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ADVANCES IN GLOBAL BUSINESS AND ECONOMICS

Editors:

Dr. Cihan Cobanoglu

Dr. Muhittin Cavusoglu

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ADVANCES IN GLOBAL BUSINESS AND ECONOMICS

Volume 2

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Part 1: Accounting

Does the Indonesia's Shariah Accounting Conceptual Framework Need Revision? Stakeholders' Perception

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Abstract

Various standard boards such as FASB, IASB, AAOIFI, make adjustments to the conceptual framework of financial reporting on a regular basis to respond to various internal and external changes. The first conceptual framework for Financial Reporting in Indonesia, the Framework for Preparation and Presentation for Financial Statements (FPPFS), was adopted from the IASC in 1994 and in 2007 it was adapted to the Sharia Framework for Preparation and Presentation for Financial Statements (SFPPFS). FPPFS in 2016 was replaced with the IASB Conceptual Framework for Financial Reporting (CFFR). This paper aims to explain the views of Islamic accounting stakeholders in Indonesia about the need for revision of the SFPPFS after the severing relationship between SFPPFS and FPPFS together with the increasing complexity of Sharia entity operations, conceptual incoherence in SFPPFS, and conceptual incoherence between SFPPFS and Islamic financial accounting standards. This study uses a survey method to analyze various opinions of 113 Islamic accounting stakeholders in Indonesia related to the need of revision of Shariah Accounting Conceptual Framework (SACF). The results show that, in general, the stakeholders want a change in the SACF and agree that Maqasid Shariah as a common foundation for the formulation of a new Sharia conceptual framework.

Keywords: conceptual framework, maqasid shariah, Islamic accounting standards, stakeholders, survey

Introduction

The earliest idea of a conceptual framework for financial reporting in the US literature can be found in Paton's Accounting Theory (Zeff, 1999). Perks (1993) concluded that the US was the earliest pioneer in the institutionalization of conceptual frameworks that began in the 1940s. This was evidenced through the Paton and Littleton's monographs published in 1940 and continued with two results of Accounting Research undertaken by Moonitz and Sprouse in 1962-1963 (Zeff, 1999). Whereas the initial formulation of the conceptual framework was carried out in the mid-1970s (Kaminski & Carpenter, 2011), the climax is the issuance of the FASB conceptual framework consisting of Statement of Financial Accounting Concepts (SFAC) No. 1, Objectives of Financial Reporting by Business Enterprises (FASB, 1978); and SFAC No. 2, Qualitative Characteristics of Accounting Information (FASB, 1980).

The first international accounting conceptual framework was issued by the International Accounting Standards Committee (IASC) and endorsed in 1989 as the Framework for Preparation and Presentation of Financial Statements (Kaminski & Carpenter, 2011). The existence of the

International Accounting Standard Board (IASB), as a successor to the IASC, encourages deeper the use of the International Financial Reporting Standards. This prompted two accounting regulatory agencies, the FASB and the IASB, as an embodiment of the 2002 Norfolk agreement, to work together to form a set of accounting standards that are more harmonious in quality (Carmona & Trombetta, 2010).

Kaminski & Carpenter (2011) notes that the IASB-FASB joint project seeks to complete eight phases of activity to settle: phase A, objectives and qualitative characteristics; phase B, definitions of elements, recognition and derecognition; phase C, measurement; phase D, the reporting entity concept; phase E, boundaries of financial reporting, presentation and disclosure; phase F, the purpose and status of the framework; phase G, application of the framework to not-for-profit entities; and finally phase H, remaining issues.

The important results of this phase, particularly that of A – D, can be seen in SFAC document No. 8, Conceptual Framework for Financial Reporting (FASB, 2010). This document is divided into three chapters, chapter 1 contains The Objective of General Purpose Financial Reporting; chapter 2 is still left blank (prepared for the reporting entity); and chapter 3, Qualitative Characteristics of Useful Financial Information. SFAC No. 8 is the result of the merged chapters, i.e. SFAC No. 1 & 2, which are then declared invalid. For the IASB, the joint project with the FASB resulted in a partial change to the 1989 IASC/IASB conceptual framework because it was considered incomplete. In 2018 this conceptual framework was refined especially with regard to aspects of measurement, presentation and disclosure. It is expected that in January 2020 it can be implemented (www.ifrs.org).

