



"CURRENT TRENDS IN ACCOUNTING FOR FINANCIAL INSTRUMENTS UNDER INTERNATIONAL FINANCIAL REPORTING STANDARDS"

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Abstract: *Accounting for financial instruments in accordance with IFRS 9 "Financial Instruments" ensures transparent, consistent and reliable financial reporting. This helps organizations accurately assess risks and values, increasing investor confidence and ensuring comparability across global markets. In this study, bibliometric analysis was used to identify important trends, focus areas, and regions in accounting for financial instruments research from 2016 to 2025. The data used in this analysis were taken from the online version of the Scopus database and 100 publications met the selection criteria.*

Keywords: *Financial instruments, IFRS, IFRS adoption, accounting, IFRS 9, IFRS 7, IAS 32.*

Introduction

Accounting for financial instruments has become a central issue in modern financial reporting due to the increasing complexity of financial markets and the growing demand for transparent and

decision-useful information. The global financial crisis revealed critical shortcomings in previous accounting frameworks, particularly in the delayed recognition of credit losses and inconsistencies in measurement approaches, which ultimately led to the development of IFRS 9 as a more forward-looking and principle-based standard (Bischof et al., 2019; Abad & Suarez, 2017; Gebhardt, 2020; Al-Hares et al., 2023).

The adoption of IFRS 9 introduced a fundamental shift from the incurred loss model to the expected credit loss (ECL) approach, aiming to enhance the timeliness and relevance of financial reporting and improve risk recognition (Novotny-Farkas, 2016; Löw et al., 2019; Bhowmik et al., 2023; Khan et al., 2024; Zhang et al., 2022). Empirical evidence suggests that this transition has increased the value relevance of accounting information and strengthened the association between accounting numbers and market valuation, particularly in the



banking sector (Raci & Perjuci, 2025; JRFM studies, 2021; Applied Economics Letters, 2024; Journal of Financial Economic Policy, 2024). At the same time, the implementation of IFRS 9 has introduced substantial challenges related to model complexity, estimation uncertainty, and managerial discretion, which may affect comparability and reliability across institutions (Gornjak, 2020; MEDAR, 2025; JAAR, 2023; Economic Annals, 2020).

In addition to measurement challenges, issues of disclosure and transparency remain highly relevant. Prior research highlights that enhanced disclosure requirements under IFRS contribute to improved corporate governance and reduced information asymmetry, although the extent of these benefits varies across institutional environments (Abacus, 2018; Accounting in Europe, 2023; Asian Review of Accounting, 2022; Journal of Risk and Financial Management, 2023). Furthermore, the use of fair value measurement and hedge accounting continues to be debated in the literature, particularly in relation to their procyclical effects and sensitivity to market volatility (Barth et al., 2021; Journal of Financial Regulation, 2016; Australian Accounting Review, 2023; Critical Perspectives on Accounting, 2025).

Despite the rapidly expanding body of literature, significant gaps remain regarding the effectiveness of IFRS 9 across different economic and institutional contexts. In particular, emerging and transition economies face unique challenges related to regulatory quality, financial market development, and data availability, which may influence the implementation and

outcomes of financial instruments accounting standards (Zhang et al., 2022; Mukhammadiev et al., 2024; Sustainability, 2022; Risks, 2021; Journal of Economics and Finance, 2024). Therefore, further research is needed to evaluate whether IFRS 9 achieves its intended objectives in such settings, particularly in terms of improving transparency, enhancing risk assessment, and supporting decision-making.

Materials and Methods

To enhance the representativeness and accessibility of the data the research was carried out on the most widely used bibliographic online databases Scopus for period of 2016-2026. The analysis was carried out in March 2026 and to ensure data integrity 2026 was not included in the study. The analysis was performed using CSV file, Microsoft Excel 2021, RIS, VOS viewer.

For the searching process, relevant information, such as keywords "financial instrument", "investment" connected by "or" and keywords "ifrs 9", "ifrs 7", "ias 32" connected by "or" resulting in a total of 171 records. Then review articles and papers not written in English were omitted. After selected document type = "article", timespan = "2016-2025". Lastly, we manually examined the remaining papers and eliminated those that were not pertinent. As a result, obtained 100 documents as the base data for our study, with the main information depicted in

Results

Trend of publications on financial instruments

Overall, what stands out is that the number of published papers on a particular issue studied for the first time in the world. Total of 100

papers published between 2016 and 2025 on Financial instruments issue. The number of records started to grow between 2016 and 2025 from 10 to 19 publications. Fig. 2 shows 10 (10 %) number of papers at the beginning in year 2016. From 2018 we can see the rapid decreasing in the number of publications. There were 7 (7 %) and 6 (6 %) publications in 2017 and 2018. From 2019 to 2021 number of publications increased from 7 (7%) to 13 (13%). In 2025, the highest number of publications was reached during the period of analysis 19 (19 %).

