The role of Corporate Governance on IFRS adoption and Zakat base -Evidence from Saudi Listed firms

**1-Introduction:**  
  
//first AGK Global Contex and Saudi response

The world’s economy has been picking up speed lately, with capital flowing across borders like never before and big multinational companies popping up everywhere. Add to that the fierce competition among emerging markets to grab both local and foreign investments, and it’s easy to see why there’s a big push for unified international standards in financial reporting. These standards aren’t just about making numbers look neat—they’re meant to make financial statements clear, comparable, and reliable so investors and stakeholders can make smart choices without second-guessing. At the same time, companies need solid corporate governance to keep things fair between top management and everyone else involved, ensuring accountability and ethical behavior aren’t just buzzwords but real practices. Saudi Arabia hasn’t been sitting on the sidelines watching this global shift happen. The Kingdom’s taken some bold steps to jump into the game, driven by its Vision 2030 plan, which is all about putting Saudi Arabia in a leadership spot on the world stage—especially economically. One of the biggest moves was adopting International Financial Reporting Standards (IFRS) for companies listed on the Saudi Stock Exchange (Tadawul), starting back in 2017. This wasn’t just a random decision; it’s part of a broader strategy to make the financial market more efficient and appealing to investors from around the globe. By lining up with these international rules, Saudi Arabia’s signaling that it’s serious about transparency and ready to play by the same playbook as major economies. But it’s not just about copying what others do—Saudi Arabia’s got its own twist, blending global standards with its unique cultural and economic identity, which sets the stage for some interesting challenges and opportunities we’ll dig into next.

Now, here’s where things get tricky. Despite jumping on the IFRS train, the Saudi market isn’t your average emerging market—it’s got a special flavor because of its cultural and religious roots, especially when it comes to zakat. Zakat’s not just a tax; it’s a core Islamic obligation tied to wealth and profits, and it’s a big deal for investors and businesses here. That creates some real headaches when you try to fit zakat calculations into international accounting standards like IFRS. See, IFRS changes how assets and profits are valued, which can mess with the zakat base—the amount companies owe—making it tough to line up with traditional Sharia rules. So, how does corporate governance fit into this? It’s supposed to keep companies committed to these new standards while also figuring out how to report and calculate zakat properly in their financial statements. This isn’t just a technical puzzle—it’s been a challenge for Saudi listed firms on Tadawul for years, especially since 2017 when IFRS kicked in. The whole point of adopting these standards was to boost the financial market’s efficiency and pull in more local and international cash. But here’s the kicker: how much does corporate governance actually shape how well companies stick to IFRS, and how does that affect zakat? There’s not a ton of research out there tying these three pieces—CG, IFRS, and zakat—together in Saudi Arabia, which is surprising given how crucial the Saudi Stock Exchange is to the national economy. The market’s different from places like the U.S. or Europe because of those Sharia zakat standards, and that gap in understanding is what this study’s all about. We need to dig deeper into how these global rules play out in a market that’s got one foot in tradition and the other in modernization, especially as Saudi Arabia pushes to stand out globally.

**3-Literature Review: Corporate Governance, IFRS, and Zakat:**

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3.1 IRFS :

The adoption of International Financial Reporting Standards (IFRS) has been widely recognized as a significant step toward improving the quality of financial reporting and enhancing the efficiency of financial markets. Numerous studies have highlighted the benefits of IFRS adoption, including increased transparency, reduced capital costs, and improved decision-making processes within companies. Additionally, IFRS adoption has been linked to better governance, enhanced debt contracting, and more effective auditing practices. These benefits are not limited to individual companies but extend to entire economies, as they attract both local and foreign investments, fostering economic growth and development (De George & Shivakumar, 2016).

