

ARAŞTIRMA MAKALESİ / RESEARCH ARTICLE

EVALUATION OF PARTICIPATION FINANCE ACCOUNTING STANDARDS IN TÜRKİYE BY ACADEMICIANS AND PARTICIPATION BANK EMPLOYEES*

TÜRKİYE'DE KATILIM FİNANS MUHASEBE STANDARTLARININ AKADEMİSYENLER VE KATILIM BANKASI ÇALIŞANLARI TARAFINDAN DEĞERLENDİRİLMESİ

Assoc. Prof. Dr. Nazan GÜNGÖR KARYAĞDI¹

Assoc. Prof. Dr. Serpil SUMER ADİN²

ABSTRACT

Although the studies on participation finance accounting standards have been developed in the last thirty years in the world, this development is still at a level that can be considered new in Türkiye. In the study, the evaluations of academics working in the field of Islamic finance and participation bank employees regarding the implementation and compliance of Participation Finance Accounting Standards in Türkiye are investigated. The evaluation of the views of the two groups that contributed both theoretically and with the service application in the field of Islamic finance distinguishes the study from the existing studies in the literature. In the study, the data are collected by questionnaire technique and analyzed in SPSS program. In the study, comparison between the two groups is made on the average of the answers because the data is not normally distributed. As a result of the evaluation, it is seen that there is generally no difference in the answers given between academicians and participation bank employees and the answers given are close to each other. In addition, academicians and employees of participation bank stated that the role of the CBRT, BRSA, PBAT, CMB and interest-free banking and finance representatives in the implementation of their standards is very important.

Keywords: Islamic Finance, Participation Finance Accounting Standards, Türkiye.

JEL Classification Codes: M40, M41, M49.

ÖZ

Katılım Finans Standartları ile ilgili çalışmalar dünyada son otuz yılda gelişmesine rağmen Türkiye'de bu gelişme henüz yeni sayılabilecek düzeydedir. Bu çalışmada, İslami finans alanında çalışan akademisyenlerin ve katılım bankası çalışanlarının Katılım Finans Muhasebe Standartlarının Türkiye'de uygulanması ve uyumuna ilişkin değerlendirmeleri araştırılmıştır. İslami finans alanında hem teorik hem de hizmet uygulaması ile katkı sağlayan iki grubun görüşlerinin değerlendirilmesi çalışmayı literatürdeki mevcut çalışmalardan ayırmaktadır. Çalışmada veriler anket tekniği ile toplanmış ve SPSS programında analiz edilmiştir. Çalışmada veriler normal dağılmadığı için iki grup arasındaki karşılaştırma cevapların ortalaması üzerinden yapılmıştır. Değerlendirme sonucunda akademisyenler ile katılım bankası çalışanları arasında verilen cevaplarda genel olarak bir farklılık olmadığı ve verilen cevapların birbirine yakın olduğu görülmektedir. Ayrıca akademisyenler ve katılım bankası çalışanları standartlarının uygulanmasında TCMB, BDDK, TKBB, SPK ve faizsiz bankacılık ve finans temsilcilerinin rolünün çok önemli olduğunu belirtmişlerdir.

Anahtar Kelimeler: İslami Finans, Katılım Finans Muhasebe Standartları, Türkiye.

JEL Sınıflandırma Kodları: M40, M41, M49.

* For this study the approval of ethical committee no E.88656144-000-2300148413 dated 09.05.2023 was taken from the Ethical Committee, Atatürk University.

¹  Bitlis Eren University, Vocational School of Social Sciences, Department of Accounting and Tax Applications, ngkaryagdi@beu.edu.tr

²  Atatürk University, Oltu Faculty of Humanities, Department of Finance and Banking, serpil.sumer@atauni.edu.tr

GENİŞLETİLMİŞ ÖZET

Amaç ve Kapsam:

Son dönmlerde İslami ilkelere göre yaşam tarzını benimseyen ülkelerde uygulamalar İslami kurallar çerçevesinde yürütülmektedir. Birçok alanda İslami kurallara göre yapılan uygulamalar muhasebe ve finans alanında da kendini göstermiş ve uygulamalar bu kurallara göre revize edilmeye başlanmıştır. Bu çerçevede özellikle standartların uygulanmasında da İslami kurallar dikkate alınmış ve katılım finans muhasebe standartlarının oluşturulması, uygulanması bir ihtiyaç haline gelmiştir. Katılım finans standartları ile ilgili çalışmalar dünyada son otuz yılda gelişmesine rağmen Türkiye'de bu gelişme henüz yeni sayılabilecek düzeydedir. Bu çalışmada, İslami finans alanında çalışan akademisyenlerin ve katılım bankası çalışanlarının Katılım Finans Muhasebe Standartlarının Türkiye'de uygulanması ve uyumuna ilişkin değerlendirmeleri amaçlanmıştır. İslami finans alanında hem teorik hem de hizmet uygulaması ile katkı sağlayan iki grubun görüşlerinin değerlendirilmesi çalışmayı literatürdeki mevcut çalışmalardan ayırmaktadır.

Yöntem:

Çalışmada veriler anket tekniği ile toplanmıştır. Kullanılan anket literatürde Şenel ve Arslan (2020), Yatbaz ve Çatıktaş (2021), Öztürk ve Gerekan (2022) tarafından kullanılan ve daha önce farklı çalışmalarda kullanılan anketlerden faydalanılmıştır. Güvenilirlik analizi yapılmış ve %87 ile anket sorularının güvenilir olduğu bulunmuştur. Mevcut literatürdeki çalışmalardan farklı olarak anket hem İslami finans alanında çalışan akademisyenlere hem de katılım bankası çalışanlarına yönelik olarak gerçekleştirilmiştir. Yükseköğretim Akademik Tarama'da (YÖK Akademik) İslami finans anahtar kelime olarak yazılmış ve sonuç olarak Aralık 2023 itibarıyla Türkiye'de 112 akademisyenin İslami finans alanında çalıştığı tespit edilmiştir. Akademisyenlerin mail adreslerine anket gönderilmiş ve 112 akademisyenden 62 akademisyen anketi geri göndermiştir. Sayılarda tutarlılık sağlamak amacıyla aynı anket 62 katılım bankası çalışanına da uygulanmıştır. Çalışma toplam 124 katılımcı ile tamamlanmıştır. Anket tekniği kullanılan bu çalışmada SPSS programı kullanılmıştır. Çalışmada derlenen veriler normal dağılım sergilemediğinden iki grubun verdiği cevaplar arasında fark olup olmadığını deşifre etmek için nonparametrik testlerden Mann Whitney U testi yapılmış, verilen cevapların ortalamasına bakılarak katılımcıların en çok ve en az katıldıkları ifadeler tespit edilmeye çalışılmıştır.

