

- AAOIFI Standards 65–6, 82–3, 93, 121–4, 130–2, 133, 136–7
see also fatawa
 asset management 121–4
 SAB 130–2, 133
sukuk 65–6
- ability-to-deliver criteria, asset
 concepts 42, 53
- Abrahamic faiths 8–10
see also Christianity; Islam...;
 Judaism
- Abu Said al-Khidari 18
- Accounting and Auditing Organisation
 for Islamic Financial
 Institutions *see* AAOIFI...
- accounting principles 82–3, 136–7,
 152–3
see also AAOIFI...
- accounting treatments, deposit
 accounts 82–3
- active fund management 83, 124
- adult-entertainment prohibitions 48,
 52, 122–3,
 137–8
- advance purchase contracts 32
- advisory role of the SAB 130–2
- agents 7–9, 36–7, 52, 54, 56, 62–3,
 64, 66, 79–83, 94, 97, 102–3,
 118–20, 124, 151, 160
see also wakala...
 interbank liquidity contracts 94
 principal–agent problems 7–9,
 36–7, 151
- agricultural finance xx, 2, 4, 7, 14, 16,
 20, 32–3, 44
- akhlaq* (morality and ethics), definition
 39–40
- Al Imran* (Family of Imran), *Surah* 17,
 19–20
- Al-Baqarah* (The Cow), *Surah* 17
al-Fighiyyah legal maxim 26–7
al-Kulliyah legal maxim 26–7
 Al-Lah 16
al-Qwai'd legal maxim 26–7
 al-Samit, Ubida ibn 18
- alcohol prohibitions 19, 47, 52, 122–3,
 137–8
- Ali, Yusuf 19–20
- Allah 16–17, 38–40
- amanah* (given as trust)
see also current accounts
 definition 39, 77–8
- Ambrose, St 12
- An-Nisa* (The Women) 19
- Anatolia, historical background 7–8
- annual reports 74, 136–7, 154
- annuities 31
- anti-usury laws 20–36, 157
see also Islamic...
- approval role of the SA 349, 73–4,
 130–2
- aqd* (contract/transaction for mutual
 benefit) 30, 159
see also contracts
 definition 40, 159
- aqida*: (faith and belief), definition
 39–40
- aqil* (intellect) 39–40
- Aquinas, Thomas, St 10, 13–14,
 17–18, 23–4, 44
- Ar Rum* (The Romans), *Surah* 17
- Arabs, historical background 16
- arbun* (down payment on a sales
 contract) 62, 95–8, 124, 159
see also hedging; options
 definition 62, 95, 159
 examples 62, 95
- Aristotle 8, 9, 10, 11, 13–14, 17–18
- Asia 5, 29, 33, 78, 108, 124
see also individual countries
 historical background 5, 29
- asset concepts, Islamic financial
 products 50, 52–3, 63–71
- asset management xx, 49, 83, 121–4,
 160
 AAOIFI Standards 121–4
 active/passive funds 124
 compliant investments 121–4
 concepts 49, 83, 121–4
 financial ratios 122–3
- financial screen compliant
 investments 122–3
- industry screen compliant
 investments 122–3
 non-compliance remedies 123–4
- asset-backed securities 99, 146–9
- asset-based securities, treasury
 function 99
- audit committees 129
- audits 75, 112–13, 129–30, 131–2,
 136–7
see also AAOIFI...
 procedures 131–2
 SAB roles 75, 130, 131–2
- automatic teller machines (ATMs) 77
- Bahraini government 90-day *sukuk al
 salam* 141, 146
- balance sheets 74–5, 82–4, 104–8,
 141–9, 154–5
- Bank Charter Act 1833 24
- banking books 141, 146–9
- bankruptcy 1, 5, 12, 45, 71, 78
see also liquidity
see also capital adequacy...;
 governance; Islamic...;
 merchant...; regulations; risk
- advantages 75
 concepts 36–50, 73–5, 125–7,
 135–9, 141–9, 151–5
 definition xix
 functions 1–2, 36–7
 future prospects xx, 149,
 157–8
- historical background xix, 1–6
 major players 74–5
 mergers and acquisitions 5
 modern economics 36–7
 product distribution channels
 73–5
 prohibitions 37–50, 52–3, 122–3
 treasury function xx, 89–100
 valuations xx, 152, 154–5
 word origins 1
- barter transactions 18–19, 60–1

- Basel Committee on Banking Supervision (BCBS) 81–2, 125, 141–9
see also capital adequacy requirements
- Basel II requirements 81, 142–3, 144–7, 148–9
- Basel III requirements 142–3
bay al inah 33
- BCBS *see* Basel Committee on Banking Supervision
- Bentham, Jeremy 15
- betting shops, gambling prohibitions 122
- Beximco Pharmaceuticals Ltd v. Shamil Bank of Bahrain (2004)* 27
- Bill against Usury 1571 22, 23–4
- bills, transfers of money 87–8
- bills of exchange 32
- bingo halls, gambling prohibitions 122
- bittakhir* 33
see also murabaha...; *tawarruq...*
- Bocchoriss, King (730–715BC) 20
- Bonaventure, St 10
- bond-like instruments xix, 33–4, 52, 54, 63–71, 124, 141, 145–9, 157
see also fixed-income...; *sukuk...*
 concepts 33–4, 63–71
 definition 63–4
- bonds 63–71, 141, 149
- Book of Transactions 18
- booms, historical background 4–5
- BOOT *see* build–own–operate–transfer
- boys, legal capacity ages 42
- branch distribution channels 73–5
- breach of contract 126–7
- brokers 33–4, 88, 112–13, 160
see also *hawala...*
 concerns 88
- ‘brother’ interpretations 11, 34
- Buddhism 9
- build–own–operate–transfer (BOOT) 105–8
- business ethical conduct 40, 46–50
- business risk 46, 99–100, 126, 141
see also entrepreneurs
- busts
see also global financial crisis from 2007
 historical background 4–5
- calendars, dates xx, 16, 155
- Calvin, John 10, 14
- canon law 21–5
- capacity to enter into a contract 41–3
- capital 7–9, 12–16, 19, 29, 32–3, 54–6, 71, 101–14, 115–16, 125–7, 143–9, 151, 152–5
see also money; partnerships;
 private equity
 concepts 54–6, 115–16, 143–9, 151, 152–5
 costs 151, 152–5
 definitions 143, 153, 155
 factors of production 8, 16, 35–7
 historical background 7–9, 19
 capital adequacy requirements xx, 81–3, 125–7, 136–7, 141–9
 Basel framework challenges 141–9
 concepts 81–2, 136–7, 141–9
 equity finance 142, 148–9
 future prospects 149
 IFSB standards 81, 136–7, 142–9
 Islamic banks around the world 81–2, 148–9
 loss data history shortfalls 142
sukuk 146–8, 149
 transaction types 145–6
- capital relief 144–9
- capitalism 32–3
- Capitulary of Nijmegen 12
- Carter, Jimmy, President of the USA 24–5
- cash flows 65–71, 104–8, 112–13
- casinos, gambling prohibitions 122
- certificates of deposit 141
- charity 19–20, 34–5, 39, 47, 49, 77–8, 131–2, 159–60
- cheating 47–8
- chequebooks 33–4, 77
- chevisance* 22, 30
- chreokoinonia* 30
- Christianity x, 4, 8–10, 11–17, 29–30, 32, 34–6
 anti-usury laws 20–5, 32, 35–6, 157
 canon law 21–5
 concepts xx, 4, 8–10, 11–17, 29–30, 32, 34–6
 expulsion of the Jews from England in 1290 22, 29
 intrinsic worth 9
 prices 9, 16, 36
 prohibition of interest 9–10, 11–16, 20–5, 29–30, 32, 34–6
 usury 8, 10, 11–16, 20–5, 29–30, 32, 34–6
- circumvention methods, interest 8–9, 29–36
- civil law 13–14
- co-operative societies 5–6
- Code of Canon Law 13
- Code of Hammurabi* xix, 2, 20, 34
 definition 2
 historical background 2, 20, 34
 selected entries 2
- coffee houses, historical background 4–5
- collateral 30–1, 43–4, 79, 85–7, 100, 104, 144–9, 160
- commenda* (venture partnerships) 31–2
- Commercial Code 27
- commercial economies
 business ethical conduct 40, 46–50
 historical background 3–5, 7–9, 14–16
- commercial law 27–8, 35, 38–50, 133–4, 136, 159
- commercial paper 141
- commissions 114
- commodities 44–9, 68–71, 89–94, 117–20, 124, 144–9
see also metals; plastics
 suitability criteria 52–3, 90
- commodity compliant funds 124
- common law 37–50
- comparative advantages, syndication 100
- compensation rules
see also interest; profits; returns
 historical background 7–9
- compera* 31, 2
see also syndication
- competence element of the SAB 129–30
- competition factors 48–50, 153, 158
- compliance xix, xx, 37–50, 65–71, 73–5, 79–88, 102–14, 121–4, 130–9, 158
see also governance; *Sharia*’a...
