

## Harmonization and More International Consistency of Islamic Financial Reporting

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**Abstract:** The relatively recent widespread diffusion of International Accounting Standards (IAS)/International Financial Reporting Standards (IFRS) has generated a series of consequences which were the subject of fruitful research and studies, both in the accounting profession and in the process of accounting harmonization (Camfferman, Zeff 2006).

The role of international standards is dominated by Anglo-American accounting thought and most of the standards follow the Western view of accounting. But over the past 25 years, a complex network of interlinked economic, social and political changes have contributed to the wealth held by Muslims and to their need to make the most of this wealth in accordance with the principles of Islam (Dima, David, Paiusan 2010). Furthermore, the current standards, which are based on conventional frameworks, seem insufficient to guide Islamic financial institutions. In this respect, the aim of this article is to focus on analysis of the acceptance and harmonization process of these standards in countries with different accounting traditions and institutional conditions. Islamic countries are particularly involved in this new process, and the uptake of these standards in these areas is among the objectives of the IAS/IFRS Board. This paper gives a short presentation of the main characteristics of Islamic accounting and then focuses on the ongoing process of the IASB that aims to increase its outreach efforts for the best acceptance of IFRS also in the Islamic world.

**Keywords:** accounting harmonization, Islamic financial report

### Introduction

International Financial Reporting Standards (IFRS) have developed as a continuity of International Accounting Standards (IAS) and generated a series of consequences which are the subject of fruitful research and studies, both in the accounting profession and in the process of accounting harmonization (Camfferman, Zeff 2006). Today, the International Accounting Standards Boards (IASB) has established accounting standards which are now used in various forms in over 100 countries including the Gulf Cooperation Council (GCC), the EU, Russia, India, Hong Kong, Australia, Malaysia, South Africa and the United States.

In the last few years, there has been a progressive development of accounting harmonization processes which have become increasingly broader thanks to widespread acceptance of international accounting standards within a short period of time (Carbone, Trombetta 2008). Some of the reasons of the spread can be attributed to the process of political integration, to the globalization of the financial market and to companies operating in more

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than one jurisdiction (Ball 2006). But it should be noted that other forces have led to the acceptance of a common set of accounting standards, such as rationales which incorporate a broader social and political perspective (Zeff 2002).

Diverse geographical participation in the International Financial Reporting Standards (IFRS) standard-setting is seen as desirable as it may improve the consistency of IFRS applications, reduce the criticism of regional over-influence, and promote the legitimacy of the IASB (Larson and Herz 2014).

The role of international standards is dominated by Anglo-American accounting thought and most of the standards follow the Western view of accounting. But over the past 25 years, a complex network of interlinked economic, social and political changes have contributed to the wealth held by Muslims and to their need to make the most of this wealth in accordance with the principles of Islam (Dima, David, Pausan 2010). Furthermore, the current standards, which are based on conventional frameworks, seem insufficient to guide Islamic financial institutions.

Islamic finance has been experiencing a rapid growth in banking, capital markets, insurance and asset management. The question that follows this kind of reality is the need and the consequent development of the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI). This is no longer a niche that the IASB can afford to ignore (AOOSSG Islamic Finance group comments).

In other words, the move towards the international harmonization of accounting standards has coincided with the development of Islamic financial institutions and accompanying accounting standards. In this background, investors and financial analysts need to be able to understand the financial statements of foreign companies whose shares they might wish to buy. They need to be sure that the statements from different countries are reliable and comparable, or, at least, be clear about the nature and magnitude of the differences (Nobes, Parker 2002).

It is therefore timely to work on a comprehensive project to assess the progress toward the goal of global accounting standards. This paper gives a short presentation of the main characteristics of Islamic accounting and then focuses on the ongoing process of the IASB that aims to increase its outreach efforts for the best acceptance of IFRS also in the Islamic world.

