



Development of Islamic Accounting Theory: Integrating Tawhid, Maqashid al-Shariah, and Islamic Ethics into the Accounting System

Wali Saputra

State Islamic University of Sultan Syarif Kasim, Riau, Indonesia

Corresponding Author's Email: wali.saputra@uin-suska.ac.id

Received: 10 29, 2025 | Accepted: 12, 11, 2025 | Published: 12 20, 2025

ABSTRACT

This study aims to develop an Islamic Accounting Theory (IAT) as a conceptual framework that integrates the principles of tawhid, maqashid al-shariah, and Islamic ethics into accounting systems. Using an exploratory qualitative approach through library research and grounded theory, this research reviews relevant academic literature and conducts in-depth interviews with experts in Islamic accounting. The findings indicate that Islamic accounting rests on three core pillars: (1) The Ontology of Tawhid, which positions accounting as an act of worship and trust (amanah); (2) The Epistemology of Shariah, derived from divine revelation and scholarly ijthad; and (3) The Axiology of Maqashid al-Shariah, which emphasizes social justice, transparency, and collective well-being. This research contributes to the development of a new paradigm in accounting by affirming that Islamic financial reporting is not merely economic in nature, but also spiritual, moral, and social. The implications include designing Islamic accounting curricula, developing maqashid-based reporting standards, and strengthening comprehensive shariah audit policies.

Keywords: *Islamic Accounting Theory, Maqashid al-Shariah, Tawhid, Sharia Accounting, Islamic Ethics*

How to Cite:

Saputra, W. (2025). Development of Islamic Accounting Theory: Integrating Tawhid, Maqashid al-Shariah, and Islamic Ethics into the Accounting System. *Indonesia Economic Journal*, 1(2), 3386-3397. <https://doi.org/10.63822/hcdhh956>

INTRODUCTION

Amid the rapid development of conventional accounting systems worldwide, critiques have emerged stating that these frameworks are heavily influenced by Western liberal and secular paradigms, making them less capable of accommodating Islamic spiritual and ethical values. For example, previous research notes that “the conceptual framework used as the foundation for formulating accounting rules shows bias toward certain interest groups,” and that “Islam embodies values distinct from the ideological foundations of traditional accounting practices” (Hasina et al., 2023). This highlights the need to develop an Islamic-based accounting theory—not simply a modified version of the conventional model—but one grounded in the theological and ethical principles of Islam.

There is also an urgent need to address moral and ethical challenges in accounting practice, where accounting information “has the power to influence thinking, decision-making, and actions,” and therefore “the accounting profession requires public trust,” which can only be maintained when Islamic ethical values are upheld (Iswanaji, 2021). Thus, the development of Islamic Accounting Theory must position Islamic ethics as an integral element—not merely an additional technical aspect in recording and reporting—so that trust and legitimacy in a sharia-compliant context can be ensured.

Core concepts in Islamic economics and accounting—such as the principle of tawhid (the Oneness of God), human responsibility as khalifah (stewards of the earth), and the understanding that absolute ownership belongs to Allah—have not yet been systematically embedded into accounting theory. Studies highlight that “the concept of tawhid is the foundation of all beliefs, norms, and values,” and that Islamic accounting “reflects accountability rooted in tawhid, which entails conducting business activities not only for worldly interests but also for the hereafter” (Ajismia, 2019). This research therefore addresses the gap between existing accounting theory and the tawhidic worldview as a fundamental epistemological and ontological foundation in Islam.

Furthermore, the value system of Maqāṣid al-Sharī‘ah—which includes preserving religion, life, intellect, lineage, and wealth—is increasingly being explored in Islamic finance and accounting. Research indicates that “the maqāṣid al-sharī‘ah paradigm presents an alternative perspective to conventional accounting, which emphasizes economic rationality and profit maximization... integrating maqāṣid al-sharī‘ah into accounting practice has the potential to foster a new framework that better reflects the ethical and moral imperatives of Islamic law” (Mohammed et al., 2024). This underscores the necessity of explicitly embedding maqāṣid al-sharī‘ah as a normative foundation within Islamic Accounting Theory.

