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Listing of economic institutions in the stock market and the requirements of the principle of transparency and financial disclosure

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Abstract:

This study intends to provide light on the role played by the principle of openness and financial disclosure for entities that want to be listed on the stock exchange. Good financial disclosure and openness are required when working in the stock market when preparing financial reports, managers of economic institutions must deliver financial reports with enough information content in order to ensure fair pricing based on the efficient market hypothesis.

The study found that, despite some directions and legislation, the Algerian Stock Exchange was unable to keep up with global changes that required listed economic firms to provide full and ongoing disclosure with complete transparency.

Keywords: Economic Institutions; Stock Market; Transparency; Financial Disclosure.

Jel Classification Codes: H32; E44; G34; M41.

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I. INTRODUCTION

The economic institution is regarded as a production unit whose primary goal is to improve its resources in the short and long term, because it operates in a competitive economic environment, it must continuously grow and invest until it achieves an acceptable level of performance to ensure its survival and continuity, and in view of the changes experienced in the economic world as it transitions from a planned to a free economy, the economic entity must diversify its funding sources by using the stock market.

In a free national economy, the stock market attracts the excess of unmobilized and jobless capitalby converting it from idle and ineffective money to employed and effective capital in the economic cycle through investment operations carried out by individuals or institutions in stocks, bonds, and other securities traded on the stock exchange.

The listing of economic institutions on the stock exchange is a crucial milestone in their history since it will have long-term consequences. Every economic institution that wishes to enter and dominate this market must prepare for it by making the necessary changes to its financial structure and implementing a set of controls and duties to keep up with the listing conditions, which include conditions related to the principle of transparency and financial disclosure that it must enjoy in order to maintain the investing community's trust.

- **Problem of the Study:**

This research intervention showed the relevance of adopting the principle of transparency and financial disclosure in economic institutions while completing the listing process, as well as monitoring and following up on the operations of economic institutions on the stock exchange. As a result, the primary question can be expressed as shown below:

What role do the principles of transparency and financial disclosure play as a mechanism for listing economic institutions in the stock exchange?

- **Hypotheses of the Study:**

To response to the research questions, we established the following hypotheses:

- The accessibility of transparency and disclosure of financial information contributes to the potential of an economic entity to be listed on the stock market and enhance their dealings in it;
- Transparency and financial disclosure are considered one of the factors for listing economic entities before entering the public subscription stage;
- The principle of transparency and financial disclosure represents a key instrument for improving the performance of the stock market.

- **The Objectives of the Study:**

The objective of this study was to illustrate the function of the concept of transparency and financial disclosure as a method instrument in facilitating the process of listing economic institutions on the stock market, employing the explanatory aims indicated below:

- Identifying the most essential theoretical principles associated with the principle of transparency and financial disclosure;
- Addressing the methods and phases of listing institutions on the stock market;
- Identifying the prerequisites and advantages of listing economic institutions on the stock exchange;
- Taking up the stock market's transparency and financial disclosure principle.

- **Methodology of the Study:**

To cover the many elements of the study and answer the problem stated, we used the deductive approach with two tools: description and analysis, which addressed the concepts of the study variables. We also highlighted and described the data, information, and data, as well as explained and interpreted them, to ensure the research hypotheses' validity.

II. Financial Disclosure and Transparency Requirements for listing Economic Institutions on the Stock Market:

1. Financial Disclosure and Transparency Principle:

In today's society, the words financial disclosure and transparency have become widespread, particularly in the stock market. Financial disclosure, transparency, and governance are two sides of the same coin, affecting and being influenced by the other. Financial disclosure under corporate governance becomes more transparent, and increased transparency in financial disclosure results from activating corporate governance and leads to protecting investors.

Transparency and the results of financial disclosure in terms of honesty and clarity in transactions provide a solid foundation for preventing collusion or divergence in corporate performance.