The idea of a conceptual framework in an Islamic accounting environment was introduced by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI). The conceptual framework of the AAOIFI version has been introduced since 1993 (AAOIFI, 2001). Therefore, this institution claims to be the most authoritative institution in Islamic accounting standards. However, AAOIFI did not name the "accounting conceptual framework" and only referred to it as the Statements of Financial Accounting (SFA). SFA No. 1 contains the Objectives of Financial Accounting for Islamic Banks and Financial Institutions; and SFA No. 2 contains the Concepts of Financial Accounting for Islamic Banks and Financial Institutions (AAOIFI, 2001; Karim, 1995). However, Karim (1995) called it a framework or theoretical framework; whereas Yaya (2004), Sartini and Pramono (2009) call it a conceptual framework.

When referring to the 1993 AAOIFI Statements of Financial Accounting (SFA), it looks similar to the FASB Statement of Financial Accounting Concepts (SFAC) product. Adnan & Gaffikin (1997), Baydoun & Willett (2000), Maurer (2002), Kamla (2009), Mulawarman & Kamayanti (2018) state that AAOIFI products mimic Western accounting. Specifically Karim (1995) calls that AAOIFI is similar to FASB and Kamla (2009) assesses that AAOIFI products adopted more of the IASB model.

In 2010 AAOIFI released the latest version of the Conceptual Framework for Financial Reporting by Islamic Financial Institutions (CFFR-IFIs). This framework replaces the initial "conceptual framework" namely Statements of Financial Accounting (SFA) No. 1, Objectives of Financial Accounting for Islamic Banks and Financial Institutions; and SFA No. 2, Concepts of Financial Accounting for Islamic Banks and Financial Institutions (AAOIFI, 2015: 81). In addition to being consolidated into a conceptual framework, an important difference from the initial "conceptual

framework" is that, even though the CFFR-IFIS label is addressed to IFIs, the spectrum of entities to be regulated surpasses banks and other Islamic financial institutions (AAOIFI, 2015: 83).

It looks that over time the conceptual framework of FASB, IASB, and AAOIFI periodically are adjusted with various motivation. Among others are to accommodate business and regulatory changes, to refine the existing conceptual framework, including to accommodate the needs of stakeholders. Therefore, it is reasonable to propose the change of Sharia -- in Indonesia, the term of Sharia Framework is often used instead of Islamic Framework-- Framework for Preparation and Presentation for Financial Statements (SFPPFS) (IAI, 2007).

The urgency of changing the SFPPFS in Indonesia finds the momentum at this time, namely when, first, the Indonesian Institute of Accountants (IAI) officially adopted the IASB Conceptual Framework for Financial Reporting (CFFR) in 2016 replacing the Framework for Preparation and Presentation for Financial Statements (FPPFS 1994) (IAI, 2017). This resulted in SFPPFS as a "subset" of FPPFS losing its legitimacy and relevance in the accounting regulation in Indonesia. Second, the development of various sharia entities other than sharia financial institutions, such as sharia hotels or resorts, sharia cooperatives, boarding schools, amil zakat institutions, endowments, and halal businesses. This fact leads to the argument that the scope of the SFPPFS will be very limited if it uses "sharia transactions" as a foundation. Because it is ironic if the various "sharia entities" mentioned above lose the opportunity to set sharia accounting standards because they do not conduct "sharia transactions". Third, the existence of internal inconsistencies and incoherence in the body of the SFPPFS, related to the "sharia transaction paradigm", "sharia transaction principles" and "sharia transaction characteristics" that are not sufficiently established as a philosophy for the construction of the entire conceptual framework, especially in responding to the dynamics and development of various sharia entities in the future. Based on the aforementioned three reasons, the changes of SFPPFS is very important. For IAI, internally it can be intended to omit various incoherence and inconsistencies, whereas externally to respond to changes in the environment of the conceptual framework and accounting standards which are very dynamic. This paper aims to investigate the perceptions of sharia accounting stakeholders in Indonesia about the need for revision of the SFPPFS while at the same time searching for the possibility of the "maqasid sharia" as a substitute for "sharia transactions" and making maqasid sharia as the foundation of a future sharia conceptual framework.

Based on a survey to 113 Islamic accounting stakeholders in Indonesia, the results show that, in general, the stakeholders want a change in the SACF. Additionally, they agree that Maqasid Shariah can be used as the foundation for the formulation of a new Sharia conceptual framework. The rest of the paper is organized as follows. Section two is literature review, followed by research method in section three. This is followed by results and discussions in section four and conclusion in section five.