## **1. What is Islamic Accounting?**

Islamic Finance represents a way of conducting financial transactions that comply with the Islamic law, *Shari'ah*, that is, the source of guidance for Islam principles of human conduct derived from the *Qur'an* and the *Sunnah* (the sayings of and the actions done and/or approved by the prophet Mohammed). The *Shari'ah* concerns the practical aspects of being a Muslim, and the manifesting of faith and beliefs (Sulaiman 2003)

While for traditional accounting and finance it is possible to provide a general definition that describes a notion within a conceptual system in a limited field (economy), Islamic accounting can only be defined inside the entire Islamic social, political and religious system. *Economics* was never considered a separated discipline in the Islamic world (there is no word for economics in the classic Arabian language), and hence it is impossible to give a general definition. For this reason it is necessary to compare it with the definition of “conventional” accounting. (Conventional) accounting, as we know, is defined to be the identification, recording, classification, interpretation and communication of economic events to permit users to make informed decisions. But, even if both Islamic and conventional accounting are in the business of providing information, between them there are profound differences. In countries adhering to strict Islamic principles, the cultural background to business, and in particular the influence of religious law, is quite different from that in western countries. “It will be shown that differences between the Islamic and Christian religion imply different societal rules of business behaviour, which further imply differences in operating financial organisations, as well as in accounting for them and conducting financial analysis” (Tomkins, Ahmed, Karim 1987). In brief, Islamic accounting is a value-oriented activity (Kamlaa 2009), the development of which encompasses moral, spiritual, material and social aspects, and is established to meet the socio-economic objectives of the *Shari’ah* through the implementation of an Islamic economic system. Hence, Islamic institutions should logically use Islamic accounting, in particular to achieve their objectives which are different from capitalist institutions (Kamlaa, Gallhofer, Haslam 2006). “There are perceived to be a number of basic elements in an Islamic attitude towards business matters that differ from the Western view-point. These stem from a religious belief in the Unity of God just as much as the principles enunciated for Western accounting systems stem from the secular philosophy of economic rationalism. The Unity of God is defined by the tawhid, which requires total commitment to the will of God and involves both submission and a mission to follow the *Shari’ah* in all aspects of life. The belief in an all powerful, all-seeing God brings to this way of thinking a number of principles which affect the matter of information disclosure and may be contrasted to the Western principles listed above: a lack of distinction between the significance of behaviour in the spiritual and secular spheres of life; a focus on community interests in the current values in financial statements” (Baydoun, Willett 2010).

The main elements of Islamic economics arise from a merger between economics and religion that originated in the birth of Islam, when the Prophet, who ruled Medina, had a role in both political and religious affairs. This aspect is also reflected in the Holy *Qur’an* in *suras* where there is an explicit reference to the economic, political and social aspects of everyday life: “Never get bored with recording it, however small or large, up to its maturity date, for this is seen by Allah closer to Justice, more supportive to testimony, and more resolving to doubt.” (Al-Baqara: 282).

The basic objective of *Shari’ah* is to ensure general human well-being and socio-economic justice (Sulaiman 2003). It teaches that all wealth belongs to Allah and that humans

are merely trustees of this wealth, entrusted with it to realize the above mentioned objectives. The Islamic economic system is based on the teaching that “no-one should claim for himself what is basically the creation of Allah or the product of another man’s efforts and skills” (Haqiqi, Pomeranz 1987).

One of the most important elements for establishing social justice is *zakat*. It has been described as the “cornerstone” of the financial structure in the Islamic State (Siddiqi 1982) and one of the fundamental pillars of Islam (along with prayer, fasting, alms giving and the pilgrimage to Mecca). *Zakat* is a tax (it has been defined as a *religious* tax) that every Muslim has to pay. The word *zakat* means, literally, “purification”. Those with a certain level of accumulated wealth are obliged to pay *zakat* to purify themselves of selfishness and wealth. Its purpose is to eradicate poverty, by redistributing wealth from the relatively wealthy to the poor and needy. It is important to underline that it is not a charity, but something that rightly belongs to the poor and needy. Thus, *zakat* keeps wealth constantly circulating in society. It creates a society based on mutual assistance and, if properly developed, guarantees a minimum standard of living to all people in Islamic society. “It is an integral, compulsory and inseparable part of Islamic way of life, the non observance of which is tantamount to the negation of the religion itself” (Ashaari, Mohamed 1989). *Zakat* covers the moral social and economic spheres of Islamic finance (Mannan 1986).

Only those with wealth above a certain limit (*nisab*), or threshold value, (which is usually the equivalent of 85 grams of gold) must pay *zakat*, and it is payable mainly to those whose accumulated wealth is below the limit. As can be seen, Islam gives preferences to the right of the community over the individual and thus, if someone does not pay *zakat*, the state has the power to collect it for the general interest of society and for social justice.

