A summary of Islamic Banking and Finance

* Growing faster than regular finance especially upon nonpracticing Muslim (2018)
* Major potential after 2008
* More access to banks to service Islamic populations underserved by traditional banks
* Generally lower risk

Key Islamic Banking Terms

* Sukuk: financial certificates or Sharia Compliant bonds
* Ijara: transferring of ownership over management of asset or employment of person for the services given as a hire service.
* Mudaraba: special kind of partnership where one partner provides other partner with money for investing in commercial enterprise while other manages the enterprise.

Comparisons of Islamic Banking and Western Banking

* Prohibition of charging/receiving interest
  + To prevent excessive leverage
* Excessive speculation
* Ethical investing (no investing in porn, tobacco, wine, gambling, pork, etc.)
* Example:
  + Having the house leased by the bank as opposed to buying it and getting money

Perceptions of Islamic Banking

* Major change in perception of Islamic banking during times of financial instability

Challenges

1. Better upholding of codes around the world
2. Money markets need to be opened for easier liquidity
3. Requiring of institutional reforms to match Islamic Financing
4. Concentrated in specific locations

Involvement in AI technology

* Sharia Mufti: connects inquiring consumer to Sharia Fatwa list with a confidence level benchmark.
* Audit clicker: links auditor criteria to appropriate criteria.