

Academic Sociology: The Alarming Rise in Predatory Publishing and its Consequences for Islamic Economics and Finance

*By
Zubair Hasan*

Abstract:

This study explores the causes and impact of predatory online publishing on Islamic economics and finance and takes a literature scan to identify the origin and expansion of predatory publishing, as references listed in the paper show. The personal experience and observation of the author over the decades of teaching at various universities endorse the evidence. Its originality lays in initiating discussion on an issue of significance so far remaining unattended in the field of Islamic economics and finance. It not only explores the impact of the affliction on the discipline but also suggests ways to curb the malady.

A Review of Islamic Commercial and Social Finance in Pakistan

By

Dr. Salman Ahmed Shaikh

Dr. Mohd Adib Ismail, Prof. Dr. Abdul Ghafar Ismail,

Dr. Shahida Shahimi and Dr. Muhammad Hakimi

Abstract

This paper gives an overview of Islamic finance in Organization of Islamic Cooperation (OIC) member country of Pakistan. This paper is divided into 5 subsections. Section 1 gives a brief overview of Islamic banking which enjoys a central place in the umbrella of Islamic financial services globally as well as in Pakistan. Section 2 looks at the progress and performance of Islamic capital markets in Pakistan, especially Shari'ah compliant equities and Sukuk. Section 3 provides a brief account of Islamic asset management sector in Pakistan. Section 4 explores the footprint of Islamic microfinance sector and Section 5 gives an account of the contribution of third sector redistributive institutions like Zakāt and Waqf in Pakistan.

Faisal Laureate Muhammad Nejatullah Siddiqi: Life and Works

*By
Dr. Nasir Nabi*

Abstract

One of the pioneer Islamic economists in modern times is Muhammad Nejatullah Siddiqi. He occupies a position of esteem amongst the founders of the nascent discipline of Islamic economics. He has sought to respond to the many challenges that the modern economic system poses for Muslims. Dr. Siddiqi is also amongst the few economists who initiated research and dialogue on the interest-free economy before the issue came to the fore in the context of reconstruction of Islamic economy. He is one amongst such Islamic economists who have shown genuine flexibility and creativity necessary for the evolution of a new discipline along with a strong sense of history, moral integrity and intellectual commitment to Islam. In this paper, an attempt has been made to highlight his life and works that led to his immense contribution to the Islamic economics in modern times.

Can Shari'ah Governance Framework be the Way Forward for Islamic Finance?

By
Md Akther Uddin, PhD

Abstract

This paper attempts to give a brief overview of existing Shari'ah Governance framework in Malaysia, compare with AAOIFI and IFSB standards and guidelines, identify current issues, and recommend measures to improve existing practices. The study finds that a great number of researches have been carried out to study the Shari'ahgovernance framework in Malaysia, Indonesia, GCC, MENA, UK, and other OIC member countries. It can be concluded that the plurality in Shari'ah governance practice across regions and countries may ensure success and support innovation in the short run, but, in order to establish credibility and promote Islamic Finance as a comprehensive financial system in the long run, uniformity is desirable. A sustainable and viable Shari'ah governance framework, which will not only provide credibility to IFIs but also ensure transparency, trust, ethical behavior, underlying faith and belief and ethics and also help to protect the stakeholders right and fulfill the broader principle of Maqasid al-Shari'ah (foundational goals of the Shari'ah).

The Ends of Development in Islam: Seven Overlapping Concepts

*By
Junaid Qadir
Asad Zaman*

Abstract:

The purpose of the article is to articulate Islamic developmental ideals and to outline the various ends of Islamic development. We provide a list of seven overlapping concepts that together define the Islamic ideal of human development. In contrast to the purely materialistic conceptions of human development in modern economics, Islamic human development ideals entail the seven overlapping concepts of (1) Purification (Tazkiyah); (2) Freedom (‘Uboodiyah); (3) God-consciousness (Taqwa); (4) Excellence and Beauty (Ihsān); (5) Felicity or Happiness (Sa`ādah); (6) High Morals (Akhlaq); and (7) Civilization (‘Umrān).

Shari'a Governance Framework in Islamic Banking in Oman: Issues and Challenges

By

Muhammad Iman Sastra Mihajat, Ph.D

Abstract

The most crucial challenge facing Islamic Banking Entities (IBEs) in the Sultanate of Oman, as the new comer in Islamic banking especially in the GCC Market, is to ensure the full compliance of the IBEs in planning, development, and implementation of the products, services, conducts of business and activities with Shari'a rules and principles. The main objective of this paper is to summarize the current practice of Shari'a governance framework of the IBEs in Oman in the face of the challenges faced by such institutions. In the meantime, Central Bank of Oman (CBO) has issued a proper Shari'a Governance Framework -the Islamic Banking Regulatory Framework (IBRF) of CBO. The framework designed by an expert and experienced team adopts best practices of Shari'a governance in GCC in particular and worldwide in general. The key elements of Shari'a governance framework shall contain Shari'a Supervisory Board, Internal Shari'a Reviewer (Head of Shari'a), Shari'a Compliance unit, Shari'a Risk unit, and Shari'a Audit unit. Not only that, to strengthen the role of Shari'a, the CBO also issued a regulation for the establishment of High Shari'a Supervisory Authority (HSSA) in the CBO to harmonize the opinion related to Shari'a matters among the IBEs. These elements are expected to perform an oversight role on Shari'a matters relating to Islamic banking business activities. This paper also discusses the issues and challenges faced by IBEs in Oman and proposes some improvement for the CBO in order to strengthen Shari'a governance framework in the Sultanate.

Managing Displaced Commercial Risk in Dual Banking System: A Challenge Ahead

By

*Mastura Mohd Shafie, Mat Noor Mat Zain
and Nik Abdul Rahim Nik Abdul Ghani*

Abstract

The encouraging growth momentum in Islamic banking in Malaysia has made it the first country to adopt dual banking system wherein Islamic banking exists side by side with the conventional counterparts. The positive developments, via several stages started with a stand-alone Islamic bank in 1983 to the emergence of Islamic banking windows within the conventional banking system, through to the presence of foreign Islamic banks and up to the full-blown appearance of Islamic subsidiaries both for domestic and foreign entities, has led to not only expanded opportunities within the system but also contributed to increasing risk profile of the institutions. Several studies suggested that Islamic banks that operate in dual banking system are exposed to interest rate risk despite operating on interest free basis. The crux of the problem is attributed to the practice of replicating the products to be offered by Islamic banks as used in the existing conventional banking products. The objective of this paper is to discuss the management of displaced commercial risk, a type of risk that arises as an implication from operating in parallel with conventional banks that inevitably exposes the Islamic banks to the rate of return risk. In discussing the challenge in managing displaced commercial risk, the impact of enactment of the new Islamic Financial Services Act 2013 (IFSA) is considered as the profit equalisation reserve (PER) that is commonly practiced in the industry as a mechanism to manage and mitigate such risk and which are no longer allowed under the new regulatory regime. The empirical studies showed changes in the Islamic financial landscape subsequent to the enactment of the new act whereby the Islamic banks' deposit products offering is skewed towards commodity based murabahah/tawarruq and has migrated from their investment-based shariah contract products. This among others, is meant to manage displaced commercial risk.