Together with the specific requirement to pay *zakat*, however, another important component is illustrative of the pertinent legal principles that should be applied in the pursuit of commercial activities: it is the prohibition of *riba*. The word *riba* literally means “increase”, “addition”, and “growth”; for Muslim jurists *riba* and interest are synonymous. People are not permitted to make money by lending their capital for interest as interest is considered one of the main factors in creating an unequal distribution of wealth. The prohibition of *riba* is founded upon the assumption that there may not be gain without taking risk. Those who already have money are provided with an easy way of increasing it, while those who are in need of money may not be able to break out of the poverty cycle, as they are obliged to pay interest; Islam considers this iniquitous. (Centorrino 2012). In the Qur’an there is a clear indication: “Those who devour usury will not stand except as stands one whom the Evil One by his touch has driven to madness. That is, because they say: Trade is like usury; but God hath permitted trade and forbidden usury” (2:275).

“God will deprive usury of all blessings but will give increase for deeds of charity” (2:276).

According to Karim (1995), the prohibition of *ribais* related to the Islamic approach to the time value of money. Some Muslim scholars have argued that the law against the charging of interest makes the time value of money an unacceptable concept to a Muslim (Gambling, Karim 1991). This viewpoint is not shared by all Islamic scholars (al-Abji 1985 in Baydoun, Willett 2000).

The question that follows is that one of the specific issues which must be faced by an Islamic theory of accounting is the potential consequences of excluding the time value of money concept. Although it is not entirely clear that the time value of money as a concept is necessarily in conflict with Islamic principles, it is certainly true that if it were the case it would severely restrict the body of theory to which an Islamic scholar could refer in finding a rationale for using, for instance, current values in financial statements. (Baydoun, Willett 2000).

The Islamic values described above have implications both for individual and collective economic behaviour. As seen, these economic (as well as non-economic) values, norms and codes are inscribed in the *Shari'ah*. However, Islamic law (*Shari'ah*) is not the same as Law in the Western sense, where the law is promulgated by parliament, a monarch or president and carries state sanctions. In the Islamic view, the law comes from God (*Allah*), consequently, in addition to jurisprudence; *Shari'ah* includes ethics and religious doctrines.

Thus, there are a numbers of principles in business matters such as a lack of distinction between the significance of behaviour in the spiritual and secular spheres of life: a focus on community interests in the decisions and actions of firms (the principle of *tazkiyah*); the legitimacy of the profit motive but not a sole focus on profit and not the making of excessive profit which is tantamount to exploitation; equity between people, providing a fair share for the weak and the strong; and explicit consideration of the environment, created in pure form by God and so to be preserved (Baydoun, Willett 2000).

After the above brief clarification of the scenario surrounding the concept of Islamic accounting, the main differences with traditional accounting are highlighted in the following points:

### **Objectives of providing information**

Islamic Accounting aims to ensure compliance with, and implementation of, the principles of the Islamic *Shari'ah* law.

### **Recognition**

Following the above, the type of information provided by Islamic accounting is different. Conventional accounting focuses on identifying economic activities and transactions, while Islamic accounting must identify socio-economic and religious activities and transactions. Indeed, Islamic accounting has a holistic approach, and both financial and non-financial activity with regard to economic affairs, social, environmental and religious are measured and reported.

### **Types of evaluation**

According to *zakat*, in Islamic accounting, only the selling price is relevant for evaluation. This means that Muslim firms cannot follow IAS/IFRS valuation for inventories if they want to comply with the rules of *zakat*.

### **The users of information**

For an Islamic accounting model, the primary user of financial statements is the government. Therefore, accounting should focus on the state and provide financial information for the government and society.

As mentioned above, a central aspect of Islam is the notion of a holistic approach to life which entails striking a balance between the material and spiritual needs of every human being which amalgamates the secular with the non-secular, and the religious with the financial.

This approach to life, religion and society represents a significant departure from capitalism and liberal market economies, which leads to the main differences between western and Islamic accounting systems.

In agreement with Gamblin and Karim (1991), it is not easy to give a definition of the Islamic accounting system because Islamic accounting theory has the nature of instruction about how things should be done to satisfy Islamic objectives rather than a description about how things are done in practice (Baydoun and Willett 1994).

