Managerial Finance

The new paradigm of Islamic corporate governance

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Abstract

Purpose – The purpose of this paper is to examine the new paradigm of Islamic corporate governance (ICG) in an emerging area of Islamic finance.

Design/methodology/approach – The paper adopts an analytical approach to investigate the new executive and managerial roles that ICG is expected to play in the process of corporate financial decision making.

Findings – The authors argue that ICG is no longer expected to play the traditional supervisory and regulatory role within Islamic financial institutions. Indeed, the acuteness of competition, the observed failures of the Islamic finance industry, the unprecedented challenges, and the required ethical considerations levy as a new approach that improve the growth of the Islamic finance industry sustain its survival in the global financial world, and enhance the welfare of 25 percent of the world population who survived beyond all level of poverties.

Originality/value – The authors claim that ICG must be endowed with a multi-faceted, new paradigm for the purpose of improving the stakeholders' interests and reaching the best business practices of the Islamic finance industry to cater investors' need and the social well-being of the homeless and disadvantaged communities.

Keywords Corporate governance, Ethics, Products development, Shari'ah

Paper type Research paper

1. Introduction

The ICG is not independent of the practices and events that occur in the business world. It is a part of the mechanisms that aim at improving the performance of corporations, financial institutions, and the well-being of the poor class of society in a globalized setting to eliminate poverty. Ginena (2014, p. 86) claims that the eruption of the 2007/2008 global financial crisis (GFC) placed the issue of corporate governance at the top of the policymakers' agenda. In his words, "the worldwide economic and financial crisis that began in mid-2007 and included failures of several financial institutions such as Lehman Brothers, once a 'heavyweight' of investment banking, made the topic of corporate governance a chief concern for academics, governments, and regulators globally."

Even before the eruption of GFC, other actors intensified the importance of corporate governance. Indeed, Iqbal and Mirakhor (2004) argue that some of these factors include the growth of institutional investors and their role in developed economies, the sub-optimal economic and social development in developed economies, the regulators' interest to protect all stakeholders, and the liberalization of institutional investors' activities.

The research on ICG has become a prolifically productive area in the field of Islamic finance studies. Although it has very similar objectives *vis-à-vis* conventional corporate governance, the inclusion of *shariah* maxims and the originating *fiqh* principles renders ICG's scope more restrictive about the religious, ethical, and social considerations of the Islamic financial institutions' (IFIs) business activities.

The ICG aims to combine the improvement of the financial performance with the social mission within the perimeter of *shariah* maxims, in order to achieve the best satisfaction of all stakeholders' in a broader socio-economic setting. The complexity of the ICG process

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consists in the continuous accountability of the board of directors (BOD) (and the corresponding strategizing) to the jurisdiction's law and regulations, alongside with *shariah*. Not only managers find it difficult to tailor such optimal accountability, but also regulators must exercise with care to maintain a balance between *shariah* compliance and the issues of sustaining financial stability and development. The theoretical model underpinnings of ICG and the related practical implications (in terms of profitability, earnings management, alleviation of *shariah* risk, efficient capital allocation, Islamic financial products (IFPs) development, etc.) are concerned with the maximization of joint interests for a variety of stakeholders.

Recent theoretical and practical developments in the area of ICG can be regarded as a testimony of the growing interest in optimizing financial performance, supervisory measures, and regulatory devices in the Islamic finance industry. Various studies have been conducted, including theoretical work by Abdel-Baki and Sciabolazza (2014), Bhatti and Bhatti (2010), Archer and Karim (2012), Ginena (2014). Some empirical contributions are made by various authors including Bukhari *et al.* (2013), Farook *et al.* (2011), Grassa and Matoussi (2014), Abdullah *et al.* (2015), Mollah and Zaman (2015), Samra (2016), Shibani and De Fuentes (2017), and Chazi *et al.* (2018), among others. These contributions explore the management-related aspects of corporate governance in IFIs and in the field of *shariah* compliance. The diversity of their findings shows the pertinence of ICG's mechanisms and the wide application of its principles to different jurisdictions including Muslims majority and minorities regions.

