

The Role of Islamic Accounting in Limiting of Money Laundering Operations in Jordanian Islamic Banks

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The study aims to examine the statistical impact of Islamic accounting through accounting disclosure on reducing money laundering operations; the sample of this study is Jordanian Islamic banks employees including financial managers, accountants and branch managers. This research uses questionnaires, 225 questionnaires were distributed to most branches of Islamic banks (Arab International Islamic Bank, Jordan Islamic Bank, Safwa Islamic Bank), as 105 questionnaires were retrieved and 6 were excluded from them due to incomplete information, and 99 questionnaires were subjected to statistical analysis. The descriptive statistics were used to describe the study sample. The researcher also used one sample t-test to demonstrate the impact of Islamic accounting through the commitment of Jordanian Islamic banks to accountancy disclosure. The study found that there is a role for Islamic accounting in limiting money laundering operations in Jordanian. In addition to that, the study found there is a statistically significant effect of the availability of appropriate disclosure requirements in the financial statements in Jordanian Islamic banks on limiting money laundering operations, further to that the results indicated that there is impact of the adequacy of the information disclosed in the financial statements in reducing money laundering, moreover, the study indicates that there is a role to disclose information related to suspicious funds in reducing money laundering operations. Consequently, the study recommended that Islamic banks must adhere to Islamic accounting instructions derived from Islamic Sharia because it helps increase their efficiency in detecting and reducing money laundering operations and enhance the relevance and reliability of financial statements.

Key words: *Islamic accounting, money laundering, Jordanian Islamic banks.*

Introduction

The Interest in money laundering operations emerged during the 1930s in the United States of America and that is by transferring illicit money from drug trafficking, theft, trafficking in human organs and tax evasion to legitimate money. Many of the gangs have worked to create fake companies that help them cover the illegal money in order to deposit it in American banks (Saleh Al-Saad and Khadija Al-Amoudi, 2019). At the present time, money laundering has become a global phenomenon that all countries seek to combat, as many international conferences and agreements have been held to combat it and work to reduce it. Due to the lack of an accounting authority around the world that allowed this illegal act which spread due to technological factors using bank transfers via the Internet and across banks all over the world including Islamic banks. On the local level, and as a result of the danger of this phenomenon on the Jordanian economy, on its national income, and on its monetary policies, it has established in Jordan an independent anti-money laundering unit affiliated to the Central Bank of Jordan for prevent and detect money laundering operations, and to monitor Islamic banks and others through suspicious deposits and transfers. Accordingly, the researcher believes that the importance of this study came through knowing the role of Islamic accounting through (the commitment of Islamic banks in Jordan to the standard of presentation and public disclosure issued by the Accounting and Auditing Organization for Islamic Financial Institutions in the financial statements) in limiting money laundering operations in Islamic banks and their contribution to achieving economic and social stability in Jordan by encouraging and attracting various local and foreign investments.

Money laundering operations spread in the recent period in Jordan, especially after the emergence of the so-called Arab Spring. This phenomenon appeared in some of the countries neighboring Jordan and has moved significantly to Jordan through money transfers through Islamic banks and others, these suspicious accounts have a negative impact on Jordan's economy. Despite efforts made at all levels in Jordan to combat this phenomenon, there is an outstanding problem that prevents them from being able to stop this phenomenon completely, ensuring financial, economic and social stability. Money laundering appeared due to the economic developments and the opening of Jordanian trade with the world, we saw created investment opportunities that encouraged Islamic and other banks to expand, as a result, money launderers were encouraged to practice their activities through illicit financial transfers. This prompted the government to resort to accountability by strengthening monitoring tools and preventing money laundering operations (Al-Awaqleh, 2017, Ibn Mansour and Mohsen Miloud, 2007). Finally, this study will investigate the accounting disclosure in reducing money laundering in term of the availability of appropriate disclosure requirements in the financial

statements of Jordanian Islamic banks, adequacy of the information disclosed in the financial statements of Jordanian Islamic banks, and effect of the disclosure about of suspicious funds in limiting money laundering operations in Jordanian Islamic banks.

