Investigating the Disclosure of Fatwa and Shariah Resolutions on the UAE Islamic Banks Web Portals

Abdul Azeez Maruf Olayemi¹, Mohamed Noureldin², Shamikh Siddiqui³.

Abstract

This study investigates the disclosure of Fatwa and Shari’ah resolutions of the Shariah boards of the Islamic banks in UAE on their web portals. The disclosure of the Fatwa and Shari’ah resolutions is recommended by the Standards of Accounting and Auditing Organization of the Islamic Financial Institutions (AAOIFI) and Islamic Financial Services Board (IFSB) which are the highest international regulatory authority on Islamic financial services. The selected banks for the study include thirteen banks, of which are two local conventional banks with Islamic window, and three are multinational conventional banks with Islamic windows. The remaining eight banks are local full-fledge Islamic bank. Web portals have become popular among financial institutions for a variety of reasons, the main reason being the competitive advantage that it offers by the provision of a single point of access to multiple banking services and products. However, the study finds that only one local and one multinational conventional banks with Islamic window disclosed the Fatwa of their Shari’ah boards on their web portal. All the full-fledged local Islamic banks do not disclose their Fatwa and Shari’ah Resolutions on their web portals. This paper highlights an issue that has not received necessary attention and it proposes necessary solutions to the problems it identifies.

1. INTRODUCTION

The requirement of ‘Disclosure’ in the banking system refers to the act of divulging pertinent information on the activities of a bank to the stakeholders and the general public. Such disclosure is necessary for the enhancing of decision making on invest

1. College of Business, Jumeira University, P.O.Box: 555532, Dubai, UAE, ma1129uk@yahoo.co.uk, AbdulazeezM@ju.ac.ae.
2. College of Business, Jumeira University, P.O.Box: 555532, Dubai, UAE, Mohamed.Noureldin@ju.ac.ae
3. College of Business, Jumeira University, P.O.Box: 555532, Dubai, UAE, Shamikh.Siddiqui@ju.ac.ae
ments and operations in the banking industry. This paper advocates for the disclosure of the Fatwa and Shar’ah Resolutions of the UAE Islamic Banks pertaining to their products and services by the publication on the web portals of the banks. It is believed that such publication will complement the credibility and transparency of their services. Fatwa / Shar’ah Resolution is ‘an opinion presented to a person who seeks it with regards to an incident that has already occurred (the fatwa incidence) or is expected to occur. It does not refer to answering queries pertaining to hypothetical incidences (AAOIFI Shari’a Standard No. (29)).[4] The disclosure is required by both Standards of AAOIFI and IFSB. The study focuses on the requirement for the disclosure Fatwa and Shar’ah Resolutions as provided by the Standards of AAOIFI and IFSB standards and as discussed by the available literatures.

2. **Overview of Islamic banking in UAE,**

To start with, there is no gainsaying in the reality that the United Arab Emirates is the cradle of the modern Islamic banking and finance. Although, there were previous efforts to establish Islamic bank in countries such as Pakistan in the 1950s, the Egypt Mit-Gamer Saving Bank in 1963, the Malaysian Tabun-Haji in 1963, however, it was the establishment of the Dubai Islamic bank in 1975 with the complete backing of the government of UAE that constitute the actual introduction of a full-fledged Islamic banking and finance into the global financial system (Mohammed, A History of Islamic Finance, 2015).[5] Unlike the previous attempts in other countries, the establishment of Dubai Islamic bank was fully supported by the government of the UAE, and it was the success of the establishment of the bank that pave the way for the establishment of other banking and Islamic financial institutions across the world,(Dubai Islamic Bank, 2012).[6] Nevertheless, the UAE still remains one of the major global leading Islamic financial jurisdiction, and it has developed strategies to situate itself as the world leader in Islamic market by the year 2020.