The purpose of this paper is to examine the recent ICG developments in the Islamic finance industry in a global setting. This is explored through an analytical approach, investigating the new executive and managerial roles that ICG is expected to play in the process of financial and social decision making. Indeed, the acuteness of competition, the observed failures of the Islamic finance industry, the unprecedented challenges, and the required ethical considerations levy a new style that executives must endorse to improve the growth of the Islamic finance industry and sustain its survival in the global financial world of the twenty-first century.

The remaining of this paper is organized as follows. Section 2 discusses the new features of ICG. Section 3 explores the issue of protection of stakeholders' rights and best practices. Section 3 concludes.

2. The new features of ICG

Most of theoretical considerations and practical applications of ICG focus on the Islamic finance industry for at least two reasons. On the one hand, *shariah*-compliant assets are mostly concentrated in financial companies rather than the manufacturing and industrial sector. On the other hand, the ICG's role is more essential because of the severe asymmetric distribution of information among contracting parties in the Islamic financial sector. Indeed, the IFIs manage the depositors' collected funds by investing them in *shariah*-compliant channels, which requires consistent regulatory efforts to minimize all forms of risks, improve the financial stability, and sustain the economic growth.

The new paradigm of ICG stems from the worldwide impact of Islamic finance on the welfare of around 23 percent of the world population. The efficiency of ICG's devices in addressing the challenges of the Islamic finance industry turns out to be more crucial with its persistent, spectacular growth and geographical expansion. Table I shows the global Islamic finance industry's components across regions, and Table II shows the growth rates for QISMUT+3 countries[1]. As it can be noticed, the expected compounded average growth rate rates (CAGRs) for QISMUT+3 and Saudi Arabia are about 13.6 and 17.5 percent, respectively. These higher-than-the-average two CAGRs indicate that the Islamic finance industry is a promoting niche in the global financial system, which calls for a new ICG paradigm that is more visible and of integrity in terms of its scope and applications in order to address diverse professional aspects of the industry.

Alongside with the usual mission of ICG – in terms of preserving the various stakeholders' interests, solving agency conflicts, disclosure requirements, and improvement of profitability, among others – the core of its new paradigm combines supplementary dimensions that include the following aspects:

2.1 Improving the competitiveness of the global Islamic finance industry

Although IFSB (2017) indicates that the Islamic finance industry reached around $2 trillion by the end of 2017, the global competitiveness of its main constituents, namely, Islamic banks, *takaful* (*shariah*-based insurance) institutions, Islamic funds, and *sukuk* (bond-like) issuances, remains with a limited influence in the global financial system. ICG must play a more powerful guiding role for IFIs to build strategies and policy measures, in order to improve their competitiveness at the international level outside the geographical regions that are endowed with a high concentration of Muslim population. This macro role was never included among the top priorities of ICG as the resilience of the global Islamic industry was not one of the concerns for managers who were seeking only profitability and improvement in their market positioning.

2.2 Associating the IFIs' business practices to the ethical fulfillment of maqasid-al-shariah (i.e. objectives of Islamic law)

Bedoui and Mansour (2015, p. 574) consider that Islamic law could inspire the study of performance through an economic and business prism. The authors examine conceptually the IFIs' performance through religious roots from the peculiar perspective of Islam.

Region	Islamic banking	*Sukuk* outstanding	Islamic funds assets	*Takaful* contributions	Total
Asia	218.6	182.7	19.8	4.4	425.5
GCC	650.8	115.2	23.4	11.7	801.1
MENA (ex-GCC)	540.5	16.6	0.2	8.4	565.7
Africa (ex-North Africa)	26.6	1.9	1.5	0.6	30.6
Others	256.9	2.1	11.2	–	70.2
Total	1,493.4	318.5	56.1	25.1	1,893.1

Source: IFSB's (2017) report

Table I. Global Islamic finance industry's components (USD billion, 2016)