Literature Review

Conceptual Framework for Financial Reporting

The composition of accounting concepts is directed by the purpose of financial reporting, so that it becomes a reference for the preparation of accounting standards and has many names. Daley and Tranter (1990), Hines (1991), Robson (1999), Rayman (2007), Gaffikin (2008), Whittington (2008a, b), Kieso et., al. (2009) call it conceptual framework without linking "accounting" or "financial reporting". Deegan (2004), Goodfrey, et. al. (2009) call this the conceptual framework

of accounting. Whittington (2008a, b), Kabalski (2009), SFAC No. 8 (FASB, 2010), IASB (2010, 2018) call it the conceptual framework for financial reporting.

The term conceptual framework can be traced in SFAC 8 (FASB, 2010) and is explained in detail that:

“The Conceptual Framework is a coherent system of interrelated objectives and fundamental concepts that prescribes the nature, function, and limits of financial accounting and reporting and that is expected to lead to consistent guidance. It is intended to serve the public interest by providing structure and direction to financial accounting and reporting to facilitate the provision of unbiased financial and related information.”

For AAOIFI, since it is used for Islamic financial institutions, hence AAOIFI name it as Conceptual Framework for Financial Reporting by Islamic Financial Institutions. AAOIFI introduces the Conceptual Framework for Financial Reporting by Islamic Financial Institutions as follows:

“The Conceptual Framework introduces the main objectives as well as the concepts underlying financial accounting and reporting by Islamic financial institutions (IFIs). The objective of financial accounting and reporting is the foundation of the Conceptual Framework. The concept flows from the objectives and represent a framework of principles underlying financial reporting.” (AAOIFI, 2015: 43)

From the definition, the scope of conceptual framework of AAOIFI only covers financial products in Islamic financial insitutions.

The AAOIFI was recognised as the financial accounting organisation for Islamic banks and financial institutions and established on 26th February 1990 in Algiers by an Agreement of Association signed by Islamic financial institutions (AAOIFI, 2001). The AAOIFI was registered in Bahrain as an autonomous non-profit making corporate body on 27th March 1991 and its objectives are to develop standards and encourage the implementation of standards in Islamic financial institutions. To comply with Sharia, the AAOIFI issued more than 45 global standards and encourages their implementation (AAOIFI, 2015). The organisation acts as supervisor and standard setter and makes recommendations within the industry.

Since Islamic accounting objectives are promoting fair economy, zakah (mandatory alms) calculation become the orientation of reporting (Sulaiman, 2003). Additionally, the Islamic financial products affect the accounting treatment (Rahman, 2010). The notion of religiosity, spirituality and social nature embedded in Islamic accounting are arguments in favour of distinct Islamic accounting standards.

Evolution of the Conceptual Framework for Sharia Accounting in Indonesia

The first conceptual framework of Sharia accounting in Indonesia was named the Basic Framework for the Preparation and Presentation of Sharia Banks Financial Statements (BFPPSBFS) (IAI, 2002). This framework was present in 2002, 11 years late from the presence of the Bank Muamalat Indonesia, the first Islamic bank, in 1991. In 2007 the BFPPSBFS was replaced with the SFPPFS (Sharia Framework for Preparation and Presentation for Financial Statement); while SFPPFS is the result of Islamization Framework for Preparation and

Presentation for Financial Statement (FPPFS) which was adopted from the IASC by IAI in 1994 (Birton, et. al., 2015).

Birton (2015) identified at least three reasons why BFPPSBFS was replaced by SFPPFS. First, the rapid development of Sharia fatawas, which are both driving and pulling the growth of various Sharia entities. Second, the change in approach from industry to transactions in the preparation of accounting standards (so as to accommodate Sharia transactions, such as wadiah, mudharabah, musyarakah, murabahah, istishna', salam, ijarah, kafalah, wakalah, and qardh). Provisions outside of sharia transactions are assumed to have been accommodated through conventional Statements of Financial Accounting Standards (SFAS). Third, there is no synchronization between BFPPSBFS and FPPFS as the applicable national official framework.