Bulgular:

Anketi yanıtlayan katılımcıların %71'i erkek, %29'u kadındır. Katılımcıların %46'sı 36-45 yaş arasında, %39,5'i 26-35 yaş arasında, %5,6'sı 46-55 yaş arasında, %5,6'sı 25 yaş altında ve %3,2'si 56 yaş ve üzerindedir. Katılımcıların %50'si katılım bankası çalışanı, %50'si ise İslami finans alanında çalışan akademisyenlerdir. Katılımcılar mesleki deneyim açısından incelendiğinde, %31,5'inin 11-15 yıl aralığında, %22,6'sının 1-5 yıl aralığında, %22,6'sının 6-10 yıl aralığında, %12,9'unun 16-20 yıl aralığında ve %10,5'inin 21 yıldan fazla deneyime sahip olduğu görülmektedir. Eğitim düzeyi incelendiğinde katılımcıların %47,6'sının doktora, %34,7'sinin lisans ve %13,7'sinin yüksek lisans derecesine sahip olduğu görülmektedir. Katılım bankası çalışanları Katılım Finans Muhasebe Standardı (KFMS)'nin uygulanmasını kolaylaştıran nedenler için verilen ifadelerle genel olarak katıldıklarını belirtmişlerdir. Verilen cevaplarda en yüksek ortalama 4,24 ile "Türkiye nüfusunun büyük çoğunluğu kendisini Müslüman olarak tanımlamaktadır" ifadesi olmuştur. Katılım bankası çalışanları, Türkiye nüfusunun büyük çoğunluğunun Müslüman olmasının KFMS'nin uygulanmasını kolaylaştıracağına kesinlikle katılmaktadır. Çalışmaya katılım sağlayan akademisyenler "Katılım bankaları ve diğer İslami finans kurumlarının sayısı giderek artmaktadır" ifadesine 4,02 ortalama ile katıldıklarını belirtmişlerdir. Akademisyenlerin KFMS uygulamasını zorlaştıran ve kolaylaştıran nedenlere verdikleri cevaplar arasında tutarlılık bulunmaktadır. KFMS standartları İslami finansın bir boyutu olarak ele alındığında, yeterli farkındalığın olmaması standartların uygulanmasını zorlaştıran bir neden olarak görülmektedir.

Sonuç ve Tartışma:

Katılım Finans Muhasebe Standartları İslami kurallara göre yaşayan ülkelerde uygulanan standartlar olarak karşımıza çıkmaktadır. Bu çerçevede çalışmada bu standartların uygulanması ve uygulanmasına yönelik bilgileri yakından takip eden iki farklı meslek gurubu ile görüşmeler yapılarak farklı görüşlerin olup olmadığının tespit edilmesi amaçlanmıştır. Çalışmada katılımcıların verdikleri cevapların ortalamasına bakılarak meslekleri açısından verdikleri cevaplar arasında fark olup olmadığı incelenmiştir. Testler sonucunda hem akademisyenler hem de katılım bankası çalışanları Türkiye'de katılım finans standartları konusunda yeterli farkındalık olmadığı için KFMS uygulamasında zorluklar yaşanacağını düşünmektedir. Standartların uygulanmasını zorlaştıran nedenlere ilişkin ifadelerle (anketin A bölümü) her iki grubun da benzer cevaplar verdiği görülmekte olup cevaplar incelendiğinde her iki grubun da verilen ifadelerle 'kararsızım' ve 'katılıyorum' cevapları verdiği görülmektedir. Akademisyenler İslami finans kurumları ve katılım bankalarının standartların uygulanmasını kolaylaştıracağı görüşüne katılırken, katılım bankası çalışanları nüfusun Müslüman olmasının standartların uygulanmasını kolaylaştıracağı görüşüne katılmaktadır. Ayrıca çalışma kapsamındaki her iki grup da standartlarla ilgili oluşturulacak hükümet politikalarının, üniversitelerde faizsiz bankacılıkla ilgili derslerin okutulmasının ve bilimsel çalışmaların eksikliğinin standartlara uyumu kolaylaştıracağını tespit etmektedir. Üçüncü bölümdeki cevapların ortalamasına bakıldığında katılım bankası çalışanları verilen tüm ifadelerle katıldıklarını belirtirken, akademisyenler denetçilerin iş yükünün artacağı, karar alma sürecinin zorlaşacağı, muhasebecilerin uyum sürecinde zorlanacağı ve uyum sürecinde eğitim gibi ek maliyetlerin ortaya çıkacağı konusunda kararsız olduklarını belirtmişlerdir. Dördüncü bölümde ise hem akademisyenler hem de katılım bankası çalışanları TCMB, BDDK, TKBB, SPK ve faizsiz bankacılık ve finans temsilcilerinin standartlarının uygulanmasındaki rolünün çok önemli olduğunu belirtmişlerdir. Sonuç olarak, katılım finans alanında hem teorik hem de pratik olarak, Türkiye'de katılım finans standartlarının uygunluğuna ilişkin katılımcıların verdiği cevaplar genellikle birbirine yakındır.

1. INTRODUCTION

Financial markets, which must constantly grow and develop, new financial instruments, systems and applications are being developed in order to maintain their assets and to use idle funds effectively in financial markets. Financial events in the countries and societies where Islamic rules have been adopted have necessitated a number of changes along with them. The high increase in oil prices in the 1970s played an important role in the economy. This development, which has greatly affected the financial markets, has prepared the ground for the increase of Arab capital. However, it is known that the societies that have adopted Islamic rules in Arab countries and continue their lives according to these rules and practices are against interest practices. For this reason, Islamic groups that do not accept interest have preferred not to bring their funds into the economy (Utku & Kaya, 2021, p. 332). This situation has caused a serious recession in the economy and financial markets have been negatively affected. In order to solve this situation, financial searches have been initiated and efforts have been initiated to establish organizations operating on the basis of Islamic rules. Interest-free financial institutions, Islamic financial institutions are the main ones. These organizations have started to take Islamic principles and rules as a basis in their activities and have prepared the ground for Islamic sections to turn towards them. The increasing Muslim population density has also contributed to the acceleration of these studies in all countries of the world.

