

"We shall show them Our signs in the universe and within themselves, until it becomes clear to them that this is the Truth. Is it not enough that your Lord is the witness of all things? Yet they still doubt that they will ever meet their Lord. Surely, He encompasses all things."

[Al-Qur'an, Fussilat: 53-54]

Abu Ayyub al-Ansari told him that a person came to the Prophet, may Allah bless him and grant him peace, while he was travelling. He asked, "Tell me what will bring me near to the Garden and keep me far from the Fire." He replied, "Worship Allah and do not associate anything with Him, perform the prayer, pay zakat, and maintain ties of kinship."

[Sahih Al-Bukhari: 5,983]

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"Time is merely a feature of our memories and expectations."

Ibn e Sina

Is a Crypto Asset Mal? - Part 5 What Type of Mal Is It? Introducing the Shariah Crypto Classification Framework (SCCF)

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Before asking whether a crypto asset is halal, we need to know what type of mal it is in Shariah, because the type decides which Fiqh rules apply. Market labels such as "utility," "payment," or "RWA" describe what a token does, or how a regulator treats it, not what it is in Shariah. The Shariah Crypto Classification Framework (SCCF),

published here for the first time, sorts every crypto asset that qualifies as mal, starting with one question: is it money or not? The answer tells you which rules govern the asset; whether a particular asset is halal or haram is a separate question that comes later in the series.

A. Why a New Classification Is Needed

The crypto market already has plenty of labels: payment token, utility token, security token, RWA token. These labels were built for other purposes. Some describe what a token does. Others are chosen for regulatory, legal, or tax convenience. Shariah needs something different. It needs to know what type of mal an asset is, because each type follows its own body of Fiqh rules. Two examples show why this is important.

Tokens backed by physical gold or silver are usually labelled "RWA tokens" or "tokenized commodities." That label puts them in the same group as tokenized oil, wheat, or real estate. In Shariah, however, gold and silver are money by nature. So, a token backed by specific, physical gold is money too, and exchanging it follows the Fiqh rules of currency exchange (sarf), which require delivery on both sides on the spot. Treat it as an ordinary commodity, as the label suggests, and the wrong Fiqh rules apply. That can lead straight into riba (interest or usury).

The second example is the "utility token" label. Issuers often describe a token as "utility" partly to keep it out of the security or payment categories, since those bring heavier regulatory, legal, and tax requirements. The label may be legally useful, but it says little about the token's Shariah nature. A so-called utility token may actually carry a share of protocol revenue, which makes it closer to a financial claim. Or it may work mainly as a means of payment. The SCCF looks past the label to what the token actually gives its holder.

So, the SCCF answers one question for every crypto asset that qualifies as mal: what type of mal is it, and therefore, which body of Shariah rules applies? An asset that is not mal at all, such as a token that represents nothing and is bought and sold only on hype, does not enter the classification.

B. The Foundation in Brief

The SCCF is a classification of cryptos as mal, so only cryptos that pass the mal test enter it. Earlier parts of this series set out that test: a crypto asset that exists, is controlled, is clearly defined, and is treated as valuable by custom can be mal. The series follows the Hanafi structure, which separates mal that is lawful and usable (mal mutaqawwam) from mal that is not (mal ghayr mutaqawwam).

Mal also comes in different forms, and the SCCF relies on them directly. It can be a tangible thing (ayn), such as a car or a bar of gold. It can be a benefit from using something (manfa'ah), such as living in a rented house. It can be a recognized right (haqq), such as a right of passage or a registered trademark. Or it can be a debt (dayn) that someone owes. Every category in the SCCF maps to one of these four.

C. The First Dividing Line: Money or Not Money

The SCCF begins by splitting crypto assets into two groups: money (thaman) and everything else. This is the most important line in the framework, because it decides which body of fiqh rules applies.

Shariah recognizes two kinds of money. Gold and silver are money by nature (Thaman Khulqi). Everything else is money by custom (Thaman Istilahi). The classic example is copper coins (fulus). They were money while people used them as money. Once people stopped using them, they became ordinary pieces of metal again. Their status as money came from how people used them, and it ended when that use ended. [1]

How is custom tested? Use as a medium of exchange must be the dominant, settled pattern among an asset's holders. It is not enough that the asset can be used for payment, or that some people occasionally pay with it. State backing and legal-tender status are not Shariah conditions. They can help shape custom, and in the modern world they often do, but they are not the primary test for custom. [2]

This line matters in daily practice. Money exchanged for money follows the rules of currency exchange (sarf): both sides must be delivered on the spot, or the exchange becomes riba. Swapping USDT for USDC is an exchange of money for money. [3] Non-monetary assets follow ordinary sale rules. Buying ETH with USDT is a sale, not a currency exchange.

On current evidence, Bitcoin and other native coins are mostly held as investments, stores of value, and fuel for their networks, not used as everyday money, so they fall on the non-monetary side; Part 6 explains why.

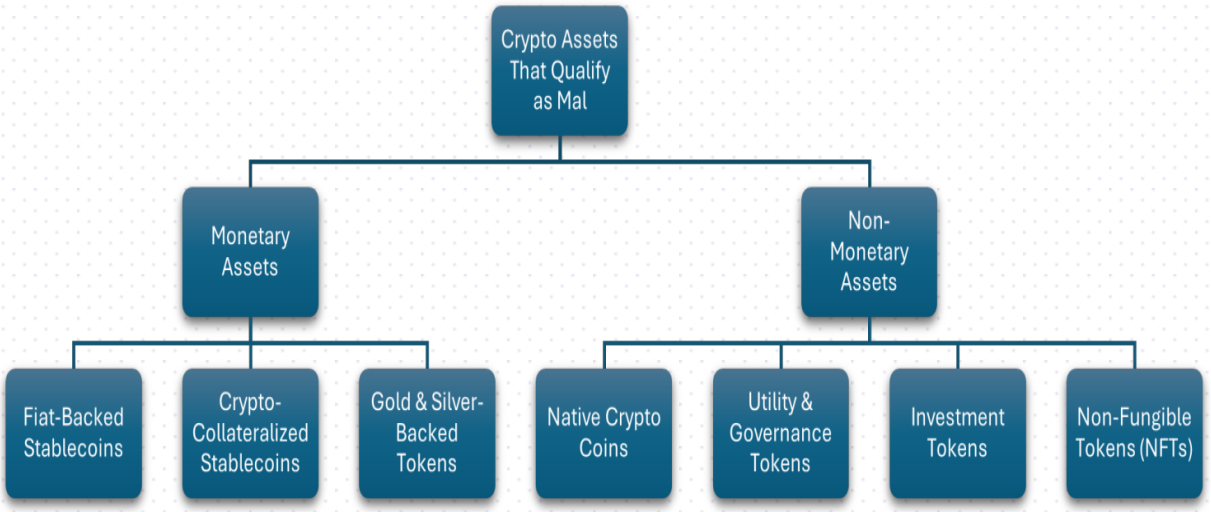


Figure 1. The SCCF's first dividing line: money or not money

D. The SCCF at a Glance

Monetary Tokens consist mainly of 3 types:

1. **Fiat-backed stable coins**, such as USDT and USDC, represent a fiat currency, so they are money.
2. **Crypto-collateralized stable coins**, such as DAI (now USDS) and USDe, are money by custom, because their dominant use is as a dollar substitute.
3. **Gold and silver tokens**, such as PAXG and XAUT, are money by nature, provided they are genuinely backed by specific physical gold and silver reserves.

On the non-monetary assets side sit four categories:

1. **Native crypto coins**, such as BTC, ETH, and SOL, are valuable assets treated like tangible goods or digital commodities. They follow ordinary sale rules, with ownership recorded on-chain. [4]
2. **Utility and governance tokens.** A utility token, such as LINK or RENDER, gives a right to use a service, which makes it a benefit (manfa'ah). A governance token, such as UNI or AAVE, gives a right to take part in a protocol's decisions, which makes it a right (haqq), so the conditions for trading rights set out in Part 4 apply.
3. **Investment tokens** come in two kinds. For tokenized real-world assets, the structure decides the type: direct ownership of an asset, company shares, debt, fund units, or sukuk according to their contract. Crypto-backed tokens, such as liquid staking and lending-pool tokens, are claims on a position, and the source of their yield must be checked.
4. **NFTs** are treated as a tangible asset when they represent an object, and as a right when they represent access, such as a ticket, a membership, or a domain name.

Two groups fall outside the framework. Tokens that represent nothing and are traded only on hype are not mal at all, because they offer no real benefit, and mal requires one. [5] Central bank digital currencies (CBDCs) are simply fiat money in digital form. As for meme coins, "meme coin" is a market label, not a Shariah category; each one is classified by what it actually is today. The table below puts the complete framework on record, with each category's type of mal and the body of rules that governs it.

E. The Principles Behind the SCCF

Four principles hold the framework together.

1. **True nature governs, not labels.** What an asset actually is and does decides its class, not just its name, its marketing, or its regulatory designation. A gold token is money even when it is sold as a commodity.
2. **Classification comes before permissibility.** The SCCF tells you which body of Fiqh rules applies to an asset. Whether the asset, or a particular transaction in it, is halal or haram is a further analysis of its underlying value, its structure, and the facts of the case.
3. **Classification can change.** If an asset's dominant use genuinely shifts, it is reclassified. If Bitcoin became mainly used for everyday payments, for example, it could move to the monetary token side. The assessment applies to the asset as a whole, based on evidence, not transaction by transaction.
4. **An asset must first be mal.** Only assets with genuine, general value enter the framework. A token with nothing behind it stays outside, and is let in only if its substance genuinely changes.

Three further rules settle the harder cases.

