standard. And the application of this principle is facing difficulties in the field of application because of the different nature of transactions and ongoing developments that occur in the field of work environment, and this environment imposed changes in the nature of work requires companies to keep pace with the need to be...
an accountant on The use of international accounting standards in the preparation of financial statements.

The first topic: methodology of research and previous research

A - Research problem.

Many of the financial crises and scandals that have hampered the reliability and credibility of the financial statements, while the mobile revolution has transformed lifestyles and livelihood resources by contributing to the creation of new business activities and changing the way we communicate. After the frauds in recording revenue and the time of recognition, the lack of old standards and this lack of standards led to the manipulation of companies in their proven revenues and the shadowing of the current and prospective investor and the observer of the company's situation in ways that are consistent with established old standards that do not meet the new developments in the process of recognition of revenue. The multiplicity of selling and marketing methods and the multiplicity of financial and commercial transactions and their complexity made it difficult to make proper principles and procedures for all these transactions. Therefore, the problem of research is in the following questions.

1. Is there a trace of IAS 15 on accounting measurement methods?

2. Is revenue recognized in mobile phone companies consistent with the requirements of IFRS 15?

B - Objective of the research: The research aims to

1. Know the adequacy and appropriateness of revenue recognition procedures in mobile phone companies.

2. Recognize IFRS 15 and try to adapt it to the Iraqi environment.


C - The importance of research:

The importance of research stems from the importance of mobile phone companies and the role they play in the Iraqi national economy, clarifying IFRS 15 and contributing to the development of accounting systems in mobile phone companies in line with the International Financial Reporting Standard.

D - Hypothesis of research: The hypothesis of research through the following question.

The impact of IFRS 15 on accounting measurement methods is found in mobile phone companies.

Second: SOURCES OF INFORMATION COLLECTION:

Depends on
1. Relevant Arabic books.
2. Research, reports and scientific journals of Arab and foreign.

Third: Practical side:
Depends on:
1. Information gathered through research.
2. Official data.
3. Personal interviews.

Fourth: Research Sample:

Fifth: Previous research:
(A) Abu Rumman, Shadi Abdel Latif, 2014 (the impact of a standard for the recognition of revenue on accounting problems in the Jordanian contracting companies).

The objective of this research is to identify the effect of the criterion of recognition of revenue on accounting problems in Jordanian contracting companies and to clarify the role of international accounting standards in providing confidence and credibility in the financial statements of contracting companies.

And the most important findings of the researcher.

The low level of compliance of Jordanian contracting companies with the application of International Accounting Standards (IFRSs) (11), (18) when preparing financial statements.

(B) Abdalhaleem, Safwan Qusay, Jarallah, Hussain Hoshan, 2016 (Extent of application of the principle of revenue recognition for local insurance contracts under IFRS 4)

The aim of this research is to present the accounting procedures used by insurance companies and to indicate their compatibility with IFRS 4 regarding recognition of revenues, disclosure of insurance contracts in the balance sheet, disclosure of insurance contracts in the statement of income, disclosure of insurance contracts in the cash flow statement, Disclosure of risks and uncertainties in insurance contracts,

And the most important findings of the mechanism of researchers.

The insurance company recognizes the premiums received as revenue directly, irrespective of the provision of services provided under the contract, and this is inconsistent with the recognition requirements for revenue under IFRS 4. Paragraph 56 of the draft standard states that the income of an insurance contract must envisage the transfer of promised services arising from the insurance contract in an amount reflecting the services rendered.

(C) Manshid, Mohamed Assaad, 2016 (Importance of disclosure of revenue generated by electronic commerce in the economic units applied to the unified accounting system).
The objective of this study is to explain the impact of disclosure of revenue generated by electronic commerce in enhancing the ability of users of financial statements and to know the impact of revenue recognition methods on disclosure of revenue generated by electronic commerce and how to disclose them in the financial reports of the economic unit.

The most important findings of the researcher:

The need to disclose the amount of revenues generated through the exercise of the economic activities of the establishment of electronic commerce as it enhances financial data and serves the beneficiaries.

