International Journal of Social Science and Human Research

ISSN (print): 2644-0679, ISSN (online): 2644-0695

Volume 07 Issue 10 October 2024

DOI: 10.47191/ijsshr/v7-i10-67, Impact factor- 7.876

Page No: 7858-7866

An Analysis of Development on Global Islamic Banking Products and Services

Tuğba Demirtaş

PhD, Central Bank of the Republic of Turkiye, İstanbul/Turkiye, https://orcid.org/0000-0002-8052-6082

ABSTRACT: Islamic banking, or, in its broader definition, Islamic finance, is a sector gradually developing as an application area of alternative finance. This study explains the basic principles of Islamic banking, historical development globally, and leading products and services. The primary aim of this paper is to analyze the distribution of products and services. The study includes 18 countries' product distribution and preferences. The results show that the sector prefers intensively less risky areas (murabahah, ijarah) despite the increasingly developing and diversified products and services. While this attitude increases the sector's resilience, it also shows that the methods (musharakah, mudarabah, etc.) by which resources are transferred to production, investmet and the real economy must be developed.

KEYWORDS: Islamic Banking History, Islamic Banking Products and Services, Global View of Islamic Banking

Jel Codes: G21, G10, G00

1. INTRODUCTION

Islamic finance, which includes Islamic banking and all other areas, continues to develop as an essential area of alternative finance with a transaction volume of approximately 4 trillion dollars. This comprehensive study delves into the distribution and application areas of global Islamic banking products and services. It meticulously examines the development of Islamic banking, its principles, products, and services under three different headings.

The first section includes the basic principles and working methodology of Islamic banking. The main principle of Islamic banking is that behind all transactions are products and services. Trade, buying and selling, and the real economy are supported. For this reason, it is against speculative transactions and uncertainty. The first section includes the essential perspective behind products and services.

The second section covers the historical development of Islamic banking globally. From the 1920s to the present, the need to establish the first bank in Egypt in 1963 (Mith Ghamr Savings Bank) and to support regional development also show the steps towards the real sector. This section explains the historical development at national and international levels and shows the widespread application in many parts of the world.

The third section explains the widely used products and services of Islamic banking and analyzes the distribution of products and services in 18 countries with a high share in the sector. The results show that products based on purchase, sale, and rent are widely used. While there is no common application density in some other products, many issues such as risk, lack of regulation, and Sharia compliance concerns have come to the forefront in some, narrowing the area of use.

2. BASIC PRINCIPLES OF ISLAMIC BANKS

Islamic banking differs conceptually and in principle, although they are supposed to operate in the same way as conventional banks. (PBAT, 2018; 19) In its broadest definition, Islamic banking is a financial institution that provides interest-free services to its customers, where it is forbidden to pay interest and use interest in all transactions. Islamic rules govern it, and all financial transactions and contracts are regulated within the scope of these rules (Kahf, 1999: 445; Lewis and Algaoud, 2001: 2). Like conventional banks, Islamic banks also collect deposits, but unlike them, they are based on profit and loss sharing, which grants depositors a kind of ownership right (Dar and Presley, 2000: 7). In other words, while Islamic banking operates according to interest-free principles, they evaluate the funds they collect according to this principle and share the resulting profit or loss with savers. For this reason, while funds are collected according to the principle of profit and loss sharing instead of interest, fund disbursement methods have also been brought into line with Islamic banking principles. Since it is managed within the framework of these principles, business, and investments are carried out with legally protected and halal transactions and processes without uncertainty and gambling. Islamic banking prohibits interest and speculative transactions; it supports making profits other than transactions where money is earned, such as buying and selling money (Nathan & Ribiere, 2007). For this reason, Islamic banking works towards the real economy and focuses on developing ethical and sustainable finance (Rahman, 2017, p. 157).

There are primary purposes that Islamic banking directly or indirectly supports within the framework of its principles, practices, and operations. One of the most concrete purposes of Islamic banks is to bring idle funds belonging to customers who want to avoid working with deposit banks due to interest sensitivity into the economy. (PBAT, 2020: 3). Their working principles provide more development-oriented banking services. A product or service supports this development because banking returns depend on tangible goods, services, investment, and entrepreneurship. In other words, Islamic banks use the funds they collect without interest through contract-based transactions such as partnership, trade, purchase-sale, and leasing. These products, such as a good, service, commercial activity, or leasing, must be the basis behind the transaction. Since these applications ensure that all products and services are connected to a transaction aimed at the real sector, they also support the real sector. On the other hand, since it is desired to invest in the most profitable projects, products, and services due to the priority of profitability, it provides the most effective distribution of resources. Islamic banking also contributes to the equal distribution of income and resources between fund owners and entrepreneurs due to its participatory distribution application. For this reason, it also contributes indirectly to reducing income inequality and deprivation and supports economic development. (Agriyanto, 2015: 81-83; OECD, 2020; Demirtaş, 2024).

