Legality of Equivalent Form Concepts For Substance In The Perspective of Divine Balance

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Abstract: This article uses a qualitative research approach with the interpretation of nash. The purpose of this research would like to reformulate the concept of substance over form to make it more equitable and to describe the reality of the real accounting. As for the method of al-manhaj fi tafsir al, 'ilmi wa sunnah are the base methods for doing scholarly critique over the concept of substance over form and offers a new concept that is more complete and holistic. This resulted in a research study of the rationality of thought will be the need to reconstruct and realignment of the concept of substance over form into form equivalents to substance use so that current accounting practices may run over the values of truth, honesty and can be accounted for. The form equivalent to substance use represent similarities between information that is happening (substance use) with the media for presenting it (form). This equality would bring better definition to the actors and users of accounting information.

Keywords: The Interpretation of Nash, Form, Substance


Kata kunci: Interpretasi Nash, Bentuk, Substansi

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1. Introduction

The topic of substance over form (from now on abbreviated as SOF) is getting serious attention from accountant practitioners and academic accountants. It is started with Meyer (1976) who seeks to explain the concept of SOF in economic and accounting perspectives. The next review reveals the fundamental weakness of the SOF concept which, in Rutherford's (1985) view, contains an ambiguous interpretation as he describes through his statement as follows:

“..there is a shadowy nature to both the meaning and status of the concept and a confused and ambiguous nature in practice. Histories of the evolution of the concept of substance over form suggest that the precise words emerged in a confused and haphazard manner, reflecting the ebbs and flows of particular legislative initiatives and policy pronouncements.” (Rutherford, 1985)

The next critical argument came from both Hayes and Baker (1997, 2004) and Baker and Hayes (2004). They highlighted the deviation of the implementation of the SOF concept as the 2001 Enron case that shook the financial and economic conditions of the United States. Baker and Hayes (2004) revealed that Enron applied form over substance to protect the manipulation of his financial statements. Enron makes false "form" proofs and does embezzlement of "substance" financial facts.

However, the studies by Meyer (1976), Rutherford (1985), Hayes and Baker (1997, 2004) and Baker and Hayes (2004) limited the weakness of the SOF concept. They do not question whether the concept of SOF is still ideal for use and willing to offer other alternative concepts. They still believe in the ideality of the SOF concept despite having some shortcomings.

Sulistiyo, Triyuwono, Djamhuri offer a continuous viewpoint, and Rahman (2015) which redefine the meaning of "substance" originally understood as objective reality then expanded into an intersubjective reality. The extension of this meaning has wide implications since accounting objects that have been understood in the empirical and scientific scope are pushed into subjective areas and agreements. Similarly, the study of
Sulistyo (2015) on the meaning of "form" previously seen merely the reality of the material enriched his commentary into material reality and non-material (holistic).

Substance over form as a basic concept of accounting becomes vital to dig more because this concept animates the overall transaction and the writing of the evidence necessary to make accounting reports. Substance over form represents thought dichotomy (binary opposition) that places substance as logocentric (Triyuwono, 2006), containing masculine gender bias (Hines, 1992) and is core datum (Mulawarman, 2010; The form is positioned as sing liyan or the others (Triyuwono, 2006), is feminine (Hines, 1992) and peripheral datum (Mulawarman, 2010; 2011). This reflects a biased concept of looking at accounting reality.

On the other hand, the use of the concept of substance over form, although acknowledged to assist accountants in financial reporting, but relies heavily on accountant honesty to determine the economic substance of an event or transaction (Meyer 1976, 89). Yet as Hines (1988) and Hayes and Baker (2004) point out, it is not easy for accounting to describe the real economic reality. It is therefore not unusual for some accounting researchers to use metaphors or folklore to illustrate the concept of substance over form to make it easier to understand (Hayes and Baker, 1997; 2004). However, the use of this metaphor would potentially distort the meaning of the concept of the existing reality so that there will be a condition when the substance over form as a symbol of accounting reality does not reflect the real reality. In the order language of Baudrillard's simulacra, this condition is called hyperreality (beyond reality, the symbol represents only the symbol itself) (Macintosh et al., 2000).

Based on some of these explanations, this research would like to explore deeply through the research question of how to construct a more just concept of substance over form and can describe the real reality of accounting?