 distribution channels 73–5
 non-compliance remedies 44–5, 113–14, 123–4
Sharia’a based contrasts 74–5
- compound interest 20
- concession holders 107–8
- confidentiality element of the SAB 129–30
- confirming banks, letters of credit 60–1
- consideration 40–3, 44–9, 160
see also contract...
- consistency element of the SAB 129–30
- consolidated accounts 74
- contract law xix, xx, 20–1, 37–50, 126–7, 159–60
 concepts 40–3
- contracts xix, xx, 19–21, 26–9, 32–3, 35–50, 52–3, 60–1, 117–20, 126–7, 159–60
see also *aqd...*
 breach of contract 126–7
 business ethical conduct 40, 46–50
 concepts 26–7, 29, 32, 40–3, 60–1, 126–7
- customs 26–7
 definition 41–2
 elements 41–3
 examples 41
 of exchange 32, 45–6, 60–1
- financial instruments 43
- prohibitions 40–3
- validity issues 29, 42–3, 53
- voidable contracts 29, 42–3, 53

- conventional banks *see* banks
- conventional debt/market cap ratios 122
- cooperative finance xx
- core capital, IFSB guidelines 143
- corporate finance xx, 30–1, 38–50, 53–71, 101–14
- see also* leases
- concepts 58–9, 63–71, 101–14
- definition 101–2
- project finance 103–8
- property finance 108–13
- trade finance 43–50, 101–3
- corporate responsibilities 20, 38–40, 49–50, 132, 157, 158
- costs of capital 35–6, 43–4, 125–6, 151, 153–5
- see also* capital
- definition 153
- coupons, bonds 63–5
- credit cards 77, 78–9
- credit ratings 43–4, 63–71, 85
- credit risk 126, 141, 143–4
- credit unions 5–6
- credit-based banking history 3
- the Crusades 3
- currencies 3–4, 32, 60–1, 87–8, 89, 96–8, 108, 126, 144–9, 160
- transfers of money 87–8
- treasury function 89, 96–8
- currency swaps 96–8
- current accounts 77–8
- see also amanah...; qard al hassan...; wadia...*
- customs, contracts 26–7
- dates, calendars xx, 16, 155
- debit cards 77
- debt finance 2–6, 10–36, 101–14, 122–4, 126–7, 142–9
- see also* loans
- asset management prohibitions 122–4
- historical background 2–6
- Decretum* (Gratian) 12–13
- defaulting debtors 29, 30–1, 126
- deferred payments xx, 33, 35, 53–4, 56–60, 64, 67, 79, 84–7, 90–4, 97–8, 102–3, 109–12, 117–20, 124–6, 139, 159, 160
- see also murabaha...*
- definition 56–7
- definitions 51–3, 159–60
- see also individual topics*
- demand and supply mechanisms, concepts 9, 16, 18–19, 29, 36–7, 158
- deposit accounts 79–83
- see also mudaraba...; murabaha...; savings; wakala...*
- accounting treatments 82–3
- concepts 79–83
- reserves 82–3
- restricted/unrestricted investment accounts 80–1
- deposit given, commodity *murabaha* 90–1
- deposit taken, commodity *murabaha* 91–2
- Depository Institutions Deregulation and Monetary Control Act 24–5
- deposits 1–6, 49–50, 77–8, 79–83, 89–94, 122–4, 143–9, 154–5, 157–8
- see also* savings
- derivatives 47–8, 53, 61, 94–8, 117–20, 121, 125, 127
- see also* forwards; futures; options; swaps
- prohibitions 47, 50, 53, 61, 94–5, 121
- Deuteronomy 11–14, 34
- diminishing *musharaka*
- see also musharaka...*
- definition 54–5, 84, 107, 109–10, 146, 147
- disclosure element of the SAB 129–34
- discounted cash flow valuation models 153–4
- see also* net present value...; valuation...
- displaced commercial risk 127, 141
- distribution of Islamic products 73–5
- diversification 99–100, 144–9
- see also* risk management
- dividend payment purifications, prohibited income 123, 132
- division of labour 37–8
- ‘do not lend to those who cannot afford the payment’ principle 157
- documentation issues, *fatawa* 113, 131–2
- double sales 32–3
- Dow Jones Islamic Markets index 123
- down payments on a sales contract 62, 95–8, 124, 159
- dual regulation model 74–5, 135–7
- Dutch East India Company 5
- early economic thought 7–9, 36–7
- earnings
- see also* profits
- valuations of firms 152–3
- Eck, John 14
- economic booms/busts, historical background 4–5
- economic capital 125
- economic principles 7–50, 61, 103–4, 121, 133–4
- see also* ethical...; usury
- conclusions 34–6
- early economic thought 7–9, 36–7
- economic value added 125
- economics, historical background 8
- Edward the Confessor, King of England 21
- Edward I, King of England 22–3
- Edward III, King of England 23
- Edward VI, King of England 23–4
- Effendi, Ebusuud 35
- efficient markets 36–7, 47, 153–4
- Einstein, Albert 9
- Elizabeth I, Queen of England 24
- employees *see* labour
- entrepreneurs 43–50, 104–8, 138–9
- see also* corporate finance; firms; micro-finance
- equity finance 4–5, 30–1, 82, 101–14, 122–4, 126, 142–9, 151–2, 154–5
- see also mudaraba...; musharaka...; shareholders*
- capital adequacy requirements 142, 148–9
- deposit accounts 82
- historical background 4–5, 30
- equity position risk 144–9
- ethical finance 36–50, 75, 132–9, 158
- ethical principles xix, 8–50, 61, 73–5, 103–4, 132–9, 158
- see also* economic principles; *Sharia*’a...