3. HISTORICAL DEVELOPMENT OF ISLAMIC BANKS

Although the development of Islamic banking in the world was in India in the 1920s and later in Pakistan, its institutionalization began in the 1960s in the Gulf and the Middle East. The subject of Islamic finance entered the literature in India from the 1920s onwards, and it began in the same period when land developers in Hyderabad established an interest-free loan cooperation association called Anjuman Imdad-e-Bahmi Qard Bila Sood. (GIFR, 2010) In Pakistan, though there was an attempt to convert conventional banks into Islamic banks in 1950, it was unsuccessful, and this transition was achieved in the 1990s. (Ansari, 2014).

The end of colonialism, the increase in oil revenues in countries such as Malaysia and Saudi Arabia, and the development of trade life increased fixed capital formation while bringing with it the need for interest-free financing; steps were taken towards institutionalization. Tabung Haji Project, which started as a pilgrimage fund in Malaysia in the 1950s, turned into an interest-free investment bank in 1963. The first institutional Islamic bank was Mith Ghamr Savings Bank, established in Egypt in 1963. The bank's founder was Al-Najjar, who was influenced by the savings banks there after completing his doctorate in Germany and established a banking system that collected savings without applying interest. The Egyptian people of the period had many savings but did not know how to invest these savings. While the money received without a demand could be deposited and withdrawn like today's current accounts, the term accounts were opened for one-year periods and with a partnership in investment income. What is different from today's banks is that, in addition to deposits, people who wanted to participate voluntarily could open social service funds. The bank gave loans like Qard Hassan; no additional cost was requested.

The bank participates in investments with profit and loss and provides loans through a capital-capital partnership. The loans provided can only be used in the relevant region, such as home repair, the purchase of machinery or animals, and agriculture. Mitr Ghamr draws an Islamic bank profile based on the partnership method. The bank was transferred to the Central Bank of Egypt in 1967. This period was a development phase in which banking products and services were limited. (Kahf, 1999: 445; GIFR, 2010; Ansari, 2014; Orhan, 2018; Kaplan, 2020).

The 1970s were when the need for interest-free banking to support economic development in the international arena came to the fore. To meet this need, the Islamic Development Bank was established in 1975. During this period, Islamic banking also spread in the Asia Pacific region, and while the products and services offered were developed, it also began to spread. In 1975, Sudan established the Faisal Islamic Bank and the Dubai Islamic Bank, and the United Arab Emirates established the Dubai Islamic Bank. In 1977, Kuwait established the Finance House, Egypt the Faisal Islamic Bank; in 1978, Jordan established the Islamic Finance Investment Bank; and in 1979, Bahrain established the Bahrain Islamic Bank. (Özdemir and Aslan, 2017: 11-12).

In the 1980s, when interest-free banking began to develop in Turkiye, legal regulations were also implemented in other countries. The beginning of participation banking in Turkiye dates back to the establishment of private finance institutions with the decision of the Council of Ministers dated 16.12.1983 and numbered 83/7506 (Official Gazette, 1984). The determining factor in its establishment was ensuring that funds idle due to interest sensitivity were included in the economy. In 1999, after the Banking Law was amended with Law No. 4491, bank status was granted to private finance institutions. (Official Gazette, 1999). In 2005, "Private Finance Institution" was changed to "Participation Bank" status with Law No. 5411 on Banking. (Law No. 5411, temporary article 3, article 169). 2006, the Association of Private Finance Institutions was renamed the Association of Turkish Participation Banks. (Official Gazette, 2006)

Between 1982 and 1986, a law was enacted in Iran, and all deposit banks were allowed to switch to Islamic banking within a year. In Saudi Arabia (1983, Al Rajhi Company was granted a banking permit), the transition to interest-free banking began with the permits obtained after this period. (Akhtar, 2021). 1982-1983, the Islamic Bank of Cyprus, Bank Islam Malaysia Berhad in Malaysia, and the International Islamic Bank Bangladesh Limited Company in Bangladesh were established. The first Islamic bank in Europe, the International Islamic Bank of Denmark, and the Islamic Finance Corporation in London were also established.

The 1990s saw the spread of international organizations. During this period, the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) in Bahrain ensured integrity and compliance in products and services by preparing standards in accounting, auditing, ethics, management, and Sharia issues. In the 2000s, interest-free banking took on a more institutional structure with the introduction of international organizations such as the International Islamic Liquidity Management Corporation (IILM: The institution responsible for developing and launching short-term Islamic instruments for cross-border liquidity management.), the Islamic Financial Services Board (IFSB) in Malaysia (an international organization covering the banking, capital markets, and insurance sectors, aiming to develop international prudential standards and principles for the sector), and the International Islamic Conciliation and Arbitration Center (IICRA: An alternative dispute resolution platform based on Islamic law for Islamic finance). This period also saw Islamic banking spread to Europe and America. The Islamic Bank of England was established in England in 2004, and the European Islamic Investment Bank (EIIB) in 2006. In America, HSBC, University Islamic Financial, and Devon Bank are some banks that offer Islamic banking products (PBAT, 2018: 19-21, Chong et al., 2009).