3. **‘Web portals’ Disclosure of Fatwa and Shar’ah Resolution as a Strategy**

In this context, a web portal is defined as a website that provides a starting point or gateway to other resources on the internet or an intranet (Sahney et al., 2004). The publication of the Fatwa and Shar’ah Resolutions of the UAE Islamic banks and Financial institutions in their ‘Web portals’ will lend more credence and credibility to the Shar’ah compliance of the institutions’ practices and it will go a long way in constituting a major strategy of achieving the expect growth. Although, the UAE Islamic financial industry has developed some strategies to achieve the said growth, that is, such as collaboration with other major regional and global Islamic finance leading jurisdictions in GCC and countries like Malaysia, Sudan and the western countries, that is, on top of the local the public and private sectors. More so, Dubai has been established as an Islamic Commercial Centre to achieve this goal, (Rizvi, 2012).[8] It is undoubtedly
believed that strategy will allow the industry to woo more global, regional and local investors and other stakeholders. Nevertheless, the web portals’ publication of the Fatwa and Shari’ah Resolutions of the banks will eliminate all ambiguity and uncertainty regarding the Shari’ah compliance of the products, services and business of the bank. (Discussions, 2016).

Moreover, the UAE Islamic financial industry has taken the initiative of encouraging academic studies and research for the harmonization of the government policies with the practices of Islamic banking and financial institutions. Thus, it places a high premium on research and studies that will come out with proposals to make the goals and objective of the industry a success (Maierbrugger, 2016).[9] However, the disclosure of the Fatwa and Shariah resolutions upon which the practices of the Islamic financial institution is established will constitute a handy and available resources for research in this regards.

Furthermore, although, various components of the Islamic financial market have been developed in UAE, that is, such as the Market for Sukuk (Islamic Bonds), Islamic Real Estate Market (REIT) and Islamic Derivative Market, and the markets are to be wholly Shariah compliant and are free from the elements of the prohibited Riba ‘interest’, Gharar ‘uncertainty, Maysir ‘gambling, speculations and any game of chance (Mrad, 2015).[10] A good example of the Sukuk market is the US$ 500 million Garuda Airline financing (Gurada-Indonesia, 2015).[11]

More so, a highly formidable, reliable and viable Shari’ah, regulatory and legal framework that is comparable to that of other major Islamic financial jurisdiction as well as the long developed legal and regulatory framework of the conventional banking and finance industry has been developed for the practices of the UAE Islamic financial institutions. The framework is expected to position Islamic banking and finance as the true global alternative to the troubled conventional system, and to serve as a model for the emerging jurisdictions of the Islamic finance. The regulatory authorities are the UAE Securities an Exchange Authority, the UAE Central Bank, the Dubai Financial Authority that enforces the Federal and various Emirates laws and statutes. In addition, some of the laws have been amended mutatis-mutandis to conform with the practice of the Islamic financial institutions and pave way for the expansion of the industry. Indeed, the framework has started yielding success as it enabled the industry the assets that exceeds AED 520 Dirham Billion (US$ 141.58 Billion) in 2016 which is the 20% of the estimated total assets of the country’s financial industry, (Shamsi, 2017).[12] The Islamic finance industry is expected to capture 50% of the total assets of the UAE financial industry by the year 2020. However, the requirement of the disclosure of the Fatwa and Shari’ah Resolution of the banks which should be regarded as a fundamental strategy, as provided by international standards such as IFSB ‘Disclosure Principle’ which
includes the requirement for the disclosure of general information on corporate governance in which Shari’ah Governance is a component, is yet to be fully complied with.

4. **International standards and the requirement of the disclosure of fatwa and shari’ah resolutions**

The international standards setting bodies on Islamic banking and finance are the AAOIFI and IFSB. A review of the standards of the organizations as regards the disclosure of the Fatwa and Shariah resolutions of Islamic financial institutions are presented as follows.

4.1. **AAOIFI Standards**

The Accounting and Auditing Organization for the Islamic Financial Institutions (AAOIFI) asserts the permissibility of web portals and online transaction by the Islamic financial institutions under Shari’ah law and therefore, developed a standard (Shari’a standard No. (33), Online Financial Dealings) for the online practices. The standard inter alia provides for Shari’ah ruling pertaining to online financial contracts. It encourages the Islamic financial institutions to launch commercial web portals and provide online access to their services. The objectives of the standard are to exhibit the Shari’ah rules and conditions regarding the status of the online contracts, which inference include transparency and elimination of uncertainty in dealing which can fundamentally reflect in the disclosure of the Fatwa and Shariah resolution that are issued by the Shari’ah board to guide the transaction, (AAOIF Shari’a standard No. (33)) as demonstrated in this study.