	2015		2020[a]		
	Size ($t)	Share (%)	Size ($t)	Share (%)	CAGR (%)
KSA	0.343	36.92	0.766	43.60	17.43
UAE	0.150	16.15	0.250	14.23	10.76
Malaysia	0.148	15.93	0.218	12.41	08.05
Kuwait	0.098	10.55	0.154	08.76	09.46
Qatar	0.083	08.93	0.179	10.19	16.62
Turkey	0.052	05.60	0.093	05.29	12.33
Indonesia	0.025	02.69	0.050	02.85	14.87
Bahrain	0.015	01.61	0.016	00.91	01.30
Pakistan	0.015	01.61	0.031	01.76	15.63
QISMUT+3	0.929	100.0	1.757	100.0	13.59

Note: [a]Expected
Source: EY (2016)

Table II. Expected growth of Islamic banking assets

They claim that "*maqasid al-shari'ah* reflect Islam's ethical vision of justice, welfare and equitability." According to the authors, the IFIs' global performance should not be restricted to the financial performance but must include the four supplementary dimensions of *maqasid al-shariah*, namely, faith, human self, intellect, and prosperity. The new role of ICG consists in orienting IFIs' business activities toward the ethical fulfillment of the five objectives of Islamic law, which improves the social mission of the global Islamic finance industry. However, several facts from the conceptual and empirical studies[2] show that there is sheer distortion of the vision of Islam through the sub-optimal fulfillment of *maqasid al-shariah* by IFIs. This constitutes strong evidence that confirms the new paradigm of ICG.

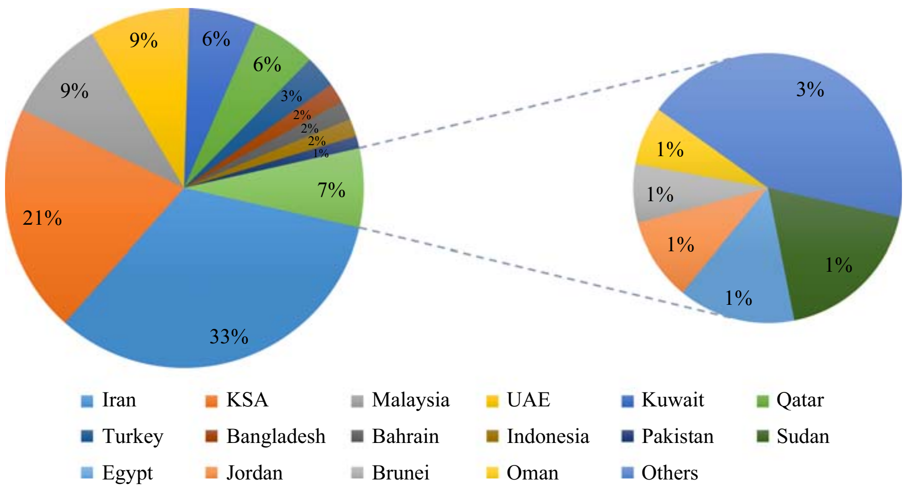
2.3 Serving a larger spectrum

Chapra (2012) argues that IFIs must promote the claimed *maqasid al-shariah* such that it becomes closer to the ethical standards of Islam, which is far from being true in the practice today. Chapra considers that IFIs must collect funds from a large spectrum of depositors and make them available to a larger spectrum in the demand side through a more efficient allocation of resources. ICG can interfere in this regard not only to protect the stakeholders' respective interests, but also to incentivize the BOD and team of managers to adopt competitive strategies that contribute to enhancing the financial inclusion, especially in the emerging economies. Financing the sector of small-and-medium enterprises (SMEs) is an urgent need the industrialists and Islamic finance experts have to satisfy such that the collected deposit and non-deposits funds serve a larger spectrum over a long-run perspective.

