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THE IMPLICATIONS TO APPLICATION IFRS IN ISLAMICS ACCOUNTING IN INDONESIAN

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Abstract

Paper purpose express idea implementation of islamic accounting adoption IFRS in Indonesia. This article is a qualitative method dan focus literature method. In this paper tried to explain in a systematic theory of accounting and PSAK Syariah Guideline Accounting and PSAK IFRS. Main results that are found in this study, there are IFRS conflict with some of the principles of the Islamic; there is incorrect implementation of IFRS in some countries because translation problems English IFRS to local languages, plus, countries have still problems with implementation IFRS.

Keyword: Implications, Islamics Accounting, IFRS

Abstrak:

Tujuan makalah ini mencoba untuk mengemukakan gagasan penerapan akuntansi syariah dalam penerapan IFRS di Indonesia. Artikel ini merupakan metode kualitatif dan metode literatur fokus. Dalam makalah ini mencoba untuk menjelaskan secara sistematis teori akuntansi dan PSAK Syariah Pedoman Akuntansi dan PSAK IFRS. Hasil utama yang ditemukan dalam penelitian ini, ada beberapa konflik IFRS dengan beberapa prinsip agama Islam; ada salah implementasi IFRS di beberapa negara karena masalah terjemahan IFRS dari bahasa Inggris ke bahasa lokal, ditambah lagi, negara masih bermasalah dengan implementasi IFRS.

Kata kunci: Implikasi, Akuntansi Syariah, IFRS

Introduction

Accounting as powerful weapons in a maximum efficiency of effort justification undertakings, regardless of whether the efforts undertaken within the framework of morally acceptable or not. All of this, actually quite prove that Accounting a great role and strategic. From here, a growing accounting was strongly influenced by the values of capitalism, and so this not in line with Islamic values. So the last word that could be delivered here, had many Islamic values which are not conceived, or even contrary to the values that are contained in the conventional accounting if it still can be argued that accounting conventional already in line with Islamic values. (Hopper, Lassou, & Soobaroyen, 2017).

Before an institution of Islamics business due to market demands, accounting academics consider that accounting is the art of recording that is free of value. Nonvalue means that the accounting function as tools, i.e. the logging tool. No accounting will look like a knife which is the object that depends on the value and desirability of free users, you want to use for your kitchen or to injure a family member is the choice of the appropriate user's goal. But not so with other objects whose value is not free, as does the cross, Hajj caps, hijab fashion, clergy, monks and others fashion, the user objects will be identical to the nuances of the use of objects with a whatever its purpose, which means that objects are not free because of the value able to change the aura of its users.

As the development of science, accounting as a discipline of the dynamics of the times. Development of the theory that as long as this is only seen in evolution in achieving the established a structure not always evolve as originally. Khun who introduced the term " paradigm " creates a revolution in viewpoints see the dynamics of Science (Muslih, M., Zahri, M., 2004). The dynamics of science should not move in a linear, paradigm shift as the human perspective in understanding

reality, has shifted the perspective in looking at accounting disciplines as reality. Ironically when the accounting discipline which is the product of history, thus acting as a power ancilia (slaves of power) in the oppressive power perpetuate by positioning itself as " stewards " of a particular class i.e. the ruling class in economic development. On the structure of feudal society (pre capitalism), not accounting will look into a tool of feudal in calculating the interest of land nobles. Diera capitalism, it turns out that the Accounting role has not changed, it shifts into a doctrine of hegemony in power perpetuate capitalist (bourgeoisie).

A long history, accounting evolved over time. There is a view that says that the modern century accounting actually developed in an environment that is laden with social context, culture, laws, norms, religion and other variables so that accounting is said to be influenced by the environment in which He formed (socially constructed) (Arwani, 2016b). Visible presence of the doctrine of capitalism in modern accounting practices at this time where the power of great good capitalism real or implied, have been co-optation and exploiting of human life and the universe is systematically so that accounting no more dead as an instrument which is used to strengthen the power of capitalism (Triyuwono, 2006).

There is a remarkable change in accounting Sciences scene for several decades later. Before the year 1970-80s, there were assumptions about accounting as a science and a practice free from value-free has begun its existence was rocked. The assumption has long been dominating the majority of accountants and researchers in the field of accounting. This kind of form getting stronger due to the tendency of the behavior of the community who get carried away by the flow of the information age and globalization.