However, in practice—both in Indonesia and elsewhere—Islamic values such as tawhid, ethics, social responsibility, and communal welfare have yet to be consistently implemented within accounting standards and reporting systems. For example, research indicates that “the development of new Islamic accounting theory (NIAT) is constructed from the synergy between the universal spirit of Islam—tawhid—and the unique characteristics of Muslim business activities” (Mulawarman et al., 2011). Masyhuri (2022) also observes that shariah-based corporate accountability must “create a sense of justice by acknowledging spiritual life and the afterlife,” reflecting the maqāṣid perspective. This means Islamic accounting must be capable of ensuring both social and spiritual justice—not merely financial reporting.

Moreover, Arifyanto (2025) notes that, in the era of globalization and digital transformation, accounting and reporting systems face new pressures, such as demands for transparency, sustainability, corporate social responsibility (CSR), and non-financial reporting. Conventional frameworks are often

*Development of Islamic Accounting Theory: Integrating Tawhid, Maqashid al-Shariah, and Islamic Ethics
into the Accounting System*

(Saputra).

3387

insufficient for incorporating the spiritual and justice-oriented dimensions central to Islamic accounting. Studies recognize that “maqāṣid al-sharī‘ah remains highly relevant in addressing the contemporary challenges of Islamic economics and finance.” Therefore, any Islamic accounting theory developed today must remain rooted in Islamic values while being responsive to modern realities.

The development of a comprehensive Islamic Accounting Theory carries significant implications for accounting standards, financial reporting, and shariah business practices. Research such as “Maqāṣid Syariah Analysis in the Development of Sharia Accounting Standards” shows that strengthening maqāṣid-based standards can improve the quality of reporting and governance in Islamic financial institutions (Mubarak et al., 2025). Makatita et al. (2024) further emphasize the importance of establishing a clear theoretical foundation to guide the development of Islamic accounting systems that are aligned with Islamic values while remaining relevant in both local and global contexts. Without such a foundation, Islamic accounting risks becoming merely a technical adaptation of conventional accounting without meaningful value transformation.

Therefore, this study aims to address this theoretical gap by developing an integrated Islamic Accounting Theory grounded in the principles of tawhid, maqāṣid al-sharī‘ah, and Islamic ethics.

LITERATURE REVIEW

The Values of Tawhid and Maqashid al-Shariah as the Philosophical Foundation of Islamic Accounting

Khodijah et al. (2025) explain that Maqashid al-Shariah, as the fundamental objectives of Islamic law, provides a comprehensive philosophical framework for evaluating and developing Islamic accounting practices. This concept—rooted in the works of classical scholars such as Imam al-Ghazali and al-Shatibi—identifies five primary aims: the protection of religion (hifz al-din), life (hifz al-nafs), intellect (hifz al-‘aql), lineage (hifz al-nasl), and wealth (hifz al-mal). These five dimensions serve as the foundation for an accounting system aligned with Islamic values and goals, ensuring that accounting does not focus solely on financial reporting, but also embodies justice, accountability, and social welfare in accordance with shariah principles.

Integrating Tawhid Into the Islamic Accounting Paradigm

According to Alim (2011), the essence of Islamic accounting is grounded in the paradigm of tawhid (monotheism), integrated with Maqashid al-Shariah as the central normative framework. The tawhidic paradigm emphasizes that all economic activities and financial reporting must be oriented towards obedience to Allah and must reflect moral, spiritual, and social responsibility. Therefore, Islamic accounting is not merely a system for recording financial transactions—it is an instrument of worship and trust (amanah). It ensures that financial management and reporting processes uphold justice, transparency, and collective well-being, as intended by the objectives of Maqashid al-Shariah.

Islamic Ethics Within the Framework of Shariah Accounting

Khodijah et al. (2025) emphasize that Islamic accounting practices must be grounded in Islamic moral and spiritual values to ensure honesty, transparency, and accountability that extend beyond conventional financial objectives. In this context, accounting is viewed not only as an economic or

administrative task, but also as a sacred trust and moral responsibility to Allah and to all stakeholders. Islamic ethics guide accountants and Islamic financial institutions to carry out recording, reporting, and disclosure processes with integrity, justice, and a sincere intention to promote public welfare. Thus, Islamic accounting serves as a practical embodiment of Islamic values—striking a balance between worldly goals (profitability) and spiritual objectives (accountability before Allah).