Maqasid Shariah and Financial Reporting

Reading literature finds out many novel and valuable contributions carried out to discover and disseminate Maqasidi based reporting. Meanwhile, reading literature from conceptual cohesiveness perspective finds out widespread limitation among that literature, namely its superficial conceptual foundation regarding 'Maqāsid' and 'Sharī'ah', not to mention the conceptual network around both. The majority of that generous literature, such Islamic Reporting Initiative (2017), Amran, et. al. (2017), Siswantoro (2015), Mohamad & Sifat (2017), and Hasan (2014) limit itself to quoting some reduced output concepts of Maqasidi discourse, especially the Five Necessities (al-ḍarūriyyāt al-khams).

Some studies (Hameed, 2000; Rosly, 2010; Rahman, 2017; Haniffa & Hudaib, 2010; Aliyu et.al., 2017; and Mohammed et.al., 2019) have tried to uncover the establishing concepts of the discourse, by discovering concepts like al-maṣlahah (welfare), al-maḍarrah (harm), al-'illah (legal reasoning), al-awlawiyyāt (priorities), but without any significant independent effort to analyze, criticize, not to mention re-construct those concepts. None of those studies, however, went deeply to reveal the intellectual and contextual (natural, psychological, social and technological) processes behind the theoretical network among those researched concepts within given discourse of Maqasid.

Those limitations undermine the capabilities of the Maqasidi discourse as facing the mainstream discourse on financial reporting, either learning, criticizing, or improving, in order to advance original yet possible alternative models. Maqasidi discourse lacks well-funded, well-organized and highly-connected epistemic communities. In such conjuncture, the only complementary strategy is to strengthen the consistency of Maqasidi discourse by establishing strong conceptual and theoretical foundations, that reconnect the originality of Maqasid that resides in Quran (the holy book of Islam), Sunnah (Prophet Muhammad's wisdoms), and historical experience from one hand, and the contemporality of human being civilization conjuncture, state of the art of financial reporting, and contemporary Maqasidi discourse from another hand, in order to have the capacity to penetrate huge structural burdens that hinder original and possible realization of Islamic models of development, economy, finance, and accounting. In this regard we felt obliged to carry out our humble research project as a contribution in filling contemporary gaps in literature and practice of Shariah-based financial reporting.

Research Method

This research employs quantitative approach utilizing survey technique in data collection. The primary data was collected using purposive sampling method. The targeted respondents are stakeholders in Islamic accounting standard in Indonesia. The survey instrument is constructed to measure the perspective or opinions of stakeholders over necessity to revise the conceptual framework of Islamic accounting standards in Indonesia. The survey instrument was inspired by Mukhlisin, et. al. (2015). The questionnaires are categorized into three groups: perception of the development of Sharia Framework for Preparation and Presentation for Financial Statement (SFPPFS) from Framework for Preparation and Presentation for Financial Statement (FPPFS), perception of SFPPFS weakness, and perception of the development of alternative conceptual framework of Islamic financial reporting based on Maqasid Shariah.

The stakeholders' opinions or perspectives are worth to investigate for the following reasons. First, stakeholders are supposed to aware and understand the development process of conceptual framework of Islamic financial reporting in Indonesia. For instance, the stakeholder awareness over the new "conventional" conceptual framework financial reporting affecting the conceptual framework for Islamic financial reporting should be concerned. This indicates that stakeholders would have standing positions over the necessity to revise the existing conceptual framework as the benchmark is under amendment. Second, mistakes, if any, should be realized by the stakeholders to initiate revision over the conceptual framework of Islamic financial reporting. Hence, it is important to collect data about the weakness of the existing conceptual framework. Third, the following responses on solution must be obtained. In this case, confidence over solution of prevailing conceptual framework must be addressed in discovering solution to the problem.

Respondents are required to assign a value to a statement in the instrument. Likert scale is utilized to measure the degree of agreement to disagreement of respondents. Questionnaires are distributed via online and offline. The online questionnaire forms are delivered via Google Form. Offline data is collected from manual distribution of the questionnaire form to the respondents. Upon the completion of questionnaire collections, the data was summarised and analyzed using SPSS 19. Inferential statistics, ANOVA is used to determine if there is a significant difference between the means among groups. The study examines three large groups of respondents which elaborated into nine groups of professions. The three large groups comprise academicians/researchers/lecturers, practitioners (accountants, auditors, and managers), and regulators (Financial Service Authority (OJK), National Sharia Board of Indonesia Ulema Council (DSN-MUI), Sharia Accounting Standard Board of Indonesia Accountant Association (DSAS-IAI), and Indonesia Islamic banks associations). In the context of the above background, particularly on the mission of IAI to strive for robust Islamic conceptual framework and understanding interpretation issues, we need to assess whether stakeholders perceived equal importance to support Islamic accounting conceptual framework in Indonesia as promulgated by IAI.

