

# Content

|   | <b>Page</b> |
|---|-------------|
| <b>Acknowledgement</b>  |             |
| <b>Abstract</b>   |             |
| <b>Introduction</b>   | 1-2         |
| <b>Chapter 1 Problems With Current Financial System</b>                         |             |
| 1.1 The current conventional credit/debt predominated financial system.         | 3-4         |
| 1.2 The myth of interest-problems to the monetary authority                     | 4-5         |
| 1.3 Causes of prefixing the return of the capital                               | 5-6         |
| 1.4 Paper money the very root of the problems                                   | 7-10        |
| <b>Chapter 2 Islamic Financial System</b>                                       |             |
| 2.1. The Islamic financial system-Definition                                    | 10-14       |
| 2.2. Principles of an Islamic financial system                                  | 15-16       |
| 2.3. Market trends  | 17-20       |
| 2.4. Issues and challenges  | 20-22       |
| 2.5. Future directions  | 22-23       |
| <b>Chapter 3 Islamic Financial Instruments</b>                                  |             |
| 3.1. Equity based financial instruments   | 24-26       |
| 3.2. Rent and leasing based financial instruments                               | 26          |
| 3.3. Sales based financial instruments  | 26-27       |
| 3.4. Debt based financial instruments   | 27-34       |
| 3.5. Loan based instrument  | 34          |
| <b>Chapter 4 Islamic Financial instruments Practiced In Different Economies</b> |             |
| 4.1. Islamic countries : Pakistan   | 34-37       |
| 4.2. NIES : Malaysia  | 37-40       |
| 4.3. Developing countries: the Philippines.                                     | 40-41       |

## **Chapter 5 The Economic And Financial Environment Of China**

|  |       |
|--|-------|
| 5.1. The macroeconomic outlook               | 42-44 |
| 5.2. The financial market framework.         | 45-46 |
| 5.3. Problems in banking industries of China | 46-48 |
| 5.4. China's capital market                  | 48-50 |
| 5.5. Corporate governance                    | 50-53 |

## **Chapter 6 Attempt of Islamic Banking And Financial Instruments In China**

|   |       |
|---|-------|
| 6.1. Micro-environment for Islamic banking and finance in China | 53-56 |
| 6.2. The prospect market for Islamic financial products         | 56-57 |
| 6.2.1. The Economic system of Xi Dao Tang                       | 58    |
| 6.2.2. The mosque fund management                               | 58-60 |

## **Chapter 7 Practice Of Islamic Financial Instruments in China Case studies**

|   |       |
|---|-------|
| 7.1. Lin Xia Muslim Financial Company             | 61-63 |
| 7.2. Qing Hai Muslim Cultural and Economic Center | 63    |
| 7.3.  |       |

## **Chapter 8 Survey For Feasibility Of Implementing Islamic Financial Instruments In China**

|   |       |
|---|-------|
| Frequency Table 8.1 - Table 8.34 and Analysis of the Tables         | 64-81 |
| Crosstabulation Table -8.35 - Table 8.37 and Analysis of the tables | 82-83 |

## **Chapter 9 Summary And Suggestion For Future Research**

|  |       |
|--|-------|
| Summary and Suggestion for future research | 84-85 |
|--|-------|

|                   |       |
|-------------------|-------|
| <b>References</b> | 86-87 |
|-------------------|-------|

|  |       |
|--|-------|
| <b>Appendix: Law of the People's Republic of China on<br/>Commercial Banks</b> | I-XIX |
|--|-------|