As it is understood that the dynamics of the development of science and modern science tend to focus on the material (physical) only and ignore the non-material aspects. This inequality is suspected as the separation effect between science and the religious dimension. The concept of substance over form is a modern accounting product that has been born out of that way of thinking. Therefore as a concept, substance over form
implies a spirit of imbalance in capturing accounting reality. This led to the inability of the concept to adequately present the real accounting information.

In the context of world civilization, every product of human thinking such as science, technology, art, culture, and science is very influenced by the values attached to itself, not least the religious values. Islam in Mawdudi’s view is a religious teaching that does not separate itself from its economic system (Chapra, 2004). The economic system along with all the tools (including accounting) it builds, is powerful with moral considerations that even become the leading force (driving force) in every concept it develops (Hamidi 2012, 179).

This research attempts to think intactly by combining the theoretical thinking of accounting and Islamic values resulting in a more holistic conceptual understanding. This is done because it refers to the statement of Triyuwono (2006, 336) that the wisdom of Islamic tradition has taught the principle of pairing in a balanced dosage. The principle of pairing can be used as an initial step to reconstruct the concept of substance over form, thus encouraging the birth of a new concept that is more just and representing the real reality of accounting.


Conceptually, the principle of divine equilibrium is almost identical to the concept of binary opposition synergy developed by Triyuwono (2006). The synergy of binary opposition attempts to marry contradictory properties (binary opposition) into one unity, such as egoistic with altruistic, materialistic with spiritualistic, rational by intuition, impersonal with personal, quantitative and qualitative, and others (Triyuwono 2006, 338). Similarly, the principle of the divine equilibrium which attempts to balance the properties of the binary opposition, but is placed within proportional limits. It is this proportional treatment that slightly distinguishes the divine equilibrium principle with the concept of binary opposition synergy which tends to emphasize more on the equality aspect.
Furthermore, Triyuwono (2006, 338) formulates the purpose of sharia financial accounting statements with the concept of the synergy of binary opposition. With this synergy, it is expected that sharia accounting has the power to form a more humanist, emancipatory, transcendental and teleological reality. Departing from the same idea with Triyuwono (2006), this research will also reconstruct the concept of substance over form by using the principle of divine equilibrium. As explained in the background of the study, the critical question to be answered is how to produce more concept of substance over form and reflect the real reality. Two keywords are the focus of attention that is justice and reality. Therefore, further discussion is necessary to link the concept of substance over form with justice and reality.

The Divine equilibrium principle considers that the concept of substance over form consists of two essential parts namely material and form. Substance and form are two opposite or binary oppositions which must be balanced and proportional. Therefore, if we look at the concept of substance over the form that explicitly places the substance superior (more critical) than its form in all circumstances and conditions, it would be against the rules of equilibrium. The substance is considered more potent than its form. Such conditions indeed correspond to what is described modern accounting realities that tend to be logocentrism (Triyuwono, 2006) and contains masculine gender bias (Hines, 1992). It is no mistake to assume that modern accounting buildings have suffered dichotomous/ dualistic/binary opposition thinking, then the small parts of the whole modern accounting are also affected. One small part is the concept of substance over form as the basic concept of modern accounting. Attempts to put substance and shape in a balanced and proportional position were the main agendas in this study. Nevertheless, how the form of the concept of substance over form is needed for further study through empirical facts in the field and more in-depth analysis from sharia.

Excavation of data through empirical facts is necessary to see how substantially the concept of substance over form is applied in accounting realities. Like we are looking at a photo if the better the resulting image then the reality that appears in the photo will be more apparent and following the facts. Therefore, we need cameras and real objects to be photographed. If we meditate deeper, the camera is a reality, so also with the object.
to be photographed of course also must be a reality. If a camera is not a reality, then it is impossible to use it to photograph a reality. In this context, the camera is a representation of the rules of equilibrium, and the reality to be photographed is the concept of substance over form. It means both must be part of reality.

Moreover, to discuss reality, Warsono (2011, 75) defines it as a fact that consistently lasts from time to time without undergoing substantial changes. The facts are events or events that take place in life in the universe. Thus, reality relates to events in the universe that are consistent. If we notice that day and night, men and women, soul and body are some events in the universe that remain, consistent and last up to the present time, it can be concluded that the dichotomy object or symbol of the binary opposition is a reality. Therefore, the principle of divine equilibrium extracted from the symbols of spouses spread in the universe is also a reality. Even the principle of divine equilibrium can be expressed as a divine reality.