Due to the increase in the Muslim population density, various alternatives have been tried to be developed by Islamic financial institutions and attempts have been made to revive the economy by issuing interest-free financial instruments. The principle of direct trade finance has started to be adopted, and Islamic principles and rules have been taken as the basis for investment instruments for investors. The need for information has increased even more by the conservative sector, which has decided to invest and has started to take part in the economy as an investor. Islamic financial institutions, which do not want to remain indifferent in the face of this situation, have started to attach importance to the provisions of sherry in order to inform their investors and make the process more efficient for both sides. The increase in transactions based on sherry provisions has made it necessary to establish a number of standards and ensure unity of practice. As a result of this requirement, AAOIFI (Islamic Financial Institutions Accounting and Audit Institution) published a number of standards regulating the functioning of the interest-free financial sector in the fields of accounting, auditing, ethics and governance in 1991. The countries where Islamic rules are applied have started to revise these standards in a way that is appropriate for their own countries. In Türkiye, these standards were taken as a basis by the POI (Public Oversight Institution) on May 21, 2019 and IFAS (Interest-free Finance Accounting Standards) were published taking into account the country's conditions.

IFAS is a set of standards created for use by interest-free financial institutions. It can be defined as standards that allow financial reporting and accounting transactions for Islamic financial institutions to be carried out in accordance with Islamic principles and rules (Gökçen, 2021, p. 553). The standards that are the main basis for the creation of IFAS and are based on the sherry provisions have been published for the first time by AAOIFI, which is headquartered in Bahrain and was established in 1991. Aiming to create standards for the non-profit and financial sectors, this institution has published a total of 100 standards in the fields of sharia (law), accounting, auditing, ethics and governance. Only 28 standards have been published in the field of accounting, and the number of countries that have adopted these standards as a guide and put them into practice has become 16 (AAOIFI, 2019; Utku & Kaya, 2021, p. 336). These published standards have also been applied in countries that have adopted Islamic rules, and each country has started to carry out its own studies. As a matter of fact, studies in this direction have been accelerated in Türkiye and activities such as the publication and implementation of IFAS have been undertaken by the POI in accordance with measure number 221 in the 2019 Presidential Annual Program (Cumhurbaşkanlığı Yıllık Programı, 2019). In our country, POI published some of the accounting standards published by AAOIFI in the Official Gazette No. 30780 on 21.05.2019, translating 1 conceptual framework and 7 accounting standards into Turkish. After 01.01.2020, participation banks will be able to optionally make financial reporting according to these standards. Participation banks can make financial reporting according to both TAS/IFRS and IFAS. There appear to be some differences between these two standard sets. These differences are (Utku & Kaya, 2021 p. 337):

- Differences caused by measurement,
- Determination of fair value,
- Concept of time value of money (Interest/Alternative Cost),
- Concept of payable capital,

- Differences in inclusion in financial statements

To date, the Conceptual Framework, Interest-Free Finance Accounting Guide and 25 standards have been published. These standards are shown in Table 1.

Table 1. Interest-Free Finance Accounting Standards

Order	Standard No	The Name of the Standard
1	IFAS 1	General Presentation and Explanation of the Financial Statements
2	IFAS 3	Mudârebe Financing
3	IFAS 4	Müşâreke Financing
4	IFAS 7	Selem and Sub-Selem
5	IFAS 8	İcâre and İcâre Müntehiye Bittemlik
6	IFAS 9	Zakat
7	IFAS 10	Exception and Sub-Exception
8	IFAS 14	Mutual Funds
9	IFAS 16	Foreign Currency Transactions and Businesses Abroad
10	IFAS 18	Interest-Free Financial Services Offered by Traditional Financial Institutions
11	IFAS 21	Explanations Related to the Transfer of Assets
12	IFAS 22	Reporting by Departments
13	IFAS 23	Consolidation
14	IFAS 24	Investments in Subsidiaries
15	IFAS 26	Real Estate Investments
16	IFAS 27	Investment Accounts
17	IFAS 28	Murâbaha and Other Term Sales
18	IFAS 30	Impairment, Credit Losses and Economically Disadvantageous Commitments
19	IFAS 31	Investment Power of Attorney (Ei-Vekâle Bi'l İstithmar)
20	IFAS 33	Investments in Sukuk, Shares and Similar Instruments
21	IFAS 34	Financial Reporting for Sukuk Holders
22	IFAS 35	Risk Reserves
23	IFAS36	Application of Interest-free finance Accounting Standards for the First Time Promises, Options and Protection
24	IFAS38	General Presentation and Explanation in the Financial Statements of Insurance and Private
25	IFAS T1	Pension Companies Operating on the Basis of Participation

Source: (KGK, 2023).

The main reasons for these differences between TAS/IFRS and IFAS can be considered as the information needs of the Islamic segment and, in some cases, structural differences (rejection of interest) that are completely opposite to the conventional accounting system.

2. LITERATURE

Recently, Islamic financial system has started to become an important area of activity of the global financial sector in countries where Islamic rules are applied. It has become important to implement Islamic finance system based on Islamic principles and rules, and within this framework, it is necessary to establish standards based on Sharia law. IFAS (Interest-free Finance Accounting Standards), which are intended to be applied according to Islamic rules, are an indicator of this. Various studies have been carried out recently in both national and international literature on these standards, which are being used effectively by Islamic Financial Institutions that are part of Islamic financial system and play a major role in the economy, and it was wanted to contribute to the applicability process of the standards. Some of these studies are given below.