Results and Discussions

Descriptive Statistics

In total, 113 questionnaires were distributed with 113 forms were returned leading to collectible response rate of 100%. We test reliability of the questionnaires response with Cronbach's Alpha test. The score 0.953 indicates the satisfactory reliable data. Table 1. portrays demography of respondents. The demography table describes the samples in three categorizations: gender,

education, and occupation. There are 60.2% male and 39.8% females participating in the survey. The educational backgrounds are dominated with postgraduate, bachelor, and PhD for 48.9%, 29.2% and 19.5%, respectively. Majority samples occupy academic professions for 48.7%, followed by professional (bankers) and auditors at almost similar number of 12.5% and 12.4%, respectively.

Table 1. Demography of the Respondents

Profile	Particular	(%)
Gender	Male	60.2
	Female	39.8
Education	Vocational School	0.9
	Bachelor	29.2
	Master	48.9
	Doctor (PhD)	19.5
	Certified Professional	1.8
Occupation	Sharia Financial Accounting Standard Board – Association of Indonesia Accountant (DSAS IAI)	0.9
	National Sharia Board – Indonesia Ulema Council (DSN MUI)	0.9
	Academician	48.7
	Ulema (non- DSN MUI)	
	Accountant	10.6
	Auditor	12.4
	Manager of organization (profit oriented or non profit oriented)	8.0
	Sharia supervisory board (SSB)	0.9
	Regulators (Indonesia Central Bank, Financial Service Authority, Ministry of Finance)	5.3
	National Committee of Sharia Finance (KNKS)	0.0
	Professional (banker) associations of Islamic finance (ASBISINDO, ABSINDO, AASI)	12.5

Table 2 shows that overall, the stakeholders agree that Sharia Framework for the Preparation and Presentation of Financial Statements (SFPPFS) is a development of the Framework for the Preparation and Presentation of Financial Statements (FPPFS) (item 1). Additionally, the respondents agree that there are weaknesses in the existing SFPPFS, i.e. there are shortcomings in the prevailing SFPPFS (item 5), SFPPFS just explains the sharia-based transaction (item 6), there is a mismatch of SFPPFS to the needs of various sharia entities (item 7), SFPPFS mismatches due to the weakness in formulation mechanism of SFPPFS (item 8), and SFPPFS does not describe the overall business processes within a sharia business entity (item 9). Related to need of new conceptual framework which is based on maqasid shariah, the respondents agree that there is a need for alternative concepts of "Sharia" in the Conceptual Framework for the new Sharia Framework as a replacement for Islamic transactions in the existing SFPPFS (item 10) and Maqasid Sharia system can be the substitute for "shariah-based transactions" in the development of the new Sharia Conceptual Framework (item 11), the conceptual framework of the new Sharia accounting standard can be developed in the idea of Maqasid Sharia to avoid misunderstandings in the financial statements (item 38), the conceptual framework of the new sharia conceptual framework can be developed in the idea Maqasid Sharia to improve the quality of Islamic financial accounting standards (item 39), the conceptual framework of the new Sharia accounting standard can be developed in the idea Maqasid Sharia to improve the quality of financial reporting (item 40), and the conceptual framework of the new Sharia accounting standard can be developed in the idea Maqasid Sharia to boost industry confidence against Sharia entity (item 41).

