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Islamic banking system and Islamic finance

In the last years the Italian legislation did not make any changes in order to start initiatives of Islamic bank in our country, although in the past the Italian banking environment has had an interest in this sector.

The Italian banking regulation has changed, going from an Italian origin to a predominantly European. It would be important to promote regulatory initiatives at European level to achieve a common framework on the operation of banks and on Islamic finance and then incorporate it into national legislation.

The plan of the new European Commission provides a long-term investments plan (mainly in European infrastructure) that requires adequate financial sources. This could be one of the incentives to locate suitable regulations to launch financing plans which involve subjects of Islamic nature, as well as the creation of a Capital Market Union (planned by the European Commission) to make uniform the capital market.

For tools of Islamic nature is important to create operations that have an underlying real nature. The real assets must be transferred to a vehicle and these transfers are subjected in our country, according to the good stamp duties or value added tax. In Islamic finance is also not allowed the interest, but we talk about participation in the operation, showing how the instrument of Islamic nature are atypical instruments in the current configuration of our regime. It is necessary, therefore, to change the tax legislation so as not to make the instruments of Islamic finance is not advantageous for those who use them.