Theoretical Framework and Hypotheses Developments

Money Laundering

Money laundering cases are considered to be cases of corruption classified at the global, regional and local levels (Abdul Latif, 2004. P. 95). (Kamil Omoteso and Musa Obalola, 2014) showed that some bank managers and employees accepted bribery for facilitation and condoning money laundering cases. The money laundering process goes through several stages, including depositing or replacing money in order to get rid of suspicious money through depositing it in banks, whether Islamic or commercial, and then separating the suspicious money from the legitimate activities of money launderers, it is one of the most difficult stages in detecting cases of money laundering. The merger stage is the last stage in money laundering operations where the money is merged into the economic cycle and mixed with the macroeconomic, that it is difficult to distinguish between legitimate and illegal money.

Accounting Theory in Capitalist and Islamic Economics

We see that there is a difference between the natures of accounting theory in Islamic economics from that of capitalist economics (Hanan, 1998); this difference is due to the nature of accounting for mutual financial activities (Al-Hami, 1997). This difference led to the question whether the scientific framework of accounting theory can be developed in order to meet the needs of the Islamic economy. In addition, the possibility of adding positive and negative effects by Islamic rulings and concepts on various aspects of traditional accounting thought (Matar, 2004). Therefore, the application of the Islamic economy led to the establishment of Islamic banks in various countries that lead to the establishment of a strong Islamic economy based on the provisions of Islamic Sharia and the Sunnah of the Prophet. The researcher believes that the accountants under Islamic accounting will form the basic building block for measuring economic events according to Islamic Sharia and the Sunnah of the Prophet, which makes them able to detect any cases of money laundering and disclosure in order to prevent them and enable decision-makers to take the necessary procedures against their perpetrators.

Islamic Accounting Goals

One of its aims is to achieve servitude to God alone in terms of financial dealings and to establish the financial rights of their owners, including preventing money laundering cases; Islamic accounting also aims to clarify the rights and obligations of companies and institutions according to Islamic Sharia and their conformity with reality, One of its objectives is also to

determine the money growth and the shares of those who deserve it, and this contradicts the growth of money due to money laundering (Zaid , 2018, Matar ,2004).

It is also necessary to define the rights of the parties with financial relationships and to provide scientific facts and reliable accounting information to all the parties that benefit from them, where facts are provided on any suspicious cases related to money laundering and the degree of risks related .also, One of its objectives is to provide information on the performance of employees and the management of Islamic banks in terms of adherence to the principles of Islamic Sharia and in terms of financial dealings, especially their interest and their keenness to combat money laundering cases and their lack of slowdown and acceptance of bribes in order to accept suspicious financial deposits as happened with many commercial banks (Fida, 2018, Shehata, 2016).

Benefits of Applying Islamic Accounting Standard No.1 in Jordanian Islamic Banks

The application of Islamic accounting standards is very important, especially the application of the standard of accounting presentation and disclosure, which is of great importance because of the transparency, credibility, and awareness to the financial community to meet the challenges and contemporary financial problems such as money laundering cases and achieving economic stability in addition to integrity and fairness of financial statements (Mansour, 2015)

It also leads to the ease of the process of comparing the current financial data with the previous, and uses of financial analysis methods and standardizing accounting practices that help in the process of controlling the accounting and financial work in Islamic banks in addition to improving and developing of the Islamic banks performance and preventing money laundering (Sinan, 2017).

Moreover, previous studies dealt with most of the various aspects related to Islamic accounting as well as with regard to the application of Islamic banks, International Accounting Standard No. (1), In addition to money laundering as a dependent variable. Al-Zyoud and Khashan (2014) studied the reality of social responsibility in Islamic banks in Jordan and the study concluded that social responsibility is one of the most important activities practiced in Islamic banks in Jordan where money is spent on these activities without disclosing about them. As for Al-Jarrah (2008), he worked on studying the role of the Jordan Islamic Bank in social development, and the researcher concluded that the Islamic bank has a direct contribution to social development in terms of its investment activities despite of obstacles that exist which facing the bank and limit it's ability to achieve this. In another study by Al-Abaji (2018) he worked on studying the accounting measurement and disclosure of murabaha and participation and their impact on investor decisions in light of the accounting standards of Islamic financial institutions, the study found that there are problems in measuring the cost of Murabaha goods in Islamic banks, The study also found that there are differences in the results of reports and

financial statements and in all the outputs that decision makers and investors depend on, Also, problems related to changing the foreign exchange rate.

Therefore, depending on the previous literature, the related main hypothesis is proposed:

H₁: There is a statistically significant effect of Islamic accounting in term of accounting disclosure on limiting money laundering operations.

