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Comparative Analysis on Corporate Disclosure Practices of Listed Companies in ASEAN-5 after the Adoption of the Renewal Regional Disclosure Standards

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Abstract

This study aims to assess and compare the extent of corporate disclosure of the countries that have already implemented the renewal ASEAN disclosure standards with the countries that have not implemented yet. The empirical result indicates that overall picture of corporate disclosure in the ASEAN is in a good progression, with an increasing trend. Then, an independent t-test analysis addresses that the renewal ASEAN disclosure standards could have an effect on the level of corporate disclosure, especially in terms of non-financial and strategic information. But, it has no impacts on financial information. Therefore, it can be concluded that the regional disclosure standards might be one of the supportive factors for enforcing businesses to disclose more corporate information to the public. With this finding, it could alert regional regulators by providing the weaknesses of the current activities related to economic integration and guiding the direction for further development.

Keywords: corporate disclosure, ASEAN, listed companies, comparative analysis.

I. INTRODUCTION

1.1. Background

In practice, the problems related to information asymmetry have been one of the long lasting issues of the countries in the ASEAN (Claessens & Yurtoglu, 2013). There is a lot of evidences reported that most countries in the ASEAN deemed failure to disclose accurate information to the public, particularly before the year 1997 (Nam & Nam, 2004; Krapohl, 2005; and Garcia, 2007). However, after confronted with the Asian financial crisis, also known as the “Tom Yam Kung” crisis, such trouble had caused greatly concerned by both public and private organizations. During that period of time, most countries in the Southeast Asia region, especially the ones where experienced severe effects like Thailand or Malaysia, had worked actively to reinforce the capability of national systems, in order to reduce the negative consequences of the crisis. Yet, they still had tried to harmonize their national rules as well as regulations with international standards, aiming to attract capital investments from external sources. Besides reforming the existing mechanisms, they also widely applied various different applications that could potentially enhance a sustainable development. This covers a concept of good governance including information disclosure which has been extensively implemented as a benchmark to determine the basic practices that business should follow for boosting corporate transparency and accountability within a country.

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In this sense, it is unsurprising that policymakers of ASEAN countries have continuously pay a great attention to enlarge the degree of good governance in both scope and conditions, reflecting on stronger corporate disclosure requirements (Krapohl, 2005). For example, in Thailand, reformation of corporate governance has been a priority after the financial crisis. It was initially effective and continuously developed by the National Corporate Governance Committee (NCGC) since 2002. In the same year, the Stock Exchange of Thailand also set out a mandated guideline, known as the Principle of Good Corporate Governance, to provide a benchmark for good practices for listed companies in Thailand. In 2006, it was first revised based on the Principle of Corporate Governance of the Organization for Economic Cooperation and Development (OECD) and recommendations in the World Bank's Reports on the Observance of Standards and Codes (CG-ROSC). Again, in 2012, it was revised in both scope and contextual requirements to reinforce the changes in global business environment and the incoming event of the ASEAN Economic Community (AEC). As a result, businesses in Thailand were seriously requested to disclose the relevant information in the right format and announce it at the appropriate time for reaching good governance (Luengruengtip, 2013). For Malaysia, the corporate governance guide was first published in the year 2009 by the Bursa Malay to assist the companies listed on the stock exchange to better understand the listing requirements. Then, in 2011, the Securities Commission Malaysia (SM) released the action plan, known as the Corporate Blueprint 2011, to raise the corporate governance standards in Malaysia. Then, in 2012, a revised version the corporate governance guide was announced to replace the first edition while the Malaysia Code on Corporate Governance (MCCG) was first introduced to recommend the direction for enhancing a good corporate culture in an organization. As aforementioned, it can be noticed that not only substantial rules but also national regulations in Malaysia have been continuously updated to boost the efficiency of enforcement (Lim et al., 2013)

In terms of Indonesia, because it also often presented a good evolution in strengthening the rules and regulations of corporate governance, it could be another good example for the study of the corporate governance development in Southeast Asia as well. The document provided by Budidjaja and Dani (2013) reveals that principle of good corporate governance was first announced in 2006 by the National Committee on Governance. Then in 2013, Indonesia's Financial Services Authority (Otoritas Jasa Keuangan or OJK) with the International Financial Corporate decided to create a Corporate Governance Task Force (CGTF) for preparing the corporate governance roadmap in Indonesia. With this project, various local agencies such as Indonesia Stock Exchange (IDX), Indonesia Institution of Accountants (IAI), Bank of Indonesia, and etc. have been called for collaboration to enhance good governance in the country. Hence, level of business transparency and information disclosure in Indonesia has been continuously developed with a good progression.

As briefly described above, it is considered that most ASEAN countries were active for enlarging the degree of good governance in both scope and conditions, reflecting on stronger corporate disclosure requirements. However, along with this success, a number of problems related to the directions of development still exist as to the specifics since they are of quite diverse backgrounds (as concluded in the Table 1) and often lack good cooperation between member nations.

Table 1
Differentiation of National Convergences of the Countries in ASEAN

Description	Indonesia	Malaysia	Philippine	Singapore	Thailand	Source
Size (sq. km.)	1,904,569	329,847	300,000	719.2	513,120	The World Factbook, 2017
Number of Population	260,580,739 (July, 2017 est.)	31,381,992 (July, 2017 est.)	104,256,076 (July, 2017 est.)	5,888,926 (July, 2017 est.)	68,414,135 (July, 2017 est.)	The World Factbook, 2017
GDP per Capita (billion dollar)	\$11,700 (2016 est.)	\$27,000 (2016 est.)	\$304.9 (2016 est.)	\$87,900 (2016 est.)	\$407.1 (2016 est.)	Data, 2017
GDP Real Growth Rate (2016)	5%	4.2%	6.9%	2%	3.2%	Data, 2017
Income Group	Lower Middle Income	Upper Middle Income	Lower Middle Income	High Income	Upper Middle Income	The World Factbook, 2017
Stage of Development	Stage 2 Efficiency-Driven	Transition from Stage 2 to Stage 3	Transition from Stage 1 to Stage 2	Stage 3 Innovative-Driven	Stage 2 Efficiency-Driven	Schwab, 2015
Legal Origin	Civil Law system	English Common Law	Mixed legal system of civil, common, Islamic, and customary law	English Common Law	Civil law system with common law influences	Klerman et al., 2009
Colonial Host	Dutch and the US	Great Britain	Spain and US	Great Britain	Never	The World Factbook, 2017
Government Type	Presidential Republic	Federal Parliamentary Constitutional Monarchy	Presidential Republic	Parliamentary Republic	Constitutional monarchy	The World Factbook, 2017
Ethic Group	Javanese 40.1% Sundanese 15.5% Malay 3.7%	Malay 50.1% Chinese 22.6% Indigenous 11.8%	Tagalog 28.1%, Cebuano 13.1%, Ilocano 9%,	Chinese 74.3% Malay 13.4% Indian 9.1% (Include Sri Lankan)	Thai 97.5%, Burmese 1.3%, other 1.1%	The World Factbook, 2017
Religions	Muslim 87.2% Protestant 7% Catholic 2.9%	Muslim 61.3% Buddhist 19.8% Christian 9.2%	Catholic 82.9%, Muslim 5%, Evangelical 2.8%	Buddhist 33.9% Muslim 14.3% Taoist 11.3%	Buddhist 94.6%, Muslim 4.3%, Christian 1%	Quality data on religion
Official Language	Bahasa Indonesia	Bahasa Malayu	Filipino English	Mandarin English	Thai	(The World Factbook, 2017)
National Culture	- A hierarchical society - A collectivist society - A feminine society - A Low UAI societies - A pragmatic culture - Restraint	- A hierarchical society - A collectivist society - A neutral society - A Low UAI societies - A normative culture - Indulgence	- A hierarchical society - A collectivist society - A masculine Society - A Low UAI societies - A normative culture - Restraint	- A hierarchical society - A collectivist society - A neutral society - A Low UAI societies - A pragmatic culture - Not possible to determine	- A hierarchical society - A collectivist society - A feminine society - A high UAI societies - A normative culture - Not possible to determine	(Hofstede, 2017)

