The Institute of Chartered Accountants of Pakistan

CA PAKISTAN

ACCOUNTING STANDARDS BOARD

Islamic Financial Accounting Standards

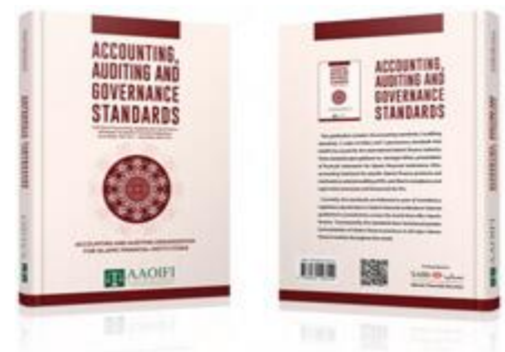
Islamic Financial Accounting Standards

- AAOIFI
- Local Development
- Way Forward

AAOIFI

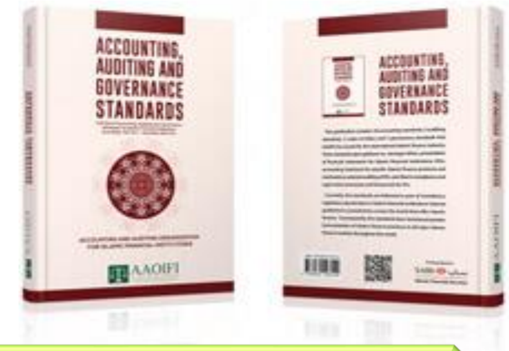
- Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) is the key international standard-setting body for Islamic Financial Institutions (IFIs)
- ICAP is a member of AAOIFI
- AAOIFI has issued **24** Financial Accounting Standards (FAS)

AAOIFI - Financial Accounting Standards



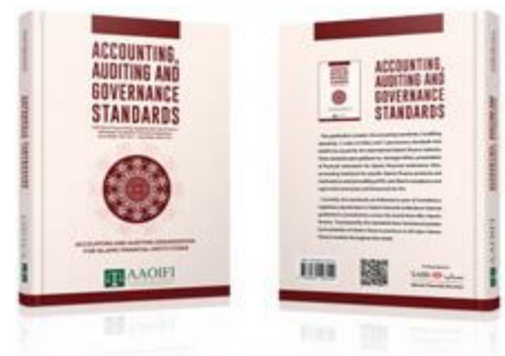
- FAS 1 – General Presentation & Disclosure in the Financial Statements of Islamic Banks & Financial Institutions
- FAS 2 – Murabaha and Murabaha to the Purchase Orderer
- FAS 3 – Mudaraba Financing
- FAS 4 – Musharaka Financing
- FAS 7 – Salam and Parallel Salam
- FAS 8 – Ijarah and Ijarah Muntahia Bittamleek
- FAS 9 – Zakah
- FAS 10 – Istisna'a and Parallel Istisna'a
- FAS 11 – Provisions and Reserves
- FAS 12 General Presentation & Disclosure in FS of Islamic Insurance Companies
- FAS 13 – Disclosure of Bases for Determining & Allocating Surplus or Deficit in Islamic Insurance Companies
- FAS 14 – Investment Funds

AAOIFI - Financial Accounting Standards – cont.



- FAS 15 – Provisions and Reserves in Islamic Insurance Companies
- FAS 16 – Foreign Currency Transactions & Foreign Operations
- FAS 18 – IFS offered by Conventional FIs
- FAS 19 – Contributions in Islamic Insurance Companies
- FAS 20 – Deferred Payment Sale
- FAS 21 – Disclosure on Transfer of Assets
- FAS 22 – Segment Reporting
- FAS 23 – Consolidation
- FAS 24 – Investments in Associates
- FAS 25 – Investment in Sukuk, shares & similar instruments
- FAS 26 – Investment in Real Estate
- FAS 27 – Investment Accounts

AAOIFI - Financial Accounting Standards – under development



WIP

- Sukuk accounting
- Waad accounting

Local Development

ICAP Working Group former Committee on Interest Free Modes of Financing & Investment has been developing IFAS:

- SECP has **notified 03** Islamic Financial Accounting Standards (IFAS)
- **02** Exposure drafts are under deliberation
- **01** IFAS is being developed

IFAS 1- Murabaha	• issued Aug 24, 2005
IFAS 2 - Ijarah	• issued May 22, 2007
IFAS 3 – Profit & Loss Sharing on Deposits	• issued June 12, 2013

Local Development cont.

IFAS 4 Diminishing Musharaka

- Recently exposed now comments received are being considered

IFAS 5 General Presentation & Disclosure in the Financial Statements of IFIs

- Exposed for comments

Developing Standard on Zakath

Way Forward

- For revision of IFAS 1 Murabha & IFAS 2 Ijarah to consider the new AAOIFI standards
- To consider AAOIFI standard on Sukuks