

Islamic banking and finance in South-East Asia: Its development and future (3rd ed.). By Angelo M. Venardos. Singapore: World Scientific Publishing, 2012, pp. 235, ISBN: 978-981-4350-42-6.

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The first edition of *Islamic Banking and Finance in South-East Asia* by Angelo M. Venardos was published in 2005 and has already been translated into Arabic. Now in its third edition, the book offers important updates on the Islamic financial sector in the Southeast Asian region. This book is useful for readers who are looking to understand the developments of Islamic finance in the Southeast Asian region, including on topics such as Islamic financial products, the issues and challenges faced by Islamic banking, market developments and trends, Islam in Southeast Asia, as well as Islamic succession planning. This volume (volume 6) will be of value to anyone who is interested in the history, methods, and rules of Islamic finance in Southeast Asia (i.e., Malaysia, Labuan, Indonesia, Brunei, and Singapore). It is written by a non-Muslim who views the subject through a different prism, which makes the book unique. Venardos, an international banking and finance professional, provides comprehensive coverage of the topic.

In Chapter 1, Venardos starts his book with a brief history of Islam. He explains the concept of the Qur'ān, the five pillars of Islam, and the concept of the mosque. In addition, the Prophet Muhammad (S.A.W.) and the origins of Islam as well as how it spread around the globe are discussed. The chapter also touches on the Golden Age of Islam as well as its decline. It also acknowledges the contributions of Muslims towards world civilisation. Further, the revival of Islamic fortunes and the most important factor linked to this revival, which is the discovery of the enormous oil deposits, is discussed. Finally, the process of Islamization in Muslim countries is discussed, especially the emergence of Islamic banking and finance.

In Chapter 2, Venardos focuses on *Sharī'ah* law and Islamic jurisprudence. This is then followed by a discussion on Islamic commercial law in Chapter 3. Venardos briefly explains the differences between the Islamic and conventional commercial transactions and the principal requirements of the *Sharī'ah* in relation to commercial

activities. The prohibition of interest (*ribā*) and uncertainty (*gharar*), the importance of profit and loss sharing in Islam, and the significance of contracts in Islam are well discussed. The author also argues that making money from money is not acceptable from the Islamic perspective. From the Islamic point of view, as agreed by a significant number of scholars, money is only a medium of exchange.

In Chapter 4, Venardos delves into a discussion of Islamic financial products. As claimed by the author, Islamic banking remains the core of the financial service industry, and as such, he discusses the emergence of Islamic banking. *Sharī'ah* investment principles, permissible Islamic investment products, equity and debt financing, such as profit sharing contracts (*muḍārabah*, *mushārah*) and debt-financing contracts (*al-bay' bi-thaman ājil*, *al-ijārah*, *al-ujr*, *al-murābahah*, *salam*) are discussed. The *uqārah* (bonds) is also discussed as one of the risk-taking products in Islamic finance. Last but not the least, the principles of Islamic insurance (*takāful*) and its comparison to conventional insurance are examined.

Next, in Chapter 5, Venardos examines the issues and challenges faced by Islamic banking today. The obstacles to the application of Islamic law to present day banking such as derivation from revealed sources, methodological differences, pluralism of Islamic legal opinions (*fatwās*), the Western legal environment and legal challenges, as well as accounting and corporate regulatory practices and concerns are discussed. In addition, the author proposes a regulatory framework for Islamic banking. The author takes a convergence approach rather than a divergence approach. Meaning that the ultimate objective of Islamic banking and finance is to provide a comprehensive range of Islamic financial products and services that are not only *Sharī'ah* compliant, but also innovative and competitive with the conventional financial instruments.

Further, Venardos studies Islam in Southeast Asia in Chapter 6. He explains how Islam reached this region, the period of European rivalries and colonisation, the road to independence of Southeast Asian nations, and their contemporary post-colonial contexts. Subsequently, the author looks at four Southeast Asian countries, namely The Philippines, Indonesia, Malaysia, and Brunei to provide a basic understanding of those contexts. As stated by the author, colonialism has had a great impact on the politics of Southeast Asian countries in terms of the

introduction of Western-style democracy, parliamentary government, and judicial independence. The author focuses on such colonial legacies on the selected Southeast Asian countries in Chapter 7.

The author then compares between the *Sharī'ah* and the modern post-colonial state law. Venardos takes Malaysia as a case study and examines the impact of non-Islamic influences (mainly Western) on *Sharī'ah* law in Southeast Asia. He discusses the British rule in Malaya and the introduction of the English common law. This, then, brought the Muslim law into conflict with the former. Further, the author argues that the lack of developed theory of the law in relation to political authority is a weakness in Islam (p. 114). These, as well as several other examples in the book, expose a lack of the author's grasp of issues related to the *Sharī'ah* and of the broader political, social, and civilisational issues. This, admittedly, would be a discussion beyond the scope of this book, with its empirical focus limited to the development of Islamic finance in Southeast Asia. Meanwhile, the author acknowledges that there still remains an inherent conflict between federal law and Islamic law in contemporary Malaysia even after independence, and asserts that the gradual move towards a more complete and comprehensive expression of Islamic legalism since independence has helped to pave the way for the implementation of Islamic banking.