Source: collected by the author.

Prior studies have vividly pointed out that the disclosure practices of ASEAN are distinct from country to country, and indeed business to business (Craig & Diga, 1998). For example, regulators in many countries, especially extreme cases like Thailand or Malaysia, have the intention to create a strong disclosure regime that enables businesses to be more responsive to their stakeholders and attractive for foreign investments. As a result of this, numerous documents including international guidelines, best-practices of developed countries, national regulatory systems, and internal requirements are harmonized to ensure that the revised policies will cover significant information for investors and be applicable, whether in the country, region, or global market.

Yet, because various instruments can be applied in policy formation processes, the disclosure principles in each country are quite unique and sometimes could be incompatible with others. Furthermore, the literature still believes that, in some countries, the disclosure rules and regulations are regulated based on their own direction and experiences. Following this procedure, only domestic demands have been concentrated while external forces seem to be ignored (Sundgren et al., 2013). As a result of this, the new setting policies may be separated from the international standard and they can only be implemented effectively within the respective country. According to the aforementioned argument, it is generally proven that with a different focus area of policy settings in ASEAN, national disclosure strategies typically differ from each other and they would be a big problem to set a new disclosure standard of the region, inevitably. Furthermore, regarding the ASEAN Corporate Governance Scorecard Country Reports and Assessment (Teen et al., 2013), the report presented that the businesses of ASEAN countries often overlook disclosing some necessary information. For example, in Indonesia, the report indicated through an area of improvement that most listed companies in Indonesia still lacked the information about the profile of the board members, the information about anti-policies, the information about employee health and safety, etc. For other countries in the same region, the situation was quite similar to Indonesia. The report suggests that all of them need to improve the requested information items that are being disclosed via the company communication channel such as website, annual report, financial report, etc.

Following this recommendation, it is no doubt that the countries in ASEAN still lack a good system established to manipulate business practices. By proceeding in these manners, it is necessary for ASEAN countries to understand the current situation of corporate disclosure practices and factors within the region.

1.2. Motivation

Presently, the prospect of regional integration has spurred the countries around the world to realize the benefits of unity. As a result of this, the countries, neither developed nor developing, have attempted to collaborate with each other, principally in terms of economic development. For ASEAN, the member countries have been aware of the importance of regionalism as well. Hence, in 2003, they have together committed to enlarge the degree of collaborations by creating the ASEAN Community. Since then, many projects have been launched to facilitate the members for improving their basic structure during the transformation processes. For example, in 2013, the renewal of ASEAN disclosure standards was launched to prepare businesses for the arrival of cross-listing stock exchange in ASEAN. Nevertheless, the outcomes of this program was still ignored by the regional standard-setting authorities since there was no official document assessing on the success or reporting about the progression of each activity. Based on this weakness, this paper aims to assess and compare the level of corporate

disclosure between the countries that have already implemented the standards, covering three countries which are Malaysia, Singapore and Thailand (referred further as the implemented countries) and the non-implemented countries, consisting of two countries: Indonesia and the Philippines.

II. THEORETICAL FRAMEWORK

Even though, there are several theories explaining the extent, pattern, and level of corporate disclosure such as stakeholder theory, legitimacy theory, disclosure theory, institutional theory, and political economic theory, this study uses the legitimacy theory to be the theoretical framework of this study. This is because the main aim of ASEAN corporate disclosure is to serve ASEAN social expectation. The explanation of legitimacy theory is explained below:

2.1. Legitimacy Theory

Basically, a concept of legitimacy resides in the theoretical paradigm of the political economy (Gray et al., 1995; Omran & El-Galfy, 2014). It was designed as a system-oriented theory to generalize the interaction between an organizational behavior and a social expectation (Deegan, 2002). As a result of this, it becomes one of the most popular theories of social and environmental accounting area (Tilling, 2004). However, although it was widely applied in many empirical works over the last few decades, few researchers give a description in detail of the term legitimacy explicitly. In response to this problem, Suchman (1995) clarified its notion by proposing that “legitimacy is a generalized perception or assumptions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions”. With this explanation, it can be concluded that legitimacy is not the unitary phenomenon but it is a symbolic relationship that organizations need to create, whether voluntarily or reluctantly, to response with the needs of society and be accepted by the groups (Suchman, 1995). Then, Gray et al. (1995) enlarged a range of knowledge by addressing that the firms often use the activities of corporate social responsibility, especially the ones related to environmental perspective, as a tool to reduce the conflicts with the host community and represent a good image to their stakeholders.

Under this strategy, it is apparent that openly communication by disclosing relevant corporate information is an important step to acquire a company’s recognition as well as reliability from the public (Mousa & Hassan, 2015). Supported by a study of Deegan (2002) which emphasized that there are a variety of simultaneously motivations contributing managers to report the corporate information such as to comply with legal obligations, to attract investment funds, to consent with social contracts and industry requirements, to balance the power of the stakeholders, and so on. From this point of view, it is obvious that companies normally react with social demands by demonstrating the satisfied appearances in the corporate media, especially annual reports, in order to achieve legitimacy from key actors. Furthermore, Mousa and Hassan (2015) addressed that besides the effects of social pressures, national regulations are also necessary to stipulate the conditions for businesses. This comprises the features such as what are the information should be reported, when is the time should be announced, what the report that such information should be included in, and so forth. Also, Archel et al. (2009) sought out that annual reports are the main evidences for elucidating the convergences of corporate disclosure practices and national workforces. Consequently, the interplays between state and businesses also potentially reflect in the decisions to disclose or not disclose information of a company as well.