1. Where an asset is genuinely both money-like and non-money-like, its dominant character decides;
2. If that is unclear, the stricter currency rules apply as a precaution;
3. Wrapped tokens, such as WBTC, take the class of what they represent if their backing is verified; and central bank digital currencies (CBDCs) fall outside the framework.

F. What the SCCF Does Not Do, and What Comes Next

The SCCF does not declare any coin or token halal or haram. It identifies the Fiqh rules that apply; applying them is the next step. Knowing that a stablecoin is money tells you

that the rules of sarf govern its exchange. It does not yet tell you whether a particular stablecoin, or a particular swap, meets those rules.

Later parts of this series take each category in turn, with its Shariah rulings and conditions. Part 6 takes up the first and most debated question the framework raises: is crypto money in Shariah?

Table 1. SCCF summary classification

Category	Examples	Type of mal	Governing rules
Monetary Tokens (Thaman)			
Fiat-backed stablecoins	USDT, USDC, PYUSD, RLUSD, EURC	Money by custom, representing a fiat currency	Currency exchange (sarf)
Crypto-collateralized stablecoins	DAI/USDS, LUSD, crvUSD, GHO; USDe	Money by custom, through dominant use as a dollar substitute	Currency exchange (sarf)
Gold and silver tokens	PAXG, XAUT, KAU, KAG	Money by nature (naqd)	Currency exchange (sarf)
Non-Monetary Tokens			
Native crypto coins	BTC, LTC, DOGE, XRP; ETH, SOL, ADA, BNB; XMR, ZEC; TAO, FIL	Mal, not money; treated like a tangible asset (ayn)	Rule of commodity or physical goods
Utility tokens	LINK, GRT, HNT, RENDER, SAND, FET, OKB, SHIB	Benefit (manfa'ah)	Rules of benefits
Governance tokens	UNI, AAVE, SKY, CRV, ARB, OP	Right (haqq)	Rules of rights
RWA: asset-backed	Tokenized commodities; direct fractional real-estate title	Tangible asset (ayn)	Ordinary sale
RWA: equity	Tokenized shares; property-company shares	Ownership right (haqq milkiyyah)	Partnership (shirkah) + Rules of right
RWA: debt / note	Tokenized bonds and notes	Debt (dayn)	Rules of debt
RWA: fund units	BUIDL, BENJI, OUSG	Right: a proportionate claim on a pool	Per the fund's underlying holdings + Rules of right
RWA: investment certificates (incl. sukuk)	Tokenized sukuk	Per the underlying contract	Per the underlying contract
Crypto-backed tokens	stETH, rETH, eETH, ezETH, aTokens, LP tokens, vault shares, sUSDe	Right: a claim on a position and its yield	Per the underlying position; yield source checked
NFTs	Collectibles, domain names, tickets, in-game items	Tangible asset (ayn) or right (haqq), per what is represented	Ordinary sale; shared-ownership rules if fractionalized

Sources

[1] al-Mabsut lil-Sarakhsi, vol. 14, p. 25; Ibn Abidin, Tanbih al-Ruqud fi Masa'il al-Nuqud, in Majmu'at Rasa'il Ibn Abidin, vol. 2, pp. 60–62. Gold and silver keep their status as money even if people stop using them as coins; fulus lose it once they stop circulating.

[2] Ibn Abidin, Tanbih al-Ruqud, vol. 2, p. 60. A coin counts as out of circulation only when people stop dealing in it in all lands; if it still circulates in some, it remains money there. The test the jurists applied was circulation, not the authority behind the coin.

[3] Sahih Muslim, no. 1587, from Ubadah ibn al-Samit (رضي الله عنه), from the Prophet ﷺ: gold for gold and silver for silver, like for like, hand to hand. Where both sides are the same currency, the amounts must also be equal. How these rules apply to stablecoin swaps is taken up in a later part.

[4] A similar position is taken by the Higher Shari'ah Authority of the Central Bank of the UAE, Resolution No. 217/10/2025 (11 November 2025), and by the Shariah Advisory Council of the Securities Commission Malaysia (233rd and 234th meetings, 2020).

[5] Mufti Muhammad Taqi Usmani, Fiqh al-Buyu, vol. 1, p. 27 (Maktaba Ma'arif al-Qur'an, Karachi, 2015): what human nature inclines toward, in the definition of mal, means that it is beneficial; whatever has no benefit is not mal and cannot be sold.

Money and Deen: Questions Every Muslim Should Reflect On

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When a Muslim earns or obtains money, it is a fact that the money they receive is part of their deen. Being part of a Muslim's life should encourage them to swiftly practice the right treatment and careful usage of money, since it reveals their relationship with God. Money is just a medium; thus, when a person obtains it, it brings out their true color or character as a human being through the treatment and usage of the money entrusted to them.

Therefore, it is important for Muslims not to be indifferent about how they obtain their money: does it involve someone being harmed? Riba? Deception? Injustice? Dishonesty? Do they understand the money owed or entrusted to them? Are they earning and spending it responsibly? Can money be hoarded?

Indeed, there is no doubt that some Muslims are just like King Midas, where everything they touch or venture into turns into gold (profits). Even without imitating King Midas, the above-mentioned questions are still worth considering.

The next most important question after the above-mentioned inquiries is whether they think that being a Muslim requires them to give away their money as Sadaqah earnestly in the quest for bliss and paradise. Can Muslims decide whether they want to give out zakah or not? Do they always have to donate? Does a reward count if donations or zakah were given for tax-deduction reasons, social recognition, or business reputation? Is there any importance in the relationship between the outward act of giving and the inward intention behind it? Can an action be financially beneficial and spiritually meaningful at the same time?

It is crucial to seek the answers to these questions because the way Muslims deal with money is not separate from their religious life and moral compass. This becomes even more critical when we look at cases of financial misconduct, corruption, fraud, and the misuse of entrusted wealth. In many countries, a fundamental understanding of the root causes of this problem remains lacking, hindering effective prevention.

This can also be evidenced by their country's financial crime index, which is rather moderate or high. Another similar example is the use of riba-based loans out of necessity (daruriyyah), particularly for first-time homebuyers. Muslims should, nevertheless, explore the available options and seek other viable solutions to this matter.

For Muslims, money should not be merely something to accumulate; there are responsibilities attached to it. Zakah is not just a voluntary donation that a Muslim can choose to give when convenient—it is an obligation. Sadaqah, on the other hand, is voluntary, but it reflects a willingness to use one's wealth for the benefit of others.

Regarding the question of handling money that belongs to others, a Muslim may hold money in trust, such as administering charitable funds, inheriting wealth, managing an estate, or being responsible for distributing the property of a deceased person.

This is where Islamic institutions—such as Islamic banks, Islamic insurance providers, Islamic estate planning services, Islamic mutual funds, investment companies, or specialized non-banking institutions like the Hajj Pilgrims Fund Board or Public Trustees—play pertinent roles. These institutions deal with not just administrative or legal matters, but also play a role in protecting the rights and trusts entrusted to them. For example, when a person dies, their wealth does not simply become available for the surviving family members to divide however they wish (unless agreed upon by all members, where permitted).

There are rights and responsibilities attached to those in charge of the estate, including settling debts, executing legitimate bequests, and distributing inheritance according to faraid. Their responsibilities go beyond simply keeping accurate records; these roles extend beyond administrative and legal matters, as they also involve the preservation of trust (amanah).

Money, therefore, becomes much more than a medium of exchange. Although Islamic institutions may provide the necessary structures, regulations, and services for managing wealth, it is ultimately human beings who administer them, exercise judgment, and fulfil the responsibilities entrusted to them. Their dealings with money are not merely economic activities but also carry implications for their accountability before God. This is precisely why Muslims should not approach money with indifference, but should be conscious of the religious, moral, and ethical responsibilities involved.

Shaping the Future of Learning
Education Readiness for the Age of AI Insight Report

Review by Muhammad Hammad

In recent decades, the internet, social media, and AI have transformed how knowledge is produced and accessed, with AI uniquely able to perform cognitive tasks like writing and reasoning that education systems are built to teach. This has enabled vast informal learning outside formal institutions, offering unprecedented freedom but also creating fragmented, uneven pathways with challenges around quality, validation, and equity.

While fair access to quality education remains key to social and economic progress, its role is now questioned. Unlike past technologies that merely delivered content, AI generates explanations and solutions, requiring intentional adoption grounded in evidence of real learning impact. With limited evidence and rapid change, education systems need a shared framework to filter noise, align innovation with human development goals, and ensure technology strengthens rather than destabilizes learning.

The new context for education

Throughout history, technological waves - from industrialization to computers - have reshaped work and forced education systems to expand access and teach new skills to align human capability with the economy. When that alignment holds, societies benefit; when it breaks, inequality rises. Today, AI and digitalization are driving another shift toward knowledge-intensive economies, where competitive advantage depends on human capital.

Yet investment in human capital is growing slower than IT investment - with AI capital spend forecast to double from 2024-2026 - while education spending as % of GDP has declined since 2021. The signal of academic credentials is also weakening as skills needs evolve faster than qualification frameworks, making the link between education and economic opportunity less predictable. AI adoption in education is already widespread and bottom-up - education is the second most AI-intensive sector - with student use for homework rising from 48% to 62% in 2025 and over 53% of teachers using AI for materials and admin.

This reactive adoption outpaces institutional governance; only 6% of teachers say AI policies are clear. AI offers real opportunities - automating up to 20% of admin tasks amid a projected 44 million teacher shortage by 2030, enabling personalized tutoring at scale, instant feedback, accessibility, and predictive analytics - but evidence remains limited and benefits are not automatic. Without deliberate governance, teacher training, and equity safeguards, AI risks reducing education from a public good to a commodity, undermining its core functions of developing capability, validating knowledge, enabling opportunity, and sustaining civic life.

