

Foreword

It is my privilege and honor to write the foreword for this book on Islamic Finance and Accounting. I found that this book includes comprehensive analysis, intellectual discussions, and empirical solutions and to be among the pioneer guides and references for academia, professionals, decision-makers, students, and policymakers alike.

The Islamic banking and finance sector has witnessed significant growth over the past couple of years, especially in the MENA region. According to the Islamic Finance Development Report (2020), the Islamic banking and finance industry was worth about USD 2.88 trillion at the end of December 2019, representing an annual growth rate of about 14%. This is driven by growing consumer demand for Sharia-compliant products and services. Moreover, Islamic finance seeks to contribute toward global well-being through its fundamental socially conscious philosophy that existed even before the Environmental, Social and Governance (ESG) term was ever invented. Issuance of the so-called “green sukuk” has risen sharply in the past decade — and the Islamic Development Bank issued an innovative USD 1.5 billion sustainability sukuk in 2020 to tackle the aftermath of the COVID-19 pandemic. Likewise, green and socially responsible investment sukuk flourished in many countries, such as Saudi Arabia, the UAE, and those in Southeast Asia. This is crucial as the social role of Islamic finance could unravel new growth prospects as core markets implement the UN Sustainable Development Goals. Interestingly, this book covers several fascinating topics, making it a must-read book on the subject of Islamic finance and accounting.

Given the importance of Islamic banking and finance, it is extremely useful to have a dedicated handbook on Islamic accounting and finance. This handbook edited by Professor Khaled Hussainey and Dr. Hidayat Al Lawati is an outstanding source on the topic. This book includes 26 chapters across four parts that present theoretical and empirical research on Islamic accounting and finance. The Islamic accounting parts cover interesting topics such as application of Islamic accounting in Islamic finance transaction, the ontological and epistemological construct of Islamic accounting, literature reviews of prior research on Islamic accounting and on zakat, CSR, forensic accounting, *Accounting and Auditing Organization for Islamic Financial Institutions* (AAOIFI), sukuk disclosure, risk disclosure, sustainability reporting, CSR reporting, Islamic ethics and governance, value-based intermediation (VBI), and cryptocurrency investment. The Islamic finance parts cover concepts, forms of Islamic finance, investments and portfolio management, blockchain and crowdfunding, capital adequacy, capital structure, bank performance and COVID-19, liquidity, blended Islamic finance for poverty reduction, liquidity risk, Basel Accords and COVID-19, and the interest of Indonesian Muslim millennials in performing waqf.

I feel the content coverage, selected issues, and subtopics reflect well the intensity of the authors' knowledge and exposure as well as their insights. As everyone has been searching for a master key for this most timely knowledge, I am confident this book will prove to be useful and fitting.

I wish to congratulate the editors and all the contributors for their scholarly work and wish the readers a stimulating read.

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