As remarked above, it is clarified that a concept of legitimacy is flexible and powerful to underpin a well-ground theoretical perspective for paving the way for corporate disclosure harmonization and ensuring its success.

III. LITERATURE REVIEW

3.1. The Nature of Corporate Disclosure by Country

According to Corporate Governance Disclosure in Emerging Market: Statistical analysis of legal requirements and company practices (Miller, 2011), the report claimed that the foundations for good governance of the countries in ASEAN have been influenced by the International Monetary Fund (IMF), International Reporting Standard, and mixed-method from the developed countries. However, there are no direct laws and regulations on corporate disclosure solely enacted in ASEAN. As a matter of this fact, the disclosure rules of each country have been concealed in abounding different documents as illustrated below:

3.1.1. Indonesia

Regarding Report on the Observance of Standards and Codes (ROSC): Corporate Governance Country Assessment for Indonesia (Robinett & Berg, 2010), it is clear that national corporate disclosure framework of Indonesia has been shaped based on many legal sources are concluded in Table 2.

Table 2

Table 2 Laws and Regulations Related to Corporate Disclosure in Indonesia

Laws and Regulations	The Year of Announcement	Type of Enforcement	Regulatory Authorities
Undang-Undang Pasar Modal (Law No.8 of 1995 on Capital Market)	1995	Mandatory Requirement	The President of the Republic of Indonesia
Regulation Number I-A Listing Requirements	2004, as amended in 2014	Mandatory Requirement	Indonesia Stock Exchange
Regulation Number I-E Concerning the Obligation of Information Submission	2004	Mandatory Requirement	Indonesia Stock Exchange
Indonesia's Code of Good Corporate Governance	2006	Voluntary Requirement	The National Committee on Corporate Governance (NCCG)
The Company Law (The Law Number 40 of 2007)	2007	Mandatory Requirement	The Minister of Law and Human Rights
Bapepam-LK Rules (VIII.G.7)	2012	Mandatory Requirement	Capital Market and Financial Institution Supervisory Agency
Indonesia Corporate Governance Manual	2014	Recommendation	Indonesia Financial Service Authority (OJK), International Financial Corporation (IFC)

Source: collected by the author.

3.1.2. Malaysia

As an Islamic country, Malaysia often provides strong and effective enforcement regimes to monitor business transparency and accountability. Nevertheless, it is noticeable that in term of corporate disclosure requirements, Malaysia still lacks a single

platform to enhance the practices of a business. Alternatively, abounding references are applied to robust reporting standards as detailed in Table 3.

Table 3
Laws and Regulations Related to Corporate Disclosure in Malaysia

Laws and Regulations	The Year of Announcement	Type of Enforcement	Regulatory Authorities
Banking and Financial Institution Act (Act 372)	1989	Mandatory Requirement	The Central Bank of Malaysia (Bank Negara)
Securities Commission Act (Act 498)	1993, as amended in 2015	Mandatory Requirement	Securities Commission Malaysia
Financial Reporting Act	1997	Mandatory Requirement	The Malaysian Accounting Standard Board; The Securities Commission
Development Financial Institution Act	2002	Mandatory Requirement	Securities Commission Malaysia
Capital Market and Services Act (Act 671)	2007, as amended in 2012	Mandatory Requirements	Securities Commission Malaysia
Malaysian Code on Corporate Governance	2012	Voluntary Requirements	Securities Commission Malaysia
The Malaysia Corporate Governance Blueprint	2012	Mandatory Requirement	Securities Commission Malaysia
Islamic Financial Service Act	2013	Mandatory Requirement	The Central Bank of Malaysia (Bank Negara)
The Bursa Malaysia Corporate Disclosure Guideline	2013	Recommendation	Bursa Malaysia (KLSE)
Companies Act (Act 777)	2016	Mandatory Requirement	Securities Commission Malaysia
Bursa Malaysia Listing Requirement (Chapter 9&15)	2016	Mandatory Requirement	Bursa Malaysia (KLSE)

Source: collected by the author.

3.1.3. The Philippines

Since 1998, the Philippines has been forced by the international organizations to more concern the issues related to information asymmetry. As a result of this, the national legal system has been in the reinforcement programs to ensure that they will effective enough to monitor the business activities. For better understanding, some principles related to corporate disclosure that has been widely included in the national laws and regulations are summarized in the Table 4.

Insert Table 4 here.

3.1.4. Singapore

In Singapore, although it has been widely recognized as the most effective country of Asia in promoting good governance, the regulation of disclosure standards still reflects a diversity of legal heritages as exhibited in Table 5.

Table 4
Laws and Regulations Related to Corporate Disclosure in the Philippines

Laws and Regulations	The Year of Announcement	Type of Enforcement	Regulatory Authorities
The Corporate Code of the Philippines	1980	Mandatory Requirement	Securities and Exchange Commission
The Revised Securities Act	1982	Mandatory Requirement	Securities and Exchange Commission
The Securities Regulation Code	2000	Mandatory Requirement	Securities and Exchange Commission
Financial Disclosure Checklist	2004	Mandatory Requirement	Securities and Exchange Commission
The Revised Code of Corporate Governance	2009, as amended in 2015	Mandatory Requirement	Securities and Exchange Commission
Philippines Listing and Disclosure Rules	2013	Mandatory Requirement	Philippines Stock Exchange
Securities and Exchange Commission Memorandum	Various	Mandatory Requirement	Securities and Exchange Commission

Source: collected by the author.

Table 5
Laws and Regulations Related to Corporate Disclosure in Singapore

Laws and Regulations	The Year of Announcement	Type of Enforcement	Regulatory Authorities
SGX's Corporate Disclosure Policy (Appendix 7.1)	2002	Mandatory Requirement	Singapore Stock Exchange
Companies (Accounting Standards) Regulations	2004 (Revised Edition)	Mandatory Requirement	Accounting Standards Council Singapore
The Companies Act (Chapter 50)	2006 (Revised Edition)	Mandatory Requirement	Singapore Government
The Securities and Futures Act (Chapter 289)	2006 (Revised Edition)	Mandatory Requirement	Singapore Government
The Singapore Exchange Listing Rules (Chapter 12)	2011, as amended in 2017	Mandatory Requirement	Singapore Stock Exchange
Singapore Code of Corporate Governance	2012	Mandatory Requirement	Monetary Authority of Singapore (MAS) and Singapore Stock Exchange

Source: collected by the author.