According to the IFSB's 2024 Islamic Financial Services Industry Stability Report, total Islamic finance assets reached 3,4 trillion USD, and Islamic Banking assets comprised 2,4 trillion USD in 2023. The ICD-LSEG Islamic Finance Development Report 2023 projects that the market is expected to reach approximately 6,7 trillion USD in 2027. Today, Islamic finance products are implemented as a separate branch of alternative finance in many Eastern and Western countries. In some countries, they constitute the entire sector, while in others, they constitute a certain percentage of the total industry. In addition, Islamic window applications also include units created by many institutions only for these products and are becoming widespread.

4. BASIC ISLAMIC FINANCING TOOLS AND GLOBAL IMPLICATIONS

The main difference distinguishing Islamic finance products from conventional products is that all transactions in accepting and distributing funds are based on a contract, asset, service, or trade. For this reason, all products and services are equivalent to those in the real sector. Most used Islamic finance products are murabahah, commodity murabahah (tawarruq), ijarah, musharakah, wakalah, salam, istisna, mudarabah and qard hassan. While murabahah, tawarruq, salam, and istisna are sales methods, musharakah and mudarabah are based on the partnership method. Ijarah is an example of rental-based transactions, and wakalah includes agency contracts.

Sales Methods:

- **Murabahah:** One of the most used sales methods is murabahah, which sells goods with a profit declaration. In the case of financial murabahah, the good is purchased by the bank upon the customer's request and sold to the customer again on credit with a profit margin. Murabaha is done with a contract of sale between the parties, including the sale of good prices and an agreed-upon profit margin. Islamic banks widely use murabahah financing to satisfy various financing requirements. Such as consumer finance for purchasing consumer durables like cars and household appliances, real estate to provide housing finance, and the production sector to finance the purchase of machinery, equipment, and raw materials. However, murabahah's most common and popular application is financing the short-term trade for which it is eminently suitable. Another application is to issue credit letters and provide financing to import trade. (Chong and Liu, 2009: 129, PBAT, 2018: 62-71).
- **Tawarruq(Commodity-Murabahah)**:
  Tawarruq is the sale of goods with a profit declaration. The goods purchased on credit are later sold to a third party to obtain cash. The credit purchase price of the goods is lower than the cash sale price. In practice, the bank purchases the goods on credit on behalf of the customer, sells them on credit again on behalf of the customer, and pays cash to the customer. The difference remaining from the purchase-sale transaction is the bank's profit. Although there are varieties such as classic, organized, reverse tawarruq, and plain tawarruq, their implementation is controversial regarding fiqh. The tawarruq transaction begins with the bank purchasing a mineral other than gold and silver from the mining exchange upon the customer's request. It sells this purchased good to its customers on credit. Then, it sells this good to a third party on behalf of the customer on credit. While the money obtained is given to the customer, the customer is indebted for credit. (Hadzic vd., 2016; PBAT, 2021)
- **Salam**: It is a prepaid sales transaction. A pre-sale transaction covers financing a product that has yet to be produced. With Salam, the producer's financing is covered. In Salam, the product that will be the subject of the sales contract is not available but is a product that will be produced in the future and has a standard. They are the goods whose quality and nature are predetermined (wheat, cotton, iron, concrete, brick, etc.). The salam application has a product that the customer demands to buy, and that will be produced. (Ningsih vd., 2016; Primakov vd., 2022)
- **Istisna:** The Istisna contract is based on the work contract and includes the production of a good. When the Istisna contract is made, the production of the goods and the necessary labor belongs to the contractor. For example, if a construction is agreed upon, the contractor covers the material and labor. Here, the bank generally provides funds for a contractor the

customer determines to carry out the production. The money is paid in advance. In this way, the bank undertakes the production and acts as an intermediary between the customer and the producer. While the subcontractor is responsible for the bank's output, the bank is accountable for the customer's production of the goods. The subject of the Istisna contract may be clothing, building, machinery, shipbuilding, construction contract, completion of unfinished cooperatives, financing of mass housing, financing of significant construction works, etc. (Bayındır, 2005, p. 259; Öztürk, 2013)

Partnership Methods:

- **Muḍārabah**: Muḍārabah, the labor-capital partnership method, is a product applicable to fund providing and collection. This product is a kind of business contract that brings together personal effort (mudarib) and the fund owners (rabb-ul maal, investor). Mudarabah is a partnership where one partner gives money to another to invest in a commercial enterprise. This profit-sharing contract uses fund providers' resources and the skill of management expertise. When Islamic banks collect funds from customers, the fund owner becomes the customer, and the fund collection method is applied by putting forth the banks' labor. In this case, the bank invests the funds in Shariah-compliant businesses or investment avenues. In general, the mudarabah product is widely applied by evaluating the collected funds in this way and is included in the liabilities of the balance sheet. The profit is shared in pre-agreed ratios. In the case of loss, mudarib will lose only his/her effort, while the investor will lose his/her money unless mudarib engages in misconduct or negligence. (Usmani, 2002; Sağlam and Eğri, 2020: 200-201, PBAT, 2018: 71-72).
- **Mushārakah**: It is also known as capital partnership or profit and loss partnership. In Musharakah, both partners contribute capital in a profit-and-loss partnership, unlike in mudarabah. The method is based on two or more people contributing capital and sharing profit and loss proportionally to their capital. Musharakah is generally carried out by banks becoming partners in the project and providing financing to use funds. In proportion to the capital contributed, the parties share profit or loss. In practice, the customer applies to the bank for profit and loss partnership. After the bank evaluates, it enters the partnership project if it is appropriate. A profit and loss partnership agreement is made, and the profit and loss are shared between the parties at the end of the project. In practice, banks leave the project management to the institution that is an expert in the field. Musharakah can be applied as normal Musharakah and diminishing Musharakah. In normal Musharakah, both parties contribute capital, while those wanting to end the partnership can withdraw and leave their capital. In the diminishing Musharakah, one of the partners leaves the partnership by selling his/her other share to the other partner over time. (PBAT, 2018: 73-76; PBAT, 2021; IFSB Glosarry, 54).

