

Shariah Law in Commercial Banking and Stock Market: Recent Development, Challenges and Practices

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Abstract

In current years, there has been much dialogue about putting Shariah law into commercial banking and stock market practices. Because Islamic finance keeps getting more crucial and critical to the world economy, this research paper scrutinizes how Shariah law has changed, what problems it has triggered, and how it is used in commercial banking and the stock market. The study lures on a comprehensive review of the literature and an analysis of the practices and regulations related to Shariah law in commercial banking and the stock market. The verdicts designate that there has been significant progress in Shariah-compliant financial products and services, with an aggregate number of financial institutions seeking to knock on the door of the rising Islamic finance market. Generally, the study contributes to the thoughtful understanding of Shariah law in commercial banking and stock market practices, highlighting the developments, challenges, and practices associated with this mounting and growing sector of the global economy. The study proposes that policymakers and regulators keep supporting the growth of Shariah-based financial products and services while also addressing the complications and guaranteeing they align with Shariah law.

Keywords: Shariah Law Principles, Shariah-Compliant, Regulatory Framework, Fintech, Commercial Banking.

INTRODUCTION

The Law and Economics Under the Frame Work of Shariah

Shariah law, also called Islamic law, is a set of rules and ideas from the Quran and the Hadith. It governs many aspects of the daily lives of Muslims, including economic transactions. Islamic law and economics are closely intertwined, and the principles of Shariah law are intended to ensure fairness, justice, and equality in monetary transactions (Al-Daghistani, 2016; M. J. J. O. L. Arifin, Ethical & Issues, 2021).

The goal of Islamic economics is to improve the well-being of society by making sure that wealth and resources are shared fairly. Interest-based transactions, called *riba*, are against Shariah law because they are seen as unfair and exploitative. Instead, Islamic finance is based on arrangements for sharing profits and risks, which encourage taking risks, investing ethically, and being socially responsible (Al-Daghistani, 2016).

The idea of possession and ownership is one of the most important ideas in Islamic economics. According to Shariah law, all wealth and resources belong to God, and humans are only trustees or custodians (Muslimin, 2019a). It conveys that individuals are not allowed to practice their wealth in any manner they choose but instead have a moral obligation to use it in ways that benefit society. Islamic law says that people can't keep all their money to themselves because that leads to economic inequality and social unrest.

Islamic economics also places great importance on the concept of justice. Shariah law says that both parties must agree upon all business deals and that everyone must be treated fairly and justly. It means that contracts must be clear and transparent and that parties must be honest. In addition, Islamic law prohibits any form of deception or fraud in economic transactions.

Another fundamental principle of Islamic economics is the concept of *zakat* or charitable giving. Muslims must contribute a share of their wealth to those in need, including the poor, the elderly, and the sick. *Zakat* is seen as a way to promote social welfare and reduce economic inequality (M. J. J. O. L. Arifin, Ethical & Issues, 2021). Islamic economics also recognizes the importance of entrepreneurship and innovation. Shariah law encourages

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people to do things that are good for the economy and make money legally. However, Islamic law prohibits any economic activity that is harmful to society, such as gambling or the production and sale of alcohol (Bano, 2012).

In terms of business organizations, Islamic law recognizes several types of partnerships. One of the most common types of collaboration is the *mudarabah* or profit-sharing partnership. In a *mudarabah*, one stakeholder provides the capital, while the other provides the labor, effort, and expertise (M. J. J. O. L. Arifin, Ethical & Issues, 2021; Baharuddin, Mutalib, Ismail, Ahmad, & Saqib, 2021). The profits are shared according to a predetermined ratio, with the capital provider receiving a fixed percentage of the profits and the labor provider receiving the remaining portion (Bano, 2012).

Another common type of partnership is the *musharakah*, or joint venture partnership. In a *musharakah*, all partners provide capital and labor, and profits are shared according to a predetermined ratio. This type of partnership is often used in large-scale projects, such as infrastructure development or real estate development (Al-Daghistani, 2016).