D. Mohsen, SabreenSubhi Hussein, 2017 (The Suitability of the Accounting Profession for the E-Commerce Environment in Accordance with the requirements of Standard 18 Revenue Recognition "Field Study on Local Banks Operating in Palestine)

The aim of this research was to verify the compatibility of revenue recognition processes in an e-commerce environment with the requirements of IFRS 18, where it sought to achieve a set of objectives which consisted in analyzing the mechanisms and methods of recognition of revenue resulting from the sale of goods and services in electronic commerce, Accounting used to measure revenue in an e-commerce environment.

The most important findings of the researcher:

Operations carried out in accordance with the e-commerce system are intangible and lack documentation at most stages.

Foreign Research

R.Dylag and M.kucharczyk 2011 (Recognition revenue from the construction of real estate in financial statement of developers in Poland).

The aim of this study is to study the recognition of revenue in construction contracting contracts in real estate companies in terms of applying the principles of recognition of revenues and costs associated with the implementation of non-real estate contracts. The researchers followed the analytical approach of the accounting policies applied in 19 companies.

The most important findings of the researchers'

1 - Revenue must be recognized after the completion of the contract, or completion of service to customers.

2 - The contracting companies should clarify how to prepare their financial reports, specifically matters related to recognition of revenue, including the methods used and the data used in the assessment of liabilities and profits.
Sixth: What distinguishes research from previous research?

What distinguishes research from previous research is that the recognition of revenue in mobile phone companies in light of the requirements of the International Financial Reporting Standard 15 on the mobile phone companies in Iraq and the mechanisms used in those companies to recognize revenue.

The second topic: Theoretical side.

First: Revenue

Recognition of revenue is considered as a basic accounting principle and revenue recognition requires verification of the point at which the revenue is recognized and the revenue recognition point varies according to the nature of the activity of each company.

A. The concept of revenue

FASB defines revenue as "flows into an economic unit or any increase in its assets or payment of obligations or both together created during the course of the production or sale of goods or the performance of services or any other activities resulting from the usual and continuing principal business."

SFAC6 defined revenue as a flow of new assets, an increase in the entity's current assets, a decrease in its liabilities, or both as a result of an entity delivering or producing goods, providing services, or performing any other activities, The principal or core activities of the enterprise. (Mookdee: 2013)

It is also known (other flows or enhancements of an entity's assets or obligations or a combination of the two during a certain period resulting from the delivery or production of goods or the rendering of services or the completion of activities that represent the principal or continuing operations of an entity). (Balkhawi, 2009)

It was also known (as the total increase in property rights resulting from the activity of the economic unit) (Walter and Mijes: 1989)

From the above, revenue can be defined as the cash inflows of the unit, an increase in its assets or a decrease in its liabilities resulting from the activity of the economic unit during the accounting period.

B. Revenue recognition:

The revenue is one of the basic elements of the financial statements, which makes it subject to the conditions of accounting recognition. These conditions are as follows: (Shirazi, 1990)

1 - Definition: Which should apply to the item to be proven definition of the elements of the financial statements.

2. Measurement: The individual shall have the ability to measure.
3 - Appropriate: that the information has an impact on the decisions of users of accounting information.

4 - The possibility of relying on information, that is to be honest and the possibility of verification and be neutral.

(Kieso: 2010) recognizes that revenue recognition is one of the four fundamental principles of the accounting constitution represented in the intellectual framework of financial accounting within the third level. The third level of the intellectual framework consists of concepts that implement the basic objective. How it should recognize, measure, and report on financial events and elements, and the Financial Accounting Standards Board determines most of these in its SFAC 5 conceptual statement, "Recognition and Measurement in Financial Statements of Business Enterprises." According to SFAC No. 5, it must be recognized, event element or transactions) must meet the definition of "element of the financial statements" as defined in SFAC No. 6 and must be measurable.