Accounting Presentation and Disclosure According to the Islamic Method

As we know God commanded honesty and prohibited lying. That is why the Islamic Sharia and the Sunnah of the Prophet came to prevent lying and fraud, and to hide the truth and fraud in all cases, whether financial dealings, accounts, or other matters of other life (Attia, 2013). The Sharia has come with a financial base based on sincere accounting and financial disclosure in various commercial transactions, which is a testimony from the accountant and workers in Islamic banks about the reality of the financial and accounting results of the bank and this accounting certificate or disclosure it must be true without any confusion, ambiguity or interpretations of the reality of the financial situation in the bank, Honest accounting disclosure, according to Islamic accounting, will send stability, tranquility, and confidence in the hearts of all those dealing with the bank, whether from inside or outside the bank, and this is in line with the Jordanian monetary and economic policy, the instructions of the Central Bank, the Anti-Money Laundering Unit, and the Jordanian security authorities based on combating suspicious cases. Therefore, Islamic Sharia obliges employees in Islamic banks to inform the facts that have occurred in the bank in terms of suspecting a new customer who has deposits of large amounts of money whose source is not known or any other similar cases and this must also comply with the Sunnah of the Prophet. We also note that most Islamic banks are based on the presentation of the items of their financial statements in a combined manner, knowing that they must detail these items according to the basis of accounting disclosure, including investment income or suspicious financial deposits that violate Islamic Sharia, with an explanation of the reasons for their occurrence and how to take measures towards them, including also the accounting policy Relating to the transfer of financial transactions in foreign currencies. Based on the foregoing, the researcher concludes that the accounting disclosure according to Islamic accounting is a duty for workers in Islamic banks to show honesty and present the financial statements in a fair manner and that the accounting information contained therein is true and appropriate so that it expresses honestly and correctly the result of the bank's business and financial position. In order to assist all beneficiaries in making their rational economic decisions depending on preventing fraud and clarifying any cases of suspicious funds. Accordingly, the disclosure in accordance with Islamic accounting derived from Islamic Sharia about the financial statements of Islamic banks must be complete and sufficient, such as

honesty, reliability, appropriate timing, fairness, and clarity (Al-Hadidi, 2006, Shehata, 2017, International Institute of Islamic Thought, 2016).

Previous studies showed that the accounting presentation in Islamic banks is a classification and arrangement of all items in the financial statements (Al Shaltoni, 2005; Hammad, 2012). As for the accounting disclosure, it means that the financial statements show all the basic information that is important to all external parties, including the Central Bank of Jordan and the security authorities in Jordan to help them make rational decisions that enable them to combat illegal financial operations. Therefore, the accounting disclosure in Islamic banks focuses on accounting information, its users and decision makers. (Omar, 1995).

Consequently, the researcher's sub-hypothesis is as follows:

H1a: There is an effect statistically significant of the availability, appropriate disclosure requirements in the financial statements of Jordanian Islamic banks on limiting money laundering operations.

The Importance of Islamic Banks in Combating Money Laundering

It is the duties of Islamic banks to carry out their responsibilities towards societies in terms of working to discover any cases of money laundering, preventing and limiting them, in order to preserve the political and economic stability of the country, in line with Islamic accountability derived from the provisions of Islamic Sharia and derived from Islamic economic thought, which advocates the principle of no harm (Al-Assal, 2011). It also calls for the prohibition of fraud, bribery, embezzlement, fraud, deception and all that leads to harm, And the Messenger of God, may God's prayers and peace be upon him, said "No harm, no harm". Therefore, financial transactions must be linked to Islamic Sharia in a way that benefits the Islamic community and the individual. (Shaltout, 2012).

The prohibition of money laundering is haram that does not discuss the issue of its prohibition, because the presence of the text obviates the mention of the illness, that a Muslim's investment of his money in a forbidden matter is a loss of financial rights, and that money laundering is legally amputated from dealing because it is a crime and it is not permissible to be a place for transactions in Islamic banks and others. In other study, Alawaqleh (2018) showed that there is a direct and positive reflecting relationship between internal and external audit to detect and combating the money laundering in Jordanian commercial banks.

Al-Aker (2010) studied the commitment of Jordanian banks to accounting disclosures according to international financial reporting standards 30, 32, 39, in addition to showing indication of the extent of the banks' commitment to financial stability in Jordanian banks, to achieve the goals of the study, the researcher used the questionnaire and distributed it to 150

employees working in the financial section in banks, the study concluded that Jordanian banks adhere to the principle of accounting disclosure in accordance with international financial reporting standards and accounting standards for Islamic. Al-Tomezi (2011) asserted the same result in Jordanian companies.