1.1. Concept of Financial Disclosure:

Financial disclosure is the practice of demonstrating and offering the necessary financial information and data for economic institutions, which can be found in the financial statements, explanatory appendices, and footnotes, provided that this data and information are completely clear, unambiguous, and

non-misleading, and are characterized by completeness, honesty, and transparency, provided that it is disclosed at the appropriate time so that it can be used or relied on in making sound decisions, particularly investment decisions, and that the process of clarifying this data and information is not costly to the beneficiary, therefore restricting its use, and that this information is not also worthless and useless to users and beneficiaries (El-Sayed, 2014, p. 21).

Accordingly, the researcher argues that the full concept of financial transparency is that the institution shows, presents, and communicates information related to its financial position to its users at the same time and at the appropriate time, in a clear and explicit manner without fraud, ambiguity, or misleading, in order to give a true picture of the institution's position and enable investors to make sound decisions, in addition to the role of financial disclosure in attracting capital and strengthening stock market positions, in addition, financial disclosure plays an important function in attracting capital and boosting stock market positioning.

1.2. Relevance of Financial Disclosure:

Disclosure is the effect of the separation of ownership and management, resulting in a diverse and numerous set of parties with current and future interests in these institutions, all of which want information to make various judgments. The required information is not expected to be gained through a direct inspection of the books and records.

As a result, the importance of disclosure originates from the fact that it gives diverse information about the institution and eliminates ambiguity for consumers, allowing them to make informed decisions. The main reason for disclosure is that (Abou Zaid, 2005, pp. 481-483):

- Reducing the risk of capital financiers comparing the expected return on investment opportunities against the risks associated with them;
- Informing individuals and groups whose lives and standards of living are affected by the institution's operations and activities, so that they can influence the institution's actions if they so wish, after analyzing the financial statement disclosure.

From another perspective, publicly listed institutions seek a range of advan tages, such as diversifying funding sources, publicizing their operations, and incr easing demand for their products.

Accepting an institution's listing on the financial markets necessitates compliance with various accounting terms and controls, particularly in terms of financial disc losure, in order to protect investors and ensure that they receive reliable and suffi cient information for evaluating and monitoring their investment.

1.3. Financial Disclosure Objectives:

Financial disclosure has many aims, which are divided into two orientations, as follows (Hamdallah, 1993, pp. 104-105):

- **Traditional disclosure trends:** It aims and cares for the investor who has limited knowledge of using financial data, and it requires simplifying the published information that must be understandable to the investor with limited knowledge, with a focus on information that is objective, and avoiding providing information that reflects a high degree of uncertainty, in order to protect the investor from unfair dealings in the financial market;
- **Current disclosure trends:** It aims to provide relevant information for decision making. In light of this goal, disclosure is no longer limited to providing objective financial information suitable for the average investor's abilities. Rather, its scope broadens to include appropriate information that requires a high amount of education and expertise to comprehend and implement, and on which financial analysts and conscientious investors make decisions.

1.4. Forms of Financial Disclosure:

Financial disclosure takes several forms depending on its intended function. These forms can be completed as follows:

1.4.1 Regarding how much Information is Disclosed: The published information differs in terms of quantity, quality, and fairness of access to all of its users, prompting us to distinguish between:

a. Full Disclosure: This type of disclosure indicates that the data should include all financial statements and reports, as well as any information that influences users' actions, in order to accurately reflect all economic events;

b. Fair Disclosure: This disclosure fulfills an ethical aim by providing users receive the same quantity of information at the same time, removing the preference of one group over another and taking into consideration the interests of everyone in a balanced manner;

c. Sufficient Disclosure: Is defined as providing the minimum information required in financial statements at a reduced cost and without misleading details. However, the idea of the minimum is not precisely defined, since it fluctuates according to interests and needs, since it has a direct impact on decision-making and follows the beneficiary's experience (El-Shirazi, 1991, p. 330).

1.4.2 In Terms of the Objectives of Financial Disclosure: Financial disclosure can be divided in terms of objective into:

a. Preventive Disclosure: The traditional view of this disclosure serves primarily to protect financial societies, particularly the common investor who has limited knowledge of the use of financial information (El-Waqqad, 2011, p. 190);

b. Educational Disclosure: This includes presenting the necessary financial information for financial analysts and investment brokers to make judgments, such as financial predictions used to discern between regular and irregular items in financial statements and current capital spending. This disclosure attempts to minimize the use of internal sources to obtain further information via informal manners. (Zayoud, Keteem, & Makieh, 2007, p. 187).