Risks of unstructured AI adoption

Generative AI automates higher-order reasoning, not just routine tasks. Unlike a calculator that checks work, AI that reasons through a problem removes the struggle that builds understanding via experience-

dependent plasticity. One study showed students who used AI performed worse after it was removed than those who never used it. With PISA scores already declining since the 2010s and willingness to learn now in 20% of EU job ads, offloading threatens metacognition, attention, and the neural foundations for complex problem-solving, creativity, and original thought.

LLMs produce fluent hallucinations - 34% more confidently phrased than true statements - training learners to accept plausibility over truth and eroding epistemic vigilance. Primary children are most susceptible, while older students and teachers may propagate errors with added authority. Academic integrity is also strained: 47% of student AI chats seek ready-made answers, and 95% of educators see misuse, breaking the social contract where grades signal genuine understanding.

At the same time, tools optimized for efficiency weaken relational learning; with 40% of US high scholars reporting persistent sadness and belonging fragile post-COVID, reliance on AI risks offloading empathy and reducing resilience, collaboration, and other human-centric skills that the Future of Jobs Report 2025 identifies as most sought-after.

Building education readiness for the age of AI

Current responses to AI in education are fragmented across regulation, pedagogy, and tools, but none alone is sufficient because learning outcomes emerge from interactions across the whole system. The proposed framework organizes a collective response around four interdependent dimensions - enabling foundations, institutional capacities, pedagogical practices, and learning experiences - arranged from system environment to learner experience, and balances standardization for safety and equity with autonomy for agility and innovation.

System-level conditions need more standards - data governance, safety, equitable infrastructure - to enable flexibility closer to teaching. The framework is a diagnostic and strategic tool, not a disruptive fix, to strengthen foundations and move beyond polarized debates. It helps stakeholders conduct readiness assessments across 16 categories, identify gaps, align policy and funding, and pilot approaches.

In practice, policymakers must ensure child-specific data protections and evaluate EdTech ROI; leaders need clear AI policies and protect social learning spaces; teachers must judge when AI supports vs. hinders learning and redesign assessments for reasoning; parents should demand transparency and watch for process vs. output; and students must distinguish AI helping them learn from doing learning for them, while preserving human relationships.

Signals of readiness for AI in education

The framework's core proposition is that outcomes depend on alignment across its dimensions: system governance that doesn't reach institutional practice remains aspirational; institutional policy without pedagogical support never reaches classrooms; and pedagogical innovation without learner readiness produces no durable learning. It does not prescribe one AI model or rank systems, but highlights interdependence - ministries depend on schools and vice versa.

While not a scoring system, its signals can be measured through indicators like national AI guidelines, educator training, infrastructure access, and curriculum embedding. This alignment requires foundational guardrails: enforceable safety for identity, privacy, and child-specific data; resilient cyber security and AI sovereignty; and stable, equitable infrastructure with continuous maintenance and financing. As adoption grows, systems must address AI's environmental costs - varying energy use of models, e-waste, and cloud dependencies - favouring efficient options like small language models, and weigh total cost of ownership against learning impact to avoid diverting scarce budgets.

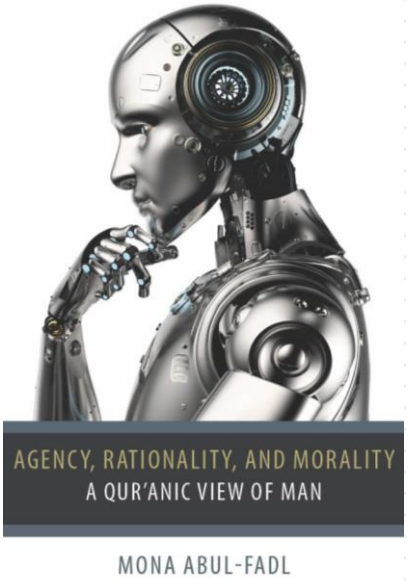
Beyond that, schools must establish clear IP and authorship rules for AI co-creation, protect physical spaces and time for human connection, play and well-being monitoring, engage families as partners in governance, and build AI/media literacy as foundational competencies. Finally, they must monitor educator workload and redesign assessment from recall to reasoning, reflection, and human skills, using safe innovation sandboxes to test what truly improves learning.

Book Review

Title: Agency, Rationality, and Morality: A Qur'anic View of Man

Editor: Mona Abul-Fadl

Publisher: International Institute of Islamic Thought



Mona Abul-Fadl's monograph, Agency, Rationality, and Morality: A Qur'anic View of Man is a profound intellectual intervention in contemporary philosophical, theological, and civilizational discourse. It addresses the profound spiritual and moral crisis of modern civilization. It sets out to examine the modern human condition through the lens of the Qur'anic paradigm.

Her central thesis posits that secular modernity, despite its extraordinary technological and material triumphs, has ultimately relegated man to a state of decentered alienation, nihilism, and anomie precisely because it divorced itself from spiritual tradition and divine guidance.

By contrasting the anthropocentric and materialistic frameworks of the modern West with a theocentric humanist worldview derived from the Qur'an, Abul-Fadl constructs a rigorous defense of human agency, rationality, and moral responsibility, aiming to chart a path toward global cultural renewal and the reintegration of the human self.

The foundational premise of Abul-Fadl's critique targets the trajectory of modernity, which she traces back to the shifting intellectual currents of the European Enlightenment and the Renaissance. While the Renaissance and subsequent centuries initially celebrated the liberation of man from the oppressive constrictions of a dogmatic religious magisterium, this liberation mutated into an unbridled anthropocentrism.

Man arrogated to himself the measure of all things, shifting the agency and responsibility for life and mortality away from the divine to the human ego. However, as materialism triumphed over spiritual transcendence, man was systematically naturalized and simultaneously denaturalized. Stripped of his metaphysical essence, the human being was reduced by behavioral sciences and technocratic systems to a mere biological organism, a chemical compound, or a corporate abstraction ready for mass manipulation and control.

In the secular worldview, the cosmos is seen as an indifferent or hostile wilderness to be subdued, exploited, or overcome through technology. As per the Islamic worldview, the cosmos is purposefully created, balanced (mīzān), and subjected (taskhīr) to human care in a spirit of reverence and gratitude (shukr).

Abul-Fadl argues that this downward spiral inevitably converted society into a graveyard of humanity, leaving man stranded as a 'cosmic orphan' in a vast, forlorn, and meaningless universe. Making man the ultimate measure of reality does not elevate him; it degrades him into a mechanical, biological object subjected to social engineering and existential alienation.

To counter this modern impasse, Abul-Fadl proposes a systematic exploration of Islamic sources, asserting that the Qur'an offers a comprehensive, coherent, and profoundly illuminating view of human existence. In stark contrast to the autonomous, self-trapped entity of Western philosophy, the Islamic paradigm defines man (insān) as a relational entity. Man occupies a privileged position at the crown of creation, yet he exists within a web of benign and reciprocal dependencies sustained by divine Mercy and Compassion. He is not an abandoned cosmic orphan, but a conscious being who issues forth from the primal origin of Adam, charged with a universal trust (amānah) and a divine mandate of vicegerency (khilafah).

Constitutionally, man is a composite of material and divine elements, combining an earthly physical framework with an innate disposition (fitrah) that inclines him toward truth, balance, and righteousness.

Abul-Fadl emphasizes that this view rejects any dualistic split between the physical and the spiritual; instead, human existence is framed by an integral unity where reason (aql) and revelation (wahy) operate in complete harmony.

Central to Abul-Fadl's analysis is her deep interrogation of human agency, which she anchors in the twin faculties of cognition and volition. Unlike deterministic systems of thought—whether materialistic,

scientific, or historicist—the Qur'anic view insists that man is a free moral agent endowed with the capacity to discern (idrāk/tamyīz) and to choose (ikhtiyār) between alternative paths.

This freedom is not an absolute, ungrounded autonomy, but a responsible freedom exercised within the parameters of a primordial Covenant (mithāq) established between the Creator and humanity. Referencing the famous Verse of the Trust, Abul-Fadl explains that when the heavens, the earth, and the mountains refused the burden of the amānah out of fear, man willingly bore it, albeit prone to injustice and folly through his initial ignorance of its immense consequences. This trust encompasses human reason, volition, and moral responsibility, culminating in the vocation of the khilafah. Consequently, man's freedom is inextricably linked to accountability; his choices carry eternal weight, and his moral agency forms the cornerstone of his trial and tribulation (ibtilā) on earth.

Abul-Fadl devotes considerable analytical rigor to examining the harmony between human rationality and divine revelation, contrasting it sharply with the epistemological fractures of Western thought. She argues that true knowledge begins with divine Guidance, which acts as a luminous compass (dhikr, bayān) illuminating the mind and guiding the self. Rather than imposing an authoritarian suppression of freedom, revelation appeals directly to human reason and the inner core of the heart (qalb), which serves as the seat of intentionality and the processor of divine signals.

Freedom and rationality are not ends in themselves; they are divinely bestowed capacities that carry the responsibility of moral discernment and adherence to the primordial covenant.

In the Islamic episteme, reason points beyond itself to revelation, and revelation fulfills reason by rescuing it from endless, ungrounded speculation and the paralyzing traps of skepticism. This epistemological integration shields humanity from the hubris of self-deification and the absurdity of nihilism, offering instead an unshakable foundation of certainty (yaqīn) that anchors human thought and action in the objective reality of the Truth (al-Haqq).

Furthermore, Abul-Fadl meticulously unpacks the ontological and historical account of human creation, contrasting the Qur'anic narrative of the descent (khurūj) from Paradise with the Western theological doctrine of the Fall. In the Qur'anic version, Adam and Eve are a joint account from start to finish, sharing absolute ontic parity, mutual dignity, and equal moral capacity without any stigma of an 'original sin' or female complicity.