Hence, AAOIFI Shari’a Standard No. (29), defines Fatwa (Shariah Resolution) in its Article 2/1 as ‘a Shariah opinion presented to a person who seeks it with regards to an incident that has already occurred (the fatwa incidence) or is expected to occur. It does not refer to answering queries pertaining to hypothetical incidences,’ (AAOIFI Shari’a Standard No. (29)) It further elaborates in its Article 2/2 that ‘Istifta (the request for Fatwa) refers to the act of seeking the Shariah opinion on an incidence that has already occurred or expected to occur,’ (AAOIFI Shari’a Standard No. (29) A. A).

Thus, as regards the disclosure of the Fatwa of Shariah Board, the AAOIFI Sharia Standard (29), Article 10/1 requires Islamic financial institutions to allow the manuscript of the Fatwa to be accessible for both academic researchers and as references to the interest of the general public. It states that ‘in principle, fatwa can be issued by uttering, signalling or acting, but for the institutions it should be written to become an evidence or document that can be referred to.’ (AAOIFI Sharia Standard (29)). This requirement is further made explicit in Article 9/4 which states that;
The fatwa statement should be precise, concise and free from any confusing details and preachy expressions that have nothing to do with serving the purpose. If, however, the subject requires a detailed statement for the sake of public interest or so as to convince the regulatory and bodies, it would be better to add such expressions, in order to justify the ruling, indicate the goal behind it, and warn against falling into blights, (AAOIFI Sharia Standard (29) A. 9.).

Moreover, the dissemination of the fatwa is explicitly required in Article 7/7 which implied that

‘Endeavours should be made for disseminating the fatwas of the institution and exchanging them with other institutions and related bodies’, (AAOIFI Sharia Standard (29) A. 7.).

4.2. IFSB Standards

The IFSB is very explicit on the issue of the disclosure of Fatwa or Shari’ah resolution through the most friendly and most accessible channel to the customers of the Islamic financial institutions and other stakeholders. Thus, in the Article 10 of the ‘Core Principles For Islamic Finance Regulation (CPIFR, 2015),’[13] it requires the supervisory authority to implement a Shariah governance system of Islamic financial institutions for the dissemination of the Fatwa and Shariah resolutions to assure compliance before a product is offered to the customers, (IFSB-CPIFR, 2015). Therefore, the disclosure requirement is regarded as a measure of ensuring transparency and market discipline, as well as the fulfilment of fiduciary duties of the banks towards the various stakeholders, (IFSB-CPIFR, 2015). Thus, the Islamic banks are intrinsically mandated to regularly publish unaccompanied information appropriately and to make it easily accessible and reasonably show their financial condition, performance, risk exposures, risk management strategies and corporate governance policies and processes, (IFSB-Ibid). The disclosures of Shari’ah governance should be ‘consumer-friendly, (IFSB-Ibid). Consequently, since the best contemporary easy, friendly and appropriate channel for the disclosure of the Fatwa and Shariah resolutions is the ‘supervisor’s website or newsletters, etc’ (IFSB-CPIFR), 2015, it is recommended for the banks to publish their Fatwa and Shari’ah Resolutions through the medium.

In the same vein, the IFSB, Guiding Principles On Corporate Governance For Institutions Offering Only Islamic Financial Services (Excluding Islamic Insurance (Takaful) Institutions And Islamic Mutual Funds), Islamic Financial Services Board, 2006) [14] regards the disclosure and public dissemination of the Fatwa and Shari’ah resolutions of the Islamic financial institutions as the epitome of ‘best practices.’ The Guiding Principles states in its Article 55 that;
IIFS shall comply with the rules and principles issued by their Shari`ah scholars. These rules and principles shall be made publicly available through appropriate publication and communication channels.