Over the past 3 years, the increase in the number of articles has been mainly observed in the journal Accounting in Europe, Australian accounting review, International journal of accounting information, Journal of applied accounting research.

Furthermore, our learning shows that the largest number 100 (75.7 %) of 132 papers were research articles, followed by 14 (10.6 %) articles in conference proceedings, 7 (5.3%) book chapters, 3 (2.27%) book and review, 2 editorial and erratum whereas there were only 1.51% of other document types and conference review 1 (0.75%) (Fig. 3).

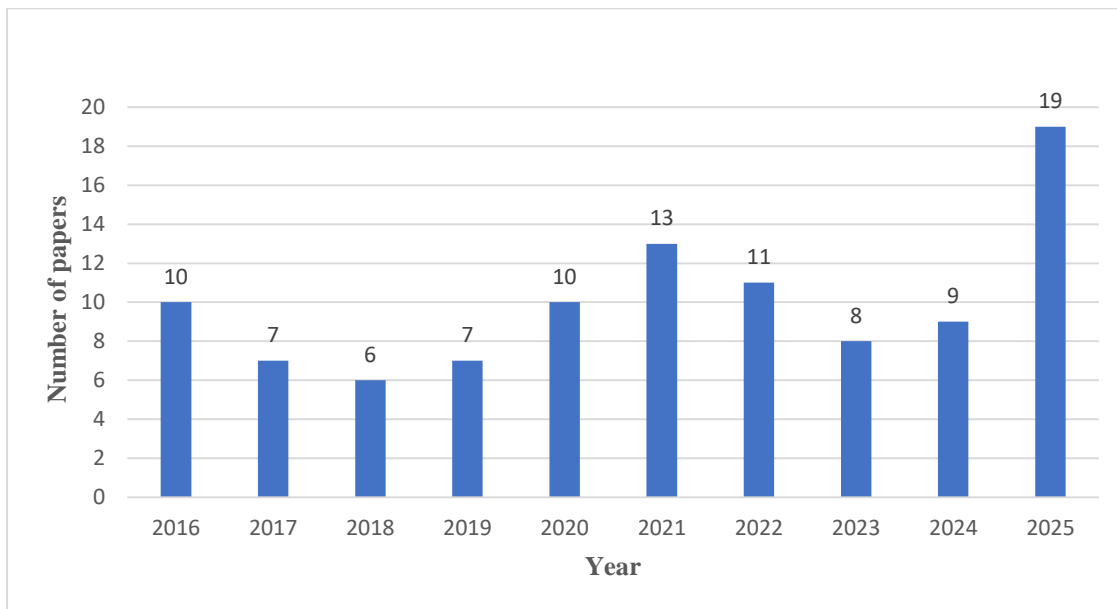


Fig. 1. Number of papers on financial instruments by the year of publication issues in the world.