Table 2. Stakeholders' Perception

No	Items and description	Mean	SD
Perception of the development of SFPPFS			
1	B Sharia Framework for the Preparation and Presentation of Financial Statements (SFPPFS) is a development of the Framework for the Preparation and Presentation of Financial Statements (FPPFS).	4.19	0.902
2	SFPPFS not meet the values of Islamic principled reporting.	2.93	1.147
3	FPPFS is converted into a Conceptual Framework for Financial Reporting (CFRR).	3.76	0.947
4	FPPFS changes leads to SFPPFS lose its root.	3.46	1.086
Perception of weakness of SFPPFS			
5	There are shortcomings in the prevailing SFPPFS.	3.65	0.894

No	Items and description	Mean	SD
6	SFPPFS just explains the sharia-based transaction.	3.88	0.965
7	There is a mismatch of SFPPFS to the needs of various sharia entities.	3.65	1.059
8	SFPPFS mismatches due to the weakness in formulation mechanism of SFPPFS.	3.61	0.940
9	SFPPFS does not describe the overall business processes within a sharia business entity	3.88	0.888
Perception of the development of alternative conceptual framework of Islamic financial reporting based on Maqasid Shariah			
10	There is a need for alternative concepts of "Sharia" in the Conceptual Framework for the new Sharia Framework as a replacement for Islamic transactions in SFPPFS foundation.	4.12	0.741
11	Maqasid Shariah system can be the substitute for "shariah-based transactions" in the development of the new Sharia Conceptual Framework	4.14	0.789
12	There is a need of fundamental difference between the new Islamic conceptual framework with the existing SFPPFS.	3.69	0.849
13	CFFR affects the design of the new Sharia Conceptual Framework.	3.82	0.938
14	Differences in schools of sharia thought affect the design of a new conceptual framework.	3.67	1.106
15	Industry conditions affect the design of new conceptual framework.	4.13	0.750
16	Regulator (FSA and BI) affect the design of new Islamic conceptual framework.	4.08	0.878
17	Islamic Accounting Standards Board of the IAI conceptual framework affects the design of the new sharia.	4.27	0.720
18	National Sharia Council of Indonesian Ulama Council influences the design of new Islamic conceptual framework	4.32	0.672
19	Industry responses to Islamic sharia affect the design of a new conceptual framework.	4.21	0.737
20	Academia responses affect the design of new Islamic conceptual framework.	4.16	0.689
21	Initial concept internationally accepted reporting affects the design of new Islamic conceptual framework.	4.20	0.696
22	Perspectives of maqasid sharia affect the design of new Islamic conceptual framework.	4.26	0.741
23	The design of the conceptual framework of the new sharia must be detached from CFFR	3.46	1.118
24	Financial statement users' understanding affect the design of new Islamic conceptual framework	4.02	0.834
25	Designing new Islamic conceptual framework needs to increase coverage beyond the sharia-based transaction.	3.61	1.191
26	The design of the conceptual framework should be developed based on the new sharia understand maqasidism	3.26	1.140
27	The new sharia conceptual framework as a reference in the development of sharia accounting standards.	3.98	0.834
28	The conceptual framework of the new sharia accounting standard can avoid misunderstandings in the financial statements.	4.28	0.700
29	The conceptual framework of the new sharia accounting standard can improve the quality of financial reporting.	4.31	0.682
30	The conceptual framework of the new sharia accounting standard could increase public confidence in the sharia entity	4.38	0.631
31	The conceptual framework of the new sharia accounting standard can be developed within the framework CFFR to avoid misunderstandings in the financial statements.	4.34	0.649
32	The conceptual framework of the new sharia accounting standard can be developed within the framework CFFR to improve the quality of financial reporting	4.19	0.751
33	The conceptual framework of the new sharia accounting standard can be developed within the framework CFFR to boost industry confidence against sharia entity	4.21	0.725
34	The conceptual framework of the new sharia accounting standard can encourages the development of civilization	4.23	0.732
35	The conceptual framework of the new sharia accounting standard can improve the stability of the economy to the crisis.	4.32	0.672
36	The conceptual framework can be developed for new sharia accounting standard.	4.26	0.692
37	The conceptual framework can reinforce the new Islamic halal-haram separation in the transaction.	4.22	0.765
38	The conceptual framework of the new sharia accounting standard can be developed in the idea of maqasid sharia to avoid misunderstandings in the financial statements.	4.34	0.727
39	The conceptual framework of the new sharia conceptual framework can be developed in the idea maqasid sharia to improve the quality of Islamic financial accounting standards.	4.31	0.708
40	The conceptual framework of the new sharia accounting standard can be developed in the idea maqasid sharia to improve the quality of financial reporting.	4.31	0.733
41	The conceptual framework of the new sharia accounting standard can be developed in the idea maqasid sharia to boost industry confidence against sharia entity.	4.32	0.735

