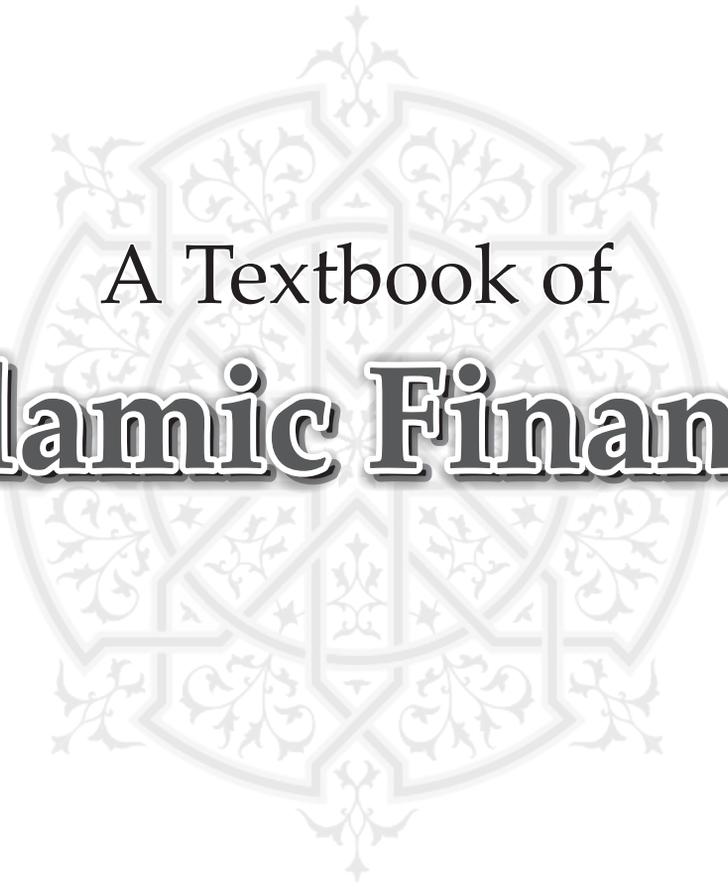




A Textbook of
Islamic Finance

Khan, Anwar, Zubair, Ammad, Akhter & Abbasi



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Islamic Finance

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Short Biographies

Dr. Majid Jamal Khan

Dr Majid Jamal Khan holds a PhD in Finance from the Institute de Gestion de Rennes (IGR-IAE) of the Univeriste de Rennes-1, France and a Research Masters in Advanced Studies and Research in Finance from IGR-IAE de Rennes, France. He has remained a visiting faculty at the ESC-Rennes School of Business, Rennes, France (an AACSB accredited business School) between 2010 and 2012. Before that he served Habib Bank Limited in banking operations for two years. He is serving as Assistant Professor of Finance in COMSATS Institute of Information Technology (CIIT), Wah Campus since 2013 and is a member of the Network of Islamic Finance Experts of the Centre of Islamic Finance (CIF) of COMSATS Institute of Information Technology, Lahore. His teaching and research interests are Corporate Financial Risk Management, Corporate Governance and Islamic Finance and has publications in the area of corporate finance in international and local research journals of repute. He is an HEC-Recognized PhD supervisor, currently supervising 3-PhD thesis and has supervised 12 MS thesis.

Jamil Anwar

Jamil Anwar is Assistant Professor at Department of Management Sciences, COMSATS, Abbottabad. He has more than 25 years experience of management, teaching, training, and software development. He is a PhD Scholar in Management, MBA Finance, MSc (Statistics), Diploma in Banking, and Oracle Certified Professional (OCP). He got training on Monetary and Financial Statistics from IMF HQ, Washington DC. He also got trainings from SBP, NIBAF, IBA, and Timelenders etc. He remained in State Bank of Pakistan (SBP) for more than 12 years where he was Sr. Joint Director. He worked with IMF, ADB, and Hyundai on various projects. His publications are on Business Strategy and Performance, Organizational Vision, Islamic and Conventional Banks' Profitability etc in leading International and national Journals such as Journal of Organizational Change Management, Journal of Strategy and Management, Journal of Asia Business Studies, Journal of Advances in Management Research, and Pakistan Business Review etc. He has been conducting training for many organizations including Universities, Banks, NGOs, and Schools on Strategic Time Management, Strategic Vision, Leadership, Purpose Driven Life,

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Strategic Thinking, and Islamic Finance etc. Currently, he is providing research consultancy on project of Sultan Qaboos University, Oman on strategy-performance relationship of SMEs in Oman

Muhammad Zubair

Dr. Hafiz Muhammad Zubair holds a PhD in Islamic Studies and his area of research is Islamic Jurisprudence. He is an author of 10 research books and more than 150 articles, editor of Biannual Research Journal RUSHD and member of many editorial boards of research journals. He is working at COMSATS as an Assistant Professor for 5 years.

