# Index

*Note: Page numbers followed by “n” with numbers indicate footnotes.*

| Absolute discretionary accruals (ADACC), 131–132, 134–135 | Agency theory (AT), 103–104, 167 |
| Accountability, 81, 117, 287 | Agents, 6, 9, 31, 39, 45, 51–52, 64, 67, 74–75, 80, 95, 109, 156, 307, 361–362 |
| in Islam, 8–9 | competing, 49 |
| model, 167 | in Islamic communities, 4 |
| Accounting | preferences and organizational behavior, 43 |
| deception, failure in, 67 | takaful, 156 |
| loopholes in regulatory practices, 64 | Ahadith (saying of Prophet), 21 |
| Accounting and Auditing | Ahkam (policy or rule), 54 |
| Bahrain, 207 | Al gist (see Fairness) |
| governance standards, 115–117, 124 | Al Rayan Bank, 20, 208 |
| and illustrations from jurisdictions, 203, 204–206 | Al shaff (curtain), 6 |
| shari’ah standards, 262 | Al wa’duh (appearing and becoming clear), 6 |
| Sudan, 203–207 | Al-Amanah, 2 |
| United Kingdom, 208 | Al-maslah-wal-istihsan, 54 |
| Acts of worship, 201 | Al-Muhsinun, 4 |
| Actual market transaction, 102 | Al-Sunnah, 95 |
| Adalah (justice), 5–6, 121, 355 | Al-zahr (dice), 91 |
| Adaltuhu hatta i’ tidal, 5n4 | Amanah (fulfillment of trust/custodianship), 121, 355 |
| Administrative corruption, 1 | Amman Stock Exchange, 318, 343 |
| Adverse selection, 9, 88, 103–104 | Amr bil maruf (enjoining good), 193 |
| Advertising policy, 31 | Analysis of variance (ANOVA), 147–148, 150 |
| Agency | Anglo-Saxon model (see also Ethico-economic model), 93 |
| arrangement, 4 | Annual general meetings (AGMs), 20 |
| problems, 95, 287–288, 389 | Anti-trust policy, 30, 32 |
| re-examining concerns, 80–81 theorists, 92 | Antidumping, 28 |
| Agency theory (AT), 103–104, 167 | Agad approach, 158 |
| Agents, 6, 9, 31, 39, 45, 51–52, 64, 67, 74–75, 80, 95, 109, 156, 307, 361–362 | Agaid (see Beliefs) |
| competing, 49 | Agida (trust and confidence), 121 |
Ar-rahnu (Islamic pawn-broking service), 284
Arbitrage pricing theory (APT), 89
Arrow’s organizational theories, 29–31, 49
Asset management companies, 209–210
specificity, 105–106
Association of Islamic Banking Institutions of Malaysia (AIBIM), 380–381
Association of Shari’ah Advisors (ASA), 384n7
Asymmetric information problem, 316
Audit(ing), 109
committee independence, 129
and control, 297–298
documentation, 157
evidence, 156
and governance committee for IFIs in IBRF, 252
Auditor(s), 11, 80, 144, 154–157, 160, 171, 173, 177, 179, 183, 196–197, 222, 377
accountability, 153
external, 118, 192, 197–199, 222, 264, 266–267
financial, 121
internal, 162–163, 263–264
shari’ah, 10, 158, 164, 197–198, 222
Authenticity, 1, 20, 191, 198
of IFIs, 11
of SGF, 196

Backward stepwise regression approach, 325
Bahrain, 13, 121, 144, 192, 213, 384
AAOIFI and, 207
banks, 144
Bai al Dayn, 262
Bai-al-mu’ajjal of GoP ijarah sukuk, 262, 269
Bail Inah, 262
Baitul-Maal-wa-Tamwil (BMT), 241, 283–284