Table 3 describes the descriptive statistics for the three groups for each construct under investigation. For construct number 1, perception of the development of SFPPFS from FPPFS, the highest score comes from academicians/researchers/lecturers (mean=3.855; SD=0.756), followed by practitioners (mean=3.657; SD=0.639), and then regulators (mean=3.348; SD=0.647). For the perception of SFPPFS weakness, again the highest score comes from academicians/researchers/lecturers (mean=3.873; SD=0.862), followed by practitioners (mean=3.857; SD=0.772), and then regulators (mean=3.261; SD=0.689). With regard to the perception of the need to develop an alternative conceptual framework which is based on maqasid shariah, still the highest score comes from academicians/researchers/ lecturers (mean=4.273; SD=0.525), followed by practitioners (mean=4.200; SD=0.632), and then regulators (mean=4.044; SD=0.475).

Table 3. Descriptive Statistics of Each Stakeholders Group

		N	Mean	Std. Dev.	Std. Error	Min	Max
Perception of the development of SFPPFS from FPPFS	Academicians/researchers/lecturers	55	3.855	0.756	0.102	2.00	5.00
	Practitioners (accountants, auditors, and managers)	35	3.657	0.639	0.108	2.00	5.00
	Regulator (DSAS, DSN, and Association)	23	3.348	0.647	0.135	2.00	5.00
	Total	113	3.690	0.721	0.068	2.00	5.00
Perception of SFPPFS weakness	Academicians/researchers/lecturers	55	3.873	0.862	0.116	2.00	5.00
	Practitioners (accountants, auditors, and managers)	35	3.857	0.772	0.131	2.00	5.00
	Regulator (DSAS, DSN, and Association)	23	3.261	0.689	0.144	2.00	5.00
	Total	113	3.743	0.832	0.078	2.00	5.00
Perception of the development of alternative conceptual framework based on Maqasid Shariah	Academicians/researchers/lecturers	55	4.273	0.525	0.071	3.00	5.00
	Practitioners (accountants, auditors, and managers)	35	4.200	0.632	0.107	3.00	5.00
	Regulator (DSAS, DSN, and Association)	23	4.044	0.475	0.099	3.00	5.00
	Total	113	4.204	0.554	0.052	3.00	5.00

The results of ANOVA, however, as presented in table 4, show that perception of the development of SFPPFS from FPPFS and the perception of SFPPFS weakness are different among groups ($F=4.303$; $p=0.016$ and $F=5.224$; $p=0.007$, respectively). With regard to perception of the need to develop an alternative conceptual framework which is based on maqasid shariah, there is no different among the groups ($F=1.402$; $p=0.251$).

Table 4. The Results of ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
Perception of the development of SFPPFS from FPPFS	Between Groups	4.220	2	2.110	4.303	0.016
	Within Groups	53.939	110	0.490		
	Total	58.159	112			
Perception of SFPPFS weakness	Between Groups	6.728	2	3.364	5.224	0.007
	Within Groups	70.830	110	0.644		
	Total	77.558	112			
Perception of the need to develop an alternative conceptual framework which is based on maqasid shariah	Between Groups	.853	2	0.426	1.402	0.251
	Within Groups	33.466	110	0.304		
	Total	34.319	112			

Further analysis using post hoc test shows that the difference perception of the development of SFPPFS from FPPFS is between academicians/researchers/ lecturers and regulators ($p=0.004$). For the perception of SFPPFS weakness, the difference is between academicians/researchers/ lecturers and regulators ($p=0.003$) and between regulators and practitioners ($p=0.007$).

Conclusions

This paper aims to investigate the views of Islamic accounting stakeholders in Indonesia about the need for revision of the SFPPFS. The views are divided into three: perception of the development of SFPPFS from FPPFS, perception of SFPPFS weakness, and perception of the need to develop an alternative conceptual framework which is based on maqasid shariah. This study uses a survey method to analyze various opinions of 113 Islamic accounting stakeholders in Indonesia related to the need of revision of Shariah Accounting Conceptual Framework (SACF). The stakeholders are categorized into three groups: academicians/researchers/lecturers, practitioners (accountants, auditors, and managers), and regulators (OJK, DSN-MUI, DSAS-IAI, and Indonesia Islamic banks association). The results show that, in general, the stakeholders agree that SFPPFS is developed from FPPFS, the existing SFPPFS contains various weaknesses, and there is a need to replace the existing SFPPFS with the maqasid shariah-based conceptual framework.

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