UNDERSTANDING ASSET CONCEPT FOR ISLAMIC BANKING AND FINANCE PRODUCT DEVELOPMENT

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Asset as a Key Element in the Development of Financial Products

7.1 Introduction

This Chapter contains two sections: Section One discusses the use of assets of financial institutions in the development of financial products. Section Two focuses on assets in terms of their Suitability for the development of financial products and their regulation. The financial assets owned by the institutions are both material and immaterial. They comprise fixed and current assets which are their capital and the foundation of their financial existence that positively and negatively determine their financial positions. They also serve as sources of power and freedom in discharging operational obligations and financial activities with dealers, who are the source of confidence in their ability, wills, which drives it to achieve its financial and economic development objectives. In fact, these financial assets have become important subjects in the provision of multiple opportunities in the formation of financial instruments under which the institutions would have to generate cash flow to support their development projects in the short and long term. One of the main areas in which the assets have played a vital role is the development of financial products, which have become the most important components of assets, rather the main and essential factor. This section contains a detailed study of the nature of the assets used in the development of Islamic financial products, as well as assets used in the development of stocks and bonds, with explanation of legal rulings in both cases. Then, the chapter ends by mentioning