Rental Based Methods:

- **Ijārah / Ijārah Muntahia Bittamlīk**: The lease agreement is the assignment of the right to use and benefit from an asset to the party undertaking to pay the rent for a certain period. The lease transaction is carried out by the bank renting the requested place, work, service, etc., to its customer. The bank rents the place, work, or service the customer requests directly or through a proxy. The bank rents its request to its customer after this process. The bank or the customer cannot terminate the lease agreement without a justified reason. The bank earns income by adding a particular rent and profit share in this transaction. The lease method can be ordinary, financial, and service leasing. (Chong and Liu, 2009 :129)

Agency Methods:

- **Wakālah**: Wakalah is an agency contract where the customer (principal) appoints an institution as an agent (wakil) to carry out the business on his behalf. The principal invests capital in the other party to evaluate the fund as an investment agent for the operation of this capital. Unlike a partnership, the agent may demand a fee and receive his/her fee regardless of the profit after the work. The profit and loss of the capital belong to the investor. The agent cannot be held responsible for any damage unless there is a fault. The fee paid to the agent here is a kind of expert fee. (IFSB Glossary, 113)

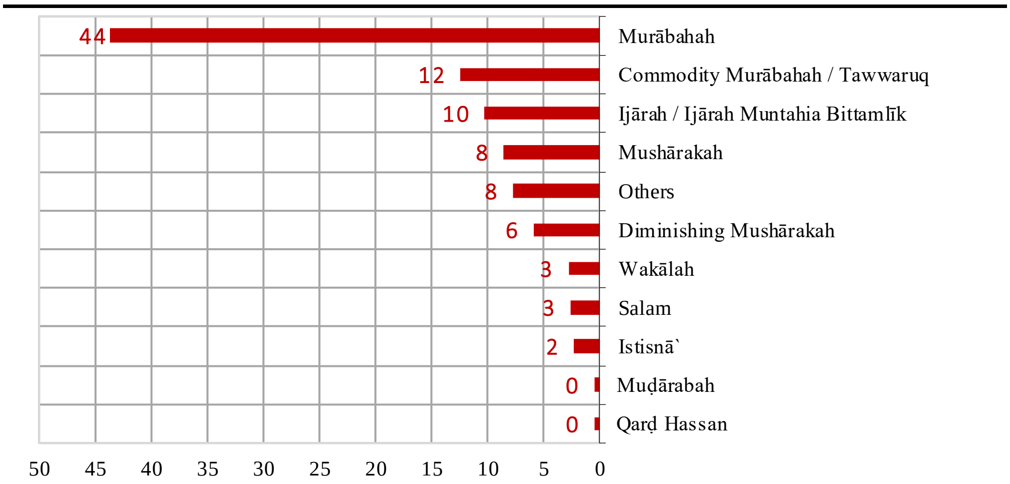
Other Methods:

- **Qard Hassan**: Qard Hassan is a kind of benevolent loan. In this loan, the borrower is only expected to repay the loan amount without any added interest or profit.

An Analysis of Development on Global Islamic Banking Products and Services

In this study, data from 18 countries with a high share in the Islamic finance sector are available to see the most used prod ucts and services. Graph 1 shows the average percentage values of each product. According to the results, 44 percent of total products are based on murabahah, 12 percent is tawarruq, and 10 percent is ijarah. The data shows that only 8 percent is musharakah, and 6 percent is diminishing musharakah. The results explain that countries prefer sale-based contracts and rarely use partnership methods. (Graph 1)