1.4.3 In Terms of the Level of Commitment: There is information that is required to release and other information that is voluntary according to the company's desire, and this allows us to discern between (Dahdouh & Hamada, 2014, p. 195):

a. Mandatory Disclosure: Refers to the existence of a body or organization that imposes work in compliance with regulations, legislation, and laws, and the development of accounting standards and professional rules that determine the type and quantity of information that determines the compilation of financial statements and reports that are in force in a country in order to serve the public interest. (El-Waqqad, 2011, p. 191);

b. Voluntary Disclosure: Is defined as entities that provide information and statistics to decision-makers about financial and non-financial information in addition to the mandatory disclosure requirements. Managers also have a greater awareness of their organizations' current and future performance than others, which pushes them to share financial information in order to benefit themselves. One of these incentives is a reduction in the institution's costs associated with securities exchange transactions.

1.4.4 Regarding the Time of Disclosure: The financial market reports financial information at various intervals, such as on a continuous, quarterly, or initial basis for newly listed companies:

a. First Disclosure "Initial Disclosure": When a company is first listed on the stock exchange, it discloses specific information, such as the company's definition...;

b. Periodic Disclosure: Financial markets make periodic disclosures usually monthly, quarterly, or annually, according to market participants' demands (Dahdouh & Hamada, 2014, p. 195);

c. **Continuous Disclosure:** To ensure that traders have consistent information, the Disclosure Department publishes daily trading activities, closing and opening prices for each session, and other information.

1.5. The Notion of Transparency:

Transparency entails providing a clear and accurate picture of everything that happens in order to preserve impartiality, credibility, and integrity in the organization's management activities. It also ensures that critical issues are disclosed in a timely manner, both financially and otherwise. This feature also allows for the transfer of accounting information, provided that it is correct and fully intelligible to all parties concerned (Rihawi, 2008, p. 97).

Transparency is also defined as a phenomenon involving the open sharing and processing of information. It allows persons who are interested in a subject to gather information, which can be useful in revealing disadvantages and protecting their interests. Transparency is based on the free flow of information, which allows those with interests to study information and procedures firsthand. It also provides them with enough information to assist them comprehend and monitor the situation, as well as easy access to that information. This can only happen through disclosure (Sabayhi, 2010-2011, p. 102).

Based on the preceding, we can conclude that transparency is the diametric opposite of ambiguity and exclusion. In its broadest sense, it refers to institutions providing clear financial and non-financial information and statistics concerning the realities of their financial positions, as well as all operations related to the institution, in order to understand its current and future activity, while respecting its right to withhold data that may harm it. Transparency entails not concealing information and accurately communicating it to traders at the proper time and quantity.

1.6. Transparency Requirements:

Several conditions may be determined that must be satisfied in any transparent data, including (Zahra, 2021, p. 61):

- **Timing:** This entails releasing and revealing information and data at the appropriate time to be of value, as late transparency frequently becomes useless and is occasionally revealed only to satisfy the form;
- **Follow-up:** It implies that openness is followed by accountability, which is one of the goals of transparency in detecting defects and disciplining those who caused them within the framework of the legal systems that control it, because transparency is a means to an end rather than an end in itself.

- **Clarity:** This means that the facts and information should not be ambiguous and should include all details and explanations while not being overly transparent in order to safeguard company secrecy. Some institutions may publish their financial reports in newspapers to comply with legal obligations, but without attachments, the auditor's report, or itemized disclosures;
- **Publicity:** This means that information and data should be available to everyone fairly and concurrently, so that people cannot profit at the expense of others;

1.7. Transparency Objectives:

Among the most important goals of transparency are the following (El-Assali & Derradji, 2018, p. 66):

- Correct and appropriate implementation of rules and regulations, as a dedication to transparency considerably reduces corruption, conflict of interest, fraud, and illegal gain;
- Reducing agency expenses, issues, and crises that may arise as a result of management and owner separation, or poor monitoring and processes (El-Nabulsi & El-Talib, 2013, p. 04);
- Increasing opportunities to improve one's standard of living and generate new job opportunities for individuals and groups, as this environment, marked by honesty and integrity in its transactions, encourages investment, increases flow, and promotes savings;
- Achieving justice and accountability, which protects the interests of relevant parties and has a positive impact on the public interest of society.