“Since the conceptual framework of Western based accounting systems was developed recognizing the dichotomy between business morality and private morality, it will thus have limited relevance in societies which have revealed doctrines and morals that govern all social, economic and political aspects of life such as the case in Islamic societies” (Sulaiman 2003: 5).

## **2. The Accounting and Auditing Organization for Islamic Financial Institutions**

It is important to note that, in a situation as outlined above, the adoption of the Anglo-American accounting setting could generate a range of problems. For instance, according to Sarea and Hanefaf (2013): “Anglo American accounting is based on the principle that assumes that business has an indefinite life. Meanwhile, this is not appropriate for contracts such as *mudarabah* (which makes the entrepreneur and the bank partners) in a banking situation, whereby the contract may be rescinded at any time. This therefore, makes the Anglo-American accounting techniques unsuitable for Muslims to adopt in their reporting system”.

As a consequence, given the rate of growth of Islamic Financial Institutions (IFIs) and the continuous development currently witnessed by Islamic financial institutions in both Islamic and non-Islamic countries, the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) has taken the proper initiative to develop accounting, auditing, governance, ethics, and *Shari'ah* standards for Islamic Financial Institutions

(IFIs). It is important to note that Islamic standards do not have the same meaning throughout Muslim-majority jurisdictions. As in other religions, Islam comprises different sects or schools of thought, but among other standards AAOIFI is seen by many to be a champion of Islamic accounting.

The AAOIFI standards serve as a guideline that may reflect the unique characteristics of IFIs and become a useful tool to meet the various needs of IFIs. The Accounting and Auditing Organization for the Islamic Financial Institution (AAOIFI) is an Islamic international autonomous not-for-profit corporate body, based in Bahrain that prepares and issues accounting, auditing and corporate governance standards as well as ethic and *Shari'ah* standards for Islamic financial institutions (Sarea, Hanefah 2013). It was created on February 26, 1990, to guarantee that participants conform to the regulation of Islamic finance. AAOIFI is supported by institutional members from 40 countries, including central banks, Islamic financial institutions and other participants from the international Islamic banking and finance industry, worldwide. AAOIFI has gained assuring support for the implementation of its standards, which are now adopted in the Kingdom of Bahrain, the Dubai International Financial Centre, Jordan, Lebanon, Qatar, Sudan and Syria. The relevant authorities in Australia, Indonesia, Malaysia, Pakistan, the Kingdom of Saudi Arabia, and South Africa have issued guidelines that are based on AAOIFI's standards and pronouncements. (AAOIFI 2014). It has the mission of standardization and harmonization of Islamic finance and financial reporting in accordance with the precepts of the Islamic *Shari'ah* which, as seen, represents a comprehensive system for all aspects of life in conformity with the environment in which Islamic financial institutions have developed. This pursuit is intended both to improve the confidence of users of the financial statements of Islamic financial institutions in the information that is produced regarding these institutions, and to animate these users to invest or deposit their funds in Islamic financial institutions and to use their services.

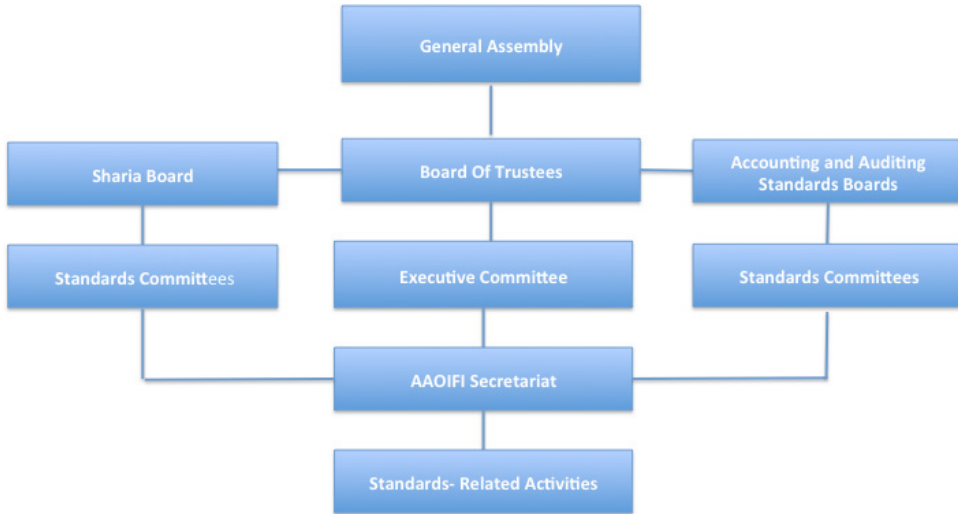
AAOIFI (2014) objectives are:

- to develop accounting and auditing thoughts relevant to the Islamic financial institution,
- to disseminate accounting and auditing thoughts relevant to Islamic financial institutions and its applications through training, seminars, publication of periodical newsletters, carrying out and commissioning of research and other means,
- to prepare, promulgate and interpret accounting and auditing standards for Islamic financial institutions, and
- to review and amend accounting and auditing standards for Islamic financial institutions.

AAOIFI's pronouncements are intended to serve Islamic financial institutions in the various countries in which they operate. Presently AAOIFI has published 88 standards: 48 *Shari'ah* standards, 26 accounting standards, 5 auditing standards, 7 governance standards, and 2 ethic standards ([www.aoifi.com](http://www.aoifi.com)).

The AAOIFI structure is represented below in figure 1. It includes a General Assembly, a board of trustees and an accounting and auditing standards board, an executive committee

and a secretary general. It comprises also a *Shari'ah* Board ([www.aaofifi.com/media/image/Picture21.jpg](http://www.aaofifi.com/media/image/Picture21.jpg)).



**Figure 1.** AAOIFI structure

Source: [www.aaofifi.com](http://www.aaofifi.com).

An element of great importance in the structure of the AAOIFI is the presence of the *Shari'ah* Board. It is a key governance tool composed of eminent scholars of law and the Islamic religion.

The rule of the *Shari'ah* Board is also about:

1. Achieving harmonization and convergence in the concepts and application among the *Shari'ah* supervisory boards of Islamic financial institutions to avoid contradiction or inconsistency between the *fatwas* (a legal pronouncement) and applications by these institutions, thereby providing a pro-active role for the *Shari'ah* supervisory boards of Islamic financial institutions and central banks.
2. Helping in the development of *Shari'ah* approved instruments, thereby enabling Islamic financial institutions to cope with developments taking place in instruments and formulas in fields of finance, investment and other banking services.
3. Examining any inquiries referred to the *Shari'ah* Board from Islamic financial institutions or from their *Shari'ah* supervisory boards, either to give the *Shari'ah* opinion in matters requiring collective *Ijtihad* (reasoning), or to settle divergent points of view, or to act as an arbitrator.
4. Reviewing the standards which AAOIFI issues in accounting, auditing and code of ethics and related statements throughout the various stages of the due process, to



ensure that these issues are in compliance with the rules and principles of the Islamic *Shari'ah* (AAOIFI 2014).

Among the members of the *Shari'ah* Board there are *fiqh* scholars who represent the *Shari'ah* supervisors. *Fiqh* is Islamic jurisprudence, an enlargement of the code of conduct expounded in the *Qur'an* often supplemented by tradition (*Sunnah*) and implemented by the faithful interpretation of Islamic jurists. *Fiqh* deals with the observance of rituals, morals and social legislation in Islam.

AAOIFI finances its activities from the proceeds of a waqf (endowment) and charity fund (developed from the membership fees paid by institutions joining AAOIFI), annual subscription fees, grants, donations, bequests, and others sources (Ahmed, Karim 2011).

### 3. The harmonization of Islamic financial reporting

As can be seen, a study on Islamic standards (IF) and their use can be very complex given the various implications that can arise. Islamic finance is growing rapidly worldwide. While many institutions prefer to report using the principal global accounting regimes – the International Accounting Standards (IAS) and the International Financial Reporting Standards (IFRS) – due to specific characteristics within IF, many countries require their Islamic financial institutions to apply accounting practices that take these characteristics and differences into account, rather than the one they use. Thus, the question that follows is that if (IF) is to remain competitive with their mainstream counterparts, their financial reports need to be comparable.

