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Abstract The case of South East Bank Europe (SEBE) is a classic example of a company that has been successful in its market. The company has a strong track record of growth and profitability. The case is a good example of a company that has been successful in its market. The company has a strong track record of growth and profitability. The case is a good example of a company that has been successful in its market. The company has a strong track record of growth and profitability.

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Conclusion The case of South East Bank Europe (SEBE) is a classic example of a company that has been successful in its market. The company has a strong track record of growth and profitability. The case is a good example of a company that has been successful in its market. The company has a strong track record of growth and profitability.

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STARTING FROM SCRATCH: CORPORATE GOVERNANCE AT SOUTH EAST BANK EUROPE

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Financial Contracts In Conventional And Islamic Financial Institutions: An Agency Theory Perspective

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Fulfilment of contracts in Islamic finance has special meaning as explained in several verses of the Holy Quran (Iqbal & Mirakhor, 2004).

“Thus contracts in Islam consist of two elements, one the material fulfilment and two the sincerity, truthfulness, and insistence on rigorous and loyal fulfilment of what he/she had consented to do.”

Contracts in conventional financial system are purely drawn and based on material information, facts and conditions, whereas the contracts in Islamic financial system are made of material and ethical components.

Asyraf (2006) examined that Islamic financial contracts are based on Shariah principles and thus have heavy reliance on an ethical dimension.

The dual components of Islamic financial contracts have an impact on relationships based on contracts, governance rules, and legal responsibilities

A Consensus-based Corporate Governance Paradigm For Islamic Banks

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CG models are created within peculiar epistemological contexts. At one end, the Anglo-American model emphasizes shareholders' interests; at the other extreme, the so-called "coordinated or multi-stakeholder models", associated with both Continental Europe and Japan and to some extent South Korea, recognizes the interests of workers, managers, suppliers, customers, and the community at large (Maasen,1999).

Based on varying property approaches, each of these CG paradigms has adopted a different legal framework; in the Anglo-American model, executive and non-executive directors are fiduciaries of shareholders, while in others the executive and non-executive directors are fiduciaries of a variety of claimants.

Since Islam places the Shariah as the sovereign governing law of all affairs of the banking corporation, we would expect the Islamic CG to share some features with the stakeholders-oriented model (Hassan,2009).

Shari'ah Corporate Governance: The Need for a Special Governance Code

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Shari'ah corporate governance is a concept that emerged in the nineteenth century after the birth of Islamic banking and Islamic finance. The expansion in the number of Shari'ah compliant companies led to the formulation of corporate governance rules which are in line with the Islamic law. It is hard to specify the person who coined the phrase Shari'ah corporate governance and there is also no specific unified Arabic phrase formulated for this (Lewis, 2005).

There is also no uniform set of shari'ah corporate governance rules in the world. Different Islamic companies operating in different parts of the world adopt different sets of rules. Some of the jurisdictions of the world like Malaysia has adopted their own shari'ah corporate governance structures.

Shari'ah corporate governance and conventional corporate governance is different because the objective of both is unique. There are many models of conventional corporate governance. However, it is wrong to generalise all the conventional corporate governance models and consider it as one. Each structure has its own attributes, signifies special corporate models and different objectives of corporation (Hassan, 2009).

Islamic Perspective of Corporate Governance (Dr. Mansor M Larbsh, 2015)

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Solomon and Solomon (2004) argued that there are substantial differences in the definitions of corporate governance according to which country considered, and the viewpoint of the policy maker, practitioner, researcher or theorist.K

Monks and Minow (2004;p9) define a corporation as:

“A mechanism established to allow different parties to contribute capital, expertise and labour for the maximum benefit of all of them. The investor gets the chance to participate in the profits of the enterprise without taking responsibility for the operations. The management gets the chance to run the company without taking the responsibility of personally providing the funds.”

There are four principles of good corporate governance in Islam, which are accountable, trustworthiness or transparency, responsibility, and fairness (Hafeez, 2013).

Consumer Criteria For The Selection Of An Islamic Bank: Evidence From Pakistan

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Al-Ajmi, Al-Saleh, and Hussain (2009) concluded that though the gratification of religious obligations might be a significant factor in the selection of a bank; other reasons are analyzed to encompass a major impact on the clientele's decisions. Quality of customer services is the most important factor; following it is friendly bank staff, and knowledgeable and competent staff. Social responsibility and convenience is also important.

Ahmad, Dent, and Rustam (2011) concluded that even though the basic concepts of Islamic banking differ from those pertaining to conventional banking, Islamic banking institutions face intense competition from Islamic banks and conventional alike.

Corporate Governance In Institutions Offering Islamic Financial Services: Issues And Options

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Institutions offering Islamic Financial Services have better Corporate Governance because the moral code of Islam induces stakeholders to behave ethically.

Nevertheless, the commitments of concerned stakeholders to Islamic religious principles cannot be taken for granted.

The important of Corporate Governance arrangements for financial institutions, arises out of the fiduciary nature of their activities and the likely asymmetry in access to information. In essence, a financial institution is a fiduciary trustee, which is entrusted with the assets of investors.