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STUDY OF ISLAMIC FINANCIAL INSTITUTIONS

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ABOUT ARTICLE

Key words: Islamic finance, economics, banking, financial institutions, financial analysis.**Received:** 16.06.2023**Accepted:** 21.06.2023**Published:** 26.06.2023**Abstract:** The functioning of the Islamic finance system is the reality of the present. The number of Islamic financial institutions in the world is constantly increasing. There are new major actors in the global financial market: Islamic banks, funds, insurance companies and others. Traditional banks are entering the market, opening Islamic branches, and other players seeking to gain access to investments and private capital to clients for whom it is important to follow certain principles in business.

INTRODUCTION

The volumes of Islamic finance and the scale of their activities are increasing. According to our estimates, in the last decade alone, the assets of Islamic financial institutions have increased 10 times, and the volume of Islamic securities issues has increased almost 81 times over this period.

Islamic finance is gradually reclaiming part of the international financial space. Islamic securities are listed on the world's leading stock exchanges in London, Luxembourg and Ireland. The world's leading international banks are developing Islamic financial activities not only in the corporate but also in the retail segment. HSBC, Deutsche Bank, Standard Chartered and others are recognized as the best Islamic banks in the world. Islamic banks receive licenses to operate in non-Muslim countries.

THE MAIN RESULTS AND FINDINGS

The governments of Islamic finance countries are guided not only by the demand for services from the Muslim population, but also by the need to open their financial market to Islamic finance, which, thanks to its principles of organization, reduces the instability of the economy from financial shocks and contributes to the convergence of financial activities with real economy. The development of Islamic finance in the country contributes to the integration of national economic entities into the global system

of Islamic finance. Countries such as Morocco, Australia, Kazakhstan are betting on the development of the Islamic finance system as part of the strategy for becoming a financial center in the country. The activities of Islamic financial institutions are becoming more diversified and complex. Opportunities are growing and the experience of Islamic banks in structuring complex large transactions is increasing. The qualitative and quantitative progress of the Islamic financial industry certainly deserves to be studied.

Assessing the experience of development and expansion of Islamic financial institutions in the world, identifying shortcomings and obstacles, omissions on the part of financial institutions themselves and the bodies regulating their activities are of considerable scientific interest, especially considering that until recently there was only the concept of Islamic banking without its practical implementation. Islamic financial institutions have been able to translate existing theory into practice. Now the system of Islamic finance is evolving along with the legal regulation of the industry.

Deep financial and economic crises, including the global debt crisis of 1982, modern shocks that originated as early as 2006-2007. in the US and swept almost all over the world, the European debt crisis of 2012-2013. require a more careful study of the business models offered within the framework of the Islamic finance system, based on principles prohibiting excessive borrowing, unjustified risks, uncertainty, speculation.

The degree of development of the problem. The development of the Islamic finance system, its elements, regulation and its individual areas in recent years have attracted increased interest and are being studied by many scientists. A significant contribution to the study of the theory of the question was made by such Russian scientists and economists as Biryukov E.S., Dzhabiev A.N., Zhdanov N.V., Zhuravlev A.Yu., Ionova A.I., Miroshnik E.H., Pavlov V. V., Sukiyainen J.I.P. etc. If Zhuravlev A.Yu. and Pavlov V.V. mainly devoted their studies to Islamic banking, then Bekkin R.I. gave a comprehensive analysis of the modern Islamic economic model, the main link of which is the system of Islamic finance. The theoretical concept of the Islamic finance system was formed on the basis of the works of representatives of early Islamic economic thought - Abu Yusuf, Yahya ibn Adam, Abu Ubaid Al-Qasim ibn Salam, Abu Faraj Kudam ibn Jaafar, Abu Jaafar Ahmed ibn Nasser Al-Daudi and Abu Faraj Abdel Rahman ibn Rajaba Al-Khanbali, Ibn Al-Muqaffa and others. A special contribution was made by such scientists as Al-Ghazali, Ibn Taymiyya, Ibn Khaldun, Ibn Qayyim Al-Jawziyya.

Among modern foreign theorists and researchers on the development of the Islamic finance system, it is necessary to name Umar Chapra, Abdel Azim Islahi, Zamir Iqbal, Mohammed Taqi Osmani, Sidun Haron, Van Nursufiz Van Azmi, K. Hassan, R. Kayed, Abbas Mirahor and others.

The main purpose of the dissertation research is to study the development of the system of Islamic finance in the world at the present stage, identify the role of Islamic financial institutions in its formation, factors for strengthening its position, as well as studying the possibilities of its formation in Russia to attract financial resources from the Gulf countries, the implementation of project financing, strengthening investment cooperation, joint financing of innovative and underdeveloped industries, improving the investment climate.

The theoretical foundations of the study include the works of Russian and foreign scientists in the field of Islamic economics, Islamic finance, Islamic banking, world economy, international finance, state and international regulation of the Islamic finance system, the economy of Arab countries, research, publications and reports of international organizations (Islamic Development Bank, Organizations of accounting and auditing, Islamic financial institutions, materials of foreign national organizations, and, in particular, studies by Avdokushina E.F., Aidrus I.A., Bekkina R.I., Belova I.N., Biryukova E.S., Volgina N.A., Guskova N.P., Davtiana M.A., Zhuravleva, A.Yu., Igbalya Z., Islahi A., Kallimullina M.E., Mirahora A., Pavlova, V.V., Siddiki M.N., Strenina M.A., Fedyakina JI.H., Fituni JI.JI., Shkvarya JI.B. and others.

