



FINANCIAL TAYYEB REPORTING IS A STEP TOWARDS SOCIAL RESPONSIBILITY REPORTING



سازمان بورس و اوراق بشادار вессиятез в екснаное оксанизатом

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Developing Islamic Capital Markets to Converge the Ummah

Financial Tayyeb Reporting Is A Step Towards Social Responsibility Reporting

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Monday, November 27, 2023

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- Traditional focus of business organizations on economic sustainability and profitability
- Shift towards recognizing the importance of social responsibility
- Introduction to the concept of Financial Tayyeb Reporting in alignment with Islamic principles

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- Expansion of the Quranic concept of Tayyeb in the field of finance and accounting
- Introduction of the financial Tayyeb symbol
- Improvement of financial and economic health in organizations



Advantages of Corporate Social Responsibility (CSR) Reporting

- Additional information for decision-making
- More accurate product or service costing
- Enhanced image and reputation
- Identification of market development opportunities
- Maintenance of organizational legitimacy

- High sustainability companies exhibit better financial performance
- Stakeholder engagement, long-term orientation, and nonfinancial information disclosure
- Positive impact of CSR on firm value, risk management, and access to financing



- Quranic emphasis on environmental protection and avoidance of corruption
- * Importance of companies reporting on their environmental practices



- * Islam's view on profit and non-profit goals in corporate reporting
- * Concept of Tayyeb and its ethical and social implications
- * Two levels of Tayyeb financial reporting: financial Tayyeb and financial Tayyeb auditing
- Use of the Organizational Excellence Model for presenting financial statements and conducting audits

Tayyeb's Concept in Finance

In an Islamic economic environment, attention to the creation of blessings and Tayyeb property is expected, alongside observing the halal and haram criteria, to promote ethical and socially responsible behavior.

Financial Tayyeb Reporting

Financial Tayyeb reporting involves providing information about the assets of a company and performing audits on management claims and ownership of the company's assets, aligning with Islamic principles of ethical finance.

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- Five pillars of Tayyeb: grace, halal compliance, health, originality, and blessing
- Creation of a Financial Tayyeb statement to provide information on these pillars
- Voluntary submission of the Financial Tayyeb statement to enhance financial transparency and promote social responsibility reporting

Methods: Organizational Excellence Model for Financial Tayyeb Reporting and Auditing

Organizational Excellence Model

The use of the Organizational Excellence Model, such as the European Foundation for Quality Management, can provide a framework for assessing Tayyeb financial reporting and auditing, encouraging self-assessment and award recognition.

Self-assessment in the European Foundation Model Self-assessment through the European Foundation Model allows organizations to identify strengths and areas for improvement, providing a mechanism for voluntary submission of Tayyeb financial statements and recognition at different levels of excellence.

- >> Importance of recognizing social responsibility in corporate reporting
- Integration of Islamic principles into financial reporting through Financial Tayyeb reporting
- Benefits of Financial Tayyeb reporting, including improved financial performance and stakeholder engagement





* Financial Tayyeb Rating Institute



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Financial Tayyeb Reporting

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Proposed Framework for a Financial Tayyeb Rating Institute

Define the Tayyeb Pillars

- Physical and spiritual qualities
- Attractiveness, grace, and order
- Cleanliness and kindness
- Adherence to halal and haram criteria

Develop Rating Criteria

- Ethical practices
- Social responsibility initiatives
- Environmental sustainability
- Employee welfare
- Customer satisfaction
- Adherence to Islamic principles

Proposed Framework for a Financial Tayyeb Rating Institute (Cont'd)

Establish Evaluation Process

- Collect relevant data and information
- Financial statements, CSR reports, surveys, feedback
- Design a scoring system for assessment

Collaborate with Experts

- Engage scholars, researchers, and industry experts
- Align methodology with Islamic principles

Proposed Framework for a Financial Tayyeb Rating Institute (Cont'd)

Conduct Pilot Studies

- Test effectiveness and reliability
- Evaluate sample companies based on criteria
- Analyze results and make adjustments

Establish Partnerships

- Collaborate with Islamic financial institutions, regulatory bodies, and industry associations
- Gain support and access to resources

Objective

- Promote Transparency and Accountability
 - Make evaluation results publicly available
 - Enhance credibility and trustworthiness

Evolution

- Continuous Improvement and Research
 - Regularly review and update criteria and evaluation process
 - Encourage research on impact of Tayyeb reporting

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15th International Conference on Islamic Capital Markets

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