Islamic finance has gained popularity in recent years, as many Muslims seek to avoid interest-based transactions and invest their money in ways that align with their values. Islamic financial institutions provide a wide range of products and services, including savings accounts, home financing, and investment and security funds (Farooqi & Khanii). In conclusion, Shariah law and economics are closely related, and Islamic economics is based on principles of justice, fairness, and social welfare. Islamic law prohibits interest-based transactions and promotes profit-sharing and risk-sharing arrangements. It also recognizes the value of entrepreneurship and new ideas while making it illegal for businesses to do things that hurt society. Islamic economics provides a framework for ethical and responsible economic activity, promoting social welfare and reducing economic inequality.

Four Schools of Thought Under the law of Shariah

Islam has four key schools of thought, each with elucidations and backgrounds based on Islamic jurisprudence. These schools are known as *Madhabs* or *Mazhabs*, and they are as:

Hanafi School: The Hanafi school of thought is one of the most influential schools of thought in Sunni Islam. It was founded by Imam Abu Haneefa (699–767 CE) and is based in Iraq. The Hanafi school places prodigious reputation on persistence and judiciousness in interpreting Islamic law and is known for its bendable method to jurisprudence. Hanafi scholars tend to put the public interest (*maslahah*) ahead of following the Quran and Hadith word for word (M. Arifin, 2021).

Maliki School: The Maliki School is another Sunni way of thinking that started in Medina, Saudi Arabia. It was founded by Imam Malik ibn Anas (711–795 CE). The Maliki school of law puts a lot of weight on the traditions and customs of the people of Medina. It is known for its moderate approach to regulation. Maliki scholars tend to prioritize the practices of the local community (*urf*) over strict adherence to the literal text of the Quran and Hadith (M. Arifin, 2021).

Shafii School: Imam Al-Shafii (767-820 CE) founded the Shafaii school in Egypt, a Sunni school of thought. The Shafi'i school emphasizes the Quran and Hadith and is known for its strict adherence to the literal text of these sources. Shafi'i scholars tend to prioritize the authority of the Quran and Hadith over reason and personal opinion in interpreting Islamic law (M. Arifin, 2021; Baharuddin et al., 2021).

Hanbali School: Imam Ahmad ibn Hanbal (780–855 CE) founded the Hanbali school, a Sunni school of thought, in Iraq. The Hanbali school of law puts a lot of weight on the literal meaning of the Quran and Hadith, and it is known for being very conservative. When figuring out what Islamic law means, Hanbali scholars strictly adhere to the Quran and Hadith ahead of reason and personal opinion (M. Arifin, 2021; Baharuddin et al., 2021).

Each of these schools has its own unique approach to Islamic jurisprudence, and each has a significant following within the Muslim community. While there are some differences in interpretation between these schools, they all share a mutual goal of promoting ethical behavior and adherence to the principles of Islam.