Bangladesh
CSR effect on Bangladesh issues, 306–307
CSR in IB practice, 305
IBs in, 308–311
practices and relevant studies, 306
recommendations, 311–312
research design, 308
theories underpinning, 307–308
Bank age (BKAGE), 171, 177–178, 183
Bank for International Settlements (BIS), 90, 116
Bank Indonesia (BI), 58, 120, 241–242, 245
Bank Islam Malaysia Berhad (1983), 228
Bank Negara Malaysia (BNM), 19, 91, 154, 194, 222, 233, 251, 373
Bank of London and Middle East (BLME), 208
Bank Pembiayaan Rakyat Syariah (BPRS), 239
Bank(ing), 240
loans, 93
sector in Saudi Arabia, 288–289
training in banking practices, 257–258
Banker, The (2009), 371n1
Banking and Financial Institution Act (BAFIA), 222
impact of IFSA on Shari’ah governance, 225–226
new intermediation roles, 224–225
objectives of IFSA, 223
Shari’ah compliance and governance, 223–224
Basel Committee on Banking Supervision, 117, 294–295
Basel framework, 90–91
Bay’ al-’inah contract, 250
Bay’ina (immediate sale after purchase), 279
Bay’istisna’ (sale of manufactured asset), 279
Bay’murabaha (cost plus sale contract), 279
Bay’salam (sale of asset in the future), 279
Beliefs, 107, 142, 201, 212
Benevolent Loan (see Qard-i-Hasan)
Benthamite utilitarian index, 44
Benthamite–Harsanyi kind of linear function, 45n2
‘Best practice’, 373–379
Block-holders, 168, 170, 343
ownership, 349
shareholding, 342
Board audit committee (BAC), 266
Board independence (BDIND), 128, 171, 177
Board meetings, 128, 345, 347
Board meetings (BRDMEET), 132, 135–136
Board of directors (BoD), 18, 20, 155, 168, 202, 263–264, 266–267, 295–296
Board size (BRDSIZE), 128, 135, 170–171, 177, 317–318
Board supervision, 109
Board to equity (B/E), 324
Bonds, 90, 345–346, 408
conventional, 210
PIBs, 270
Bounded rationality, 31, 47, 104–105
Box–Cox parametric power transformation approach, 324–325
Business
bribes, 64
firms, 102–105
organizations, 12, 92, 101, 110, 142
partners, 107
perspective, 159
proposition, 271
Business extent of disclosure index (COUTRANSDEX), 177
Capital asset pricing model (CAPM), 89
Capital Market Authority (CMA), 127–129, 137, 288–289
Capital Market Law, 289
Capital market(s), 67, 240, 348, 391–392, 408–409
authority, 10
Islamic, 241–242
local and global, 209
mechanism, 389
risks, 89
Capital structure, 341, 342–344
data, 344
debate on regression results, 348–350
empirical results, 345–348
methodology, 345
theory, 316–318
variables, 344–345
Capitalist
dynamics, 74
globalization, 46–47
Cash waqf, 308, 310
Central Bank of Bahrain (CBB), 204, 206–207, 373
Central Bank of Malaysia, 221, 228, 230–231, 235–237
Central Bank of Malaysia Act, 228
Central Bank of Oman (CBO), 12, 249–258
CEO remuneration (CEOR), 345–347
Chairman’s independence, 128–129
compensation, 343
duality, 343–344, 349
Founder, 168, 171, 177, 179–183
over-ambitious plans, 128
Civil libertarianism
analytical nicety, 29
principle, 74
Co-operatives, 279
in Malaysia and Indonesia, 280–282
Shari'ah-based, 282–284
Code of Corporate Governance (CCG), 348, 351
Collateralized debt obligation (CDO), 90, 92
Commenda, 87
Commodity murabahalsukuk murabaha, 269
Companies Act (1965), 123
Company's view of corporate governance, 317–318
Ijarah Sukuk financing, 321
sukuk issuance, 320–321
Comparative performance of Islamic and conventional indices, 11, 213–217
Compensation policy, 342
Competence of SSB, 257
Competition policy, 28, 30–32
Complementarily arrangements (see Reciprocal arrangements)
Compliance, 230
functions of conventional and Islamic banks, 252
Islamic standards of, 119
Comprehensive regulatory framework, 384
Conflicts of interest, 118, 271, 287, 295–297
in Islamic communities, 3–4
shari’ah advisory function, 12
Contract(s), 107
bay’ al-‘inah, 250
formal, 105–106
hibah, 162
ijarah, 23n8, 23–24
in Islam, 95
muamalah, 79–85
musharakah, 79–85, 232
profit sharing-based, 279
tabarru, 159, 162
theory, 107
Contractual governance, 101, 105
Control of corruption, 357, 364
functions of conventional and Islamic banks, 252
variables, 131, 133, 171
Conventional cooperatives, 283–284
Conventional corporate governance, 22–24, 85, 88
Conventional indices, 212
comparative performance of Islamic and, 213–217
returns and volatility, 214
Cooperative Commission Malaysia Act (2007), 284
Corporate board independence, 94
Corporate decision making (see also Decision making), 45, 102
collective, 47
hegemonic preferences in, 46–47
Corporate disclosure, 168, 170–171, 182
CG characteristics and, 169
studies in, 167
Corporate governance (CG) (see also Good corporate governance (GCG);
Governance; Inter-firm governance mechanisms), 1, 17–18, 43, 63, 115, 167, 193, 201–202, 315, 341–344, 372, 389
audit and control, 297–298
board independence, 171
board size, 170–171
BoD role, 295–296
and capital structure, 316
challenges in accomplishing, 109
Commitment of Board Members in Governance System, 294–295
company’s view, 317–318
comparative views, 40
construction disclosure indices, 172–173
control variables, 171
corporate disclosure literature, 168–169
corporate governance in Pakistan, 348
correlation analysis, 179
correlation matrix, 180
data, 344, 391–392
debate on regression results, 348–350
descriptive analysis, 178–179
discursive learning behavior, 43–44 and economic growth, 93
empirical analysis, 393–404
empirical results, 345–348
examining CG model in Islamic case of PAPM complementarities, 74–75
feedback loops in decision making, 32–33
financer’s view, 316–317
foreign ownership, 170
founder CEO, 171
framework for IFIs, 117–121
holistic disclosure checklist, 174–175
IAH, 170, 296–297
institutional learning inversely relating to transaction cost in, 66–72
interaction of Sukuk issuance and, 318–321
Islam and, 94–95
Islamic banks, 167–168
Islamic perspective, 2–4, 27, 50–59
Islamic principles, 4–9
Islamic vs. conventional, 22–24
issues in, 93–94
literature review and research hypothesis, 169
as mainstream organizational concept, 27–28
Malaysia, 19–20
methodological individualism of contested corporate decision making, 45–49
methodology, 345, 392–393
model specification and variable measurements, 173, 176–178
number of block-holders, 170
objective function, 28–30
organizational behavior in mainstream corporate governance theory, 44–45
policy implications, 404
practices, 294
primary objective, 127–128
regressions results, 179, 181–183
and Role of Islamic Audit and Accounting, 10
sample and data, 172
selection of corporate strategies, 30–31
Shari’ah Supervisory Board, 295
Simon and Arrow’s organizational theories, 29–30
strategies, 389–390
of Sukuk issuer companies in Iran, 321–326
transparency and disclosure, 298–299
variables, 344–345
Corporate managers, 93, 342, 351, 409
Corporate mutuality, Islamic perspective of, 38–39
Corporate philanthropy, 307
Corporate reporting, 169
Corporate responsibility, 28
failure in, 67
social, 50
Corporate scandals, 81
Corporate social responsibility (CSR), 12, 167, 305–306
conduct and disclosure for IFIs, 252
effect on Bangladesh issues, 306–307
IBs in Bangladesh, 308–311
Index

practices and relevant studies, 306
recommendations, 311–312
research design, 308
theories underpinning, 307–308
Corporate Social Responsibility Disclosure (CSRD), 11, 168, 176, 178
Corporate transparency, 28
Corporation, 80, 83
correcting for lack of disclosure and transparency in, 64–66
dealings, 64
ethico-economic general equilibrium model, 66
in Islamic perspective, 51–52
knowledge and learning, 65
Correlation analysis, 134–135, 179
Correlation matrix
Muslim economies, 400–401
non-Muslim economies, 398–399
Corruption perception index (CPI), 397, 403–404
Country-specific behavioural perspective, 379–381
Credit
derivatives, 90
insurance, 90
risk, 88–89, 297–298
Credit default swaps (CDS), 92
Creditors, 82, 93, 307, 319, 342, 348
Cultural heritage, 44
Currency salam, 269
Current account, Islamic deposits on, 232
Customer expectations, 334
gap between management perceptions and, 332
gap between SQ specifications and, 332–334
Customer gap, 13, 332, 334–337
Dalail zanniyah (implicit textual evidence), 198
Deals with others, 201
Debt, 341
choice of firms, 342
debt-irrelevance theorem, 341
debt–equity, 341
financing, 317, 320
paper currency, 67
Decision making (see also Corporate decision making), 10, 29, 31, 38, 49, 50, 58, 80, 94–95, 104, 118, 156, 167, 170, 236, 273, 284, 319, 407
agent-specific, 68
consensual, 48
effectiveness, 20
feedback loops for CG, 32–33
female participation in, 20–22
for IBIs’ products, 268
interactive, 43
investment, 209
methodological individualism of contested corporate, 45–49
participatory framework, 74–75
Shari’ah, 273–274
social, 66
theory, 10
Default risk, 89, 289, 320
Denominators in inter-firm governance, 108–109
Deontology of responsible behavior, 68
Dependence, 108
degrees of, 109
resource dependence theory, 348
Dependent variables, 182, 391–393, 396
of earnings management, 134
measurement, 130–131
Deposit account, Islamic deposits on, 232–234
Derivatives, 89–90, 210
credit, 67, 90
financial, 262
Descriptive analysis, 136, 178–179
Descriptive statistics, 134, 179, 345–346, 349–350, 393–397
about differences in disclosure among industry, 149
about differences in disclosure over times, 148
Index