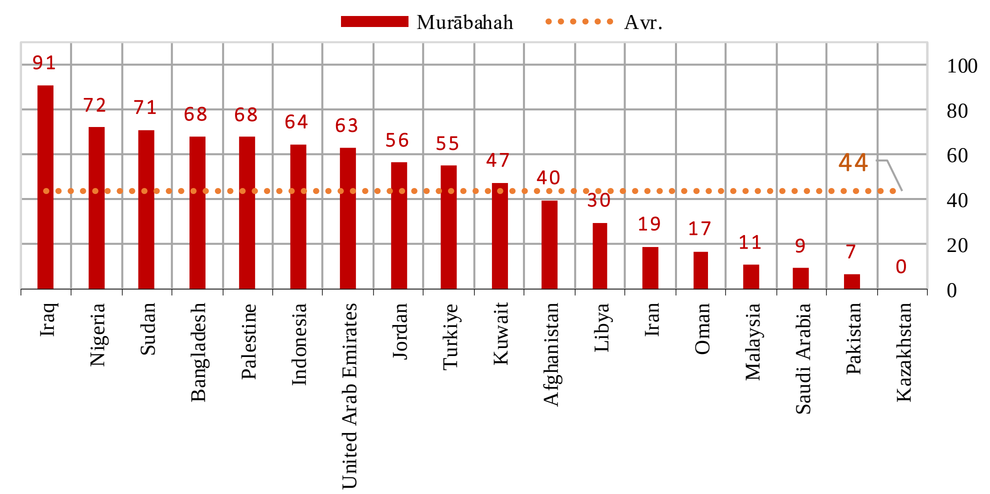
Graph 1: Average Percentage Share of Islamic Finance Tools in 18 Country (2024Q1)



Sources: https://www.ifsb.org/data-metadata/

Graph 2 shows that even some countries have a very high percentage of murabahah products. The results also explain how sales-based products intensively dominate the sector.

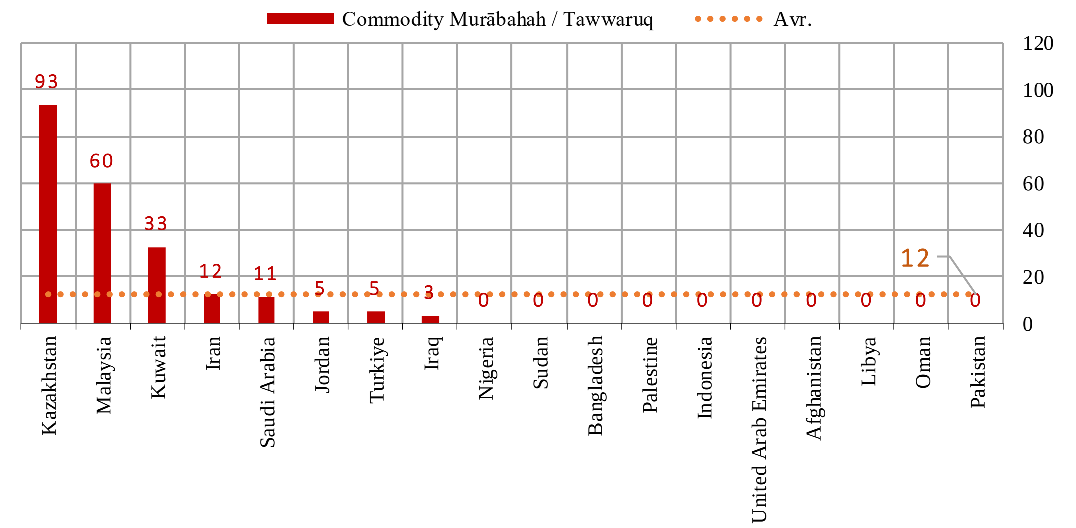
Graph 2: Average Percentage Share of Murabahah in 18 Country (2024Q1)



Sources: https://www.ifsb.org/data-metadata/

Although the average level for tawarruq is 12 percent, the detailed data display that many countries do not prefer this product. (Graph 3) Because there are different opinions that tawarruq contradicts the principles of Islamic finance, some countries do not prefer these products. (Ismon, 2012; Hadzic, 2016; Ahmed vd., 2017)

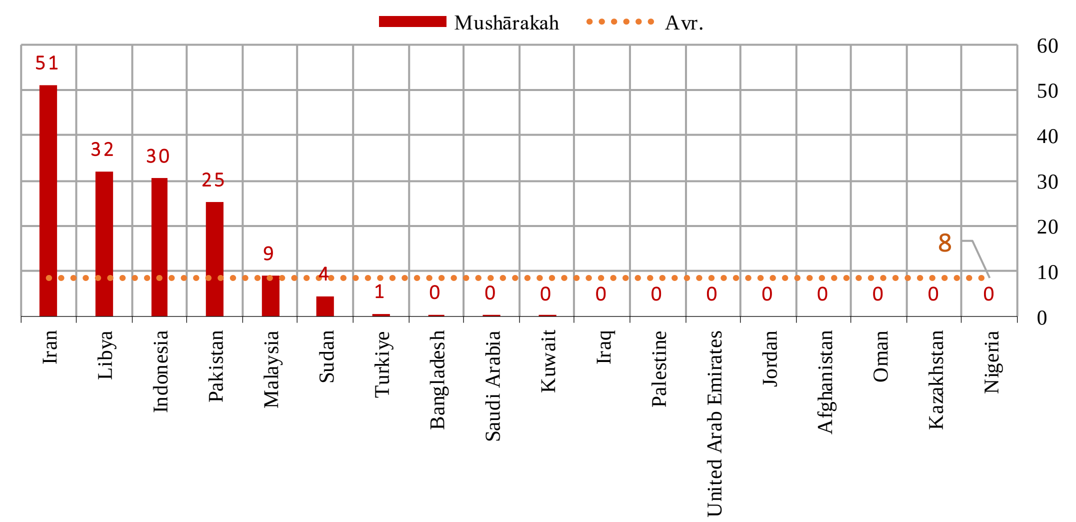
Graph 3: Average Percentage Share of Tawarruq in 18 Country (2024Q1)