The aim of Sarea (2012) study is to investigate the attitudes of accountants regarding the level of compliance with accounting standards of AAOIFI (Islamic Financial Institutions Accounting and Auditing Organization) .In the study, a review of the current framework of AAOIFI was conducted to determine the level of compliance with AAOIFI accounting standards. As a result of the study, it was concluded that Islamic banks in Bahrain have fully adopted the AAOIFI accounting standards.

Sarea and Hanefah (2013) took into account the perceived relative advantage, compatibility, complexity, testability and observability factors in their studies in which they wanted to determine the level of compliance of Islamic banks in Bahrain with the accounting standards of the Islamic Financial Institutions Accounting and Auditing Organization (AAOIFI). The study is based on the dissemination of the theory of innovation, which is expected to affect the level of compliance with AAOIFI accounting standards. The findings obtained from the study show that Islamic banks in Bahrain are in full compliance with AAOIFI accounting standards.

Sakib, N. (2015) analyzed the 2012 annual reports of six Islamic banks in Bangladesh in his research in which he tried to determine the compliance level of interest-free banks in Bangladesh with the standards. The reports were collected from the sources of the Banks' websites. It has been determined that these six banks comply with AAOIFI standards by an average of %53.79 in their financial statements. The standard deviation of 2.79 in the case of total compliance indicates the low level of the difference between these banks in the case of disclosure. This study reveals that it is of great importance for banks to increase the level of compliance with AAOIFI standards in order to ensure the sincerity and determination of stakeholders to comply with the Islamic Sharia.

Shaffi and Rahman (2016) aimed to examine some of the issues inUFRS9 related to the classification and measurement of Islamic financial assets in their study. Examination of documents and textual analysis of scholars' views on sharia and relevant accounting standards were adopted as the method in the study. The empirical findings obtained as a result of the study are that the classification and measurement of equity-based Islamic financial assets do not fit into the "default" classification category of amortized cost, since future cash flow receivables do not constitute only the payment of principal and interest (fixed rate payment).

Mia et al. (2016) in their study, they aimed to examine Mudharabah and Musharaka from an accounting perspective by referring to AAOIFI, IFRS and MFRS. In the study, they examined all the annual reports of Islamic banks in Malaysia from an accounting perspective in terms of Mudharabah and Musharaka usage. In line with the purpose of the study, interviews were conducted, relevant articles were examined, and the annual reports of all Islamic publications in Malaysia were also examined. In the study, it was revealed that the percentage of banks in Malaysia is much less than other investments due to their high risk.

Ajili and Bouri (2017) aimed to investigate the factors related to this compliance in a sample of Islamic banks operating in Gulf Cooperation Council member countries in their studies in which they tried to measure and compare the level of compliance with International Financial Reporting Standards (IFRS) and disclosure requirements provided by the Organization of Accounting and Auditing of Islamic Financial Institutions (AAOIFI). In the study where 39 Islamic Banks were examined between 2010 and 2014, it was concluded that 23 banks applied AAOIFI standards and 16 banks applied IFRS standards.

Ağkan (2018) mentioned participation banking in Türkiye in his study, which aims to demonstrate the applicability of the standards published by AAOIFI by participation banks operating in Türkiye. Drawing attention to the issues taken into account in the implementation of the standards, the researcher referred to the standards published by AAOIFI.As a result of the study, it was concluded that these standards were used in case UMS were insufficient, these standards were translated into Turkish with the agreement made by BRSA and AAOIFI, and it was possible to apply them voluntarily in financial institutions that engage in interest-free transactions.

Kartal and Ay (2019), in their study in which they examined the IFAS, which are a turning point for interest-free financial institutions in Türkiye, referred to the standards published by the POI (Public Oversight Institution).In the study, the responsibilities of participation banks in terms of implementing the standards are mentioned. It was emphasized that two new financial statements should be reported with IFAS, namely the Table of Sources and Uses of the Zakat and Sadaqah Fund and the Table of Sources and Uses of the Qard Fund, and that participation banks should pay attention to these issues.

Özdemir et al. (2019) in their study, in which they aimed to determine the effects of IFAS on the financial reporting of participation banks, an attempt was made to make a comparative analysis in terms of the presentation of basic

financial statements. In this context, it was aimed to reveal the differences between traditional accounting standards (IAS/IFRS) and interest-free finance accounting standards. As a result of the study, it was determined that financial reporting according to international accounting standards did not adequately meet the presentation and disclosure requirements of financial transactions of participation banks.

In their study, Çatıkkaş and Yatbaz (2019) aimed to evaluate the applicability of the accounting standards published by AAOIFI, which are compliant with Islamic principles, in participation banks operating within Islamic financial institutions in Türkiye. A survey was conducted among participation banks operating in Türkiye, and the data were analyzed using the SPSS program. As a result of the research, it was found that 58% of the participants were not aware of AAOIFI and Islamic accounting, and no significant differences were detected in the awareness levels of the participants regarding the statements included in the survey.

Şenel and Arslan (2020), in a study in which the awareness of the personnel working in the participation bank regarding Islamic finance accounting standards and the applicability level of these standards in participation banks were wanted to be investigated, a survey was applied to the employees of 5 participation banks in the province of Sivas. The data obtained in the research, in which 53 surveys were evaluated, were analyzed in the SPSS program. As a result of the research, results were obtained that %75 of the participants were knowledgeable about the standards, but the awareness was not yet at a sufficient level and banks were not ready for the use of these standards. Another conclusion obtained in the research is that there may be legal obstacles in the implementation of standards, and in this context, there are opinions that leading institutions such as POI, CBRT, TURMOB will play an important role.

In their study, Çemberlitaş et al. (2020) based their research on the comparison of the standards published by the International Financial Reporting Standards (IFRS) and the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI). The study aimed to mutually examine the conceptual framework, leasing, financing, partnerships, and construction contract standards.

In their study, Yatbaz and Çatıkkaş (2021) wanted to examine the murabaha finance method, which is one of Islamic finance methods used in Islamic finance system. In the study, they discussed the method comparatively in terms of TAS (Turkish Accounting Standards) and IFAS published by POI, taking into account the realistic and necessary presentation. It was desired to address the differences and problems that may arise in the study. As a result of the study, it was concluded that IFAS deal with the legal aspect of the method, while TAS deals with the economic essence of the method. In addition, it was determined that there are differences in the stocking of goods in the study.

