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The role of fintech and sustainable practices on financial reporting quality in Jordanian customs clearance companies

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Abstract

This paper examines the effect of FinTech adoption and sustainable practices on financial reporting quality in Jordanian customs clearance companies. It also investigates the moderating roles of regulatory compliance and the culture of innovation. This study used quantitative research to collect data from Jordanian customs clearance companies. Structured questionnaires were used to gather data from employees and management personnel involved in financial reporting. The survey was conducted for three weeks, achieving 142 valid responses through email and social media circulation, surpassing the distribution of 118 questionnaires. Direct and moderating effects were tested using PLS-SEM. The results show the significant effects of both FinTech adoption and sustainable practices on financial reporting quality, with sustainable practices having an even more substantial impact. In addition, regulatory compliance and an innovation-friendly culture moderate the relationship between FinTech and financial reporting quality, calculated based on supplementation as acceptable. This model accounts for 20.1% of the variance in the quality of financial reporting. The increase in FinTech adoption is correlated with higher financial reporting. Sustainable practices remain the key to improving the quality of reporting in the body of Jordanian customs clearance. This study benefits Jordan's policymakers, regulators, and business leaders. Encouraging sustainable practices and a culture of innovation are other steps companies are urged to enhance their financial transparency.

Keywords: Digital transformation, Corporate governance, Financial performance, Financial transparency, Innovation management, regulatory frameworks, Technological adoption, Environmental considerations.

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1. Introduction

Financial reporting has evolved with changes in FinTech and sustainability. Organizations in every industry must adapt to this disruption to uphold transparency, accuracy, and reliability in their financial disclosures [1, 2] as global markets become more connected and digitized. As key players in the supply chain, customs clearance companies in Jordan operate in a competitive and regulated environment, where the accuracy and transparency of financial information affect their financial health and, ultimately, impact the broader economy. Integrating FinTech into financial operations has transformed how organizations perform transactions, manage audit processes, and disclose their economic lives. Modern technologies like blockchain, artificial intelligence, and digital reporting tools have already been proven to enhance financial information's accuracy and transparency [2, 3]. Implementing FinTech solutions in Jordanian customs clearance companies can improve operational efficiency, minimize errors, and foster the quality of financial reporting [4] which aligns with the challenges caused by a complicated regulatory environment and cross-border transactions. At the same time, the worldwide trend toward sustainability has emphasized the need for organizations to integrate environmental, social, and governance (ESG) components into corporate reporting. Research has shown that companies with strong sustainability practices are more likely to produce high-quality financial statements with more substantial transparency and faith from stakeholders [5, 6]. Although the positive impacts of FinTech in the finance sector and the benefits of sustainable finance have been widely acknowledged, knowledge of how these two factors engage in the financial reporting quality setting of Jordanian customs clearance companies is still underdeveloped. Jordan's regulatory setting is changing to keep pace with technological progress, and it is not yet sure how much regulatory compliance in FinTech-backed approaches improves or questions the efficiency of financial reporting [7]. Also, organizational culture, especially whether it encourages innovation or not, could have a significant role when integrating FinTech solutions and sustainable practices [8, 9].

Furthermore, the current literature often studies these variables in isolation rather than focusing on their interplay and effects on financial reporting quality. This piecemeal approach inhibits the capacity to create holistic solutions that meet the complexity of financial reporting in the digital and sustainability era. Hence, the rationale for this research is based on the importance of accurate and transparent financial reporting for the effectiveness of customs clearance operations in Jordan. Acknowledging how FinTech and sustainability can improve financial reporting becomes even more critical amidst the growing complexities in international trade and increasingly strict regulatory frameworks that govern financial disclosures [4, 5]. In addition, this research seeks to contribute to the existing body of knowledge by providing empirical support for the combined effects of FinTech adoption and sustainable practices on financial reporting quality, paying particular attention to the moderating roles of regulatory compliance and organizational culture. This study aims to investigate the relationship between FinTech adoption, sustainable practices, and financial reporting quality in Jordanian customs clearance companies and assess whether regulatory compliance and innovation-friendly culture moderate these relationships. Implementing sustainability practices in financial reporting for Jordanian customs clearance companies contributes to compliance with global norms and enhances their competitiveness in the international trade environment.

2. Literature Review and Hypothesis Development

The financial reporting landscape has been transformed with the advent of FinTech and sustainable business practices. These developments have been extensively studied in the banking and other economic sectors but have not received much attention in the context of customs clearance companies, especially in Jordan. The study critically reviews the potential effects of FinTech and sustainability on the quality of financial reporting, focusing on moderating factors such as compliance with regulatory requirements and innovation-friendly culture.

2.1. FinTech and Financial Reporting Quality

FinTech has transformed the financial world, creating efficiency, transparency, and accuracy in financial reporting. Digital innovations influence on Financial processes, opportunities and Challenges in developing economies like Jordan. Performance expectancy, effort expectancy, facilitating conditions, and social influence significantly affect the adoption of FinTech solutions in Jordan [1]. Integrating the Unified Theory of Acceptance and Use of Technology (UTAUT) and Task-Technology Fit (TTF) models, the study emphasized the mediatory role of FinTech adoption in the relationship between financial literacy and quality of life and highlighted the significance of digital financial literacy as a precursor that aids in improving the financial management practices of users. Likewise, Lootah [2] studied the effects of blockchain technology on financial reporting practices in the UAE, demonstrating that adopting blockchain is significantly and positively correlated with financial reporting accuracy, transparency, and fraud reduction. More reliable financial statements were generated due to the immutable and tamper-proof nature of blockchain technology, thus suggesting the increased potential use of similar technologies to improve the quality of financial reporting in Jordanian customs clearance companies.

FinTech has transformed how companies process financial transactions, reporting, and data management. It increases transparency, minimizes errors, and expedites reporting [10]. Jordanian customs clearance companies can benefit from FinTech's efficiencies, such as automated documentation, scale in tax calculations, and timely data availability. This is particularly important for customs, where timely and precise reporting is vital for regulatory compliance and operational efficiency. Evidence from Wen, et al. [10] found that FinTech development reduces firm real earnings management as information production and external monitoring improve. These mechanisms are especially pertinent given the complexity of financial and trade data often associated with customs clearance companies. FinTech tools reduce manual or human interventions and improve data accuracy to trigger the quality of financial reports.

Dhiaf, et al. [11] on the importance of FinTech in improving manufacturing effectiveness and financial performance in the fourth industrial revolution. Their results showed that compared with non-FinTech firms, FinTech firms not only indicated better performance practice efficiency but also that better performance practice efficiency had a positive and significant correlation with firm market performance. Implications of FinTech on Financial Reporting Process in Customs Clearance Companies The findings also imply that similar to the effects of FinTech on other fields, such as the insurance industry, it also has the potential to promote companies in the Customs Clearance sector to achieve a more efficient and accurate reporting process. The relationship between FinTech and financial stability is nuanced. Fung, et al. [12] discuss the different impacts of FinTech on the stability of financial institutions. In emerging economies, FinTech reduces fragility, while in developed markets, it creates fragility. Hence, it is essential to consider market-specific conditions when analyzing the influence of FinTech on financial reporting quality. In addition, Al-Qudah, et al. [13] indicated that user trust and perceived risk regarding the continuous use of blockchain and FinTech innovations are evident in the UAE. The results showed that better IT quality could reduce perceived risks, thus improving users' trust in FinTech technologies and encouraging them to continue using them. This indicates that the quality of financial reporting can be enhanced by developing the IT infrastructure that Jordanian customs clearance companies use.