for financial institutions, 290, 292
of independent variables, 178
pooled, 135
Development Financial Institutions (DFIs), 261
Dewan Pengawas Syariah (DPS), 242
Dewan Syariah Nasional Majlis Ulama Indonesia (DSN-MUI), 12, 240, 242, 245–246
Direct equity investments, 210
Directorate of Bank Indonesia, 59
Disclosure, 169, 182
in CG, 298–299
of compliance with shari’ah teachings, 147
indice construction, 172–173
rules, 118
Discretionary accruals, 129
absolute value, 134
accuracy, 137
firms, 131
regression, 135
Diversifiable risk, 209
Dividend purification, 210–211
Divine guidance, 9
Dow Jones Islamic Market Index (DJIM Index), 211–212
Dual banking system, 203
Dual Islamic economy, CG in, 37–38
Dubai International Financial Centre, 123, 373
Earnings management, 127
control variables, 131, 133
dependent variable measurement, 130–131
descriptive statistics and correlation analysis, 134–135
explanatory variables, 131
literature review and development of research hypotheses, 128–129
model specifications, 134
multivariate analysis, 135–137
research methodology, 129–134
sample selection and data collection procedures, 129–130
variables and measurements, 132
Economic(s), 201
collapses, 1
decline, 1
exchange relationship, 106
growth, 367
organization in Islamic perspective, 51
transactions, 104
Efficiency, 50, 88, 109, 236, 299
corporate governance, 109
economic, 32, 41
expected, 137
of financial markets, 142
in Islamic communities, 4
operational, 58
Emerging practice, 373–379
Empirical analysis
descriptive statistics, 393–397
multicollinearity analysis, 397–404
Empirical evidence
governance and economic growth, 366–369
governance–development nexus, 356–357
Employer–employee relationship, 269–270
Employers’ Savings and Ownership Plan (ESOP), 46
End-to-end shari’ah compliance approach, 11, 234–235
Endogenous learning, 47
in unity of knowledge, 66
Endogenous preference maps, 68
Enforcement of law, 121
Enron, 64, 66–67, 81, 94
Environing factors, 32–35, 37
Environmental protection, 28
Epistemology of unity of knowledge, 33, 39, 63, 65, 68, 70
Equitable distribution of wealth and income, 23, 28
Equity, 88, 341
   holders, 118
   market, 212, 345–346
   participation, 52
Ethical banking, 201
Ethical behavioral change, 67
Ethical deception in organizational
   behavior and accounting, 67–68
Ethico-economic model, 64, 68
   correcting for lack of disclosure
   and transparency in
corporation dealings, 64–66
   epistemological structure of
   ethico-economic general
   equilibrium model, 66
   examining CG model in
   Islamic case of PAPM
   complementarities, 74–75
   examining mainstream corporate
   governance in model of
   unity of knowledge,
   72–74
   institutional learning inversely
   relating to transaction cost
   in CG, 66–72
European Islamic Investment Bank
   (EIIB), 208
Evade competition policy \( (P_2) \), 30
Evolutionary discursive processes in
   institutional learning, 70

\textit{Ex ante}
   accountability, 8
   costs, 102
   dimensions, 107
   problem, 103
   transaction costs, 103
   transaction model, 105

