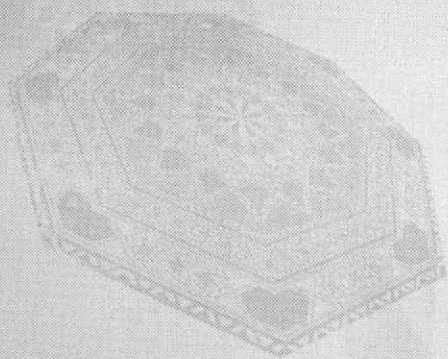
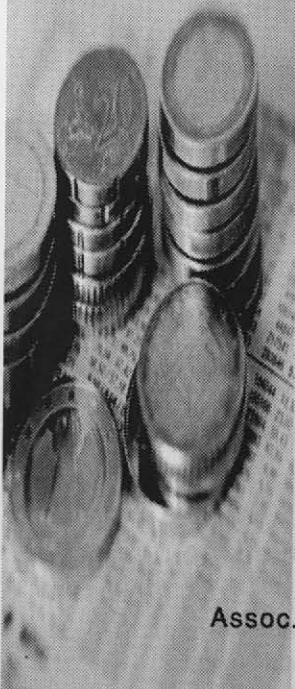




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&

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**CONSTRAINTS AND OPPORTUNITIES IN  
HARMONISATION OF CIVIL LAW AND  
SHARIAH IN THE ISLAMIC FINANCIAL  
SERVICES INDUSTRY \***

 Dr Engku Rabiah Adawiah Bt Engku Ali \*\*

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**THE CONSTRAINTS: A PROLOGUE**

Islamic financial services are expected from the out-set to comply with the Islamic legal rules in all their dealings. In addition to the Islamic legal rules, the Islamic financial institutions are also governed by the laws of the countries in which they operate. In the case of cross-border transactions, the parties are further subjected to conflicts of law issues especially in ensuring that their transactions would be valid and enforceable in the relevant jurisdictions that they have chosen to operate in.

Thus, one of the challenges in Islamic financial services industry is to develop financial services and instruments that are *Shariah* compliant, commercially viable, valid and enforceable based on the prevailing governing law. When a financial institution wishes to offer Islamic financial

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