Understanding Asset Concept for Islamic Banking and Finance Product Development

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Islamic Financial Market, Its Characteristics and Importance in the Islamic Financial Engineering

6.1 Introduction

Financial market as discussed in the previous paragraphs is an example of models of the development of human civilization in bringing novelty and the alternative to old methods in Financial transactions with more ease and flexibility and appropriate economic system in the contemporary world, as the increasing growth in the fortunes of Muslims at the level of countries, institutions and individuals as a result of advanced technologies in the exploration of natural resources and industrial progress has significantly increased income at the level of governments, institutions and individuals. Thus, the rate of bank deposits of the Muslims’ wealth has increased in the central banks and commercial banks in Islamic countries and non-Muslim countries’ ratio is very high, making financial market an essential project for the utilization of those savings and investments.

There is no doubt that the Islamic countries and their financial instruments need the financial market. The Islamic countries in the Gulf and others are some of the richest countries and the most important in the production of oil, which in turn make deposits to these countries’ governments, institutions and individuals increased. Therefore, the establishment of Islamic market is one of the most important steps to be taken to address the challenges facing the Islamic nations. Then it is a new development of the concept of market from what is known. There are new products and financial