Indeed, besides recognizing the growing significance of Islamic finance it is important to appreciate the overarching benefits of global standards. For this purpose, there are now a number of initiatives that, at an international level, aim at the realization of a process of the globalization of international standards. Technical experts, auditors, lawyers, scholars, rating agencies, Islamic and conventional banks and regulators are engaged in this process.

Many countries where Islamic finance is prevalent have incorporated IFRS into their financial reporting framework. Some of these are members of the Asia-Oceania Standards Setter Group (AOSSG) whose purpose is to discuss and share experience in the adoption of the IFRS. Also the AOSSG's Islamic Finance Working Group (WG) aims to provide input and feedback to the International Accounting Standards Board (IASB) on the adequacy and appropriateness of proposed and existing IFRSs to Islamic financial transactions and entities ([www.aossg.org](http://www.aossg.org)). The Malaysian Accounting Standards Board (MASB) is the Leader of the AOSSG Islamic Finance Working Group. MASB was established under the Financial Reporting Act of 1997 as an independent authority to develop and issue accounting and financial reporting standards in Malaysia (Balla, Robinb, Shuang Wu 2003).

The MASB is developing Islamic Accounting Standards to streamline the accounting procedures of companies with increasing Islamic-based transactions. Nevertheless, the MASB does not issue separate Islamic accounting standards. MASB simply approves

accounting standards which are compliant with *Shari'ah* financial transactions and entities, unless there is clear *Shari'ah* prohibition. Any additional guidance on accounting for Islamic financial transactions and entities will take the form of a pronouncement, usually a Technical Release, which increases the number of MASB approved accounting standards.

The AOSSG's work to determine the financial reporting requirements to apply to Islamic financial transactions has been, and is still today, of great importance to support the ongoing process by the IAS/IFRS Boards towards a global acceptance of their rules.

#### **4. The role of the IAB/IFRS in the convergence of accounting standards with the Islamic financial world**

The benefits that may arise by applying international accounting standards are now recognized all over the world. The use of high-quality information enhances the comparability and transparency of financial reports. The application of strict and consistent standards allows for better choices and allocation of funds in the most efficient manner. These arguments were used to support the adoption of International Financial Reporting Standards (IFRS) for financial reporting.

Among the efforts carried out in this direction, it is important to remember the initiatives of the IASB and of the IFRS Foundation.

On July 2011, the IASB launched its first Agenda consultation regarding the future work plan, with which the Board implemented a further process of development, characterized by a desire for stakeholder involvement already in the preliminary choice regarding work to be carried out in the near future in relation to the standards (Centorrino 2012). The proposal is divided into two main parts:

- the development of financial reporting,
- the maintenance of existing IFRSs.

The first part regards new strategic areas that could be identified for the development of new standards ([www.ifrs.org](http://www.ifrs.org)). With this in mind, the agenda proposed some questions to which all those interested in, and affected by, financial reporting, could answer. Included in that proposal there is a project on *Islamic (Shari'ah-compliant) transactions and instruments*.

Those not in favour of a project on *Islamic (Shari'ah-compliant) transactions and instruments* believe that the topic affects only a small group of constituents and that resources could be better used on other urgent cross-industry projects. Some question whether the IASB is the most suitable organization to develop guidance in this area and they suggest an organization with relevant practical experience for this. Therefore, in the percentage of those who prefer to develop new standards we find investors who think there is an increasing importance for such instruments in the Islamic world and that the new standard would be helpful to understand the financial position of Islamic companies, being able to compare

them to companies in other parts of the world. Those in favour of this project believe that more importance should be given to the needs of an emerging economy.

Another important initiative is the IFRS Foundation Charts of Progress towards the global adoption of IFRS. It is intended to provide a central source of information that permits interested parties to chart jurisdictional progress towards the achievement of global adoption. Many Jurisdictions give information, and it is possible to read the profiles of each of these regarding the use of IFRSs (IFRS Foundation 2014). Among the profiles there are also Islamic jurisdictions such as Saudi Arabia, Indonesia, the United Arab Emirates, Sri Lanka, Pakistan, and Iraq. Each of them give different answers, but in many cases IFRSs are adopted or are in a first-time adoption process.

It is interesting to report the comment of the Jurisdiction of the United Arab Emirates expressed by the UAE Accountants and Auditors Association (UAE-AAA).

To the question: What is the Jurisdiction's status of adoption?