In the information age and globalization in the field of Accounting harmonization efforts have turned up the practices of accounting. This means there is the will to impose accounting practices is relatively uniform throughout the world. In other words, the values of the local accounting practices which may be very different from the practice of the international world as far as possible eliminated due to its diversity of practice of accounting in each country are considered difficult in interpreting the report Finance. Or, the accounting practices of a diverse it is seen not to be incomparable (Triyuwono, 2006).

On the other hand, the consequences of the application of the modern accounting show the impact of a less than satisfactory. The fact indicates the multiplicity of accounting scandals and manipulation of financial statements that struck the company and they will lack social and environmental responsibility implies that enormous changes happen on the perpetrators accounting. This condition describes that Accounting failed to reflect the reality of the business as a whole. Triyuwono States that the modern accounting was not able to reflect the economic realities of the non-created company. He was only able to acknowledge and reflect on economic events. Triyuwono also systematically explains some of the weaknesses that appear related to the conventional accounting practices (modern) (Triyuwono, 2006).

Modern accounting ignores two important aspects, namely the social environment and thus failed to describe the reality of an increasingly complex business; The very nature of selfishness inherent in modern accounting so that again reflected into the form of private costs/benefits and profit-oriented reporting for the benefit of capital owners/shareholders. Therefore the accounting information is selfish and ignoring others.

Therefore, we can understand that when modern accounting was able to bring the social reality in the spirit of capitalism then what happens is the accounting practices that are free of values community locality (value-free) so that social reality becomes a partial (not intact). This condition also implies the application of the universal law in mainstream economics (including accounting) has strong potential to muzzle the local values (local wisdom) that apply in the Community (Triyuwono, 2006). On the other hand, the existence of this partial nature gave birth to a popular culture that ignores the values of ethics, morality, and social diversity as well as religious spirituality. This is confirmed by Triyuwono a modern accounting that only concern with the

material world and otherwise ignore and the non-material world emulation (spiritual) (Triyuwono, 2006). Thus ought to be believed that the developed accounting reviewed from the perspective of its historical need to enter socio aspect of value to create the face of accounting is loaded with value (value-laden). The accounting value is expected to make its accounting practices that drive human behavior more religion, spirituality and ethical value in social life and the environment. The application of Islamic-compliant accounting system is an integral part which can not be separated with devotion the servant against his Lord. Islamics Accounting is a system of Islamic economy and finance system used as a means of supporting Islamic values in the realm of accounting that serves as a management tool that provides financial information to external parties and internal.

Basically, the Islamics principles focused on a mindset that embraces the whole dimension of human life are intertwined on the relationship between micro and macro. The first is the micro dimension, namely the basic principle of Islamic are individuals who believe in Almighty God (Tawheed) and obey all the rules and restrictions outlined in the Qur'an, Al-Hadith, Fiqh, and results of Ijtihad. The importance of unity is the Foundation for achieving the objectives of Syariah, creating social justice (al a'dl and al Ihsan) as well as the happiness of the world and the hereafter. The purpose of the Islamics can be achieved when individuals use the ethics and morals of iman (faith), taqwa (piety), kindness (birr/righteous), worship (worship). Responsibility (responsibility/fardh), attempts (free will/ikhtiyar), a relationship with God and men (Habluminallah and Habluminannas), as well as the Barakah (blessing). Second, the principle of Islamic is a macro dimension covers the political, economic and social. In the political dimension, upholding the deliberation and cooperation. Whereas in the economic dimension, doing business as halal, comply with the prohibition of usury, and fulfill the obligation of zakat. Next in the social dimension, namely the general interests and mandate. (Arwani, 2016b)

The purpose of implementing Islamics accounting is to achieve socio-economic justice, and as a form of running our worship in meeting obligations to God Almighty, as a form of accountability toward individuals in a task report all matters relating financial statements. The end result Islamics Accounting techniques in the form of an accurate accounting information for calculating zakat and horizontal accountability to God Almighty with based on morals, faith, taqwa and vertical to the shareholders (Stakeholders).