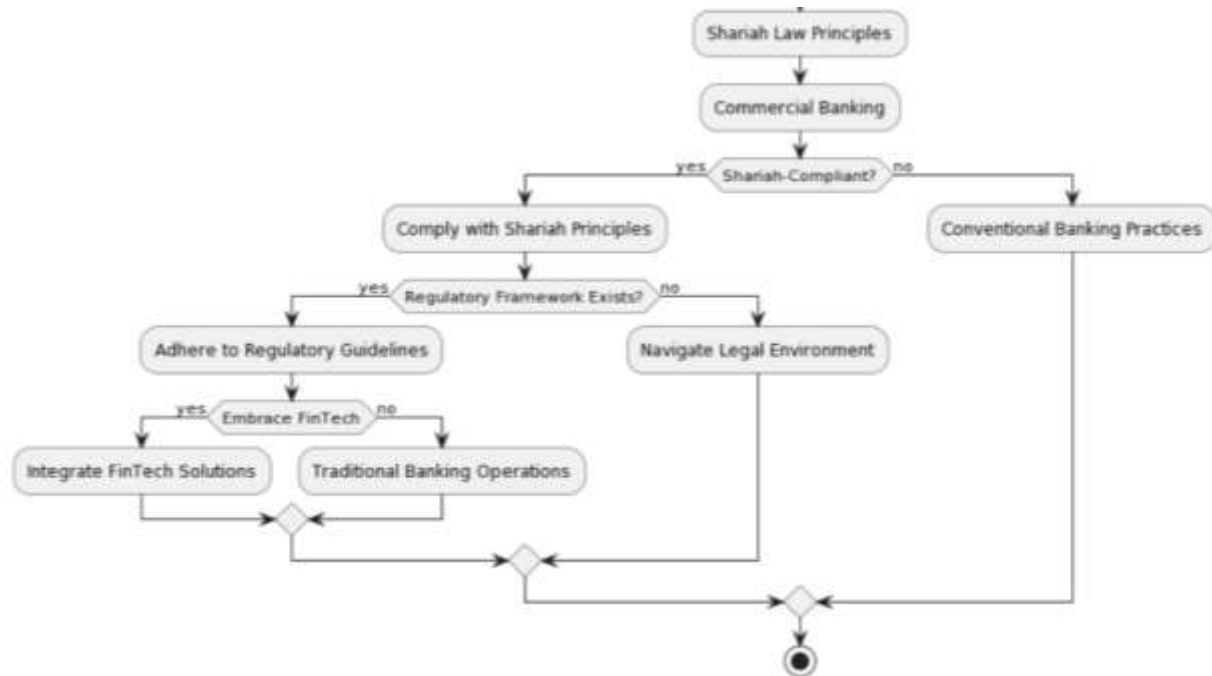


Figure 1. Framework of Shariah Law principles and Associated Constructs.

Framework and Objective of Study

The following depiction illustrates a simplified representation of the interplay between Shariah Law Principles, Commercial Banking, Shariah-compliant activities, Regulatory Frameworks, and FinTech within financial services. The cornerstone of the approach is based on the principles of Shariah Law and Commercial Banking. The ethical and legal foundation for financial operations in Islamic finance is derived from Shariah Law, which has its roots in Islamic jurisprudence. "Commercial Banking" is frequently employed to denote conventional banking activities.

Subsequently, the flowchart included the word "Shariah-compliant." The adherence to Shariah law within the banking sector guarantees that financial activities align with the principles of Islamic banking. In order to attain this synchronization, adherence to specific moral and financial standards is required. These norms encompass abstaining from interest (usury) and adhering to other rules outlined in Islamic law.

The second step of the strategy is the identification and examination of a "Regulatory Framework" in order to gather supporting evidence. Islamic banking adheres to the regulations and standards established by national or international monetary and regulatory authorities. Financial institutions are required to engage in the process of negotiating this framework in order to guarantee that their actions align with both Shariah principles and national legislation.

This model further considers the influence of financial technology (FinTech). The utilization of financial technology (FinTech) has witnessed a growing dependence within the banking sector, particularly in the realm of Shariah-compliant banking services. Banks' utilization of Financial Technology (FinTech) has the potential to enhance several aspects of their operations, including productivity, customer service, and product selection.

According to the concept, if there exists a regulatory framework and banking operations adhere to Shariah principles, it is recommended that banks align themselves with these values. If individuals desire to enhance their services while strictly adhering to Shariah principles, they might opt to utilize Financial Technology (FinTech) solutions.

In contrast, conventional banking practices are employed when banking operations contradict Shariah law's principles. The principles of Islamic finance do not limit these approaches and adhere to the same regulatory framework as conventional banking.

The model generally underscores the interrelatedness of Shariah Law, Commercial Banking, Regulatory Compliance, and FinTech. This emphasizes the importance for banks to possess a comprehensive awareness of and adhere to the appropriate legal and ethical frameworks. This is necessary to offer Shariah-compliant financial products and services and capitalize on technological advancements, hence ensuring their competitiveness within the contemporary financial landscape.

Based on the abstract provided earlier, the principal objectives of the study are:

To examine the developments, challenges, and practices related with Shariah law in commercial banking and the stock market.

To contribute to the considerate of Shariah law in commercial banking and stock market practices, highlighting the expansions, challenges, and practices related with this growing sector of the global economy.