The recommendation is further made clear in Article 57 of the Guiding principles and it specifically refers to the publication of the fatwa on the ‘websites’ of the banks, thus; Shari`ah scholars serving IIFS are encouraged to expose their fatwā to the scrutiny of fellow Shari`ah scholars by publishing their detailed opinions. IIFS can also promote better awareness on the part of the public by publishing information on the fatwā of their Shari`ah scholars on their websites. The IIFS may also allow customers to access the fatwā issued by their Shari`ah scholars as part of their customer services, (IFSB, Guiding Principles On Corporate Governance For Institutions Offering Only Islamic Financial Services (Excluding Islamic Insurance (Takaful) Institutions and Islamic Mutual Funds), Islamic Financial Services Board, 2006).

The Web portal disclosure of the Fatwa and Shari`ah Resolution of the Banks will further make their business clear and transparent to the stakeholders and the general public, (IFSB, Disclosures To Promote Transparency and Market Discipline For Institutions Offering Islamic Financial Services (Excluding Islamic Insurance (Takaful) Institutions and Islamic Mutual Funds), Islamic Financial Services Board, 2007).[15] Accordingly, since honesty and lucidity is a requirement in Islamic transaction the provision of appropriate and clear information to all customers and prospective customers of the banks in respect of the Shari`ah compliance of the products and services of banks is a necessity, and the publication of the Fatwa and Shari`ah Resolution of the bank should be observed as an obligation, (IFSB, Guiding Principles On Conduct Of Business For Institutions Offering Islamic Financial Services, Islamic Financial Services Board, 2009).[16] The obligation can be easily and effectively fulfilled by enabling the customers and other investors to access the Fatwa and the Shariah resolution through the web portals of the banks.

In summary, the practice of “minute print” of general Shari`ah principles on the annual or quarterly report which is the common practice of the banks ‘makes potentially fundamental and important information’ such as the Fatwa and Shariah Resolution which is the point departure of the practices of the Islamic banks from that of the conventional banks insignificant, less discernible, and incompatible with the good business conduct and ethical practices of the Islamic banking and financial institutions.

5. LITERATURE REVIEW

Some of the most important literatures on the subject of the general concept of disclosure in Islamic finance include that (Mizushima, n.a.),[17] who calls for a ‘comprehensive disclosure by the Shariah Committee. He argued that there is a necessity for the
disclosure of the background knowledge of the members of the Shariah committee/board and maintains that their ‘names, academic qualifications and experience’ should be made public. He includes that ‘terms of reference of the board, functions and duty, and the resolutions in their meeting’ also need be made public. He contended that although there is reference to Shariah issues in some of the governance reports in some Islamic bank, nevertheless, the reference is either too scanty to be understood or too detail to be comprehended. Unfortunately, the resolutions or fatwa of the Shariah boards will be nowhere to be found within the report. He asserts that reports of the Shariah compliant of the facilities and operations of the banks should be given priority over any other report in the Islamic financial industry given the fact that it is Shariah compliant that separate the activities of the Islamic banking and financial institutions from that of the conventional institutions. He asserts that the disclosure of the resolution is necessary for the achievement of the ‘corporate values, vision and strategy of the Islamic banking and financial institution. He concludes that the reports of Shariah compliance should be given pivotal status in any reports of the Islamic financial institution.

In the same vein, (Nor Aziah Abu Kasim et al., 2012), emphasizes the importance of Shariah compliance of the products of the Islamic insurance institutions (Takaful) in their scholarly paper. They maintain that although, the Shariah Committee of the Takaful institutions normally reports the compliance of the products with Shariah rules in the annual reports of the institutions, there is a need for the verification of such claim. This is given importance for the credibility of the claim and for the safeguarding and protection of the identity of the Takaful institutions. They added that being acclaimed alternative to the conventional insurance, the overt disclosure of the compliance of the Takaful products will avail the institutions of the opportunity of boosting consumer confidence and validating the sense of accountability of the industry to the general public. They concluded that any constraint on the disclosure of Shariah compliance in the industry must be removed for the purpose of transparency.