Recognition is recognized as an accounting process for the formal confirmation or inclusion of an item in the accounts and financial statements of a project, an item may be recognized or recognized and for the use of verification and recognition in synonyms, as is the case in some accounting literature. (Balkhawi, 2009)

Revenue is recognized in mobile phone companies according to specific and well-known terms and revenue is recognized at the point of sale.

In the opinion of (Al Hayali 2007), the absence of documentary documentation and the possibility of penetrating the company by third parties made the process of revenue recognition a questionable process. Revenue is recognized as accounting when it is recorded in the accounting records and is expressed in the financial statements in accordance with the following conditions:

1. The acquisition process is reasonably completed.

2. Finish the trade exchange process.

According to (Balqawi: 2009), recognition must include several criteria, including:

1. Definition: The recognized item conforms to the specific definition of the component before being taken into account in the financial statements.

2. Measurable: An item recognized to have a reasonable probability of being measured.

3. Relevance: The recognized item should reflect information leading to a difference in user decisions.

In the opinion of the researcher that revenue is achieved as the process of exchange of goods and services against cash and in the form of a commitment to be paid in the future, and revenue is earned when the company completes the bulk of the production process or service related to the acquisition of revenue.

Here is a chart showing the sources of revenue in mobile phone companies.
Source of the researcher's preparation

**A: The types of revenue.**

Revenue is generally divided into:

1. Regular revenues:

   Is the income generated by the sale of goods and services that represent the normal operation of the economic unit and measured by the increase in net assets of the economic unit). (Jerobo 2001: 90), which is characterized by the most important qualities (Judge and Hamdan: 2001)

   a. That they relate to the accounting period for which the accounts are prepared in the course of the project operations

   B. They are frequent from one financial period to another and thus predictable and predictable

   C. There is no doubt that these revenues are a return that corresponds to the income expenditure provided by the project or that there is a causal relationship between the revenue and the expenditure that it generated.

2. Extraordinary income:

   Is the income obtained by the economic unit away from its normal activity but by other casual activities because of administrative, legal or economic factors and thus difficult to control and predict such as (production subsidies, export subsidies, legal disputes arising in previous years, revenue generated by wars), which is revenue because it is related to the determination of the economic unit’s profit from the current period for which the accounts are prepared, and yet extraordinary revenues as they do not result from the normal activity of the economic unit (Jerobo, 2001).
Extraordinary revenue is characterized by the following characteristics:

a. It is not necessary that such income be related to the current period, but may be related to a previous financial period and only realized in the current period.

b. is not characterized by repetition, and if repeated, it will be irregular and therefore unpredictable or predictable.

There is no causal relationship between these revenues and expenditure as they arise from the presence of factors that are difficult to control.

**D- Revenue measurement.**

Revenue measurement is carried out by the fair value or the cash equivalent of the assets received. International standards are to measure revenue at fair value. The difference between US and international standards is shown.

In the case of the exchange of other goods and services similar in type and value, this process is not considered a generator of revenue, and this occurs in the case of the exchange of some commodities, such as oil as the exchange of suppliers of the inventory of the fulfillment of some of the orders on time in specific geographical areas.

Revenue is measured here on the basis of the fair value of the goods and services, adjusted for any cash or cash equivalents to be exchanged and where the fair value of the goods and services cannot be determined by way of a fair value. The revenue is measured on the basis of the fair value of the goods and services that the Company waives, adjusted with any cash or cash equivalents. (Al-Fadag: 2008).

(Hanan: 2003) That is based on the current purchase price of the acquired asset at the time of the sale or the present value of the bond paid by the buyer or the market value of the shares of the company obtained as a result of the sale.

The researcher believes that the measurement of revenue is based on the exchange value of the company's offering of goods or services to others and that the value of this swap is the amount of cash that was acquired on the date of sale or expected future acquisition of the company as rights to others.

**Second: Mobile phone companies.**

The development of the modern means of communication, which was the most important mobile phone, which had an effective impact in the community in terms of speed of communication and short distances and time and thus reflected positively on users, in addition to the phone is somewhat characterized by providing the caller an opportunity to explain his point and discuss with the caller It is not available in written communication.

