

# Regulations And Governance – Contemporary Issues And Future Scenarios.

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# Purpose of laws and Regulations

- Promote conducive environment for growth
- Protect providers of funds
- Foster competitiveness
- Harmonization of rules and practice
- Ensure trust, integrity and dependability

# Motives for Islamic Financial Institutions, product and services

- Islamic worldview and shariah.
- Ethics and fairness.
- Alternative to conventional systems.
- Finance as facilitator of development with social justice.

# Mode of Practice

- Within conventional economic and legal framework.
- Concept of limited liability and legal entity.
- Provisioning versus pure pursuit of profit instruments – means to what ends?
- Governance and management practices of conventional economic system

# Outcome perceived or expected

- Returns to investments for lenders.
- Choices, options and wellbeing for borrowers and lenders
- Greater access to those in need
- Less exploitation and greater empowerment
- Dignity and integrity

# Issues and challenges

- Balance between compliance and values based self governance.
- Process and standards for shariah compliance
- Disclosure of information and rulings
- PER, IRR, pooling of accounts, BBA, Istisna.
- Zakat issues and other important sources of social contributions.
- Competition
- Representation of investors
- Human capital development.



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# Thank You

## Q & A

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