In her study, Gökçen (2021) examined the financial statements prepared within the framework of interest-free finance and accounting standards. She analyzed FFMS 1 - General Presentation and Disclosure Standard for Participation Banks and Interest-Free Financial Institutions and discussed its comparison with TMS 1 - Presentation of Financial Statements Standard, providing various evaluations related to the topic.

Utku and Kaya (2021) want to examine the situation of IFAS in relation to TAS/IFRS in their study, it is aimed to reveal the similarities and differences of standards. As a result of the study, it was determined that there are significant differences in issues related to interest and time value of money.

Doğan et al. (2022) in their study aimed to investigate whether participation banks operating in countries that implement the Interest-Free Finance Auditing Standards (IAFS) established by AAOIFI comply with these standards. Additionally, the study sought to examine the impact of increased compliance with the said standards on financial performance. To determine the compliance levels of participation banks operating in Türkiye with auditing standards, a Case Study Method was utilized for the years 2011-2020. The TOPSIS Method was employed to assess their financial performance. The results indicated a positive relationship between the compliance levels with the auditing standards and the financial performance in participation banks that voluntarily adopted the Interest-Free Finance Auditing Standards published by AAOIFI.

Barakat et al. (2023) applied inductive analytical technique in their study where they discussed the accounting and disclosure practices regarding reserves in Saudi Islamic banks, as well as the detection of accounting irregularities or errors in Islamic banks in the light of Financial Accounting Standard No. 35 published by AAOIFI. As a result of the research, it was concluded that not all Saudi Islamic banks follow these rules.

Açık Taşar (2023) aimed to compare TAS1 Presentation of Financial Statements and IFAS1 General Presentation and Disclosure standards in the Financial Statements of Participation Banks and Interest-Free Financial Institutions and to identify differences and similarities regarding the standards. As a result of the study, it was concluded that similar practices were made between TAS1 and IFAS1 standards in terms of rounding degree, netting, cross-referencing with footnotes and changes in accounting policies. In addition, the study investigated whether six participation banks in Türkiye reported in accordance with IFAS standards, it was determined that two banks applied IFAS standards only for their loans, but the general framework was determined as TFRS, while the remaining four banks reported in accordance with TFRS standards.

Elhalaby et al. (2023) conducted a study aimed at measuring the microeconomic effects of the adoption of the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) standards on Islamic banks (IBs) with respect to prudence, financial performance (FP), and earnings management (EM). The study utilized the Generalized Method of Moments (GMM) to analyze data obtained over an eight-year period (2014–2021) from 122 Islamic banks across 22 countries. The results indicated that the standards set by accounting organizations, such as AAOIFI and the International Accounting Standards Board (IASB), are potentially valuable for central banks, financial market regulators, investors, governments, and both adopting and non-adopting Islamic financial institutions (IFIs).

3. METHODOLOGY

Data were collected with the questionnaire technique in the study. The questionnaires used were used from the questionnaires used in the literature by Şenel and Arslan (2020), Yatbaz and Çatıkkaş (2021), Öztürk and Gerekan (2022) and previously used in different studies. Unlike the studies in the current literature, the survey was conducted both for academics working in the field of Islamic finance and for participation bank employees. Islamic finance was written as a keyword in the Higher Education Academic Search (YÖK Academic) and as a result, it was determined that 112 academics were working in the field of Islamic finance in Türkiye as of December 2023. A survey was sent to the mail addresses of academicians and 62 academicians out of 112 academicians returned the survey. In order to ensure consistency in numbers, the same survey was applied to 62 participation bank employees. The study was completed with a total of 124 participants. The data obtained by the survey technique were entered into the SPSS program and analyzed. In the study, the Mann Whitney U test was performed from nonparametric tests to decipher the normal distribution of the data and to decipher whether there is a difference between the answers given by the two groups, and it was tried to determine the expressions that the participants participated in the most and least by looking at the average of the answers given. The questionnaire form applied in this study Atatürk University it was approved by the Social and Human Sciences Ethics Committee with the decision dated 09.05.2023 and numbered E.88656144-000-2300148413.

4. FINDINGS

4.1. Demographic Findings

Demographic findings of the participants who answered the survey in the study are presented in Table 2.

Table 2. Demographic Findings of Participants

		Frequency	Percent (%)
Gender	Male	88	71
	Female	36	29
Age	under 25	7	5.6
	26-35	49	39.5
	36-45	57	46
	46-55	7	5.6
	over 56	4	3.2
Job	Academician	62	50
	Participation Bank Employee	62	50

		Frequency	Percent (%)
Professional Experience	1-5 years	28	22.6
	6-10 years	28	22.6
	11-15 years	39	31.5
	16-20 years	16	12.9
	21 years and above	13	10.5
Educational Status	Associate degree	5	4
	Bachelor degree	43	34.7
	Post graduate	17	13.7
	PhD degree	59	47.6

N=124

According to Table 2, %71 of the respondents who answered the survey were male and %29 were female. %46 of the participants are between the ages of 36-45, %39.5 are between the ages of 26-35, %5.6 are between the ages of 46-55, %5.6 are under the age of 25 and %3.2 are aged 56 and over. %50 of the participants are participation bank employees and %50 are academics working in the field of Islamic finance. When the participants are examined in terms of professional experience, %31.5 of the participants are in the range of 11-15 years, %22.6 are in the range of 1-5 years, %22.6 are in the range of 6-10 years, %12.9 are in the range of 16-20 years and %10.5 have over 21 years of experience. When the education level is examined, %47.6 of the participants have a doctorate degree, %34.7 have a bachelor's degree and %13.7 have a master's degree.

4.2. Average of Answers to Questions

The average of the statements in the survey consisting of parts A, B, C and D was taken to examine the participants' level of agreement with the statements in the survey. The meaning level expressed by the arithmetic mean value of the answers given in the survey was determined as "1-1.80: I completely disagree 1.81-2.60: I disagree 2.61-3.40: I am undecided 3.41-4.20: I agree 4.21-5.00: I completely agree" (Yanık, 2013, p. 28). The average of the responses of academics working in the field of Islamic finance and participation bank employees to the statements about the difficult reasons for the IFAS application given in the survey is presented in Table 3.