\textit{Ex post}
   accountability, 8
   costs, 102–103
   dimensions, 107
   transaction model, 105
Exchange Control Act (1953), 221
Executive management (EM), 1, 12,
   263, 267
Exercise control over international
   resources \( (P_3) \), 30
Explanatory variables, 131, 393, 396
Export Import Bank of Bangladesh
   Limited (EXIM Bank
   Ltd.), 308
External audit, 118, 191–192, 195,
   198–199, 242, 266–267, 298, 373
External \textit{shari’ah} audit, 11, 195,
   197–198, 265–266
Fairness, 2, 5–7, 36, 84–85, 91, 119,
   169, 193, 315, 355
Family \textit{takaful} business, 159, 224–225
Fard-e-kafaya, 22, 22n5
Fatwa, 207
Fathonah (intelligence), 121
Fatwa (religious opinions), 119, 270
   \textit{Fatwa/guidelines}, 266
   HSSA, 254
Federal \textit{Shari’at} Court (FSC), 261–262
Feedback loops in decision making,
   32–33
Female participation in governance
   and decision making, 20–22
Financer’s view
   of corporate governance, 316–317
   \textit{Ijarah Sukuk} financing, 321
   \textit{sukuk} issuance, 320
Financial
   covenant declaration, 7
   crisis, 1, 142, 213, 221
   firms, 129, 344, 391
   holding company, 236n7
   investments, 209–210
   markets, 142, 209, 292
   regulations, 63
   reporting approach, 158
   risks, 89
   stability, 11, 38, 68, 221, 223, 229
   system, 221
Financial Accounting Organization
   for Islamic Banks and
   Financial Institutions
   \textbf{(FAOIBFI)}, 121–122
Financial disclosure (FD), 11, 109, 168
Financial disclosure index (FIN Disc), 176, 178
Financial institutions (FIs) (see also Islamic financial institutions (IFIs); Shari'ah compliant corporate governance), 18, 87, 287
Financial Services Authority (FSA), 194, 285
   in Indonesia, 120
Financial Times Stock Exchange (FTSE), 211
Fiqh (Islamic law), 21, 25, 207–208, 269
Fiqh muamalat, 251, 254, 257–258
Firm value, 167, 183, 341, 349, 390
Five-point Likert scale, 335–336
Fixed-effects model, 134, 390, 402
Flexibility, 106–107
Foreign exchange market, 89, 223
   investment, 170, 272, 356
   ownership, 170, 176, 182
Formal contracts, 101, 104–107
Founder CEO, 168, 171, 177, 179–183
GAP model, 12–13, 332–334
Gap-driven analysis data analysis and results, 337
GAP and service quality model and development of hypothesis, 332–334
hypothesis testing, 337
implications, limitations and future research, 339
relationships between study’s constructs, 338
research model and measures, 335
research sample and data collection, 335–337
SQ, 331–332
Gate-keeping provisions, 222
General takaful business, 159, 224–225
Gharar (uncertainty or speculative risk), 91, 210
Ghirah (spirit/passion), 121
Global Reporting Initiative (GRI), 306
Good corporate governance (GCG) (see also Corporate governance (CG)), 116, 120
   Islamic-based accounting to supporting, 121–123
   principles of Islamic, 121
Good practice, 373–379
Governance (see also Corporate governance (CG); Inter-firm governance mechanisms), 44–45, 92–95
deficit, 366, 368
and economic growth, 366–369
emerging challenges in risk management, 96
functions of conventional and Islamic banks, 252
indicators, 357
lack and oversight, 383–385
mechanism in Islamic framework, 94
mechanisms, 101
standards, 372–373
variables, 342
Governance–development Nexus empirical evidence, 356–357
revisiting governance–development nexus in OIC countries, 357, 360–365
Government effectiveness, 356–357, 361–362
Granger causality test, 215–216
Group in Islamic communities, 2
Gulf Cooperation Council (GCC), 141, 168, 213, 249, 374, 378–379
Habermas’ hermeneutics theory, 47–48
Hadith, 21–22, 223
Hadiyyah, 162
Halal and haram code approach, 158
Hegemonic preferences in corporate
decision making, 46–47
Herfindahl-Hirschman Index (HHI),
390, 397, 403
Hibah contract, 162, 164, 231–232,
234, 268
Hidden action, 103–104
Hidden information, 103, 108
High shari’ah supervisory authority
(HSSA), 251, 253–254
Higher Shari’ah Board (HSB), 242
Hijab (specifically covering body), 21,
21n3
Hisbah (strong accountability),
81, 88, 153–154, 191n1,
193, 356
Holistic disclosure checklist, 174–175
Human Development Index (HDI),
363–365
Human nature in Islamic
communities, 2
Hurriyah (independence and
responsible freedom), 121
Hybrid governance models, 104
Ibadaat (see Acts of worship)
Idarah (management), 121
Ihlas Finance in Turkey, 87–88
Ihsaan (professional), 121
IIE-process, 34–39, 41, 68
episteme of unity of knowledge
through, 36
of simulation using methodology
of unity of knowledge, 71
Ijabiyah (positive thinking), 121
Ijarah (leasing), 262, 272, 284
contract, 23n8, 23–24
Ijarah Sukuk financing, 321
Ikhliaqiat (manners), 201
Imam (see Imamat)
Imamat (leading Muslims in prayer),
21n2, 21–22
Improved practice category,
373–379, 383
Inclusivity approach, 229–231
Independent/independence
directors, 342
of SSB, 252, 257
variables, 391–392
Individual(ism), 343–344
in Islamic communities, 2
Indonesia
accounting for IFIs, 122
co-operatives in, 280–282
equity, revenue and profit, 283
growth of cooperatives in, 283
Islamic banking and finance
in, 241
shari’ah governance in cooperative
movement in, 285
Indonesian Financial Services
Authority, 240
Information
asymmetry, 102–103
exchange, 107
information-sharing, 334
Innah sale, 82–83
Insider ownership, 318, 324
Institute of Policy Studies (IPS), 193
Institution(al)
framework, 102
ownership, 318, 324
professional competence, 118
reformation, 65
theory, 142
void, 389–390
Institutional learning
ethical deception in organizational
behavior and accounting,
67–68
formalizing ethico-economic
general equilibrium system,
68–70
institutional simulation
problem of relational
learning, 70–72
inversely relating to transaction
cost in CG, 66
nature of ethico-economic general
equilibrium model, 68
Institutionalism, 50
<table>
<thead>
<tr>
<th>Term/Concept</th>
<th>Page(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Institution–polity–market-related wellbeing function</td>
<td>64</td>
</tr>
<tr>
<td>Insurance (see also Takaful (Islamic insurance))</td>
<td>240</td>
</tr>
<tr>
<td>conventional</td>
<td>161</td>
</tr>
<tr>
<td>credit</td>
<td>90</td>
</tr>
<tr>
<td>Integrated communications (ICO)</td>