The need to serve a larger spectrum aims at contributing to a shared welfare in society. Indeed, Islamic finance can contribute to orienting the allocation of funds over the long run seeing its positive impact on growth. According to World Bank (2015, p. 20), long-term finance "can contribute to economic growth and shared prosperity in multiple ways. Long- term finance reduces firms' exposure to rollover risks, enabling them to undertake longer term fixed investments, contributing to economic growth and welfare. Access to long-term financial instruments allows households to smooth income over their life cycle – by investing in housing or education, for example – and to benefit from higher long-term returns on their savings." It is the long-term vision that ICG must endorse to serve a larger spectrum of society for the purpose of shared prosperity and inclusive growth.

2.4 Synchronizing the quantitative and qualitative speed of the Islamic finance industry

Most of recent policy reports and empirical studies (e.g. IFSB, 2017; ICD-Thomson Reuters, 2016; EY, 2016) document the remarkable quantitative growth of Islamic finance's components across the globe. Figure 1 exhibits the shares of global Islamic banking assets by country in QISMUT+3. This successful quantitative growth is not associated with a similar quantitative growth. Alkholifey (2017) stresses upon the reasons causing the mismatch between the quantitative and qualitative growths in terms of poor IFPs development, awareness, and intensive focus on financial performance. Alkholifey claims that the pure recycling of interest-based financial products by IFIs does not constitute the optimal solution they must continuously adopt. There is an urgent need to boost their ability of financial innovation[3]. The multiplicity of IFPs is no longer recommended because they are based on a simple mimicking of existing products in the interest-based financial system and do not necessarily satisfy the needs of customers whose behavior is highly influenced by religious attributes[4]. The objective of improving the qualitative growth is incumbent highly on ICG. Indeed, the *shariah* board members are expected to exert a strategic guiding role such that the offered array of IFPs and solutions optimize the resources allocation, improve the profitability, and, simultaneously,



Source: IFSB (2017)

Figure 1. Shares of global Islamic banking assets by country (2016)

maximize the compliance to *shariah*. This will increase the trust[5] of customers and alleviate all distortionary forms that deviate the Islamic finance industry from the proper compliance to *shariah* maxims.

2.5 Reduction of shariah non-compliance (SNC) risk

The ICG must examine the issues related to the violations of all contracting rules that stem from *shariah* maxims. Although the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) enacted several accounting and auditing standards to improve the governance outcome, IFIs still suffer from the SNC[6] risk. This risk can be related to any IFP and is not limited to IFIs' failure to satisfy the required requirement of a binding, legal contract. Although the violation of the requirements underlying all Islamic financial contracts can bring forth SNC risk, a *tawarruq* contract is the most criticized among all contracts because of the *fiqh* scholars' divergences regarding its relevance. *Tawarruq* is a series of successive contracts that involve three contracting parties or more whereby an asset/commodity is purchased on a deferred price and sold again to a third party for the purpose of obtaining immediate cash.

Although the violations of one or many of its underlying conditions can render the *tawarruq* contract void, the critiques that are addressed go beyond them to point a fundamental handicap related to its "Islamicity." The classic *tawarruq* transaction was not characterized by any sort of pre-arrangements. Nonetheless, the modern form involves pre-arrangements of a series of contracts, which eliminates any focus on *shariah* substance and generates a distortion of *maqasid al-shariah*. As viewed from the organized form, *tawarruq* is considered by the International Fiqh Academy's 19th session held in UAE in 2009 as closer to an interest-bearing financial product. Nonetheless, AAOIFI's standard number 30 considers that organized *tawarruq* is permissible under given conditions.

IFIs should engage in an interrupted process that must involve all departments and individuals throughout all steps of Islamic financial intermediation. This starts from the collection of deposit and non-deposit funds (seek-funds side) to their allocation (financing side). If they fail to comply with *shariah* rules and the corresponding contracting principles, SNC risk emerges and can induce reputation and insolvency risks. Consequently, an increased liquidity risk can occur. If customers believe that IFIs camouflage the non-compliance of their operations and mimic interest-bearing instruments they can be tempted to withdraw their deposits, which may widespread a loss of trust to the whole banking sector. Mansour, Ben Jedidia and Majdoub (2015) explain the distortion of *maqasid al-shariah* by IFIs in terms of scholars' misuse of *qiyas* (the process of deductive analogy). It is for this purpose that ICG's new paradigm must focus on the reduction of SNC risk in order to improve the trust of the customers' trust in the offered array of IFPs.

