

Look Up Full Text Find PDF Export... Add to Marked List

1 of 1

TOWARDS THE DEVELOPMENT OF SHARI'AH COMPLIANT HIGH QUALITY LIQUID ASSETS FOR ISLAMIC FINANCIAL INSTITUTIONS

By: Ali, ERAE (Ali, Engku Rabiah Adawiah Engku)^[1,3,4,5,6,7]; Oseni, UA (Oseni, Umar A.)^[8,9,10]; Elias, MRF (Elias, Muhd Ramadhan Fitri)^[11]; Haron, MN (Haron, Muhamad Nasir)^[11]

AL-SHAJARAH
 Pages: 233-264 Special Issue: SI
 Published: 2017
 Document Type: Article

Abstract

Islamic banks are required to be able to access and hold sufficient levels of High Quality Liquid Assets (HQLA) as part of Basel III requirements. Such HQLA are specifically meant to allow the Islamic banks to raise funds in money markets in the event of liquidity shortage or in some cases for the finding of new profitable investments. Against this backdrop, this study examines existing efforts in developing Shari'ah-compliant HQLA and the challenges Islamic financial institutions are facing in assessing such liquid instruments. Beside the laudable efforts of a policy-driven supranational institution in developing Shari'ah-compliant HQLA, there has not been much effort in the global Islamic finance industry to develop more HQLAs. As a matter of fact, it is the overarching dearth of such Shari'ah compliant HQLA for liquidity management that led the Bank of England to commence work on the feasibility of introducing central bank liquidity facilities such as the proposed Shari'ah compliant fund based deposit in 2015 which is expected to be ready for implementation by Spring 2018. This study also finds that experts have considered the potential of gold as HQLA for bank's liquidity management.

Keywords

Author Keywords: High Quality Liquid Asset; Basel III; liquidity management; Islamic banks
 KeyWords Plus: BANKING

Author Information

- Reprint Address: Ali, ERAE (reprint author)
 IIUM Inst Islamic Banking & Finance IIIBF, Kuala Lumpur, Malaysia.
- Reprint Address: Ali, ERAE (reprint author)
 Amanah Ikhtiar, Kuala Lumpur, Malaysia.
- Reprint Address: Ali, ERAE (reprint author)
 Malaysian Inst Islamic Understanding, Kuala Lumpur, Malaysia.
- Reprint Address: Ali, ERAE (reprint author)
 Malaysian Bar Council, Disciplinary Comm, Kuala Lumpur, Malaysia.
- Reprint Address: Ali, ERAE (reprint author)
 Rafflesia Capital Ltd, Labuan, Malaysia.
- Reprint Address: Ali, ERAE (reprint author)
 Cherating Capital Ltd, Labuan, Malaysia.

Addresses:

- [1] IIUM Inst Islamic Banking & Finance IIIBF, Kuala Lumpur, Malaysia
- [2] Council Bank Negara Malaysia, Cent Bank Malaysia, Kuala Lumpur, Malaysia
- [3] Amanah Ikhtiar, Kuala Lumpur, Malaysia
- [4] Malaysian Inst Islamic Understanding, Kuala Lumpur, Malaysia
- [5] Malaysian Bar Council, Disciplinary Comm, Kuala Lumpur, Malaysia
- [6] Rafflesia Capital Ltd, Labuan, Malaysia
- [7] Cherating Capital Ltd, Labuan, Malaysia
- [8] IIUM, Law & Islamic Legal Studies, Kuala Lumpur, Malaysia
- [9] Young Int Arbitrat Grp, London, England
- [10] Chartered Inst Arbitrators CI Arb, London, England
- [11] Maybank Islam Berhad, Kuala Lumpur, Malaysia

Publisher

INT ISLAMIC UNIV MALAYSIA, NO 24 PERSIARAN DUTA, TAMAN DUTA, KUALA LUMPUR, 50480, MALAYSIA

Categories / Classification

Research Areas: Religion
 Web of Science Categories: Religion

Document Information

Language: English
 Accession Number: WOS:000418624800010
 ISSN: 1394-6870

Other Information

IDS Number: FQ8PL
 Cited References in Web of Science Core Collection: 49
 Times Cited in Web of Science Core Collection: 0

Citation Network

In Web of Science Core Collection

0

Times Cited

Create Citation Alert

49

Cited References

View Related Records

Use in Web of Science

Web of Science Usage Count

1

Last 180 Days

2

Since 2013

Learn more

This record is from:
 Web of Science Core Collection
 - Arts & Humanities Citation Index

Suggest a correction

If you would like to improve the quality of the data in this record, please suggest a correction.