ISLAMIC LAW AND FINANCE
Religion, Risk, and Return

by
Frank E. Vogel and Samuel L. Hayes, III

KLUWER LAW INTERNATIONAL
The Hague • London • Boston
Preface xiii
Chapter 1 — Introduction 1

Part I — THE ISLAMIC LAW OF FINANCE
By Frank E. Vogel 17

Chapter 2 — Islamic Finance as the Application of Islamic Law 19
Chapter 3 — Qur'an and Sunna on Contract and Commerce 53
Chapter 4 — Islamic Laws of Usury, Risk, and Property 71
Chapter 5 — Islamic Law of Contract 97
Chapter 6 — The Law of Islamic Financial Institutions and Instruments 129

Part II — A FINANCIAL ANALYSIS OF ISLAMIC BANKING AND FINANCE By Samuel L. Hayes, III 179

Chapter 7 — Islamic Financial Instruments: A Primer 181
Chapter 8 — The Opportunity Rate of Capital and Islamic Capital Structure 201
Chapter 9 — Derivatives in Islamic Finance 219

Part III — CASE-STUDIES: ISLAMIC FINANCIAL INNOVATION 233

Chapter 10 — Innovation in Islamic Financial Products 235
Chapter 11 — Conclusion 291

Glossary 297
Bibliography 305
Index 319