Dr. Muhammad Ammad ul Haq

Dr. Muhammad Ammad ul Haq holds a doctorate in Islamic Finance with particular focus in Prohibited Business transactions and its financial loss to the society. He has completed his religious education (Shahadat ul Aalmia) from renowned Islamic University affiliated with Wifaq ul Madaris Al-Arabia Pakistan. He also worked as a member of syllabus designing committee for launching Post graduate Diploma in Islamic Banking and finance constituted by Sheikh Zayed Islamic Centre, University. He provided his services to University of East London in reviewing its two courses for MBA program in Islamic Banking. Currently he is serving for COMSATS Institute of Information Technology, Lahore campus as Head of the department and at the same time providing his services to Centre of Islamic Finance as In Charge Shariah advisory services. He has six publications in the field of Islamic banking and finance.

Dr. Waheed Akhter

Dr. Waheed Akhter holds a doctorate in Manangement Sciences with particular focus in Takaful (Islamic Insurance). He is a member of editorial board of Journal of Enterprise Risk Managment, Macrothink Institute, USA and member of national Advisory Panel, Journal of Islamic Banking and Finance (JIBF), Pakistan. He acts as an external reviewer to several internationally recognised journals including Journal of Business Economic and Management, Taylor & Francis, and International Journal of Islamic and Middle Eastern Finance and Management, Emerald. His research interests encompass Islamic banking, Takaful, Islamic Microfinance, Shari'ah Issues and business ethics in Islamic finance, Employee motivation and

.....
satisfaction, as well as Ethical Issues in advertising. He has published 29 research papers in journals of national and international repute out of these, 15 are in ISI indexed journals and 10 are in HEC recognized journals. He has completed a research project under HEC NRPU program worth Rs.3.747 million, one of the biggest projects ever funded by HEC in Islamic Finance. Beside that, he has successfully supervised 15 MS Theses till now, whereas 3 PhD Theses and 4 MS Theses are in progress.

Abdus Sattar Abbasi

Dr. Abdus Sattar Abbasi is performing his duties as Head, Center of Islamic Finance at COMSATS Institute of Information Technology Lahore, Pakistan. He remained Head, Department of Management Sciences from August 2012 to August 2016. Dr. Abbasi earned his PhD degree in Management Sciences from National University of Modern Languages Islamabad, Pakistan. Before joining academia Dr. Abbasi worked in pharmaceutical industry for 19 years at numerous positions in different countries. He left the industry as Country Director Herbion Baku. Dr. Abbasi served both the corporate sector and the academia for 26 years. He remained posted in four countries, other than the homeland - including Kazakhstan, Tajikistan, Uzbekistan and Azerbaijan - during this journey of two and a half decades. His areas of research interest include work ethics, leadership, and diversity. He has number of publications in his credit in different international & national academic journals. He has won several appreciation and professional awards for his academic & business achievements over the years. He travelled to several countries to attend conferences and workshops including England, Turkey, Thailand, Sri Lanka, Malaysia, Singapore and Dubai; besides he also visited Saudi Arabia, Afghanistan and Iran. He established Global Forum on Islamic Finance (GFIF) as a prominent international platform

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Foreword

The very purpose of establishment of Center of Islamic Finance (CIF) was to provide a platform to researchers and practitioners to contribute towards the promotion and understanding of Islamic finance. As a Muslim it is our fundamental belief that mankind can find solutions of every problem into the teachings of Islam. There is continuous hue and cry about exploitation of human being by the existing financial system.

CIF at COMSATS Institute of Information Technology (CIIT) Lahore, Pakistan is working on several fronts such as arranging annual Global Forum on Islamic Finance (GFIF), capacity building of Shariah scholars and banking officers, providing Shariah advisory and so on. Developing and publishing of first ever “A Textbook of Islamic Finance” is yet another valuable contribution of CIF.

I appreciate all contributors of the book and hope that they will remain vigilant to the feedback of relevant stakeholders to improve future editions of the book. There are several books on Islamic finance in the market; however, this manuscript provides all relevant information for the students and faculty in one monograph with comprehensive self-assessments at the end of every chapter. This value addition will certainly make this book an appreciated contribution to the existing literature.

We at COMSATS Institute of Information Technology Lahore are always committed to provide novel solutions for pressing needs of the society through teaching & learning, research & development and outreach & engagement.

I wish you all a happy reading. May Allah Almighty help us to serve our beloved country Pakistan to the best of our abilities.

Prof. Dr. Qaisar Abbas

Director

COMSATS Institute of Information Technology Lahore

Pakistan

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Preface

Islamic finance is at the surge from last one decade. There has been significant interest into the subject after the financial crisis of 2008. People are in continuous search of dependable alternative to existing financial system due to its vulnerabilities. Interest rates have been under discussion and scrutiny for years now. Organizations and individuals both struggle for their survival through accumulation of financial resources, which in turn becomes a drawback for all. It is because of these aspects that researchers and practitioners in the field of finance are trying to open new vistas for sustainable operations. Islamic finance provides an entire framework for developing a financial infrastructure from fundamental concepts to advance applications.