The descent to earth was not a mark of permanent debasement, hopeless abandonment, or a punitive purgatory, but a pre-ordained transition to a stage of trial, achievement, and pilgrim's progress. Human terrestrial life is an intended arena for growth, achievement, and moral testing (ibtilā'), sustained by recurring divine guidance through prophetic messengers.

Human beings were equipped with the fitrah, divine guidance, and the capacity for sincere repentance (tawbah) and return (awwāb) to overcome their vulnerabilities. This framework completely redeems human nature from inherent corruption, establishing an optimistic, life-affirmative ethos where recovery, moral reform, and spiritual growth are always within reach of a willing soul.

She argues that because all human beings originate from a single soul (nafs wāhidah) and share an identical devotional status of submission to the One Creator (ubudiyyah), fundamental human equality is an intrinsic, divinely imparted reality rather than a belated, cosmetic, or utilitarian social construct.

In this theocentric framework, differences of race, color, ethnicity, or gender do not dictate moral superiority or inherent privilege; rather, the only true criterion of distinction before God is piety and God-consciousness (taqwā).

Society is structured upon the principles of complementarity, mutual acquaintance (ta'āruf), compassion (marhamah/mawaddah), and the collective moral duty of believers—men and women alike—to enjoin the good and forbid the evil. The Islamic mandate of khilāfah fundamentally rejects exploitative dominion over nature and other human beings, demanding responsible trusteeship subject to divine limits (ḥudūd Allāh).

Human rejection of divine truth is not an act of rational dissent, but an irrational obstruction caused by preconceived prejudice, arrogance, or willful resistance—metaphorically described as "locks upon hearts".

In her concluding reflections, Abul-Fadl reiterates that the contemporary relevance of the Qur'anic view of man lies in its ability to rescue modern humanity from its self-inflicted spiritual starvation. Secular humanism, she asserts, can at best achieve the negative task of dismantling ancient idolatries and disenchanting the world, but the moment it attempts to construct an ethical system independently of divine transcendence, it collapses into philosophical incoherence and practical subversion.

Only an Islamic humanism, which harmonizes reason with revelation and balances human autonomy with wholesome dependence on the Creator, can successfully restore meaning, community, and moral integrity to human life. Ultimately, Abul-Fadl's treatise urges modern intellectuals to look beyond the narrow confines of materialist paradigms and rediscover the timeless, luminous blueprint of man as an honoured vicegerent of God on earth.

Man is physically and spiritually integrated into the cosmos. Originating from dust and water and sustained by divine design, humanity shares affinities with all created things. Rather than being an alienated orphan in a hostile universe, the human being attains inner peace and psychic integration by aligning with a universe that is already in perpetual, harmonious worship of God.

Research Paper in Focus

Paper Title: Islamic Finance and Money Creation: Sharīʿah Issues and a Reform Proposal

Author: Abdullah Al-Sulami and Ayman Saleh

Publisher: Journal of King Abdul Aziz University: Islamic Economics, 39(3), 89-107.

This paper investigates a fundamental structural crisis within contemporary Islamic finance. The authors identify the persistent dominance of debt-based contracts in Islamic banking, specifically Murābaḥah and Tawarruq, over genuine partnership and equity-based modes such as Mushārakah and Muḍārabah.

This reality has attracted sustained theological and academic criticism, as early Islamic economic thought promised a profound departure from conventional debt intermediation toward risk-sharing and ethical socio-economic development. Rather than treating this divergence as a transient administrative defect, managerial opportunism, or a moral failure of Islamic bank boards, the authors advance the thesis that this debt bias is a structural inevitability. They argue that Islamic banks have chosen to operate within a fractional reserve banking framework and have consequently embedded themselves organically into modern commercial money creation mechanisms.

The study adopts a descriptive-analytical approach. The authors examine banking history from seventeenth-century English goldsmiths to contemporary central banking, evaluating the transition from physical coin custody to digital ledger entries. They contrast the traditional textbook fractional reserve money multiplier theory against the empirically grounded credit creation theory of banking.

The authors argue that the popular money multiplier model mischaracterizes banks as passive financial intermediaries that collect savings prior to lending out a fraction of reserves. Citing modern empirical literature, such as publications from the Bank of England and contemporary monetary economists, the study demonstrates that modern banks generate deposits endogenously.

In this framework, lending creates deposits ex nihilo through double-entry accounting rather than by mobilizing pre-existing client savings. The paper documents that bank-created credit money constitutes the overwhelming majority of broad money in modern economies. They cite empirical estimates showing that electronic deposit money represents approximately 97% of the circulating money supply in the United Kingdom. Similarly, they observe that commercial deposit money accounts for roughly 91% of broad money in the Kingdom of Saudi Arabia.

The core analytical argument posited by the authors is that generating deposit liabilities forces banks into strict risk-aversion. Because banks issue liabilities that depositors treat as demand-accessible cash equivalents, the bank cannot risk asset depreciation without facing insolvency.

If an Islamic bank utilizes genuine Mushārakah or Muḍārabah to fund entrepreneurial activities, it must assume legitimate commercial risk. Under Islamic jurisprudence, an equity financier cannot

demand capital recovery if an entrepreneur incurs a legitimate loss without negligence or transgression. If the equity-financed business subsequently fails, the bank loses its asset, but remains fully liable for the customer deposits that were transferred across the banking system.

Because start-ups and business enterprises exhibit high failure rates in real-world markets, authentic equity partnerships would expose fractional reserve banks to severe capital depletion and runs.

Consequently, central banks impose stringent regulatory liquidity metrics and capital charges, such as Basel standards, that discourage unhedged equity holdings on bank balance sheets.

To protect institutional solvency, Islamic banks are forced to substitute authentic partnership models with fixed-income, collateral-backed debt contracts. Instruments like Murābaḥah and organized Tawarruq allow the bank to secure legal debtor obligations that remain enforceable regardless of underlying business profitability. The authors argue that this makes Islamic banking economically identical in substance to conventional interest-based banking, despite differences in formal legal attire.

Islamic banks routinely market their liability accounts as commingled Muḍārabah or investment agency (Wakālah) arrangements. The authors argue that this characterization is conceptually invalid when viewed through credit creation theory.

Because banks do not fund customer financings from depositor balances, but rather create new ledger balances upon extending facilities, investment deposits do not serve as direct investment capital. Instead, customer deposits function merely as liquidity buffers and regulatory cushions that enable the bank to meet reserve ratios and clearing obligations. Therefore, attributing profits from debt assets to depositors cannot be justified as an authentic return on deployed capital.

In real-world commercial activities, profits are irregular, lumpy, and often realized only at contract termination. Using arbitrary formulas to distribute yields introduces substantial ambiguity (gharar) and unfair economic disparities.

The authors extend their analysis to macroeconomic externalities, focusing on private seigniorage and the allocation of purchasing power. They cite classical jurists such as Ibn Mufliḥ and Imām al-Ghazālī, who affirmed that issuing money (al-sikkah) is an exclusive sovereign responsibility reserved for legitimate state authority to prevent fraud and maintain monetary stability. The authors argue that delegating credit creation to private, profit-maximizing banks constitutes an impermissible private monopoly (iḥtikār). This structure allows private corporations to capture seigniorage revenues that rightfully belong to the public.

The authors critique the inflationary consequences of private credit expansion. Adopting Milton Friedman's perspective that inflation is always and everywhere a monetary phenomenon, they argue that private credit creation inflates nominal money balances beyond the growth rate of real goods and services.

The authors illustrate that modern Islamic banks frequently finance consumption through organized Tawarruq and credit cards, which expands purchasing power without generating new production. Furthermore, they construct an example showing that an Islamic bank can finance a

factory to build furniture via Istiṣnāʿ, while simultaneously financing a retail consumer to purchase that same furniture piece. This process expands the money supply twice against a single physical output, demonstrating that asset-backed debt financing still contributes to aggregate price inflation.

The paper emphasizes that private credit creation worsens economic inequality. Banks allocate credit based on repayment capacity and collateral rather than economic productivity or social welfare. This institutional design favours affluent borrowers who possess real assets to pledge, while denying credit to impoverished individuals and under-capitalized innovators.

Wealthy borrowers use newly created bank purchasing power to purchase income-generating real estate and equity assets, driving asset price inflation. Lower-income households are locked out of asset ownership, and their real wages are eroded by general price increases.

Additionally, because bank-created money enters the system as debt that must be repaid with a financing markup, the volume of outstanding financial claims continually exceeds the supply of money in circulation. The economy is trapped in an unsustainable cycle where continuous new borrowing is required to avoid liquidity crises and structural bankruptcies.

To address these foundational issues, the authors argue that money creation must be separated from commercial financing, drawing on historical proposals like the 1930s Chicago Plan and modern Sovereign Money initiatives by Positive Money. The authors propose dividing the banking architecture into three separate components: The Central Monetary Authority, Payment Network Utilities, and Financing Institutions.

Despite the paper's analytical contributions, a critical evaluation highlights several significant theoretical, empirical, methodological, and jurisprudential limitations.

Shariah compliant fixed-return instruments of finance serve a functional economic purpose by providing risk mitigation, predictable cash flows, and capital preservation across time.

Equity financing in two-tier Muḍārabah also has limitations, such as moral hazard, asymmetric information and adverse selection as discussed in this article.

The authors attribute collateral requirements almost entirely to the pressures of money creation. However, corporate finance literature and financial intermediation theory show that debt contracts and collateral exist to address asymmetric information, moral hazard, and costly state verification.

Even in an institution that cannot create money, an equity partner must monitor the entrepreneur's operational integrity and verify reported profits. Because verification and auditing are costly, debt contracts with collateral remain an efficient mechanism to minimize monitoring expenses, regardless of whether a firm creates money. In replacing debt with equity financing, it is also important to revisit equity financing structures and add covenants for effective risk management against moral hazard.

