

Conventional and Islamic Securitization (Comparative Study)

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Abstract

The research aimed to demonstrate the concept of debt securitization, and the difference between conventional securitization and Islamic securitization, and the position of Islamic law of debt securitization. And there will be illustration of economic and accounting effects of applying it, and the relation between debt securitization and occurrence of current international financial crisis.

The research concluded that Islamic law doesn't permit the monetary debt securitization (conventional securitization), and it permits commodity debt securitization within Islamic basis. And it demonstrated that conventional securitization involved in burn of current international financial crisis.

Keywords: Debt Securitization, Conventional Securitization, Islamic Securitization, Financial crisis.