Communication is defined as the transmission and reception of ideas and opinions and the exchange of skills and information to influence others.
As telecommunication networks are the gateway to the information age, some countries have
developed their telecommunications infrastructure. As a result, telephone density has
doubled. The number of lines in the Arab countries is 109 lines per 1000 people, while the
developed countries have 561 lines per 1000 people.

A study by the Al Ahram Center showed that the average mobile phone usage in the Arab
region was 44 million in 2004, reaching 110 million users. 2008 (Al-Ahram Center for
Political and Strategic Studies 2008)

A study by MasterCard and Fletchervy University of Tufts University on the 2017 digital
world index shows that the developed countries are the United States, the United Arab
Emirates, Singapore, the United Kingdom, New Zealand, Estonia, Hong Kong and Japan.

The UAE ranked 21 out of 155 surveyed by France, Spain and Singapore. The index
measures four key drivers and 170 benchmarks. (World Digital Development Index: 2017)

In another study conducted by Huawei, the UAE ranked 18th in the world and the United
States ranked first, followed by Singapore, Sweden, Switzerland, Britain, Denmark, the
Netherlands, Japan, South Korea and Norway.

This study shows that 50 countries of the study countries (155) countries that the revenue of
digital communication is 90% of the GDP (Huawei 2017 Index)

We note from the above that Iraq solved late salary within these two indicators of the service
provided and poor communication and support services to him and the lack of sufficient
attention by telephone companies quality of service provided compared to the countries of the
developed world.

Thirdly: recognition of revenue in accordance with the fifteenth IFRS.

According to IFRS 15, there are several conditions for recognizing revenue from contracts.
This standard deals with how to recognize revenue from contracts such as
telecommunications, software and contracting contracts. Terms are as follows:

1. The nature of the contract and the parties to the contract shall be defined. The contract may
be defined as an agreement between two or more parties that includes a set of rights and
obligations that must be observed during the contract period.

2. The nature of the obligation to be performed by the other party must be clearly defined
and defined.

3 - Determine the amount or the expected return of service to the other party.

4 - Distribution of these returns on all obligations to be performed to the other party.

5- Recognition of revenue when the proceeds cover all the obligations agreed upon in the
contract.

Revenue is recognized in two ways:
A) Revenue recognition at a certain point in time - At a single point of time

And it is applied when control is transferred to the customer. Control here may mean the establishment of an obligation to pay the seller, transfer of legal ownership of the asset, acquisition or seizure of the asset or transfer of the risks and rewards of ownership to the customer or acceptance of the asset.

(B) Recognition of revenue over a period of time over a period of time

And is applied when the customer consumes the benefits whenever the work is performed or when the customer controls the original whenever the original is manufactured or manufactured or when the seller manufactures or collects the original which has no alternative use except to sell it to a specific customer and therefore the seller has the right to receive payments In return for work done.

The third topic: practical side.

Telephone companies are important sectors in the societies in terms of the importance of the service provided by them and the treatment of many things (reduce time, speed of delivery of information), and because of its large size and the number of subscribers as more than half of the population of Iraq they have a mobile phone and this cycle Leads to maximizing the resources of these companies in addition to the number of employees in those companies, as only Zain Company has a number of employees in Iraq about 30 thousand employees and this is indicative of its importance and this is what prompted us to study this subject..

The phone companies are (Zain Iraq, Asiacell, Cork, Contact, Umniah, Kalim, Furat Von, National, Ahwar).

Zain is Iraq's first in terms of subscribers, with an estimated 20 million subscribers, according to unofficial statistics.

Followed by Asiacell with 12.5 million subscribers. It is the only company that publishes its lists in the Iraqi market for securities and the difficulty of obtaining the data of other companies because they have not been published and we have not been provided with any information by these companies. The number of its population is not determined by the population. According to the statistics of the Ministry of Planning until the end of 2016, the population of Iraq is estimated at (37883543).