The paper suffers from an absence of quantitative and econometric evidence. The methodology is entirely descriptive and qualitative. The authors do not provide empirical balance-sheet analyses, panel

regressions, or counterfactual simulations comparing Islamic banks with conventional counterparts. There is no country that has adopted 100% full reserve banking yet. While there are problems in the fractional reserve system, an abrupt transition to a full reserve banking system also needs careful deliberation, as discussed in this book review.

In response to the referendum regarding sovereign monetary system, the consensus among Swiss economists, policymakers, and the central bank was that a 100% sovereign money system would introduce severe credit rigidity, raise borrowing costs for businesses, compromise central bank independence, and limit policy tools during macroeconomic downturns.

The authors argue that depositors possess an inherent aversion to risk that forces banks to avoid equity instruments. Yet their reform model confines risk-averse individuals to fee-charging, zero-yield payment accounts, while expecting investment funds to attract sufficient capital without balance-sheet protections.

By segregating transactional money from investment capital, the reform risks creating a credit crunch and driving up capital costs for productive enterprises. The authors' political economy framework exhibits notable public choice deficiencies. They propose transferring credit creation and allocation authority to the state and the Ministry of Finance. This institutional design assumes that state bureaucracies will distribute debt-free money toward socially optimal projects without political interference.

Public choice theory and historical experience suggest that giving governments direct control over money creation frequently leads to fiscal dominance, political patronage, and high inflation. The paper offers few institutional safeguards to insulate sovereign money creation from political capture, addressing this risk in only a brief footnote.

Furthermore, modern commercial banks do not operate outside state authority; they are chartered, licensed, and regulated by central banks that represent sovereign authority.

On Islamic debt based financing, while synthetic transactions like organized Tawarruq warrant academic and theological scrutiny, categorizing all fixed-income debt contracts as disguised usury undermines the Sharīʿah distinction between valid sale transactions (bayʿ) and interest-based lending (ribā).

In conclusion, Al-Sulami and Saleh provide a provocative and structural critique of modern Islamic commercial banking. Their paper demonstrates that the persistence of debt contracts is closely tied to the operational constraints of the fractional reserve banking architecture. However, their proposed reform blueprint—rooted in the Chicago Plan and Sovereign Money concepts—carries challenges that require careful deliberation before an attempt to implement.

The aversion to science emanates from misplacing the scope of both religion and science in society. The disservice to promoting science comes from scientists who mix their personal views with science.

One well known Physics Professor in Pakistan wrote: “If Muslim societies are to develop technology instead of just using it, the ruthlessly competitive global marketplace will insist on not only high skill levels but also intense social work habits. The latter are not easily reconcilable with religious demands made on a fully observant Muslim’s time, energy, and mental concentration: The faithful must participate in five daily congregational prayers, endure a month of fasting that taxes the body, recite daily from the Qur’an, and more.”

Neil Turok, director of the Perimeter Institute for Theoretical Physics in Waterloo recently remarked “All of the theoretical work that's been done since the 1970s has not produced a single successful prediction”. Several major and significant discoveries in science occurred in the 19th and 20th century through the works of scientists who believed in God. Even in just the last 500 years of modern scientific enterprise, a great many scientists were religious including names like Isaac Newton, Nicholas Copernicus, Johannes Kepler, Robert Boyle, William Thomson Kelvin, Michael Faraday, James Clerk Maxwell, Louis Pasteur and Nobel Laureate scientists like:

1. Max Planck
2. Guglielmo Marconi
3. Robert A. Milikan
4. Erwin Schrodinger
5. Arthur Compton
6. Isidor Isaac Rabi
7. Max Born
8. Dererk Barton
9. Nevill F. Mott
10. Charles H. Townes
11. Christian B. Anfinsen
12. John Eccles

13. Ernst B. Chain
14. Antony Hewish
15. Daniel Nathans
16. Abdus Salam
17. Joseph Murray
18. Joseph H. Taylor
19. William D. Phillips
20. Walter Kohn
21. Ahmed Zewail
22. Aziz Sancar
23. Gerhard Etrl

Thus, it is important for the torchbearers of science to know their scope and highlight what they can offer to society in terms of curing diseases, improving food production and easing transport and communication systems, for instance. To mock faith and faithful, the scientists who do not believe in God do not just hurt the faithful people who are non-scientists, but a great many of their own colleagues who are scientists, but not atheists.

Market News

Islamic Banking & Finance

- Kazakhstan's Islamic Banking market faces test beyond rapid growth (The Astana Times, Oct 28).
- Islamic Finance assets to hit $10.5 trillion by 2030 (Salaam Gateway, Oct 26).
- Fitch sees Malaysia's Islamic Finance topping US$800 billion, growth to continue (The Star, Oct 28).
- Uzbekistan issues its first Islamic banking license (Asia+, Oct 26).
- Pakistan expects over 4% growth; diversify financing with Panda bonds, Sukuk: Aurangzeb (Business Recorder, Oct 14).
-

Sukuk

- MENA bond issuance falls 10% in 9 million 2026; Sukuk share hits five-year low – LSEG (Zawya, Oct 27).
- TNB issues RM 4.8 billion sustainability Sukuk wakalah under RM 10 billion Sukuk programme (The Star, Oct 27).
- Govt accepts Rs 22.85 billion in Ijara Sukuk under Bai Muajjal auction (Profit by Pakistan Today, Oct 28).
- Qatar Central Bank Issues Qr3 billion in Government Ijara Sukuk (Menafn, Oct 27).
- Govt explores Sukuk, dollar bonds for $1.3 billion Matarbari Phase 2 (The Business Standard, Oct 24).
- IILM sets all-time record with largest-ever $1.546 billion short-term Sukuk auction (Zawya, Oct 20).
- MOF to inject RM 1 billion into Urusharta Jamaah for Sukuk redemption in 2027 (KLSE Screener, Oct 22).
- Mah Sing completes RM 300 million Sukuk issuance (The Star, Oct 22).
- CelcomDigi proposes RM10 billion Sukuk programme (The Star, Oct 23).
- Arada Developments accepts US$169.2 million tender offer for 2027 Sukuk certificates (Kalkine Media, Oct 27).
- Kuwait's Boubyan Bank eyes $500 million AT1 Sukuk issuance (Zawya, Oct 06).
- GCC bond, Sukuk issuances decline; Saudi tops offerings with $15.73 billion in Q3 2026 (Zawya, Oct 20).
- Nasdaq Dubai marks listing of $500 million Sukuk by Sharjah Islamic Bank (Zawya, Oct 29).
- National Grid Co plans to issue Rs100 billion Sukuk (The Express Tribune, Oct 30).
- Corporate debt issuances reach Rs291 billion in nine months as Govt pushes capital market reforms (Profit by Pakistan Today, Oct 30).
- Govt raises Rs 294.7 billion through Sukuk auction at PSX, below Rs350 billion targets (Profit by Pakistan Today, Oct 15).
- Malakoff sets up RM700 million green Sukuk programme to Finance Melaka waste-to-energy plant (The Edge Malaysia, Oct 30).
- UAE Treasury Sukuk, bonds auction brings bids worth DH 4.54 billion (Khaleej Times, Oct 31).

Takaful

- SC rejects People's Leasing's US$700,000 insurance claim against Amana Takaful (Newswire, Oct 30).
- Takaful Industry embraces digital innovation, professionalism at TLAS 2026 (Bernama, Oct 20).
- SALAMA reports AED 28.3 million H1 2026 profit as solvency reaches 154% (yahoo Finance, Oct 06).
- ShopeePay to offer life insurance from RM100 after Zurich partnership; Takaful plan to follow (The Rakyat Post on MSN, Oct 08).

Islamic Fintech

- Fintech Wealth Simple secures C$425 million funding at C$13.8 billion valuation (belnsure, Oct 30).
- Nigerian Fintech OPay to rise up to $336 million in its NYSE IPO (Urban Geekz on MSN, 26).
- Blockchain Capital leads $40 million round for stablecoin Fintech PhotonPay (Crypto Briefing, Oct 29).

Islamic Social Finance

- FELDA hands over RM10.9 million in business Zakat to MAIWP (Bernama, Oct 19).
- Awqaf ministry disburses more than QR91 million in Zakat assistance in Q3 2026 (Qatar Tribune on MSN, Oct 18).
- RM 2.5 million to provide dialysis facilities at selected Kelantan mosques (Newswav, Oct 31).
- Palestinians face growing bans from Al-Aqsa as Israel tightens control (Al Jazeera, Oct 30).
- Delhi Government set to notify Waqf Tribunal after over 4 years (The Indian Express, Oct 30).
- NC plays down internal rift after 19 MLAs' meeting, says 'no rebellion' (Outlook India, Oct 31).