The sources of information for the dissertation research were the scientific works and materials of foreign national organizations: the Central Bank of Bahrain, the European Central Bank, the Islamic Development Bank, the Liquidity Management Center, the International Islamic Corporation for Liquidity Management, the International Islamic Financial Market, the Islamic Financial Services Council, materials of international, regional and local authorities, federal and local legislation on the topic and object of research, analytical materials of international rating agencies S&P, the International Islamic Rating Agency, information analytical companies such as Bloomberg, Thompson Reuters, Zawiya.

As sources of factual information about the Russian market, data from participants in the Russian market of Islamic financial services, statistical information provided by the Islamic-finance.ru information and analytical portal, materials from international conferences, seminars and meetings on research issues were used.

The novelty of the dissertation research lies in the fact that, based on the analysis of the current state of the Islamic finance system, general trends and factors of its development are identified, scientific and practical recommendations are developed and proposed for the development of Islamic financial institutions in Russia with the aim of integrating the country into world Islamic finance and, as a result, expanding opportunities to attract foreign capital to implement infrastructure projects and finance Russian industry.

The most significant are the following results characterizing the scientific novelty and personal contribution of the author:

- the author's periodization of the development of Islamic economic thought was proposed, the principles of functioning of the Islamic finance system were collected and generalized;
- the author's definition of the system of Islamic finance is proposed;
- Identified trends in the development of the Islamic finance system in the world, identified the factors of its development at the present stage, clarified the role of international and state regulation in the development of the Islamic finance system, proposed a classification of countries according to the level of readiness to change legislation and create parity operating conditions for Islamic and traditional financial institutions.

The practical significance of the work lies in the possibility of using the results of the study by government agencies in the process of developing a strategy for the development of the Islamic finance

system in Russia, as well as business entities (banks, insurance companies, investment funds, enterprises, private entrepreneurs) for its further stimulation.

Islamic economic thought has a long period of existence. From its inception during the lifetime of the Prophet Muhammad to the present day, it has experienced periods of fall and rise. During this time, Islamic economic thought has gone through a number of stages of development, during which it was formed under the influence of various factors. Today, Islamic economic thought is one of the directions of world economic thought.

Many scholars developed Islamic economic thought and tried to identify and characterize the stages of its development. So, four periods of the formation of Islamic economic theory are distinguished by the Indian researcher-economist, winner of the King Faisal International Prize (Saudi Arabia) in the field of Islamic teachings, Siddiqui M.N.¹

The author refers to the first stage the early period of Islam from its inception in 610 to 1058. exclusively theological foundations developed.

During the second stage (from 1058 to 1446), scientists actively used the rich Islamic heritage in writing their works and relied on the Koran and the Sunnah, i.e. the religious foundations developed at the first stage were applied to practice.

The third stage, 1446-1932, begins during the decline of Islamic economic thought and ends with the emergence of fresh ideas. In such cases, the theory does not correspond to practice, especially world practice, and Siddiqui M.N. History of Islamic Economic Thought//Ausaf Ahmad, Awan K.R. Lectures on Islamic Economics. -Jiddah. 1992. Establishing Western Non-Muslim Approaches in the Theory and Practice of International Cooperation. Sooner or later, the theory changes under the influence of the transformation of the conditions of economic activity.

The fourth stage, modern, falls on the period from 1932 to the present.

A more detailed classification of the periods of development of Islamic economic thought is presented by Abdul Azim Islahi, Doctor of Economics, Professor of the Center for Islamic Economic Research at the King Abdul Aziz University (Kingdom of Saudi Arabia).

The early period of Islam up to the beginning of the High Middle Ages (mid-9th - late 14th centuries) was characterized by the continuous development of Islamic science, initially at the expense of its own intellectual resources, later due to contact with the experience of other cultures and peoples.

We have found that in the days of early Islam, 21 works were devoted to taxation. The first book on Muslim taxation was written by Muawiya ibn Ubayd Allah ibn Yasar Al Ash'ari, who lived before 786. Abu Yusuf ibn Ibrahim ibn Habib Al-Ansari Al-Kufi (731-798), a prominent Islamic faqih (lawyer), wrote a treatise on economics and taxation on behalf of the Caliphate of Harun Al-Rashid. It was the caliph who instructed him to compile such a treatise. "Kitab al-haraj" ("The Book of Taxation") is devoted to the rules of taxation. It deals with the per capita tax, land tax, issues of land and water use, public administration, etc.

CONCLUSION

For example, here is how the author proposed to levy a tax on extracted minerals: "... A fifth share is levied on everything that is extracted from mines, whether in large or small quantities, even if a person extracts silver from a mine weighing less than two hundred dirhams, or gold weighing less than twenty mithqals, still a fifth share is taken from it and it is considered not as an object subject to zakat⁶, but as booty. Ores of these metals are not subject to taxation, but a fifth share is charged only on [contained in them] pure gold, pure silver, iron, copper and lead. The one who extracts these metals from the mines does not count [against the fifth share] the expenses incurred thereby; it happens that the costs of mining absorb the entire value of the extracted metals: in this case, the miner should not be charged a fifth share, but a fifth share is charged from him after cleaning the metals, it doesn't matter how much, how little he got, but the expenses he incurred are not counted in any way. And as for other minerals mined from the bowels of the earth, in addition to those listed, such as: yahont, turquoise, antimony, mercury, sulfur and ocher, then none of them is charged a spot and they are all equated with clay and sand. If one who has mined any gold, silver, iron, lead or copper is burdened with debts, then this does not exempt him from paying a fifth share ... ". An excerpt from the work "Kitab al-Kharaj" testifies to a very specific and accurate description of the mechanism and level of taxation.

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