However, the extent of these benefits varies significantly across companies and countries. While some organizations experience substantial improvements in financial reporting quality and market efficiency, others face challenges in implementing the standards effectively. This variation can be attributed to differences in regulatory environments, cultural contexts, and the readiness of companies to adopt new accounting practices. For instance, in emerging markets like Saudi Arabia, the adoption of IFRS has introduced unique challenges due to the country's distinct business environment, which is heavily influenced by Islamic principles and practices such as Zakat (Yamani & Almasarwah, 2019).

In Saudi Arabia, the mandatory adoption of IFRS began in 2017, marking a significant shift in the Kingdom's financial reporting practices. The move was part of broader economic reforms under Vision 2030, aimed at enhancing the competitiveness of the Saudi financial market and attracting foreign investments. However, the implementation of IFRS in Saudi Arabia has not been without challenges. One of the primary issues is the tension between IFRS and Islamic accounting principles, particularly in relation to Zakat. Zakat, a religious obligation on wealth, requires businesses to calculate and distribute a portion of their earnings to eligible beneficiaries. This process is deeply rooted in Islamic jurisprudence and differs significantly from the principles underlying IFRS.

Recent studies suggest that the benefits of IFRS adoption in Saudi Arabia may be influenced by factors other than the standards themselves, such as the quality of implementation and the readiness of companies to adapt to new reporting requirements (Turki et al., 2017). For example, the application of IFRS in Saudi Arabia has often been described as a process of simulating practices in developed countries rather than tailoring the standards to the unique characteristics of the Saudi business environment. This approach has led to challenges in reconciling IFRS with Islamic accounting principles, particularly in the calculation and disclosure of Zakat.

Several IFRS standards have a direct impact on the calculation of Zakat in Saudi-listed firms. These include:

**IFRS 13 — Fair Value Measurement**: This standard requires companies to measure and report the fair value of assets and liabilities, which can affect the valuation of assets subject to Zakat.

**IFRS 16 — Leases**: This standard changes the way leases are recognized in financial statements, potentially impacting the calculation of Zakat for leased assets.

**IFRS 9 — Financial Instruments**: This standard governs the classification and measurement of financial instruments, which can influence the Zakat base for companies with significant financial assets.

**IAS 40 — Investment Property**: This standard affects the accounting treatment of investment properties, which are often included in the Zakat calculation.

The adoption of these standards by the Saudi Organization for Chartered and Professional Accountants (SOCPA) has introduced new complexities in the calculation of Zakat. For example, the fair value measurement required by IFRS 13 may not align with the historical cost basis often used in Zakat calculations. Similarly, the recognition of lease liabilities under IFRS 16 may lead to discrepancies in the valuation of assets subject to Zakat. These challenges highlight the need for a deeper understanding of how IFRS can be adapted to the unique requirements of the Saudi business environment, particularly in relation to Islamic accounting principles.

In conclusion, while the adoption of IFRS has brought significant benefits to Saudi Arabia's financial market, it has also introduced challenges related to the integration of international standards with local religious and cultural practices. The tension between IFRS and Zakat calculation underscores the importance of corporate governance in ensuring compliance with accounting standards and fulfilling religious obligations. Future research should explore how corporate governance mechanisms can facilitate the effective implementation of IFRS while addressing the unique challenges posed by the Saudi business environment.