Consequently, the researcher's hypothesis is as follows:

H1b: There is a statistically significant effect of the adequacy of the information disclosed in the financial statements of the Jordanian Islamic banks on limiting money laundering operations.

Safar (2011) showed the most important indicators that Islamic banks must disclose to combat money laundering are:

- If one of the accounts does not move from previous (a recumbent account) and then it becomes very mobile without reasonable reasons.
- If the funds are withdrawn after a short period has passed since their deposit (a transient account), especially when there is no justification for this withdrawal mainly in the customer's activity.
- A clear and large increase in deposits of an individual or institutions that are made in cash without clear reasons or explained later.
- Receiving checks with large amounts from others for the benefit of the customer, and the correspondence between transfers and cash deposits , in addition to large and frequent transfers from a country known to be a drug producer (Mustafa and Al-Rafii, 2008).

The procedures that should be followed by Islamic banks to avoid involved in money laundering operations:

- Know your customer
- Adherence to laws, legislations and instructions of the central banks.
- Cooperating with other banks and control agencies.
- Diligence is a duty.
- Self-censorship by banks.
- Staff training programs.
- Not to open fake accounts or to unidentified persons

Hamad and Hassoun (2014) showed that countries faced money laundering is facing a negative impact on all their economic, social and political activities. Money laundering negatively affects the national income and leads to its decline, and not investing money laundered inside

the country leads to a decrease in the purchasing power of the local currency due to transferring this money to hard currency with increasing unemployment rates.

Shams El-Din (2007) confirmed that the political effects faced by countries was a result of dealing with suspicious funds, Criminals and money launderers seek to penetrate the state apparatus to reach decision makers in order to achieve their material and personal interests (Abdul Hafeez, 2007). Therefore, Islamic banks are required according to Islamic accounting derived from Islamic Sharia, to disclose all suspicious cases to economic and political decision-makers in Jordan and to all relevant security agencies in order to assist, limit, and prevent the negative effects of the Jordanian state.

Consequently, the researcher's hypothesis is as follows:

H1c: There is a statistically significant effect of disclosing information related to suspicious funds and reducing money laundering operations in Jordanian Islamic banks.

Methodology

The researcher used the descriptive and surveying method, through designing a questionnaire for achieving the goals of the study. We depended on a study presented by Zainab and others (2018) to demonstrate the impact of disclosure of social responsibility in annual financial reports on achieving a competitive advantage in Islamic banks in Jordan. The researchers designed a questionnaire and distributed it to the study sample, which amounted to 87 respondents, and the descriptive and analytical method was used.

Society and the Study Sample

The study community consisted of all employees of Jordanian Islamic banks related to the subject of the study from financial managers, accountants and branch managers, 225 questionnaires were distributed to most branches of Islamic banks (Arab International Islamic Bank, Jordan Islamic Bank, Safwa Islamic Bank), 105 questionnaires were retrieved and 6 were excluded from them due to incomplete information, 99 questionnaires were subjected to statistical analysis.

Study Instrument

The questionnaire consists of two parts as follows:

Section One: The questionnaire included the demographic characteristics of the study sample, which included the educational qualification, job, experience, and specialization.

Section Two: Contains multiple paragraphs that measure the independent variables with the dependent variable to show the extent of the impact of the independent variables on the dependent variable represented (reducing the cases of money laundering in Jordanian Islamic banks).

The researcher relied on the design of some paragraphs of the questionnaire based on the study of Al-Hadidi, Ashraf and Shaheen, Luna, Entitled Accounting disclosure in the Financial Statements - An Empirical Study on Jordanian Islamic Banks, Where the researcher modified the paragraphs according to the current study, we also relied on the accounting standard No. (1) related Accounting disclosure and Anti-Money Laundering Law in Jordan.