In line with that idea, the principle of divine equilibrium can be used to photograph the concept of substance over form as part of accounting reality. More explicitly this rule can be used as a philosophical basis for reformulating the concept of substance over form to be more just and reflect the real reality of accounting.

3. Research Method

This study uses a qualitative study approach "tafsir nash" with the basic concept of al-al-tafsir al 'ilmi wa sunnah method. This method is a rule of interpretation of science and social verses developed by Rosadisastra (2007) who tried to understand the verses of the Qur'an related to the reality of the universe and social reality by utilizing the function of a certain philosophy of science as a basis for determining the theme or sub-subject. Rosadisastra conducts further explanation (2007, 12), the proposed thought of the method can explore the functions in the method of interpreting scientific and social verses. The three functions in question, namely first, the function of al-tabyin, which explains the text of Al Quran with science and technology owned by the mufassir. Secondly, i'jaz function, that is proving the truth of Al Quran text according to science
and technology which then can give stimulant or can be acted upon by scientist in researching and observing science through interpretation of Quranic texts and third, having function istikhraj al 'ilm, ie texts or verses of the Qur'an capable of giving birth to theories of science and technology (Rosadisastra 2007, 12).

If examined deeply regarding the concept initiated Rosadisastra (2007) is only using the Qur'an as a primary basis in determining the standards of scientific truth. In this case, Rosadisastra ignores the role of Hadith of the Prophet or As-Sunnah which also serves as a source of truth of Islam other than Al Quran. As stated in the hadith "I leave unto you two things which ye shall not be lost if (hold fast) unto them both We and my Sunnah and I will not scatter so that both will send me to the lake (Paradise)." (Di-Sahih Al-Albani in the book of Shahihul Jami ') (Zainu, 2011). It is, therefore, necessary to extend or extend the method by combining the Qur'an and As-Sunnah as a foothold in determining scientific truth in social reality.

The basic concept of accounting as part of social science and being in social reality becomes very important to be studied with the al-al-tafsir al 'ilmi wa sunnah approach (as an extension of the method developed by Rosadisastra, 2007). The sub-topic of the research that will be studied is the concept of substance over form. Thus, if described in a systematic research framework will be seen in Picture 2.3.

The systematic explanation of the steps of the al-al-tafsir al 'ilmi wa sunnah method is illustrated as follows (Rosadisastra 2007, 12-13): first, determine the sub-topic of the discussion; second, to understand the nature of science or reality over the sub-topic of discussion; third, undertake research work in the field or the laboratory on the sub-topic of discussion (if required); fourth, determine the verses relevant to the topic of discussion; fifth, sort out the method of understanding the text of the verse; sixth, to analyze the text of the verse with the context and the nature of science; and the seventh, synthesize the contextual understanding of the verse with respect to the nature of science and the reality of sub-discourse. Therefore, by elaborating the method of al-manifaj al-al-Islam al-Sunni interpretation and the effort to reformulate the concept of substance over form, the process of this research stage can be elaborated in more detail in the next
discussion. Figure 1 systematically illustrates how the almanhaj al-tafsir al'ilmi wa sunnah method was developed and applied.

Figure 1
Al Manhaj Fi At-Tafseer Method Al 'Ilmi Wa Sunnah

Source: Developed from the primary method of Rosadisastra (2007).

4. Results and Discussion

Science and science as manifestations of human thought and reason cannot be denied through trial and error mechanisms. Although the way used by scientists claimed to be a scientific method, however, the final results positively cannot be ascertained.
percent right, because it still keeps the potential of right and wrong. Therefore, there is a need for a further methodology that may be able to improve the scientific weakness.

The engagement between accounting science and Islamic law is intended to produce a more productive knowledge product concerning the prophecies of Shari’a. The use of syari’i’s arguments does not make accounting science to be dogmatic but provides clear direction and guidance in the development of science. Why so? This is because the accounting science extracted from phenomena and empirical facts tends to be pragmatic but susceptible to change following the changing times. It is also supported by the possibility of mistakes in taking field data or interpreting empirical phenomena so that the conclusions of the resulting science can be misleading.

Umar (2012) reveals that the Qur’an as the foundation of the Islamic Shari’ah has a distinct thoroughness and broad meaning which not only focuses on a particular theme, such as monotheism or ritual worship but includes all themes in human life. The sentences contained in the Qur’an store scientific clues, faith and education that form formula of the rules of knowledge.