The answer was that Dubai has adopted IFRS for all or some companies, but as *additional* comments on the adoption status they said: "IFRS are required by the listing rules of NASDAQ Dubai. IFRS are permitted, and most commonly used, by companies listed on the Dubai Financial Market PJSC. Some financial institutions use Financial Accounting Standards issued by the Accounting and Auditing Organisation for Islamic Financial Institutions (AAOIFI). However in December 2012, the Dubai Financial Services authority (DFSA) prohibited Islamic financial institutions from using AAOFI. Companies that applied AAOFI standards will have a two year period to comply with IFRS" (IFRS Application around the world jurisdictional profile: United Arab Emirates, 2014).

From the above hitherto described, it can be seen that the ongoing process towards global adoption is manifold. It is clear that in many cases Islamic financial institutions encounter accounting problems as the existing accounting standards, such as IFRSs, were developed and based on conventional institutions, conventional product structures or practices, and may be perceived to be insufficient to account for and report Islamic financial transactions. On the other hand, the Islamic finance industry is under considerable pressure to enhance practice and improve risk management systems and protect investors.

## Conclusions

This article has highlighted the picture in relation to the spread of International Financial Reporting Standards (IFRS) in the Islamic world. In order to further address this issue, the significance of Islamic accounting has been analyzed. Indeed, to face this topic it is necessary to dwell on the close relationship between religion and every aspect of life in Islamic countries, recognizing however that the knowledge of a culture so different from the West implies a much wider and varied survey. Furthermore, the various arrangements of some other standard-setters in the world that have issued Islamic accounting standards have been shown, highlighting concern regarding convergence with western standards.

It is clear that a convergence process is undoubtedly complex. It should also be said that the complexity of the question ought to be seen in the light of the IASB's choice related to the introduction of a standard for Islamic accounting to achieve results in the process of spreading accounting standards. According to N. Baydoun and R. Willett (2002) there are huge impediments to fully applying IAS in the Islamic financial world. More generally, future research may need to delve much further into the subtleties of the textual and legal interpretation of the Qur'an to uncover significant new knowledge on Islamic values. It should also be observed that the study of Islamic accounting briefly carried out here exposes the serious difficulties it has in representing all the financial dimensions of the western point of view.

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## HARMONIZACJA I ZWIĘKSZENIE SPÓJNOŚCI MIĘDZYNARODOWEJ W ISLAMSKIEJ SPRAWOZDAWCZOŚCI RACHUNKOWEJ

**Streszczenie:** Stosunkowo niedawne szerokie rozprzestrzenienie się Międzynarodowych Standardów Rachunkowości (MSR)/Międzynarodowych Standardów Sprawozdawczości Finansowej (MSSF) wytworzyło serię konsekwencji, które były przedmiotem owocnych badań i studiów zarówno w profesji rachunkowości, jak i w procesie harmonizacji rachunkowości (Camfferman, Zeff 2006).

Rola międzynarodowych standardów jest zdominowana przez rachunkową myśl anglo-amerykańską, a większość standardów podąża za zachodnim spojrzeniem na rachunkowość. Ale przez ostatnie 25 lat złożona sieć powiązanych przemian gospodarczych, społecznych i politycznych wpłynęła na bogactwo posiadane przez Muzułmanów i ich potrzebę, żeby jak najwięcej tego bogactwa powstało w zgodzie z zasadami Islamu (Dima, David, Paiusan 2010). Ponadto, obecne standardy, które bazują na konwencjonalnych strukturach, zdają się niewystarczające do stosowania przez islamskie instytucje finansowe. W tym świetle, celem tego artykułu jest skupienie się na analizie akceptacji i procesu harmonizacji tych standardów w krajach z innymi tradycjami rachunkowości i stanem instytucji. Kraje islamskie są szczególnie zaangażowane w ten nowy proces, a uznanie tych standardów w tych obszarach jest wśród celów Rady MSR/MSSF. Ten artykuł prezentuje główne cechy islamskiej rachunkowości i skupia się następnie na postępującym procesie w Radzie Międzynarodowych Standardów Rachunkowości, która dąży do wzrostu swoich wysiłków dla najlepszej akceptacji MSSF również w świecie islamskim.

**Słowa kluczowe:** harmonizacja rachunkowa, islamski raport finansowy

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