Maqashid al-Shariah as a Normative and Ethical Framework That Protects Shariah and Social Interests

Khodijah et al. (2025) also argue that the implementation of Islamic accounting based on Maqashid al-Shariah encourages business practices that are sustainable and socially responsible, in alignment with Islamic values. This approach advocates balancing individual and collective interests, ensuring that financial decisions and reports do not simply aim at maximizing profit, but also consider social welfare, justice, and adherence to shariah principles. In this way, Maqashid al-Shariah functions as a normative and ethical foundation, ensuring that economic and accounting activities protect the rights, wealth, and well-being of the community while strengthening the accountability and integrity of Islamic financial institutions.

Previous Studies

Salman (2022) highlights that the historical narrative of accounting is still largely dominated by conventional accounting, while the history of Islamic accounting has not been comprehensively explored. Moreover, the concept of accountability in accounting practice has generally focused only on financial aspects. This study seeks to describe the development of Islamic accounting from the time of Prophet Muhammad (PBUH) to the 20th century, and to explain accountability from an Islamic perspective. Using a qualitative approach through library research, the study reviews literature related to the history of Islamic accounting and Islamic accountability. The findings reveal that Muslim societies historically adopted structured and advanced accounting systems. For instance, Al-Mazindarani's manuscript *Halakiyah Kitab as-Syiyaqaf Essay (765 H/1363 CE)* documented widely practiced accounting records such as *jaridah al-kharaj* (tax records), *jaridah an-nafakat* (expenditure records), *jaridah al-maal* (asset records), and *jaridah al-masadarin* (income records). The accounting profession (*al-katib*) required high ethical standards, technical expertise, an understanding of Islamic values, responsibility, and trustworthiness. The historical development of Islamic accounting was also influenced by the prohibition of *riba*, the establishment of the first Islamic bank, and the creation of professional bodies for Islamic accounting standards. Conceptually, Islamic accounting differs fundamentally from conventional accounting in defining accountability, profit, going concern assumptions, measurement basis, and disclosure principles. In Islam, accountability extends to Allah as the ultimate giver of trust (*hablum minallah*) and to society (*hablum minannas*). Thus, accounting functions not only as an economic system but also as a moral and spiritual practice.

Building on the notion of accountability, Sitorus & Scott (2009) introduce interdisciplinary perspectives from the social sciences to better understand the causes and complexities of fraud. Their study argues that descriptive fraud risk models, including those considered by the Public Company Accounting Oversight Board (PCAOB) in 2009, have not fully captured the root causes and dynamic nature of fraud.

The paper concludes with insights and recommendations for strengthening fraud risk management frameworks.

Focusing on ethical practices in Islamic finance, Haniffa & Hudaib (2007) examine the ethical identity of Islamic banks. They assess the extent to which the ethical identities communicated in annual reports align with the ideal ethical identity defined by Islamic business ethics. Across a three-year longitudinal survey, only one out of seven Islamic banks scored above average on the Ethical Identity Index. The greatest gaps were found in community engagement, clarity of vision and mission, zakat and charitable activities, benevolent lending (*qard al-hasan*), and leadership transparency. These findings have strategic implications for communication and reputation-building in Islamic banking.

More recently, Khodijah et al. (2025) analyze the integration of *Maqashid al-Shariah* principles in Islamic accounting practices in Indonesia. Using a qualitative interpretive approach involving practitioners, scholars, regulators, and religious authorities, the study finds that the implementation of Islamic accounting remains partial. Most practitioners understand only some dimensions of *Maqashid*, and many still rely on modified conventional frameworks. The authors introduce the *Maqashid-Based Holistic Performance Model (MHPM)*, which enhances stakeholder trust and strengthens institutional governance. The study recommends paradigm transformation, curriculum development, centers of excellence, and regulatory reforms.

Examining the social dimension of Islamic finance, Prasetyo (2023) develops a CSR prioritization framework for Islamic banks based on *Maqashid al-Shariah*. By analyzing CSR programs in Bank Muamalat and Bank Syariah Indonesia, the study shows that CSR activities span social, economic, educational, and health sectors—aligning with *Maqashid* priorities to improve public trust and strengthen the positive image of Islamic banks.