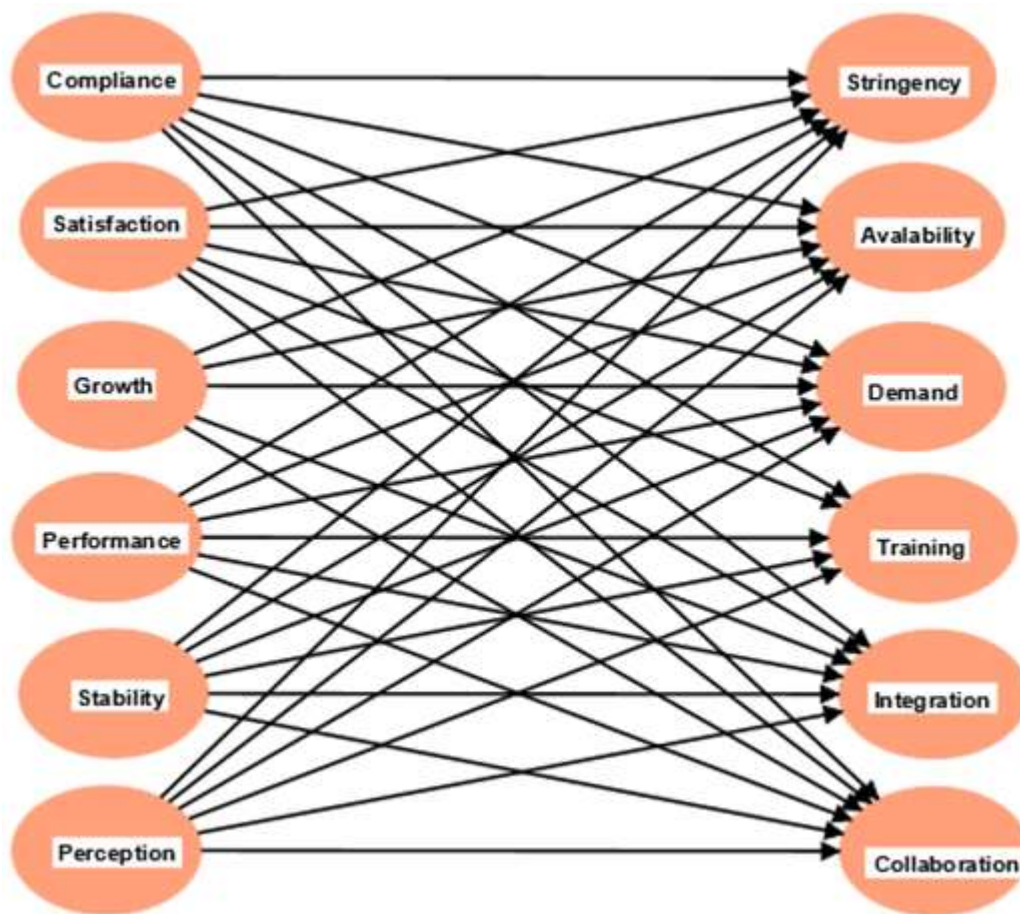


Figure 2. Model summary of variables shariah law in commercial banking and stock market.

LITERATURE REVIEW

Commercial Banking and Shariah Law Compliant Banking (Islamic)

Commercial and Islamic banking are different kinds, each with its features. Traditional banking is based on interest, but Islamic banking is based on sharing profits and losses, which aligns with Islamic laws and principles.

In this research, it examines the differences between commercial banking and Islamic banking, their respective operations, and the challenges that each faces in the global banking industry (Yahya, 2021).

Most banks use the traditional banking system, which is commercial banking. In this system, banks accept client deposits and pay them interest. The banks then use these deposits to make loans and charge interest. The claim that the banks earn on loans is customarily advanced and higher than the interest that they pay on deposits, permitting them to mark a profit (Usman, 2022).

