Summary

Introduction	5
Part I Shari'a <i>Legal system and Economic Doctrine</i>	
 Shari'a economic theory Responsibility and khilafa institutions in Islamic Law Theory of responsibility The institution of khilafa or succession Shari'a economic teaching Pillars of shari'a economic doctrine Main sources of Islamic law (shari'a) Elaboration of economic theory in fiqh al-Ijtihad The reversed hypothesis of sources scarcity (faradyat alnudra) The concept of competition (al-munafasa) in shari'a Currency (al-'umla) in Islamic economic doctrine 	11 13 13 15 18 18 21 24 26 29 30 33
Part II Evolution of Islamic finance	
 Historical Scenes Shari'a financial system birth: provisions and institutions Foundation of Islamic public treasury Incomes and revenues of bayt al-mal Expenses of bayt al-mal Redistribution of wealth up to shari'a rules Islamic taxation policy (al-jibaya al-islamiyya) Shari'a imposition impact on the economy Taxes impact in the redistribution of income and wealth Financial control in shari'a system Principles of financial control in shari'a 	39 41 45 45 52 53 55 56 57 58 60

154 Summary

Organization and planning Continuous co-ordination between control organs Feedback process Continuous strengthening of the principle of divine control 4. Islamic finance and investment perspectives 4.1. Trade and commerce in shari'a (al-tijara)	65 67
Conditions for the validity of transactions (shurut sahat an mu'amalat) 4.2. Axiological rules in Islamic finance 4.3. Modernized Islamic finance system Colonialism and the dependence of economics and finance Shaping the modern Muslim States Impact of colonialism on new independent economies 4.4. Islamic economy in the global era Muslim population growth (myth of fertility rates) 4.5. Growth of the global halal market Halal food market Cosmetics and care market 4.6. Expansion of Islamic finance in Europe The United Kingdom experience	68 70 75
PART III Islamic finance legal framework	
 5. Main prohibitions: gharar and riba 5.1. al-Gharar 5.2. al-Riba or usury Prohibition of riba in the Quran Usury in the Bible 	93 94 95 96 99
Riba and profit (interest): wilful confusion 6. Islamic banks integrating conventional financing 6.1. Contract as privileged instrument of transaction 6.2. Concept of contract in shari'a legal system Particular meaning of contract 6.3. Shari'a equity and stability in contracts	100 101 104 105 105
6.4. Fulfilment of obligations in accordance with shari'a 7. Islamic financial instruments 7.1. Non participatory Islamic finance instruments Financial instruments based on indebtedness (المديونية) Financing purchase on credit (suppliers' facilities) al-Salam (bay' al-salam) Ijara or ijara wa iqtina' (financial lease) Istisna' contract al-Murabaha 7.2. Participatory financing instruments al-Mudaraba (capital risk)	107 108 111 111 112 112 115 116 119 123 123

Summary	155
al-Musharaka (participation in a joint venture or co-prop-	
erty)	125
8. Islamic financial industry and risks	126
8.1. Risks specific to Islamic finance industry	128
Risks due to the specificity of legal framework (conflict of	
law) and to the judiciary	128
Risks deriving from the sharing of profits and losses	129
8.2. Common risks to Islamic and conventional finance	131
8.3. Basel III impact on Islamic banks (managing risks)	132
8.4. Shari'a unified standards	135
8.5. Insurance and takaful	136
8.6. Evidence of insurance interdiction tahrim al-ta'min	137
Conclusion	143
References	149