Economic and Financial Indicators

Islamic Banking Statistics 2026

Country	CAR	Gross NPF	ROA	ROE	Net Profit Margin	Cost to Income
Bahrain	19.5	0.8	0.8	10.2	37.3	54.1
Bangladesh	21.2	1.2	0.5	11.1	34.4	54.8
Brunei	19.1	1.8	2.0	15.3	69.7	30.3
Egypt	18.62	2.98	3.50	40.58	63.70	18.56
Indonesia	25.51	2.14	2.65	19.25	36.34	63.66
Jordan	19.4	2.0	1.5	16.9	51.4	48.6
Kuwait	17.7	1.9	1.6	11.9	56.3	41.3
Malaysia	17.7	1.5	1.1	14.3	38.9	41.2
Morocco	20.0	0.3	-1.5	-17.3	-63.3	159.6
Nigeria	10.26	5.11	2.54	88.57	32.11	62.8
Oman	15.6	3.2	1.2	8.8	36.4	56.8
Pakistan	24.9	4.6	5.3	78.4	62.9	36.1
Palestine	15.2	6.3	-0.1	-0.7	-1.4	68.4
Qatar	20.7	3.8	1.5	13.6	26.2	8.8
Saudi Arabia	19.6	0.9	2.39	18.0	62.6	37.4
Sudan	8.60	4.68	3.01	34.1	37.5	50.0
Turkey	18.5	9.8	3.4	42.9	41.6	42.6
UAE	18.3	4.9	2.4	18.7	39.7	56.8

Source: IFSB Data

Table 1.1: Islamic Financial Services Industry Size by Sector and Region (2025)

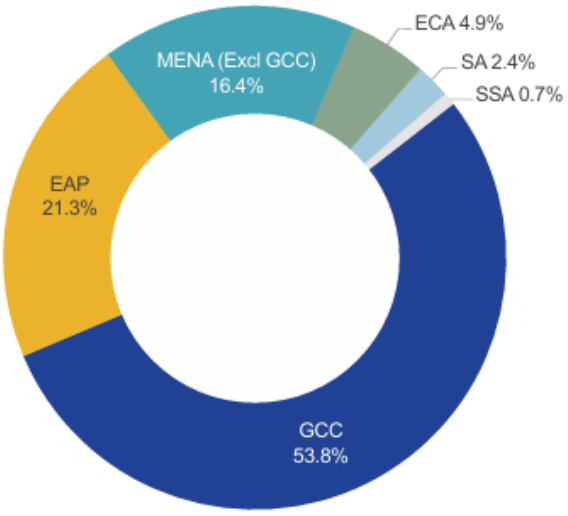
Region	Islamic Banking Assets	Ṣukūk Outstanding	Islamic Funds Assets	Islamic Insurance Assets	Total (USD Billions)
East Asia and the Pacific (EAP)	375.85	491.40	46.54	22.49	936.28
Europe and Central Asia (ECA)	104.35	37.71	71.62	3.32	217.00
Gulf Cooperation Council (GCC)	1,759.65	543.29	34.21	30.22	2,367.37
Middle East and North Africa (MENA exc.GCC)	702.00	6.80	0.11	13.64	722.54
South Asia (SA)	94.74	3.44	6.19	1.44	105.82
Sub-Saharan Africa (SSA)	14.36	1.19	15.20	0.04	30.79
Others	-	16.99	6.60	-	23.60
	3,050.94	1,100.83	180.47	71.14	4,403.39

Figure 1.2: Regional and Sectoral Distribution of Global IFSI Assets

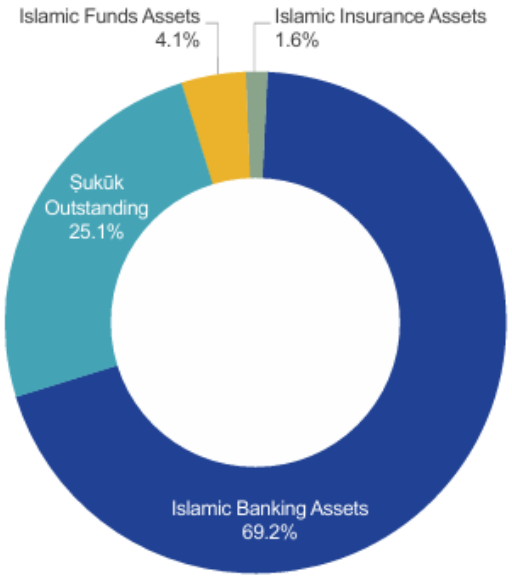
Mature Islamic finance markets in GCC and EAP account for 75% of the global IFSI asset base

Islamic banking continues to dominate, representing nearly 70% of global Islamic financial assets.

1. Regional Distribution of Global IFSI Assets
(Percent)



2. Sectoral Distribution of Global IFSI Assets
(Percent)



Sectoral composition varies and most continue to be banking dominant. While capital markets have developed to varying extents in different regions, Islamic insurance represent a consistently marginal share across all markets.

3. Regional Sectoral Assets

(Percent)

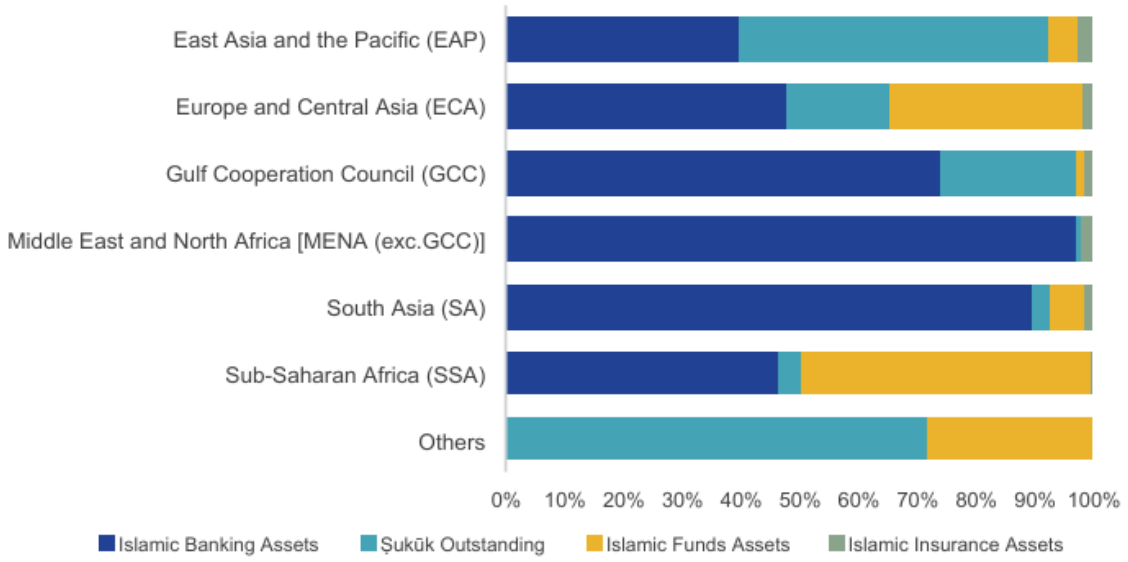
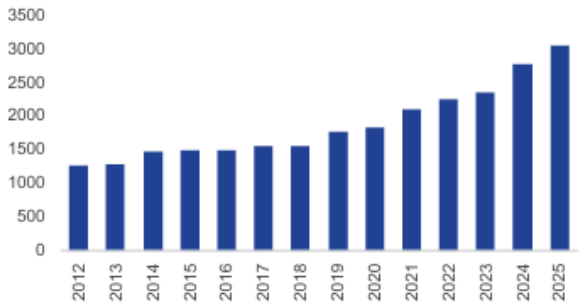


Figure 1.3: Islamic Banking Developments

Islamic banking assets have grown steadily across all regions, with a global CAGR(5yr) of 10.6%

1. Islamic Banking Assets (2012-2025)

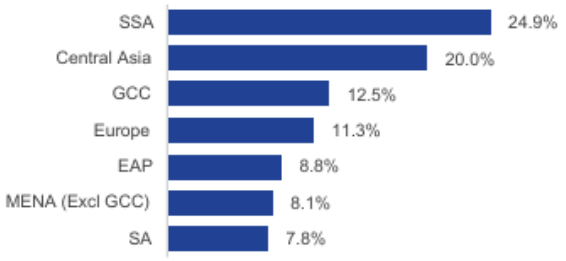
(Billions USD)



Frontier and emerging markets continue to record high growth rates outpacing established markets

2. CAGR of Regional Islamic Banking Assets (2020-2025)

(Percent)

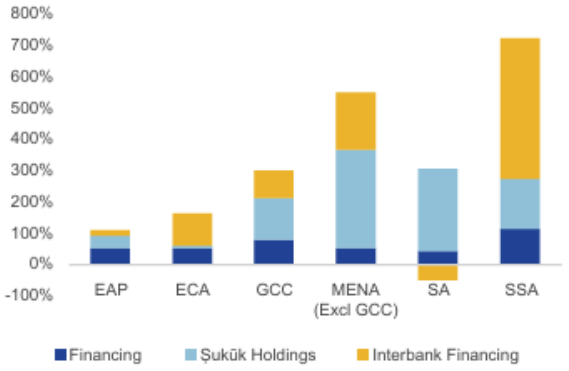


On the asset side, şukūk holdings and interbank financing expanded faster than financing portfolios in some regions

On the liabilities side, interbank funding and şukūk issuances are increasing in many jurisdictions

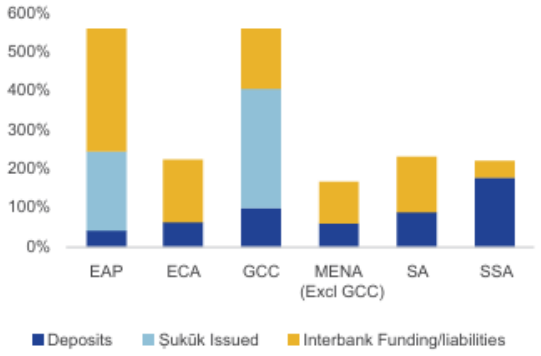
3. Regional Asset Composition Changes

Change in percent (from 2020 to 2025)



4. Regional Funding Composition Changes

Change in percent (from 2020 to 2025)

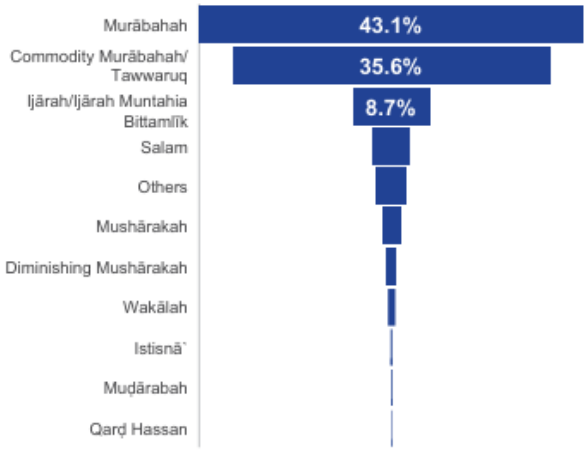


Murābaḥah and commodity murābaḥah account for significant portion of financing contracts globally