- concepts 16–37, 38–50, 103–4, 132, 133–4
- historical background 16–17
- ethics
- definition 38
- Islamic finance 39–50
- marketing 48
- prices 47–9
- stakeholder needs 49–50
- eurobonds, prohibitions 141
- euros 88, 96
- evasion solutions to the challenges, usury 8–9, 29–36
- exchange-traded compliant funds 124
- existence criteria, asset concepts 53
- expulsion of the Jews from England in 1290 22, 29
- ‘eye for an eye’ theory of punishment 2
- factors of production 8, 16, 35–7
- fairness 38–50
- see also* justice...
- faith-based banking
- see also* Islamic banks
- future prospects 149, 157–8
- family law 28
- faradh* (duty of care) 39–40
- fatawa*, documentation issues 113, 131–2
- fatwa* (declaration provided by a legal specialist)
- see also* legal maxims
- definition 159

- fees 63, 70–1, 88, 114
 fiduciary risk 126–7, 141
 Finance Acts 84, 157
 finance leases 29–30, 51–2, 53–4,
 57–8, 67–71, 79, 84,
 102–3, 107–8, 109–14, 144–9,
 159–60
see also ijara...; leases
 definition 29, 57, 102, 113
 rental payment determination 57–8,
 113–14
 financial centres
see also Hong Kong; London; New
 York; Singapore; Tokyo
 major players 5, 127
 financial institutions xix, 3–4, 5–6,
 7–8, 28, 148–9, 151, 157–8
see also banks; financial services;
 Islam...
 valuations 154–5
 financial instruments
see also bonds; derivatives
 contracts 43
 prohibitions 50
 financial ratios, financial screen
 prohibitions 122–3
 financial screen, asset management
 compliant investments 122–3
 financial services xix, 1–6, 7–9, 36–7,
 127, 142–9, 157, 158
see also financial institutions;
 Islamic...
 historical background xix, 1–6, 7–9
 Financial Services Authority (FSA) 84,
 148–9, 157
fiqh al muamalat (Islamic commercial
 jurisprudence) 38–40, 49,
 133–4, 136, 159
 definition 38, 39, 133–4, 159
fiqh (intelligence/understanding of the
 law) 16, 19, 27, 136–7, 159
 definition 27, 136, 159
 historical background 16
 firms xx, 38–50, 151–5
see also banks; entrepreneurs;
 valuations...
 fixed rates, swaps 96–8
 fixed-income/money-market compliant
 funds 31–2, 124
 floating rates, swaps 96–8
 floating-rate interest rate risk 126–7
 Florentine bankers, historical
 background 1, 4
foenus nauticum contracts 21
 foreign exchange risk 96, 108, 144–9
see also currencies
 forwards 32, 50, 61, 70, 98, 110–12,
 124
 Fourth Lateran Council 22
 free markets 36–7, 153–4
 French Revolution 16
 FTSE Global Islamic Index Series
 (GIIS) 123
 fully Islamic regulation model 74, 103,
 135–7
 fund management *see* asset
 management
 fungible goods, definition 20–1
 future profits, valuations of firms
 151–5
 future prospects xx, 149, 157–8
 futures 47–8, 53, 94–8, 117–20
 Galiani, Ferdinando 15
 gambling prohibitions 19, 44–9, 51,
 52, 59, 73, 94–5, 122–3, 125,
 137–8
 games of chance
see also gambling...
 prohibitions 19, 45–9
 GBP 88, 96
 general partners 54–6, 106–8, 115–16
see also partnerships
 generosity 47–50
gharar (uncertainty creation) 38,
 44–50, 73–5, 159
 definition 38, 44–5, 159
 examples 46
ghobn (inequity/injustice), definition 48
 girls, legal capacity ages 42
gish (cheating), definition 47–8
 global financial crisis from 2007, xix,
 5, 127, 157
 glossary 159–60
 going concern accountancy principle
 153, 155
 gold 1, 3, 44, 20
 goodwill 143–9
 governance xx, 3, 5–6, 129–39
see also IFSB...; regulations;
 Sharia'a...; social
 responsibilities
 concepts 129–34, 136–7
 definition 130
 SAB xx, 73–4, 118, 121, 122–4,
 129–34
 government bonds, prohibitions 141
 granaries 2–3
 Gratian 12–13
 Gregorian/Christian calendar xx
 growth component in the valuations of
 firms 152–5
see also profits; returns
 guarantees 52, 54, 61–2, 65–71, 101–3,
 144–9, 159–60
 Gulf Cooperation Council 81–2, 108
 Hadhrat-i-Omar 17
hadith (narrative record of the sayings/
 actions of the Prophet) 16–18,
 35, 159
see also Sumah...
 definition 16, 159
 historical background 16, 35
 haircuts 144–9
hajj (pilgrimage) 5–6, 39
halal (permitted) 39–40, 122–3, 137,
 159
 Haltwhistle 106
 Hanafi *fiqh* 19
 Hanbali scholars 133
 Hanifa 34
 Hannafis 19, 133
haram (prohibited/impermissible
 avoidance) 40–2, 47–9,
 122–3, 159
see also prohibitions
 definition 40, 42, 122, 159
 dividend payment purifications 123
 harmful goods/services 48
hawala (transfer of money from one
 person to another) 33–4, 51,
 88, 159
see also brokers; transfers...
 definition 33, 51, 88, 159
 hedge compliant funds 124, 146–9
 hedging 47, 8, 75, 94–8, 124, 127,
 146–9
see also arbitun...; risk management;
 salam...
 Henry II, King of England 21
 Henry III, King of England 22
 Henry VII, King of England 23
 Henry VIII, King of England 24
 Hittites 7–8
 hoarding prohibitions 47–8, 138
 honour 39–50
 Hume, David 15
hypothec 30–1
ibadat (worship), definition 39–40
 Ibn Khaldun 18
 Ibn Rushd 10, 17–18
 IFRSs *see* International Financial
 Reporting Standards
 IFSB standards 81–2, 130, 136–7,
 142–9
see also regulations
 background 81, 136–7
 capital adequacy requirements 81,
 136–7, 142–9
 future prospects 149
 IIFM *see* International Islamic
 Financial Market
 IILM *see* International Islamic
 Liquidity Management
 Corporation
ijara (a lease) 51–2, 56–8, 65–6,
 67–71, 102–3, 108–12, 113,
 124–6, 145–9, 159
see also leases; operating leases
 definition 51, 57, 102, 108, 109,
 113, 159
ijara wa iqtina (lease with ownership
 transfer at end of lease period
 or finance lease) 52, 57–8,
 113–14, 145–7, 159
see also finance leases; leases
 definition 52, 57, 113, 159

- ijma* (consensus of independent jurists) 16–17, 38–40
see also *Sharia*'a...; *ummah*...
 definition 16, 38
- ijtihad* (interpretation) 16, 38–40
see also *Sharia*'a...
 definition 16, 38
- ikhtiyar*, definition 39–40
- Imam Razi 17–18
- impaired assets 71, 108
- independence element of the SAB 75, 129–30
- Industrial Revolution 4–5, 8–9, 117
- industry screen, asset management
 compliant investments 122–3
- inequity/injustice prohibitions 42, 48
see also justice...
