

## **CORPORATE DISCLOSURE IN THE FINANCIAL REPORTS OF AN EMERGING COUNTRY: THE CASE OF KAZAKHSTAN**

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### **ABSTRACT**

This study sets out to examine empirically the determinants of corporate disclosure in the annual reports of 37 listed firms of Kazakhstan Stock Exchange (KASE) in Kazakhstan forming approximately of the total largest and most liquid firms incorporated on KASE. It also reports the results of the association between company-specific characteristics and disclosure of the sample companies. A disclosure checklist consisting of 79 items of information is developed and statistical analysis is performed using multiple regression analysis.

Through content analysis of annual reports, we identified the level of information disclosure in Kazakh listed companies. According to the results, corporate disclosure level is not high among Kazakh companies currently; the majority of the disclosures are quantitative; and while all firms spread good news, no one discloses the bad ones. The findings indicate that firm size, beta, and leverage are significant and other variable book to market value of equity is insignificant in explaining the level of information disclosure.

This research is the first to perform a comprehensive investigation of the relation between disclosure and cost of capital for firms immersed in poor governance and institutional regimes. The study contributes to the existing research by justifying the choice of theoretical and methodological approaches, construction of the disclosure index and the selection of factors for the models based on the specifics of Kazakhstan.

**KEYWORDS:** Disclosure Policy, Cost Of Equity Capital, Financial Risk