<td>334, 335</td>
</tr>
<tr>
<td>Integrated technology (ITC)</td>
<td>334–335</td>
</tr>
<tr>
<td>Integrity</td>
<td>18, 117</td>
</tr>
<tr>
<td>Intensifying competition ($P_1$)</td>
<td>30</td>
</tr>
<tr>
<td>Inter-firm coordination</td>
<td>106</td>
</tr>
<tr>
<td>Inter-firm governance mechanisms (see also Governance)</td>
<td>101, 107</td>
</tr>
<tr>
<td>AT, 103–104</td>
<td></td>
</tr>
<tr>
<td>challenges in accomplishing corporate governance</td>
<td>109</td>
</tr>
<tr>
<td>denominators in, 108–109</td>
<td></td>
</tr>
<tr>
<td>Islamic concept of governance, 109–110</td>
<td></td>
</tr>
<tr>
<td>RET, 106–108</td>
<td></td>
</tr>
<tr>
<td>TCA, 104–106</td>
<td></td>
</tr>
<tr>
<td>theoretical approaches for governing, 102–103</td>
<td></td>
</tr>
<tr>
<td>Inter-firm relational exchanges</td>
<td>107</td>
</tr>
<tr>
<td>Inter-firm relationship management studies</td>
<td>107</td>
</tr>
<tr>
<td>Inter-organizational relational exchanges</td>
<td>107</td>
</tr>
<tr>
<td>Interest rate</td>
<td>36</td>
</tr>
<tr>
<td>Interest-free bank investments</td>
<td>210</td>
</tr>
<tr>
<td>Intermediation roles</td>
<td>224–225</td>
</tr>
<tr>
<td>Internal audit</td>
<td>230</td>
</tr>
<tr>
<td>comparing with Takaful and conventional insurance</td>
<td>161</td>
</tr>
<tr>
<td>Internal shari’ah audit</td>
<td>192, 237, 266</td>
</tr>
<tr>
<td>Internal shari’ah reviewer (ISR)</td>
<td>251, 255</td>
</tr>
<tr>
<td>International Accounting Standard (IAS)</td>
<td>122–123, 298</td>
</tr>
<tr>
<td>International Financial Services Board (IFSB)</td>
<td>371n2, 372–373</td>
</tr>
<tr>
<td>Guiding Principles on Corporate Governance</td>
<td>240</td>
</tr>
<tr>
<td>IFSB-10, 371n2</td>
<td></td>
</tr>
<tr>
<td>International investors</td>
<td>87</td>
</tr>
<tr>
<td>International Labour Organization (ILO)</td>
<td>281</td>
</tr>
<tr>
<td>International Monetary Fund (IMF)</td>
<td>70</td>
</tr>
<tr>
<td>International standards and codes</td>
<td>117</td>
</tr>
<tr>
<td>Investment account</td>
<td>233</td>
</tr>
<tr>
<td>bankers</td>
<td>342</td>
</tr>
<tr>
<td>decision making</td>
<td>209</td>
</tr>
<tr>
<td>opportunity set</td>
<td>210</td>
</tr>
<tr>
<td>Investment account holders (IAH)</td>
<td>115, 168, 170, 177, 290, 296–297, 299</td>
</tr>
<tr>
<td>Investors</td>
<td>209, 342</td>
</tr>
<tr>
<td>Iqtisad (economics)</td>
<td>201</td>
</tr>
<tr>
<td>Iran</td>
<td></td>
</tr>
<tr>
<td>corporate governance of sukuk issuer companies in</td>
<td>321</td>
</tr>
<tr>
<td>results of parameter estimation</td>
<td>326</td>
</tr>
<tr>
<td>SA variables vs. different corporate governance ratios</td>
<td>325</td>
</tr>
<tr>
<td>sukuk issuance in</td>
<td>322–323, 329–330</td>
</tr>
<tr>
<td>variables for analysing corporate governance characteristics</td>
<td>324</td>
</tr>
<tr>
<td>Islam and corporate governance</td>
<td>94–95</td>
</tr>
<tr>
<td>Islami Bank Bangladesh Limited (IBBL)</td>
<td>308, 310</td>
</tr>
<tr>
<td>Islamic account holders (IAHs)</td>
<td>288, 294</td>
</tr>
<tr>
<td>Islamic accounting standards</td>
<td>121</td>
</tr>
<tr>
<td>Islamic banking (IB)</td>
<td>10, 12, 87–88, 96, 115, 118, 120–121, 305</td>
</tr>
<tr>
<td>in Bangladesh</td>
<td>308</td>
</tr>
<tr>
<td>business</td>
<td>228</td>
</tr>
<tr>
<td>CSR expenditure</td>
<td>309–310</td>
</tr>
<tr>
<td>examples in corporate governance</td>
<td>58–59</td>
</tr>
<tr>
<td>finance</td>
<td>221, 239, 241</td>
</tr>
<tr>
<td>and financial institutions</td>
<td>229</td>
</tr>
<tr>
<td>increasing trend in CSR expenditure</td>
<td>311</td>
</tr>
</tbody>
</table>
lack of coordination among IBs, 311
non-availability of separate CSR report by, 311
in Oman, 249–256
in Pakistan, 261–267
SGF and objectives of, 271–273
of South Africa, 87–88
special CSR initiatives benefiting Bangladesh society, 310–311
Islamic Banking Act (IBA), 123, 221, 223, 225
Islamic banking and financial institutions (IBFIs), 239
Islamic Banking Department (IBD), 262
Islamic Banking Entity (IBE), 249
shari’ah governance for IBEs in Oman, 251, 257–258
Islamic Banking Institutions (IBIs), 262, 273
annual profit rates, 272
model governance structure, 265
SGF for, 263–264
Islamic Banking Regulatory Framework (IBRF), 250
Islamic CG framework, 118–119
Islamic commercial contracts (see Muamalah contracts)
Islamic concept of governance, 109–110
Islamic contracts of partnership in Modern Corporation, 82–83
Islamic cooperative, 282
Islamic corporate governance (Islamic CG), 18, 22–24, 81–82, 202, 372–373
practices, 372, 384–385
Islamic corporate governance index, 374–378
in IFIs in Malaysia, 378–379
scores for IFIs, 379–381
Islamic corporation, 41
Islamic deposit, 225, 233–234
account, 233
on current and savings account, 232
Islamic Development Bank (IDB), 121
Islamic economy, 94, 141–142
Islamic ethical investors, 212
Islamic finance, 232
business, 228
industry, 23, 92, 249
risk in, 91–92
sector, 221–223
and shari’ah-specific codes and standards, 116–117
society and, 142
system, 87, 193, 305
Islamic Finance News (2016), 250
agency dynamics, 288
agency problems at, 287–288
in Bahrain, 207
BoD role, 295–296
constructing Islamic corporate governance index, 374–378
framework for, 117–121
Islamic corporate governance, 372–373
Islamic-based accounting to supporting GCG practices, 121–123
in Kingdom, 290
relationship between effective governance and performance, 299–300
research method, 374
in Saudi Arabia, 287
scenario in, 119
SG in, 192–193, 195–197
Shari’ah governance, 119–121, 141–150
Shari’ah governance index, 378–385
standards for, 252
in United Kingdom, 208
Islamic financial product
development, 243
in Saudi Arabia, 289
Islamic financial services (IFSs), 115
guiding principles, 116
Islamic Financial Services Act
(IFSA), 11, 221, 222n3, 227
differences between BAFIA and,
222–226
Shari’ah governance in, 228–235
Islamic Financial Services Board
(IFSB), 58, 92, 115, 191,
202–203, 240, 290, 295
IFSB-3, 240, 251
principles, 115–117
Islamic foreign exchange
market, 223
Islamic framework, 355
PAPM causality in corporate
governance in, 70–72
Islamic GCG, 120
Islamic governance system, 371
Islamic indices, 213–217