Debt-based remunerative deposits constitute the dominant share of Islamic banks' funding composition

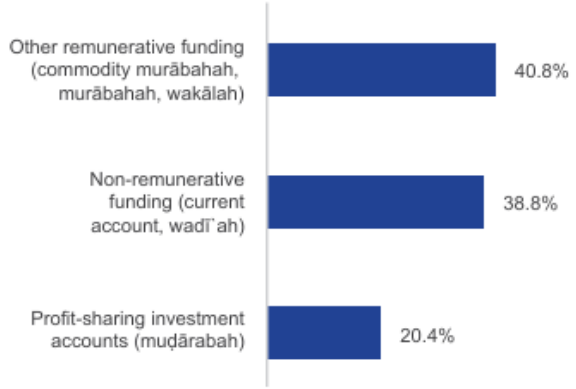
5. Global Financing by Contract (2025Q3)

(Percent)



6. Global Composition of Deposits (2025Q3)

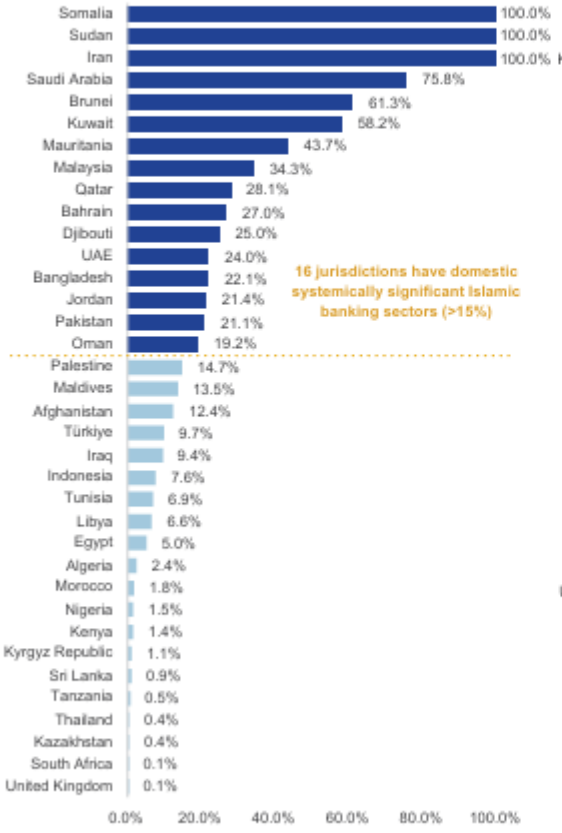
(Percent)



16 Domestic Systemic Important (DSI) markets retained 93% of global Islamic banking assets

7. Islamic Banking Share in Total Banking Assets by Jurisdiction (2025Q3)

(Percent)



Double-digit growth rates across many jurisdictions, including frontier and established markets

8. Islamic Banking Growth Rates (5-yr CAGR) Across Jurisdictions

(Percent)



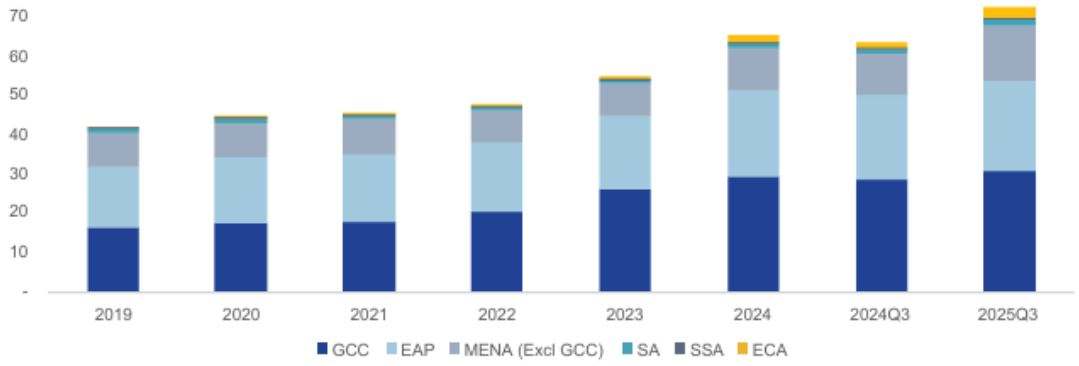
Source: IFSB PSIFIs

Figure 1.4: Islamic Insurance Growth Trends

Global Islamic insurance assets have grown steadily, surpassing USD 70 billion in 2025Q3

1. Islamic Insurance Total Assets

(USD Billions)

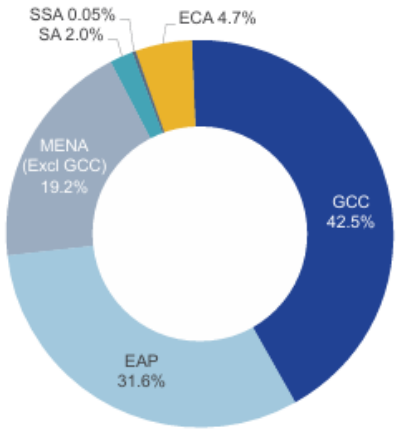


Established markets account for three-quarters of global Islamic insurance assets

Frontier markets are growing at a faster pace than mature markets

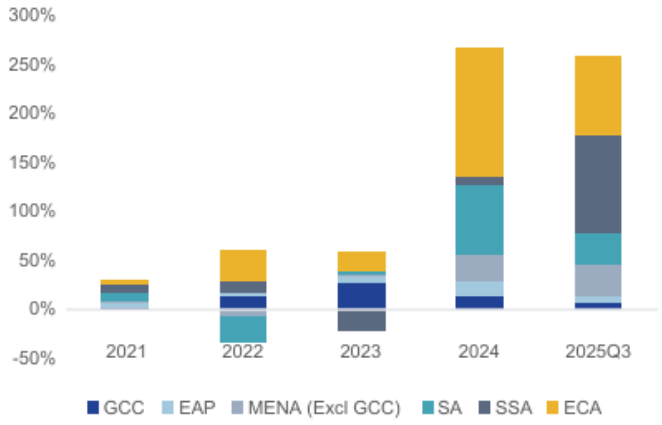
2. Regional Share of Islamic Insurance Assets (2025Q3)

(Percent)



3. Total Assets Change in Percent (2021 – 2025Q3)

(Percent)



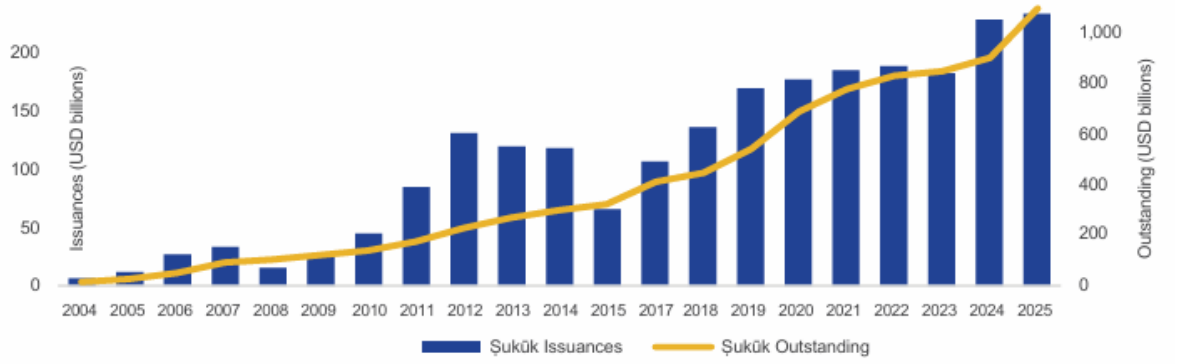
Source: IFSB PSIFIs, data provided by regulators and public institutional data

Figure 1.5: Islamic Capital Market Size and Issuances

Outstanding ṣukūk crossed the USD 1 trillion threshold in 2025: a structural milestone for the global Islamic capital market

1. Global Ṣukūk Issuances and Outstanding (2004–2025)

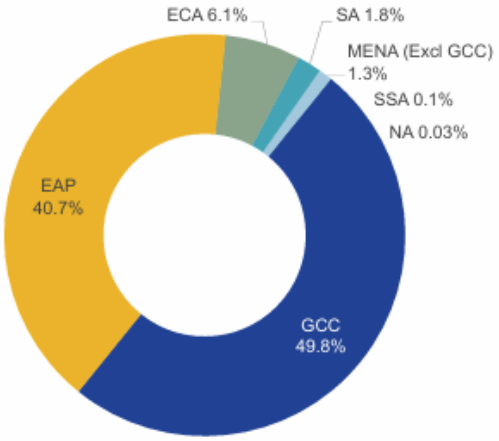
(USD Billions)



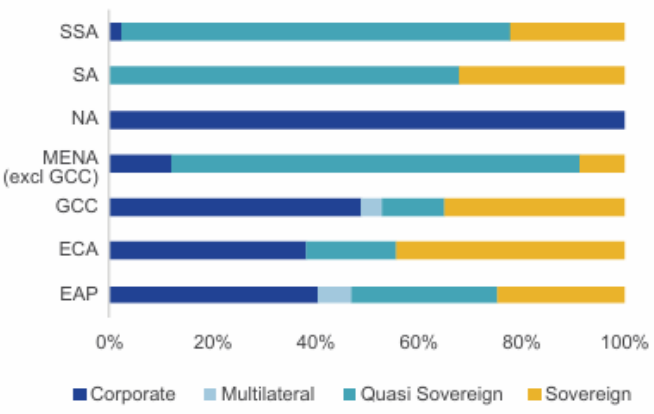
Activity remains highly concentrated in core markets (GCC and EAP) which accounted for 91% of issuances