- inflation indexes 45, 78, 126
- information shortfalls, Islamic banks 142, 154–5
- informed consent, contract law 42
- infrastructure finance 101
- Innocent III, Pope 13, 22
- institutional investors 151
- insurance 6, 7–8, 31–2, 46, 52, 71, 113, 118–20, 122–3, 142–3, 157–8, 160
 historical background 7–8
 natural disasters/calamities 46
 prohibitions 52, 122–3, 142–3
- intangible assets 64–71
- interbank liquidity, treasury function 33–4, 89–94
- interesse* 14–15
- interest xix, xx, 4, 5–6, 8–36, 37–50, 63–71, 77–88, 125–7, 135
see also LIBOR; *riba*...; usury
 Christianity 9–10, 11–16, 20–5, 29–30, 32, 34–6
 circumvention methods 8–9, 29–30
 conclusions 34–6
 debates 10, 17, 19–20, 22–3, 44–5
 evasion solutions to the challenges 8–9, 29–36
 historical background 4–5, 8–36
 Islam 9–10, 16–36, 37–50, 77–88, 125–7
 Judaism 9–12, 14, 20–5, 28–9, 34–6
 late-payment charges 28–9, 30
 legalisation 4
 maximum rates 19–21, 22–5, 28–9
 prohibition of interest 9–36, 37–50, 125–7, 157
 reasonable rates 19–21, 22–5, 28–9, 44–5
- Interest Rate Reduction Act 25–6
- interest rate risks 126–7, 141
- interest rates 15–16, 19–21, 22–5, 126–7, 135, 141
- interest-bearing deposits/market cap ratios 122–3
- International Capital Market Association 137
- International Financial Reporting Standards (IFRSs) 136–7
see also AAOIFI...
- International Islamic Financial Market (IIFM) 137
- International Islamic Fiqh Academy 136
- International Islamic Liquidity Management Corporation (IILM) 137
- International Swaps and Derivatives Association (ISDA) 137
- international trade history 3–4, 7–9
- intrinsic worth, concepts 9, 10
- inventories 101–3, 144–9
- investment banks 5, 6, 157
- investment management *see* asset management
- investment risk reserve (IRR) 83
- investments xix, 1–6, 7–8, 10, 32–3, 43–50, 73–5, 79–83, 121–4, 130, 137–8, 154–5, 157–8, 160
see also asset management
 social responsibilities 137–8
- investors xix, 1–6, 7–8, 31–3, 43–50, 64–71, 73–5, 121–3, 130, 157–8, 160
 objectives 121
 types xix, 121
- IRR *see* investment risk reserve
- Islam
see also *Sharia*'a...
 anti-usury laws 20, 21, 26–36, 157–8
 dimensions 39–40
 historical background 9–10, 16
 prohibition of interest 9–10, 16–36, 37–50, 125–7, 137–8, 157
 usury 17–36, 44–50, 125, 157–8
 welfare-of-humankind goal 37
- Islamic banks xix, xx, 1, 5–6, 73–5, 101–14, 125–7, 129–39, 141–9, 154–5, 157–8
see also banks; capital adequacy...; corporate finance; governance; Islamic financial products; regulations; retail finance; risk; treasury function
 capital adequacy requirements around the world 81–2, 148–9
 functions 36–7
 future prospects xx, 149, 157–8
 historical background xix, 1, 5–6
 information shortfalls 142, 154–5
 major players 74–5
 micro-finance xx, 138–9, 153
 standardisation needs 158
 statistics xix, 6, 74–5, 157, 158
 treasury function xx, 89–100
 valuations of firms xx, 154–5
 weak-form efficient markets 154
- Islamic bonds *see* *sukuk*...
- Islamic brand names 158
- Islamic calendar (*Hijiri*) xx, 16
- Islamic Civilisation (late-sixth to early-eleventh century AD) 5
- Islamic economics 37–50
see also economic principles
- Islamic finance xix, xx, 6, 19–20, 28, 45–50, 51–71, 74–5, 121, 125–7, 129–39, 157–8
 capitalism 32–3
 ethics 39–50
 future prospects 149, 157–8
 historical background xix, 1, 5–6, 7–9, 157
 standardisation needs 46–50, 158
 statistics xix, 6, 74–5, 157, 158
- Islamic financial institutions xix, 3–4, 5–6, 7–8, 28, 39–50, 51–71, 121–4, 125–7, 129–39, 148–9, 157–8
see also financial institutions; governance; regulations
 definition 48–9
 ethics 39–50
- Islamic financial products xix, 51–71, 77–88, 89–100, 101–14, 115–16, 126–7, 130–9, 141–9, 158, 159–60
see also corporate finance; governance; retail finance; transactions; treasury function
 asset concepts 50, 52–3, 63–71
 concepts 51–71, 159–60
 definitions 51–2, 159–60
 distribution channels 73–5
 future prospects xix, 158
 private equity 115–16
- Islamic financial services xix, 5–6, 36–7, 47–50, 127, 129–39, 142–9, 157, 158
see also financial services; IFSB...
 ethics 47–50
 historical background 5–6
 statistics xix, 6, 74–5, 157, 158
 UK statistics 6, 127, 157
- Islamic Financial Services Board *see* IFSB...
- Islamic law
see also contract...; *fatwa*...; legal maxims; *Sharia*'a...
 anti-usury laws 20, 21, 26–36, 157
 concepts xix, 26–9
 historical background 16, 21
- Islamic scholars 8, 34, 38–40, 44–9, 53–6, 102–14, 130–2, 133–4
- Islamic windows 6
- isqa* 29, 30
- Israel 26
see also Judaism

- istisna* (sale with deferred delivery) 52, 56, 59, 67–70, 107–12, 126, 145–6, 159
 concepts 52, 59, 69–70, 107–8, 110–12, 145–6, 159
 definition 52, 59, 107, 110–11, 159
 Italian merchants 1, 4, 23, 31–2
- jahala* (ignorance) 46–7, 48
 Jerome, St 12
 John, King of England 21, 29
 joint ventures 29, 31–2, 54–6, 101, 115–16, 146–9
see also musharaka...
