

## 1. Introduction

An alternative media for disclosure is a paperless-based reporting system and is often known as Online Financial Disclosure (OFD) or Internet Financial Reporting (Probal and Bose, 2007). Lymer et al. (1999) defined OFD as public reporting of financial and operating information by a firm using related internet-based communications medium or the World Wide Web. Moreover, Xiao et al., (2004) stated that Online Financial Disclosure is voluntary and greatly unregulated. In certain developing countries such as the Gulf Council Countries (GCC), this type of disclosure is newly used by organizations and has not been formally regulated. OFD would contribute in enhancing corporate governance because it can help in reducing the agency problem (Ojah, 2012). It would, therefore, be interesting to find the level of OFD usage in the GCC countries and the differences among them due to the different regulatory bodies and the guidelines they follow.

## 2. Objectives

1. What is the level of the content dimension in the GCC listed companies?
2. What is the level of the presentation dimension in GCC listed companies?
3. What is the level of OFD usage in GCC listed companies?

The motivation of this study is to present recommendations that might aid standard setters and regulatory bodies in the GCC to establish strategies that would encourage OFD by the listed companies.

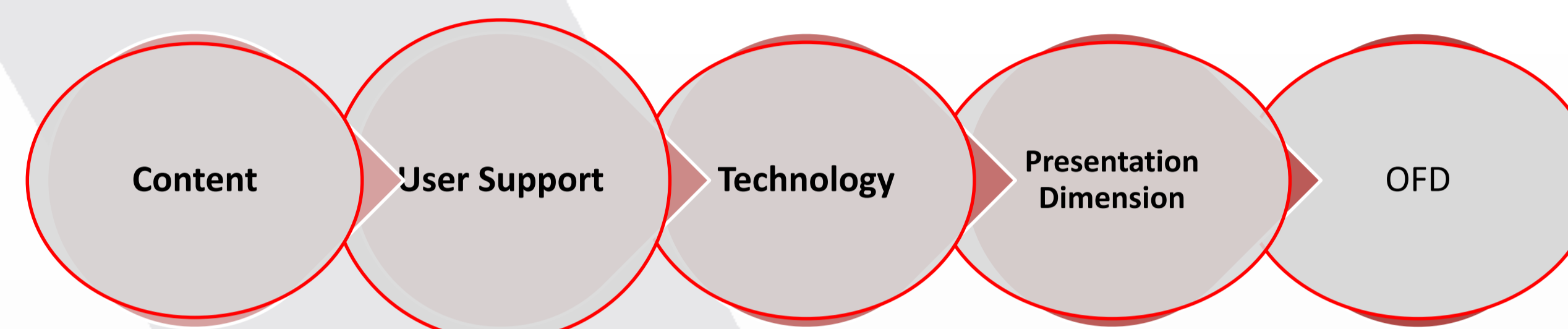
## 3. Resources

1. Annual Reports of companies listed on the GCC Bourses for the year ended 2015.
2. Official websites of the listed companies
3. The GCC Bourses' official websites.

## 7. Recommendations and Future Research

The results of the analysis provided in this research should be particularly relevant to regulatory bodies and standard setters. The study, therefore, recommends that the GCC Bourses should develop a formal guideline for Online Financial Disclosure to create harmony in disclosing information through the internet and to enhance the content and the presentation of financial and non-financial information disclosed in the companies' websites. The researcher suggests having a further study that investigates the relationship between Online Financial Disclosure and performance – financial, operational and stock.

## 4. Online Financial Disclosure Index



## 5. Methodology

1

- The required data for calculating OFD level were gathered from 274 companies out of 289 companies listed under the financial sector.

2

- The current study used an OFD index consisting of 90 items, including 71 items of content and 19 items of presentation (including user support and technology) format.

3

- The OFD index is binary-based. Accordingly, the Index for each company was calculated by dividing the total earned scores of the company by the total maximum possible scores appropriate for the company.

## 6. Findings

1. The results showed that the total level of OFD was 77%.
2. With regards to dimension of content, the range of OFD per item was between 41% to 96%. Therefore, it can be summarized that the majority of the GCC companies are disclosing a good level of content information through their websites.
3. The range of application of OFD per item is between 63% to 89%. Therefore, it can be summarized that the majority of the GCC companies are disclosing a good level of presentation information through their websites.