Islamics Accounting is accountability, who represented Islamics Accounting information in the form of the financial statements in accordance with the Syariah i.e. comply with the principle of full disclosure. Financial accounting reports where Islamics is no longer oriented on maximum profit but will bring a message of capital in applying ethical behavior and fair to all parties. The values and ethics of Muslims are Islamics, then the best alternative Islamics Accounting development was the use of thought in accordance with Islamics. To understand the notion of Islamic accounting, accounting definitions may be based on Islamics. Islamics Accounting is a process, methods, and techniques of recording, classification, pengikhtisaran deals, and events that are financial in the form of a unit of money, in order to identify, measure, convey the information economy is the management of an entity its business based on the Islamics, to be used as material for taking economic decisions and choose alternative-alternative actions for the wearer "(Triyuwono, 2006).

As expressed by Umar Abdullah, Ziad that the Islamic-compliant Accounting commences from the clarity of faith and then from there he was able to ignite the sense. The collaboration of the two is the heats of conscience and acuity of the eye of the heart, completely invisible beings giving birth neglected by the selling of Rabbnya of the most heard knowing then he founded the prayer as the backrest of the tired and restless, then zakat not escape ended as a form of worship that purify the tree of life with elegant and fostering social ties on the fellow. Where Islamics in accounting do not merely include the issue of trade, industry, finance, management, agriculture and governance (earthly problems). But most of all it is a reflection (human roles) in the Caliphate advance this earth which has values like Ihsan, Amanah, Siddiq, Intelligent, and Tablighi.

The goal of Islamic finance report purpose as follows : (1) Improve adherence to Islamic principles in every transaction and business activities; (2) compliance Information Islamic entity against Islamic principles and information assets, liabilities, revenue, and load in accordance with Islamic principles when there is nothing in the acquisition and use of it; (3) information to help evaluate the fulfillment of the responsibilities of the entities and the Islamic against the Trustees in securing funds, invest it in decent profit levels; (4) information regarding the investment gains earned investor and owner of temporary syirkah funds and information about the fulfillment of obligations. (obligation) Islamic entities social functions. Including the management and distribution of zakat, infak, alms and endowments (Arwani, 2016a).

Financial statements for general purpose financial reports as well as presented in other public documents such as annual reports. This statement also applies to consolidated financial statements (Ikatan Akuntansi Indonesia, 2017).

Islamic Accounting purposes according to the Tanjungpura the realization of the major love to God Almighty, by implementing the compliance accountability and creativity, for those transactions, events and production processes in the the Organization, which is the delivery of information material as well as spiritual, inner, according to Islamic values and Islamic goal (Mulawarman, 2009).

Basic assumptions in order to achieve the goal of Islamic Accounting is in the form of preparation of the accrual basis is influence transactions and other events: at the time of the incident and disclosed reported in question. On basis provides information to that involve acceptance payment cash obligations in the future as well as present cash resources will be received in the future. Therefore the financial report provides information on the past and other events that are most useful to users in economic decisions. The calculation of income for the purposes of the Division of business results using the cash basis. In terms of the principle of the Division of business results based on for the results. Income or profits referred to was made a gross profit (Napier, C., & Haniffa, 2011).

From exposure to above indicates that the accounting system is the system of Islamic alternative is right for Muslims in Indonesia, nevertheless in the implementation, there is still a lot of circles who argue the pros and cons against Indonesia. How implications IFRS in Islamic Accounting in Indonesia?

Method

Qualitative method of article define qualitative research generates data by word or people spoken and behavior that can be observed (Moleong, J., 2009). In qualitative research methodologies, there are a variety of commonly used data / resource collection methods. James Mc. Millan and Sally Schumacer in Research in Education; A Conceptual Introduction, there are at least four data collection strategies with multi-methods in qualitative research, that is, participatory observation, in-depth interviews, literature studies and artifacts, and complementary techniques. On this occasion, which will be discussed further is about data collection strategy through literature method. According to Burhan Bungin "The literature method is one of the data collection methods used in social research methodology to browse historical data" (Burhan, 2013). While Sugiyono states that Literature is a record of events that have been passed in the form of writing, drawings, or the monumental works of a person (Sugiyono, 2005). The method or literature study, although initially rarely noticed in qualitative research methodologies, is today an important and integral part of the qualitative research methodology. This is due to the growing awareness and new understanding in the researchers, that a lot of data is stored in the form of literature and artifacts. So that the extracting of data sources through literature study become complementary to qualitative research process. The method in this paper the author using qualitative methods of prescriptive tried to explain the implications of guidelines IFRS accounting Islamic comprehensively. In this paper tried to explain in a systematic theory of accounting and PSAK and PSAK guidelines IFRS.