- Judaism 9–12, 14, 16–17, 20–5, 28–30, 32, 34–6
see also Israel
 anti-usury laws 20–5, 26, 28–30, 34–6
 ‘brother’ interpretations 11, 34
 concepts 9, 10–12, 14, 16–17, 28–30, 32, 34–6
 expulsion of the Jews from England in 1290 22, 29
 prohibition of interest 9–12, 14, 20–5, 28–30, 34–6
 protection to moneylenders in England 29
 usury 10–12, 14, 20–5, 28–30, 34–6
- justice in economic exchanges
see also prices; profits
 concepts 4–50, 51, 157–8
 historical background 8–9, 36, 157
 profits 9, 18–19, 51, 157–8
- kafala* (guarantee/third-party obligation), definition 52, 159
- labour 8–9, 36–7, 40, 49–50
 business ethical conduct 40, 49–50
 factors of production 8–9, 36–7
- land, factors of production 8–9, 36–7
- late-payment charges, interest 28–9, 30
 lawyers 132
- lease compliant funds 124
- lease and hire-purchase contracts 85–7
- leases 2, 20–1, 29–30, 51, 53–4, 57–8, 67–71, 79, 84, 85–7, 102–3, 107–12, 113–14, 124, 126, 144–9, 159–60
see also finance...; ijara...; operating...; sale-and-lease-back agreements; usufruct concepts
 concepts 57–8, 67–71, 79, 84, 108–12, 113–14
 definitions 2, 29, 102, 109, 113–14, 124, 147
 rental payment determination 57–8, 113–14
- legal maxims 5–6, 16–17, 20–40, 157, 159
- see also fatwa...; Islamic law; Sharia'a...*
 concepts 26–36
 definition 26–7
 lending circles 29
 leniency 47–50
 letters of credit 3, 33–4, 54, 60–1, 101–2
 Levant 33
 leverage 122–3, 126, 138, 141–9
 Leviticus 11–14
Lex Unicaria 20, 21
 liability accounting treatment, deposit accounts 82
 LIBOR 36, 57, 98, 126, 135, 139
 limited liabilities 56, 115–16
 liquidity 5, 33–4, 89–94, 121, 137, 141–9, 154–5, 158
see also bankruptcy concepts 33–4, 89–94
 liquidity risk 89–100, 126, 141, 154–5
- LME *see* London Metal Exchange
 LME base metals 117–20
 loans 1–3, 8–36, 52, 77–8, 85–7, 99–100, 126–7, 138–9, 154–5
see also debt finance; interest; mortgages; personal...; syndication
 historical background 1–2, 8–9, 30–6
 payday loans 25, 35
- London Clearing House 118
- London Metal Exchange (LME) xx, 90, 117–20
see also metal warrants; metals functions 90, 117–20
 historical background 117–18
 long-term production finance
see also istisna... concepts 59
 loss data history 142, 154–5
 lunar calendar 155
- Magna Carta 20–2
 magnesium 119
makrooh (undesirable), definition 40
 Malaki 34
 malfeasance 126
 management buyouts 101
marbit 10–12
 market economies 36–7, 153–4
 market makers, *sukuk* 99
 market risk 117–20, 126, 144–9
see also commodities...; equity...; foreign exchange...; inventories
 definition 144
 market values 46–9, 114
 marketing, ethics 48
 markets division *see* treasury function
masa'il (basic legal body) 26
- Massachusetts, usury laws 24–5
 materialism 138
 maximum interest rates 19–21, 22–5, 28–9
- maysir* (gambling) 45–50, 73
see also gambling... definition 45–6
- means of exchange, money 10, 13–14, 34–5, 60–1
- merchant bankers, historical background 4, 51, 157
- merchants, historical background 4, 7–9, 18–20, 23, 117–18
- mergers and acquisitions 5, 101
- metal warrants xx, 87, 89–94, 102–3, 112–13, 117–20, 146–9
see also London Metal Exchange; warrants
 definition 117–18
 example 103, 119
 premiums 118–19
 metal xx, 1–2, 44, 70, 87, 89–94, 102–3, 112–13, 117–20
 micro-finance xx, 138–9, 153
- Middle Ages 4
- Middle East 5–6, 20, 21, 26–36, 78, 108, 124, 138–9, 158
 anti-usury laws 20, 21, 26–36
 historical background 5–6
 UK laws 27–8
- migrant workers 88
- Mit Ghamr savings project in 1963 5
- models, regulations 135–7
- modern economics
 banking 36–7
 science 36–7
- Molinaeus, Carolus 14–15
- money 8–9, 10, 13–16, 43–50, 51, 60–71, 87–8
see also capital
 historical background 8–9, 10
 means of exchange 10, 13–14, 34–5, 60–1
 purposes 10, 13–14
 transfers of money 51, 87–8
- money lenders 2–3, 20–1
see also banks
- monopolies 138
- monotheistic faiths *see* Abrahamic faiths
- moral hazard 127
- morality, definition 38
- mortgages 3, 25, 30–2, 84
- muamalat* (commercial rules/activities not governed by *Sharia'a*) 38–40, 49, 133–4, 159
 definition 39–40, 159
- Mudaraba* (partnership contract/trust/profit-sharing) 32–3, 52, 54–6, 64–7, 79–83, 106, 115–16, 126, 138, 142, 146–9

- see also* deposit accounts;
musharaka...; partnerships;
 private equity
 definition 52, 55–6, 81, 116, 126, 159
mudarib (partnership party providing knowledge/skills) 33–4, 55–6, 67, 79–83, 116, 126–7, 159
 definition 55, 116, 126, 159
 multiple boards, SAB members 133–4
murabaha (deferred payment sale/ instalment credit sale) xx, 33, 56–61, 64, 67, 79–83, 84–7, 89–94, 97–8, 102–3, 109–12, 117–20, 124–6, 139, 159, 160
see also deposit...; personal loans; *tawarruq*...
 definition 56–7, 84, 89–90, 102, 109, 159
musharaka (active partnership contract) 33, 52, 54–6, 64–7, 84, 106–10, 115–16, 138–9, 142, 145–9, 159
see also joint ventures; *mudaraba*...; partnerships; private equity
 definition 52, 54, 106–7, 109, 115, 159
musharik (partnership party), definition 52, 54–5, 106–7, 115–16
 Muslim investors xix
 mutual funds 124
 mutual insurance 160
mutuum 20–1
 natural disasters/calamities, insurance 46
 negligence 126
nesheck (a bite) 10–12
 net present values (NPVs)
see also discounted cash flow...
 valuations of firms 152–3
 Newcastle to Carlisle railway 106
 no obstacles, no special favours UK regulations 136
 non-compliance remedies 44–5, 113–14, 123–4
 non-jurisdictional characteristics, *Sharia*'a (ethical framework of Islam) 27, 112, 158
 non-Muslim investors xix
 non-uniformity characteristics, *Sharia*'a (ethical framework of Islam) 27, 64, 133, 135, 158
 North American Loan Loss Database 142
 North American special aluminium alloy (NASAAC) 119
 off-balance sheet accounting treatment, deposit accounts 82
 off-balance-sheet transactions 82, 144
 oil prices xix
 online banking 77
 online betting, gambling prohibitions 122
 operating leases 57–8, 67–71, 102–3, 107–8, 113–14, 147
see also *ijara*...; leases
 definition 57, 113–14, 147
 rental payment determination 57–8, 113–14
 term-end options 114
 operational (event) risks 108, 126, 141, 144–5
 definition 144–5
 opportunity costs, costs of capital 153
 options 47–8, 53, 94–8
see also *arbutun*...