Fourteen centuries ago, the perfection of Islam as a religion had been revealed by Allah SWT in his word of the letter of Al Maidah: 3, Today I have perfected for you your religion, and I have made it for you my pleasure, and I ridlo Islam into your religion. It is explained by Ibn Katsir in his interpretation when explaining this verse as follows:

The perfection of Islam is the greatest pleasure of Allah Ta’ala for this people, for He has perfected their religion, so they do not need any other religion, nor do they need a Prophet other than their own Prophet. Therefore, Allah Ta’ala made it the closing of the Prophets and sent it to all the jinn and humans. There is, therefore, no lawful thing, except He considers it, there is nothing unclean, except what He forbids, and no religion but the religious teachings He has made. Everything He tells is sure, to be honest, does not contain any lie, and will not divert the reality (Tafsir of Ibn Kathir).
At the end of his commentary, Ibn Kathir affirmed the honesty and oral conformity of Rasulullah PBUH in conveying his verse with the situation, condition, and reality of his people. With the same meaning, then Islam has been perfect from various sides and point of view so that the Shari'a is always relevant to the development and dynamics of human life. This discussion attempts to formulate the formula of the concept of substance and form in the corridor of the proposition of shari'a and empirical findings to produce a new accounting concept that reflects the rules of equilibrium in divine justice. The argument used to formulate the new concept is two sentences creed that decreases and in line with the rules of equilibrium in divine justice. This creed's phrase which in subsequent discussion represents the substance and form elements which further became the basis for forming a new concept of balanced and equitable

4.1 Substance Superiority and Inferiority Form

In the discourse on language Lyotard (1989) introduces the term language games to illustrate how the situation of "power" will always present various forms of language game which hegemonize and counter-hegemony. The power in question is not interpreted in a single model of power (e.g., politics), but also extends to all dimensions of life, including economic, educational and socio-cultural. Therefore, language is no longer merely a communicating medium but already represents the social reality even the reality itself (Santoso 2007, 25).

Triyuwono (2012, 23) justifies the strength and power of capitalism that surrounds modern accounting. Modern accounting is merely a "puppet" to perpetuate capitalist rule using the jargon of accounting language that is capable of hypnotizing its accountants. Unconsciously, the use of accounting languages is continuously geared to the fullest to achieve economic advantages, enlarge the numbers of profit and oriented solely on the subject.

Oriented to matter only reminds us of Karl Marx's dialectical materialism. This 19th-century German ideologist declared that the world consists only of matter and nothing else so that the physical world is the only reality. With this assumption, the development of science always refers to the reality that can be perceived by the five
senses of man. Its scientific degree is only determined by perceivable, measurable and empirical. Simply put, science stands on the foundation of objective reality.

Through this way of thinking, modern accounting stepping and reaching its scientific status. There are many of the basic concepts of accounting are born by using the logic of thinking, including substance over form. In the context of hegemony, the structure of a substance over form sentence contains an affirmation of the dominance of the substance of the form in all circumstances and conditions. The substance is considered dominant, and form becomes the oppressed part. A substance made central and central while the form is made marginal and marginal.

The contradiction between substance and form is in line with Marx's dialectical thinking above, since in the dialectical process it contains elements that are mutually negotiated ("deny" and "denied"), contradict each other ("against" and "resist") and mediate (" mediate "and" mediated ") (see Santoso 2007, 47). The substance represents the status quo, and the form represents the anti-status quo.

Following the discussion in the previous chapter, what the substance wants to maintain and control is the economic and business benefits. Substance represents the values of the individual interests of the capitalists who want all the rules and business rules to be based solely on economic and accounting law. Indeed, the substance seeks to create the influence of domination and hegemony with the laws it makes on its own.

On the opposite side, the form as a party denied by the substance symbolizes the formal law (legal form) that accommodate the public interest. An interest that is not necessarily in line with individual expectations where the orientation of formal legal interests more emphasis on counsel and mutual benefit. Referring back to the fundamental values of capitalism, material-oriented substance and individual interests seek to legalize it by placing its position more essential and prioritized than the form. Thus the substance has a higher legal force than the form because, for the capitalist, material (money/economics) is everything.
4.2 Reconstruction Process Substance over Form Concept

In the study of the Shari'a, the creed is a statement of testimony based on the faith of the Exaltation of Allah SWT and Prophet Muhammad as His messenger. In essence, the creed that includes two essential testimonies implicates our efforts to pursue self-worship only to God and to follow the instructions that come from His Messenger. These are two aspects that underlie the activities of Muslim worship. The testimony of the two sentences of the creed is a legitimate requirement of one's Islam, and this is reinforced by a valid hadith narrated by Imam Bukhari:

> Invite them to testify that there is no God worshiped except Allah and that I am the messenger of Allah. When they have done so, tell them that Allah has required them to pray five times a day. Then when they have done that, then tell them that Allah has made it obligatory for them to give up their wealth, that the charity is taken from the wealthy among them, and given to the poor among them (Imam Bukhari).