Rahman [14] reflects on the broader facets of FinTech on financial sustainability, suggesting that digital-based innovative approaches, including Blockchain and Artificial Intelligence, enhance operational efficiency and economic inclusion. However, the study also warned of the potential risks and the regulatory challenges of a fast-track FinTech acceptance, which could erode the quality of financial reporting if not well managed. For instance, Johri [15] studied IFRS adoption and its effect on financial reporting quality in Indian multinational corporations. The results indicated a favorable impact of IFRS adoption on the quality of financial reporting. Thus, if firms in Jordanian customs clearance enterprises strived to comply with global standards, it could be expected to foster similar benefits in this sector.

Leong, et al. [16] also indicated the role of governance quality in the relationship between FinTech penetration and financial development. When the environment is politically stable, the effect of FinTech is shown more positively, indicating that regulatory and governance frameworks mediate the effectiveness of FinTech solutions in enhancing the quality of financial reporting. In Kenya, Chepkorir and Kariuki [17] examined the influence of digital transformation on financial reporting quality, concluding that financial reporting accuracy and transparency are greatly improved with technologies such as big data, blockchain, and cloud computing. This has implications, especially for Jordanian companies doing a custom clearance on the ground for better financial reporting through digital transformation. The effectiveness of XBRL adoption under IFRS in Jordan's financial industry was investigated by Alharasis [3] which found that digital financial reporting improves the usefulness of financial information (relevance, faithful representation, comparability, and timeliness). Hence, this study reflects the potential of FinTech solutions to improve quality financial reporting via standardized and transparent reporting.

Overall, the literature demonstrates the favorable impact of FinTech on the quality of companies' financial statements, regardless of the sector and country. Through Alkhwaldi [1] and Lootah [2] evidence links the use of various digital innovations (i.e., financial literacy initiatives, blockchain) to more accurate financial reports through enhanced transparency. These findings imply that Jordanian customs clearance companies could successfully adopt similar technologies to improve their financial reporting. On the other hand, the literature also presents some challenges and moderating effects that can affect the quality of financial reporting within the dimensions of FinTech efficiency. Fung, et al. [12] highlight that the effect of FinTech on financial stability is context-dependent; emerging markets seem to benefit more than developed ones. FinTech development is not enough; the surrounding economic and regulatory setting should also be included in the discussion. To a lesser extent, this means that customs clearance companies in Jordan will struggle to enhance financial reporting quality with the application of FinTech. Moreover, research conducted by Rahman [14] and Leong, et al. [16] highlighted that the need for governance and regulatory frameworks in collating and modifying the effects of FinTech has also been highlighted (2024). In the near term, this is likely to be accompanied by a lack of robust regulatory structure, which could diminish many of the advantages associated with FinTech adoption, presenting a risk of everything from data breaches to financial fraud. Hence, it is necessary to employ regulatory compliance techniques and FinTech among the Jordanian customs clearance firms to guarantee that sustainable improvements enhance financial reporting quality. In addition, research by Chepkorir and Kariuki [17] and Alharasis [3] also bolsters the claim that digital transformation mechanisms and standardized reporting practices can greatly improve financial reporting quality. These changes, however, hinge on whether organizations are ready to develop and leverage new technologies. Hence, creating an innovation-driven culture in the Jordanian customs clearance firms would be crucial for leveraging the advantages of FinTech integration. Following this critical review of the literature, the following hypothesis is formulated:

$H_{1:}$ FinTech positively influences Jordanian customs clearance companies' financial reporting quality.

$H_{2:}$ FinTech positively influences the financial reporting quality in Jordanian customs clearance companies.

2.2. Sustainable Practices and Financial Reporting Quality

Sustainability reporting is a central part of any financial disclosure, with stakeholders increasingly demanding transparency on environmental, social, and governance (ESG) practices. According to Al-Hiyari, et al. [18] the contribution of corporate Sustainable Development Goals (SDGs) reporting improves earnings quality, and sustainability disclosures positively affect financial reporting quality. In the case of sustainable management in Jordanian customs clearance companies, they can include many categories; they can be represented in reduced paper usage, optimal fuel consumption in logistics, or fair labor practices. Not only do these initiatives improve operational efficiency, they also enhance the credibility of financial reports so that they are in line with global sustainability standards. Nicolò, et al. [19] demonstrated positive effects of SDG disclosures on analyst forecast accuracy, thus suggesting that such disclosures increase the transparency of the sustainability reporting process, thereby improving the information environment overall. Additionally, sustainable practices often work towards substantial documentation and reporting frameworks that indirectly benefit financial reporting practices. In this regard, Arnanda [20] showed that SDG disclosure positively relates to economic performance indicators such as Return on Assets (ROA) or Return on Equity (ROE), which suggests that companies with good sustainability practices tend to have more reliable financial reporting systems.

Sustainability practices covering ESG activities have become ubiquitous global components of companies' core operations. Companies compete in nearly all aspects of business performance, including financial reporting quality. Many studies focus on the relationship between sustainable development ambitions and financial disclosure, highlighting the favorable effects of sustainable activities on fidelity, reliability, and stakeholder assurance. Oyerogba, et al. [6] examined the relationship between corporate governance and sustainability reporting quality (SRQ), focusing on financial institutions in Nigeria. They found that strong corporate governance mechanisms, such as ownership dilution, board independence, and economic expertise in the audit committee, significantly improve SRQ effectiveness. Thus, internal capabilities and governance structures are critical to guaranteeing quality sustainability disclosures and proving stakeholders' trust and confidence in financial reports.

Ashrafi, et al. [21] introduced a Sustainable Audit Quality (SAQ) framework based on the UK Financial Reporting Council's guidelines. The study highlighted the Council's robust audit procedures, including sustainability performance, going concern assessments, and disclosures related to debt covenants. The study concluded that adopting SAQ practices leads to higher-quality audit reports and greater inclusivity and transparency, resulting in improved financial statements. Similarly, Özer, et al. [5] discovered a significant positive link between high ESG ratings and greater FRQ. The study underscores that the costs of financial distress, which are lower in firms that engage in sustainable practices, constitute an essential mediating mechanism through which efforts to generate value from ESG activities can be translated into improvements in FRQ basis. Bentley-Goode, et al. [22] observed that the ability of accounting firms to maintain the quality and quantity of sustainability disclosures is enhanced relative to non-accounting firms, which is especially true when sustainability disclosures are made in compliance with GRI standards. Professional assurance of the sustainability report is a readily observable internal governance tool that can help mitigate the negative impact of the dominant firm culture by maintaining strong sustainability performance as practiced and thus improving financial reporting quality. In the Kenyan context, Ndegwa [23] studied the moderating effect of sustainability reporting and financial statements' readability. The study found that sustainability reporting increases financial statement readability and diminishes the adverse effects of discretionary earnings management. This indicates that sustainable practices lead to transparent and more explicit financial reports that enhance stakeholder understanding and trust.

Utami, et al. [24] analyzed sustainability disclosure practices in Indonesia compared to Malaysia, highlighting how regulatory frameworks shape disclosure quality. The research suggests that adherence to sustainability regulations significantly improves corporate value, while improved sustainability reporting quality positively affects companies' market capitalization. This relationship is prominent as it shows how sustainable behavior can directly control economic performance and changes in reporting based on standards. In addition, Odintsova [25] offers a detailed overview of the informational and control practices indispensable to sustainable governance. The researchers called for more transparent reporting on ESG factors and proposed incorporating sustainability metrics into traditional accounting standards. The research highlighted the importance of accurate and transparent reporting to enable enterprises to engage in sustainable business practices and proposed a comprehensive system to assess sustainability governance systems.