 orphans 44
 Ottoman Turkey 19, 26, 27
 outsourcing 36–7
 over-the-counter transactions (OTCs) 117–18
 overdrafts 78, 85
 overview of the book xix, xx
 ownership criteria
see also *sukuk*...
 asset concepts 50, 53, 53–71
 Pan European Credit Data Consortium 142
 parallel *salam* (parallel contract to an existing *salam* contract) 145–6, 160
 definition 160
 partnerships xix, 7–9, 10, 30–3, 52, 53–71, 79–83, 84, 101, 105–14, 115–16, 126–7, 138–9, 142–9, 159
see also *mudaraba*...; *musharaka*...
 historical background 7–9, 10, 30 types 54–6
 Pasio (430-370BC) 3
 passive (index-tracking) fund management 83, 124
 payday loans 25, 35
 PER *see* profit equalisation reserve
 permissibility principle, definition 38, 42
 permissible assets xix, xx, 42, 73–5, 79–88, 102–14, 121–4, 130–9, 158
see also prohibitions
 concepts 42, 52–3
 personal loans 85–7
see also loans; *murabaha*...
 PFIs *see* private finance initiatives
 Pierson, Jean Louis 104
pignus 30–1
 pilgrimage 5–6
 plastics 118, 120
 political risk 108
 pork/non-compliant food product prohibitions 47, 52, 122–3, 137–8
 PPPs *see* public–private partnerships
 PRA *see* Prudential Regulation Authority
 precious metals 1
 predictable returns 56–9, 67–71
see also returns
 premium metal warrants 118–20
 prepaid credit cards 79
 price risk 117–20, 126
 prices xix, 9–10, 16, 18–19, 29, 36–50, 151–5, 158
see also justice...; share...
 Christianity 9, 16, 36
 competition factors 158
 demand and supply mechanisms 9, 16, 18–19, 29, 36–7, 158
 ethics 47–9
 stability aims 47–9
 principal–agent problems 7–9, 36–7, 151
 private equity xx, 115–16, 124, 146–9
see also *mudaraba*...; *musharaka*...
 definition 115–16
 private finance initiatives (PFIs) 105–6
 private property 8–9, 20–1, 36–50
 factors of production 8, 36–7
 historical background 8–9, 20–1
 privately established Islamic banks, historical background 6
 privatisations 101, 104–5
 profit equalisation reserve (PER) 82–3
 profit rate swaps 97–8
 profit smoothing practices 82–3
 profit-shares 5–6, 30, 31–2, 50, 53–71, 104–8, 113–14, 115–16, 127, 138–9, 141, 142–9, 157–8, 159
see also equity finance; partnerships
 profiteering prohibitions 19–20, 137–8, 157
see also *riba*...
 profits 5–6, 9, 18–19, 20–1, 29–30, 36–7, 43–50, 51–71, 80–3, 97–100, 104–8, 115–16, 121, 125–7, 138–9, 141–9, 151–5, 157–8, 159, 160
see also justice...; returns
 definition 18–19
 high value to society 18–19, 38–40, 43–4, 51
 valuations of firms 151–5
 prohibitions xix, 8–36, 37–50, 51, 52–3, 61, 63, 94–5, 121–4, 125, 137–8, 141, 157–8
see also adult-entertainment...; alcohol...; derivatives; gambling...; *gharar*...; *haram*...; interest; *jahala*...;

- pork...; profiteering...; *riba*...;
tobacco...; weapons...
- asset management 121–4
- conclusions 34–6
- contracts 40–3
- derivatives 47, 50, 53, 61, 94–5, 121
- non-compliance remedies 44–5,
123–4
- short selling 47–8, 50, 51, 53, 124
- types 38–50, 51, 52–3, 61, 63, 94–5,
122–3, 137–8, 141
- project finance 101, 103–8
see also corporate...
definition 103–4
historical background 104–5
sectors 103–4
syndicated partnership transactions
106–8
- promises 52, 61, 97–8, 124, 160
- promissory notes 26
- property finance 108–13
see also corporate; real estate
- Prophet Mohammed xx, 9, 16–18, 35,
37–40, 159, 160
see also *Quran*...; *Sharia*'a...;
Summah...
- Prudential Regulation Authority
(PRA) 6
- public equity compliant funds 115–16,
124
- public-private partnerships (PPPs)
101, 105–8
- purification methods 123, 132
see also *zakat*...
- qard al hassan* (interest-free/gratuitous
loan) 49, 52, 77–8, 160
see also current accounts
definition 49, 52, 77–8, 160
- qard* (interest-free loan) 33–4, 49, 52,
78, 160
definition 52, 160
- qirad* 31–3
see also *mudaraba*...
- qiyas* (analogy/case-law) 16–17, 38–40
see also *Sharia*'a...
definition 16, 38
- Quran* (Book of God) 16–19, 35, 37,
38–40, 44, 48, 160
definition 16, 38–9, 160
historical background 16, 35
translations 19
- rab al mal* (contract party providing
finances) 52, 55–6, 66–7,
79–80, 83, 94, 116, 160
see also *mudaraba*...
definition 52, 79–80, 116, 160
- raba* (increase) 12, 44–5
- Rabbenu Tam 28
- Rabbinical Court 26
- rahn* (collateral pledged), definition
52, 160
- railways 104, 106
- Rashi 28
- rate of return risk 126–7, 141
- re-takaful* (reinsurance to reduce
concentration risk), definition
160
- real estate 47, 108–13, 124
see also property finance
- realisation and matching accountancy
principles 152–3
- reasonable rates of interest 19–21,
22–5, 28–9, 44–50
- receivables finance 101–3
- redemption of bonds 63–4
- Reformation 8
- regulations xx, 3, 6, 37–50, 54, 65–71,
73–5, 82, 93–100, 125–7,
135–9, 141–9, 157–8
see also AAOIFI...; Basel...;
governance; IFSB...;
Sharia'a...
concepts 46–50, 54, 65–71, 93–100,
135–9, 149, 157–8
future prospects 149, 157–8
models 135–7
no obstacles, no special favours, UK
regulations 136
- relationship management 99–100
- religious basis characteristics, *Sharia*'a
(ethical framework of Islam)
27, 133
- remuneration committees 129
- rents 2–3, 26–1, 29, 47, 57–71, 74,
85–7, 102–3, 107–8, 109–13,
118–20, 124, 126–7
determination in a lease 57–8,
113–14
lease and hire-purchase contracts
57–8, 85–7
- reputational risk 97, 99–100, 132, 144
- reserves 66–71, 82–3, 143–9, 152,
154–5
see also retained profits
concepts 82–3
- residual income valuation models
153–5
see also valuation...