Result and Discussions

Basically its own Accounting many notions and definitions. As for the understanding and the definition book presented is as follows; (1) in Accounting Principle Board, size decision making. (2) In the Accounting as defining record keeping, classification, and adjusted in a certain way and in size, monetary transactions, and events that are common of finance. (3) in A convey the economy as material information in consideration of the decision-making by the user.

The accounting understanding, Islamic explained theoretically it makes no difference with conventional or Western accounting, only in the Islamics Accounting emphasized on Islamic values that are set in section mu'amalah and the concepts that have been set up in the Qur'an as its main source. While the conventional accounting itself is based on the values of capitalist and Socialist who was adopted from the Western countries.

The Islamics Accounting course of concepts and rules provided in Al-Qur'an. So in principle any taken from Al Qur'an surat al-verse 282 Baqoroh, where there are three generally accepted accounting principles Islamics, namely accountability, justice, and truth. The third principle is already a basis for the application of Islamics Accounting. As for the meaning of these three principles are as follows. (a) Accountability (Accountability). The familiar to has been the mandate. To question the death deposit (b) the principle of Justice, according to commentation Al-Qur'an Al-Baqarah; 282 contained the principle that justice is an important value in the ethics of social life and business, and the human being have asserted fair words in paragraph 282 Surat Al-Baqarah, performed by the company must be recorded correctly. For example, if the transaction value was Rp 265 million, then accountant (companies) should be recorded with the same amount and in accordance with the nominal transactions. In simple terms can mean that any transaction which is, in other words, there is no window dressing in the company's accounting practices. (c) actually does can with principles report. The value of Justice in recognizing, measuring, and reporting on dealers' transactions in the economy. Thus, the development of Islamics Accounting values of truth, honesty, and justice must be actualized in the practice of accounting. Broadly speaking, how values shape the truth of accounting Islamic can be explained (Arwani, 2016a).

From the description above that the word justice in the context of accounting application contains two meanings: (i) contain the meaning of Justice relating to moral, namely honesty, that puts a very dominant factor. Without honesty, the information generated by an accountant would be fatal on the wearer and users of financial statements. So taking the wrong decision and indirectly have an impact on society. (ii) the words of justice are fundamental. Where the word fair here is the catalyst to do the deconstruction efforts against the State of modern accounting towards a better accounting and modern in accordance with Islamic values (Harahap, 2001).

In some discipline of accounting information is the science that attempts to convert data into information and proof by way of conducting measurements over a wide range of transactions and as a result an estimate financial. As Word of the Qur'an

Qur'an Surat Al-Baqarah: 282 which reads: "O believers, when ye should deal not in cash for the specified time, you should write it down. And let an author among you write it correctly. And let not the author of the reluctant to write it as Allah has taught him, then let him write, and let the person who owes it dictate (what will be written), and let him cautious to God, his God, and he shall not reduce debt rather than at all ... "

In the Qur'an also explained that we should measure fairly, not preferential treatment and size scales decrease various paragraphs, inter alia in the letter Al-Syu'ara verse 181-184:

"Perform a measure and do not include those who harm and weigh with scales that are straight. And do not harm human rights-the rights and you shall not run rampant on Earth by creating damage and transgress Allah who has created you and elect the first. "

Truth and justice in the measure (measured) are, according to Umer Chapra also concerns measurements expenses, profits of the company, making it a compulsory measure wealth

accountants are true and fair (Chapra, 2016). So that the measurement is done correctly, then the need for auditing functions. In Islam, the "*tabayyun*": "O ye believers, if it comes to you, the news brings a wicked, so please check carefully, so that you do not light up a disaster to a house without knowing its cause you sorry for may by it (QS Alhujuraat: 6). " Commandment God improve our posts are Surah Isra: "And when you have to perform by measure and weigh with a balance that is right. That's what's better (for you) and better as a result. "(Arwani, 2016a)