Islamic banking, on the other hand, operates on an income and forfeiture-sharing system that is based on Islamic principles and laws. Under this system, banks do not charge interest on loans or pay interest on deposits. Instead, they enter into partnerships with their customers, sharing the risks and rewards of investments. The profits received are shared between the bank and the client, according to pre-agreed ratios. If there are losses, they are pooled and shared by the bank and the customer in the same ratio (Usman, 2022; Yahya, 2021).

The operations of commercial banks and Islamic banks differ significantly. Commercial banks offer a wide range of products and services, such as checking and savings accounts, loans, mortgages, credit cards, and investment products. These products are based on traditional banking practices and are designed to generate profits for the bank (Satria, Faizal, & Choirunnisak, 2021).

On the other hand, Islamic banks offer similar products and services, but Islamic philosophies and laws structure them. For example, Islamic banks offer checking, and savings accounts that are based on the concept of Mudarabah, where the bank is the investor and the customer is the entrepreneur (Satria et al., 2021; Usman, 2022). Based on a pre-agreed ratio, the bank shares the profits with the customer. Similarly, Islamic banks offer home financing products structured as a joint venture between the bank and the customer, where the bank provides the capital and the customer provides the labor. The profits are shared between the bank and the customer, based on a pre-agreed ratio (Naeem, Khan, & Farooq, 2021).

Even though commercial banking and Islamic banking are different, they face similar problems in the global banking industry. One of the main challenges is regulatory compliance. Commercial banks must follow a wide range of rules to protect their customers and keep the financial system stable. Islamic banks, on the supplementary, must comply with both banking regulations and Shariah law, which can be complex and challenging to navigate (Muslimin, 2019b).

Another challenge for both commercial banks and Islamic banks is competition. The banking industry is exceedingly competitive, and banks must persistently revolutionize and adapt to stay ahead. It requires significant investments in technology and human resources, which can be costly for both types of banks (Muslimin, 2019a). Ultimately, commercial and Islamic banking are two different types of banking with their features. Traditional banking is based on interest. Islamic banking, on the other hand, is based on a system of sharing profits and losses that is in line with Islamic laws and principles. Despite their differences, both types of banks face similar challenges in the global banking industry, including regulatory compliance and competition. However, with the growing demand for Shariah-compliant financial products, Islamic banking is poised to become a significant player in the global banking industry in the years to come (Al-Daghistani, 2016).

Conventional Stock market and Shariah Acquiescent Stock Market

The traditional and Shariah-compliant stock markets are both ways to invest, but they are different and have their own features. While the conventional stock market operates based on a traditional method of investment that is focused on generating profits, the Shariah-compliant stock market works in accordance with Islamic principles and laws, which prohibit certain activities and practices that are considered unethical or harmful (Mukarromah, Effendi, & Management, 2022). In this analysis, we'll examine the differences between the traditional and Shariah-compliant stock markets. We'll also look at how each one works and what pros and cons each one might have.

The traditional stock market is a way to invest in which you buy low and sell high to make money. Investors purchase shares in companies that they believe will grow and increase in value over time and then sell them at

a higher price to make a profit. The conventional stock market is open to all types of investors, regardless of their religious beliefs or ethical principles (Laldin & Furqani, 2016).

On the other hand, the Shariah-compliant stock market is a way to invest that is made to align with Islamic laws and principles, which forbid specific actions and behaviors that are seen as unethical or harmful. These principles contain the proscription of interest-based transactions (*riba*), speculation (*maisir*), and investments in businesses that engage in activities that are considered harmful to society (*haram*) (Juhandi, Rahardjo, Tantriningsih, & Fahlevi, 2019).

The operations of the conventional stock marketplace and the Shariah-acquiescent stock market differ significantly. The traditional stock market has many types of stocks, bonds, mutual funds, and exchange-traded funds (ETFs) that can be bought and sold. These products are based on traditional investment practices and are designed to generate profits for investors (Israhadi, 2020).

On the other hand, the Shariah-acquiescent stock market has similar investment options, but they are set up to follow Islamic laws and principles. For instance, Shariah-compliant stocks are screened and chosen based on strict rules that ensure they don't do things against Shariah law. These criteria include the company's source of income, level of debt, and compliance with ethical and moral standards (Hellwig, 1995).

