



Press Release

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**AAOIFI Revises Accounting Standard on Investment**

Accounting and Auditing Organisation for Islamic Financial Institutions (AAOIFI) has revised its accounting standard on investment. The revision relates to accounting treatment for unrealised losses resulting from re-measurements at fair value of Islamic financial institutions' available-for-sale investments in sukuk and shares. With the revision, those unrealised losses shall be recognised in the institutions' statement of financial position under investment fair value reserve regardless of the balance of such reserves.

The revision has been approved by AAOIFI's Accounting and Auditing Standards Board after deliberations with central banks and regulatory authorities, Islamic financial institutions, accounting and auditing firms, and other participants of the international Islamic finance industry.

Dr Mohamad Nedal Alchaar, Secretary General of AAOIFI remarked that the revision would place the international Islamic finance industry in a stronger position to deal with the current global financial environment.

"The revision also reflects AAOIFI's ability to work closely with major stakeholders of the industry and to react timely to market development. We will continue to review our standards to ensure that they remain supportive of the industry without compromising the overriding principles of accounting and Shari'a." said Dr. Mohamad Nedal Alchaar, the Secretary – General of AAOIFI.

AAOIFI is the international organisation responsible for development and issuance of standards on accounting, auditing, ethics, governance, and Shari'a. It has issued a total of 68 standards covering the whole range of Islamic finance practices that are accepted globally. The standards are used in all the leading jurisdictions that offer Islamic finance including Bahrain, Dubai International Finance Centre, Kuwait, Lebanon, Malaysia, Pakistan, Qatar, Saudi Arabia, Sudan, Syria, and United Arab Emirates.

It is supported by over 190 institutional members comprising central banks and monetary authorities, financial institutions, accounting and auditing firms, and other Islamic finance service providers, from over 40 countries. In order to promote wider adoption and technical application of the standards, AAOIFI offers professional development programs such as the Certified Shari'a Adviser and Auditor (CSAA) and Certified Islamic Professional Accountant (CIPA) as well as contract certification program.

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