The hadith asserts that before a Muslim performs physical worship such as prayer and zakat, it must be preceded by a statement of two sentences of shahadah. It also implies the position of two sentences of shahadah as the first door and the opening of the pious deeds which are subsequently performed by a Muslim servant Syahadat contains two core sentences namely Asyhadu alla ilaaha ill-Allah and Asyhadu anna muhammadar Rasulullah. In the first syahadat reflects the inner form of amaliah. The second syahadat describes the amaliah by birth. In the understanding of ahl sunnah wal jamaah, every worship addressed to Allah SWT is accepted if it covers two aspects. It is argued that all religious practices are legitimate if they are sincere in Allah and follow the guidance of the Messenger of Allah.

The practice of ritual worship is part of a person's good deeds. Repeated Ibn Taimiyah's statement of the definition of worship in which it also includes the practice of muamalah that bring benefits and justice to the man. Thus, accounting activities can be assumed as a righteous charitable field for its accountants.
The Shariah provides three primary criteria in determining whether or not a pious practice is accepted. Determination of these three criteria is the result of the explanation of the meaning of the syahadatain. First, in the creed of tauhid which emphasizes the need for sincerity in worship solely to Allah Ta'ala without being slaughtered on another (read: shirk), feelings of ujub, riya or sum'ah. The essence of the tauhid creed implies the purpose of the core and the essence of worship is to reap the reward and favor of Allah Ta'ala. It shows the substance in worship.

Moreover, along with the same interpretation and logic of thinking, a substance in accounting can be "identified" with the substance of worship. The substance is honest and accountable accounting information about the holistic reality of accounting. With the value of honesty and accountability, accounting can provide just information to all parties (not just to the owner of capital) including social aspects, environment, and God.

Secondly, the testimony of the Prophet's creed which acknowledges the truthfulness of the guidance and guidance of life and religion brought by the Prophet. The Prophet gave the correct example and form (form) in religion1. The scholars explained that all the Shari'a brought by the Messenger of Allah came from Allah SWT. There is none that is a product of mind and mind that relies entirely on the Prophet because everything is based on revelation.

Through the same logic, the form in religion is "identified" with the form in accounting. The preparation of the accounting form follows the principles, procedures, and rules outlined in the accounting standards of both national and international scope. The standard product is the result of consensus between the parties representing the official institutions of the accountant. This consensus process is open and dynamic so that the form in accounting is no longer rigid and rigid.

Third, that the last requirement required for a righteous practice to be accepted by Allah Ta'ala is that both the syahadatain as the creed of Tawheed and the Prophetic creed should be done together. It means a pious practice should include the purity of purity to Allah 'Azza Wa Jalla and done according to the guidance of the Prophet. When a pious practice only fulfills the element of sincerity but without the right way following the command of the Prophet PBUH then the practice is rejected, and vice versa.
However, it should be understood that the logic of the syahadatain applies in the corridors of worship where the law of origin is illegal (forbidden). Everything related to worship should be following the guidance of the Shari‘ah, so there is no room for doing creations and modifications. In the context of muamalat involving human activity then the applicable law is mubah (can) to modify the rules. The flexibility of this rule is needed because of the dynamic and varied human life patterns.

Thus, two fundamental reasons are underlying the use of this syahadatain, first, as a solid foundation for the development of the concept of substance and form from the perspective of tauhidiyah. Although syahadatain relates directly to worship, however, this study looks at the similar logic of thinking that can be applied to the concept of substance and form. The tauhid creed reflects the substance and the creed of the apostle symbolizing the form in accounting.