During annual strategic meeting of Center of Islamic Finance (CIF) in December 2016, beside other initiatives, all participants emphasised the need to have a comprehensive textbook of Islamic finance to facilitate teaching of this important subject. Several books have been published on the topic; however, to address specific needs of university teachers and students a structured textbook was direly required covering fundamental concepts to the execution of developed products.

“A Textbook of Islamic Finance” will satisfy needs of academics and university graduates to understand sources of Shariah, fundamental prohibitions, ethical dimensions and complete range of Islamic finance products from Musharkah to Takaful. Chapters have been designed to give initial direction through study questions about entire body of the chapter which follows with complete self-assessment section. MCQs, fill-in-the-blanks and true-false options will help to instantly gauge the understanding of the subject. Short questions will give little challenge to the learner while application questions will test analytical understanding. Case studies have also been included for practical insight to enrich entire experience of going through the book.

CIF is looking forward to the feedback to improve future editions of the book. CIF is grateful to reviewers for their valuable contributions. My colleagues at CIF deserve appreciation for their tireless efforts to complete this project. May Allah Almighty reward all those who extended even an ounce of their support for completion of this book.

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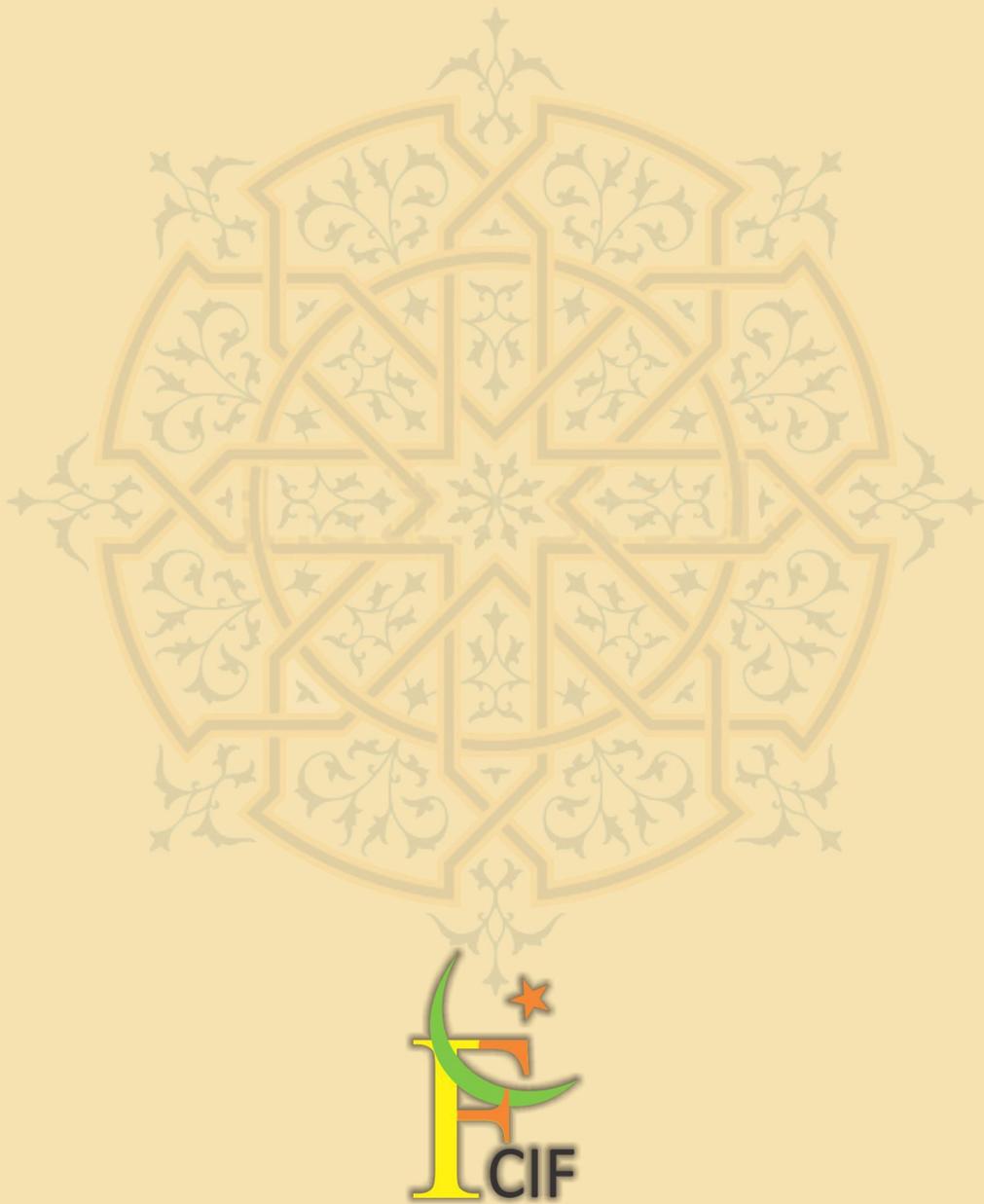
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