3.1.5. Thailand

In Thailand, it is evident that a large number of rules are applied as references to determine the disclosure practices of a company. The details of some important provisions are illustrated below:

Table 6
Legislation and Regulations Related to Corporate Disclosure in Thailand

Laws and Regulations	The Year of Announcement	Type of Enforcement	Regulatory Authorities
The Thai Civil and Commercial Code	1925, as amended up to No. 20 in 2014	Mandatory Requirement	Ministry of Commerce
The Public Limited Companies Act (the PLC Act)	1992, as amended up to No.3 in 2008	Mandatory Requirement	Ministry of Commerce
The Securities and Exchange Act (the SEA)	1992, as amended up to No.4 in 2008	Mandatory Requirement	Securities and Exchange Commission Stock Exchange of Thailand
Guidelines on Disclosure of Information of Listed Companies	1993	Mandatory Requirement	Stock Exchange of Thailand
Rules, Conditions and Procedures of Information Disclosure for a Listed Company	1992, as amended up to No.3 in 1995	Mandatory Requirement	Securities and Exchange Commission Stock Exchange of Thailand
The Best Practice Guideline for Audit Committees'	1999	Voluntary Requirement	Stock Exchange of Thailand
The Code of Best Practices for Directors of Listed Companies	1999	Voluntary Requirement	Stock Exchange of Thailand
The Accounting Act	2000	Mandatory Requirement	Ministry of Commerce
The Principles of Good Corporate Governance for Listed Companies	2002, as amended up to No. 2 in 2012	Comply or Explain	Stock Exchange of Thailand
Thai Accounting Standards (TAS) and Thai Financial Reporting Standards (TFRS)	2004, as amended in 2016	Mandatory Requirement	Federation of Accounting Professions
Disclosure Manual	2007	Recommendation	Stock Exchange of Thailand
The Listed Companies Handbook	2009	Mandatory Requirement	Stock Exchange of Thailand (SET)

Source: collected by the author.

As presented in the above tables, it can be summarized that the regulatory framework of corporate disclosure in ASEAN has been shaped based not only mandatory requirements but also voluntary conditions, covering four main legal sources: company law, financial market law, securities regulations, and corporate governance code. Additionally, it is found that since the first enactment, the national

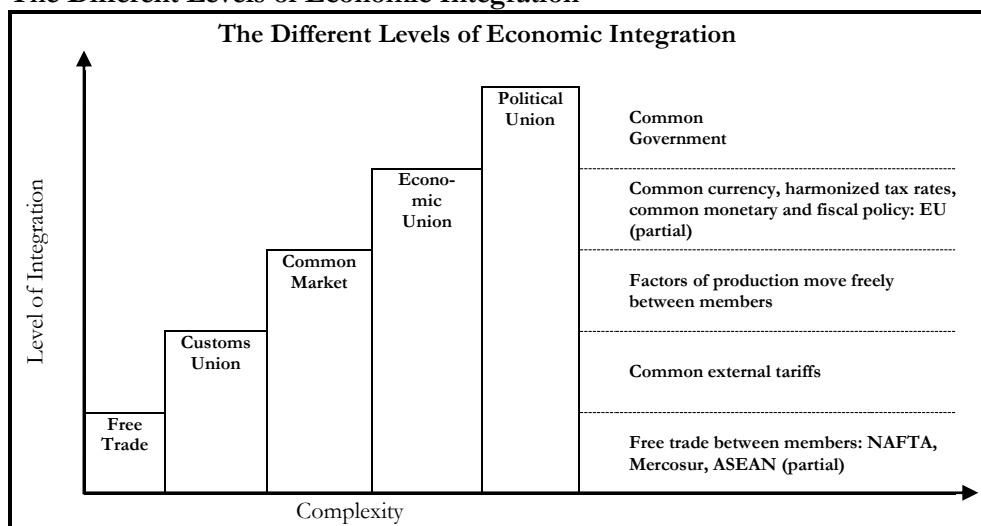
regulatory frameworks as well as disclosure standards have been constantly magnified in both scope and intensity, especially after the Tom Yam Kung crisis.

3.2. Economic Integration

After the end of the Second World War, the world was moving into the transitional period, which has been often conceptualized as the rebirth of globalization. The influences of this phenomenon have brought forward major shifts in the world economic system, with the so-called “Globalization of the world economy” or “Economic Globalization” (Anderson, 2001). As the influences of a concept of borderless, the business environment is intensively complicated whereas the competitors are more increasing. Then, the integrated world economy has been introduced to deal with the rapid changes and uncertainty in business situation; improve the level of negotiation as well as bargaining capacity; and boost the power of competitiveness. The collaborations among the countries or the regions are well enhanced for managing strong relationships across boundaries. (Balassa, 1961; Hartzenberg, 2011; and Rodrigue et al., 2013). However, according to the economic integration theory, the processes of amalgamation are various depending on the level of complexities as shown in Figure 1.

Figure 1

The Different Levels of Economic Integration



Source: Rodrigue et al., 2013

Figure 1 shows that the conditions and ties of relationships start from a very loose environment, where the countries can make any agreements under the definite conditions such as to reduce or eliminate tariff barriers, to coordinate monetary and fiscal policy, to provide free trade areas, to implement economic standards and so on. Then, the degrees of integration are continuously tightened up until the common government where the member countries are completely combined as a single market (Burfisher, 2004; Bach, 2016). With the complexity of economic arrangements, it is obvious that the status of significant membership obligations around the world vary on the different stages. In effect, many groups have concentrated on very loose environments which are preferential trade agreements, free trade area, and customs unions. All of them have contributed open-up trade liberalizations with the wide range of low tariffs, the reduction or elimination of trade barriers, and the other benefit-sharing on trading system to support the increasing pressures of international trades

(Schott, 2008; Cheng & Duval, 2014). Along with this kind of relationship, a number of international institutions, for instance, the World Bank, International Monetary Fund (IMF), and the World Trade Organization (WTO) were created as the fundamental organizations in promoting and managing multilateral trade negotiations. At the same time, a common set of multilateral trade rules like the General Agreement on Tariffs and Trade (GATT), succeeded in 1995 by the WTO was adopted as a basic working framework in the global trade (Jara, 2008). Later on, numerous substantive commitments were signed up with the different conditions; depending on the objective of establishment and the deepening of connectivity; normally ranging from preferential trade agreements (PTAs) to Free Trade Areas (FTAs), Customs Unions (CUs), Common Markets (CMs), Economic and Monetary Unions (EUs), and Political Unions (PUs) (Balassa, 1961; Ascani et al., 2012; and Rodrigue et al., 2013).

3.3. ASEAN Economic Community

In practice, the ASEAN Economic Community (AEC) is one of the transforming processes for the community-building. It is created aiming to build a strong economic foundation, accelerate regional economic growth, create a competitive market based on four expectations -- a single market and production base; a highly regional economic competition; an equitable regional economic development; and a fully integration of regional economic into the globalized world -- and bolster up the performance of regional cooperation. These including human resources development and capacity building; recognition of professional qualifications; close consultation on macroeconomic and financial policies; trade financing measures; enhanced infrastructure and communications connectivity; development of electronic transactions through e-ASEAN; integrating industries across the region to promote regional sourcing; freeing up the flow of services, investment, and skilled labors; allowing freer movement of capital; and enhancing private sector involvement for the building of the AEC (Kawai et al., 2008; Association of Southeast Asian Nations, 2003; and Association of Southeast Asian Nations, 2009).