- residual values, rental payment
determination 114
- respect 47–50
- Restoration 24
- restricted/unrestricted investment
accounts 80–1
- restructuring debt 101
- retail finance xx, 5–6, 10, 30–2, 77–88
see also credit cards; current
accounts; deposit accounts;
mortgages; personal loans
concepts 77–88
definition 77
historical background 5–6
transfers of money 51, 87–8
- retained profits 143–9, 152, 154–5
see also reserves
- returns 5–6, 8–9, 19, 20–1, 38–50,
53–71, 79–80, 125–7, 151,
152–5
see also earnings; profit...; yields
predictable returns 56–9, 67–71
risk 46, 124, 125–7, 153, 154
valuations of firms 151, 152–5
- reevaluation reserves 143–9
- reverse commodity *murabaha* 52, 91–4
- reviews, SAB 49, 130–2
- riba al fadl* (excess compensation
without any consideration)
17–18, 44–9, 160
definition 17, 44–5, 160
- riba al naseyah* (excess resulting
from predetermined interest/
time value of money) 17–18,
44–9, 60
definition 17–18, 44–5, 160
- riba* (increase/excess/interest/usury)
17–20, 35–6, 38, 44–9, 73–5,
160
see also interest...; usury
definition 17, 19, 44–5, 160
forms 44–5
interpretations 17, 19–20, 44–5
- ribbit* (to increase) 10–12
- Richard I, King of England 29
- risk xx, 12, 19–20, 29–30, 32–3,
43–50, 53–4, 68–71, 75, 94–8,
108, 113, 115–16, 117–20,
125–7, 129, 141–9, 151,
152–5, 158, 160
future prospects 158
measures 125–7
returns 46, 124, 125–7, 153, 154
types 46–7, 68, 69–71, 108, 117–18,
125–7, 141–9,
154, 158
valuations of firms 151, 152–5
- risk committees 129
- risk management 47–9, 94–8, 99–100,
118–20, 125–7, 136–7, 143–9
see also diversification; hedging
syndication 99–100
- risk weights 142, 144–9
- risk-adjusted return on capital
(RAROC) 125–7
- risk-free rates of return 154
- Road Link 106
- Roman Empire 3, 9, 20–1, 30–1, 34
- Rothschild family 29
- Royal Exchange 4, 117
- ruq'a* (note) 33–4
- SAB *see* *Sharia*'a Advisory Board
- sadaqat* (voluntary charitable
contribution), definition 49,
160
- safekeeping of valuables 1–3, 20–1
- Safi 34

- sakk* (cheque) 33–4
see also sukuk...
- salam* (sale with deferred delivery/
 forward investment) 33, 52,
 56, 58–61, 64, 67–71, 95–8,
 110–12, 124, 126, 145–6, 160
see also futures; hedging
 definition 52, 58, 95, 98, 110, 160
- sale-and-lease-back agreements 30,
 65–6, 67–71, 102–3, 109–12
- sale-based instruments 30, 52–71,
 86–7, 101–3, 117–20, 126–7,
 159–60
see also *istisna...*; *murabaha...*;
salam...; *tawarruq...*
- sanity/insanity factors, contract law
 41–2
- sarf* (currency purchase and sale) 52,
 60, 96, 160
see also currencies
 definition 52, 60, 96, 160
- savings 1–6, 49–50, 77–8, 79–83,
 154–5
see also deposit...
- scarce resources, concepts 36–7, 45, 47
- scholars, SAB 102–14, 130–2, 133–4
- science, modern economics 36–7
- sectors, project finance 103–4
- secured personal loans 85–7
- securitisation 31–2, 64–71
- self-interest 36–7
- settlement (counterparty) risk 126,
 141, 145, 147–9, 154–5
- Shafi'i 64, 133
- share prices 151–2, 153–5
- shareholder activism 151–2
- shareholders 49–50, 121–4, 132–9,
 143–9, 151–2, 154–5
see also equity...
- Sharia'a* Advisory Board (SAB) xx,
 49, 65–6, 73–5, 118, 121,
 122–4, 129–34
 advisory role 130–2
 approval role 49, 73–4, 130–2
 audit role 75, 130, 131–2
 background 49, 65–6, 73–5,
 129–34
 composition/structure 121, 133–4
 definition 129–30
 functions 49, 73, 75, 129–32
 multiple boards 133–4
 roles 49, 73, 75, 129–32
 scholars 130–2, 133–4
 social responsibilities 132
 variations 133–4
- Sharia'a* based contrasts, compliance
 74–5
- Sharia'a* Boards xx, 118–19, 121,
 129–34
- Sharia'a* (ethical framework of Islam)
 xix, 5–6, 16, 20–1, 26–8,
 32–4, 37–50, 65–9, 74–5,
 79–83, 93–5, 98–105, 112–16,
 118, 121–4, 130–4, 136–9,
 144, 146–9, 158, 159, 160
see also AAOIFI...; governance;
ijma...; *ijtihad...*; legal
 maxims; prohibitions;
qiyas...; *Quran...*; regulations;
Sunnah...
- compliance xix, xx, 5–6, 37–50,
 65–71, 73–5, 79–88, 102–14,
 121–4, 130–9, 158
- concepts 5–6, 16, 20, 26–9, 32–6,
 38–50, 115–16, 121–4, 146–9,
 158, 160
- definition 16, 27, 38–40, 160
 historical background 5–6, 16, 20
 non-jurisdictional characteristics 27,
 112, 158
- non-uniformity characteristics 27,
 64, 133, 135, 158
- objectives 38–40, 48–9
- religious basis characteristics 27,
 133
- Sharia'a Islami'ah* (Islamic teaching),
 definition 38–40, 48–9
- Sheikh-al-Azhar Muhammad Sayyid
 Tantawi 35
- short selling prohibitions 47–8, 50, 51,
 53, 124
see also hedging
- short-term production finance
see also salam...
 concepts 58–9
- silver 44
- Simmons, Shraga 12
- single regulation model 136–7
- sins 13–14
- skills 33–4, 54–6, 75, 107–14, 115–16,
 126, 133–4, 159
- slavery 20–1
- sleeping partners, private equity
 115–16
- Smith, Adam 8–9, 10, 15, 36, 151
- social responsibilities 20, 38–40,
 49–50, 132, 137–9, 157, 158
- social unrest 48
- solar calendar 155
- special-purpose vehicles (SPVs)
 64–71, 99, 104
- specificity criteria, asset concepts 53
- speculation 47–9, 53, 61, 75, 94–5, 127
see also gambling...