Table 3. Participants' Answers to IFAS Questions 1

Statements Regarding the Reasons That May Make IFAS Implementation Difficult		Average	
		Academician	Participation Bank Employee
A1	The current standards are considered sufficient	3.40	3.63
A2	Not enough existing processes to require change	3.19	3.69
A3	<i>There is not enough awareness yet</i>	3.98	3.85
A4	The idea that there are legal obstacles and they cannot be overcome	3.19	3.40
A5	The idea that current standards meet the need	3.45	3.45
A6	Interest-free banks are not yet ready for such a change	3.19	3.16
A7	There is a shortage of expert accountants and auditors in this field	3.69	3.50
A8	Interest-free finance accounting standards are still very new	3.68	3.66
A9	Interest-free finance accounting standards are not compelling	3.31	3.53
A10	The Accounting Standards published by the Accounting and Auditing Organization of Islamic Financial Institutions are not accepted internationally	3.26	3.56
A11	The idea that duality will emerge in practice	3.42	3.31

According to Table 3, both participation bank employees and academics working in the field of Islamic finance stated that they agreed with the statement "There is not enough awareness yet" as the reason that makes the application of IFAS difficult, with the highest average. Although there has been an increase in studies on Islamic finance in recent years, academicians and participation bank employees state that IFAS awareness is insufficient.

The answers given both in the academic dimension and in the application dimension are not surprising. As a matter of fact, while FFMS studies around the world date back to 1991, studies on the subject started to be carried out in Türkiye approximately thirty years later.

The average of the answers given by academicians working in the field of Islamic finance and participation bank employees to the statements regarding the reasons that facilitate the implementation of IFAS given in the survey are presented in Table 4.

Table 4. Participants' Answers to IFAS Questions 2

Statements Regarding the Reasons That Facilitate IFAS Implementation	Average	
	Academician	Participation Bank Employee
B1 <i>The fact that the vast majority of the population of Türkiye identifies itself as Muslim</i>	3.76	4.24
B2 The government should follow interest-free banking and finance development policies	4.00	3.97
B3 The current trend towards interest-free banking and finance in the international arena	3.71	3.84
B4 <i>Increasing number of participation banks and other interest-free financial institutions</i>	4.02	4.15
B5 Suitability of political and social climate	3.66	3.90
B6 Increasing number of research centers in the field of interest-free banking and finance	3.76	3.95
B7 Opening of undergraduate, graduate and doctoral programs related to interest-free banking and finance within the universities and teaching of courses	3.69	3.77
B8 Organizing scientific events (congresses, workshops, etc.) in the field of interest-free banking and finance	3.69	3.73
B9 Including the development of interest-free banking and finance in the Development Plan	3.73	3.82

According to Table 4, participation bank employees generally answered that they agree with the statements given for the reasons facilitating the implementation of IFAS. The highest average in the answers given was the statement “The vast majority of the population of Türkiye identifies itself as Muslim” with 4.24. Participation bank employees strongly agree that the fact that the majority of Türkiye's population is Muslim will facilitate the implementation of IFAS. Academicians working in the field of Islamic finance stated that they agreed with the statement “The number of participation banks and other interest-free financial institutions is increasing gradually” with an average of 4.02. There is consistency between the answers given by academicians to the reasons that make IFAS implementation difficult and easier. When IFAS standards are considered as a dimension of Islamic finance, lack of sufficient awareness is considered as a reason that makes it difficult to implement the standards. As a factor of eliminating this difficult reason, it is expected that the increase in the number of institutions and organizations that will operate in the field of Islamic finance, not only in theory, but also in the practice of operating Islamic finance applications, will create awareness in this area. It is expected that the resulting awareness will facilitate IFAS applications.

The average of the responses of academicians working in the field of Islamic finance and participation bank employees to the statements regarding the IFAS application given in the survey is presented in Table 5.

Table 5. Participants' Answers to IFAS Questions 3

Statements about the IFAS Application	Average	
	Academician	Participation Bank Employee
C1 I think that with the application of interest-free finance accounting standards, compliance will be achieved with the financial statements of other banks of the same type in the world.	3.95	3.85
C2 By applying interest-free finance accounting standards, realistic presentation in the financial statements will be ensured.	3.94	3.90
C3 With the application of interest-free finance accounting standards, guidance will be provided to accountants in the financial reporting process.	4.02	3.94
C4 <i>By applying interest-free finance accounting standards, adequate disclosure of comparable financial information will be provided.</i>	4.06	3.66
C5 With the implementation of interest-free finance accounting standards, users' confidence in financial reports will increase.	4.05	4.00

Statements about the IFAS Application		Average	
		Academician	Participation Bank Employee
C6	<i>With the implementation of interest-free finance accounting standards, there will be an increase in the confidence of interest-sensitive international investors.</i>	4.03	4.03
C7	With the implementation of interest-free finance accounting standards, the international validity of financial statements will increase.	3.90	4.00
C8	With the application of interest-free finance accounting standards, there will be difficulties in comparing the financial statements of participation banks with the financial statements of deposit banks.	3.16	3.90
C9	With the application of interest-free finance accounting standards, users' interpretations of financial information will vary.	3.40	3.79
C10	With the application of interest-free finance accounting standards, it will become difficult for users to make decisions.	2.68	3.77
C11	With the implementation of interest-free finance accounting standards, there will be an unnecessary increase in the workload of external auditors.	2.74	3.76
C12	With the implementation of interest-free finance accounting standards, accountants will have great difficulty in complying.	3.05	3.82
C13	With the implementation of interest-free finance accounting standards, additional training costs will arise for the compliance of accountants.	3.40	3.89

According to Table 5, when the responses of academicians and participation bank employees to the IFAS application statement were examined, participation bank employees responded 'I agree with all of the statements given', while academics responded 'I disagree', 'I am undecided' and 'I agree'. Participation bank employees stated that they agreed with the statement "With the implementation of interest-free finance accounting standards, there will be an increase in the confidence of interest-sensitive international investors" with the highest average of 4.03. Academicians, on the other hand, stated that they agreed with the statement "With the application of interest-free finance accounting standards, an adequate level of explanation regarding comparable financial information will be provided" with the highest average of 4.06. In addition, academicians stated that they remained undecided on the statement "With the application of interest-free finance accounting standards, it will become difficult for users to make decisions" with the lowest average of 2.68. Again, participation bank employees stated that they agreed with the statement that accountants would experience difficulties when the IFAS started to be implemented, while academics stated that they remained undecided on this statement.