Following its goals, it could significantly reflect in tariff reduction; better customs procedures; further liberalization of trade in goods and service; the ease of movement in term of investment, capital, and skilled labor around the region. Thus, when the AEC came into effect at the end of 2015, the members will automatically gain both advantages and disadvantages of its commitments in which challenge directly on business activities such as creating a new way of coordinating supply chains; expanding in investments; more dynamic and competitive with new mechanisms; achieving in internationalization of industrial standards especially in the priority sectors; and enhancing on bilateral trade as well as negotiation at the global level.

3.4. The Roles of the AEC on Corporate Disclosure in ASEAN

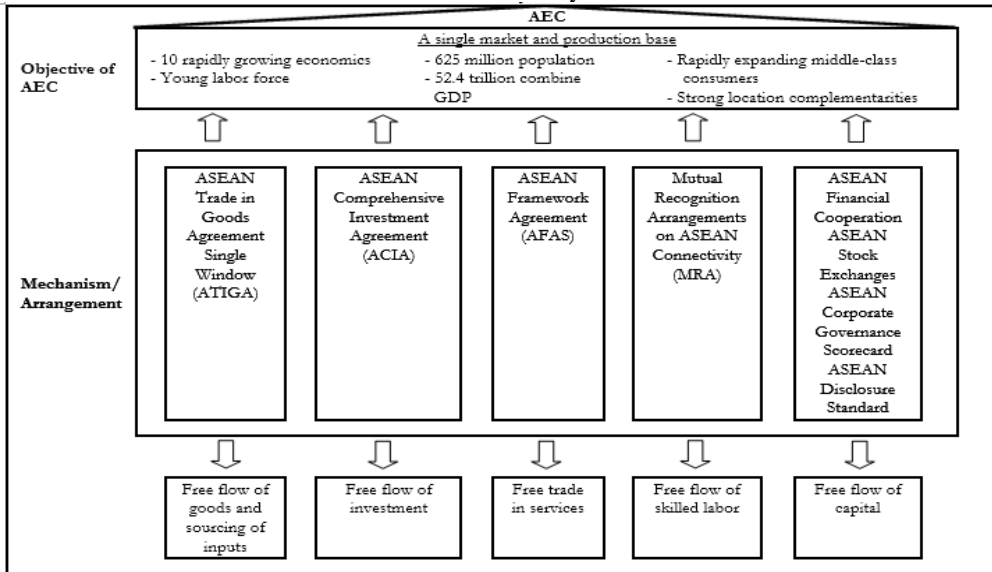
Initially, the concept of good governance was not included in the AEC 2015 blueprint. However, since the ASEAN countries need to attract the long-term investments into the region by integrating their capital markets together, business transparency has become one of the most important factors in success.

Insert Figure 2 here.

As seen in the Figure 2, it is shown that the ASEAN Disclosure Standards was introduced under the ASEAN Capital Market Forum (ACMF) Implementation Plan for the development of an integrated capital market in 2011. The ASEAN Disclosure Standards is a set of requirements that were designed by the ASEAN Capital Market Forum (ACMF) to promote good practices within the region; create flavor cultures for

businesses in the ASEAN; raise corporate governance standards of the member countries; facilitate cross-border investing opportunities within the ASEAN capital market, particularly in terms of the growth in capital flows across borders; and increase in long-term investments from external sources. In 2009, the Scheme was first announced as the two levels of standards, namely the ASEAN Disclosure standards and the Plus Standards.

Figure 2
Main Activities of the Asean Economic Community



Source: ASEAN Investment Report 2015 (2015).

The ASEAN Disclosure Standards was introduced based on the standards on cross-border offering set by the International Organization of Securities Commissions (IOSCO), the accounting and auditing standards of the International Financial Reporting Standards (IFRS) and International Standards on Auditing (ISA). It aims to harmonize cross-listing rules in multiple regulatory systems by removing the regulatory obstacles as well as the restrictive national measures of the ASEAN members and replacing with the common disclosure standards. On the other hand, the Plus standards are the supplementary principles of each participating members in order to retain some specific features of market practices, national laws or regulations. In accordance with a better equality in legal framework, the renewal version of the ASEAN Disclosure Standards was adopted to replace the initial one in 2013. Under the new Scheme, the Plus standards are eliminated while some significant elements such as forward looking statement or pro forma financial information are attached into the application. As a result of this development, there is the one single set of disclosure standards available for all ASEAN members to comply with. However, now, only three countries, namely Malaysia, Singapore and Thailand, have implemented the Scheme into the national rules of the respective jurisdictions. (Association of Southeast Asian Nations, 2009; Association of Southeast Asian Nations, 2013; Monetary Authority of Singapore, 2015; and Wan, 2017).

IV. HYPOTHESIS DEVELOPMENT

Based on legitimacy theory, it contends that environmental factors could have influences on accounting system as well as disclosure practices across country. This

includes not only internal but also external variables such as a demand for information of stakeholders, an influence of globalization, an advancement of technological innovation, an increasing of international trade and investments agreement, a global harmonization of accounting standards and so on (Choi, 1973 ; Thomas, 1986 ; Garcia, 2007; Chuanrommanee & Swierczek, 2007; Bauwhede & Willekens, 2008; Bokpin, 2013; Kittiakrastein & Srijunpetch, 2013; Sundgren et al., 2013; and Aksu & Espahbodi, 2016). In accordance with aforementioned, there are a number of empirical evidences convincing that the adoption of stronger standards could help to develop and stimulate better businesses practices, reflecting on the greater transparency. For example, the finding of Li (2011) claims that after IFRS adoption in 2007, 45% of Chinese firms improved their quality of information disclosure in the 2010 annual report. With this finding, it potentially offers a new insight to legitimacy theory by emphasizing that a function of national mechanism can induce businesses to change their behaviors.

To encourage this obvious point, Bokpin (2013) reaffirmed this linkage by pointing out that the adoptions of the IFRS and IAS have marginally improved the level of corporate disclosure practices of the listed companies in Ghana. Together with a study conducted in Romania, the result also mirrored the perception of legitimacy theory through the fact that the level of corporate governance of Romanian BSE listed companies can be developed after the adoption of the international principles. Therefore, the degree of regulatory enforcement is related to corporate disclosure practices (Achim & Borlea, 2014). Furthermore, according to a study of Leuz and Verrecchia (2000) on the economic consequences of increased disclosure, the finding still increases the reliability of legitimacy framework by illustrating that the adoption of international reporting requirements of the German firms results to an increase in the level of corporate disclosure, reflecting on an improvement in trade volume and a decrease in information asymmetry. In the ASEAN context, Kittiakrastein and Srijunpetch (2013) found that the level of earnings smoothing among 6 countries in the ASEAN which are Indonesia, Malaysia, the Philippines, Singapore, Thailand, and Vietnam increased after the declaration of the AEC establishment which indicates less comparable. However, the overall level of earnings management towards targets decreased, which implies that the accounting quality improved after the declaration while the level of timely loss recognition is not significantly changed after the declaration. As a matter of this finding, it is plausible to believe, along with legitimacy theory, that external pressures could be significantly associated with business activities.