In General that the Islamic concept of the accounting rules collection basics of raw law, inferred Islamics are as rule by an accountant in her work, both in bookkeeping, analysis, measurement, exposure, as well as annotations, and become a foothold in explaining an event or events. Legal basis in the Islamics Accounting is sourced from Al Quran and the Sunnah of the Messenger, as well as the customs that are not contrary to Islamic Islamic. Accounting norms in Islam have special characteristics that distinguish it from the conventional accounting rules. Islamics accounting norms in the society, including that serve stewards of the community on where the application of the Accounting.

His thesis "On Accounting", Islamics has itself with philosophy of capitalism, whereas in there is an rule "meta" originating outside of the accounting concept that must be followed, i.e. the law of Islamic that comes from God Almighty. that is not a human Islam accounting of tendency of "*hanief*" ethics, there is accountability afterlife, everyone account for his actions before God Almighty, which Accountants (Rakib and Atid) which records is community other Islamic law (Alim, 2011). So, the accounting concept in Islam is far ahead of the concepts, has made of experts. the word of God Almighty, in the letter An-Nahl: 89. (Arwani, 2016a).

The presence of Islamic Economics was a step used to escape from the bondage of capitalism and socialism, Dimiyati explains two main sources of Islamic economic concepts pivots on the Quran and Al-Hadith. Ironically, both the Islamic law was never actually used as the Foundation of epistemological concepts in formulating economic Islam itself but rather to nurture a "mere" creative rationalization of scholars who serve as the main reference. Therefore, many Islamic economies adopt casually theories that exist in conventional economic adjustment or forced to do by doing a little bit of an adjustment or forced to conform to a particular verse or Hadith. If there is indeed a verse or Hadith that serve as a foundation for an Islamic model of Islamic economic transactions, setting based on a systematic and critical that meets the principles of valid interpretation is not done beforehand (Dimiyati, 2007). The fact is, that the impact of the application of Economics called the Islamics is a set of the conventional economic theory presented as if quoted al-Qur'an and as-Sunnah. Islamics Accounting methodologies that are developing today is divided into two camps that have a different approach in formulating the accounting according to Islamics. Kubu was the first who tried hard to apply Islamics accounting of Islamic jurisprudence which serve as guidelines. The second stronghold in applying it is still based heavily on principle of pure only serve as a supplement to the name "Islamics" only (Suwiknyo, 2007).

In fact, the conventional accounting aspects cannot be applied to an institution that uses Islamic principles from both the accounting implications or economic consequences, Muhammad explain about opinion Gambling and Karim also argue that in an Islamic perspective of economic income concept of unbiased applied because things could not be accepted that are so fundamental to the deductive theory. When taken as an example, a model of the economic rate of return of capital forms base for the calculation of income in advance with the assumption that the money had a time value (Time value for money), spoken by the Gambling and Karim in his opinion as a thing that is not allowed in Islam is good for any reason. Referring to this opinion, part of the deductive theory of accounting much affected on conventional economic theory is extremely inappropriate applied as the Foundation of thought to create the Foundation of Islamics Accounting theory according to Islam (Arwani, 2016a).

The existence of an applied approach that targets comparison exists in contemporary accounting and Islamics Accounting-compliant, if not in line leave contained in the Indonesia

Accountant Magazine (2008) according to AAOIFI Agency is of the opinion that the way it is consistent with the principles of Islam is more widespread that a view does not always require a concept that should be taken from Islamics. Thus, the concept of accounting information is used, such as relevance and reliability, can simply be included in the practice of accounting by AAOIFI Islamic. An alternative approach might use AAOIFI as key in the face of problems that occur in the application of Islamics in Indonesia Accounting, but the fact that occurs is extremely complex problems that happen to be able to bring together two different things with the conceptual framework and the cornerstone of that conflict. To that end, in the face of these problems need to be made to different accounting standards for Islamics-based Islamic accounting. The existence of a conceptual framework of rationality needs accounting Islamic better yet encourages the formation of Islamics Accounting standards. Six Islamics Accounting standards related to which have been published by IAI (Bond Accountant Indonesia) PSAK No. 101 (preservation and disclosure of financial statements of entities of Islamics), PSAK No. 102 (Murabaha), PSAK NO. 103 (salam), PSAK No. 104 (istishna), 105 (PSAK PSAK No. 106) and mudharabah (musyarakah), PSAK No. 107 ijarah, PSAK No. 108 Islamic assurance, PSAK No. 109 zakah and infaq and PSAK No. 110 sukuk (IAI, 2017). In accordance with the Basic its. But presumably existence Islamics Accounting standards still not can also make the parties concerned feel quite resolved the issue. Many doubts and fears which still reflects the Islamic Islamics-based accounting application. This problem has not yet been resolved, accounting syaria also confronted with complex issues surrounding the convergence of IFRS standards in Indonesia.