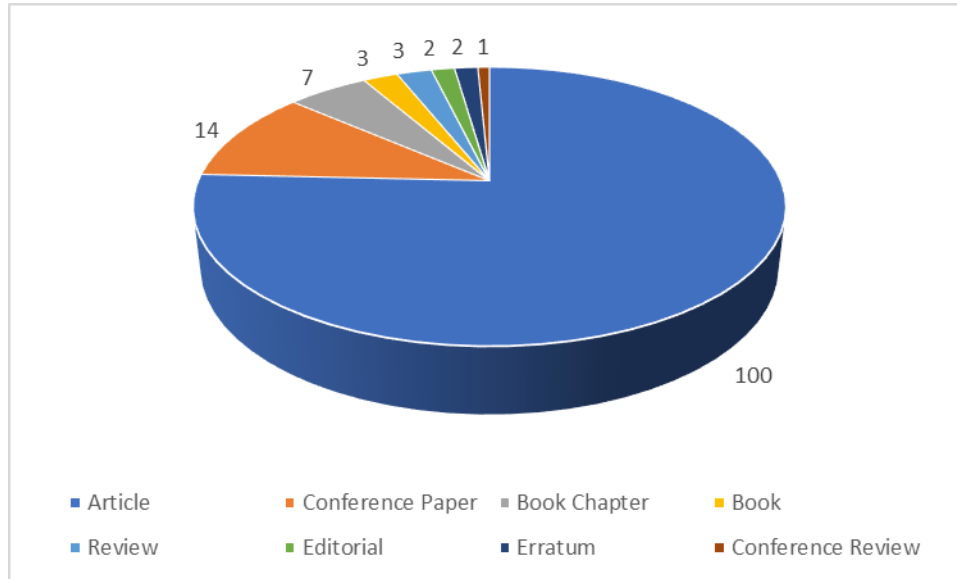


Fig. 2. Publication type on financial instruments issues in the world

3.2 Top funding sponsors on financial instruments

There is a relationship between prevalence of affiliated countries and funding of large funding schemes and programs. Twentyeight different funding sponsors worked in cooperation to publish 36 papers on financial instruments over the world the period of 2017–2021. Based on our analysis of the top 10 funding sponsors publications on irrigation and drainage, we were able to identify the most influential and productive institutions in the field. As indicated in Fig. 10, These funders are spread across four regions—Asia, Europe, Oceania, and South America—demonstrating the intercontinental nature of research funding networks.

Asia and Europe emerge as the dominant regions, each accounting for a significant share of sponsors. In Asia, large government funding agencies and government-linked institutions such as the National Natural Science Foundation of China and the Ministry of Education

(Singapore) play a central role, along with university sponsors such as Hebei University and the Hong Kong Polytechnic University. This highlights the active involvement of both national agencies and higher education institutions in funding research in the region.

Similarly, Europe exhibits a well-developed and structured funding ecosystem. Key funders include national agencies such as the Science and Technology Foundation (Fundação para a Ciência e a Tecnologia) and the National Centre for Scientific Research (Centre National de la Recherche Scientifique), as well as international and mobility-oriented organisations such as the German Academic Exchange Service (Deutscher Akademischer Austauschdienst) and the European Accounting Association. These structures reflect a mix of governmental, institutional, and joint funding mechanisms in Europe.

Oceania and South America are represented by fewer funders, namely the

Auckland University of Technology in New Zealand and the Coordinating Council for the Development of Senior Staff

(Coordenação de Aperfeiçoamento de Pessoal de Nível Superior) in Brazil.

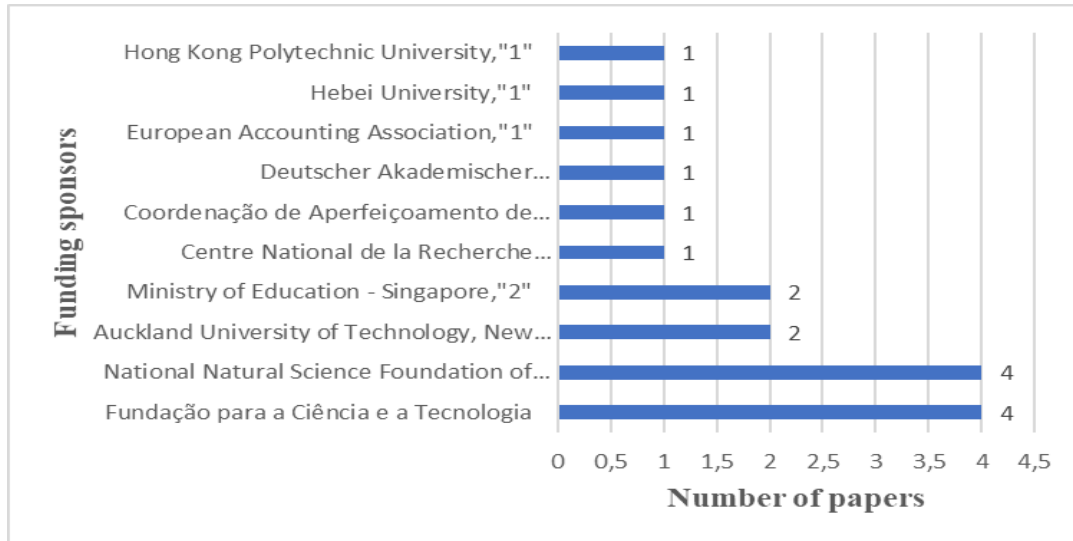


Fig. 3. List of top funding sponsors on financial instruments issues in the world