Statistical Tests for the Study Instrument

The researcher used the following tests:

Cronbach Alpha Test

To confirm the consistency of the instrument, the researcher distributed the instrument to a sample of (20) members of the sample. 70% and above were considered good stability for the instrument, but stability between 60% and 70% was considered acceptable and below 60% the instrument is considered weak and not measurable (Hair et al. 2006). The results were as follows:

Table No. 1: Instrument Reliability schedule (Cronbach Alpha)

Variables	The number of paragraphs	Cronbach Alpha
The financial statements have the appropriate disclosure requirements to limit money laundering operations	15	0.91
The information disclosed is sufficient to limit money laundering operations	13	0.83
Disclosure of information related to suspicious funds that would help in reducing money laundering operations	10	0.93
The instrument as a whole	38	0.95

Table No. (1) Shows that all study variables are above 70%, this result considered a good stability of the instrument and it can be subjected to statistical analysis.

Description of the Study Sample Characteristics

The researcher used descriptive statistics to describe the demographic factors of the study sample. The statistical analysis of the demographic factors showed the following results:

Table No. 2: Distribution of sample individuals according to personal variables

variable	Category	the number	percentage	Total
Qualification	Bachelor degree	76	76.8	99
	Higher Diploma	5	5.1	
	Master	16	16.2	
	Ph.D	2	2.0	
Scientific specialization	Accounting	51	51.5	99
	Business Administration	16	16.2	
	Banking and Financial Sciences	32	32.3	
Experience	Less than 5 years	7	7.1	
	From 5 to less than 10 years	58	58.6	
	From 10 to less than 15 years	31	31.3	
	Over 15 years old	3	3.0	
Job title	Branch Manager	9	9.1	99
	Financial Manager	13	13.1	
	Accountant	77	77.8	

According to table no. (2) The researcher notes that all employees have educational certificates in accordance with the instructions for practicing work in Islamic banks, and this indicates that all respondents are aware of the subject of the study with reliance on their answers to the study questions. Also we believe that the specializations of the study sample indicate that it has a direct relationship to the subject of the study, as it indicates their awareness and understanding of the subject of this study and the possibility of relying on their answers. Furthermore, the result indicates that employees in Islamic banks have good experience in working, which enables them to use this experience towards answering the questionnaire paragraphs. In reality, we note that the job title data correspond to the respondents in terms of the degree of confidence in the answers to the questions of the study instrument and to reach more credible results, since

the majority of respondents also from the accounting specialization are aware of the subject of the study and answer its questions.

Descriptive Statistics Results for the Study Variables

the researcher determined the degree of importance of each of the study paragraphs when commenting on the arithmetic mean of the variables by using three levels (High, medium, low) Based on the following equation: (Chohen, 1988). $\text{Category Length} = (\text{Maximum Substitute} - \text{Minimum Substitute}) / \text{Number of levels}$

$(5-1) / 3 = 4/3 = 1.33$. Thus, the levels are as follows:

Weak impact level from = from (1)to(2.33).
Medium impact level = from (2.34) to (3.67).
High impact level = from(3.68) to(5).

The researcher analyzed the arithmetic averages and standard deviations for the first study variable, which states that the financial statements have adequate disclosure requirements to limit money laundering operations in Jordanian Islamic banks; the results appeared as shown in the following table:

Table No. 3: Arithmetic averages and standard deviations for the first study variable on the availability of appropriate financial disclosure requirements in the financial statements to limit money laundering operations.

Paragrap h number	Paragraph	arithmetic average	standard deviations	priority level	result
1	Sufficient disclosure in Jordanian Islamic banks for related parties helps reduce money laundering operations	3.3636	1.29721	13	Medium
2	Jordanian Islamic banks comply with the requirements of the Securities Commission when preparing their financial statements, which helps in limiting money laundering operations.	3.2424	1.45750	15	Medium
3	The Jordan Securities Commission requires Jordan Islamic banks to publish additional information attached to the financial statements that help limit money laundering operations.	4.10	1.01	6	High
4	There are severe penalties imposed by the Jordan Securities Commission on Jordanian Islamic banks that do not adhere to accounting disclosure on time. This is to limit money laundering operations.	4.26	.648	1	High