Equation 1

\[
\text{Acquisition rate} = \frac{12500000}{37883543} = 33\%
\]

Table (1)
Statement operations Ongoing of Asia-Cell

<table>
<thead>
<tr>
<th>Directory number</th>
<th>Detection number</th>
<th>the details</th>
<th>2016 Million (dinars)</th>
<th>2015 Million (dinars)</th>
<th>2014 Million dinars</th>
</tr>
</thead>
<tbody>
<tr>
<td>42</td>
<td></td>
<td>Current income</td>
<td>1418272</td>
<td>1581680</td>
<td>2012154</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Current activity income</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Salaries and wages</td>
<td>99995</td>
<td>100310</td>
<td>103757</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Commodity inputs</td>
<td>1176</td>
<td>1197</td>
<td>2153</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Service requirements</td>
<td>239868</td>
<td>304704</td>
<td>322041</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Contracting &amp; Services (Contracts)</td>
<td>44954</td>
<td>39238</td>
<td>37078</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Purchases for sale and operating expenses</td>
<td>225791</td>
<td>256858</td>
<td>374121</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Depresasion</td>
<td>498889</td>
<td>474714</td>
<td>402934</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Taxes and Fees</td>
<td>194730</td>
<td>240250</td>
<td>294138</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total current expenditure</td>
<td>1305403</td>
<td>1417271</td>
<td>1536222</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Surplus of Current Operations (Phase I)</td>
<td>112869</td>
<td>164409</td>
<td>475932</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Add other revenue streams</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Other revenue</td>
<td>816</td>
<td>2839</td>
<td>2975</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total transformational and other revenue</td>
<td>816</td>
<td>2839</td>
<td>2975</td>
</tr>
<tr>
<td></td>
<td></td>
<td>The cost of manufacturing and other expenses</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Debit interest</td>
<td>8469</td>
<td>18383</td>
<td>15904</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Transfer expenses</td>
<td>9467</td>
<td>2754</td>
<td>3169</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Capital expenditure</td>
<td>2447</td>
<td>1305</td>
<td>1094</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total transfer and other expenses</td>
<td>20383</td>
<td>22442</td>
<td>20167</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Surplus of Current</td>
<td>93302</td>
<td>144806</td>
<td>458740</td>
</tr>
<tr>
<td></td>
<td>Operations (Phase II)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>----------------</td>
<td>----------------------</td>
<td>---</td>
<td>---</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3842</td>
<td>The tax is reduced by 15%</td>
<td>(13995)</td>
<td>(21721)</td>
<td>(68811)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>The tax recorded in previous years shall be deducted</td>
<td>(49798)</td>
<td>(69615)</td>
<td>(45220)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Income after tax</td>
<td>29509</td>
<td>33470</td>
<td>344709</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Mandatory reserve 5%</td>
<td>(1475)</td>
<td>(2674)</td>
<td>(1576)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Converted to accumulated surplus</td>
<td>28034</td>
<td>50796</td>
<td>343133</td>
<td></td>
</tr>
</tbody>
</table>

Note that the current revenues of the company for the year 2015 decreased by 21% compared to 2014, and when compared to 2016 compared to 2015, we also note that the current profits of the company decreased by 10%. The company attributed this to the reason of the security instability in that period and the closure of some of its offices in Some of the provinces and to the fierce competition in the market by other companies and economic conditions in the country and the imposition of sales tax on the subscriber, which amounted to 20% under the instructions in paragraph (a) of Article (33) of the Federal Budget Act 2015.

The company follows the accrual basis in the preparation of the financial statements in accordance with the consolidated accounting system. The company follows the historical cost principle in fixing the values of the fixed assets purchased. The company keeps the original cost for the period of its exploitation by the company.

**Methods of recognition of income in Asiacell:**

Asiacell has two ways of recognizing revenue:

**Method 1:** through prepaid subscriptions, which represent the main source of the company as the majority of subscribers are the owners of prepaid lines as this way the company recognizes the revenue in advance before the provision of service to the participant and this cycle lead to the provision of cash to the company and also includes the Internet service As it can be available to the subscriber without prepayment.