The second reason is that there is a need for a more flexible principle as a consequence of accounting activities located in the muamalat area. From the shahadatain can be reduced to a more relaxed principle of the principle of equilibrium in divine justice as described in the previous three chapters. This rule is in line with the essence of the shahadatain which accommodates the balance between substance and form. Through this rule the concept of building substance and form more just formulated. In performing the stages of reconstruction of the concept of substance over form, several arguments can be used as a basis for argumentation. Some of the arguments in question are as follows:

4.3 First Argument: Balance of Justice in Divine Justice

Reaffirming the need for a principle of equilibrium in divine justice as a scientific basis for reconstructing the concept of substance over form. We need to reconnect from the previous discussion of the third condition that must be fulfilled for a righteous deed to be accepted are the two preconditions should be done simultaneously. If only the first condition is performed, then the pious is rejected, and vice versa, so one condition cannot deny or abrogate the other. This shows a balance of inner deeds (read: the first
condition/creed of monotheism) and amalah outward (read: second condition/shahadah apostle).

Based on the same line of thinking, the reconstruction of the concept of substance over form follows the principle of equilibrium in divine justice. The substance is positioned parallel to the form. This parallel is mutually inclusive (mutually inclusive) not mutually exclusive. This understanding of parallelism is slightly different from the concept of binary opposition synergy developed by Triuwono (2012, 340). The synergy of binary opposition attempts to marry conflicting properties (binary opposition) into a single entity. The different points are between substance and form are not two conflicting concepts. True if they say different, but the difference is not at the opposite level, but instead complement each other and strengthen.

There are several examples of opposite and complementary binary opposition properties. Goodness vs. evil, truth vs. error and science vs. ignorance as well as beliefs vs. disbelief are just a few examples of opposing binary oppositional properties. The material vs. spiritual, subjective vs. objective and substance vs. form belongs to categories of binary oppositions that are complementary.

The repositioning of substance over forms into a form equivalent to substance implies a message of equality and equitable balance. Justice in the context of divinity (tauhidiyah) always sees differences in the dimension of wholeness. The synergism of two opposing elements does not necessarily eliminate the personal uniqueness attached to each element. Through the lens of wisdom, we can distinguish different elements of binary opposition as well as complementary.

The acceptance of a righteous deed as a consequence of the implementation of the creed of Tawheed and the apostle’s creed, as well as the implementation of the concept of a form equivalent to the substance to accounting practice. Information about the honest and accountable reality of accounting holistic becomes the essence of the substance that will be fully reflected in the desired form. As a mirror that can describe the object in front of him in full, as well as forms that can reflect the real substance.

There may be an intriguing question, why is the proposed in this study related to the repositioning of substance over form is the form equivalent to substance? Why not a
substance equivalent to form? Are not these two positions also describe equality and balance? Three reasons can be used to answer the question:

First, the structure of a sentence in Indonesian rules embraces the explained pattern (DM). Therefore, the position of the form that precedes the substance implies a message that the form follows the substance both regarding the time of occurrence and the emphasis of meaning to be conveyed. Second, the accounting practice of an event or transaction event is an aspect that first occurs, before the event is then recorded and presented in the accounting report. Thus, the accounting report (form) follows a real event occurs (substance).

Third, in some instances of scandals and financial reporting manipulations that serve as a "shield" to circumvent and avoid lawsuits is the reporting medium (form). It is as if the substance can be engineered to conform to the needs of the form. If the concept of a substance represents to form is used it will affirm the negative impression. On the contrary, if the form equivalent to the substance is used, it will give a more positive meaning that the display of the form will follow completely the fact that the actual accounting occurs (substance).

4.4 Second Argument: The Philosophy of the Skin and Fruit Content

The philosophy of the fruit used as a second postulate affirms and reinforces the argument presented earlier. People often say that the content of something is more important than the skin, just as the contents of the fruit are preferred over the skin. Although in some cases the skin of the fruit is more desirable than the contents but generally applicable is the opposite.

If we look back at the history of world accounting, in the 1930's there was a significant event that hit the world economy known as the period of great depression (great depression). This also affects the US Securities Exchange Commission (SEC). The SEC faced a critical situation where the majority of stock prices fell drastically due to a reaction of investor distrust of issuers. Most investors doubt the validity of financial statements that are considered to have no standard in the presentation so that it leads to
difficulties when they have to compare the financial statements between company’s issuer.

The issue of the validity of the financial statements boils down to the company's financial reporting standards. There is a non-uniform disclosure form. The SEC at that time had not yet standardized the reporting so that each company was granted the freedom in its representation. After the excellent depression event, then SEC moved to form a special agent in charge of preparing accounting standards. To date, on the broader scope, the International Accounting Standards Board (IASB) is working to establish uniform international financial reporting standards for all countries.

