Foreword

It is usual to begin a book by explaining how it came to be written and, in the case of jointly authored works, how the authors came to form a team. The latter seems particularly pertinent, since one is an academic in Australia and the other a government official in Bahrain. In fact, the common ground was provided by the MBA programme at the University of Nottingham in 1996, although it soon became apparent that for this particular topic the roles of teacher and student might have to be reversed. It also seemed when we began to work together that we could bring a distinctive Arabic–Western perspective to a subject that is usually approached from one viewpoint alone.

In keeping with this East–West approach, we have adopted a number of stylistic conventions. First, while we have for the most part preferred to use Arabic terms, for example, ‘*ijara*’ rather than ‘leasing’, we have adopted a minimalist form when transliterating the Arabic words, doing away with most of the diacritical marks that seem baffling to most Western eyes. A glossary of Arabic words is provided. Second, we have followed Common Era datings, rather than giving dates from the Muslim calendar (AH *anno Hegirae*, ‘from the year of the *hijra*’ in 622 CE, when the Muslim calendar begins). Third, when Muslims mention the Prophet Muhammad in speech or print, they usually follow the name with an expression in Arabic which can be translated, ‘May the peace and blessings of Allah be upon him’, sometimes written as ‘pbuh’, short for ‘peace be upon him’. We use the full salutation whenever the Prophet is first mentioned in any chapter and the abbreviation ‘pbuh’ thereafter.

A word of explanation is needed about the title we have chosen. When the subject matter first began to be written about, it was common to use the terms ‘Islamic banks’ and ‘Islamic banking’. Nowadays, it has become fashionable to talk of Islamic finance and Islamic financial institutions, reflecting in part the shift – evident in Western markets as well as Islamic ones – away from what used to be banking activities to financing activities more generally previously carried out by investment banks and assorted non-banking intermediaries. Nevertheless, so long as this wider agenda is recognised, we prefer the simplicity of the original terms.

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