Oyerogba, et al. [6] and Özer, et al. [5] highlight how internal governance structures and ESG activities help improve the credibility and reliability of these financial reports. The results imply that companies with mature sustainability systems are more likely to deliver correct and complete financial statements. Ashrafi, et al. [21] and Bentley-Goode, et al. [22] the quality of sustainability reporting and assurance [26]. The SAQ framework and the role of professional assurance providers suggest that sustainability considerations within the audit process can boost financial reporting quality. This is consistent with the broader understanding that sustainability should not be just an external reporting requirement but also an integral part of corporate governance and financial accountability. Ndegwa [23] and Utami, et al. [24] offer evidence from emerging economies that sustainability reporting improves the readability and clarity of financial statements, which is vital for stakeholder trust. Against the backdrop of shifting regulatory landscapes, their insights emphasize the importance of ensuring that sustainability practices and measures go beyond mere compliance, can stress that sustainability measures and practices need to exceed mere compliance, and that sustainable practices having a significant impact require a high story of continuous improvement, on sustainability disclosure standards. Odintsova [25] fuses the theory of sustainability with traditional accounting. The study stresses the importance of harmonizing sustainability efforts with corporate reporting practices to ensure an integrated approach to corporate governance by promoting comprehensive ESG reporting and complete transparency in information management. Based on the reviewed literature, it is evident that sustainable practices play a crucial role in enhancing financial reporting quality. Integrating ESG activities, robust corporate governance, and comprehensive audit processes contributes to more transparent, accurate, and reliable financial disclosures. Therefore, the following hypothesis is proposed:

H_3: Sustainable practices positively influence the financial reporting quality in Jordanian customs clearance companies.

2.3. Moderating Role of Regulatory Compliance

The relationship between FinTech and the quality of financial reporting is primarily driven by regulatory compliance. Customs clearance companies are also subject to international trade regulations, tax laws, and financial reporting standards, further contributing to their credibility by ensuring transparency and accuracy in financial disclosures. The recent work of Pizzi, et al. [27] has shown how such cultural and regulatory differences drive the extent of SDG disclosures among European companies, pointing to the possibility that a similar dynamic has shaped SDG disclosures in Jordan. However, regulatory compliance and organizational culture may moderate the relationship between FinTech and the quality of financial reporting. He, et al. [28] discovered reduced risk-taking in Chinese banks after adopting FinTech, as internal control quality improved. This indicates that FinTech's influence on the quality of financial reports are not universal and could fluctuate depending on the economic and cultural framework. Nevertheless, the relationship between FinTech and the quality of financial reporting may be moderated by regulatory compliance and organizational culture [28]. However, after adopting FinTech, Chinese banks showed lower risk-taking behaviour due to increased internal control quality. This means that FinTech's impact on the quality of financial reports is not shared and volatile depending on the economic and cultural context. In the case of FinTech, regulation can enable or constrain the adoption of emerging technologies. This means that stringent regulations may impose more added reporting to be done but can standardize processes and reduce discrepancies in the financial reporting of companies [29]. On the other hand, this could also discourage companies from using FinTech solutions due to regulatory grey areas and, thus, limit their potential for success. Thus, regulatory compliance significantly moderates the relationship between FinTech adoption and financial reporting quality. Strongly enforced governance frameworks and regulatory standards could also shape how FinTech innovations are incorporated into financial reporting processes, affecting quality and transparency.

Shehadeh, et al. [4] examined the effect of corporate governance on FinTech disclosure in Jordanian conventional and Islamic banks. The authors note that governance mechanisms, including board size, number of board meetings, and involvement by “Big4” audit firms, substantially improve FinTech disclosure. Islamic banks also exhibited highlighted FinTech closures due to their focus on ethical governance and transparency. Such findings indicate that particularly in corporate governance, regulatory compliance frameworks preside over how FinTech is applied to financial institutions and will ultimately determine the integrity of financial reporting. Similarly, Al-Afeef, et al. [7] analyzed factors influencing the intention to use FinTech, specifically for Middle Eastern countries. They mentioned legal and security risks. Their study found that these concerns are the main barriers to FinTech adoption, while perceived ease of use mediates between both groups of concern and intention to adopt FinTech. As a result, regulatory compliance can significantly ease FinTech adoption when mitigating legal and security risks, potentially improving financial reporting.

Focusing on regulatory changes, Lejap, et al. [30] highlighted that financial ratios differed significantly after regulations were enacted, demonstrating that regulatory measures can significantly impact financial outcomes and reporting mechanisms. While the research centered on financial results, it is clear that new regulations will need to be cross-referenced against accounting, i.e., additional standards and practices will be required for the quality of financial reporting. Falah Alroud, et al. [31] examined the impact of artificial intelligence on electronic audit evidence in Jordanian exporting companies, highlighting the mediating role of digital transformation. The researchers explained that regulatory frameworks that support this digital transformation could increase the quality of electronic audit evidence and improve the potential for quality in financial reporting. It also suggests that regulatory compliance is a buffer to ensure that technology development like AI and Fin-Tech benefits financial reporting. Awuah-Gyawu, et al. [32] found that Business Regulatory Compliance (BRC) as a Moderator of the Sustainable Supply Chain Management Practices-Operational Performance Relationship in Ghanaian Firms. While BRC mediates this relationship, too much regulatory compliance can also cause adverse side effects (turning into a double-edged sword). However, the corrosive effect of the regulation is lessened in firms with a robust corporate sustainability culture (CSC), implying that the impact of regulation can be beneficial only if a strong corporate culture is also present, effectively propagating the benefits of compliance throughout.

Kabara, et al. [33] examined corporate governance regulatory compliance as a moderator on the relationship between board diversity and the voluntary disclosure practices of Nigerian corporations. Through its examination of voluntary disclosure practices among firms subject to different levels of regulatory scrutiny, the study found that intense regulatory scrutiny appears to complement efforts to promote board diversity, ultimately resulting in higher-quality financial reporting. In addition, Dewi and Aryati [34] study GRC's influence on financial performance (in which IT investment is a moderation variable). GRC was not found to affect economic performance directly (either positively or negatively). However, IT investment did help reduce the negative impacts of (specifically) leverage. Regulatory compliance may improve financial reporting quality and financial performance when combined with technological investments. Nyaga [35] study examined the moderating role of Central Bank of Kenya regulations on the association between predatory loan practices and commercial bank loan performance. This study's upbeat but statistically insignificant influence on regulatory compliance nevertheless points to another way regulatory frameworks might help mitigate the negative effect of high-risk financial practices on performance.

Several studies have unanimously highlighted that regulatory compliance moderates the relationship between Fintech adoption and the quality of financial reporting. For instance, Shehadeh, et al. [4] and Kabara, et al. [33] established that sound governance structures, guided by regulatory compliance and executable mechanisms, are essential for facilitating transparency and disclosure practices that are critical aspects of the quality of financial reporting. These results highlight the vital role of regulatory systems that create the infrastructure to prevent relevant tech advances from being incorporated into accounting procedures. However, the literature also identifies potential issues related to too much regulation compliance. Awuah-Gyawu, et al. [32] and Dewi and Aryati [34] revealed that regulatory compliance can help improve operational performance and financial reporting, but stringent compliance may lead to unintended adverse risks. Such a need for balance implies that regulation should permit the development of innovation without regulatory burdens to prevent FinTech from having beneficial effects on financial reporting. Furthermore, the studies carried out by Al-Afeef, et al. [7] and Falah Alroud, et al. [31] highlight the importance of regulatory compliance in risk mitigation when it comes to FinTech adoption, considering the risks involved, be it legal, security, or technical risks. This will help mitigate risks associated with FinTech adoption and create an enabling environment through regulatory frameworks, resulting in improved financial reporting quality.