Uniformity of this form can be interpreted that the world of accountants still appreciates and need it as a medium to convey accounting information. When a form is questionable its validity will positively also impact on doubts about the substance of the accounting information presented. It is true what Mr. Rato said, "If I am honest what is substantive and what is formal will be the same. But if I'm not honest .. not." Like fruit, "if there is no skin it will be damaged the contents of the fruit". That's the picture of the importance of the form for substance in a holistic reality of accounting.

4.5 Third Argument: Building Idealism is not Pragmatism

Understanding the holistic reality of accounting requires the precision of an accountant who often also must be accompanied by an in-depth thought process. Mistakes in understanding reality will also lead to mistakes in taking the right solution to the problems that occur. Not infrequently an observer of accounting reality will take on the reality it faces as the sole source of truth.

Taking reality as a source of absolute truth is an act of pragmatism. Purwanto (2007, 190) suggests that pragmatic thinking would eliminate the ideals of values and fall into the confines of facts that might be corrupted to perpetuate that reality with new damages potentially. The formulation of a form equivalent to substance concept is a form of realization of action and idealistic thinking. An accountant is required to synchronize between actual accounting information with the media its reports based on the values of honesty, fairness, and accountability. This is the peak hope desired by the user.
community of accounting information. If there is an inequality of reality that happens then, it will not hurt the ideality of the concept of a form equivalent to substance. An ideal concept will always be the target and the highest goal to be achieved, regardless of effort and creation we have not been able to achieve. Because of the spirit of idealism that will always be the spirit and fuel to realize healthy accounting practices.

4.6 Logical Consequences A New Concept: Short Illustrative Reality

The following illustrative realities are presented as an attempt to clarify the application of form equivalent to substance concepts in the practical world. A is the owner of an advertising company, while B leads a spiritual management training service company. At one time, A and B agreed to trade barter concerning the business they were living. A wants all his employees to receive spiritual management training from company B, to improve team performance and teamwork. As for B is willing to advertise related to the business of training services that he is developing. As a result, both parties agreed that the price of advertising and training prices are valued equal to 10 million rupiahs. Because it is a barter transaction, there is no cash issued by each company owner.

According to the illustrative reality, will undoubtedly arise questions for accountants. The question is how to record the transaction in accounting? It may be suggested that the transaction is recognized as an income account for both parties. But is it true for the observer of accounting standards? If we refer to the definition of the concept of income in financial accounting standards in Indonesia, then the recognition of such transactions as income will be mistaken. Let's compare it with the definition of income (SAK 2002, PSAK 23.1) below:

"Revenue is the increase in economic benefits during an accounting period in the form of income or asset increase or decrease in liabilities resulting in an increase in equity not derived from the investor's contribution."
The definition above emphasizes an increase in assets or a decrease in debt as a consequence of the recognition of income. In barter transactions between A and B there is no cash received by both as a representation of the addition of assets, nor is there any indication of any debt decline in each company. Thus, the realization of such income will never be recognized and recorded in accounting.

Similarly, if A and B want to recognize and record the cost of training and advertising fees, then both will also be bumped with the definition of the cost itself. Under Indonesian GAAP (2002, 23) it is stated that costs (expenses) are recognized when an asset decreases or an increase in liabilities. Barter transactions between A and B require that the account fee is raised in their listing, but the accounts paired as their opponents are indeed related to assets or liabilities. If we look carefully, then no asset value or liability is affected by the barter transaction. Therefore, the realization of the costs of both training costs and advertising services costs will also never be recognized and recorded in accounting.

This proves that the form (standard and accounting report) is not able to capture the substance (the reality of the transaction) that happened. The absence of form eliminates the reality of the substance. From the perspective of the form equivalent to substance form, the barter transaction may be recorded if the definition of income in the accounting standard is expanded to the extent of its meaning to recognize not only material income (cash) but also non-material goods in the form of the handover of services. Similarly, the concept of expenditure needs to be expanded to be not only related to assets and liabilities. In short, these expectations are in line with this study which encourages the need for extensions to the meaning of forms that include material and non-material realities.

The expansion of the meaning of income and expenses will undoubtedly have implications for the technical recording in accounting, as Warsono (2010, 137) proposes concerning the barter case above, that the assumption of an increase in revenues followed by an increase in cost3. Step Warson (2010, 137) can be interpreted as an effort to create a form to be able to capture reality (substance) that happened. In other words,
there is always an opportunity to realize the concept of a form equivalent to substance into reality.