Better known as International Financial Reporting Standards standard a strong with particular conclusion transactions(www.ifrs.org, 2017) financial information inter-State entities in various parts of the world (Arias, Higuaita, & Castrillón, 2010). Adopt IFRS means adopting the language of financial reporting global will make an enterprise can be understood by the global market. However, the switch to IFRS is not just a job substitute the figures in the financial statements, but will probably change your mindset and how all the elements in the company reports. Applying same accounting standards worldwide would also reduce the power-related issues the appeal (comparability) in financial reporting. The most obvious benefit, investors, and creditors of trans-national as well as international bodies. improvements upon market (Dowa, Elgammi, Elhatab, & Mutat, 2017) . The pros and cons of such financial transactions seem to pose a dilemma for the makers of a standard not only in Indonesia but also in other ASEAN countries. Responding to the Asian dilemma-Oceanic Standard-Setters Group (AOSSG) in his Research Paper of the year 2010 says that many Islamic financial transactions using contracts, arrangements, and in the form of law that is very different from a lot of transactions the usual, so the question of whether the existing accounting standards currently can simply use for deals, transaction was so make forms will necessary. Not to mention answering a question whether international standards IFRS this may resolve this problem or even quite the increasingly burdensome accounting Islamics is applied at this time. Islamic finance transactions in several countries including Indonesia itself is believed to be by AOSSG (2010, para 14) can be accounted for using the IFRS on one side in General, but according to the other side there are some people who believe that it takes separate that of Islam (www.aossg.org, 2010). Presence of related IFRS Convergence, some things that cover the issues of standardization include: AOSG have been detailing important related issues in relation to the convergence of IFRS, such important issues grouped by four coverage topics that are the substance of outperformed the probability shape, size, time value of money, the other issues. Such important issues will be presented based on the scope of understanding, such as the one below. (1) the substance to surpass the form is an accounting principle presented reasonably in a transaction or other event so require registration in order to be served. The issue that arises then is when conventional standard makers assume substance outperformed form separated by a statement of finance, there are doubts about the acceptance from an Islamic perspective. Some believe that the substance will make a form outperformed the financial transactions of Islamic almost

indistinguishable and compared with conventional accounting. An example is Ijarah. During the period of the ijarah, tenant only considered renting. In addition, there is also the promise (wa'ad) by the lessor to sell the items, and/or a promise of the (a) the substance forms outperform Approach means the financial statements recognize two separate transactions, namely the lease will be recognized during the period of the ijarah and sales will be recognized at the time of aqad to transfer the ijarah is incorporated into the financial statements. (b) a substance Approach outperformed the financial report form means only recognize a single transaction namely account for two transactions equal to deal ' hire purchase ' contract by combining both into one. Another example is the use of Mudarabah contract in different scenarios (AOSSG, 2010).

Many institutions use the classic contract in their products and services and Mudarabah, which is a contract for the results is generally used in banks, as deposit product and asset managers, as investment products. Despite having the same term, the behavior by IFRS of the product is different. For the banks, there is hope the regulation so that depositors should not be losing money (treatment as a liability) and for managers of assets, usually has no liability for any loss (treatment as items off balance sheet). In the IFRS, the approach used was the substance of form only, so that outperformed the IFRS see the decisive behavior and economic accounting and not what legal form or what product called. Then came a problem especially on the Ijarah transactions. (2) the measure of probability (Probability Criterion). "The concept of probability used to refer to a level of uncertainty that the future economic benefits associated with the item will flow to or from the entity." (Paragraph 4.40). IFRS recognizes certain costs likely can be ensured (www.ifrs.org, 2017). For example, direct drop in value (impairment) are recognized when the downturn was expected to happen (Ibrahim, 2009).