Similarly, Pradita & Darwanto (2024) explore the relationship between *Maqashid al-Shariah* and the Human Development Index (HDI) across 34 Indonesian provinces (2019–2023) using a panel regression model. Four of the five *Maqashid* dimensions significantly and positively affect HDI, while the intellectual dimension (*hifz al-'aql*) shows a negative effect. The authors suggest revisiting the indicators used for this dimension in policy formulation.

Reinforcing the importance of ethics in Islamic accounting, Purba & Rafi'i (2025) examine the moral foundations of Islamic accounting and their relevance to modern financial systems. Through literature review and case studies, the study identifies Islamic accounting as an ethical framework aimed at promoting justice, reducing financial risks, and strengthening governance. Standardization and increased awareness are recommended to enhance global adoption.

Linking *Maqashid al-Shariah* to sustainable development, Marpaung & Lubis (2025) investigate how Islamic banking integrates *Maqashid* principles with the Sustainable Development Goals (SDGs). The study highlights the role of zakat, waqf, and sukuk waqf in supporting social welfare and environmental sustainability. However, low Islamic financial literacy remains a major challenge to maximizing impact.

In a foundational contribution, Yaya (2004) argues that the Islamic worldview differs fundamentally from the capitalist worldview underlying conventional accounting. Therefore, Islamic accounting requires a distinct theoretical and methodological framework that aligns with Islamic objectives and values. Complementing this, Hadi (2018) examines Islamic accounting theory development in Indonesia,

emphasizing that it must reflect creed (aqidah), practice (amaliah), and ethics (akhlaq). As a result, Islamic financial reports must convey both material and spiritual values.

Finally, focusing on profit distribution, Ismiati (2025) analyzes the application of Maqashid al-Shariah in Islamic banking profit-sharing mechanisms in Indonesia. While transparency and fairness have improved, challenges such as limited public understanding, regulatory dualism, and product innovation remain. Collaboration among policymakers, Islamic banks, and academic institutions is needed to strengthen shariah-based financial literacy and competitiveness.

Rofiq & Khusnudin (2025) further extend Maqashid-based ethics to the issue of food security. Using thematic Qur'anic interpretation, they propose a conceptual model linking zakat-based redistribution and sustainable agricultural policy to ensure fair access to food and ecological balance—supporting national and global SDG targets.

Research Gap

Although many studies have examined the integration of Islamic values into accounting, there is still a lack of a fully holistic Islamic accounting standard that combines the principles of Tauhid, Maqashid al-Shariah, and Islamic ethics in a unified framework. Existing research tends to focus on only one aspect—such as Maqashid al-Shariah or ethical values—without incorporating the theological dimension of Tauhid as its foundation.

In practice, especially in regions where Muslims are a minority, such as Thailand, the adoption of Islamic accounting principles in the halal industry is still limited. Clear and comprehensive reporting standards that fully reflect shariah requirements are not yet well-developed. This creates challenges in ensuring transparency, compliance, and trust among Muslim stakeholders.

Furthermore, previous studies indicate a mismatch between the dominant positivistic paradigm in modern accounting and the Islamic accounting paradigm, which is rooted in spiritual and moral foundations. This gap shows the need to realign the theoretical basis of Islamic accounting with its intended philosophical and ethical values.

Research Novelty

This study offers the development of an Islamic accounting theory that integrates Tauhid as an ontological foundation, Maqashid al-Shariah as a normative objective, and Islamic ethics as the moral compass of accounting practice. This unified model forms a comprehensive and holistic accounting paradigm. The contribution of this research lies not only in proposing integrative theoretical concepts but also in designing practical and applicable reporting standards tailored for the halal industry and Islamic financial institutions, which have so far received limited attention.

By adopting a multidisciplinary approach, the model proposed in this study has the potential to serve as a new reference standard for Islamic institutions and policymakers in developing accounting systems that are sustainable and adaptable to global needs. In essence, this research fills a significant gap by constructing a robust Islamic accounting framework that simultaneously reflects theological, ethical, and shariah objectives while providing clear reporting guidelines suitable for contemporary halal industries and Islamic financial sectors. This model bridges classical Islamic principles with modern accounting practices, making it relevant in addressing current and future global challenges.

Development of Islamic Accounting Theory: Integrating Tawhid, Maqashid al-Shariah, and Islamic Ethics into the Accounting System

(Saputra).