**3.2 - Zakat Base:**

Zakat’s a word that carries a lot of weight—linguistically, it’s tied to "purity," "growth," and "Al-*baraka*" in Arabic, which gives you a sense of its vibe right off the bat. It’s not just about money changing hands; it’s something Allah asks of those who’ve got enough, directing them to share it with people who qualify—think of it as a divine nudge to keep things fair (Bahri et al., 2021; Hafidhuddin, 2002; Rosadi, 2019). These days, folks are really starting to pay attention to how zakat plays out in Islamic finance and businesses. It’s not just a religious duty for companies—it’s got real financial and social ripples, which makes it such a fascinating thing to unpack.Take profitability, for starters. It’s the yardstick for how well a company’s doing—how much cash it’s pulling in from all its hard work (Iman et al., 2022). The more profit you’ve got, the more you can grow, invest, or take care of obligations like zakat. Sounds simple, right? But here’s the catch: the link between raking in profits and shelling out zakat can get tangled. Zakat’s this Islamic rule that kicks in once a company hits certain benchmarks, and it’s all about striking a balance. On one hand, you’ve got the drive to boost earnings—maybe even a little selfishness creeping in—but then zakat steps in like a conscience, saying, “Hey, spread some of that around.” It’s a push-pull between keeping the business humming and looking out for society and even the planet (Mais & Hastuti, 2023). That’s what makes it such a cool concept—it’s not just about the bottom line.When we talk about corporate zakat, we’re looking at how companies step up to support their communities. It’s a social obligation, sure, but it’s also about staying true to Sharia and depends on what the company can swing financially (Utari et al., 2019). Picture it like this: a business isn’t just some faceless entity—it’s part of the fabric of society, and zakat’s one way it weaves itself in. But figuring out how much to pay? That’s where it gets a bit hairy. It’s not like a flat tax you can slap a calculator on. What counts as zakatable stuff—cash, assets, inventory? Scholars don’t always see eye to eye on this, so businesses can end up scratching their heads, trying to get it right. Then there’s the modern twist. In places like Saudi Arabia, where zakat’s a big deal, new accounting rules like IFRS (those international financial reporting standards) are shaking things up. These standards change how companies track their profits and value their assets, which can mess with the traditional way zakat’s calculated. It’s like trying to blend an old family recipe with a fancy new cookbook—sometimes the flavors don’t quite match. That clash between global practices and local roots is a goldmine for research, especially for a PhD like this.So, zakat’s not just a transaction you log and forget. It’s a way for companies to stay connected—to their faith, their people, and the bigger picture. In Saudi Arabia, where zakat’s mandatory, businesses have to figure out how to honor this tradition while keeping up with the world’s financial playbook. That’s the tightrope they’re walking, and it’s why digging into this matters.

**3.3 - Corporate governance:**

Corporate governance is one of those ideas that seem different depending on those who keep the lens - there is no single way to install it because it touches many parts of the company. It works in essence, the matter for the rules and methods led by people, directing business, sorting the chaotic relations network between the Board of Directors, senior executives who claim bullets, shareholders who practice money, and all other stakeholders who got the skin in the game (Hamad and others, 2020). They reach special guidelines and steps to make less decisions than headaches, because I am in everything that I intend to open up and honesty. The main point is to protect these shareholders and stakeholders and ensure that the business world feels fair, competitive and clear, as is the case on a sunny day (almashhadani et al., 2022). It is similar to the preparation of handrails so that no person is left in the dark or climb. But governance is not just one of the rules that explode and follow - it is more like a living. Some say it is linked to finding this beautiful place where the company can chase profits without forgetting the largest image, and balance what is good for the lower line with what is good for people and society (justice and others, 2020). To achieve this, I got this combination of tools: things inside the company, such as examining double numbers or surveillance heads, and external forces, such as laws or what the market expects. Together, it resembles a recipe for a strong and fixed company, not just a flash in the pan. It is all about building something that lasts, and it takes confidence - confidence in the fact that the people who run the offer do not hide anything or play the favorite. Why is this very important? Well, it is all about paying a company to be the best. It places reactionary governances until the familiar with the kingdom's keys to make the place work as a well -full machine and presses every drop of efficiency while thinking about the years on the road (Khatib & Nour, 2021). At the same time, you should keep a narrow wheel on anyone who may be very comfortable with the company's resources, and decline in things that should not be. It is a budget: encouraging the team to shine while infiltrating anyone who infiltrates the silver tools. This is his heart - performance with conscience. Now, zoom in a place like Saudi Arabia, this becomes more interesting. With the 2030 vision of lighting a fire under the economy, governance is not just a nice idea - it's a lifeline. He pushed the Kingdom to stand on the world stage, and invite investors from all over the jump. This means that companies on the Saudi Stock Exchange (Tadawul) must play with international rules, such as the final standards while continuing to honor local traditions such as Zakat. Governance is the glue that combines this together, making sure that companies can walk in this rope between global expectations and what is rooted in culture here. It is not only a matter of keeping books straight - it is linked to building a reputation that people can on the bank, especially in an emerging market where they can make you confidence or break. This is where things become exciting for this study. How to form governance, and how Saudi companies deal with these luxurious new accounting standards? Does it change how they discover zakat? There is a story here waiting to tell it, and it is linked to how these pieces occur together in a place that grows quickly and sticks to its roots.