The answers of academicians working in the field of Islamic finance and participation bank employees with the highest percentage given to statements about the level of importance of individuals and institutions that will facilitate the implementation of IFAS given in the survey are presented in Table 6.

Table 6. Importance Level of Persons and Institutions to Facilitate IFAS Implementation

Importance Level of Persons and Institutions Facilitating the Implementation of Interest-Free Finance Accounting Standards		Answers			
		Academician		Participation Bank Employee	
		Expression	Percent (%)	Expression	Percent (%)
D1	Central Bank of the Republic of Türkiye (CBRT)	Very Important	51.6	Very Important	67.7
D2	Banking Regulation and Supervision Board (BRSA)	Very Important	80.6	Very Important	74.2
D3	Union of Chambers of Independent Accountants and Financial Advisors of Türkiye (TÜRMOB)	Very Important	46,8	Important	51.6
D4	Public Oversight Accounting and Auditing Standards Authority (POI)	Very Important	62.9	Important	56.5
D5	Participation Banks Association of Türkiye (PBAT)	Very Important	66.1	Very Important	77.4
D6	Capital Markets Board (CMB)	Very Important	58.1	Very Important	61.3
D7	Independent audit firms	Important	46.8	Important	38.7
D8	Academicians specialized in the field of accounting	Important	53.2	Important	41.9
D9	Interest-free banking and finance representatives	Very Important	53.2	Very Important	54.8
D10	Relevant Ministries	Important	46.8	Very Important	56.5

According to Table 6, both participation bank employees and academics working in the field of Islamic finance stated that the role of the CBRT, BRSA, PBAT, CMB and interest-free banking and finance representatives in the implementation of their standards is very important in their answers regarding the importance of people and institutions that will facilitate the IFAS application.

4.3. Difference Analyzes

It was wondered whether the answers given by the participants differed from the occupational point of view. Mann Whitney U test was performed because the series did not exhibit normal distribution. The results of the Mann Whitney U Test, which tests whether there is a difference between the answers given by the participants in terms of profession, are presented in Table 7.

Table 7. Mann Whitney U Test Result

Expressions	U Value	P Value
A1	1468,5	0.013
B2	1513	0.033
C4	1520,5	0.028
C8	1219	0.000
C9	1510,5	0.031
C10	972	0.000
C11	967	0.000
C13	1462	0.015

As a result of the test conducted according to Table 7, there was a significant difference in the expressions of A1, B2, C4, C8, C9, C10, C11, C12 and C13 at the significance level of %5 difference between the answers given from a professional point of view. The resulting difference is due to the answers given by academics. To give an example of this situation, for the A1 statement, the participation bank employees stated that they agreed with the statement given, while the academics stated that they remained undecided. Even if the same answer is given in some statements, there is a difference in the number of answers given by the participants.

5. CONCLUSION

When the national and international literature is examined, it is seen that studies have been conducted on interest-free finance standards. In the studies conducted, there are studies in which the opinions of academicians or the opinions of employees of Islamic banks are taken in terms of compliance and compliance with the standards. In this study, which was based on the studies in the literature, the opinions discussed separately were tried to be evaluated together. The opinions of academicians who contribute to the development of the field by conducting studies in the field of Islamic finance and the opinions of participation bank employees who contribute with the services they offer in the field of Islamic finance regarding interest-free finance standards were tried to be evaluated comparatively. The study differs from the existing studies in the literature at this point. Thus, it was tried to determine at which point the difference occurred in terms of the two groups. Taking into account the differences between the two groups, it is thought that the implementation of the standards will make it easier to adopt the standards in terms of theory and practice.

In the study, by looking at the average of the answers given by the participants, it was examined whether there was a difference between the answers they gave in terms of their profession. As a result of the tests, both academicians and participation bank employees think that there will be difficulties in IFAS application since there is not enough awareness about interest-free finance standards in Türkiye. It is seen that both groups gave similar answers to the statements regarding the reasons that make the implementation of the standards difficult (part A of the survey). When the answers are examined, it is seen that both groups gave 'I am undecided' and 'I agree' answers to the statements given. However, academicians have stated that they are more ambivalent towards statements compared to participation bank employees. In the second part of the survey (part B), it is observed that the two groups gave different answers in the statements presented for the reasons facilitating IFAS applications. While academicians agree with the view that interest-free financial institutions and participation banks will facilitate the

implementation of standards, participation bank employees agree with the view that the fact that the population is Muslim will facilitate the implementation of standards. In addition, both groups within the scope of the study determine that the government policies to be established related to standards, the teaching of courses at universities related to interest-free banking and scientific studies will facilitate compliance with the standards. In the third part of the survey (Part C) includes statements regarding the application of participation finance accounting standards. In Part C, there are differences between the answers given by academicians and participation bank employees. Considering the average of the answers in the third section, while participation bank employees stated that they agreed with all the statements given, academicians stated that they were undecided that the workload of auditors would increase, the decision-making process would become difficult, accountants would have difficulties in the adaptation process, and additional costs such as training would arise during the adaptation process. In the fourth section, both academicians and participation bank employees stated that the role of the CBRT, BRSA, PBAT, CMB and interest-free banking and finance representatives in the implementation of their standards is very important.

It is thought that academics were indecisive in their answers because they were theoretically familiar with participation finance accounting standards. However, participating bank employees stated that they agreed or disagreed with the statements given more because they were practically familiar with the subject.

DECLARATION OF THE AUTHORS

Declaration of Contribution Rate: The authors have equal contributions.

Declaration of Support and Thanksgiving: No support is taken from any institution or organization.

Declaration of Conflict: There is no potential conflict of interest in the study.