Investing in conventional and Shariah-compliant stock markets has potential benefits and drawbacks. One benefit of investing in the traditional stock market is the potential for high returns on investment and the opportunity to diversify one's investment portfolio. The conventional stock market is also highly regulated, which can provide investors with a sense of security and confidence in their investments (Gulam, 2017).

On the other hand, investing in the Shariah-acquiescent stock market offers potential benefits such as aligning investments with ethical and moral principles and providing investors with a sense of social responsibility and ethical accountability. Additionally, the Shariah-compliant stock market has demonstrated a strong performance in recent years and may offer investors an opportunity to generate high returns on investment (Farooqi & Khanii).

However, there are also potential drawbacks to investing in the Shariah-acquiescent stock market, including limited investment options and potentially lower returns on investment compared to the conventional stock market. Additionally, the screening process for Shariah-acquiescent stocks can be complex and time-consuming, which may limit the availability of investment options (Bano, 2012).

In conclusion, the conventional stock market and the Shariah-acquiescent stock market are two different systems of investment that have their own unique features and characteristics. The traditional stock market is based on a conventional way of investing that is focused on making money. On the other hand, the Shariah-compliant stock market is based on Islamic laws and principles that forbid certain activities and practices seen as unethical or harmful. Both systems have potential benefits and drawbacks, and investors should carefully consider their investment goals and ethical principles when deciding which method to invest in.

RECENT DEVELOPMENTS: COMMERCIAL BANKING AND STOCK MARKET UNDER THE JURISPRUDENCE OF ISLAMIC LAW (SHARIAH)

Islamic banking and stock markets have grown in the Middle East over the past few years. Many countries in the region use Islamic finance to diversify their economies, attract foreign investment, and help more people get access to money. In this article, we will discuss some of the recent developments in Islamic banking and Islamic stock markets in the part of Middle East (Saad & Alhabshi, 2019).

One of the most critical changes in Islamic banking in the Middle East is that digital technologies and services are being used increasingly. Many Islamic banks in the region have been investing heavily in digital infrastructure and online banking platforms to provide their customers with more convenient and secure banking services (Saad & Alhabshi, 2019). This trend has been augmented by COVID-19, which has led to a surge in demand for online banking amenities (M. J. J. O. L. Arifin, Ethical & Issues, 2021; Baharuddin et al., 2021; Saad & Alhabshi, 2019). Islamic banks have been quick to adapt to this new reality, offering a wide range of digital

banking services, including mobile banking, online account opening, and digital payments (Ghamami, Mokhtari, & Hamzehviyazad, 2023).

Another significant change is that sustainability and social responsibility are becoming more critical in Islamic banking in the Middle East. Many Islamic banks have used environmental, social, and governance (ESG) criteria to make investment and lending decisions. Growing investor and customer awareness of the importance of sustainable and socially responsible investing drives this trend. Islamic banks are well-positioned to lead this trend, given the emphasis on ethical and moral values in Islamic finance (Ghamami et al., 2023).

In the Islamic stock market, one of the most significant developments in the Middle East is the increasing number of companies issuing Islamic bonds (sukuk) to raise capital. Sukuk has become a popular way for companies in the region to get money from investors at home and abroad. The sukuk market in the Middle East has been proliferating in recent years, with a wide range of issuers, including governments, corporations, and financial institutions (Irfan, 2021).

Fintech solutions are being used increasingly, which is another change that needs to happen in the Islamic stock market. FinTech is transforming how financial services are delivered, and the Islamic stock market is no exception. Many FinTech startups in the Middle East are developing innovative solutions that cater to the needs of Islamic investors, such as shariah-compliant robo-advisory platforms, halal crowd-funding platforms, and digital Islamic investment platforms (Oseni & Ali, 2019). According to the Global Islamic Finance Report 2021, the Islamic finance industry has grown 6.9% annually, with assets reaching \$2.88 trillion in 2020. The report also highlights the significant growth in Shariah-compliant financial products and services, with a diverse range of offerings to cater to the different needs of Islamic finance clients (Ab Razak, Dali, Dhillon, & Manaf, 2020).