**4-Hypothes**

**4.1 -CG and IFRS:**

The relationship between corporate governance and the adoption of international financial reports (IFRS) was discussed widely, while highlighting studies on both synergy and complications. The current literature generally indicates that the strong governance frameworks of companies enhance compliance with international standards for the preparation of financial reports, which in turn improves the quality of financial and transparent reports. For example, research shows that governance features such as the size of the Board of Directors, the independence of the Board, and the presence of accounting managers positively affect the compliance of international standards for the preparation of financial reports (Kabwe et al Larger paintings, often linked to various expertise, independent managers, who give priority to accountability, create environments that lead to strict adherence to international standards. Likewise, gender diversity in councils has been linked to stronger compliance, probably due to various views that encourage comprehensive censorship (Kabwe et al., 2021). These results are in line with the broader argument that governance mechanisms act as empowerment factories to adopt international standards to prepare financial reports by promoting accountability and reducing opportunistic opportunities (MBIR et Al., 2020).

However, the relationship is not a global lineage. For example, the independence of the audit committees showed a negative association with statistically significant with compliance with international standards for preparing financial reports in some contexts (ABDELQADER et al., 2021). This non -intuitive result may stem from excessive dependence on external auditors or conflicts arising from excessively strict supervision, which may comply with compliance. Likewise, studies reveal that the benefits of adopting international standards for the preparation of financial reports are not equally distributed across companies. Chu and Pae (2019) found that companies with moderate governance for companies benefit more than implementing international standards for financial reports, as those who have strong governance already have transparent systems before IFRS, while weak governance structures failed to implement standards effectively. This indicates that the quality of governance acts as a threshold - it may reduce a little or more offered the advantages of international standards to prepare financial reports.

The nuances appear in regional contexts. In the countries of the Gulf Cooperation Council (GCC), the characteristics of the audit committee - such as experience and the frequency of fulfillment - have a more clear impact on compliance with the preparation of financial reports than other governance mechanisms (Almaqtari et al., 2021). This contradicts the results in the European markets, where the wider governance force (for example, the independence of the council, the disclosure policies) leads to adherence to standards (Verriest et al., 2013). Such differences highlight the role of institutional and cultural factors in shaping the dynamics of IFRS. For example, it can enhance the concentration of ownership - a common feature in the markets of the Gulf Cooperation Council states - compliance (if the majority of the majority gives priority to transparency) or undermine them (if they give priorities for special interests) (Abdelqader et al., 2021). In addition, the adoption of international standards to prepare financial reports for small and medium enterprises (SMES) showed a positive association with the indicators of governance, focusing on the role of governance frameworks designed to facilitate compliance with smaller entities (SARSI & DAMAK-YAYADI, 2023).

It shows risk detection practices under international standards to prepare financial reports 7 to the IFRS Association. Agee-Mensah (2017) found that higher levels of non-executive managers (PNED) are linked to a better compliance, as independent managers pushed to comprehensive risk reporting. This is in line with the idea that governance mechanisms reduce the lack of consistency of information, which is a major goal of international standards to prepare financial reports. However, challenges continue. For example, fair value adjustments under international standards for financial reports can distort profit policies by increasing temporary profits, which requires councils to balance shareholders' expectations with long -term financial stability (Chen et Al., 2020). Such tensions emphasize the need for governance structures that coordinate technical compliance with strategic decisions.

