

## Islamic Banking: A New Trend towards the Development of Banking Law

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**Abstract :** Undoubtedly, the focus of the present capitalist system of finance has shifted from the concept of productivity of money to the 'cult of money', which is characterized by such notions as speculative activity, squander, self-profit, vested interest, etc. The author is certain that a civilized society cannot follow this economic path any longer and therefore suggests that one solution would be to integrate the Islamic financial model in the banking sector of the EU to overcome its economic vulnerability and structurally transform its economies or build resilience against shocks and crisis. The researcher analyses the Islamic financial model, which is providing the basis for the concept of non-productivity of money, and proposes to consider it as a new paradigm of economic thinking. The author argues that it seeks to establish a broad-based economic well-being with an optimum rate of economic growth, socio-economic justice, equitable distribution of income and wealth. Furthermore, the author analyses and proposes to use the experience of member states of the Islamic Development Bank for the formation of a new EU interest free banking. It is offered to create within the EU banking system a credit sector and investment sector respectively. As a part of the latter, it is recommended to separate investment banks specializing in speculative investments and non-speculative investment banks. Meanwhile, understanding of the idea of Islamic banking exclusively from the perspective of the manner of yielding profit that differs from credit banking, without considering the legal, social, ethical guidelines of Islam impedes to value objectively the advantages of this type of financial activities at the non-Islamic jurisdictions. However, the author comes to the conclusion the imperative of justice and virtue, which is inherent to all of us, exists regardless of religion. The author concludes that the global community should adopt the experience of the Muslim countries and focus on the Islamic banking model.

**Keywords :** credit sector, EU banking system, investment sector, Islamic banking

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