5	Securities Commission Impose the disclose on Islamic banking about tools used in financing and investment to limit money laundering operations.	4.03	.930	9	High
6	The Central Bank of Jordan monitors the mechanism for preparing financial statements for Jordanian Islamic banks to reduce money laundering operations.	4.18	.719	4	High
7	All Jordanian Islamic banks are obliged to apply the mandatory disclosure requirements in the financial statements to reduce money laundering operations.	4.04	.741	8	High
8	All Jordanian Islamic banks are obliged to apply the disclosure requirements mentioned in the standard issued by the Jordanian Authority when preparing financial statements to limit money laundering operations.	3.94	.800	11	High
9	The financial statements and reports are presented in a way that does not present or favor the interest of a specific category over the interest of other groups, which helps to limit money laundering operations.	4.21	.674	3	High
10	The contents of the financial statements are reviewed by an external auditor in support of increasing the efficiency of accounting disclosures, which helps in reducing money laundering operations.	4.13	.649	5	High
11	Disclosure is followed up and accurate by the Securities Commission and periodically checks on Islamic banks to help limit money laundering.	3.96	.862	10	High
12	The financial statements are prepared in accordance with Islamic accounting standards for their contribution in giving a clear picture of the financial position of the Jordan Islamic Bank and the result of the financial cycle and this helps to limit money laundering operations.	4.07	1.03	7	High
13	Jordanian Islamic banks present their financial statements in a way that facilitates the comparison of the information contained in the financial statements of other banks to help reduce money laundering operations	4.23	.878	2	High
14	Jordanian Islamic banks include in their published financial statements comparative figures for several years to help limit money laundering operations	3.32	1.43	14	Medium

15	The basic information appears in the body of the financial statements in a way that helps to disclose in terms of the form and arrangement of these financial statements in order to help limit money laundering operations	3.90	.980	12	High
Overall average		3.93	.251		High

Table No. (3) indicates that the opinions of the study sample on the availability of appropriate disclosure requirements in the financial statements to limit money laundering operations in Jordanian Islamic banks have reached a general average of (3.93) and a standard deviation (.251). This result indicates that the terms of disclosure are available in the financial statements and have a high impact on limiting money laundering operations.

Table No. 4: Arithmetic averages and standard deviations for the second study variable about the information disclosed is sufficient to limit money laundering operations.

Paragraph number	Paragraph	arithmetic average	standard deviations	priority level	result
16	Hiding the necessary information or withholding part of it by virtue of its confidentiality and not disclosing it leads to a lack of quality financial reports and affects the limitation of money laundering operations.	3.68	1.42	13	Medium
17	Insufficient information disclosed in the financial statements of Jordanian Islamic banks to meet the needs of their beneficiaries affects the limitation of money laundering operations.	3.75	1.38	10	Medium
18	Jordanian Islamic banks disclose their non-financial data, such as social performance, in addition to the accounting data in the financial statements to benefit from preventing money laundering cases	3.92	1.31	8	High
19	Information is prepared by preparing a single report according to multiple models of needs or issuing a single multi-purpose financial report that leads to a serious case of money laundering	4.19	1.10	4	High

20	Disclosures in bank statements are comprehensive and sufficient to meet the needs of users of financial statements and help prevent money laundering cases	3.72	1.36	11	High
21	Jordanian Islamic banks disclose their data with complete clarity so that users of financial statements can read them and understand them and this helps in preventing money laundering cases	3.94	1.26	7	High
22	Jordanian Islamic banks disclose their data that users of financial information need in a timely manner, which also helps to reduce money laundering	4.02	.669	6	High
23	Jordanian Islamic banks disclose the information that financial accounting must produce to meet the needs of beneficiaries, which helps to reduce money laundering cases.	4.21	1.12	3	High
24	Jordanian Islamic banks disclose financial statements about their current status, which has a minimum of transparency, objectivity, credibility and comparability, which helps in reducing money-laundering cases	4.15	.861	5	High
25	The low level of disclosure in the annual financial reports and failure to meet the basic requirements of information that users need leads to the failure of discovering cases of money laundering	4.24	.990	1	High
26	Jordanian Islamic banks disclose in the financial reports about all the financial facts of interest to the beneficiaries and work to reduce cases of money laundering	3.90	1.20	9	High
27	The clarifications offered by Jordanian Islamic banks are insufficient and do not meet the	3.71	1.27	12	High

	needs of the beneficiaries and do not help to limit the discovery of money laundering cases				
28	Jordanian Islamic banks provide all users of financial statements with the same information at one time and this helps to detect money laundering cases	4.23	.987	2	High
Overall average		3.97	.434		High

As for the second variable about the sufficient of information disclosed about limit money laundering operations, the total average yearly average was 3.97 and a standard deviation of % 434. This result indicates that this variable enhances the adequacy of accounting information in Islamic banks, and its effect on reducing money laundering operations.