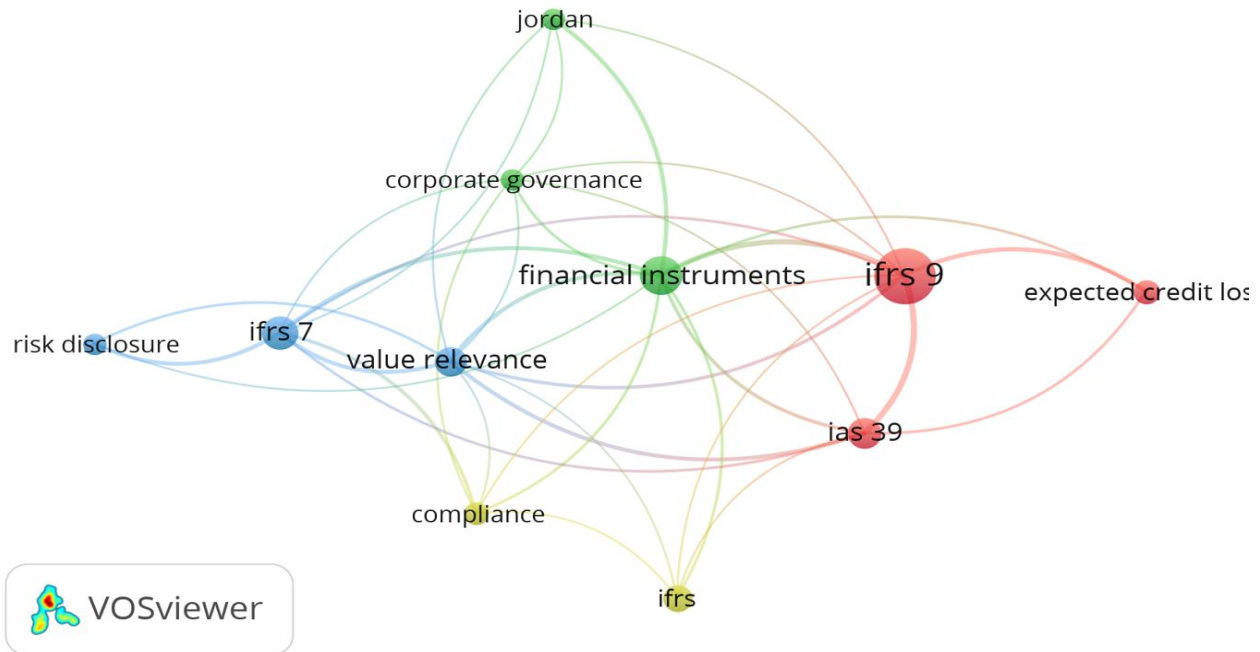


Fig.4 Top co-occurrence of keywords on financial instruments

At the center is the "financial instruments" node: this is the core of the topic, where clusters of standards and research converge. Two major standards

form separate clusters: "IFRS 9" (red) and "IFRS 7" (blue). "IAS 39" is linked to "IFRS 9," reflecting the transition from the old to the new regulations. "IFRS" as a general term

and "compliance" (yellow cluster) connect the subject matter to the broader compliance agenda. IFRS 9 and Expected Credit Loss: A strong link indicates that research on IFRS 9 focuses on the expected credit loss model and its implications. IFRS 7 and Risk Disclosure and Value Relevance: Focus on risk disclosure and the usefulness/price relevance of financial statements. Value Relevance is the bridge between the clusters: it connects IFRS 7, financial instruments, and corporate governance, indicating a focus on the impact of the standards on market valuation. Corporate governance and Jordan (country/context) are linked to "financial instruments" and "value relevance": there is a regional cross-section of research (Jordan) and institutional governance factors. IAS 39, IFRS 9, financial instruments: line of succession and comparative studies (before/after IFRS 9 implementation). Red: IFRS 9 implementation, ECL, comparisons with IAS 39. Blue: IFRS 7 and risk disclosures, impact on value relevance. Green: general topic of "financial instruments," a bridge to governance and

country context. Yellow: supersystem — "IFRS," "compliance," regulatory environment.

Conclusion

The research agenda has shifted from disclosure issues (IFRS 7) to credit risk and loss measurement (IFRS 9/ECL), while maintaining interest in the market relevance of indicators. Strong intercluster links between "value relevance" and "corporate governance" indicate that institutional quality and governance practices modify the impact of standards on capital markets.

The presence of "Jordan" as a node indicates a significant body of regional work; it is worth emphasizing the limitations of generalizability and/or comparing with other jurisdictions. Fewer nodes for "liquidity," "market risk," and "procyclicality" suggest potential for expanding the scope of the IFRS 9 implications beyond credit risk. Insufficient explicit links with banking supervision (Basel), non-financial risks, and resilience suggest promising areas. Weak cross-country comparisons; multi-jurisdictional studies of the impact of ECL on the cost of capital and reserve behavior are warranted.

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