Sources: https://www.ifsb.org/data-metadata/

Graphs 4 and 5 show that although partnership methods may contribute more to the real economy because they support production and investment, this product is used more intensively in only a few countries. The literature has different opinions regarding the suitability of these products. The main reasons these products are less preferred are that they generally involve risk, asymmetric information problems, moral hazard, difficult financing evaluation processes, regulatory constraints in some countries, and a low rate of return. (Jais, Sofyan vd., 2019; Yustiardhi vd., 2020; Khan vd., 2020)

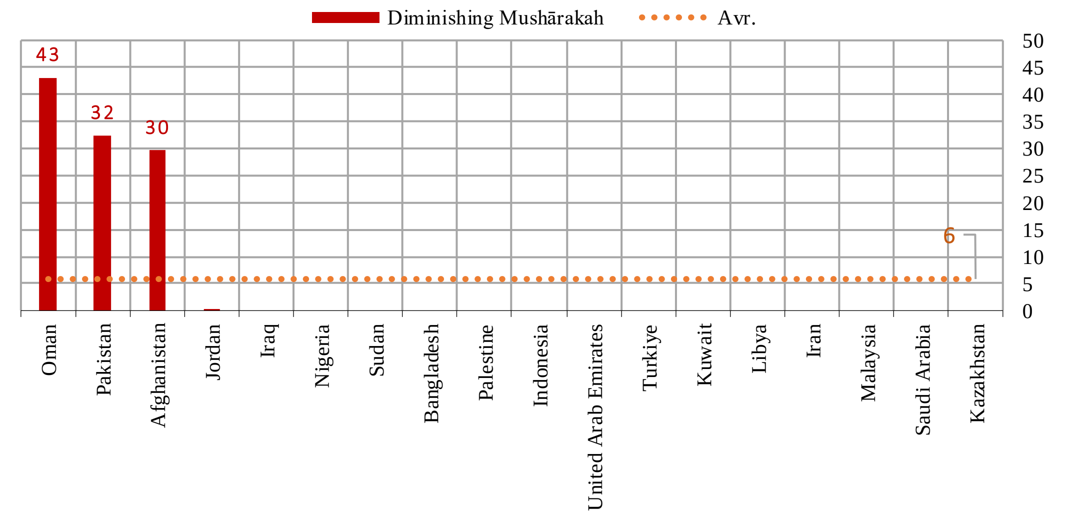
Graph 4: Average Percentage Share of Musharakah in 18 Country (2024Q1)



Sources: https://www.ifsb.org/data-metadata/

Graph 5 also displays that only three countries use diminishing musharakah in high intensity.

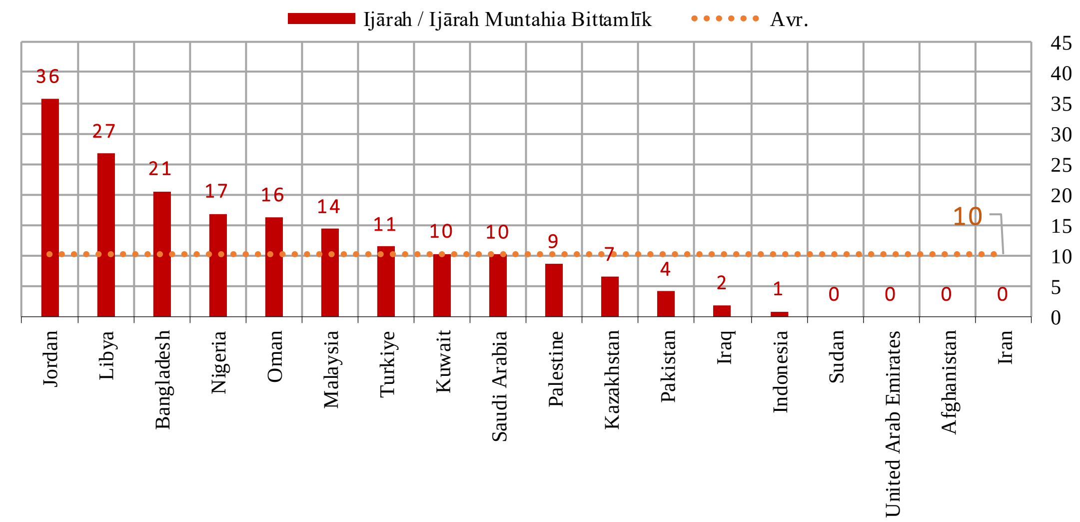
Graph 5: Average Percentage Share of Diminishing Musharakah in 18 Country (2024Q1)



Sources: https://www.ifsb.org/data-metadata/

Graph 6 displays that rental-based contracts have a more balanced distribution between countries and are also highly preferable.