Table No. 5: Arithmetic averages and standard deviations for the third study variable about the disclosure of information related to suspicious funds that would help in reducing money laundering operations

Paragraph number	Paragraph	arithmetic average	standard deviations	priority level	result
29	The disclosure of an account that has not been moving (a recumbent account) and then has become very mobile without reasonable causes facilitates the detection of cases of money laundering	4.09	.930	7	High
30	The disclosure of the withdrawal of funds after a short period of time has passed on its deposit (a passing account) especially when there is no justification for this withdrawal in the customer's activity mainly helps to predict the existence of cases of money laundering	4.18	.944	6	High
31	Jordanian Islamic banks disclose their accounting information in a way that makes financial reports not misleading to their users, which helps to limit money laundering	4.08	.914	8	High
32	The disclosure of a clear and large increase in deposits of an individual or institutions that are made in cash without clear or later reasons explained helps to reduce money laundering operations.	4.40	.550	2	High

33	Jordanian Islamic banks disclose the percentage of their foreign investments and the areas in which they invest, which helps in taking decisions and limiting money laundering operations	4.45	.549	1	High
34	Jordanian Islamic banks disclose the percentage of their internal investments distributed among the various economic sectors, which helps to limit money laundering operations	4.20	.531	5	High
35	Jordanian Islamic banks disclose the situation of financial performance and cash flows, and this facilitates the detection of money laundering cases.	4.39	.569	3	High
36	The disclosure of receiving checks with large amounts by others for the benefit of the customer and the correspondence between transfers and cash deposits received on the same day in addition to large and frequent transfers to a country known to be a drug producer that helps limit money laundering	4.31	.523	4	High
37	The availability of accounting information reduces the degree of uncertainty surrounding suspicious deposits, which helps reduce money laundering operations	3.39	.349	10	Medium
38	The financial statements of Jordanian Islamic banks show all the main information that helps in reducing money laundering operations.	3.54	.363	9	Medium
	Overall average	4.33	.473		High

With regard to the third variable related to the disclosure of information related to suspicious funds that would help in reducing money laundering operations, This variable has played an active role in promoting the reduction of money laundering cases in Islamic banks, where the general arithmetic was 4.33 for this variable and a standard deviation. %473. Averages ranged for the paragraphs of this variable from (3.39 - 4.45) and a standard deviation from (.349 - .549). In generally, the arithmetic mean of Islamic accounting through accounting disclosure in reducing money laundering operations (for all variables combined) reached 4.05 and standard deviation % 220. This result indicates that the averages of the Islamic accounting variable in enhancing the efficiency of Islamic banks in reducing money laundering operations were high and contribute effectively to combating suspicious money.

Hypotheses Test

This study relied on the use of inferential analysis to ensure the importance of the role of Islamic accounting in influencing the reduction of money laundering operations in Jordanian Islamic banks. The study used one-sample t-test and the results were as follows:

The Main Hypothesis: There is a statistically significant effect of Islamic accounting through accounting disclosure on reducing money laundering operations.

Table No. 6: Islamic accounting for reducing money laundering - One-Sample Test

Test Value = .3						
				Mean	95% Confidence Interval of the Difference	
	t	df	Sig. (2-tailed)	Difference	Lower	Upper
Islamic Accounting	169.317	98	.000	3.75423	3.7102	3.7982

Table No. (6) indicates that the results of the main hypothesis test, which states that there is a statistically significant effect of Islamic accounting through accounting disclosure on reducing money laundering operations has been accepted, This is because the results of the statistical analysis have indicated that the statistical significance was less than 5%, which is (0.000), The value of T is 169,317, This indicates an Islamic accounting has a role in reducing money-laundering cases, this result was also confirmed by descriptive statistics.

The First Sub Hypothesis: There is a statistically significant effect of the availability of appropriate disclosure requirements in the financial statements of Jordanian Islamic banks on limiting money laundering operations. The researcher relied on the following statistical analysis, using one sample t-test.

Schedule No. 7: Disclosure Conditions for Limiting Money Laundering- One-Sample Test

Test Value = .3						
				Mean	95% Confidence Interval of the Difference	
	t	df	Sig. (2-tailed)	Difference	Lower	Upper
Disclosure requirements	143.938	98	.000	3.63468	3.5846	3.6848

Table No. (7) indicates that the results of the first sub-hypothesis test, which states that there is a statistically significant effect of the availability of appropriate disclosure requirements in the financial statements in Jordanian Islamic banks on limiting money laundering operations, has been accepted, This is because the results of the statistical analysis have indicated that the statistical significance was less than 5% as it reached (0.000) and that the value of T amounted is (143.938). This indicates the existence of a role for the availability of appropriate disclosure requirements in the financial statements of Jordanian Islamic banks to limit money laundering operations. This result also confirmed the descriptive statistics using the mean and standard deviation.