The problem that arises here is whether there is a ban on Islamics against the recognition of assets liabilities, income, and expenses based on when these possibilities occur? An example of this problem is a Mudarabah. Mudarabah is a Profit-Sharing contract, refers to an agreement between two or more persons whereby one or more of them provide financing, while the other provides management. The goal is to do a trade, industry or services, with the purpose of profit. Profits can be divided between funders and management in accordance with an agreed proportion.

However, the only losses incurred by funders in accordance with their share of the overall capital. The loss of Manager was not getting the advantage over his work. This contract is a form of investment mechanism in which banks manage the collection of funds (pool of funds). Capital by the bank later invested in the business activities. Clients ' risk and profit sharing depositors according the proportion of investment each. In calculating profit, bottom disturbance model proposed the IASB, the decline will be recognized at the time the decline expected. According to decrease probability approach will impact profit when it is a possibility, but the approach is thus in fact incurred a decline can only have an impact when the gains occur. (3) The a prohibited due to elements of usury within. The stomach is the theories of interest that there is (theory of interest), of any versus the capitalist economies of all time. In the classical theory of interest is a very famous character of Smith and Ricardo, they argued that the interest rate is compensation paid by the borrower (borrower's) to the lender (lenders) as a retribution over profits retrieved from money that was lent. The widely by IASB, one of which was the application of IAS 39 on, the cost of amortization of certain assets and liabilities. "Loans and receivables ... must be measured by cost amortized using the effective interest rate method." (IAS 39, par. 46 in PWC, 2011) (Hopper et al., 2017). Problems occurred is whether we ought transactions if there is no interest charged to or issued in the transaction?. This question is for some people to have an impact that is not fun because this arrangement made for the revenue for financing purpose (AOSSG, 2010). For example, that occurs in the sales contract-deferred interest. A sales contract where the payment is suspended for a certain period. Based on IAS 18 if reasonable value of assets transferred is less than the cash that will be accepted, then the difference is recorded as revenue financing. However in the Islamic thus accounting ignores the approach so that sum of all cash it receives (or received) will be recorded as

sales revenue. In addition, the excess of the cash received on the value of the fair will be considered to be transferred will be recorded as income and sales, not financing income. (4) other issues. These other issues that are also specified by AOSSG in his research paper in the year 2010. (a) Syirkah, according to language, is *ikhthilath* (blend). Now according to the term syirkah (peers) is the Union of two or more people is driven by consciousness to achieve a profit. The problem is often questionable, in the transaction amount is whether Syirkah agency the Syirkah ownership (AAOIFI, 2017).

The existence of IFRS 9 raises a discussion about whether financial assets based on measured at cost Syirkah amortized asset and terms contract assets raises a certain date for that value. Value of this case in accordance with paragraph 4.2. Given the Authority fully Syirkah settings to associated investors of profit on a company. So flow be representing 'merely. However, in the regulations have been set a Syirkah indications referring to investor-related rules returns, the investors corresponds the level of these indications, covers profits generated by the investee. Therefore, we can conclude for measuring assets and costs amortized because cash flow can be said to be similar to the 'payment of in accordance with IFRS required just law. (i) the Special Purpose Entity (SPE) is an entity formed by the company for a specific purpose, for example, to divide or eliminate risk financially (Cossio et al., 2012).