Furthermore, (Fatima et al., 2010), opines that disclosure is a social responsibility in Islam and therefore, members of the society have the right to know the company’s activities and operations. They strongly condemn the practice of conservatism of information. However, they explained that although there is information that regarded as classified and cannot be disclosed, nevertheless information that is important to the stakeholders should be adequately disclosed. The disclosure of relevant and reliable information will assist the stakeholders and the public on their decision making, and it will constitute the fulfillment of accountability to God and the society. The study centered on the elimination of the conservatism of information disclosure in general. The current study will restrict itself to web portal disclosure of information on Fatwa and Shariah resolutions of Islamic banks in UAE.
In addition, (Rashidah Abdul Rahman et al, n.d.)\textsuperscript{[20]} insists that Islamic banks need to protect its ethical identity and that is what will allow it to attain both its financial goal and social goals. Thus, since its ultimate objectives were formed from the Shari‘ah law in order to benefit the society it needs to do more in terms of the disclosure of the Shariah identity of its products and operations. The authors assert that there a need for the Islamic banks to go beyond the parameter of disclosure in the conventional bank. This is due to the fact that the consideration of adequate disclosure in the conventional banks is limited to the material and moral aspects. However, the Islamic banking and financial institutions need to align the disclosure of the compliance of its practices with Shariah principles with the disclosure of material and moral aspects of the disclosure requirement. However, although the study emphasises the importance of the disclosure of the applicable principles for the success of Islamic banks, it did not specifically refer to the web portals disclosure which is the focal area of the current study.

More so (Abdullah Awadh Bukair et al, n.d.),\textsuperscript{[21]} argues that an absolute disclosure is needed about the practices of Islamic banks. That is to say, that, the Islamic bank should provide all necessary information to the stakeholders and their customers. They maintains that the concept of commonality as inherent in the practices of Islamic banks provides the stakeholders with the right to know that the practices of the banks are in full compliance with the principles of Shariah. However, although the authors advocate for disclosure of Shariah compliance in general, they did not specify the separate disclosure of the Fatwa and Shariah resolutions of the Shariah boards on the web portals of the Islamic banks. This is the gap in which the current study intends to fill.

In their article (Pellegrini et al, n.d.),\textsuperscript{[22]} posit that stakeholders in financial institutions need information to take a decision. This will allow them to take decision on either withdrawing from financial institutions or call for a change. They, however, agree that there is a lack of unity of Shariah rulings of the various Islamic banking and financial institutions, nevertheless, they argue that the diversities in the rulings on Shariah principles should not be a hindrance to disclosure. They maintain that Shariah compliance is the primary corporate governance requirement in Islamic finance therefore; it should not be treated with levity. The paper discussed the need to improve corporate governance in Islamic financial institutions, leaving out the web portals’ disclosure of the Fatwa and Shariah resolution which is the subject of the current study.

In another scholarly writing, (Rapiah Mohammed et al, 2009)\textsuperscript{[23]} argue for the website disclosure of information on the corporate governance in Malaysian quoted companies as an integral part of the requirement of corporate social responsibility. The authors assert that gone were the days when annual reports are used as the sole medium of disclosure by quoted companies. They maintained that with the recent advancements in information and communication technology, the annual report is more or less being
Investigating the disclosure of Fatwa and Shariah Resolutions on the UAE Islamic Banks Web Portals

considered an archaic medium of disclosure of a company’s information. They added that there are currently many methods of communications and website reporting, which should be considered as the most important medium through which corporate stakeholders can draw liable information to take decision on their investment. Although, the study advocates for website reporting of information its focus is the disclosure of stock information about the Malaysian quoted companies. It does not include the website disclosure of the Fatwa and Shariah Resolution of the Shariah board of the UAE Islamic banks. This is the area in which the current papers’s aim to address.

6. Methodology

This study adopts a qualitative approach. It focuses on the 13 banks providing Islamic products and services in UAE, which include 11 local banks and 2 foreign banks. It employed the method of content analysis to investigate the requirement of disclosure of Fatwa and Shari’ah resolutions as enshrined in the international standards of AAOIFI and IFSB, and whether the Islamic banks in UAE abide by the standards by publishing their Fatwa and Shari’ah resolution on their web portals. Content analysis is a method of categorising documentary information in a qualitative study, (Beattie, 2004).[24] The hypothesis is as to ‘Whether the Islamic banks in UAE disclose their Fatwa and Shari’ah Resolutions in their web portals?’ The findings are demonstrated in the following table and charts.