Graph 6: Average Percentage Share of Ijarah in 18 Country (2024Q1)



Sources: https://www.ifsb.org/data-metadata/

The results show that although some products have a higher average value percentage, these are because of only some countries. On the other hand, countries intensively prefer the murabahah and ijarah methods. The situation also displays that countries select products with less risky assets behind them. While murabahah is a sales method based on the profitable sale of an existing product, ijarah is mostly based on rental income from real estate. Some other products are not primarily preferable because they involve sharia compliance concerns (tawarruq) and risks (musharakah, mudarabah).

5. CONCLUSION

Islamic finance, which includes Islamic banking, capital markets, insurance, and other areas, continues to develop globally and is being applied as an alternative finance area. Today, the volume of assets has also been increasing day by day. While the sector's products and services differ from conventional banks, product preferences may also vary between countries. This study examined the global application area of Islamic banking products and services. The study includes product and service distribution analysis of 18 countries with a high share in the sector and available data.

The first part of the study explained the basic principles behind the products and services. This section includes the central axis distinguishing Islamic banking products from conventional banks. While Islamic banking supports the income and profit obtained from products that directly affect the real economy, such as trade, buying and selling, renting, and investment, it does not accept interest-based transactions. On the other hand, there is a participatory and sharing perspective based on profit and loss sharing. For this reason, this scope diversified all products and services.

The second section explains the path Islamic banking has taken in the historical process. Islamic banking, which has started to appear in academic literature since the 1920s, is now supported by institutional structures at the international level. Today, products and services are widely available as an area of alternative finance in many countries worldwide.

The third section includes products and services commonly used in Islamic banking. Separating essential products based on buying and selling, partnership, and leasing is possible. According to the data from 18 countries, countries mostly and widely prefer products based on buying and selling. Based on the buying and selling of goods, murabahah has the highest share of all countries. On the other hand, the study revealed that leasing-based transactions are also widely preferred in all countries. However, it is also clear that partnership-based transactions supporting investment and production are less preferred. Many issues, such as risk factors, profit and loss sharing, asymmetric information, and legislative deficiencies, are compelling here. The results of the analysis have also shown that countries should ensure the development of these products, which are expected to support the real economy more. Some other products are applied differently in all countries due to concerns that they conflict with Islamic rules.

In conclusion, Islamic banking products and services have been developed around a different principle and have found widespread use on a global scale throughout history. The multitude of products and services based on profit and loss sharing and the real economy also supports the sector operating with less risk. However, products and services that support investment and production should be expanded, and the problematic aspects must be improved.

REFERENCES

1) Agriyanto, R. (2015). Redefining Objective of Islamic Banking; Stakeholders Perspective in Indonesia. Volume VI, Edisi 2, October 2015
2) Ahmad E.F., Shihama M, Tarmizi M. vd. (2017). Tawarruq as a Product for Financing within the Islamic Banking System: A Case Study of Malaysian Islamic Banking System. International Journal of Management and Applied Research. Vol:4. No:1. https://doi.org/10.18646/2056.41.17-004
3) Akhtar S. (2021). Islamic Banking System in Iran: A Critical Review. International Islamic University, Islamabad
4) Ansari, S. (2014). Islamic Banking in Pakistan: Past, Present and Future. Shaheed Zulfikâr Ali Bhutto Institute of Science and Technology, Islamabad, Pakistan
5) Bayındır, S. (2005). İslam Hukuku Penceresinden Faizsiz Bankacılık (Interest-free Banking from the Perspective of Islamic Law). İstanbul, Rağbet Publications
6) Chong, B.S., Liu M.H. (2009). Islamic Banking: Interest-Free or Interest-Based. Pacific-Basin Finance Journal 17,125-144
7) Dar, H. A. And Presley, J. R. (2000). Lack of Profit Loss Sharing in Islamic Banking: Management and Control Imbalances. Department of Economics, Loughborough University
8) Demirtaş, T. (2024). Evaluation of the Fundamental Differences that Distinguish Participation Banking from Deposit Banks in Turkiye. International Journal of Social Science and Human Research. Vol:7. Iss:9. pp:7321-7330. https://doi.org/10.47191/ijsshr/v7-i09-68
9) Global Islamic Finance Report (GIFR), (2010). Road to Islamic Finance in India. pp: 231-235. https://www.gifr.net/gifr2010/contents/ch_24.pdf
10) Hadzic F. (2016). Specifics of Tawarruq Financing Models in Islamic Banking. Economic, Business. Corpus ID: 55503601. http://ebooks.ien.bg.ac.rs/765/1/201CONFERENCE_PROCEEDINGS_ICEI_2015%20%281%29.pdf
11) Ismon N.Y. (2012). Legality of Tawarruq in Islamic Finance. Tazkia Islamic Finance and Business Review. Vol:7-1. doi:10.30993/tifbr.v7i1.6
12) Jais M., Sofyan F., Bacha A. M. (2019). Mudarabah and Musharakah as an Equity Financing Model: Issues in Practice. Proceedings of the 2nd Aceh Global Conference on Business Economic and Sustainable Development Trends (AGC-BEST) 2019, October 17-18, Banda Aceh, Indonesia

