

Guest Editor

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Islamic finance is part of the global financial system today. Irrespective of the faith convictions, jurisdictions are adopting it. Major financial markets of the world have reaped the benefit of it and legal, regulatory and tax frameworks of jurisdictions are being adapted to accommodate it. Islamic finance has gained popularity because it has the potential to eliminate poverty while sharing prosperity via equitable finance principles based on ethical values which are derived from Shariah, the fundamental norm of Islamic finance.

The Islamic finance industry includes Islamic banking, takaful and Islamic capital markets. It is estimated that by the end of 2017, the total volume of Islamic Finance industry will reach \$2.7 trillion. The basic principles and the contracts used in Islamic finance are derived from Islamic law or Shariah. It is not only the substantive matters of Islamic finance that shall be consistent with Shariah, but the procedural and the regulatory matters applicable to it shall also be consistent with Shariah. Then only the true meaning of the prefix “Islamic” put to finance will be reflected in the Islamic finance transactions.

The papers in this special issue are mostly contributed from INCEIF, The Global University of Islamic Finance. One of the key objectives of INCEIF is to become a Reference Point for the Islamic finance industry. The contribution of INCEIF, as a specialised University in Islamic finance to develop the talent pool and research materials required for the global Islamic finance industry, is huge. This initiative itself proves the role of INCEIF in producing research relevant to the Islamic finance industry.

The first paper ‘*Zakāh Collection and Distribution Framework in Federal Territory*’ in this special issue discusses the practical aspect of zakat collection and distribution in the Federal Territory of Malaysia. This case study provides an insight into the best practices followed and highlights the challenges with adequate recommendations.

The second paper ‘*The Implication of Musharakah Mutanaqisah in Malaysian Islamic Banking Arena*’ provides an insight into the implication of Musharakah Mutanaqisah (MM) in the current Malaysian Islamic banking industry. The paper discusses the implication of MM implemented by the Islamic banks in Malaysia, focusing on the context of legal documentation from the perspective of academics, banks, and customers.

The third paper ‘*The Acceptability of Tawarruq as a Product for Financing within the Islamic Banking System*’ discusses the application of tawarruq in the Malaysian Islamic banking system with special reference to the views of classical and contemporary scholars on the permissibility of the concept in Shariah. In this paper, the practice of tawarruq in other jurisdictions has also been explored.

The fourth paper '*Application of Three Lines of Defence in Islamic Financial Institution in Malaysia*' analyses the importance of shariah governance and compliance practices within Islamic Financial Institutions. A formula to protect the shariah identity of Islamic Financial Institutions is suggested in the paper.

The fifth paper '*Administration of Zakat on Wealth in Maldives*' is a case study that focuses on the administration of zakat on wealth in the Republic of Maldives, the country with hundred percent Muslim population. It is imperative to note here that it is hard to find literature about zakat management in Maldives and as such this paper is a valuable work to fill the gap. The paper describes history and current practices of zakat collection and disbursement in Maldives with recommendations to improve the current practices.

The final paper '*SABFS and its vision as a hub of Islamic Finance in Africa*' is an interesting case study about Sudan, a country with only an Islamic financial system. This paper discusses and explains the role of Sudan Academy for Banking and Financial Sciences (SABFS), its vision to become a hub for Human Capital Development and in promoting Islamic Finance not only in the African region but also among the Arab nations too. The subject matter of this paper is a novel research area.