

A Critical Analysis of the Financial Reporting Practices of Islamic Financial Institutions (IFI)

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Abstract : The inherent differences between Islamic and conventional finance have given rise to a debate on whether conventional accounting standards provide sufficient disclosure in the annual financial statements of Islamic financial institutions (IFI). This issue has become more pronounced due to the rapid growth of IFIs over the last decade. This paper seeks to collate the literature surrounding this debate as well as summarise the key macro and micro level financial reporting differences between conventional and Islamic accounting. Based on these findings we propose some important areas of future research in this emerging field.

Keywords : Islamic financial institutions, financial reporting, critical analysis, conventional accounting standards

Conference Title : ICFA 2015 : International Conference on Finance and Accounting

Conference Location : New York, United States

Conference Dates : June 04-05, 2015