13) Kahf, M. (1999). Islamic Banks at the Threshold of the Third Millennium. Thunderbird International Business Review. 41(4/5), pp. 445-460, https://doi.org/10.1002/tie.4270410409
14) Kaplan, H.E. (2020). Islamic Financial Institutions in the World and Turkey. Journal of Emerging Economies and Policy.5(1),89-100
15) Khan M.A., Siswantoro D., Rahman A.U. (2020). The Obstacle Factors of Musharakah and Mudharabah Application in Pakistan. Vol: 17, Issue: 2, pp:183-196
16) Lewıs, M. K. Algaoud, L. M. (2001). Islamic Banking, Cheltenham: Edward Elgar.
17) Nathan, S. And Ribiere, V. (2007). From Knowledge to Wisdom: The Case of Corporate Governance in Islamic Banking. The Journal of Information and Knowledge Management Systems, 37(4), pp. 471-483.
18) Ningsih, W. F., & Wardayati, S. M. (2016). Modification finance of salam and the implications for salam accounting treatment in Indonesia. Procedia-Social and Behavioral Sciences. 219. pp: 528-533.
19) OECD, (2020). How Islamic Finance Contributes to Achieving The Sustainable Development Goals. OECD Development Policy Papers, June 2020, No.30,). Retrieved January 10, 2022 from https://www.oecd.org/development/how-islamic-finance-contributes-to-achieving-the-sustainable-development-goals-ac1480ca-en.htm.
20) Orhan, Z.H. (2018). Mit Ghamr Saving Bank: A Role Model or an Irreplicable Utopia?. The Journal of Humanity and Society, 85-102 doi: 10.12658/M0263
21) Özdemir, M., Aslan, H. (2017). Türkiye'de İslami Finansın Dönüşümünün Ekonomi Politiği. (Political Economy of the Transformation of Islamic Finance in Turkiye). Siyaset, Ekonomi ve Toplum Araştırmaları Vakfı (Foundation for Political, Economic and Social Research) (SETA)
22) Öztürk, A. (2013). Faizsiz Bankacılık İlkeleri ve Katılım Bankacılığı Eğitimi. (Interest-Free Banking Principles and Participation Banking Training) No:2012/2013-22, Retrieved January 10, 2022 from PBAT.org.tr
23) Rahman, A. (2017). Islamic Banks and Central Banking. Quarterly Bulletin 2017Q3, Bank of England,). Retrieved January 10, 2022from,https://www.bankofengland.co.uk/quarterly-bulletin/2017/q3/islamic-banks-and-central-banking
24) Official Gazette, (1984). The principles of establishment were specified in the Official Gazette dated 25.02.1984 and numbered 18323.
25) Official Gazette, (2006). 28.02.2006, Official Gazette No. 26094, "Decision on the Status of the Turkish Participation Banks Association No. 2006/10018"
26) Sağlam, M.S., Eğri T. (2020). Evaluation of the Application of Mudarabah Financing in Participation Banks in Terms of Moral Hazard: The Example of Türkiye. International Journal of Islamic Economics and Finance Studies. 2020/2: 197-226, doi:10.25272/ijisef.689009
27) Participation Bank Association of Turkiye (PBAT). (2018). KOBİ'ler için Adım Adım Katılım Bankacılığı. (Participation Banking for SMEs Step by Step). PBAT Publication, No:4. Retrieved January 10, 2022 from https://PBATegitim.org.tr/Documents/Yonetmelikler/kobiler-baski.pdf
28) PBAT. (2020). "Katılım Bankacılığı Nedir, Nasıl Çalışır", (What is Participation Banking and How Does It Work?). Retrieved January 10, 2022 from,https://PBAT.org.tr/Documents/Yonetmelikler/PBAT-Katilim-Bankaciligi-Nedir-Brosur.pdf
29) PBAT. (2021). Yaşayan ve Gelişen Katılım Bankacılığı.(Living and Developing Participation Banking).PBAT Publication, No:12
30) Participation Bank Association of Turkiye (PBAT).(2021a). Teverrük Standartı (Tawarruk Standard), Std No:2. Retrieved January 10, 2022 from https://PBATdanismakurulu.org.tr/uploads/standartlar
31) Primakov D., Rudokvas A., Tenberga I. (2022). The Salam transaction in the Islamic tradition and its application in Islamic banking. Vol:66. No:4. https://doi.org/10.21638/spbu25.2022.404
32) Usmani, M. T.: 2002, An introduction to Islamic finance, Kluwer Law International, The Hague: The Netherlands.
33) Yustiardhi A.F., Diniyya A.A., Subri N.S. vd. (2020). Issues and Challenges of the Application of Mudarabah and Musharakah in Islamic Bank Financing Products. Journal of Islamic Finance. Vol. 9. No:2. pp:26-41