**The second method** is through postpaid subscriptions. Under this method, the company allows the use of shipping cards. At the end of the month, a detailed statement of the wages of the service provided in that month is provided. The company defers revenue recognition under this method to the end of service. By paying this is called the bill line.

Asiacell recognizes the amount received from the prepaid card as revenue directly from the verification method as revenue verification and the swap is conducted. This process is linked.
to a binding contract between the two parties, as long as the service is not provided to the customer.

Therefore, the company must rely on the percentage of service delivery to customers (percentage of achievement) which are the most correct methods and that the company was relying on the two methods above. The company did not comply with the requirements of the international standard 15.

Accounting treatments for prepayment under IFRS 15.

And to clarify the accounting treatment that the Company must follow under this Standard.

If we assume that one of the communication companies, on 1/1/2017, contracted with a group of customers (sales agents) on a contract to sell a package of prepaid card starting from 1/1/2017 and ends the contract of consumption on 1/4/2017 with a contractual value estimated at 100 000 000 dinars. The terms of the contract stipulate that the full amount will be paid in cash in advance and that the contract amount is non-refundable, the accounting treatments under IFRS15.

The entr

-1 1/1/2017

Bank 100 000 000

Deferred revenue 100 000 000

2- When the shipping cards are used by the customers, the contact company must recognize the revenue on the basis of the service provided (for example) if the customers consumed 20% of the value of the shipping cards on

\[ \frac{100 000 000 \times 20}{100} = 20 000 000 \]

The entra

Deferred revenue 20 000 000

Call service revenue20 000 000

Accounting Processes for the Payment Method under IFRS 15
Since the company has a postpaid postpaid service which provides a service to the subscriber to benefit from services for a certain period after payment is made, the accounting treatments, if we assume the same data of the previous example and if we assume that customers will pay on 1/4/2017, the accounting treatments will be.

1- the entr

Accounts receivable 100 000 000
Deferred revenue 100 000 000

2- the entr

Bank 100 000 000
Accounts receivable 100 000 000

3- The deferred income account is then settled after the payment is received by the customer as follows.

Deferred revenue 100 000 000
Call service revenue 100 000 000

Proof of research hypothesis

The hypothesis of the research has been proved and it has been shown that there is a clear effect on the application of IAS 15 on the methods and accounting procedures adopted by the company in terms of revenue recognition if the company's application of the requirements of this standard will result in a penalty of its income in the statement of financial position under deferred income. Subsequent to the time the service is provided to the customer, it is recognized as a service revenue and recognized in the statement of operations.

Section Four: Conclusions and Recommendations:

First: Conclusions.

1 - Most of the mobile phone companies are not listing their shares in the Iraqi market for securities and even did not report the number of subscribers and thus did not comply with the requirements of ISPM 15 except Asiacell where it was the only company to list its shares in the Iraqi market for securities.

2 - Lack of experience and know-how sufficient in the accounting and administrative staff working in most mobile phone companies.

3. Most mobile operators operating in Iraq apply the requirements of ISPM 15 if they do not report most of their activities.

4 - The mechanisms used by mobile phone companies to recognize revenue are not compatible with the international standard 15 in most companies operating in Iraq.
5 - The company's revenues were kept from one year to another in a sequential manner due to the fierce competition existing between companies.

**Second. Recommendations**

In the light of previous conclusions, the researcher recommends several:

1 - The need to provide a cadre of accounting and administrative efficient with sufficient experience and know-how in the recognition of revenue generated by mobile phone companies.

2. Telephone companies shall comply with the requirements of ISPM 15 in terms of measurement and recognition.

3- Introducing the accounting staff working in the mobile phone companies in sufficient training courses, providing them with the necessary experience and know-how to update the international accounting standards.

4 - The need to clarify the mechanism of preparing financial statements in the mobile phone companies and show the details related to the recognition of revenue.

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