

عنوان مقاله:

Mechanisms to Handle Default Cases in Islamic Banking: The Malaysian Approach

محل انتشار:

فصلنامه بین المللی اقتصاد و سیاست, دوره 2, شماره 1 (سال: 1400)

تعداد صفحات اصل مقاله: 19

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خلاصه مقاله:

This research investigates how Islamic banking institutions control default cases and the mechanisms they employ in handling such cases with reference to Malaysian Islamic banking regime. It was conducted on an exploratory design that employed doctrinal approach. Data were sourced from relevant statutes, regulatory guidelines, policy documents and established practices among Islamic banking institutions as well as academic texts that pertain to default cases. The data were examined with legal reasoning and qualitative analysis. The research finds that Islamic banks are prone to default cases and provide internal and external mechanisms to handle such cases in their operations. Though Islamic banks statutorily have wider scope than conventional ones, both banks are subject of the same framework in matter of credit risk regulations in Malaysia. The fusion of technology within procedures and governance mechanisms of dealing with default cases offers distinct benefits for Islamic banks in Malaysia. Analysis and reasoning in this research are restricted to the Malaysian Islamic banking regime only due to legal peculiarities among Islamic finance jurisdictions. Likewise, the research is confined to legal and regulatory perception of default cases only and could be furthered onto perceptions of other stakeholders in debt-recovery process. Again, subjective interpretation is inevitable in the analysis of some cases considered. This research contributes towards default cases literature in relation to Islamic banks and offers to fill research gaps therein. The research assists in understanding default control mechanisms employed by Islamic banks in Malaysia and stands to impart lessons to other jurisdictions thereon.

کلمات کلیدی:

Islamic Banking, Islamic law, Shariah governance, Malaysia

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