Table 1: A description of the method of the disclosure of Fatwa and Shari’ah Resolutions / Reference to Shari’ah Principles in the selected banks

<table>
<thead>
<tr>
<th>S</th>
<th>Selected Banks</th>
<th>Publication of related Fatwas on Web portal in English</th>
<th>Publication of related Fatwas on Web portal in Arabic or other language</th>
<th>Reference to Shari’ah in Annual Report</th>
<th>Type of Bank</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>ADIB, Abu Dhabi Islamic Bank</td>
<td>X</td>
<td>x</td>
<td>✓</td>
<td>Local Bank</td>
</tr>
<tr>
<td>2</td>
<td>Al Hilal Bank</td>
<td>X</td>
<td>x</td>
<td>✓</td>
<td>Local Bank</td>
</tr>
<tr>
<td>3</td>
<td>Dubai Islamic Bank</td>
<td>X</td>
<td>x</td>
<td>✓</td>
<td>Local Bank</td>
</tr>
<tr>
<td>4</td>
<td>Emirates Islamic</td>
<td>X</td>
<td>x</td>
<td>✓</td>
<td>Local Bank</td>
</tr>
<tr>
<td>5</td>
<td>Noor Bank</td>
<td>X</td>
<td>x</td>
<td>✓</td>
<td>Local Bank</td>
</tr>
<tr>
<td>6</td>
<td>Sharjah Islamic Bank</td>
<td>X</td>
<td>x</td>
<td>✓</td>
<td>Local Bank</td>
</tr>
<tr>
<td>7</td>
<td>Citibank UAE</td>
<td>X</td>
<td>x</td>
<td>✓</td>
<td>Local Bank</td>
</tr>
<tr>
<td>8</td>
<td>RAKBANK</td>
<td>✓</td>
<td>x</td>
<td>✓</td>
<td>Local Conventional Bank</td>
</tr>
<tr>
<td>9</td>
<td>Ajman Bank</td>
<td>X</td>
<td>x</td>
<td>✓</td>
<td>Local Bank</td>
</tr>
<tr>
<td>10</td>
<td>NBAD Islamic Banking</td>
<td>X</td>
<td>x</td>
<td>✓</td>
<td>Local Bank</td>
</tr>
<tr>
<td>11</td>
<td>Emirates NBD</td>
<td>X</td>
<td>x</td>
<td>✓</td>
<td>Local Conventional Bank</td>
</tr>
<tr>
<td>12</td>
<td>HSBC Amanah</td>
<td>X</td>
<td>x</td>
<td>✓</td>
<td>Foreign Bank</td>
</tr>
<tr>
<td>13</td>
<td>Standard Chartered</td>
<td>✓</td>
<td>x</td>
<td>✓</td>
<td>Foreign Bank</td>
</tr>
</tbody>
</table>

Source: Web portal of the selected banks
The following charts represent the level of compliance of the selected banks with AAOIFI and IFSB the requirement of the disclosure of Fatwa and Shari’ah Resolution

![Bar Chart](image1)

![Pie Chart](image2)

7. CONCLUSION

To sum up, the Islamic banks in UAE will need to comply with the recommendation of the disclosure of their Fatwa and Shari’ah resolutions on their web portals to maintain their global leadership. This, apart from providing opportunity for the emerging jurisdictions of the Islamic banking and finance to adopt UAE as their model and will culminate in a competitive advantage for UAE, as it will definitely enhance the credibility and transparency of the Shari’ah compliance of the banks’ products and services. Although, it is worthy, to mention that the banks make references to the Shar’ah principles that govern their services on their annual reports, however, the disclosure of the Fatwa and Shari’ah Resolutions on their web portals will be capable to eliminate the ambiguities in their operations as all the bordering issues on the Shariah compliance will be crystal clear to the stakeholders. The bank should improve on this issue of disclosure of Fatwa due to the fact that, from thirteen banks that are selected for the study only one local and one multinational conventional banks with Islamic window disclosed their Fatwa and Shari’ah resolution on their web portal. These are banks that comply with the recommendation of the international regulatory bodies. Therefore, it is necessary for the full-fledge local Islamic banks to consider...
Investigating the disclosure of Fatwa and Shariah Resolutions on the UAE Islamic Banks Web Portals

the adoption of the same practice and disclose their Fatwa and Shari’ah Resolutions on their web portals. Furthermore, it is recommended that the disclosure of the Fatwa and Shari’ah resolutions should be in the national language which Arabic as well as English, Urdu, and etc due to the fact that UAE is a country with a diverse local and foreign ethnicities. The disclosure of the Fatwa is equally important for academic research. Finally, the establishment of a central supreme Shari’ah council for the standardization of the Fatwa and Shari’ah Resolutions is also recommended for the purpose of consistency.

