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ESTABLISHMENT OF ISLAMIC BANKS IN UZBEKISTAN

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Abstract. This article examines the legal and theoretical foundations for the establishment of Islamic banks in Uzbekistan. It analyzes the distinctive features of Islamic banking compared with conventional banking and discusses various Shariah-compliant financial instruments, including Mudarabah, Murabaha, Ijarah, diminishing partnership, and guarantee mechanisms. Particular attention is paid to contemporary scholarly views regarding service fees, binding promises, and guarantees. The article also highlights the importance of introducing Islamic banking activities in accordance with international standards and Shariah principles.

Key words. Islamic banking, Islamic finance, Mudarabah, Murabaha, Ijarah, Riba, Shariah-compliant finance.

СОЗДАНИЕ ИСЛАМСКИХ БАНКОВ В УЗБЕКИСТАНЕ

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Аннотация. В данной статье рассматриваются правовые и теоретические основы создания исламских банков в Узбекистане. Анализируются отличительные особенности исламского банкинга по сравнению с традиционной банковской системой, а также исследуются различные финансовые инструменты, соответствующие нормам шариата, включая мудараба, мурабаха, иджара, уменьшающееся партнерство и механизмы гарантий. Особое внимание уделяется современным взглядам исламских ученых на вопросы сервисных сборов, обязательных обещаний и гарантий. В статье также подчеркивается важность внедрения исламской банковской деятельности в соответствии с международными стандартами и принципами шариата.

Ключевые слова. исламский банкинг, исламские финансы, мудараба, мурабаха, иджара, риба, шариатские финансовые инструменты.

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ЎЗБЕКИСТОНДА ИСЛОМИЙ БАНКЛАРНИ ТАШКИЛ ЭТИШ

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Аннотация. Ушбу мақолада Ўзбекистонда исломий банкларни ташкил этишнинг ҳуқуқий ва назарий асослари кўриб чиқилган. Унда исломий банк тизимининг анъанавий банк тизимидан фарқли жиҳатлари таҳлил қилиниб, музораба, муробаҳа, ижара, камайиб борувчи шерикчилик ҳамда кафолат механизмлари каби шариат талабларига мос молиявий инструментлар ўрганилган. Шунингдек, хизмат ҳақи, мажбурий ваъдалар ва кафилликка оид замонавий уламоларнинг қарашларига алоҳида эътибор қаратилган. Мақолада исломий банк фаолиятини халқаро стандартлар ва шариат тамойиллари асосида жорий этишнинг аҳамияти ҳам ёритилган.

Калит сўзлар: исломий банк, исломий молия, музораба, муробаҳа, ижара, рибо, шариатга мос молия.

Introduction

A significant step toward the development of the Islamic financial system in Uzbekistan was taken with the adoption of the Law "On Amendments and Additions to Certain Legislative Acts of the Republic of Uzbekistan Concerning the Introduction of Islamic Banking Activities," which was approved on March 27, 2026. The law was developed by the Central Bank of the Republic of Uzbekistan with the participation of domestic and foreign experts in accordance with international standards.

At the same time, a separate license for conducting Islamic banking activities was introduced, and clear requirements for obtaining such a license were established. In addition, a list of Islamic financial operations that may be carried out by banks possessing such licenses was formulated.

Conventional banks are institutions that traditionally borrow funds from various sources and provide loans to commercial organizations, manufacturing enterprises, and other sectors using their own resources. Banks act as intermediaries between lenders and borrowers. In order to lend money to one party, they first obtain funds from another party. In other words, banks are traders of credit. They are established to perform operations related to borrowing, lending, profit generation, currency exchange, money transfers, guarantees, charging rental fees for safe deposit services, and other banking transactions.

An Islamic bank is a financial institution that conducts banking operations in accordance with Islamic principles and avoids involvement in riba (interest). Such banks raise funds through Mudarabah arrangements and provide financing to others through Shariah-compliant instruments such as Mudarabah, Murabaha, Ijarah, and other Islamic financial transactions.

Some Islamic banks have introduced service fees for lending and borrowing activities. If these fees are calculated as a certain percentage of the loan amount or are determined based on the duration of the loan, then although they are referred to as service charges, they are, in essence, considered profits derived from riba.

Therefore, such forms of service charges are not permissible. However, if the service fee charged by a bank is intended to compensate for the actual administrative efforts and practical difficulties associated with processing the loan transaction, then such charges are considered permissible.

Some scholars argue that even this type of service fee may involve elements of doubt concerning riba.

At the same time, service fees also have an economic dimension. They are closely related to capital, which occupies a unique position and should not be underestimated. Otherwise, banks may lose their financial incentives. Furthermore, the central bank may be deprived of an appropriate instrument for effective supervision. Through this instrument, banks are able to determine the nature of partners' profits. Excessive disparities between funds and profits may arise because the income of most lenders is limited, whereas borrowers often enjoy broader opportunities.