3391

RESEARCH METHODOLOGY

Research Approach

This study adopts a qualitative research approach with an exploratory and conceptual design. This approach is selected because the primary aim of the research is to formulate and develop an Islamic Accounting Theory based on the integration of shariah principles, maqashid al-shariah values, and contemporary accounting practices. A qualitative approach is suitable for examining social and conceptual phenomena by interpreting meaning and context in depth.

Type of Research

This study is conducted as library research, complemented with a grounded theory analytical approach. The literature review is used to identify and examine relevant scholarly works on Islamic accounting, conventional accounting theory, and Islamic economic epistemology. Grounded theory is then applied to construct a conceptual model of Islamic accounting theory through systematic categorization and coding of themes emerging from the literature.

Data Sources

The research uses two types of data: Primary data: gathered from in-depth interviews with experts in Islamic accounting, Islamic economics scholars, religious authorities, and practitioners in Islamic financial institutions. Secondary data: obtained from academic journals, scholarly books, DSN-MUI fatwas, Islamic accounting standards (IAI, AAOIFI), and relevant research reports and institutional documents.

Data Collection Techniques

Data is collected through:

- ✓ Document analysis: reviewing journal articles, reports, and authoritative references.
- ✓ Semi-structured interviews: conducted with 10 key informants to explore their insights and experiences on Islamic accounting concepts.
- ✓ Content analysis: used to identify key conceptual themes from the literature.

Data Analysis Techniques

Data is analyzed using thematic analysis and grounded theory, following the three main coding steps:

- ✓ Open Coding: identifying core concepts from literature and interviews.
- ✓ Axial Coding: clustering concepts into thematic categories such as Islamic accounting epistemology, maqashid al-shariah values, justice, trustworthiness, and accountability.
- ✓ Selective Coding: integrating these categories into a coherent Islamic Accounting Theory framework.

This approach allows the development of a theory grounded in Islamic values, rather than relying solely on Western accounting paradigms.

Validity and Reliability

To ensure data credibility, several validation strategies are employed:

- ✓ Source triangulation: comparing findings from literature, interview insights, and official documents.
- ✓ Member checking: confirming interpretations with informants to verify accuracy.

Development of Islamic Accounting Theory: Integrating Tawhid, Maqashid al-Shariah, and Islamic Ethics into the Accounting System

(Saputra).

3392

- ✓ Peer review: discussing theoretical and methodological consistency with fellow Islamic accounting scholars.

Research Location and Timeframe

The research is carried out over a period of 6 months, primarily at universities and Islamic financial institutions in Pekanbaru specializing in Islamic economics and accounting.

- ✓ Literature collection (Months 1–2)
- ✓ Interviews and validation (Months 3–4)
- ✓ Analysis and theory development (Months 5–6)

Conceptual Analysis Model

The study proposes a conceptual model called the Islamic Accounting Framework, built upon three core pillars:

- ✓ Ontology: the nature of accounting reality viewed through the principle of tauhid (Oneness of God).
- ✓ Epistemology: the sources of knowledge in Islamic accounting derived from the Qur'an, Sunnah, and scholarly reasoning.
- ✓ Axiology: the purpose of accounting as a tool for realizing maqashid al-shariah, promoting social welfare and justice.

This framework is expected to serve as a foundation for developing Islamic accounting standards, financial reporting practices, and governance policies rooted in spiritual and ethical values.

RESEARCH RESULTS AND DISCUSSION

Key Research Findings

Based on the literature review and expert interviews, this study finds that the Islamic Accounting Theory (IAT) is fundamentally different from conventional accounting in terms of its epistemological, ontological, and axiological foundations. The key distinctions lie in the purpose of financial reporting, the sources of knowledge, and the underlying value orientation. Conventional accounting is rooted in capitalist and utilitarian paradigms, placing emphasis on efficiency and shareholder profitability. In contrast, Islamic accounting is grounded in *tauhid* (the oneness of God) and *maqashid al-shariah*, where financial reporting aims to uphold justice, social welfare, and responsible stewardship (*amanah*) over wealth.

Ontological Pillar: Tauhid as the Foundation of Accounting

The ontology of Islamic accounting views economic activities as part of worship and as a trust (*amanah*) from Allah. Therefore, accounting is not merely a technical system for recording transactions—it is a moral and spiritual tool for accountability before both humans and God. Interviews with Islamic accounting scholars highlight that *tauhid* acts as a “meaning framework,” guiding accountants and financial statement users to prioritize divine approval (*rida Allah*) and social benefit over profit maximization. Islamic accounting balances vertical accountability (*hablun minallah*) and horizontal responsibility (*hablun minannas*) in its reporting system.