3. Toward the protection of rights and best business practices

An effective ICG for IFIs does not reduce only to allocating optimally the available resources in the light of the seven core principles of corporate governance (i.e. discipline, accountability, fairness, independence, responsibility, transparency, and social responsibility), but is also related to a systemized, effective protection of stakeholders' rights and a complete orientation toward the best business practices.

3.1 Protection of stakeholders' interests

Seeing that the trust of depositors in the IFIs is the main levier of financial stability, ICG should exercise a particular care to protect their rights as sharers of risk. Van Greuning and Iqbal (2008) grouped the IFIs' stakeholders into three categories, namely, the internal stakeholders (e.g. BOD, executive management, *shariah* board, shareholders, and depositors), the different interest groups, and the standard-setting bodies (e.g. AAIOFI). Each category of stakeholder has a particular issue for ICG. As a specific example, the *shariah* board's activities are oriented toward protecting the shareholders' rights, while ensuring the compliance of the IFIs to *shariah*. This dual purpose is in relation with the protection of the depositors, and more particularly the UIAHs because they are the most sensitive to risk sharing. Indeed, the contracting relationship is based on the *mudharabah* financing model according to which the IFI and UIAHs agree on a pre-determined profit-sharing ratio. Unless the former exert a clear managerial misconduct, the latter bear the loss because of poor performance.

Magalhaes and Al-Saad (2011) examine the ICG practices in IFIs to study whether such practices address properly the rights of unrestricted investment account holders (UIAHs). The authors use a sample of 16 managers from 12 IFIs from Kuwait, Bahrain, UAE, and Malaysia. They find that the current ICG practices are not effective in protecting the UIAHs' rights. This is mainly due to the lack of responsibility, accountability, and independence in decision making. The implications of the authors' findings can be summarized in terms of fairness, accountability, and transparency. On the one hand, it seems that IFIs do not identify the right of UIAHs as equity holders and do not exercise the required responsibility to protect them. On the other hand, the IFIs' accountability is not efficient toward UIAHs to solve agency-related conflicts. Strictly speaking, the tailored investment strategies take into account the shareholders and marginalize the UIAHs' interests. Then again, the transparency is acceptable in terms of regulatory requirements imposed by central banks but very weak in terms of rights protection. This casts doubt on the efficiency of ICG's mechanisms in protecting the depositors who are considered as sharers of risk. If such mechanisms are not strong enough to constitute a shield against the misuse of depositors' collected funds, the remaining stakeholders require a more efficient ICG to guarantee the non-expropriation of their efforts/revenues and benefit from the valuable standards of fairness, accountability, and transparency.

3.2 Recovery, resolution, and bankruptcy

The new paradigm of ICG should encompass the issue of recovery, resolution, and bankruptcy in the Islamic finance industry and the corresponding procedural requirements that need to stem from *shariah* maxims for the objective of sustaining financial stability and maintaining *shariah* compliance. The regulators are recommended to maintain the mission of recovery and supervision authorities at the level of their jurisdiction to deal with events of insolvencies, as viewed from the prism of *shariah*.

The IFIs may confront the events of distress as a result of the volatility of energy[7] markets, geographical troubles, and systemic calamities. For the purpose of best market practices, the recovery and resolution framework that applies to IFIs and the related reorganizations/restructurings emerge as complementary mission of ICG. A variety of matters arise in this regard:

(1) The ICG is still missing an exhaustive set of provisions and regulatory guidelines regarding the recovery/resolution tools. Seeing that the debt-based IFPs constitute the bulky part of IFIs' portfolios in almost all jurisdictions, some tools (such as asset sales) can be discarded as inefficient or not feasible since IFIs cannot sell their distressed assets to recover the capital. ICG is still silent about the pertinence of the *shariah*-compliant recovery and resolution tools.