Composition varied by region, with sovereign and other government related issuances being dominant in many jurisdictions

2. Ṣukūk Issuances by Region (2025)



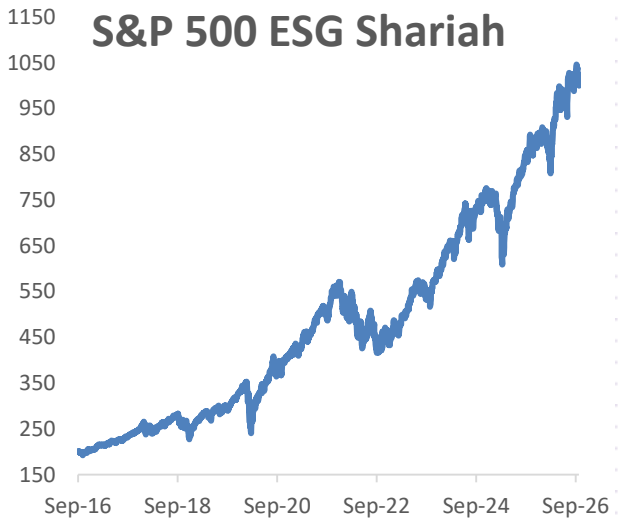
3. Ṣukūk issuances in 2025 per region and issuer type

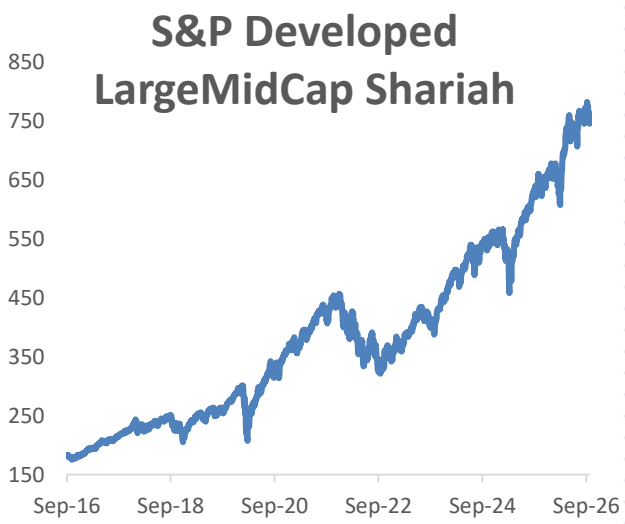


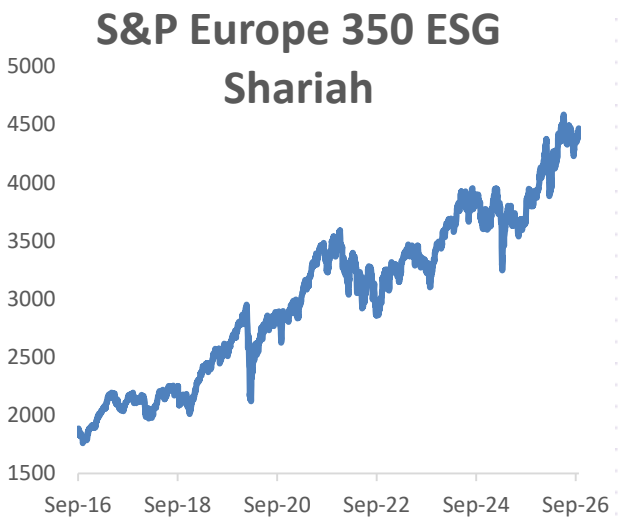
AT1 capital ṣukūk issuance more than doubled in 2025, driven predominantly by GCC-based Islamic banks

Sustainability-related issuances increased significantly, though it remains a modest share of the broader market

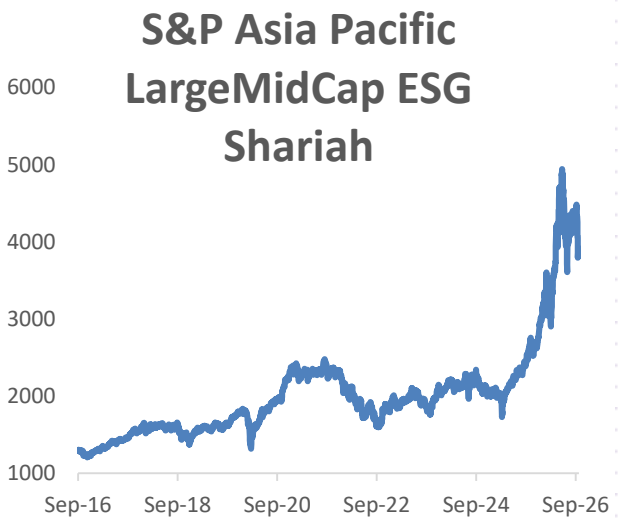
SUKUK Investments (Source: S& P Dow Jones)

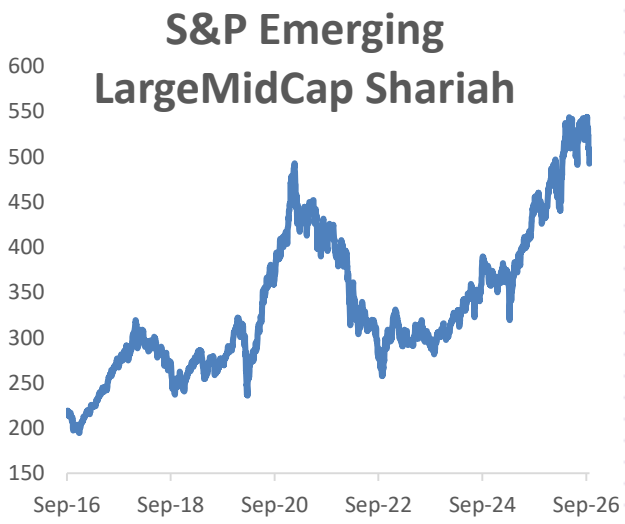












Global Economic Perspectives

COUNTRY	GDP Growth (%)					
	2025	2026	2027	2028	2029	2030
Albania	3.4	3.6	3.5	3.5	3.5	3.5
Algeria	3.4	2.9	2.7	2.7	2.5	2.5
Azerbaijan	3.0	2.5	2.5	2.5	2.5	2.5
Bahrain	2.9	3.3	3.3	3.1	3.2	3.2
Bangladesh	3.8	4.9	5.7	5.8	6.7	6.5
Benin	7.0	6.7	6.6	6.5	6.0	6.0
Bosnia and Herzegovina	2.4	2.7	3.0	3.0	3.0	3.0
Brunei Darussalam	1.8	2.4	2.6	2.9	3.1	2.9
Burkina Faso	4.0	4.8	4.7	4.7	4.7	4.7
Chad	3.3	3.6	3.4	3.7	4.0	4.1
Comoros	3.8	4.0	4.3	4.3	3.8	3.8
Djibouti	6.0	6.0	6.0	5.5	5.5	5.5
Egypt	4.3	4.7	5.4	4.9	5.1	5.3
Gambia	6.0	5.1	5.0	5.0	5.0	5.0
Guinea	7.2	10.5	10.7	10.8	11.3	7.8
Guinea-Bissau	5.1	5.0	5.0	4.5	4.5	4.2
Indonesia	4.9	5.1	5.1	5.0	5.1	5.1
Iran	0.6	1.1	1.6	2.0	2.0	2.0
Iraq	0.5	3.6	3.6	3.9	4.1	4.1
Jordan	2.7	2.9	3.0	3.0	3.0	3.0
Kazakhstan	5.9	4.4	4.2	3.0	3.4	3.4
Kuwait	2.6	3.9	2.3	2.3	2.2	2.3
Kyrgyz Republic	8.0	5.3	5.8	5.3	5.3	5.3
Libya	15.6	4.2	2.3	1.8	1.9	2.2
Malaysia	4.5	4.3	4.3	4.0	4.0	4.0
Maldives	4.8	4.5	4.1	4.0	4.0	4.0
Mauritania	4.0	4.3	4.4	5.6	4.6	3.0
Morocco	4.4	4.2	4.0	4.0	3.9	3.8
Niger	6.6	6.7	6.5	6.0	6.0	6.0
Nigeria	3.9	4.4	4.1	4.0	4.0	4.0
Oman	2.9	4.0	3.7	4.1	3.8	3.6
Pakistan	2.7	3.2	4.1	4.5	4.5	4.5
Qatar	2.9	6.1	7.8	3.5	1.6	3.4
Saudi Arabia	4.0	4.5	3.6	3.3	3.3	3.3
Senegal	6.0	3.3	3.3	3.8	4.1	4.6
Sudan	3.2	9.5	14.9	9.3	6.5	5.5
Tajikistan	7.5	5.5	4.8	4.5	4.5	4.5
Tunisia	2.5	2.1	1.6	1.4	1.4	1.4
Türkiye	3.5	4.2	4.1	3.8	3.8	3.8
Turkmenistan	2.3	2.3	2.3	2.3	2.3	2.3
United Arab Emirates	4.8	5.0	4.7	4.4	4.3	3.9
Uzbekistan	6.8	6.0	5.7	5.7	5.7	5.7
Yemen	-1.5	N.A	6.0	5.5	5.0	5.0

Source: World Bank Global Economic Perspectives, January 2026

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10th World Islamic Economics & Finance Conference 2027 (WIEFC 2027)
23rd & 24th January 2027, Minhaj University Lahore, Pakistan
https://submit.confbay.com/conf/wiefc2027

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