Malaysia's Islamic financial sector is examined in Chapter 8. Its institutions such as regulatory bodies (Bank Negara Malaysia, Bursa Malaysia, Securities Commission Malaysia, *Sharī'ah* Advisory council), the initiatives of the Malaysia International Islamic Financial Centre (MIFC), and incentives for Islamic finance are well analysed. At the same time, the author explains the Islamic financial industry and its facilities comprising the Islamic banking sector, *sukūk*, fund management, *takāful* and other *Sharī'ah* compliant securities. Education and human capital for the Islamic finance industry are discussed as the author's last points. His concluding remark is that Malaysia not only provides alternative investment opportunities, but also assures stability and security in terms of adequate legal and regulatory frameworks.

Next, in Chapter 9, the author studies the case of Indonesia. After briefly introducing the reader to the context of Indonesia, Venardos evaluates its banking sector, the status and role of Islam in Indonesia, its key Islamic banking legislations, as well as taxation of *Sharī'ah*-based activities. In a similar way, the author examines the Indonesian

Islamic financial industry such as the Islamic banking sector, *sukūk*, fund management, and *takāful*. He identifies the state ideology of *Pancasila* and the view of Islamic finance as being only for Muslims as the main impediments hindering the development of Islamic finance in Indonesia. Related to this discussion, in a similar approach, another financial hub in Malaysia, Labuan, is also introduced by the author in Chapter 10.

Venardos then examines the Islamic finance industry such as Islamic banking, *takāful*, *re-takāful*, *sukūk*, and other *Sharī'ah* compliant securities, their developments, banking legislations, Islamic finance education, etc. in Brunei and Singapore in Chapters 11 and 12 respectively. As for Brunei, the author acknowledges that the *Sharī'ah* premium provides an advantage in the way that people see it as appropriate to use those products simply on the basis of their *Sharī'ah* compliance. Also, the author is quite optimistic about the Islamic financial scene in Singapore due to strong political stability, Common Law and English legal system, efficient regulatory regime, and solid financial infrastructure.

As an additional topic in this third edition of the book, an overview of Islamic succession planning is presented in Chapter 13. Venardos begins this chapter by elaborating the importance of wealth seeking for Muslims and of developing appropriate succession planning. Connectedly, the products of Islamic succession planning, namely, *waqf* (endowment), *waṣiyyah* (will), *hibah* (gift), and *fara'id* (distribution) are briefly examined. However, *zakāh* (alms), as the most important wealth distribution tool in Islam, is not discussed. Venardos ends this chapter by giving credit to three important phases of wealth management in Islam – the proper acquisition, preservation, and distribution of wealth.

Venardos concludes the book with Chapter 14. He argues that Islamic finance is recognised by both Muslims and non-Muslims as an ethical alternative protecting against the worst excesses. It leverages and reinstates values such as trust, which have often been lost in conventional finance. He discusses the resilience of Islamic finance against subprime crisis and the responses of the Islamic Financial Services Board (IFSB) to the crisis. Finally, he proposes strategies on how to strengthen the resilience of the Islamic financial system. With that, Venardos completes his book.

The chapters in this book have fulfilled the objectives that the author has set out to achieve. The volume's fourteen chapters provide a brief history of Islam, cover the sources of Islamic law, and discuss commercial law, including contracts, usury, and different types of acceptable and unacceptable business practices. The chapters also provide an overview of traditional Islamic financial products that have changed in recent times to accommodate the current needs of Muslims around the world, discuss the challenges of Islamic banking today, and present case studies of Southeast Asian countries where Islamic banking and finance is prevalent. There are, however, some obvious mistakes in this book, as mentioned in the preceding paragraphs. Perhaps in later editions the author will try to discuss *zakāh* as a wealth distribution tool in Islam. Also, while he has demonstrated himself to be very well versed within the scope of the analysis of Islamic finance, the author may be less so in his examination on matters relating to the more technical aspects of the *Shari'ah* and Islamic jurisprudence.

Comparing selected Higher Education systems in Asia. By Sarjit Kaur, Shukran Abdul Rahman, Koo Yew Lie, Maskanah Mohammad Lotfie and Hafiz Zakariya. Kuala Lumpur: Institut Terjemahan & Buku Malaysia (ITBM) and Institut Penyelidikan Pendidikan Negara (IPPTN), 2014, pp. 74, ISBN: 978-967-430-527-7.

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The higher education (HE) sector is constantly changing. Presently, Higher Education Institutes (HEIs) have expanded and diversified their roles from solely training and providing human resources and advancing knowledge to include taking an active role in national, economic, and technological developments. HEIs no longer enjoy the luxury of financial backing and public funding from their respective governments. Instead, across many contexts, they have been asked to become financially independent. In addition, contemporary HE developments have been marked by aggressive competition among HEIs across the world to attract and recruit postgraduate and international