The literature indicates that regulatory compliance may be a moderating factor in the relationship between FinTech and financial reporting quality in the Jordanian customs clearance sector. Such frameworks can help promote transparency, control risk, and create a conducive environment for innovation, amplifying FinTech's positive effects. Nonetheless, achieving balance is critical to avoiding the pitfalls of restrictive regulation. Therefore, the following hypothesis is proposed:

H_{4}: Regulatory compliance moderates the effect of FinTech on financial reporting quality in Jordanian customs clearance companies.

2.4. Moderating Role of Innovation-Friendly Culture

Fintech adoption has enhanced financial reporting quality based on the company's internal innovation culture. Firms that promote experimentation and technological development as a key success factor are more likely to implement fintech solutions in their financial reporting processes. Rong and Hu [36] show how academic, research, and development backgrounds at the executive level have enhanced the positive impact of fintech on the digital transformation of Chinese manufacturing firms, highlighting the importance of leadership and organizational culture in the technology adoption discourse. Adopting an innovation-friendly culture, consisting of two theoretical dimensions, can be practiced by establishing a training program to develop and enhance employees' knowledge in their areas of interest in Jordanian customs clearance companies. This environment accelerates fintech adoption and enables technology to effectively contribute to improving financial reporting quality. Integrating technological developments such as fintech and reporting quality into an innovation-friendly organizational culture governs their relationship. The literature recognizes organizational culture's critical role in innovation and technology adoption.

Cultural acceptance is critical for adopting FinTech solutions in Jordan. Al_hazimeh, et al. [8] indicated that a more invisible yet essential aspect of FinTech development lies on the cultural ground fertile to embrace innovation, whose interpretative models permeate the regulatory systems and technological scaffoldings. Al_hazimeh, et al. [8] highlighted the necessity for an innovation and trust culture to fully realize the advantages that FinTech has to offer in financial reporting and other financial services. Similarly, Khan, et al. [37] identified the impact of AI adoption on IFR in GCC markets. Their findings suggest that an organizational culture that supports technological innovation leads to better financial reporting performance. Notably, Khan, et al. [37] observed that audit quality and organizational readiness to adopt specific technological tools enhance the positive relationship between AI adoption and financial reporting quality. In the area of corporate governance and innovation, Iftikhar, et al. [38] analyze how corporate governance frameworks can reduce litigation risk and increase corporate innovation in Chinese firms. Governance frameworks buffer against external pressures and establish cultural elements for an innovation-friendly environment. From a web perspective, this is directly related to improved FinTech adoption in organizations that prioritize innovative corporate cultures. Nnaomah, et al. [39] suggest that the cultures of countries and organizations in which new technologies and innovations are developed play a critical role in adopting financial inclusion. This is important for successful FinTech implementation, as a culture that supports innovation inhibits financial institutions from introducing FinTech into the market.

Adel [40] showed that financial inclusion improves more in locations with higher digital literacy and a culture more conducive to technological innovation. This highlights the importance of implementing culturally appropriate approaches to ensure the full realization of FinTech's benefits. Alwiyah and Lyraa [41] further examine how organizational culture promotes innovation and dynamic capabilities among micro, small, and medium enterprises (MSMEs) and their sustainable performance. They name resource management, organizational learning, and external environment management as key features that lead to an innovation-enabling culture that boosts the organization's ability to absorb new technologies. Moreover, Abdelwahed and Soomro [42] explore what leadership looks like in predicting innovative behavior in the construction industry of Egypt, with organizational culture acting as a mediator. The results showed that transformational and transactional leadership positively influence organizational culture and contribute to innovative behavior. This highlights the significance of leadership in establishing an organizational climate conducive to adopting technology for improving the quality of financial reporting, such as FinTech. Aljahdali and Ali [43] argued that the success of strategic and innovative initiatives depends on the organizational culture. If a culture is aligned with operational goals, adopting relevant technology will lead to better performance outcomes, including improved quality of financial reporting.

Li, et al. [44] indicate that cultures that favor open communication, risk-taking, and employee input lead to higher innovation capacity. This also accords with the broader literature, which has suggested that an innovation-disciplinary culture is essential for successfully adopting FinTech and other technologies to improve financial reporting quality. For example, Xu and Xia [45] present a bibliometric analysis of organizational innovation research, highlighting three themes: management innovation, sustainability, and digital transformation. Overall, their findings underscore the importance of interdisciplinary perspectives on managerial innovation and culture in adopting and integrating technology into organizational processes.

Protasiewicz and Zalesko [46] assert that the necessary ingredients for inducing innovation are willingness to change, teamwork, and organizational adaptability. From this view, a direct link emerges that a culture that emphasizes collaboration is already a precondition to exploit FinTech in improving the quality of financial reporting. Zhang and Mohammad [9] highlighted the importance of leadership in creating a culture conducive to innovation and how pro-innovation cultural traits improve innovation outcomes, drawing parallels to similar concepts that can be integrated at the corporate level, where this cultural environment can amplify the effectiveness of FinTech applications in financial reporting.

Khan, et al. [37] identify the impact of AI adoption on GCC markets' IFR. Their results indicate that an organizational culture supporting technological innovation leads to better financial reporting performance. Notably, Khan, et al. [37] noted that audit quality and organizational preparedness to adopt some technological tools strengthen the positive relationship between AI adoption and financial reporting quality. In corporate governance and innovation, Iftikhar, et al. [38] analyze how corporate governance frameworks can reduce litigation risks and increase corporate innovation in Chinese companies. Governance frameworks appear to buffer against external pressures and establish cultural elements of an innovation-friendly environment. From a weblet perspective, this directly relates to optimizing FinTech adoption in organizations prioritizing innovative corporate cultures. Nnaomah, et al. [39] suggested that the cultures of the countries and organizations where new technologies and innovations are developed play a critical role in their adoption for financial inclusion. This is relevant to the successful implementation of financial technologies because an innovation-friendly culture precludes FIs from introducing any financial technology to the market. Therefore, the following hypothesis is proposed:

$H_{5:}$ Innovation-friendly culture moderates the effect of FinTech on financial reporting quality in Jordanian customs clearance companies.

3. Research Model

Scholarly interest in integrating technology such as FinTech and sustainable practices in financial reporting processes has been growing, with recent studies suggesting this requires compatible moderators, such as regulatory compliance and an innovation-friendly culture. Adopting FinTech has been proven to improve the quality of financial reporting by generating better accurate, transparent, and timely data [1, 2]. In the case of Jordanian customs clearance companies, by using FinTech, the financial operations can be digitized, which could optimize transactional processes, reduce human error potential, and increase reporting accuracy. However, as Khan, et al. [37] argue, the benefits of FinTech adoption are not the same for all firms, and context plays a critical role, from regulatory frameworks to organizational culture. Sustainable practices are also integral in improving the overall substance of financial reporting.