The Second Sub-Hypothesis: There is a statistically significant effect of the adequacy of the information disclosed in the financial statements of the Jordanian Islamic banks on limiting money laundering operations.

Table No. 8: Adequacy of information on reducing money laundering - One-Sample Test

Test Value = .3						
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Adequacy of information	84.263	98	.000	3.67902	3.5924	3.7657

Table No. (8) indicates that the results of the second sub-hypothesis test, which states that there is a statistically significant effect of the adequacy of the information disclosed in the financial statements with Jordanian Islamic banks on limiting money laundering operations has been accepted, because the results of the statistical analysis indicated that the statistical significance was less than 5% which is (0.000) and that the value of T was 84.26. This indicates that there is a role for the adequacy of the information disclosed in the financial statements in reducing money laundering cases. This result was also confirmed by descriptive statistics.

Third Hypothesis: There is a statistically significant effect of disclosing information related to suspicious funds in limiting money laundering operations in Jordanian Islamic banks. To test the third hypothesis, the researcher also used one sample t-test, where the results appeared according to the following table:

Table No. 9: Information related to reducing money laundering- One-Sample Test

Test Value = .3						
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
information related to money laundering	84.710	98	.000	4.03131	3.9369	4.1258

Table No. (9) indicates that the results of the third sub-hypothesis test, which states that there is a statistically significant effect of disclosing information related to money suspected of limiting money laundering operations in Jordanian Islamic banks has been accepted, because the results of the statistical analysis indicate that the statistical significance it was less than 5% which is (0.000) and the value of T was 84.71, and this indicates that there is a role to disclose information related to money suspicious in reducing money laundering operations, this result was also confirmed by descriptive statistics using central tendency measures, mean, and standard deviation.

Findings

By presenting the results of statistical analysis and validating the study hypotheses, the results can be summarized as follows:

In general, the results of the study showed that there is a role for Islamic accounting in limiting money laundering operations in Jordanian Islamic banks, where the role of Islamic accounting was represented by adhering to Standard No. (1) related to disclosure the financial statements in Jordanian Islamic banks. Furthermore, there is a strong and statistically significant relationship between the dimensions of Islamic accounting that related to accounting disclosure (terms of disclosure, adequacy of information, information related to money laundering) with the dependent variable (limiting money laundering operations).

Also, the results of the study confirm that the Jordanian Islamic banks are committed to using Islamic accounting through their commitment to Accounting Standard No. (1), this commitment has led to an increase their role and contribution to reducing money laundering operations. Also we concluded that there is a statistically significant effect of the availability of appropriate disclosure requirements in the financial statements in Jordanian Islamic banks which limit money laundering operations. In this respect, the results indicated that there is an impact of the adequacy in the information which disclosed in the financial statements in

reducing money laundering. In general, the study indicated that there is a role to disclose information related to suspicious funds in reducing money laundering operations.

Finally, these results help decision makers to know the importance of the role of Islamic accounting in enhancing disclosures, this result will contribute in limit of money laundering operations and protecting the Jordanian economy in line with the general interest of the Jordanian Islamic banks, investors and the Jordanian state. In closing, the results confirmed that Jordanian Islamic banks bear their responsibilities towards the Jordanian community to protect its economy and encourage and attract foreign and domestic investments.

Recommendations

According to the results of the study, the following recommendations have been formulated:

1. The need for Islamic banks to adhere to Islamic accounting instructions derived from Islamic Sharia, because of increase their efficiency in detecting and reducing money laundering operations, this is done through the commitment of Islamic banks to the relevant accounting disclosure requirements.
2. The need for Jordanian Islamic banks to adhere to the disclosure of information related to money laundering as it helps them to design accounting policies by enhancing the relevance and reliability of financial statements with the possibility of comparing them with the financial statements of other banks, this helps in measuring the performance of banks, and measuring and evaluating investment performance in a manner consistent with the national interest.
3. The need to pay attention to Islamic accounting information systems as it provides supervisory reports on the performance of bank employees and their concern in limit money laundering operations.



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