returns and volatility of, 214
vis-à-vis conventional market
indices, 212
Islamic insurance institutions, 115
Islamic International Rating Agency
(IIRA), 207
Islamic investment
account, 233–234
distinct character, 210–211
Islamic Investment Companies of
Egypt, 88
Islamic legal system, 221
Islamic legislations, 1
Islamic microfinance, 310–311
Islamic money market, 223
Islamic mu‘amalat, 282
Islamic mutual funds, 115
Islamic organizations’ trade, 24
Islamic participatory corporate
structure
mathematical model of, 53
preference formation in Islamic
corporate relations, 56–57
social wellbeing criterion of
corporation, 54–56
variables, 53–54
Islamic passive indices, 212–213
Islamic perspectives of corporate
governance, 33–34, 50
agent and client, 4
concentration of wealth/power, 4
conflict of interest, 3–4
corporate governance in Islamic
perspective, 57–58
corporate mutuality, 38–39
corporation definition in, 51–52
in dual Islamic economy, 37–38
economic organization in, 51
efficiency and work perfection, 4
examples relating to Islamic Banks,
58–59
human nature, 2
individual and group, 2
Islamic vs. conventional CG, 22–24
keeping rights of all parties, 3
mathematical model of Islamic
participatory corporate
structure, 53–57
principles and instruments
governing Islamic social
and economic conduct,
35–37
processes of unity of knowledge, 35
sensing social responsibility, 2–3
and shari‘ah governance, 18–22
Islamic polity and society, 355
Islamic principles of governance, 4
accountability, 8–9
justice, 5–6
transparency, 6–8
Islamic Republic of Pakistan, 348
Islamic social and economic conduct,
35–37
Islamic standards of compliance, 119
Islamic stock index, 212–213
Islamic transformation, 37
Islamic values in corporate life, 310
Islamic-based accounting to supporting GCG practices, 121–123
Islamization of conventional products, 196
\textit{Istisna} (purchase order contract), 231, 272, 284
\textit{Itqan} (continues improvement), 121
\textit{Jihad}, 4
Jurisdictions, \textit{Shari'ah} governance framework in AAOIFI and illustrations from selected jurisdictions, 203–208
IFSB, 202–203
Justice in Islam, 5–6
\textit{Kafalah}, 231–232
\textit{Khilafah} (leadership), 81, 121, 153
Knowledge, 65
induction, 51
Labor laws, 28
Legal documentation approach, 158
Lehman Brothers, 94
Liberalism, 49, 74
Linear regression model, 325
Liquidity, 211, 350
risk, 89
Local capital market, 209
Local \textit{shari'ah} scholars limitation, 257
Long-term debt, 342, 345–346
ratio, 350
Long-term loans, 349
\textit{Madaris} (institutions), 269–270
Madonne, 94
Mainstream corporate governance theory, organizational behavior in, 44–45
\textit{Maisir} (gambling), 91
Malaysia, 227
accounting for IFIs, 122
co-operatives in, 280–282
code for CG, 19–20
growth of cooperatives’ equity, revenue and profit in, 281–282
internal \textit{shari'ah} audit, 237
Islamic corporate governance index in IFIs in, 378–379
setting up of \textit{shari'ah} committee, 235–237
\textit{shari'ah} governance in cooperative movement in, 284–285
\textit{shari'ah} governance in IFSA, 228–235
Malaysian Accounting Standards Board (MASB), 123
Malaysian Code on Corporate Governance (MCGG), 19–20
Malaysian Cooperative Commission (EC), 282
Malaysian financial sector, 221
Malaysian Financial Services Act (2013), 221
Malaysian judiciary, 11, 227
Malaysian model, 91, 195
Malaysian \textit{Takaful} industry, \textit{shari'ah} audit in, 159–160
Management information system (MIS), 256
Managerial ownership, 318, 342–343, 347, 349
\textit{Maona} (see \textit{Musharakah})
\textit{Maqasid-al-shari'ah} (Islamic law), 53–54, 58, 153, 158, 197, 256
\textit{Maqasid-e-shariah}, 25, 25n10
\textit{Maqsad-i-sahri'ah}, 10
Marketing research orientation (MRO), 332, 335
Marxist critical theory, 48
\textit{Mas'uliah} (see Accountability in Islam)
\textit{Mas'uliyyah} (accountability), 121
\textit{Maslahah} (public welfare), 198
Mean profitability, 346
Methodological individualism, 44–45, 74
complex aggregation of preferences in organizational behavior, 47–49
of contested corporate decision making, 45
hegemonic preferences in corporate decision making, 46–47
problem of, 45–46
Simon’s organizational theory vs. with Arrow’s organization, 49
Microfinance institution (MFI), 283
Ministry of Cooperatives and SMEs (MCSMEs), 281, 285
Modern portfolio theory, 210
Mondragon Cooperative Corporation (MCC), 46
Moral hazard, 103–104
Moral trust, 67–68
Muamalah contracts, 10, 79, 82
critical review of utilising Islamic contracts of partnership, 82–83
infusing contracts of Musharakah and Mudarabah, 83–85
Islamic corporate governance, 81–82
re-examining concerns of agency and stakeholders theory, 80–81
Muamalat (transaction), 279
Mudarabah (investment/profit-sharing), 22, 22n6, 24, 36, 284
contracts, 79, 82–85, 116, 232
cooperative definitions, 72
Islamic business models, 87
principles, 225
relationship, 18
Mudarabah–musharakah (profit and equity participation), 38
Mudarib, 116
Mudharaba, 231
Multi-corporate disclosures evidence empirical findings, 178–183
from Islamic banks, 167–168
literature review and research hypothesis, 169–171
research methodology, 172–178
Multi-dimensional financial reforms, 241
Multicollinearity analysis, 397
correlation matrix, 398–401
fixed effects analysis results, 402
positive/negative relationship of CPI, 404
relationship of liquidity with performance, 403
Multivariate analysis, 135–137
Murabaha (costplus pricing/financing), 36, 52, 87, 231, 272, 284
contract, 23, 23n8
operations, 289
Murabaha Sukuk, 319–322
Murabahalbat-al-muajjal, 262
Musharaka, 269
Musharakah (equity participation), 18, 22, 24, 36, 231, 262
certificates, 203
contracts, 79, 82–85, 232
cooperative definitions, 72
Islamic business models, 87
Musharakah Sukuk, 319
Muslim economies
correlation matrix, 400–401
country-and region-wise mean values, 393, 396
ownership operation in, 403
Mutual funds, 210
Nahi anil munkar (forbidding evil), 193
National CG framework, 116
National Commercial Bank (NCB), 289
National Cooperative Policy, 280
National Shari’ah Board of CBB, 207
National *Shari’ah* Board of Indonesian Council of *Ulama* (DSN-MUI), 12