Özer, et al. [5] echo that firms with vigorous ESG activities will yield better financial reporting quality based on the argument that this behavior would boost transparency and stakeholder trust. Integrating sustainability into operations may augment the thoroughness and reliability of financial reports issued by Jordanian customs clearance companies and fulfil the demands of stakeholders and regulatory obligations [23]. Furthermore, sustainability practices may also provide a strategic resource, positioning firms competitively in the global supply chain while responding to local regulatory mandates [6]. Another critical moderator of the relationship between FinTech adoption and financial reporting quality is regulatory compliance. Strong governance and compliance regimes increase financial report transparency [4]. The relevance of such regulations in the context of FinTech is significant, as they ensure that FinTech implementations in Jordan align with necessary standards in the evolving regulatory environment, which positively impacts financial reporting [7]. On the other hand, lack of compliance or weak regulatory oversight can distort the benefits of FinTech, resulting in discrepancies in reporting practices and decreased confidence of stakeholders [35].

An internal culture that is innovation-friendly in organizations is also decisive in moderating the impact of FinTech on financial reporting quality. Al_hazimeh, et al. [8] emphasize that cultural acceptance is a considerable driver for FinTech adoption and its effect on organizational performance. Innovation-orientated corporate culture increases organizational readiness for modern technologies and implements them in the design of financial reporting. This cultural harmony not only makes the transition to digital platforms smoother but also fosters an environment of continual improvement and adaptation to changing technological landscapes [9]. Moreover, an innovation-friendly culture encourages the risk-taking and experimentation that are crucial for maximizing the potential of FinTech solutions in the domain of financial reporting Protasiewicz and Zalesko [46]. Comprised of FinTech adoption, sustainable practices, regulatory compliance, and innovation-friendly culture, these four hypotheses are interrelated while developing the study model, and they collectively describe variations in both Jordanian customs clearance firms and the surrounding environment of financial reporting quality. FinTech and sustainable practices positively impact financial reporting quality as moderated by regulatory compliance and innovation-friendly culture, which acts as forces either enhancing or suppressing those relationships, as indicated in Figure 1. This technological transformation model works to analyze the quality of financial statements, as the drivers, which are reflected in the model, should be considered together, giving a broader, more holistic understanding of the factors transforming financial reporting in the context of technology and sustainability.

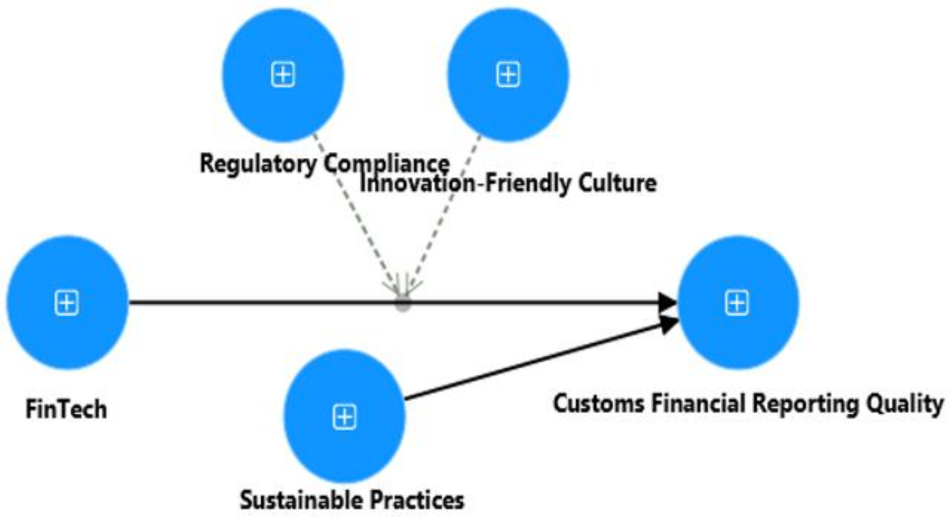

Figure 1.
Proposed research model.

4. Methods

Using a quantitative research design, this paper aims to examine the role of FinTech adoption and sustainable practices on financial reporting quality in Jordanian customs clearance companies. The data are quantitative, enabling statistical generalization and rigorous hypothesis testing. The target community for this research includes all professionals employed in Jordanian customs clearance firms, including career professionals such as managers, accountants, and financial analysts, as well as all employees directly involved in producing financial reporting. Because of such experience, these individuals are deemed eligible for the study as their expertise includes hands-on experience with Fintech tools, sustainable practices, and financial reporting systems. A purposive sampling technique was used to select those with corresponding knowledge and understanding of the study context. The data was collected from multiple customs clearance companies throughout Jordan to represent a variety of organizational sizes and operational scales. Ten times the number of total model indicators of PLS-SEM measures the required sample size for PLS-SEM, which is suitable for complex models with latent constructs and smaller sample sizes. The data were collected over three weeks through an online survey distributed through email and social imaging websites. Out of the 118 distributed questionnaires, 142 valid questionnaires were collected, which is an acceptable response rate for statistical analysis. This questionnaire was created to collect demographic particulars and perceptions of FinTech adoption, SDG alignment, and electronic financial reporting quality. Demography questions also included respondents' job descriptions and organizational roles, which were necessary to assess the relevance of respondents to the study objectives. The constructs in this study were measured using a five-point Likert-type scale (where one indicated strongly disagree and five indicated strongly agree). Respondents' scale and intensity were chosen from the various options available because of their recognized potential to discuss attitudes and perceptions. Data were analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM) with Smart-PLS 4.0 software. PLS-SEM was selected for its capacity to test complex models with various latent variables and its robustness to a smaller sample size. This approach is beneficial for exploratory research, as it helps establish relationships between constructs and allows for simultaneous assessment of the measurement model's reliability and validity.

5. Results

The analysis consisted of two stages: (1) examining the measurement model to ensure that the constructs demonstrate reliability and validity, and (2) examining the structural model to test the hypothesized relationships between FinTech adoption, SDG alignment, and electronic financial reporting quality. Additionally, PLS-SEM allowed for investigating potential mediating or moderating effects in the hypothesized model. The study utilizes Partial Least Squares Structural Equation Modeling (PLS-SEM) to better understand the relationships between the adoption of FinTech, sustainable practices, and the quality of financial reports within Jordanian customs clearance entities. This analytical approach is appropriate for analyzing complex relationships among multiple latent constructs and their indicators, especially when small sample sizes are encountered. This model, therefore, allows the testing of the measurement model (related to reliability, convergent, and discriminant validity of constructs) and the structural model (related to the relationships among constructs). However, Figure 1 shows the measurement model used to assess the relationships between FinTech adoption, sustainable practices, and customs financial reporting quality in Jordanian customs clearance companies. The model consists of five crucial latent variables (FinTech, Regulatory Compliance, Innovation-Friendly Culture, Sustainable Practices, and Customs Financial Reporting Quality), each with three to five observed indicators.