By the above logic, it can be implied that the adoption of the renewal regional disclosure standards could have an influence on the level of disclosure practices in the ASEAN. Hence, to extend the range of the theoretical tool and increase a better understanding on the topic, the following is hypothesized:

- H₁:** the level of corporate disclosure of the countries that have already implemented the renewal ASEAN disclosure standards will be higher than the non-implemented countries
- H_{1a}:** the level of financial information disclosure of the countries that have already implemented the renewal ASEAN disclosure standards will be higher than the non-implemented
- H_{1b}:** the level of non-financial information disclosure of the countries that have already implemented the renewal ASEAN disclosure standards will be higher than the non-implemented

H_{1c}: the level of strategic information disclosure of the countries that have already implemented the renewal ASEAN disclosure standards will be higher than the non-implemented

V. RESEARCH METHODOLOGY

5.1. Sample

The sample used in this study is drawn from the top 50 of best corporate governance companies of 2014 in five ASEAN countries. Nonetheless, because the activities including disclosure rules of the bank and insurance industry are not quite comparable with the others, they were automatically excluded from the list. Then, the remainder samplings were selected based on the following criteria:

- 1) The annual reports including other relevant documents must be available in English version on the website of the company, the website of the Stock exchange of each country, or the DataStream International (Thomson Reuters) database over the period of the study
- 2) The firms must have been listed on one of the Stock Exchange of five ASEAN countries during the study period

The final sample covers 111 listed companies. It consists of 22 firms from communications sector, accounted for 19.82%; 11 firms from consumer discretionary sector, accounted for 9.91%; 22 firms from consumer staples sector, accounted for 19.82%; 21 firms from energy sector, accounted for 18.92%; 21 firms from industrials sector, accounted for 18.92%; and 14 firms from the utility sector, accounted for 12.61%.

5.2. Data Collection

To collect the data, the annual report of the year 2014 and 2015 are used as primary information sources. However, other relevant sources of information such as company's website, financial reports, corporate governance reports, corporate social responsibility report, and among other could be applied if necessary.

Furthermore, since this study is carried out based on the perspective of outsiders who normally obtain corporate information through the public channels only, all documents are downloaded from the website of the company, the website of the Stock exchange of each country, or the DataStream International (Thomson Reuters).

5.3. ASEAN Disclosure Index

This study used a self-constructed research instrument, namely the ASEAN Disclosure Index, to assess the extent of corporate disclosure in the ASEAN through the annual reports and other company filings such as financial reports, corporate governance reports, and corporate social responsibility reports. It is developed based on the requirements of the renewal ASEAN disclosure standards, consisting of 212 information items, with three attributes: financial information (76 items), non-financial information (68 items) and strategic information (68 items).

To evaluate the level of disclosure practices in the ASEAN, 1 code is assigned to every information item that were expressed on the company's documents and 0 if otherwise. Then, the total disclosure score is calculated by summing the value of each information category and converted to the ratio of the actual scores that were awarded to a company when requested information was disclosed to the total scores that are expected to earn. The formula of aforementioned index is given as follows:

$$\text{ASEAN Disclosure Index (ADI)} = \frac{\sum_{i=1}^n d_i}{n}$$

Where:

- 1) ASEAN Disclosure Index (ADI) = the ratio of the actual scores that were awarded to a company when requested information was disclosed to the total scores that are expected to earn. It is ranged from 0 to 1, meaning that if a firm disclosed all 212 items of information, it would receive a score of 1, accounting for 100%,
- 2) n= the total number of items that could be disclosed, where $n \leq 212$, and
- 3) d_i = the actual value that was awarded to a company when the requested information is disclosed (assigned as 1 if the item d_i is disclosed; and 0 otherwise).

5.4. Analytical Tool

To test the hypothesis, average disclosure scores are prepared into two groups. The first group covers firms from the countries that have already implemented the renewal ASEAN disclosure standards (referred further as the implemented countries), consisting three countries which are Malaysia, Singapore and Thailand. The second group contains from the countries that have not implemented the regional disclosure standards yet (referred further as the non-implemented countries), covering two countries: Indonesia and Philippines. Then, an independence t-tests technique is applied as a statistical tool for testing the differences between average means of disclosure scores between two parameters. Based on this theory, it is suggested that to estimate the relationships in a single direction, the variables are measured with the degree of freedom and sig (one-tail) at significant level 0.05. If one-tailed p-value is less than 0.05, the null hypothesis will be rejected and the alternative hypothesis will be accepted (Shier, 2004; Bruin, J., 2006)

VI. FINDINGS

6.1. Descriptive Analysis

The descriptive statistics provide an overview of the data obtained from the investigation through the annual reports of the year 2014 and 2015 with the ASEAN disclosure index.

Insert Table 7 here

Table 7 shows an average of corporate disclosure score, standard deviation, minimum score and maximum score of the implemented countries and the non-implemented countries in three dimensions: the year 2014, the year 2015 and the two-year average. Overall, the empirical evidence shows that an average disclosure score of the implemented countries was at 59.8% in 2014 and slightly increased to 60.0% in 2015. Also, an average disclosure score of the non-implemented countries was at 55.9% in 2014 and moved up to 56.9% in 2015. With these findings, it is obvious that the level of corporate disclosure practices of both groups is at a moderate level, with an average 59.9% for the implemented countries and 56.4% for the non-implemented countries. However, the movement was in a good direction, with an increasing trend.

Besides, the evidence also reveals that an average disclosure score of the implemented countries is slightly higher than the non-implemented countries, accounted for 3.9% in 2014, 3.1% in 2015, and 3.5% for the two-year average. This result suggests that the countries that provide strong regulations would require more information to be disclosed, resulting in better outcomes. To be more specific, it appears that this trend is consistent with the strategic information disclosure score. The table indicates that the two-year average disclosure score of strategic information of the implemented countries was at 58.0%, with a rate of 57.4% for 2014 and 58.5% for 2015. Together, the two-

Table 7
Descriptive Statistics of Disclosure Practices between the Implemented and the Non-implemented Countries