2. Factors Influencing the Listing of Economic Institutions on the Stock Market - Case of Algerian Stock Market -:

2.1. Conditions for Institutional Stock Listing:

Institutional requirements for entering the stock market vary by jurisdiction and stock exchange. They do, however, agree on the importance of providing a minimum total capital for institutions and the percentage of shares from the total number that should be listed, as well as conditions connected to accounts and how to create financial statements and the institution's outcomes, the number of shareholders and papers, and the auditors' conditions, among others. Every institution that aspires to be listed on the stock exchange has a set of tasks, some of which are related to revealing information and others to legal obligations (Jaffeux, 1994, p. 140):

2.1.1 Legal Obligations: Institutional regulations often specify what percentage of capital must be made available to the public. When this criteria is met, the institution submits a request to the market supervisory authority for an investigation. Institutions must also adhere to the following:

a. Providing a report on each ordinary and extraordinary general assembly;

b. Notifying the stock exchange authorities of any modifications to its internal regulations;

c. Obtaining approval from market supervisory organizations to specify the issuance and subscription schedule and related subscription rights, for example, in addition to complying with all regulatory procedures prescribed in the market;

d. Delivering all investor-related notices, publications, and documents to market authorities.

Following all of this, the stock exchange and market regulatory bodies decide whether to reject or accept securities listed in financial markets.

2.1.2 Obligations to Publish Info: This information is divided into emergency and permanent information categories:

a. Permanent Info: The source of securities must do:

- Shareholders are notified of convening regular general meetings, new issuance activities, and the distribution of stock profits;
- Inform the financial market bodies with each change into the component system;
- The media with all of the changes that occur from the capital and distribution of the institution in comparison to what was previously published;
- Publish the required financial reports and statements concerning the foundation's activities and outcomes for the relevant time.

b. Emergency Info: The institution must notify the public of any emergency that occurs in the institution or its activities that may have an impact on the price of the security, especially if such information is likely to be used by relevant parties, assuming that such information does not fall under the scope of business confidentiality:

According to the existing regulations, the Algerian stock exchange must meet the following conditions (Algiers Stock Exchange, 2014):

- The organization must be officially established as a joint stock company (SPA);
- It needs a minimum capital of five million dinars (5.000.000 Algerian dinars);
- The institution must have published financial status for the three years preceding the year when the admission application was submitted;
- It has to create assessment report on its assets authored by a member of the national board of chartered accountants, other than the institution's auditor, or any other expert whose evaluation report is accepted by the committee, if he is not a member of the latter;
- The institution must have made profits in the period preceding its application for admission, unless the committee exempts it from this criteria;
- Notifying the Committee of any asset transfers or transactions conducted prior to the listing process;
- Proving the presence of an internal auditing body that is subject to the auditor's opinion, and if not, the institution must rush to establish such a body during the next fiscal year in order to accept its bonds on the stock exchange;
- Ensure that bond transfers are managed;
- Resolve significant conflicts between the institution and the stockholders;
- Working to comply with the rules for information dissemination;
- Offering capital bonds at a rate of at least 20% of the institution's capital by the listing day;
- Capital bonds are offered for subscription must be supplied to a minimum of 150 shareholders within a timeframe not exceeding the day of listing;
- Debt bonds are those that can be converted into capital, maturity, or contribution bonds;
- The minimum price of debt bonds requested for admission to trade on the stock market must be comparable to five hundred million dinars (500.000.000 DZD) on the day of listing, with the exception of treasury bonds, which shall be admitted by law.