The purpose of the establishment of its own SPE is to fund specific assets or certain services and keep making parent company debt, change certain financial assets, such as Payables, loans, or mortgages into liquid form, reducing the magnitude of the tax. SPE is often used for unethical purposes, such as avoiding taxes and hide debt, so its presence in the community is controversial because of a lot of positive things, addressed the negative direction of the kea. (ii) Assessment definition Sukuk certificate which is worth the same as services asset specific. This by receiving the completely corresponds to the purpose of the Sukuk. Trading of Sukuk had a counter either due to, as most Islamic products especially the Sukuk are "debt-based" or "debt-likely". But ideally, the Islamic finance is a "profit-loss sharing", is seen from the composition of the coupon rate Sukuk paid still based on a particular interest rate (IFRS, 2017).. So, it is not surprising if the AAOIFI provide an assessment that about 85% of Sukuk has not been in accordance with the Islamic. The amortized cost has been applied by the Sukuk so far in advance, in accordance with IAS 39, where Sukuk not commercialized might be categorized amortized. In fact, itself ignoring the individual instrument for management, and instead focus on the business model of an entity to manage financial assets. Financial assets for later the assets financial assets of contract term cause on specific to the cash flow payments solely upon the value, found in subsection 4.2 IFRS 9. (iii) the embedded Derivative, it is one of the characteristic nature of banking which is speculation (chancy) to changes in market value. The derivative transaction price a particular commodity at a later date (price discovery) (Albassam & Ntim, 2017).

This statement causes the Islamics decision contract is should reviewed (repaired). Its effect is, that Islamic financial institutions face risks when granting funding imbalance interest rates. Customers who previously adjust to higher levels will be harmed at a time when market prices fall. Therefore in improving liquidity management and resolve customer complaints of Islam. A few people commented that the level of these benefits will be closed on the variable-rate structure may be due to the influence of embedded derivatives that says that is caused in accordance with variables (www.ifrs.org, 2017).

Rapidly growing Islamics Accounting conclusion, along with the development of Syariah economy in Indonesia, especially in banking, so Islamic-based banking business is now becoming a trend that ought to be proud of. The basic principle of Islamic paradigm is the multi-dimensional paradigm that includes overall dimensions micro and macro-region in human life. The first basic principle of the microdimensional paradigm of Islamics are individuals who believe in Almighty God (Tawheed) and obey all the rules and restrictions stated in the Qur'an, Al-Hadith, Fiqh, and results of *ijtihad*. Second, the principle of Islamic is a macro dimension covers the political,

economic and social. In the political dimension, upholding the deliberation and cooperation. Whereas in the economic dimension, doing business as halal, comply with the ban on interest, and fulfill the obligation of zakat. Next in the social dimension, namely the general interests and mandate. Bond Accountant any Indonesia so far has published six Accounting standards related to Islamics, i.e. PSAK 101 (presentation and disclosure of financial statements of entities of Islamics), PSAK NO. 102 (murabaha), PSAK NO. 103 (salam), PSAK NO. 104 (istishna), 105 (PSAK mudharabah), and PSAK NO. 106 (musyarakah) PSAK No. 107 ijarah, PSAK No. 108 Islamic assurance, PSAK No. 109 zakah and infaq and PSAK No. 110 sukuk. However, the existence of the Islamics Accounting standards still not can also make the parties concerned feel quite resolved the issue. Many doubts and fears which still reflects the Islamic Islamics-based accounting application. This problem has not yet been resolved, Islamics Accounting are also faced with the complex problems surrounding the convergence IFRS accounting standards in Indonesia.

Conclusion

Important issues which have been discussed above indicate that the principle of Islamic and conventional accounting is different in application IFRS. (Dowa et al., 2017). IFRS which is an international standard which refers to conventional accounting it seems there are some sections which are incompatible with the principles of Islamic accounting. Mohammed explains on the practical level of Islamics Accounting is a social-oriented accounting and accountability, because Islamics Accounting may present or uncover the social impact on the community and the company serves a report of the accountability that is humanist, emancipatory, transcendental and theological (Muhamad, 2002). Therefore, the basic concept of Islamics is accounting zakat and mandate oriented. Islamics Accounting is a universal science and technology grow and develop in accordance with the changes that occur in their environment, whether social, economic, political, regulatory, legal, culture, perceptions, and values (public) place accounting Islamics is applied. Islamics Accounting is accounting developed not just with the way "patchwork" of conventional accounting, however, philosophical development is against the values of the Qur'an that descended into the theoretical thought and technical accounting. Based on those results then it could be said that the convergence of IFRS accounting standards against Islamics in Indonesia will not be one hundred percent perfect. ... AAOIFI in IFRS his formulation States that when it could not be adopted in its entirety by the IFI, as IASB IFRS does not have to cover the practice of Islamic banking and Islamic finance practice. (Ibrahim, 2009)

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