(2) ICG is also silent about the dissociation between *shariah* boards and recovery and supervision authorities, which might engender a sort of distortion in the applicability of recovery/resolution tools in the extreme events of bankruptcy. The *shariah* boards are not effective in filling this gap to reach the objective of best business practices.

(3) Whereas the conventional and commercial laws tend to protect all depositors equally, *shariah* requirements consider the investment account holders as pure sharers of risk. This means that they are deemed to lose their investments. The potential conflicts in hybrid banking systems can harm the credibility of the Islamic finance industry. The regulatory mandate of central banks can alleviate this conflictual discordance and protect better the IFIs' stakeholders.

(4) A *fiqh*-related issue ascends in this regard. Let us consider that an Islamic bank has a large percentage of its products under the form of debts (such as *murabaha*- and *tawarruq*-based debts). In addition, the main niche of the Islamic bank consists in SMEs. In the case of distress and a high probability of bankruptcy, the question is: Which legal vs *shariah* reference will prevail if we consider that the conventional legislation can enforce a more successful recovery strategy, but certain *shariah* requirements can be violated? In this case, the ICG is asked to play an active role *vis-à-vis* the behavior of the recovery and supervision authority and any potential violations of the *shariah* requirements if the recovery turns out to be more successful.

3.3 Regulatory considerations

The regulatory authorities have a sizable mission to strengthen the efficiency of ICG on various levels, namely, sustaining the stability of the financial system, the promotion of financial development, and the continuous protection of depositors. However, not all central banks in all jurisdictions have the same willingness to set up supervisory *shariah* boards especially in hybrid banking systems. As a typical example, Saudi Arabia's central bank (Saudi Arabian Monetary Authority, SAMA) is, so far, neutral about enacting special provisions for Islamic banks. Although the Saudi *shariah*-compliant banking assets account for more than 50 percent of total banking assets, SAMA is gradually managing this sensitive issue. Table III shows the rank of a sample of countries according to various governance-related indicators. It is clear that Saudi Arabia is not classified along with the

Table III.
ICD-Thomson Reuters' (2016) governance indicators

Governance main indicator			Regulation sub-indicator			*Shariah* governance sub-indicator			Corporate governance sub-indicator		
Country	Rank	Score	Country	Rank	Score	Country	Rank	Score	Country	Rank	Score
Bahrain	1	103	Bahrain	1	100	Bahrain	1	156	Syria	1	67
Malaysia	2	88	Malaysia	1	100	Kuwait	2	124	Oman	2	65
Pakistan	3	67	Indonesia	1	100	Malaysia	3	108	S. Lanka	3	59
Sudan	4	65	Pakistan	1	100	Sudan	4	82	Malaysia	4	55
Kuwait	5	65	Nigeria	1	100	Bangladesh	5	80	S. Africa	5	55
UAE	6	63	Iran	2	83	Oman	6	68	UAE	6	54
Indonesia	7	62	Singapore	3	67	UAE	7	68	Maldives	7	54
Oman	8	61	Qatar	3	67	Indonesia	8	53	Bahrain	8	53
Maldives	9	53	Brunei	3	67	UK	9	52	Pakistan	9	50
Qatar	10	47	Maldives	3	67	Brunei	10	52	KSA	10	47

Source: ICD-Thomson Reuters (2016)

shariah governance sub-indicator. However, Bahrain is ranked first as it has implemented a consistent *shariah* supervisory board and is endowed with one of the most powerful standard-setting bodies, namely, AAOIFI.

Table IV reports the results of IMF's survey on the role of central banks regarding the implementation of *shariah* governance frameworks. The heterogeneity of frameworks across jurisdictions testifies that regulators have some flexibility in dealing with ICG. Central banks have the power to establish, control, and monitor the implementation of self-contained governance frameworks to protect the stakeholders' rights. The violations of the basic ICG's ethical principles and best business practices require setting up *shariah* supervisory boards at central banks to oversee them and be ensured that they are restricted to not harm stakeholders' interests.