2.2. Procedures for Listing Institutions in the Stock Market:

Institutions that seek to be listed in the stock market must choose between two types of procedures (Jaffeux, 1994, p. 142):

2.2.1 Direct Disposition of Securities: This strategy can be considered direct because the institution intends to invest stocks in the public and deal with

financial brokers, therefore embracing the risks of non-employment, and it takes the following possibilities:

a. Public Sale Offer: It comprises putting a set number of shares on the market at a predetermined and final offer price. On the day of entry into the market, the stock exchange authorities collect buy orders, which cannot be completed unless they match the offer price. If demand exceeds supply, the stock exchange authorities will distribute the stocks in one of two ways: in equal proportions or by the ratio between the quantity of securities offered and those sought;

The offer is only taken into consideration affirmative if a specific number of order-issuers accept it. If the desired percentage is not met and demand is extraordinarily great, a second public offer is made for sale at a higher price. To limit speculation, the public offer for sale may take the nominal form, in which orders are registered with the identity of the subscribers and are only met once by the same subscriber.

b. Sale Status: In this circumstance, the proposed offer price is chosen by the issuing institution as the lowest possible price. Unlike in a public offering, primary shareholders are subject heir shares' selling prices are subject to volatility. Stock exchanges declare acceptance of purchase orders passed at a specified price, suggesting that investors would pass an order to be executed at the lowest recommended price upon listing. Stock exchanges can also cancel orders that appear to be frivolous due to their excessive cost. The put-to-sell strategy is developed for significant institutions with a strong reputation, i.e. those whose papers are in high demand, hence the minimum offer price is typically lower than the initial quotation.

2.2.2 Indirect Disposition of Securities: This is the typical procedure when securities listed on the market are issued by a company whose stock has already been evaluated. Prior to listing on the market, institutions sell the securities assigned to the public to the financial brokers in charge of the listing process at a price agreed upon by all parties. The important owners completely sidestep the risks of listing by selling their assets before they are priced.

We may argue that the many listing methods in the stock market may meet the objectives of each institution:

- The conventional strategy is suitable for a weak market period, because it guarantees that institutions sell the papers to brokers at a pre-determined price, and it spares owners the risks associated with the listing procedure;

- As for the public offer for sale, it is an easy procedure because the listing price is known in advance, but there is difficulty calculating this price in the absence of a market, and on this basis, financial analysts must be highly precise to avoid errors in estimating the price of the papers;
- In the sales situation, it is widely utilized during a period of market prosperity because the owners' surplus value is expected to be high; however, determining the initial price high may contradict with the institution's interests because the price may fall later after the speculation period has gone out of date.

2.3. Steps for Listing Institutions in the Stock Market:

The steps of listing institutions in the Algerian Stock Exchange involve three significant stages (Algiers Stock Exchange, 2014):

2.3.1 Pre-Listing Stage:

It is considered the first step that the institution must do before listing on the stock exchange, and it involves the following stages:

a. **The Decision to be the Operation:** The institution's extraordinary general assembly is the body authorized to issue a decision to conduct out one of the public recourse activities for savings, and it cannot delegate to the board of directors any powers except to activate this operation;

b. **Legal Preparations for the Institution and Shares:** Listing of any institution on the stock exchange requires a thorough examination at the legal level, because the institution is often required to make amendments to its articles of association, legal form, and capital structure, which must be paid up at a minimum value equal to five million Algerian dinars, in order to meet the requirements for admission to the stock exchange;

c. **Institutional Valuation:** Its assets are evaluated by a member of the National Authority of Chartered Accountants, other than the accountant or any other expert whose evaluation is recognized by the Stock Exchange Operations Regulatory Commission, provided that he is not a member of this committee, and this evaluation is used to determine the transfer price of the securities (issue price or sale price);

d. **Preparation of the Draft Information Note:** The institution must submit a draft "information note" to the Commission for the Regulation and Supervision of Stock Exchange Operations that contains all the details related to the institution's activities, strategy, and financial position, as well as the characteristics of the issued securities (number, price, legal form, etc.);

e. Submission of the Application File for Admission: As stated in the Stock market Operations Regulation and Control Commission Instruction No. 01/98 dated April 30, 1998, the application file for entry to trading in transferable securities on the stock market must include:

- Application for admission;
- Minutes from the authorized body that decided or authorized the issuance;
- Draft information memorandum;
- Draft guide;
- General information concerning the issuing entity;
- Information on finance;
- Economic and financial data;
- Legal documents;
- Evaluation report on the share issuance process.

f. Visa of the Stock Exchange Regulatory and Monitoring Committee: The Committee has two (02) months to analyze the dossier and, depending on it, grant or deny the visa;

g. Joining the Central Custodian: Before listing on the stock exchange, the institution must join the Central Custodian to record its capital in the event of issuing shares or the loan amount in the event of issuing bonds;

h. Marketing Campaign: To ensure the success of the securities placement procedure, the issuing organization runs a marketing campaign through various media channels and provides guides and media memos to the full employment union network;

i. Selling Securities: They are typically sold through the banking network, where investors place buy orders with banks, members of the employment syndicate, by depositing a money equal to the number of shares desired;

j. Disclosure of Outcomes: If the quotation's listing conditions are met, the offer is reported as positive, and the process's results are made public. If the contrary occurs, the security's listing in the quote is rejected;

k. Settlement of the Transaction: The Central Securities Custodian settles the transaction within three (03) business days of the results announcement.

2.3.2 Listing Stage:

This is the stage at which the security first appears on the pricing list once the institution receives permission and approval from the Stock Exchange Operations Regulation and Monitoring Committee to accept its genuine stock market entry.

The Stock Exchange Management Company publishes a statement in the Official Quotation Bulletin announcing the date, entry price, and results of the security's first quotation session for the public.

2.3.3 Post-Listing Stage:

This is the phase that takes place immediately after the security's initial price on the stock exchange and subsequent market moves.

a. **Contract for Liquidity:** Institutions can use a liquidity contract to buy their own shares and help regulate stock prices. The contract is signed between the institution and the broker in stock exchange operations with the objective of determining the terms under which the broker acts on behalf of the issuing firm in the market to promote the liquidity of the bonds and regularize their price;

b. **Information Dissemination:** Once a security is quoted on the stock exchange, the issuing body must notify the public of any significant change or event that could affect the security's price. It must also publish management reports, as well as yearly and quarterly financial accounts, and submit them to the Stock Exchange Operations Regulation and Monitoring Committee, the Stock Exchange Management Company, and the Central Custodian.

2.4. Benefits for Listing Institutions in the Stock Market:

The corporation benefits from its listing on the stock market in a variety of ways, including the potential to attract financial attention and mobilize savings for profitable investments. The benefits include the following (Algiers Stock Exchange, 2014):

2.4.1 Extending the Range of Stockholders: The stock exchange process permits new shareholders to enter, which the institution may demand during its quest to develop its business, as well as shareholders to withdraw from the institution's capital if they so wish;

2.4.2 Raising Capital and Growing Private Funds: Whatever the nature of the institution's aspirations, such as launching big development projects, raising and upgrading production capacity, and reducing debts, the stock market becomes a vital alternative source of financing;

2.4.3 Raising Capital and Growing Private Funds: Whatever the nature of the institution's aspirations, such as launching big development projects, raising and upgrading production capacity, and reducing debts, the stock market becomes a vital alternative source of financing;

2.4.4 Boost Reputation: Listing the company on the stock market assists it to boost its reputation, fame, and credibility with its partners on a national and global scale;

2.4.5 Diversified Funding Sources: The stock market assists the company in diversifying its financing sources by providing a diverse choice of products to investors while protecting the company's original shareholders. As a result, after the company is listed on the stock exchange, it will be able to raise the required private and borrowed funds.

