The Legal Implications of 'Fatwa Shopping' in the Islamic Finance Industry: Problems, Perceptions and Prospects

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Abstract
This article examines the occurrence and legal implications of 'fatwa shopping' in the Islamic finance industry and the need to put the proper legal mechanisms in place to regulate the phenomenon. It provides a case study of the existing legal restrictions in some jurisdictions with a centralised Shari'ah Supervisory Board at the national level such as in Malaysia. As a preliminary review of the implications of 'fatwa shopping' in the industry, this study examines the consequential problems, current perceptions and prospects of such practice. The study finds that instances of 'fatwa shopping' are common in cross-border Islamic finance transactions such as cross-border sukuk transactions where there is less regulation.

Keywords
Author Keywords: fatwa; fatwa shopping; Islamic finance; Shariah Supervisory Boards; Shariah compliance

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