For example, the report notes that Islamic banking and finance institutions now offer a range of products and services, including savings accounts, current accounts, home financing, car financing, personal financing, credit cards, and other various investment products premeditated to be Shariah-compliant (N. Alam & Nazim, 2021).

The report also talks about the growth of Shariah-compliant finance in countries like the UK, Luxembourg, and South Africa, which are not traditional markets for this type of finance. This growth has led to the development of new financial products and services, including Islamic bonds, Islamic funds, and Islamic insurance (Takaful) (Billah, 2021).

The report also says that Islamic finance has grown beyond traditional banking and finance, with new players like FinTech companies and startups entering the market. These companies are coming up with new financial products and services that are in line with Shariah. They use technology to reach new customers and make their services better.

Overall, the data shows that Shariah-compliant financial products and services have grown a lot, with a wide range of options to meet the different needs of Islamic finance customers. This growth is likely to continue as more countries and institutions accept the idea of Islamic finance and new players come into the market with new ideas.

Practices related to Shariah law in commercial banking and the stock market include:

Following Islamic finance principles, such as avoiding transactions based on interest (called "riba").

Investing in socially responsible projects.

Making sure that all financial dealings are transparent and fair.

It involves the development of Shariah-acquiescent financial products and services, including banking and investment products, which Shariah scholars vet to ensure compliance with Islamic law (Sugiarto & Disemadi, 2020). Additionally, financial institutions must maintain high standards of ethics and social responsibility and avoid investing in industries that are considered unethical or harmful, such as betting and eating tobacco. Ultimately, Islamic banking and stock markets are growing and changing quickly in the Middle East. Some recent changes shaping the future of Islamic finance in the province are the use of digital technologies, the

focus on sustainability and social responsibility, the growth of the sukuk market, and the growing use of FinTech solutions. As Islamic finance continues to evolve, it is likely to play a progressively important role in the global financial system (Ghamami et al., 2023; Gulam, 2017).

CHALLENGES, REGULATION AND PRACTICES

Because Islamic finance is so different, it is hard to figure out how to regulate Islamic banking and Islamic stock markets in the Middle East. The following are some of the challenges regulators in the region face when regulating Islamic finance.

Lack of uniformity: Islamic scholars have different interpretations of Shariah law, which can lead to differences in how Islamic financial products are structured and implemented. This lack of uniformity can make it challenging for regulators to develop standardized regulations that are applicable across different jurisdictions (M. K. Alam, Ab Rahman, Mustafa, Shah, & Hossain, 2019).

The complexity of shariah compliance: Shariah compliance is a critical aspect of Islamic finance, and ensuring compliance can be challenging for regulators. It is because shariah compliance requires a deep understanding of Islamic law and the ability to assess the complex financial structures used in Islamic finance (M. K. Alam, Ahmad, & Muneeza, 2022).

Limited knowledge: Middle Eastern regulators may need more knowledge about Islamic finance, which could make it hard for them to develop and use effective regulatory frameworks. It can be compounded by the rapid growth of Islamic finance, which may outpace the development of regulatory expertise (M. K. Alam et al., 2022; Amalia, 2017).

Lack of transparency: ensuring transparency is a significant challenge in regulating Islamic finance. It is because some Shariah-compliant financial products may be structured in a way that makes it challenging to judge and evaluate the risk and underlying assets of the effects.

Cross-border transactions: Islamic finance involves cross-border transactions, and this can make regulation challenging. Regulators must coordinate across jurisdictions to ensure that the regulatory frameworks are aligned and there is a consistent approach to regulating Islamic finance (Israhadi, 2020; Juhandi et al., 2019; Sarker, Khatun, & Alam, 2020).