The development of the hypothesis (H1):

Based on this guide, hypothesis 1 (H1) assumes that corporate governance greatly affects the adoption of international criteria. While governance mechanisms such as the independence of the board of directors, expertise and diversity generally enhance compliance, their effectiveness depends on contextual factors such as regional regulations, ownership structures and existing transparency levels. In emerging markets such as the Kingdom of Saudi Arabia - where the principles of Sharia, Zakat obligations, and vision reforms 2030 - the government frameworks must coincide with global standards with local moral and legal states. For example, councils may give Zakat's compliance with the international standards modifications to prepare financial reports, or vice versa, depending on the pressures of stakeholders. This duplication creates a unique test of H1, as the companies listed in Saudi Arabia transmit the dual accountability of global investors and local organizers.

**4.2 -CG and Zakat :**

The interaction between corporate governance and ZAKAT is a critical but complex field, especially in Islamic economies, where financial obligations based on modern governance. Current literature emphasizes the importance of governance mechanisms - such as transparency, accountability and commitment to Islamic principles - in the Zakat account, disclosure, and distribution. However, the results remain fragmented, as studies shed light on both synergy and contradictions affected by institutional, cultural and organizational factors.

Firmansyah and Devi (2017) determines transparency, accountability and justice as basic pillars to enhance governance in Zakat institutions. Transparency, which was achieved through unified financial reports and clear distribution operations, building the confidence of stakeholders and reduces the risk of mismanagement. The principles of accountability emphasize the need for strong internal controls, performance measurement systems, alignment of competencies with roles, and ensuring that Zakat funds are morally and efficiently. Justice, at the same time, gives priority to the fair treatment of stakeholders and wise asset management in line with the principles of Sharia. These principles combined create an environmental system as governance structures directly affect the compliance of Zakat. For example, Wahyuni and Wafiroh (2023) explains that the strong disclosure of corporate governance is related to the high commitment to the disclosure of zakat and its management to report and pay zakat, which indicates that transparency mechanisms stimulate moral financial behavior .

Despite these theoretical links, experimental results vary widely. Kusumawardani (2020) found that the quality of general governance alone had no significant impact on the exchange of Zakat in Indonesia. However, when combining accountability, effectiveness and audience confidence (as a moderate variable), governance indirectly affected the intentions of Zakat. This means that the effect of governance on Zakat is not independent, but by social and cultural factors such as trust in institutions-a critical consideration in the markets where religious compliance intersects with general doubt about bureaucratic competence.

Likewise, studies reveal the structures of the painting mixed results. Hudayati et al. (2023) Note that the size and rewards of the boards of directors, in addition to the size of the Sharia supervision panels (SSBS), have a positive impact on Zakat funds in Indonesian Islamic banks. However, SSB reputation has not had any major effect, indicating that quantitative governance standards (for example, council size) may concern more than qualitative factors (for example, reputation) in certain contexts. On the contrary, Finashih (2023) found that the size of the council and the size of SSB have small effects on Zakat boxes, although the bank size is the most influential factor. This difference highlights the role of the organizational size: large institutions may have better resources to comply with governance, which overwhelms the variables of the painting.

Regional and institutional differences increase the complexity of this relationship. MKADMI (2020) has proven that corporate governance mechanisms in Malaysian Islamic banks - such as the supervision of the Council and the performance of moral performance (for example, the percentage of profit sharing and the ZAKAT performance rate) - greatly affected ethical results, including Zakat's compliance. This contradicts studies in Indonesia, where the effects of governance were less clear, which confirms the role of national organizational frameworks and cultural attitudes towards zakat. For example, the Central Zakat Administration in Malaysia may enforce the lawful ruling to amplify the governance-zakat compared to decentralized regulations in other regions.