Epistemological Pillar: Sources of Knowledge in Islamic Accounting

The epistemology of Islamic accounting originates from divine revelation (the Qur’an and Sunnah), supplemented by scholarly reasoning (*ijtihad, qiyas, istihsan*). These sources shape core accounting values such as: Justice (*‘adl*), Honesty (*sidq*), Transparency (*amanah*), and Accountability (*hisab*). This means that Islamic accounting standards must be normatively aligned with shariah values, rather than being derived solely from market efficiency logic. Literature findings show that Islamic accounting shifts emphasis from *decision usefulness* to *accountability usefulness* — focusing on moral and social responsibility rather than merely providing information for investors.

Axiological Pillar: Maqashid al-Shariah as the Purpose of Accounting

From an axiological perspective, Islamic accounting aims to fulfill *maqashid al-shariah*: the protection of faith, life, intellect, lineage, and wealth. Financial reports in Islamic institutions therefore serve not only to reflect financial position, but also to indicate contributions to social welfare and economic justice. The ultimate objective is **social justice**, making accounting an **instrument of ethical accountability**, not merely a measurement tool.

Ethical and Moral Dimensions in Islamic Accounting

Findings indicate that *akhlaq* (moral character) is embedded throughout Islamic accounting practice. A Muslim accountant is not only a technical professional but also a *muhاسب*—a moral evaluator responsible for ensuring fairness and honesty in reporting. This aligns with the hadith of Prophet Muhammad (SAW):

“An honest and trustworthy trader will be with the prophets, the truthful, and the martyrs.”
(Tirmidhi)

Thus, Islamic auditing examines not only numerical accuracy but also the moral intention and shariah compliance of transactions.

Reconstruction of Theory: The Islamic Accounting Theory (IAT) Model

The thematic analysis leads to a conceptual IAT model consisting of three hierarchical layers:

Table 1. The Islamic Accounting Theory (IAT) Model

Layer	Description
Philosophical Level	Tauhid, justice, trustworthiness
Normative Level	Halal-haram principles, <i>maqashid al-shariah</i> , professional ethics
Operational Level	Reporting systems, asset measurement, disclosures grounded in spiritual and social values

Source : Research Result, 2025

This model positions accounting as a **modern framework of hisbah**, in which every economic activity must be accounted for before Allah and society.

Comparison with Conventional Accounting

Table 2. Comparison Between Islamic and Conventional Accounting

Aspect	Conventional Accounting	Islamic Accounting
Philosophical Foundation	Capitalism, Individualism	Tauhid, Justice, Trust (Amanah)
Reporting Purpose	Decision Usefulness (Investor-Focused)	Accountability Usefulness (to Allah & Society)
Value Base	Neutrality, Materiality	Ethics, <i>Maqashid al-Shariah</i>
Orientation	Profit-Oriented	Welfare (<i>Maslahah</i>)-Oriented
Concept of Wealth	Private Ownership	Trust from Allah

Source : Research Result, 2025

This comparison shows that Islamic accounting does not reject efficiency or rationality; rather, it reframes them within a structure of spiritual and ethical accountability.

Research Implications

Academic Implications

Academically, this study broadens the scope of accounting theory by introducing a theological and moral foundation as a new epistemological paradigm. This contributes to the development of an Islamic Accounting Curriculum and opens opportunities for interdisciplinary research connecting accounting, Islamic theology, and ethics. It encourages scholars to rethink the philosophical basis of accounting beyond material and economic dimensions.

Industry Implications

For the Islamic finance industry, the proposed theory provides a normative foundation for developing accounting standards grounded in *maqashid al-shariah*. It also supports the creation of non-financial reporting systems that evaluate an institution’s social contributions—not just financial outcomes. Examples include the integration of: Zakat accounting, Waqf accounting, Islamic ESG (Environmental, Social, and Governance) disclosure. These components allow Islamic financial institutions to present a more holistic form of accountability that reflects both material and spiritual performance.