Compliance with international standards: Regulators must ensure that Islamic finance is compliant with international standards and regulations, such as anti-money laundering (AML) and counter-terrorism financing (CTF) guidelines (Girra & Labidi, 2021). Ensuring compliance with these standards can only be challenging with globally accepted guidelines for Islamic finance. In conclusion, regulating Islamic banking and Islamic stock markets in the Middle East presents several challenges due to the unique nature of Islamic finance (MOHD NOOR, BAKRI, WAN YUSOF, MOHD NOOR, & Zainal, 2020). Regulators must navigate issues such as lack of uniformity, the complexity of shariah compliance, limited expertise, lack of transparency, cross-border transactions, and compliance with international standards (Ishak & Asni, 2020). Addressing these challenges will require a collaborative effort from regulators, Islamic finance industry players, and Islamic scholars to ensure the growth and steadiness of the Islamic finance and economics industry (Algabry, Alhabshi, Soualhi, & Alaeddin, 2020).

CONCLUSION AND DISCUSSION

There has recently been a surge in demand for Shariah compliant financial products and services around the world marking a significant shift within the financial industry. The trend reflects a growing demand for ethical practices that align with Islamic law principles among both Muslim and non-Muslim communities. One notable reason for this trend is the recognition received by Islamic finance for its ethical practices- avoidance of interest based transactions alongside investment into socially responsible projects.

This increasing interest has resulted from various sources including increased awareness about Islam's teachings regarding money management as well as advice from experts who advocate using these methods to achieve worldly objectives while still following their religious beliefs. Further promoting this growth is government

backing which can be seen through regulatory frameworks established by various countries such as Luxembourg, UK or South Africa that aim to encourage expansion within these markets by providing support structures required for successful operations.

Lastly we see accelerated proliferation brought upon by Fintech companies who specialize in Shariah compliant offerings thereby broadening options available to consumers. In order to provide customers with improved and hassle free financial services that adhere to the principles of Islamic law these firms employ technology extensively.

But the increasing number of Shariah-compliant financial products and services also marks it tougher to understand and follow the rules of Shariah law. Shariah law can be interpreted differently, leading to financial practices that don't follow Shariah law. It shows how vital solid regulations and more openness in the industry are to make sure Shariah law philosophies are followed.

Shariah-compliant financial product and service progress is a big deal for the global financial industry. There are many different options to meet the diverse needs of Islamic finance clients. But the problems that come with Shariah law must be fixed if the industry continues to grow and succeed. Quantitative data about how Shariah-compliant financial products and services have changed over time can show how this part of the global economy is doing now and what it could do in the future. As per to the Islamic Finance Development Report 2021, the global Islamic finance industry's total assets reached \$2.89 trillion in 2020, representing a growth rate of 13.9% over the previous year. Also, the support of Islamic banks reached about \$2.3 trillion in 2020, a 5.3% increase from the year before. The report also shows that the Islamic finance industry has kept growing worldwide, opening new markets in Africa, Asia, and Europe.

Regarding specific financial products and services, the Islamic finance industry is snowballing in the area of sukuk, which are Islamic bonds. According to the Islamic Finance Development Report published in 2021, sukuk issuances reached \$139.8 billion in 2020, representing a 13.8% increase from the previous year. The report also says that technology and FinTech solutions have been critical drivers of growth in the Islamic finance industry, with a growing number of digital Islamic banking and investment platforms emerging.

Generally, the quantitative data proposes that Shariah-compliant financial products and services are experiencing significant growth and expansion globally, with a diverse range of offerings to cater to the different needs of Islamic finance clients. This growth is caused by more people learning about and being interested in Islamic finance, more regulations, and the use of technology and new ideas in the industry.

FURTHER SCOPE OF THE STUDY

The further scope of study on Shariah law in commercial banking and the stock market could include the following:

Analysis of the regulatory frameworks and legal structures in diverse countries associated to Shariah-compliant financial products and services.

Investigation of the moral and social responsibility aspects of Islamic finance and how they align with the United Nations Sustainable Development Goals (SDGs).

Analysis of the character of Islamic finance in promoting financial inclusion and reducing poverty in different regions of the world.

Study of the impact of technology and innovation on the growth of Shariah-compliant financial products and services, including the rise of FinTech companies and startups in the industry.

Investigation of the challenges and opportunities associated with Shariah-compliant financial products and services, including issues related to standardization, compliance, and interpretation of Shariah law principles.

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