5. Conclusion, Implications and Limitations

5.1 Conclusions

Indeed, the concept of substance over form implies a philosophical contrast between "accounting law" and "formal law". Accounting law represents the substance, and the formal law represents the form. Accounting law takes precedence because the culture of capitalism more glorifies the material and private interests (individuals). Instead, the formal law is defeated because it reflects a portrait of public interest. For capitalism, the interests of the individual are above all as embodiments of anthropocentrism, although they must be contrary to the public interest.

Based on the rationality of the above thinking, the concept of substance over form is formulated and implemented. But in line with the development of accounting practice, substance over form is no longer understood as such. Substance over form is more viewed as a difference between the truth of the information in the context of the facts and reality (read: substance) with the truth in the form of presentation of the information (read: form).

Some cases of accounting engineering, manipulation of financial statements and misleading financial information are examples of dysfunctional behavior in accounting practice. Some accounting researchers see the existence of deviation to the concept of substance over the form that applied upside down to form over substance. The form is seen as an alibi to mask the substance of the actual information. A lousy reality is included in the form as useful information. The principle of equilibrium in divine justice discerns that substance and form terms are not necessarily contested as two poles that are opposite. When two things are always favored one with another, manipulative behaviors will potentially occur. Therefore, position balance needs to be done by placing the two binary oppositions in equal portions into a form equivalent to substance.
Form-equivalent to substance represents the similarity of information between what occurs (substance) and the media to present it (form). This equality will bring better meaning to actors and users of accounting information. No more debate is required between substance and form. Both are important and complementary.

Overall the findings are narrated to answer the research question (research question) proposed in this research is "how to construct the concept of substance over form more just and can describe the real reality of accounting"? The new concept building resulting from this research is the concept of a form equivalent to substance. If Albert Einstein succeeds in spawning the mathematical concept of $e = mc^2$ then this study is also capable of transforming the concept of a form equivalent to substance into a mathematical language into $F = S^4$.

5.2 Implications

The results of this study are expected to provide two critical contributions to the world community accounting. Contributions are as follows: Theoretical implications, in every effort of concept development, of course, tucked in it the scent of idealism. Idealism is the normative aspiration to be achieved in every process of change and improvement. Therefore, the essence of this research is how to build an idealism. Idealism which will become the foundation for developing the basic concept of accounting.

Form-equivalent to the substance is a product of idealism. Why is that? If you look back at the old concept of substance over form, then there has been an imbalance of concepts that led to the inequality of accounting reality. The concept has "castrated" the role of form in substance domination. Accounting societies are invited to think and act to be more concerned with substance and overrate form. As if the substance is a good boy and the form is a bad boy. Naturally, we see the anomalies of accounting reality in which accountants make the form as masks to deceive the real substance.

Form-equivalent to the substance is the answer to the problem of conceptual inequality that can obscure the existing accounting reality. Form-equivalent to substance offers a more balanced and fairer concept so that the ideal ideals desired can be fulfilled.
Practical implications, accounting is a discipline full of practical knowledge. Everyone who wrestles the field of science will lead himself on the professional level. This encourages the development of accounting science is closely related to the dynamics that occur in the world of work and professionalism of accountants.

Departing from these thoughts, the results of this study that produces new basic concepts of accounting that form equivalent to the substance is expected to serve as clear guidance and direction for accountants in addressing the holistic reality of accounting. How to combine accounting facts that occur and present them in the form of reports that match the expectations of the users? Of course, the concept of a form equivalent to the substance can be a solid foundation and foundation in producing accounting products that reflect the real reality of accounting and can be accountable to the public.

5.3 Limitations

There is no rose without a thorn. Similarly, this study is a human work so as not to be separated from deficiencies and imperfections. Some limitations that cannot be avoided and realized by the author are as follows: First, this study merely repositioned the old concept of substance over form to form equivalent to substance. This research does not attempt to define the new concept more articulately because to define it requires a more standard grammatical mastery and longer thinking time to maintain caution in the opinion. Second, the perspective used as the basic science in this research is the perspective of tauhidiyah. A way of view that thick with religious nuance. For some who value freedom of thought, this approach may be considered dogmatic and confines the creativity of rationality. Therefore, it does not rule out any impression of using the arguments of religion as a justification and justification for the scientific argument presented in this study.

References