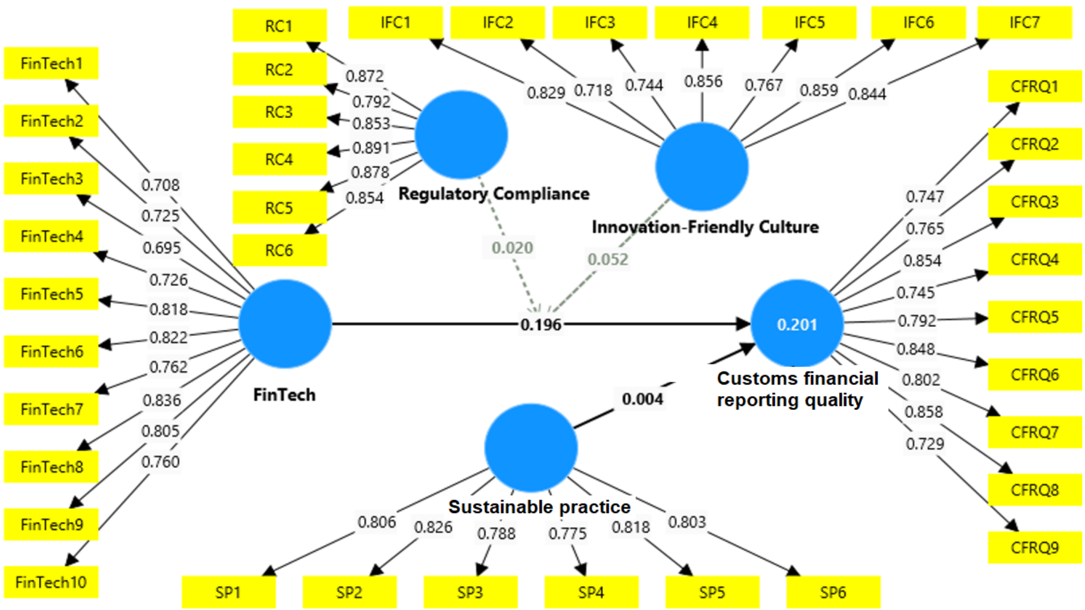

Figure 2.
Measurement Model.

Figure 2 indicates that all indicator loadings (numbers on arrows connecting indicators to constructs) exceed 0.70, indicating high convergent validity and confirming that the observed variables provide a reliable representation of the latent constructs. Regulatory Compliance is, for instance, assessed with indicators, such as RC4 (loading = 0.891) and RC5 (loading = 0.854), and Sustainable Practices is measured with indicators, including SP4 (loading = 0.775) and SP5 (loading = 0.818). Also, Customs Financial Reporting Quality exhibits good measurement validity, with measures such as CFRQ5 (0.848) and CFRQ6 (0.802). The model likewise shows how coefficients communicate the quality and heading of connections among the constructs. Financial technologies indirectly improve customs financial reporting with a path coefficient of 0.201. Also, FinTech has a moderate impact on Regulatory Compliance (0.196), indirectly leading to improved reporting standards., Sustainable Practices have little effect on Customs Financial Reporting Quality with a path coefficient = 0.004, which means that the sustainability program has not impacted those entities' financial reports. Additionally, the indirect paths via Regulatory Compliance (0.020) and Innovation-Friendly Culture (0.052) are weak, which indicates limited mediation effects. However, Table 1 provides the results of the validity testing.

Table 1.
Validity Testing

	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	Average variance extracted (AVE)
Customs financial reporting quality	0.927	0.930	0.939	0.632
FinTech	0.922	0.923	0.934	0.589
Innovation-friendly culture	0.908	0.908	0.927	0.647
Regulatory compliance	0.928	0.930	0.943	0.735
Sustainable practices	0.890	0.890	0.916	0.645

Table 1 indicates that the constructs employed in this study are highly reliable and valid, establishing a solid ground for the subsequent structural analysis. The high Cronbach's alpha and composite reliability values, consistently reported over the 10 iterations, confirm internal consistency among the measurement items, and the AVE values confirm that the constructs have a strong convergent validity. On the other hand, the exceptionally high-reliability values obtained might prompt future research to use a greater diversity of items for measurement encompassing the full complexity of the constructs, causing excessive overlap. Moreover, the lower AVE value for FinTech suggests that there may be room for improvement in refining the construct to capture financial technologies' dynamic and evolving nature.

The directional values of all constructs in this study are above 0.89, demonstrating that the internal consistency is very high for measurement items. Usually, alpha values greater than 0.70 indicate acceptable reliability, and those greater than 0.90 are considered excellent. The Cronbach's alpha is highest for Regulatory Compliance (0.928) and then for Customs Financial Reporting Quality (0.927) and FinTech (0.922). Although the strong alpha values support the reliability of the constructs, the potential issue of over-reliability arises because high alpha values can suggest redundancy among indicators, leading respondents to consistently choose similar answers across multiple items, thereby not accurately reflecting the full range of the measured constructs. Similarly, the Composite Reliability (ρ_a and ρc) values of all constructs are above 0.90 (see Table 2), additionally confirming the reliability of the measurement model. Also, if model fit is confirmed, composite reliability is usually accepted to be a more accurate measure of internal consistency than Cronbach's alpha as it considers the loadings of the specific items on the latent constructs. Regulatory Compliance highest composite reliability (ρc = 0.943), which coincides with its high Cronbach's alpha. The composite reliability values, more significant than 0.70, achieved by all con indicates that the measurement items contribute significantly to the constructs (see Table 1). Similar to Cronbach's alpha, a high composite reliability value may also suggest that the constructs need greater diversity in item contents to yield various perspectives.

Table 2 shows the R-square (R²) and adjusted R-square for the dependent variable, Customs Financial Reporting Quality. The structural model's predictive power will be evaluated using the following goodness of fit (GOF) indices, which tell us whether the independent or exogenous variables (FinTech Adoption and Sustainable Practices) could explain or demonstrate a variation in the dependent or endogenous variable (financial reporting quality) in Jordanian customs clearance companies.

Table 2.
Result of R^2.

DV	R-square	R-square adjusted
Customs financial reporting quality	0.201	0.188

Table 2 indicates that the model satisfactorily explains variation in Customs Financial Reporting Quality and points out the significance of three main variables: FinTech, Sustainability, and the need for research to capture Financial Reporting Dynamics in Customs. The R-square of 0.201 suggests that 20.1% of the variance in Customs Financial Reporting Quality can be explained by the joint effect of independent variables in the model. This indicates that the explanatory power is moderate. While an R² value of >0.20 is often regarded acceptable in social sciences, especially in exploratory studies or those investigating complicated, multi-factorial constructs, it also indicates that 79.9% of the variance is still not explained by the currently implemented model. It paves the way for future studies to investigate more variables that may play significant roles in determining financial reporting quality, such as organizational culture, governance frameworks, or IT infrastructure.

The adjusted R-square that accounts for the number of predictors in the model, yielding a measure that can penalize for overfitting, is only slightly lower at 0.188. This slight decrease means that the current variables do not inflate the model's predictive power significantly, and thus, the model is relatively robust. Conversely, the gap between R² and adjusted R² also indicates that adding more relevant variables may enhance the explanation capacity of the model without bringing about its deterioration. The R² value shows the extent to which the variables FinTech adoption and Sustainable Practices are significant to Customs Financial Reporting Quality. However, the financial reporting process in the customs sector is complex and affected by multiple factors. This indicates that if technological and sustainable initiatives are examples of factors that might have a role in improving sustainability reporting, perhaps factors related to regulatory compliance, staff expertise, internal controls, or even external economic conditions have a more significant effect on reporting quality.

