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**From Shariah-compliant to Shariah-based:
A real issue for the EU markets**

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Summary

Convincing the European public of the soundness of Islamic finance as a truly alternative, ethical and viable financing proposition necessitates:

- **equity financing as required by Shariah**
- the implementation of *maslahah mursalah* principles and the Environmental, Social and Corporate governance (ESG)
- independent benchmarking

Equity financing as required by Shariah

- there is nothing called a guarantee in Shariah
- a drawn-out identity crises and criticism of rebranding that shows up in:
 - Private Equity
 - Venture capital
 - Microfinance
 - Sukuk

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The implementation of *maslahah mursalah* principles and ESG

- the need of a more comprehensive stakeholder approach and defined developmental model
- the Equator Principles and the UN Principles for Responsible Investment: a mutual benefit relationship
- Socially Responsible Investing and *maslahah mursalah*
- active ownership model espoused by ICGN and UNPRI

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- **independent benchmarking**

Independent benchmarking

- rating as a tool to reach investors around the world
- the need to develop a unique Islamic benchmark

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