Description	N	2014				2015				Two-Year Average			
		\bar{x}	SD	Min	Max	\bar{x}	SD	Min	Max	\bar{x}	SD	Min	Max
Overall Score													
Implemented	69	0.598	0.051	0.505	0.712	0.600	0.061	0.491	0.783	0.599	0.052	0.491	0.783
Non-Implemented	42	0.559	0.070	0.396	0.689	0.569	0.067	0.396	0.679	0.564	0.067	0.396	0.689
Financial Information													
Implemented	69	0.603	0.071	0.421	0.763	0.598	0.079	0.474	0.882	0.601	0.071	0.421	0.882
Non-Implemented	42	0.589	0.074	0.382	0.737	0.593	0.079	0.368	0.789	0.591	0.074	0.368	0.789
Non-Financial Information													
Implemented	69	0.617	0.078	0.324	0.824	0.617	0.075	0.397	0.824	0.617	0.070	0.324	0.824
Non-Implemented	42	0.573	0.844	0.353	0.868	0.585	0.088	0.382	0.824	0.579	0.080	0.353	0.868
Strategic Information													
Implemented	69	0.574	0.628	0.368	0.706	0.585	0.077	0.368	0.794	0.580	0.063	0.368	0.794
Non-Implemented	42	0.513	0.109	0.250	0.691	0.525	0.112	0.250	0.706	0.519	0.108	0.250	0.706

year average disclosure score of strategic information of the non-implemented countries was at 51.9%, with a rate of 51.3% for 2014 and 52.5% for 2015. According to the results, it can be concluded that firms from both groups tend to disclose more strategic information to the public, with a rate of 1.1% for the implemented countries and 1.2% for the non-implemented countries. Furthermore, overall extent of strategic information disclosure of the implemented countries was higher than the non-implemented countries, which was 6.1% for 2014, 6% for 2015 and 6.1% for the two-year average.

Similarly, in terms of non-financial information disclosure, the table shows that an average non-financial information disclosure score of the implemented countries was stable at a rate of 61.7% over two years while an average score of the non-implemented countries was little developed from 57.3% in 2014 to 58.5% in 2015, accounted for 1.2% of the difference between two years. However, overall extent of non-financial information disclosure of the implemented countries was still higher than the non-implemented countries, accounted for 4.4% in 2014 and 3.2% in 2015, being 3.8% for the two-year average. Another notable result from the survey is that the level of financial information disclosure of the implemented countries was decreased from 60.3% in 2014 to 59.8% in 2015, obtained the estimated difference of 0.5%. Conversely, the movement of financial information disclosure of the non-implemented countries was in an increasing trend, with an average of 58.9% in 2014 and 59.3% in 2015. Yet, the overall picture of financial information disclosure between two groups is still in the same line with the overall picture and other types of information. The table indicates that the two-year average of the implemented countries was still higher than the non-implemented countries, accounted for 1.4% in 2014 and dropped to 0.5% in 2015, being only 1% for two-year period. In relation to this matter, it can be pointed out that a strong condition in the financial information requirements might not be effective for enhancing business to disclose financial information even if it is a mandatory requirement.

6.2. Independent T-Test Analysis

To investigate the differences in corporate disclosure practices between the implemented countries and the non-implemented countries, an independent t-test analysis is performed in three difference cases: the year 2014, the year 2015 and the two-year average. In each case, the results are provided in four aspects as presented in the table below:

Table 8
The Result of Independent T-Test Estimation

Description	2014				2015				Two-year average			
	$\Delta\bar{x}$	SD	T-test	P-value	$\Delta\bar{x}$	SD	T-test	P-value	$\Delta\bar{x}$	SD	T-test	P-value
Overall	0.039	0.012	3.385	0.005	0.032	0.012	2.568	0.006	0.035	0.011	3.119	0.010
Financial Information	0.013	0.014	0.938	0.175	0.006	0.016	0.366	0.358	0.010	0.014	0.677	0.250
Non-Financial Information	0.045	0.016	2.833	0.025	0.033	0.016	2.080	0.020	0.389	0.015	2.663	0.004
Strategic Information	0.062	0.016	3.795	0.000	0.060	0.018	3.337	0.000	0.061	0.016	3.763	0.000

6.2.1. Overall Extent of Corporate Disclosure

According to the table9, the evidence shows that there was a significant difference in an overall average of disclosure score for the implemented countries (M= 0.598, SD= 0.051 for the year 2014; M= 0.600, SD= 0.061 for the year 2015; and M= 0.599, SD= 0.052 for the two-year average;) and the non-implemented countries

(M= 0.559, SD= 0.70 for the year 2014; M= 0.569, SD= 0.067 for the year 2015; and M= 0.564, SD= 0.067 for the two-year average), conditions; $t(109)= 3.385$, $p= 0.005$ for the year 2014; $t(109)= 2,568$, $p= 0.006$ for the year 2015; and $t(220)= 3.119$, $p= 0.010$ for the two-year average. With this finding, the first hypothesis which is the level of corporate disclosure of the countries that have already implemented the renewal ASEAN disclosure standards will be higher than the non-implemented countries is accepted. The result suggests that the adoption of the renewal ASEAN disclosure standards could enhance the level of corporate disclosure in ASEAN.

6.2.2. Financial Information Disclosure

With respect to the table9, the finding suggests that there was no significant difference in financial information disclosure between the implemented countries (M= 0.603, SD= 0.071 for the year 2014; M= 0.598, SD= 0.079 for the year 2015; and M= 0.601, SD= 0.071 for the two-year average) and the non-implemented countries (M= 0.589, SD= 0.704 for the year 2014; M= 0.593, SD= 0.079 for the year 2015; and M= 0.591, SD= 0.074 for the two-year average), conditions; $t(109)= 0.938$, $p= 0.175$ for the year 2014; $t(109)= 0.366$, $p= 0.358$ for the year 2015; and $t(220)= 0.677$, $p= 0.250$ for the two-year average. With this finding, the level of financial information disclosure of the countries that have already implemented the Renewal ASEAN Disclosure Standards will be higher than the non-implemented countries is rejected. The result recommends that the adoption of the renewal ASEAN disclosure standards provides a less effective for the improvement of financial information disclosure practices in ASEAN, neither the implemented nor the non-implemented countries.

6.2.3. Non-Financial Information Disclosure

Based on the above table, the result indicates that an average of non-financial information disclosure of the implemented countries M= 0.617, SD= 0.078 for the year 2014; M= 0.617, SD= 0.075 for the year 2015; and M= 0.617, SD= 0.070 for the two-year average) is significantly higher than the non-implemented countries (M= 0.573, SD= 0.084 for the year 2014; M= 0.585, SD= 0.088 for the year 2015; and M= 0.579, SD= 0.080 for the two-year average), conditions; $t(109)= 2.833$, $p= 0.025$ for the year 2014; $t(109)= 2.080$, $p= 0.020$ for the year 2015; and $t(220)= 2.663$, $p= 0.004$ for the two-year average. In regard to this result, the level of non-financial information disclosure of the countries that have already implemented the renewal ASEAN disclosure standards will be higher than the non-implemented countries is accepted. The result advocates that the adoption of the renewal regional disclosure standards has a strong relationship with the extent of corporate disclosure in ASEAN.