Neoclassical welfare function, 48

*Nisab*, 22–23, 22–23


Nomination committee existence, 129

Non-discretionary accruals, 131

Non-diversifiable risk, 209

Non-economic exchange relationship, 106

Non-executive board to board (Non-Exe), 324

Non-financial firms, 391

in Pakistan, 343, 348

in PSX, 344

in Thailand, 342

Non-Interest-Based banking system (NIB banking system), 261–262

Non-Islamic legal environments countries, 208

Non-Muslim economies correlation matrix, 398–399

country-and region-wise mean values, 393, 396

fixed effects analysis, 402

ownership operation in, 403

relationship with performance of firms, 403–404

Noncooperative firms, 46

Normative institutions, 102

*Nusus qatyiah* (explicitly confirmed text), 198

Oman

HSSA, 253–254

internal *Shari’ah* reviewer, 255

Islamic banking in, 249–251

issues and challenges, 257–258

SCU, 255–256

*Shari’ah* audit unit, 256

*Shari’ah* governance for IBES in, 251

*Shari’ah* governance framework in Islamic banking in, 251

*Shari’ah* risk control, 256

SSB, 254–255

standards for IFIs, 252

Omani Rial (OMR), 250

Openness, 41, 117, 119, 121

Opportunism, 104–105

Organisational commitment (OC), 307

Organization, 44–45

Organization for Economic Cooperation and Development (OECD), 109, 116, 201

Principles of Corporate Governance, 315

Organization of Islamic Cooperation countries (OIC countries), 357

revisiting governance–development nexus in, 357, 360–365

state of governance in, 357, 358–360

Organizational behavior

complex aggregation of preferences in, 47–49

mainstream corporate governance theory, 44–45

in mainstream corporate governance theory, 44–45

Organizational legitimacy, 142

theory, 143

*Otoritas Dewan Pengawas Syariah* of OJK (ODPS-OJK), 11–12, 242–243, 246

*Otoritas Jasa Keuangan* (OJK), 11, 240

Over draft (OD), 262

Over-levered weak governance firms, 343

Overall voluntary disclosure (OV Disc), 173, 179

Ownership, 343

concentration and firm performance relationship, 390

insider, 318, 324

institutional, 318

managerial, 318
P-vector, 34, 36
Pakistan
  banking in, 345–346
  corporate governance in, 348
  Islamic banking in, 261–262
Pakistan Investment Bonds (PIBs), 270
Pakistan Stock Exchange Limited (PSX), 344
Parmalat, 81
Path dependence syndrome, 270–271
Payment System Act (2003), 221
Pearson’s correlation matrix, 337
Pecking order hypothesis, 341
Peraturan Pemerintah (PP), 243
Philanthropy, 307
Political stability, 357, 361
Portfolio
  diversification, 88–89
  theory, 89
Post-contractual situation, 104
Preference formation, 29
  behavioral factor in, 30, 49
  decision making in corporation, 31
  in Islamic corporate relations, 56–57
  participant-specific, 45
  recursive feedback under, 32–33
Shuratic, 36
  toward avoidance of waste, 36
Price mechanism, 102
Primary evidence in audit, 156
Primer on Islamic Finance, A, 118
Principal, 103
Principal–agent, polity, and market (PAPM), 63–64
  causality in corporate governance in Islamic framework, 70–72
  examining CG model in Islamic case, 74–75
Profit sharing ratio (PSR), 268
  profit-and-loss sharing principle, 118
Profit-sharing, 52
  profit sharing-based contract, 279
Profitability, 350
Public society organisations, 281
Qard, 123, 226, 231–232, 234
Qard-i-hasan (interest-free loans), 164, 284, 310–311
Qatar Financial Centre, 373
Qualitative screening, 210–211
Quality (see also Service quality (SQ))
  of civil services, 361
  of public services, 361
  regulatory, 357, 362
Quantitative indicators, 210–211
Rabb al-mal, 116
Raqabah (supervision), 121, 153
Rate of return, 71, 294, 320–321, 327
Rationalism, 44, 48, 50, 58, 74
Rationality, 38
Re-insurance, 90
Reciprocal arrangements, 104
Recursive feedback, 32–33
Reflexivity theory, 48
Regression results, 347–348
  debate on, 348–350
Regulatory matters, 63–64
Regulatory quality, 357, 362
Relational exchange theory (RET), 103, 106–108
Relational governance, 101, 107
Relational learning (see also Institutional learning), 65
  epistemological structure of ethico-economic general equilibrium model, 66
  perspective, 68–69
Relational norms, 106–107
Reliability, 172–173
Religious values, 142, 307
Remuneration committee existence, 129
Research hypotheses, 128–129
Research methodology of financial institutions, 289–290
  correlations, 291
descriptive statistics, 290, 292
governance standard development set by regulations, 292–294
Research model, 335
Resident shari‘ah board members (RSBM), 263, 266, 269–270
Resource dependence theory, 348
Responsibility (see also Corporate social responsibility (CSR)), 287
corporate, 28, 67
of doing justice, 6
social responsibility in Islamic communities, 2–3
Return on assets, 392–393
Revenue, 211
  in Indonesia, 283
  in Malaysia, 281–282
Ribā (compulsory penalty), 12, 23n8, 82–83, 85, 88, 91, 262
Risk, 88
  emerging challenges in risk management, 96
  financial, 89
to hazard, 91
in Islamic finance, 91–92
management, 89–91, 230, 252, 371
neutrality, 104–105
pooling and sharing, 90
sharing, 92
Risk–return opportunities, 209
Rizk (sustenance), 91
Robustness test, 179, 181
Royal Decree 114/2000, 249–250
Rule of law, 355–357, 361, 363
Rural Development Scheme, 310
S&P Developed Islamic index, 216
S&P Europe Islamic index, 217
Sadāqah (donation), 162
Salām, 231, 262, 272, 284
SARIE (Inter-bank transfer system), 289
Saudi Arabia
  banking sector in, 288–289
  evolution of Islamic financial products, 289
  IFIs in, 287
  research methodology of financial institutions, 289–294
Saudi Arabian Monetary Agency (SAMA), 288, 294
Saudi Corporate Governance Regulations, 127–129
Savings account, Islamic deposits on, 232
Scheduled business under BAFIA, 222
Secondary evidence of audit, 156
Securities and Exchange Commission of Pakistan (SECP), 348
Senior–junior relationship, 270
Service delivery, 334
Service quality (SQ), 331–332
gap between customer expectations and SQ specifications,
  332–334
gap between SQ specifications and service delivery, 334
Service specification design (SSD), 334–335
SERVQUAL concept, 331
Shaffa (cloth), 6
Shapiro–Wilk normality test, 324
Shareholders, 81–84
  model of corporate governance (see Anglo-Saxon model)
  accountability in, 8
  advisors and boards, 268–270
  advisory body of cooperative commission Malaysia, 284
  characteristics of justice in, 6
  committee, 235–237, 284
decision making and products approval, 273–274
guidelines, 109
  objective, 82
principles, 221–222, 279
Review, 252
risk control, 251, 256
rules, 95
rules and regulations, 9
scholars, 268, 270
and transparency principle, 7–8
Shari’ah Advisory Council (SAC), 194–195, 221–222, 228, 231
Shari’ah audit, 153–155
audit unit, 251, 256
controls for shari’ah compliance in shari’ah contract, 160, 162
exercise in takaful operator, 160–164
function, 195
IFIs, 153–154
in Malaysian Takaful industry, 159–160
method, 237
process, 155–159
shari’ah-compliance issues on, 158
Shari’ah audit department (SAD), 11
Shari’ah auditing department (SAD), 171, 177
Shari’ah board (SB), 95, 262
of SBP, 263
structure and duties of SBs and management, 264–267
Shari’ah compliance, 227, 261, 271, 284, 289, 296
approach, 262
assets, 371n1
controls in shari’ah contract, 160, 162
governance of, 142–143
IAH, 296–297
issues on shari’ah audit, 158
liquidity management instruments, 96
Shari’ah compliance department (SCD), 263, 266
Shari’ah compliance governance for Islamic investments

comparative performance of Islamic and conventional indices, 213–217
distinct character of Islamic investments, 210–211
performance of Islamic passive indices, 212–213
Shari’ah compliance unit (SCU), 251–252, 255–256
Shari’ah compliant corporate governance
banking sector in Saudi Arabia, 288–289
corporate governance practices, 294–299
mitigation of agency issues, 294–299
relationship between effective governance and performance of IFI, 299–300
research methodology, 289–294
Shari’ah Coordination Unit (SCU), 197
Shari’ah essentials’ of modes, 268
Shari’ah governance (SG) (see also Corporate governance (CG)), 18–19, 88, 119–121, 191–193, 202, 282, 372
in cooperative movement, 284–285
differences in compliance with shari’ah teachings, 147–150
disclosure of compliance with shari’ah teachings, 147
end-to-end Shari’ah compliance approach, 234–235
female participation and decision making, 20–22
governance of Shair’ah compliance, 142–143
of IFIs, 195–197
in IFSA, 225–226, 229
inclusivity approach, 229–231
infrastructure prior to IFSA, 228–229
Islamic economy, 141–142
Index