Depositors suffer from the inability to interfere with the practice of smoothing returns that Islamic banks use to hedge against the displaced commercial risk. Islamic banks use the profit equalization reserves (PER) because they are concerned about an excessive liquidity risk if depositors withdraw massively their funds and invest them elsewhere. The use of PER does not seem to foster the practice of transparency regarding the financial performance of Islamic banks because depositors (particularly the UIAHs) cannot observe the true outcome. Central banks can interfere by enforcing special laws and provisions to reduce all forms of conflicts of interests.

Table IV.
Results of IMF's survey on regulatory frameworks in Islamic banking

	Single framework	Single integrated framework	Dual framework	Mixed framework
Example of countries	Kenya, Saudi Arabia, South Africa, United Arab Emirates, and UK	Jordan, Kazakhstan, Qatar, and Turkey	Bahrain, Iraq, and Kuwait	Indonesia, Lebanon, Malaysia, and Syria
Implications	A single framework is applied to all banks with no specific distinction of Islamic banks	A single integrated framework is applied to all banks with specific references identifying provisions applying only to Islamic banks	Two separate regulatory frameworks that are specifically devoted to Islamic and conventional banks independently	A mixed regulatory framework is adopted for areas that are applicable to Islamic and conventional banks, but separate guidelines and regulations are issued for areas that are specific to Islamic banks

Source: Kammer *et al.* (2015)

4. Concluding remarks

In spite of the exponential growth of the Islamic finance industry and its geographic expansion around the globe, the systemization of the underlying ICG still suffers from a large number of deficiencies. Although business experts, industrialists, and practitioners claim that the *shariah*-based sector is one of the most successful niches of the global finance industry seeing its double-digit growth rates over the last two decades, the IFIs' business practices need be clearly compliant to *shariah*. All stakeholders must make sure that the offered IFPs and solutions do not violate the *shariah* maxims and, simultaneously, protect the rights.

This paper focuses on the ICG, which can play a significant role in the IFIs' business activities. It promotes the stability of the financial system and sustains the growth and resilience of the Islamic finance industry. The new paradigm of ICG aims at supporting the competitiveness of IFIs through an exhaustive approach. Regulators have a crucial supporting role to reduce all forms of *shariah* violations that bring forth unfair outcomes. It also concentrates on the protection of stakeholders' rights and the convergence toward the best business practices are at the core of the new ICG paradigm. The *shariah* boards should not only focus on the apparent consistency of the IFIs' operations with *shariah* requirements, but on anchoring them to the substance of *shariah*. Although the fulfillment of the objectives of Islamic law is the strategic objective, the ICG must focus on the long run; its tactic counterpart consists of the improvement of best business practices. For example, the issue of recovery, resolution, and bankruptcy can be explored through a benchmarking analysis to find out how ICG might face the distortionary impact on stakeholders' interests and the deteriorating effects that must be eluded.

Notes

1. QISMUT+3 denotes the nine most growing countries in Islamic finance, namely, Qatar, Indonesia, Saudi Arabia, Malaysia, United Arab Emirates, Turley, Bahrain, Kuwait, and Pakistan.
2. See Mansour, Ben Jedidia and Majdoub (2015) for a review.
3. See Mansour, Ben Abdelhamid and Heshmati (2015) for a discussion of Islamic financial products development.
4. See Mansour and Jlassi (2014) for a review.
5. See Mansour *et al.* (2016) for a comparative study of Islamic banking trust.
6. See Ginena (2014) for a complete discussion of SNC risk.
7. See Majdoub *et al.* (2018) for an examination of the impact of volatility of energy markets on Islamic equity markets and Majdoub and Mansour (2014) and Majdoub *et al.* (2016) for a study of Islamic equity markets integration.

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