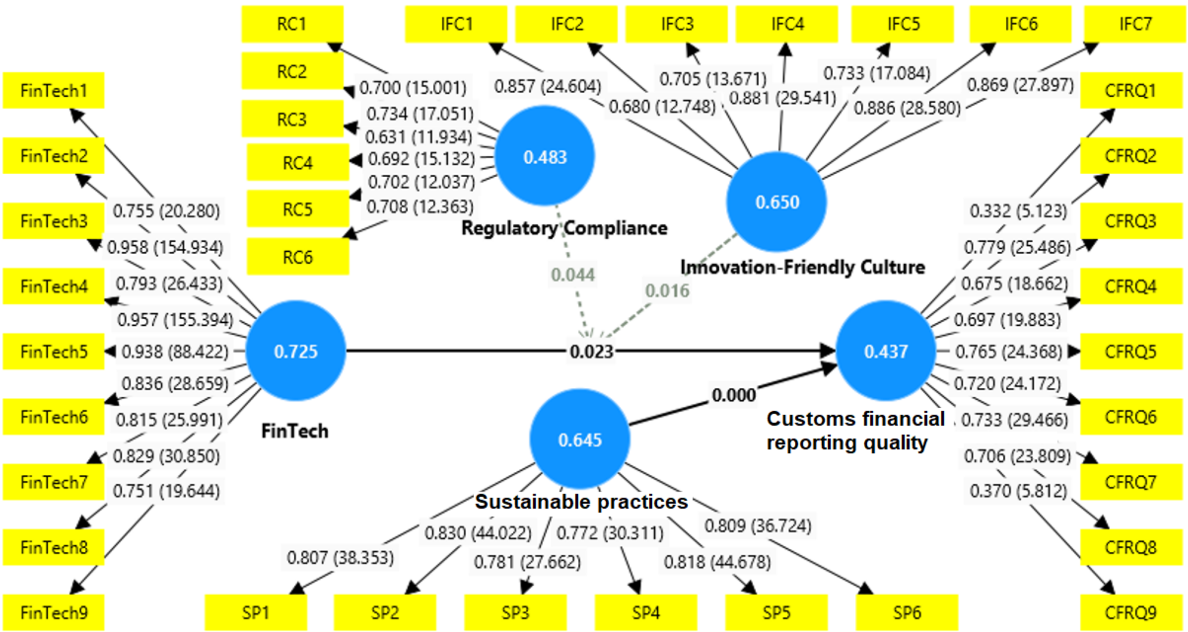

Figure 3.
Structural Model.

5.1. Hypotheses Testing

Partial Least Squares Structural Equation Modeling (PLS-SEM) assesses FinTech adoption, sustainable practices, customs financial reporting quality, regulatory compliance, and innovation-friendly culture moderating effect. Based on the structural model, direct effects (e.g., between FiTech, sustainability practices, and quality of financial reports) and moderate impact (e.g., regulate.g. regulation innovation culture) can be examined. The R^2 in each latent variable shows how much variance the model explains, elucidating the predictive power of each independent variable. Figure (3) Shows the Structural Model.

The results of the index hypothesis testing are presented in the summary in Table 2 showing information such as the original sample or O estimates, the averages M of each hypothesis, the standard deviations STDEV, and the T-statistics and P-values. Results decide if the hypothesized theories are supported or not. The impact of FinTech on Customs Financial Reporting Quality is small, with a coefficient of 0.023 and a p-value of 0.023. Of all direct effects, Sustainable Practices → Customs Financial Reporting Quality has the highest path coefficient (0.645) and the first p-value (0.000) among the proposed channels.

The effect of Regulatory Compliance on financial reporting quality is small (0.044) and insignificant at 1%, indicating that compliance alone is insufficient to improve reporting quality unless paired with technology and other complementary factors.

Innovation-friendly culture has a medium positive association (0.016) with financial reporting quality. If the financial reporting system is placed before it, culture could induce an organization to innovate, which improves reporting quality. $R^2 = 0.437$, which indicates that a model combining FinTech, sustainable practices, regulatory compliance, and innovation-friendly culture explains 43.7% of the variance in Customs Financial Reporting Quality. This shows a moderate degree of explanatory power, implying that the model captures key aspects of financial reporting but is not exhaustive. The constructs of FinTech (0.725), Sustainable Practices (0.645), Regulatory Compliance (0.483), and Innovation-Friendly Culture (0.650) have R^2 values that indicate how well they are predicted and how much independent variables support predictability.

The regulatory compliance and innovation-friendly culture interaction effects are significant ($p < 0.01$), with FinTech's coefficient to financial reporting quality 0.044 and 0.016, respectively. These findings indicate that regulatory compliance and innovativeness enhance the positive effects of FinTech on financial reporting quality.

Table 3.
Results of hypothesis testing.

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (|O/STDEV|)	P values
FinTech -> Customs Financial Reporting Quality	0.129	0.129	0.056	2.282	0.023
Innovation-Friendly Culture -> Customs Financial Reporting Quality	0.104	0.103	0.041	2.550	0.011
Regulatory Compliance -> Customs Financial Reporting Quality	0.034	0.034	0.062	0.551	0.582
Sustainable Practices -> Customs Financial Reporting Quality	0.807	0.806	0.026	31.339	0.000
Regulatory Compliance x FinTech -> Customs Financial Reporting Quality	0.064	0.065	0.032	2.010	0.044
Innovation-Friendly Culture x FinTech -> Customs Financial Reporting Quality	0.090	0.091	0.037	2.414	0.016

The results in Table 3 show the positive influence of FinTech, sustainable practices, regulatory compliance, and innovation-friendly culture on custom financial reporting quality and the effects of regulatory compliance and innovation-friendly culture on FinTech and financial reporting quality. FinTech → Customs Financial Reporting Quality 0.129 2.282 0.023 This relationship is statistically significant as the P-value is <0.05, thus supporting H1. It means that implementing financial technologies positively impacts the quality of financial reporting as a specific aspect that companies can apply, possibly through improving the transparency, fairness, and efficiency of economic processes. The Sustainable Practices → Customs Financial Reporting Research Quality has a substantial impact, with a Path coefficient of 0.807, a T-statistic of 31.339, and a P-value of 0.000. This finding strongly supports H2, highlighting the critical positive influence of incorporating sustainable practices on the quality of financial reporting. This is likely due to the growing focus on environmental, social, and governance (ESG) factors in financial disclosures and increased accountability and transparency. The p → 0.5 table rejects the hypothesis because there is no evidence of their association with custom financial reporting quality. This reflects a moderate but statistically significant moderating effect, thus supporting H3. Regulatory compliance is a substantial contributor to the positive impact of FinTech on the quality of financial reporting; in a sense, standardized FinTech can enhance the effect of positive results on financial reporting, indicating that the compliance mechanism ensures standardization in creative financial technologies. The other moderating effect is Innovation-Friendly Culture x FinTech → Customs Financial Reporting Quality, with a path coefficient of 0.090, T-statistic of 2.414, and P-value of 0.016. This is evidence in favor of H4; an organizational culture that nurtures innovation reinforces the positive impact that FinTech innovation has on the quality of financial reporting. Those who innovate with technology should expect significant returns from FinTech adoption, including enhanced reporting processes and improved economic data accuracy.

Customs Financial Reporting Quality (path coefficient = 0.034, T-statistic = 0.551, P-value = 0.582). This implies that regulatory compliance is vital for financial transparency but does not act in isolation (without the joint interaction with alternative factors, for example, the adoption of FinTech) to endow with some added accretive value required for high-quality financial reporting. This finding emphasizes the multi-layered nature of regulatory frameworks — compliance does not necessarily lead to enhanced reporting unless underpinned by appropriate technology. The results also show that this direct effect of an Innovation-Friendly Culture on Customs Financial Reporting Quality is significant (path coefficient = 0.104, T-statistic = 2.550, P-value = 0.011). Establishing a culture of innovation in organizations positively and directly impacts the quality of financial reporting, ensuring new reporting skills and bringing together organizational tools and businesses to develop an adaptive financial process.