items disclosed by financial institutions, 146
items on company’s assertion disclose, 145
Malaysia, 19–20
methodology and data, 144
society and Islamic financing, 142
system, 119, 227
uniformity, 231–234
voluntary disclosure and social concerns, 143
Shari‘ah governance framework (SGF), 11–12, 154, 197–198, 207, 261
collection of interests in, 269–271
evaluation, 267–273
in IBFIs in Indonesia, 240, 241–246
for IBIs, 263–264
in IFIS in Oman, 249–256
Islamic Banking in Pakistan, 261–267
and objectives of Islamic banking, 271–273
recommendations, 197–198
SG, 192–193
shari‘ah compliance, 191–192, 262
shari‘ah governance of IFIs, 195–197
SSB, 193–195
strengths, 267–268
suggestions for filling gaps, 273–274
weaknesses and intriguing issues, 268–269
Shari‘ah governance index, 378
Islamic corporate governance index scores for IFIs, 379–381
lack of governance and oversight, 383–385
overall score of Islamic corporate governance index in IFIs, 378–379
scores according to year of incorporation, 381–383
Shari‘ah risk officer (SRO), 256
appointment and composition, 254–255
Authority, 11–12
Shari‘ah Supervisory Board Disclosure (SSBD), 11, 168, 176, 178
Shari‘ah Supervisory Board Report (SSBR), 172
Shari‘ah supervisory committee (SSC), 208
Shari‘ah teachings
compliance disclosure with, 147
differences in compliance, 147–150
Shari‘ah-based cooperative (see also Co-operatives), 279, 282–284
governance framework for, 284–285
Shari‘ah-non-compliant companies, 212
Shari‘at Appellate Bench (SAB), 261
Shirkah-al-Aqd, 262
Short-term debt, 342, 345–346
Short-term loans, 349
Shura (consultative participation), 34, 52, 356
participatory relations, 35
principle, 95
Shuratic preference formation, 36
Shuratic process, 35, 39, 41
Siddiq (honesty), 121
Simon’s organizational theories, 29–32, 49
Simulation model, 55
Social concerns, shari‘ah governance of, 143
Social enterprises, 281
Social identity theory (SIT), 307
Social responsibility in Islamic communities, 2–3
Social welfare index, 44–45
Social wellbeing
criterion function, 30–31
criterion of corporation, 54–56
function, 66, 69–70
Socially responsible banking, 305
Society and Islamic financing, 142, 201
Socioeconomic
instruments, 74
outcomes, 356
Solidarity, 107
Solvency risk, 89
Sound SGF, 196–197
Specification gap, 333
SQ model (see GAP model)
SSB authority of OJK
(SSBA-OJK), 242
Stakeholder(s), 227, 371n2
model, 93
theory, 80–81, 143, 307
Standard and Poor (S&P), 211
State Bank of Pakistan (SBP), 261–262
SB of, 263
State of governance in OIC countries, 357, 358–360
Statement of Governance Principles for IFIs, 252
Sudan, AAOIFI and, 203–207
Sukuk issuance
corporate governance and capital
structure, 316–318
corporate governance of sukuk
issuer companies in Iran, 321–326
ijarah sukuk, 321
interaction of corporate
governance and,
315–316, 318
murabaha sukuk, 319–321
musharakah sukuk, 319
sukuk issued in Iran, 329–330
Sukuk market, 96
Sukuk to asset ratio (SA), 322
Supervisory board, 95
Supreme assets, 90
Supreme Court of Pakistan (SCP), 261
Suruhanjaya Koperasi Malaysia
(SKM), 280
Surveillance and Dispute Settlement
Mechanisms, 28
Tabarru’ contract, 159, 162
Tabligh (transparency and openness), 121
Tadawul (Saudi stock market), 144
Takaful (Islamic insurance), 24, 91, 207
business, 224–225, 228
fund shareholders, 221–222
institutions, 115
operating fund, 221–222
participants, 224
Takafal Act (1984), 221
Takaful operators, 10, 156
controls for shari’ah compliance
in shari’ah contract, 160, 162
in Malaysia, 160
shari’ah audit exercise in, 160–164
Taqwa (righteousness), 118, 310
Tabih, 52, 54, 58
Tawarruq (organised sale after
purchase), 193, 231,
269–270, 279
Tawazun (balance), 121
Tawheed [oneness of Allah (swt)], 81
Tawheedic root of man, 82
Tawhid (oneness of God), 34, 53n4,
56–58, 120
Tax inspectors, 357
Tayseer (Islamic financing tool), 289
Teacher–student relationship, 270
Tehran Stock Exchange (TSE), 317
Time and multiple memberships, 270
Total accruals, 130
Total debt ratio, 346, 350
Trade-off theory, 341
Trade-Related Investment Measures (TRIMS), 28
Trade-Related Investment Property Rights (TRIPS), 28
Transaction, 153
  costs, 102, 104
  frequency, 105
Transaction cost analysis (TCA), 103–106
Transparency, 18, 66, 196
  in CG, 109, 298–299
  in Islam, 6–8
Trust, 107–108
Tyco, 81
Uncertainty, 104–105
  behavioral, 102–103
  in business transactions, 101
  elimination, 86
  financial, 67
  high transactional, 106
  market, 46
Underdeveloped practice, 373, 378–383
Uniformity
  approach, 229, 231
  through shari’ah standards, 231–234
Unitary systems, 49, 51
United Kingdom (UK)
  AAOIFI and, 123, 208
  FSA in, 194
  Islamic Corporate Governance
    Index in, 378–379
    principles of CG in, 117
Unity of knowledge, 55–57, 63
  of divine knowledge, 38
  epistemology, 65
  ethico-economic general
    equilibrium model, 73
    examining mainstream corporate
      governance in model, 72–74
    interactive, integrative, and
      evolutionary process, 35
Utilitarianism, 44–45
Value at risk (VAR), 89
Variables, 344–345
  active policy, 32–33
  capital structure, 344–345
  control, 131, 133, 171
  corporate governance, 344–345
    dependent, 130–131, 391–393, 396
    explanatory, 131, 393, 396
    governance, 342
    independent, 391–392
  Islamic participatory corporate
    structure, 53–54
Variation Inflation Factor (VIF), 397
Voice and accountability, 357, 360–361, 369
Volatility of growth, 369
Voluntary disclosure, shari’ah
  governance of, 143

W-function, 70, 72
Wadiah, 231
Wadāʾah yad ḍamānah (Islamic deposit), 233–234
Wadiah-yad-adh-dhamanah
  (saving deposits), 284
Wakalah (agency), 164, 225, 231
  contract, 162, 226, 232
Waqf system, 79, 308–310
Wasathan (fairness), 121
Wealth/power in Islamic communities, 4
Wellbeing criterion function, 52
Western corporate governance system, 102
Work perfection in Islamic communities, 4
World Council of Credit Unions (WOCCU), 281
World Governance Index (WGI), 357, 363, 366
World Governance Indicators, 357
World Trade Organization (WTO), 28
WorldCom, 64, 66–67, 81

Zakah (wealth and resource tax), 22–23, 37, 123, 194,
  308, 310
Zawya database, 172
Zuhud (no worldliness), 121