In addition to the obvious benefits outlined above, listing on the financial market opens up a number of opportunities, including:

- **Evaluating Human Resources:** A publicly traded institution delegated some of the process to its employees and allowed them to become shareholders in the company. This incentive structure facilitates the mobilization and stimulation of human resources;
- **Institutional Sustainability and Preventive Monitoring:** Listing on the financial market ensures the institution's long-term viability and prevents any division or dissolution caused by the departure or death of one of its significant shareholders, which is especially important for family institutions. It also ensures preventive supervision of the institution by dispersing some of its cash;
- **Trust and Transparency:** The process of listing on the stock exchange requires a minimum level of trust and transparency in the institution's accounts, as well as an effort to communicate financial information to actual or potential external investors, resulting in the creation of a modern system that contributes to internal control and professionalism for administrative and management bodies.

2.5. The Principle of Financial Disclosure and Transparency in the Stock Market:

When it comes to financial disclosure on the Algiers Stock Exchange, it's important to distinguish between initial disclosure upon subscription and permanent and periodic disclosure on the trading market. As for financial disclosure upon subscription, according to the provisions of Regulation No. 02-96 of June 22, 1996, the institution wishing to be listed on the Stock Exchange

must prepare and publish an information note containing the information elements that will enable the investor to make an educated decision by providing information on: the presentation of the source of the transferable securities and its organization, its financial state, the development of its business, the subject of the operation to be carried out, and its characteristics.

This memorandum shall be dated and signed by the issuer's legal agent. The financial statements accompanying the information memoranda must include accurate information about the institution's financial situation, notably its financial structure and return on funding.

Besides the information remark, the source produces and distributes a press release with the most critical information regarding the source and the procedure to be carried out. The source's attorney has signed and dated the release. Regulation No. 03-97, dated November 30, 1997, sets a model for such a press release.

In terms of permanent and periodic disclosure, institutions with transferable securities listed on the stock exchange must deposit all periodic and permanent information with the Stock Exchange Management Company and the Stock Exchange Operations Regulation and Control Committee, as well as publish it in the media, in accordance with Regulation No. 02-2000 of January 20, 2000. Periodic information also includes six-month and annual financial statements, as well as an auditor's assessment of their legitimacy and legality. Furthermore, permanent information refers to any crucial information or occurrence that affects the financial institution's activities or status.

Despite these efforts, we may conclude that the Algerian Stock Exchange has not kept up with global improvements aimed at compelling listed firms to provide full and continuing disclosure in total transparency.

III. Conclusion

Given the foregoing, it is apparent that the principle of openness and financial disclosure plays an effective role in improving the ability of economic institutions to be listed on the stock market, in addition to its contribution to creating a climate of trust among the various players in the financial market, because any investment decision is dependent on the availability of financial and accounting information with a broad range of transparency, which allows for the process of comparing investment alternatives and thus simplifies the procedure for listing institutions on the Algerian Stock Exchange.

1. Findings for Study:

This inquiry produced the following results:

- The stock market provides institutions seeking to list with all of the liquidity and long-term financing they require;
- Institutions wishing to list on the stock market are often subject to a range of legal, regulatory, and financial criteria;
- Various steps must be done by the institution wishing to list, and these procedures differ from market to market;
- The supply of openness and financial disclosure by institutions wishing to list is recognized as one of the most important factors required to provide confidence in the market;
- Global interest is growing in issues of transparency and financial disclosure, as well as the financial crises that result from their absence;
- The Algerian stock market is trying to keep up with global improvements in terms of transparency and financial disclosure, but these efforts are insufficient and are principally responsible for the stock exchange's stagnation;

2. Recommendations of Study:

Based on the findings of this study, the following suggestions can be made:

- Detailed conditions should be created for each type of economic institution (large, medium, or small) separately.
- Encourage the listing of economic institutions on the stock market through various means of communication, so that the matter is not just limited to public institutions, but attention should also be paid to private institutions;
- New methods should be used in the realm of economic and financial media;
- Working to raise awareness about the relevance of transparency and financial disclosure;
- Paying more attention to the element of openness and financial disclosure, and the importance of participation by all parties in this, including the Stock Exchange Operations Regulation and Monitoring Committee, institutions, external audit, boards of directors, and specialised professional groups;
- Rather of focusing just on the Stock Exchange, accelerate the development of transparency and financial disclosure standards for all enterprises, including public governmental agencies;

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