Murabaha Financing and Binding Promises

Some individuals occasionally request Islamic banks to purchase certain commodities on their behalf. The bank promises to acquire the requested goods, and after purchasing them, the customer undertakes to buy the commodity from the bank. Subsequently, the bank purchases the goods in cash and sells them to the customer at a higher price on a deferred payment basis.

If such promises are not binding, contemporary Islamic jurists unanimously consider this arrangement permissible. However, when the promise becomes legally binding, some contemporary scholars prohibit such transactions, arguing that a binding promise effectively assumes the status of a contract.

The differences of opinion among contemporary jurists concern promises that are not inherently prohibited. In other words, such promises belong to the category in which breach is permissible. However, disagreement arises when promises are transferred from charitable transactions to commercial transactions, since promises made in commercial dealings may effectively replace contractual agreements.

In Islamic banking, profit-sharing arrangements involving the party ordering the purchase have been regarded as impermissible by some scholars because they involve the sale of something that is not yet owned by the seller. In essence, promises are being substituted for contracts, and contracts are being treated as promises. Some jurists maintain that if the promise is not binding, such contracts are permissible, whereas others argue that they remain permissible even when the promise is binding.

Those scholars who prohibit binding promises argue that whenever a contract itself is prohibited, a binding promise related to it is likewise prohibited, since a binding promise closely resembles a contractual obligation.

Leasing transactions that ultimately result in the transfer of ownership, commonly referred to as lease-to-own arrangements, involve leases that eventually conclude with a sale. Such transactions are valid only in relation to assets capable of being leased, such as durable goods and fixed assets.

Merchants often prefer lease-based transactions to installment sales because ownership rights remain with the seller until the buyer fully settles the outstanding obligations. If the buyer fails to fulfill these obligations, the seller may reclaim the asset. Ijarah financing closely resembles leasing transactions and incorporates elements of lease agreements. However, in this arrangement, the lessor initially acquires the asset, subsequently leases it to the customer, and finally transfers ownership through a sale.

Therefore, this arrangement initially involves a promise to purchase, followed by a promise to lease and, ultimately, a promise to sell. If these promises are not binding, such contracts are considered permissible. However, if the promises are binding, some scholars do not permit these agreements, arguing that they involve the sale of something that has not yet been acquired or owned.

In some cases, a bank becomes a partner with one of its clients in real estate ownership. The client periodically transfers predetermined amounts to the bank, while the bank gradually reduces its ownership share and transfers it to the client. Eventually, the entire ownership of the property is transferred to the customer. This arrangement is known as diminishing partnership.

Some contemporary scholars approve of this type of partnership, whereas others reject it, arguing that the transfer of ownership rights should be based on market value rather than nominal value. Although this arrangement appears to be a partnership, its underlying purpose is essentially financing.

Guarantees and Guarantee Letters

In Islamic law, guarantees are regarded as acts of charity, benevolence, and mutual assistance, similar to loans. Just as a lender is encouraged to provide funds without seeking profit or compensation, it is preferable for a guarantor not to receive remuneration in exchange for his reputation or guarantee.

If a guarantor receives compensation for providing a guarantee and subsequently fulfills the debt obligation because the borrower fails to repay the loan, the transaction may involve elements of riba. However, if the guarantor incurs actual expenses related to transferring funds, safeguarding them, or performing administrative procedures, it is permissible for him to recover only those actual costs.

Nevertheless, if the guarantor receives an amount exceeding the expenses incurred, such remuneration is considered an impermissible fee associated with guarantees.

The Islamic Fiqh Academy in Jeddah issued a resolution concerning guarantee letters. The resolution distinguishes between a simple guarantee and a guarantee accompanied by an undertaking to make payment. In the first case, the relationship between the applicant and the guarantor is limited solely to the guarantee itself. In the second case, where the guarantee letter includes both a guarantee and a promise of payment, an agency relationship is also established.

Since charging remuneration for agency services is permissible, compensation may be received for such agency activities. In both situations, however, the recovery of administrative and operational expenses is considered permissible.

Conclusion

The introduction of Islamic banking in Uzbekistan has created a legal foundation for the implementation of Islamic financial activities in accordance with international standards and Shariah principles. Unlike conventional banks, Islamic banks conduct their operations without involving riba and employ Shariah-compliant instruments such as Mudarabah, Murabaha, Ijarah, diminishing partnership, and guarantees.

At the same time, a number of Islamic financial practices, including service fees, binding promises, lease-to-own transactions, partnership arrangements, and guarantees, remain subjects of scholarly debate among contemporary jurists. These differences of opinion reflect the dynamic nature of Islamic jurisprudence and its continuous efforts to address modern financial issues.

Therefore, the establishment of Islamic banks in Uzbekistan is of considerable importance for the development of Shariah-compliant financial services and the diversification of banking activities.

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