REFERENCES

- Açık Taşar, S. (2023). TMS1 ve FFMS1 muhasebe standartlarının karşılaştırılması ve katılım bankaları açısından değerlendirilmesi. *Fırat Üniversitesi Sosyal Bilimler Dergisi*, 33(1), 371-382.
- Ağkan, F. (2018). AAOIFI standartları ve Türkiye katılım bankalarında uygulanabilirliği. *Anemon Muş Alparslan Üniversitesi Sosyal Bilimler Dergisi*, 6(2), 235–245.
- Ajili, H., & Bouri, A. (2017). Comparative study between IFRS and AAOIFI disclosure compliance: Evidence from Islamic banks in gulf co-operation council countries. *Journal of Financial Reporting and Accounting*, 15(3), 269-292.
- AAOIFI. (2019). *Standards issued*. Bahreyn: Accounting and Auditing Organization for Islamic Financial Institutions.
- Barakat, A. I. M., Samhan, H. M., & Al-Souri, K. A. (2023). Implementation of AAOIFI standard no.35 by Saudi Islamic Banks: Opportunities and challenges. *International Journal of Professional Business Review*, 8(8), 1-21.
- CYP. (2019). *Cumhurbaşkanlığı Yıllık Programı 2019*. Retrieved December 02, 2023 from https://www.sbb.gov.tr/wp-content/uploads/2018/11/2019_Yili_Cumhurbaskanligi_Yillik_Programi.pdf
- Çatıkkaş, Ö., & Yatbaz, A. (2019) İslami muhasebe standartlarının Türkiye'deki katılım bankalarında uygulanabilirliği: Bir alan araştırması, *İşletme Araştırmaları Dergisi*, 11(4), 3358-3373.
- Çemberlitaş, İ., Oral, T., & Erkuş, H. (2020). İslami finansal kuruluşlar için muhasebe standartları ve uluslararası muhasebe standartlarının karşılaştırmalı olarak analizi, *Anemon Muş Alparslan Üniversitesi Sosyal Bilimler Dergisi*, 8, 79-89.
- Doğan, İ., Öncü, S., Sayın, F., & Kayalı, N. (2022). Faizsiz finans denetim standartlarına uyum düzeylerinin finansal performans üzerindeki etkisi: Uluslararası bir uygulama örneği. *Journal of Social and Humanities Sciences Research*, 9(86), 1483-1505.

- Elhalaby, S., Sarea, A., Alnesafi, A. & Al-Absy, M. S. B. (2023). The adoption of AAOIFI standards by Islamic Banks: Understanding the microeconomic consequences. *Economies*, 11(3), 22-39.
- Gökçen, G. (2021). Faizsiz finans ve muhasebe standartları (FFMS) kapsamında düzenlenen finansal tabloların incelenmesi ve Türkiye finansal raporlama standartları (TFRS) /Türkiye muhasebe standartları (TMS) ile karşılaştırılması. *Finans Ekonomi ve Sosyal Araştırmalar Dergisi*, 6(3), 552-565.
- Kartal, M. T., & Ay, H. (2019). Türkiye’de faizsiz finans kuruluşları açısından bir dönüm noktası: Faizsiz finans muhasebe standartları (ffms) üzerine bir inceleme. *Journal of International Banking Economy and Management Studies*, 2(1), 77-102.
- KGK. (2023). *Faizsiz finans muhasebe standartları*. Retrieved December 01, 2023 from [https://www.kgk.gov.tr/ContentAssignmentDetail/4895/Kat%C4%B1%C4%B1m-Finans-Muhasebe-Standard%C4%B1-1-\(Revize\)-%E2%80%9CFinansal-Tablolarda-Genel-Sunum](https://www.kgk.gov.tr/ContentAssignmentDetail/4895/Kat%C4%B1%C4%B1m-Finans-Muhasebe-Standard%C4%B1-1-(Revize)-%E2%80%9CFinansal-Tablolarda-Genel-Sunum)
- Mia, M. R., Hasnat, M. A., & Mahjabeen, W. (2016). Mudharabah and musharakah from the accounting perspective by referring to AAOIFI, IFRS and MFRS. *IOSR Journal of Business and Management*, 18(7), 67-72.
- Özdemir, O., Demirdöğen, Y., & Oushar, Y. (2019). Faizsiz finans muhasebe standartlarının mali tabloların sunulmasına etkileri üzerine bir araştırma. *İşletme Araştırmaları Dergisi*, 11(2), 1151-1171.
- Öztürk, S., & Gerekan, B. (2022). Faizsiz finans muhasebe standartları: Akademisyenlerin görüşü üzerine bir araştırma. *Muhasebe Bilim Dünyası Dergisi*, 24(2), 461-481.
- Sakib, N. (2015). Conformity level of AAOIFI Accounting Standards by Six Islamic Banks of Bangladesh. *European Journal of Business and Management*, 7(3), 16-23.
- Sarea, A. M. (2012). The level of compliance with AAOIFI accounting standards: Evidence from Bahrain. *International Management Review*, 8(2), 27-32.
- Sarea, A. M., & Hanefah, M. M. (2013). Adoption of AAOIFI accounting standards by Islamic banks of Bahrain, *Journal of Financial Reporting & Accounting*, 11(2), 131-142.
- Shafii, Z., & Rahman, A. R. A. (2016). Issues on ohe application of IFRS 9 and fair value measurement for Islamic financial instruments. *Journal of Islamic Accounting and Business Research*, 7(3), 202-214.
- Şenel, S. A., & Arslan, Ö. (2020). Katılım bankası çalışanlarının faizsiz finans muhasebe standartlarına bakış açılarının analizi: Sivas ili örneği. *İşletme Araştırmaları Dergisi*, 12(2), 1394-1414.
- Utku, M., & Kaya, Y. (2021). Faizsiz finans muhasebe standartları ve TMS/TFRS karşısındaki durumu. *Uluslararası Yönetim İktisat ve İşletme Dergisi*, 17(2), 331-352.
- Yanık, R. (2013). *Bilişsel yeteneklerin iç denetim üzerindeki etkisi*. Pegem Akademi.
- Yatbaz, A., & Çatıkkaş, Ö. (2021). Murabaha finansmanı yönteminin Türkiye muhasebe standartları ve faizsiz finans muhasebe standartları kapsamında katılım bankaları açısından muhasebeleştirilmesi: Karşılaştırmalı bir örnek uygulama. *Muhasebe ve Finansman Dergisi*, 89, 1-26.