Policy Implications

For regulatory bodies such as the Indonesian Institute of Accountants (IAI) and the Financial Services Authority (OJK), this research underscores the importance of forming a National Islamic Accounting Standards Board that focuses on aligning financial reporting with shariah values. Additionally, there is a need for shariah-based auditing regulations that emphasize transparency, honesty, and justice in financial reporting for Islamic institutions. Overall, this research asserts that Islamic Accounting Theory is not merely a modified version of Western accounting with Islamic labeling. Rather, it is a paradigm reconstruction rooted entirely in tauhid, *maqashid al-shariah*, and Islamic ethical values. Islamic accounting becomes a system that unifies spirituality, morality, and professional practice to promote justice and social sustainability.

CONCLUSION

Based on the literature review, thematic analysis, and expert interviews, this study concludes that Islamic Accounting Theory (IAT) is a theory of accounting founded upon the values of tawhid, maqasid al-shariah, and Islamic ethics. This theory provides a conceptual framework that integrates spiritual, ethical, and social dimensions into the financial reporting system. Conceptually, Islamic Accounting Theory is built upon three main pillars: (1) Ontological Foundation of Tawhid: Accounting is viewed as an act of worship and a trust (amanah), rather than merely a tool for measuring economic activity. (2) Epistemology of Shariah: The sources of accounting knowledge are derived from the Qur'an, the Sunnah, and scholarly reasoning (ijtihad), emphasizing justice, trustworthiness, and accountability. (3) Axiology of Maqasid al-Shariah: The ultimate goal of accounting is to realize social benefit and economic balance, not merely to maximize financial profit. Thus, Islamic Accounting Theory is not simply an adaptation of conventional accounting theory. Instead, it represents a paradigmatic reconstruction, positioning accounting as an instrument of justice, transparency, and spiritual responsibility. This theory asserts that the success of an Islamic accounting system is not measured solely by numerical accuracy, but by the extent to which it upholds trust and promotes social well-being. Given the significance of these values in the practice and development of Islamic accounting, this study offers several recommendations to strengthen the conceptual, academic, practical, and policy dimensions of Islamic Accounting Theory, so that it can be implemented more broadly and sustainably.

REFERENCES

- Ajismia, D. (2019). *Islamic Accounting; Suatu Pendekatan Normatif, Historis Dan Aplikatif (Studi Pada UMKM di Kabupaten Kepulauan Selayar)*. Skripsi. Universitas Islam Negeri Alauddin Makassar. <https://repositori.uin-alauddin.ac.id/15589/1/ISLAMIC%20ACCOUNTING%3B.pdf>
- Alim, M. N. (2011). Akuntansi syariah esensi, konsepsi, epistemologi, dan metodologi. *InFestasi*, 7(2), 154–161. <https://doi.org/10.21107/infestasi.v7i2.498>
- Arifyanto, G. (2025). Maqashid syariah sebagai kerangka konseptual dalam ekonomi dan keuangan islam kontemporer. *ALWAQFU: Jurnal Hukum Ekonomi Dan Wakaf*, 3(01). <https://jurnal.alwaqfu.or.id/index.php/alwaqfu/article/view/389>
- Hadi, D. A. (2018). Pengembangan teori akuntansi syariah di indonesia. *Jurnal Akuntansi Multiparadigma*, 9(1). <https://doi.org/10.18202/jamal.2018.04.9007>
- Haniffa, R., & Hudaib, M. (2007). Exploring the Ethical Identity of Islamic Banks via Communication in Annual Reports. *Journal of Business Ethics*, 76(1), 97–116. <http://www.jstor.org/stable/25075497>
- Hasina, T., Sulastiningsih, S., & Mada, P.- o. (2023). BASIC CONCEPTS OF ACCOUNTING IN ISLAMIC PERSPECTIVE. *Prosiding Dan Call Paper Widya Wiwaha*, 2(1), 213–226. <https://doi.org/10.32477/semnas.v2i1.916>
- Ismiati, B. (2025). Implementation of Maqâshid Al-Shari'ah in The Profit Distribution System of Islamic Banking in Indonesia. *Citizen : Jurnal Ilmiah Multidisiplin Indonesia*, 5(3), 735–746. <https://doi.org/10.53866/jimi.v5i3.841>
- Iswanaji, C. (2021). The importance of islamic ethics in accounting. *AL-MASHALIH (Journal of Islamic Law)*, 2(1), 1–1. <https://journal.stishusnulkhhotimah.ac.id/index.php/mashalih/article/view/36>

