



## Islamic court would be needed for rulings on Sharia finance

*Cory Bernardi*

**The political correctness (PC) police must be reeling. After months of personal attacks on me for daring to state my security concerns about the burqa, one of the left's political pin-ups, US Secretary of State Hillary Clinton, has stated that banning the burqa has merit.**

Now Ms Clinton and I probably don't agree on that much but somehow I feel that the journalists and taxpayer-funded radio commentators won't be launching the same salvo against her as they did me.

Not that I care too much for what these self-styled opinion-makers write. Their track record of accurately reflecting community concerns is less than stellar.

I faced another attack by the PC police this week for daring to question why we would be amending our laws and regulations to facilitate the introduction of Sharia law for financial products.

**Sharia finance is a method of conducting financial transactions so they comply with Islamic religious law. It features a number of key elements including the prohibition of interest and a requirement that a percentage of each transaction is given to an Islamic charity.**

My position has been that if people want to enter into such contracts they can do so, as long as they comply with our existing legal and regulatory framework.

However, the government has appointed a task force that is investigating ways in which our laws can be changed to facilitate Sharia finance contracts. Their representative maintains that they are not proposing to introduce any new laws but simply to 'tinker' with the existing ones!

This claim is not supported by documentation produced by the advocates for Sharia finance which was launched by the then minister Nick Sherry.

The booklet *Demystifying Islamic Finance* states that Islamic finance "requires alignment with and support from the whole legal and regulatory framework."

"This means, while it is important for the banking and financial laws of a country to recognise and accommodate Islamic finance, for example, through a specific legislation, this is far from sufficient in ensuring that the Islamic financial contracts will be effectively enforceable."

The booklet continues to detail that "at the minimum" tax laws, property laws, insolvency laws and securities laws will all require changes to accommodate Islamic finance. There would also need to be negotiation of our international agreements determining reciprocal enforcement of foreign judgements for international transactions.

Hardly a 'tinkering' as the government representatives would suggest.

Sharia finance would also give rise to a compliance body that would determine if the source of funds, transaction and terms comply with Islamic law. This is effectively an Islamic court that would operate alongside our existing legal system.

There are many other issues surrounding Sharia finance that many public commentators are seemingly unaware of, yet should concern many Australians.

The fact that there is an apparent inability to raise these legitimate concerns in public without being attacked by the PC police suggests there is another issue we should be concerned about – freedom of speech.

Cory Bernardi is a South Australian Liberal senator. His columns and essays are available at his website.

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Even a Liberal Senator can occasionally come up with something that makes sense!