- SPVs *see* special-purpose vehicles
- stability aims, prices 47–9
- stakeholder needs, ethics 49–50
- stamp-duty land tax 84, 102–3, 113,
 157
- standardisation issues 46–50, 82–3,
 117, 118–19, 121–4, 158
- statistics, Islamic financial services
 xix, 6, 74–5, 157, 158
- Statute of the Jewry 22–3
- Statute of Merton 22
- Statute of Usury 1714 24
- stewardship notions, private property
 8–9
- stock exchanges 14–15, 124, 154–5
- stock/securities lending 121
- stockbrokers, historical background 4
- structured products 125
- subprime crisis *see* global financial
 crisis from 2007
- subsidiary distribution channels 74–5
- suftaja* (letter of credit) 33–4
- sukuk al ijara* 65–6, 67–71, 147–9
- sukuk al istima* 146–7
- sukuk al istisna* 69–71
- sukuk al mudaraba* 65–7
- sukuk al musharaka* 65–7, 147–9
- sukuk al salam* 68–71, 141, 146
- sukuk* (partial ownership in assets) xix,
 33–4, 52, 54, 63–71, 74–5, 89,
 94, 96–8, 99, 107, 124, 141,
 145–9, 157, 160
see also bond-like instruments
 AAOIFI Standards 65–6
 capital adequacy requirements
 146–8, 149
 definition 33, 52, 63, 64–5, 99, 107,
 141, 146, 160
 future prospects 149
 generic structure 64–5
 market makers 99
 partnership basis 66–7
 predictable-returns basis 67–71
 trading books 147–9
- Summa Theologica* (St Thomas
 Aquinas) 13
- Summerhart, Conrad 12
- Sunnah* (words/acts of the Prophet) 16,
 18, 35–6, 37–40, 160
see also *hadith...*
 definition 16, 38–9, 160
 historical background 16, 18, 35
- supplementary capital, IFSB guidelines
 143
- Surah* 17
- swaps 96–8, 137
- SWORD system 118–19
- syndicated partnership transactions,
 project finance 106–8
- syndication 31–2, 99–100, 106–8
 definition 99
 phases 100
 treasury function 99–100
- tabarru* (non-commercial donation/
 gift), definition 160
- takaful* (insurance comparable to
 mutual insurance)
see also insurance
 definition 160
- Talmud 10–11, 26, 29
- tarbit* 10–12
- tawarruq* (purchased commodity
 immediately sold to a third
 party) 33, 52, 67, 90, 93–4,

- 102–3, 109, 112–13, 117–20, 160
see also murabaha...
 concerns 90, 93–4, 112–13
 definition 52, 93, 102–3, 112, 160
 tax systems 6, 31–2, 37–8, 84, 102–3, 104, 112–13, 157–8
- Tejara Capital 6
- telephone banking 77
- temples 1–3, 7–8
- terrorism 88
- test message banking 77
- theology 8–36, 133–4
see also ethical principles
- Tier 1 capital, definition 143
- Tier 2 capital, definition 143
- time value of money 17–19, 22, 44–9, 160
- tobacco prohibitions 52, 122–3, 137–8
- Torah 10–11, 13–14
- trade finance
see also corporate...; working capital financing
 concepts 32–3, 43–50, 60–1, 101–3
- trading books, *sukuk* 147–9
- training needs 49
- Trans-Siberian Railway 104
- transactions xix, 4–6, 8–9, 17–20, 40–50, 51–71, 101–14, 117–20, 141, 158
see also bond-like instruments;
 partnerships
 asset concepts 52–3
 business ethical conduct 40, 46–50
 capital adequacy requirements 81–2, 145–6
 combinations of transaction types 98
 historical background 4–5, 8–9, 17–18, 117–18
 types xix, 8–9, 17–18, 47–50, 51–2, 53–63
- transfers of money, retail finance 51, 87–8
- translations, *Quran* (Book of God) 19
- transparency issues 40, 46–50, 66, 82, 129–34, 157–8
- Treasury Bills 25, 141
- Treasury bonds, prohibitions 141
- treasury function xx, 33–4, 89–100
 asset-based securities 99
 combinations of transaction types 98
 currencies 89, 96–8
 definition 89
 hedging 94–8
 interbank liquidity 33–4, 89–94
 syndication 99–100
- trusts 19, 29, 37, 63, 77–8, 159
- truth 25–6, 39–50
- Truth in Lending Act 25–6
- tulip mania economic bubble 4
- Turgot, Anne Robert Jacques 15
- Twain, Mark 34
- ujra* 63, 79
- ummah* (larger community) 16–17, 38–40
see also ijma...
 definition 16, 38
- uncertainty 38, 44–50, 51, 53, 59, 94–5, 125, 138, 159
see also prohibitions
- underlying assets 50, 51–71, 100, 113–14, 117–20, 146–9, 158
- underwriting 103–4
- unenforceable contracts 42–3
- unilateral binding promises 52, 61, 97–8, 124, 160
- unit trusts 124
 anti-usury laws 20–5, 35, 157
 expulsion of the Jews in 1290 22, 29
 historical background 4–5, 6, 20–5, 117–18, 157
 Industrial Revolution 4–5, 8–9, 117
 Islamic financial services 6, 127, 157
 Israeli laws 26
 Magna Carta 20–2
 Middle East 27–28
 no obstacles, no special favours regulations 136
 statistics 6
- unlimited liabilities 56, 115–16
- unsecured personal loans 86–7
see also New York
 anti-usury laws 20, 24–5, 28, 35
 Islamic financial services 6
 subprime crisis 5
- usefulness concepts, intrinsic worth 9
- usufruct concepts 2–3, 13–14, 20–1, 51, 113–14
see also leases
- usury 4, 5–6, 8–9, 10–36, 37–50, 125, 157–8, 160
see also interest; prohibitions; *riba...*
 anti-usury laws 20–36, 157
 Christianity 8, 10, 11–16, 20–5, 29–30, 32, 34–6
 debates 10, 19–20, 22–3, 44–5
 definitions 4, 5, 8–9, 10, 12–13, 17, 19, 22, 23, 44
 evasion solutions to the challenges 8–9, 29–36
 historical background 8–10, 11–16, 20–36, 157
 Islam 17–36, 44–50, 125, 157–8
 Judaism 10–12, 20–5, 28–30, 34–6
- voidable contracts 29
- utility theory 36–7
- Valencian bankers, historical background 4
- valuations of firms xx, 151–5
see also discounted cash flow...;
 residual income...
 components 152–3
 models 153–4
- value added tax (VAT) 102–3, 112–13
- value at risk (VaR) 125–7
- value of money, historical background 8–9
- venture partnerships 31–2
- void contracts 42–3
- voidable contracts 29, 42–3, 53
- wa'd* (unilateral binding promise) 52, 61, 97–8, 124, 160
- wadia* (trust)
see also current accounts
 definition 77–8
- wakala* (principal-agent contract) 52, 56, 62–3, 64, 66, 79–83, 94, 97, 124, 160
see also agents; deposit accounts
 definition 52, 62, 94, 160
- wakil* (agent in a *wakala* or agency contract) 52, 62–3, 79, 80–3, 94, 160
 definition 52, 62, 160
- waqf* (endowments/interest-bearing charitable trust fund), definition 19, 63
- warrants xx, 89–94, 102–3, 112–13, 117–20, 146–9
see also metal...
 definition 117–18
- weak-form efficient markets 154
- wealth distribution 45, 51, 121, 132
The Wealth of Nations (Smith) 36, 151
- weapons prohibitions 47, 52, 122–3, 137–8
- welfare-of-humankind goal of Islam 37
- wholesale financial services, historical background 5–6
- widows 44
- window distribution channels 73–5
- wine prohibitions 19, 122–3
- working capital financing 101–3
see also trade finance
- writing history 7
- yields 121–4
see also returns
- zakat* (tithe giving/affordable obligatory donation to a charity) 39, 49, 131–2, 160