6. Discussion

The results obtained by this study reflect the intricate and complex relationships between FinTech and sustainable practices, regulatory compliance, innovation-friendly environment, and financial reporting quality of license clearing companies in Jordan. Results show that Fintech positively influences financial reporting quality with a path coefficient of 0.129 and a p-value of 0.023. This is consistent with the findings of Alkhwaldi [1] who highlighted the strong impact of FinTech adoption on financial management efficiency and transparency. FinTech adoption provides automation and the ability to process information in real time, minimizing errors and making reports timelier [2]. Furthermore, Dhiaf, et al. [11] revealed that FinTech-enabled efficiency enhanced corporate performance, indirectly influencing reporting dynamics. Nonetheless, the degree of this effect in the present analysis implies that whilst FinTech adoption yields positive impacts, it may not be the key driver of financial reporting quality, potentially because the FinTech industry is in its early days in Jordan as opposed to more technologically advanced territories. The most significant positive effect on the quality of financial reporting is shown by sustainable practices, with a path coefficient of 0.807 (p-value = 0.000). This aligns with Özer, et al. [5] 17 found that firms with better ESG (Environmental, Social, and Governance) scores exhibit higher quality of financial reporting owing to improved transparency and stakeholder trust. Oyerogba, et al. [6] further support that sustainability practices bolster internal governance mechanisms, contributing to enhanced financial disclosures. The significant strength of this relationship indicates that these Jordanian customs clearance companies are incorporating sustainability into their core reporting frameworks on environmental accountability trends on a global scale and ensuring stakeholder demands for ethical practices.

The moderating effect of regulatory compliance is statistically significant, although small, with a Path coefficient of 0.064, p-value = 0.044. These findings indicate that regulatory frameworks can potentially reinforce the positive influence of FinTech on financial reporting, in line with Shehadeh, et al. [4] who emphasized that governance mechanisms are vital in improving FinTech disclosure. Yet, this relatively small effect size indicates that some compliance structures are needed. Still, since it is low, it might not fully enforce the use of FinTech in the Jordanian context, which can potentially extract a lot more from FinTech. This is in agreement with Kabara, et al. [33] which states as well that regulatory compliance acts more as a support mechanism than as a distorting mechanism and that, rather than changing the actual capabilities of the FinTech tool, compliance frameworks tend to enable FinTech tools to operate within the appropriate bounds [47, 48].

Innovation-friendly culture is a significant moderator of the relationship between FinTech and financial reporting quality, with a path coefficient of 0.090 and a p-value of 0.016. This finding aligns with what was established by Al_hazimeh, et al. [8] who argued the importance of cultural compatibility in accepting and implementing FinTech solutions. Companies that nurture a culture of innovation will find themselves more primed to adopt new technology, leading to greater efficiency and accuracy of their financial reports. It also corroborates the work of Protasiewicz and Zalesko [46] highlighting the importance of organizational culture in the innovation of technology in the fourth industrial revolution. However, the moderate impact of this moderating effect indicates that in addition to innovation-friendly organizational culture strengthening the positive impact of FinTech, other structural or contextual factors could explain the strength of this relationship in the customs sector in Jordan. The positive influence of both FinTech and sustainable practices on financial reporting quality was discovered, but what remained dominant was sustainable practices in this study that were different from Dhiaf, et al. [11] further strengthening the FinTech emphasis on efficiencies. Contextual differences in regulatory environments and stakeholders' expectations might explain the divergence. The important moderating roles of adherence to regulation and innovation-friendly culture resonate with the contribution of Awuah-Gyawu, et al. [32] and Iftikhar, et al. [38] which discussed how governance structures and cultural factors affect operational and financial performance. Yet, the relatively modest impact of regulatory compliance indicates a potentially underutilized regulatory infrastructure in fully leveraging FinTech's advancements in Jordan, inconsistent with the more pronounced findings emerging from developed markets.

7. Conclusion

The relationship between FinTech adoption, sustainable business practices, compliance with regulations, and innovation-friendly culture reflected its impacts on the financial reporting quality of Jordanian customs clearance companies in this study. The results provide some vital originality to academia and practical realms of customs and financial areas. In the first place, while we did find a statistically significant positive effect of FinTech on the quality of financial reporting, its economic significance was relatively small. Such an outcome implies that while FinTech tools may contribute to making financial reports more accurate, transparent, and timely, the complete potential of these tools may not yet exist in customs clearance companies in the Hashemite Kingdom of Jordan. This moderate effect could be attributed to factors like limited technological infrastructure, resistance to digital transformation, or even low digital literacy. There is also cultural acceptance and regulatory restructuring [1, 2] involved; thus, digital transformation would not be only about technology. In conclusion, FinTech does have potential. However, these companies need a more ingrained and cohesive approach to embed it with their internal resources. In contrast, sustainable practices became the best indicators of the quality of financial reporting. The sheer weight of the force of this relationship is the umbrella of change of focus decades to come with the change in environmental and social accountability, now a global standard defined as ESG, as a worldwide ethical standard for all business stakeholders. So, this agrees with the results of Özer, et al. [5] and Oyerogba, et al. [6] which argue that sustainability initiatives make companies more efficient, increasing among stakeholders and strengthening the credibility of financial disclosures. They have paved the way for Jordanian customs clearance companies to acknowledge the strategic benefits of sustainability, not as a complementary layer of compliance, but as an asset for competition and value creation in the awareness-reforming Jordanian economy, where sustainability functioned as the pillar of financial transparency status, and fortification of the reporting quality process. The presence of regulatory compliance and innovation-friendly culture as moderators above the aforementioned complexities of the relationships paints a picture of an intricate web of dynamics at play. The results showed that regulatory compliance had a small but significant moderating impact on the connection between FinTech and financial reporting quality. This indicates that although compliance frameworks can improve the effectiveness of FinTech tools, they may also impose restrictions that stifle the innovation and flexibility of those tools. Instead of being suggested by Shehadeh, et al. [4] and Kabara, et al. [33]. In the Jordanian context, this equilibrium might not yet have been fully realized, revealing a need for regulatory changes that adapt to the quickly changing digital landscape.

A culture that is friendly towards innovation magnified the positive signaling effect of FinTech on financial reporting quality. Here, the authors also emphasize the importance of an enabling organizational culture in supporting technology adoption and innovation. As noted by Al_hazimeh, et al. [8] and Protasiewicz and Zalesko [46]. For example, companies that promote an innovative culture are more willing to adopt new technologies, which will enable them to enhance the quality of operational efficiency and financial reporting. It indicates that outside regulatory compliance, what happens inside an organization matters greatly regarding whether a technology initiative succeeds or dies. However, this study has removed the hype around FinTech and the need to comply with regulations in terms of financial reporting for such companies. Moreover, an organization/company's structure needs an organizational culture focused on sustainability practices for better quality reporting in terms of utility perspectives. The results indicate the need for companies to integrate sustainable practices into their fundamental operations, invest in advanced financial technologies, and foster an innovative culture to strengthen the quality of finance reporting further. Moreover, regulators must create adaptive frameworks that protect financial integrity and promote technology adoption. These findings inform the broader conversation about digital transformation and sustainability in financial reporting, providing actionable recommendations for policymakers, industry leaders, and scholars.

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