6.2.4. Strategic Information Disclosure

Referred to the table above, an analysis demonstrates that over the period of the study, the implemented countries always had higher disclosure scores (M= 0.574, SD= 0.628 for the year 2014; M= 0.585, SD= 0.077 for the year 2015; and M= 0.580, SD= 0.063 for the two-year average) than the non-implemented countries (M= 0.513, SD= 0.109 for the year 2014; M= 0.525, SD= 0.112 for the year 2015; and M= 0.519, SD= 0.108 for the two-year average), conditions; $t(109)= 3.795$, $p= 0.000$ for the year 2014; $t(109)= 3.337$, $p= 0.000$ for the year 2015; and $t(220)= 3.763$, $p= 0.000$ for the two-year average. With this finding, the sub-hypothesis which is the level of strategic information disclosure of the countries that have already implemented the renewal ASEAN disclosure standards will be higher than the non-implemented countries is accepted. As a result of this, it can be concluded that the adoption of the renewal ASEAN disclosure standards could influence on strategic information disclosure of businesses in Southeast Asia.

VII. ANALYSIS AND DISCUSSION

This study aims to assess and compare the level of corporate disclosure after the adoption of the renewal disclosure standards between the implemented countries and the non-implemented countries. The finding reveals that the countries that have already implemented the renewal disclosure standards in their national regulation provide a higher level of corporate disclosure over the period of the study, whether in the specific year or the two-year average. To be more specific, the result reveals that businesses from the implemented countries would more disclose the non-financial information and strategic information in their annual reports, comparing with the non-implemented countries. However, in terms of financial information, the finding suggests that there is no significant difference in practices between two groups. Based on this viewpoint, it can be accurately reconsidered by Ho and Taylor (2013) who endorse that the countries in ASEAN like Malaysia were adopted a higher quality accounting standards such as the International Financial Reporting Standards, leading to a higher level of voluntary disclosure. Furthermore, Ghani and Tarmezi (2016) posited that the overall level of information disclosure among Malaysia public listed companies is at a good level, with slightly increasing year by year because of the effect of corporate disclosure guidelines. This argument can be supported by the study of Kittakrastein and Srijunpetch (2013) which verified that the accounting quality in ASEAN countries improved after the declaration of AEC. In addition, such improvement was also discovered in the parallel movement of the European countries.

Based on the study of Choi (1973) on financial disclosure and entry to the European capital market, it suggests that since an international setting often requires stronger demand on information, the financial disclosure practices of the firms in Europe significantly improved after they enter into the European capital market. Besides, the findings of this study is also consistent with a notion of legitimacy theory which mentions that an external pressure including the global trend as well as the revolution of regional connectivity as one of the key factors encouraging businesses to disclose the other types of information besides financial reporting. It is relevant to highlight that, companies in ASEAN tend to publicize more information related to business strategy and non-financial activities because they need to facilitate communication with the stakeholders and map out appropriate directions to ensure that the needs of each partner will be fulfilled at the relevant time. Furthermore, in a dynamic society where is constantly open for the changes, businesses need to be adaptive, flexible and cooperative with the environments internally and externally. Consequently, after the adoption of the renewal ASEAN disclosure standards, the traditional business model of the implemented countries has been directly challenged by the new coming event immediately. With respect to this circumstance, stronger requirements have been adopted to serve with the conditions of economic integration. Businesses, then, are necessary to interact vigorously with the shifts in policies and practices. They have no alternative choices except complying with new regulations and satisfying the demands of their networks. Hence, since the topic related to good governance has become an important subject of a global trend, it is no doubt that ASEAN countries has also included this concerning in the Master Plan on ASEAN Connectivity. In line with this matter, businesses in ASEAN have been requested to disclose more corporate information, especially in terms of non-financial and strategic performance.

To support this statement, the IMF working paper on corporate governance quality: trends and real effects (Nicolo et al., 2006) indicated that corporate governance quality of non-financial firm in Asian countries was improved with a large number on average during the 1994-2003 period and improvements have been largely observed through the perspective of transparency. Together with a cross-country study of Craig and Diga (1998) which endeavored to examine the nature and extent of corporate disclosures in ASEAN states. Their results showed that the actual disclosure practices of businesses in ASEAN were not largely different. In terms of financial information disclosure, the disclosure level was rather low throughout the region whereas the qualities of non-financial and social information disclosure were at acceptable levels. Following these findings, it can be reflected a specific feature of legitimacy theory which recommends that since the disclosure framework of ASEAN corporations has been continuously improved in accordance with social environmental requirements, the level of corporate disclosure in ASEAN has been raised as well. Yet, the evidences still demonstrated that the movement of financial information disclosure would be less than the others because businesses need to response with the social environmental requirements. Therefore, businesses will disclose more the information in other categories besides financial statement, in order to receive the acceptance from their stakeholders, in return.

In summary, it can be finalized that the regional disclosure standards could help to enhance businesses to disclose more the information to the public, especially in terms of non-financial information and strategic information. But, it provides less effective in a case of financial information. Based on this evidence, it could definitely be an important clue to enlarge the extent of legitimacy theory by marking the positive relationship between policy harmonization and business practices. Thereby, it could be acknowledged that when the regional standards have been enforced, businesses would adjust their operations and structures in response to new environments, resulting in better performance in organizational management.

VIII. CONCLUSION, LIMITATION AND FUTURE RESEARCH

8.1. Conclusion

This study aims to assess and compare the level of disclosure practices of the countries that have already implemented the renewal ASEAN disclosure standards with the non-implemented countries. The empirical results indicated that the overall picture of corporate disclosure in the ASEAN is in a good progression, with an increasing trend. Furthermore, based on an independent t-test analysis, it claims that the renewal ASEAN disclosure standards could have an impact on the level of corporate disclosure practice, especially in terms of non-financial information and strategic information, but it has no impacts on financial information disclosure practices. Therefore, it can be concluded that the current regional economic activity might be one of the supportive factors for enforcing businesses to disclose more corporate information to the public. With this finding, it could alert regional regulators by providing the weaknesses of the current regional economic integration on financial information disclosure; enhancing the awareness of the issues related to information asymmetry and guiding the direction for further development. Hence, the regional administration should be more active in promoting the new standards of corporate disclosure and constantly improving its quality, with appropriate directions.

8.2. Limitation and Area for Future Research

This study attempts to make pragmatic contributions to the knowledge on corporate disclosure and regional development. However, because of time limitations, the weaknesses are naturally recognized in two folds. Firstly, since the scope of investigation was focused on the adoption of the renewal ASEAN disclosure standards, it might not be enough to illustrate the whole factors that could denote on corporate disclosure in the ASEAN. In this line, the extension of relevant factors (e.g. type of industry, economic development, legal origin, national culture) is required for better understanding on the topic. Secondly, because a small number of representatives (only 111 listed companies from the five ASEAN countries) were brought together in the inspection, the sampling of this research was restricted in both size and boundary. Hence, further studies should be conducted based on a larger sample with various types of organizations including unlisted or private enterprises in different areas.

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