- Khodijah, S. K. S., Madnasir, & Suhendar. (2025). Shariah accounting in the perspective of maqashid shariah: “a theoretical and practical study.” *International Journal of Economics (IJEC)*, 4(2), 977–987. <https://doi.org/10.55299/ijec.v4i2.1386>
- Makatita, G. A. N., Makatita, A.R., & Lamba, J. G. (2024). Shariah Enterprise Theory in CSR Disclosure: A Path to Sustainable Reporting. *Economica: Jurnal Ekonomi Islam*, 15(2), 223–240. <https://doi.org/10.21580/economica.2024.15.2.22596>
- Marpaung, M., & Lubis, I.S. (2025). Integration between the sharia maqasid principles and the sustainable development goals (Sdgs). *Inisiatif: Jurnal Ekonomi, Akuntansi Dan Manajemen*, 4(2), 338–346. <https://doi.org/10.30640/inisiatif.v4i2.3960>
- Masyhuri, M. (2022). IMPLEMENTASI AKUNTABILITAS PERUSAHAAN BERLANDASKAN MAQASHID SYARIAH DALAM MENCIPTAKAN PEREKONOMIAN BERKEADILAN. *Islamic Economic and Business Journal*, 2(1), 1–15. <https://doi.org/10.30863/iebjournal.v2i1.2985>
- Mohammed, N. F., Syahril, Abrori, F. ., & Mohamad, N. (2024). Maqāṣid Al-sharī’ah comparison to the concept of accounting in the paradigm of religiosity. *Journal of Emerging Economies and Islamic Research*, 12(2), 2018. <https://doi.org/10.24191/jeeir.v12i2.2018>
- Mubarak, S., Hardianti, & Masyhuri. (2025). Analisis maqashid syariah dalam pengembangan standar akuntansi syariah. *Journal of Islamic Economic Studies*, 1(2). <https://journal.hamfara.com/hamfara/article/view/33>
- Mulawarman, A. D., Triyuwono, I., Irianto, G., & Ludigdo, U. (2011). MENUJU TEORI AKUNTANSI SYARIAH BARU. *Jurnal Ekonomi & Keuangan Islam*, 1(1), 61–78. <https://doi.org/10.20885/jeki.vol1.iss1.art4>
- Pradita, G., & Darwanto, D. (2024). Integration of Maqashid Sharia and Human Development: Case Study in Indonesia. *Indonesian Interdisciplinary Journal of Sharia Economics (IIJSE)*, 8(1), 1091–1109. <https://doi.org/10.31538/iijs.v8i1.5884>
- Prasetyo, L. (2023). Formulasi prioritas program corporate social responsibility di bank syariah: Perspektif maqasid al-shariah. *Etihad: Journal of Islamic Banking and Finance*, 3(1), 42–50. <https://doi.org/10.21154/etihad.v3i1.6283>
- Purba, M. L. A. H., & Rafi’i, M. (2025). Islamic accounting: Ethical foundations for a modern economy. *Proceeding International Seminar of Islamic Studies*, 0, 2531–2536. <https://doi.org/10.3059/insis.v0i0.23729>
- Rofiq, M. A. & Khusnudin. (2025). Integration of maqashid shariah values and sdgs in food management: A qur’an-based conceptual study. *Journal of Islamic Economics and Finance Studies*, 6(1), 118–133. <https://doi.org/10.47700/jiefes.v6i1.10121>
- Salman, K. R. (2022). Exploring the History of Islamic Accounting and the Concept of Accountability in an Islamic Perspective. *Journal of Islamic Economic and Business Research*, 2(2), 114–130. <https://doi.org/10.18196/jiebr.v2i2.34>
- Sitorus, T., & Scott, D. (2009). Integrated fraud risk factors and robust methodology: A review and comment. *International Journal of Auditing*, 13(3), 281–297. <https://doi.org/10.1111/j.1099-1123.2009.00398.x>
- Yaya, R. (2004). Would the objectives and characteristics of islamic accounting for islamic business organizations meet the islamic socio-economic objectives? *Jurnal Akuntansi Dan Auditing Indonesia*, 8(2). <https://journal.uui.ac.id/JAAI/article/view/822>