

**ISLAMIC FOUNDATIONS****Murodkhonov Mukhammad Sodiq***Student of Kokaldosh secondary special school under  
the Muslim Board of the Republic of Uzbekistan*

**Annotation:** Today, Islamic finance is one of the fastest growing industries in the world. In our country, too, there is great interest in this area from the population, entrepreneurs and financial institutions. The peculiarity of the Islamic economy is that it takes into account not only the material needs of people, but also their spiritual, spiritual and social needs, and therefore can ensure the interests of society without denying the laws of the free market, and can be allowed in the market establishes certain spiritual and moral boundaries in order to prevent waste, dishonesty, deception and injustice. This article discusses opinions and comments about Islamic foundations.

**Keywords:** Islamic fund, finance, finance, market, stock market, politics, research.

The growth of the Islamic finance sector was also supported by the launch of 95 Islamic funds by 2020, which added \$ 1.5 billion to Islamic finance-managed assets. Most of them are located in Malaysia, Indonesia, Pakistan and Saudi Arabia. By type of assets, Islamic funds performed relatively well, averaging 6.8% on average. Nearly half of Islamic capital funds achieved double-digit growth, while 19 percent reported negative growth. Commodity and sukuk funds also showed positive results, recording an average of 5.7% and 3.5%, respectively. In 2021, the Islamic asset management sector is expected to recover as many countries gradually reopen their economies. In terms of assets, insurance and Islamic pension funds had two of the best overall growth rates, averaging 10% and 11.1%, respectively. Islamic stock exchanges grew by an average of 9.5 percent during 2020. The Islamic

fund sector was worth \$ 66 billion in 2014, \$ 71 billion from 2015, and \$ 123 billion at the end of 2017. In 2018, the figure will fall to \$ 9 billion to \$ 114 billion. It will rise to \$ 146 billion in 2019 and \$ 178 billion by the end of 2020. Analysis and results By 2025, this figure is expected to rise to \$ 329 billion. Studies show that Turkey's share in the number of emissions is growing rapidly, reaching 123 in 2020 alone. A total of 36 countries around the world are issuers of sukuk, and when analyzed by region, the largest volume of sukuk is in Asia, accounting for 98%. Until 2000, only Malaysia produced sukuk in the world, while in 2010 the number of countries reached 17 and by the end of 2018, it reached 35. In 2020, the number of issuing countries increased by one as a result of the issuance of sukuk by Egypt.

The range of Islamic financial instruments in the Uzbek stock market remains limited, government participation is high and trading volume remains low. I believe that the introduction of Islamic finance instruments in order to increase the convenience of the capital market of our country for all categories of investors will contribute to the development of the industry. The nature and activities of each type of Islamic foundation are largely similar to their traditional counterparts, moreover, Islamic foundations must strictly adhere to the relevant Shariah guidelines. Funds in the joint-stock fund are invested in the shares of joint-stock companies. Profit is mainly driven by capital growth through the purchase of shares and their sale when their price increases. Profits are also obtained through dividends distributed by the respective companies.

Apparently, if the company's core business is not legally legitimate, the Islamic Fund is not allowed to buy, hold or sell its shares because it leads to the direct participation of the shareholder and is a prohibited business. Similarly, modern Sharia experts are almost unanimous in their opinion that if all the operations of a company are fully compliant with Sharia, that is, the company should not borrow for interest and keep its excess in interest. Shares can be bought, held and sold without any hindrance by Sharia. However, such companies are very rare in modern stock markets. Almost all the companies listed on the stock exchanges today are

engaged in activities that in some way violate Sharia law. While the company's core business is honest, its debt is based on interest. On the other hand, they keep their surplus money in interest accounts on the purchase of interest-bearing bonds or securities. The work of such companies has been the subject of controversy among Sharia scholars in this century. A group of Sharia experts believe that it is not permissible for a Muslim to trade in the shares of such a company, even if his main job is honest. Their main argument is that the shareholder of each company is a partner of the company, and each partner, according to Islamic jurisprudence, is a representative for other partners in matters of joint business.

In short, the purchase of a company's share is itself a permission from the shareholder to the company to conduct its activities in a manner consistent with management. If a shareholder is aware that a company is involved in an un-Islamic transaction and he still owns shares in that company, then he has allowed management to continue this un-Islamic transaction. In this case, he will not only be liable for agreeing to an agreement that is not in line with Islam, but this agreement will also rightfully belong to him, as the company's management will operate under his unconditional permission.

#### **REFERENCES:**

1. E.A. Baydaulet. "Fundamentals of Islamic Finance", "Uzbekistan" Tashkent 2019. Muhamed Zulkhibri. (2015).
2. A synthesis of theoretical and empirical research on sukuk. *Borsa Istanbul Review* Volume 15, Issue 4, 237-248.
3. Abrorov Sirojiddin. The importance of sukuk in the development of the economy: as an example of its impact on the income of the Malaysian population. *IIFM*. (2021).
4. *IIFM Annual Sukuk Report*. Kuala Lumpur, Malaysia: International Islamic Financial Market IIFM. (2021).