REFERENCES:

AAOIFI Shari’a Standard No. (29).

http://eprints.gla.ac.uk , 3.


IFSB. (2006, December). Guiding Principles On Corporate Governance For Institutions Offering Only Islamic Financial Services (Excluding Islamic Insurance (Takaful) Institutions And Islamic Mutual Funds), Islamic Financial Services Board.

IFSB. (2007, December). Disclosures To Promote Transparency and Market Discipline For Institutions Offering Islamic Financial Services (Excluding Islamic Insurance (Takāful) Institutions And Islamic Mutual Funds), Islamic Financial Services Board.


IFSB. (2015, April). Core Principles For Islamic Finance Regulation (Banking Segment) (CPIFR), Islamic Financial Services Board. 37.
Fatwa and Shari'ah Resolutions in their web portals? The findings are demonstrated (2004). [24] The hypothesis is as to ‘Whether the Islamic banks in UAE disclose their publishing their Fatwa and Shari'ah resolution on their web portals. Content analysis is

Ibid). The disclosures of Shari'ah governance should be ‘consumer-friendly. (IFSB- accessible and reasonably show ‘their financial condition, performance, risk exposures, to regularly publish unaccompanied information appropriately and to make it easily

‘ah resolutions to assure compliance

1. INTRODUCTION

The fatwa statement should be precise, concise and free from any confusing

necessary solutions to the problems it identifies.

Web portal of the selected banks

banking and Islamic financial institutions across the world, (Dubai Islamic Bank, success of the establishment of the bank that pave the way for the establishment of other

Committee. He argued that there is a necessity for the

sure in Islamic finance include that (Mizushima, n.a.,), [17] who calls for a ‘comprehen-

banks insignificant, less discernible, and incompatible with the good business conduct

the point departure of the practices of the Islamic banks from that of the conventional

Accordingly, since honesty and lucidity is a requirement in Islamic transaction the

-‘ah compliance of the products and services of

of the Shariah compliant of the facilities and operations of the banks should be given

the Shariah boards will be nowhere to be found within the report. He asserts that reports

contended that although there is reference to Shariah issues in some of the governance

committee/board and maintains that their ‘names, academic qualifications and experi-

selected for the study only one local and one multinational conventional banks with

disclosure of the Fatwa and Shariah Resolutions on their web portals will be capable

Further, although, various components of the Islamic financial market have been

this regards.


global alternative to the troubled conventional system, and to serve as a model for the

finance industry has been developed for the practices of the UAE Islamic financial insti-


Rashidah Abdul Rahman1, N. S. “Determinants of ethical identity disclosure among Malaysian and Bahrain Islamic banks, Developing Inclusive and Sustainable Economic and Financial Systems.” Ethics, Governance and Regulation in Islamic Finance , 4.

Rizvi, M. (2012, October 8). The Islamic banking industry has a bright future in UAE. (K. Time, Interviewer).


AUTHORS:

Abdul Azeez Maruf Olayemi, Post-Doc Fellow, Ph.D, MCL (Law –Islamic Banking and Finance), LLB_Shariah, Faculty Member, College of Business, Jumeira University, Dubai, UAE, AbdulazeezM@ju.ac.ae, ma1129uk@yahoo.co.uk.

Mohmmaed Nourldin, Ph.D, Assoc. Prof. (Business and Informatics), Faculty, College of Business, Jumeira University, Dubai, UAE, Mohamed.Noureldin@ju.ac.ae.

Shamikh Siddiqui, MS (MIS), Lecturer, College of Business, Jumeira University, Dubai, UAE, E-mail: Shamikh.Siddiqui@ju.ac.ae.