**4.3-IRFS and Zakat:**

The relationship between international financial reports (IFRS) and Zakat account is a pivotal but preserved area in Islamic financing, especially in the judicial states such as Saudi Arabia, where financial obligations based on international accounting standards coexist. While the adoption of international standards for the preparation of financial reports is often associated with enhanced and comparative transparency, its impact on determining the base of Zakat-an account imposed by Sharia for taxable assets-that are competing, and formed by institutional, cultural and technical complications.

Studies reveal mixed results when reconciling the standards with the accountability of Zakat. For example, Setiyawati (2020) found that adherence to accounting standards compatible with Sharia in Indonesia (PSAK 109) did not significantly improve the accountability of financial reports in Zakat institutions, while strong internal control systems did. This indicates that the technical compliance with the standards alone is not sufficient without the frameworks of strong governance to impose ethical practices. Likewise, Bahri et al. (2021) It has proven that the quality of bad accounting information negatively affects the donor decisions (Muzakki), which confirms the need for clarity in Zakat report - the gap can deal with international standards to prepare financial reports through unified disclosures. However, the separation is continuing: Pamunkak (2018) argues that zakat institutions, which are similar to small and medium -sized companies, can adopt standards for small and medium enterprises to achieve accountability, but practical implementation is still rare, and highlights institutional resistance or gaps in capabilities.

In the Kingdom of Saudi Arabia, the interaction between international standards for standards and zakat is more complicated by the investor's behavior and detection practices. ORABY (2019) revealed that investors in Saudi banks often overlook the avoidance of zakat in the evaluation of stocks, while relying on the values of unjustified books despite the treatment of zakat as a commitment to the public budget. This indifference stems from insufficient audit disclosure, which means that the adoption of international standards for standards alone cannot enhance the accountability of Zakat without complementary transparent mechanisms. Meanwhile, Abdul -Edrak and Alsaad (2023) assumes that the international standards of the Capital Action directly affects the determination of the Zakat base for Saudi joint stock companies, where its principles are in line with the Kingdom's economic environment and vision 2030. For example, the focus of international standards for preparing financial reports may measure fair value and identify assets to improve the asset associate assets, which guarantees compliance with each One of the international standards and delegations of Sharia. However, this requires the reconciliation of the secular frameworks of standards with Islamic ethics-a challenge that Misleglin (2021) treats, which calls for the integration of the first purpose of the Sharia (the goals of the supreme law) into financial reports. This approach embodies the moral and technical demands, which enhances the rapprochement between international standards for the preparation of financial reports and Islamic standards.

Merging international standards to prepare financial reports into ZAKAT frames is not just a technique but philosophical. International criteria for preparing financial reports give priority to the transparency that focuses on the investor, while zakat emphasizes social and economic stocks and religious compliance. For example, the fair value amendments to international standards for the preparation of financial reports may lead to exaggeration of temporary profits, distorting zakat accounts associated with the values of stable assets (Chen et al., 2020). On the contrary, IFRS's strict disclosure requirements can reduce the risk of Zakat by assigning detailed asset breakdowns. This duality creates tension for Saudi companies that balance the resumption of the global investor for the year 2030 with the obligations of Sharia.

**Hypothesis 3 (H3)** assume that the adoption of international standards for the preparation of financial reports greatly affects the determination of the base of Zakat. While Abdelrahim and Alsaad (2023) support this in the Saudi context, the evidence from other regions (for example, Indonesia) shows a limited impact without strong governance. This indicates that the impact of international standards for preparing financial reports on Zakat depends on two factors:

**5-The Gap and Problem Statement:**

The intersection of international financial reports standards (IFRS), Zakat, and corporate governance remains unstable in the context of the advanced financial scene in the Kingdom of Saudi Arabia. While current studies have studied these elements individually in global or regional environments, there is a critical gap in understanding how they interact collectively in the Saudi business environment. This gap is especially clear given the unique position of the Kingdom as an emerging market that is guided by the principles of Sharia, where Zakat-which is a financial commitment based on the list-is compatible with modern governance frameworks and accounting standards worldwide. A few experimentally tested how corporate governance structures affect companies' commitment to international standards calculation practices to prepare financial reports and zakat, especially in the market transmission according to economic reforms in the 2030 vision. The financial environmental system in the Kingdom of Saudi Arabia provides a special issue for research. Unlike advanced economies, its organizational environment that mixes Islamic financing mandates, such as 2.5 % zakat tax on eligible assets, mixes with aspirations to agree with international standards to prepare financial reports to attract foreign investment. Corporate governance mechanisms, which aim to enhance transparency and accountability, may play a dual role here: ensuring compliance with international accounting standards while maintaining compatibility with Islamic ethical standards. However, the dynamics of this relationship remain mysterious. For example, do strict governance practices encourage the adoption of international standards for the preparation of the most striking Asmidi financial reports, or is it unintentionally created complications in the categorical reports? How do possible conflict panels move between the expectations of shareholders and compliance with the law? These questions are vital but have not been answered, especially because the Saudi Stock Exchange (Tadawul) - a pillar of the national economy - seeks to put itself as a center for international investors under the 2030 vision.

The contribution of this study lies in dealing with these gaps by providing experimental visions on the interconnection between international standards for the preparation of financial reports, zakat and governance within the Kingdom of Saudi Arabia. By analyzing listed companies, the search for how to mediate governance frameworks in practical implementation of international standards and faith-based obligations-a decisive balance to maintain investor confidence and organizational cohesion. Moreover, the results of policy makers may report to improve governance symbols to support dual goals in the Kingdom of Saudi Arabia: integration into global capital markets while preserving their Islamic financial identity. The results can also be a reference for other emerging markets that transmit similar tensions between Emiratisation and globalization. Ultimately, this research blocks a theoretical vacuum while providing implemented strategies for stakeholders in a quick -shift economy

(other)

The approximation of international financial reports (IFRS), Zakat obligations, and corporate governance in the commercial scene in the Kingdom of Saudi Arabia provides a unique field of study that is still unstable. The current literature has dealt with these components individually, however their common impact on financial practices of Saudi companies is rarely examined.

The compulsory accreditation of international standards for financial reports in the Kingdom of Saudi Arabia began to enhance financial transparency and compatibility with global practices, challenges due to the differences between international standards for the preparation of financial reports and local accounting standards. This transition requires examination of how corporate governance mechanisms affect the effective implementation of international standards for standards in the Saudi context.

At the same time, Zakat, a basic Islamic financial commitment, requires companies to calculate and pay part of their wealth for charitable purposes. The integration of zakat accounts within the framework of international standards to prepare financial reports is unique challenges, as the principles governing zakat vary from traditional tax systems. The interaction between the adoption of international standards for the preparation of financial reports and the calculation of the micro -zakat base remains a field with limited experimental research.

Moreover, corporate governance practices are evolved in the Kingdom of Saudi Arabia, and are affected by the concentration of vision 2030 on transparency and accountability. Understanding how these governance mechanisms affect all of the compliance of international standards for preparing financial reports and Zakat is crucial for stakeholders that aim to enhance corporate safety and investor confidence.

The scarcity of studies that study the tripartite relationship between corporate governance, the adoption of international standards to prepare financial reports, and Zakat compliance in the Kingdom of Saudi Arabia indicates a noticeable research gap. Treating this gap is necessary for several reasons:

Politics Development: The visions of such policy makers can be learned to improve regulations that coordinate international standards with local religious obligations.

Companies Strategy: Companies can develop strategies that ensure compliance with improving financial performance.

Investors guarantee: Transparency and enhanced governance can enhance investor confidence, and attract local and foreign investments.

In conclusion, the intersection of international standards for periodic flying, zakat and corporate governance in the unique social and economic context in the Kingdom of Saudi Arabia provides fertile ground for research. Exploring this group will contribute to a more comprehensive understanding of how to coexist with global financial standards with local religious practices, which eventually supports the economic development goals in the country.