

Implementing an Islamic banking system in Switzerland: Possible benefits and challenges

Bachelor's Thesis

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Abstract

Islamic banking is a rapidly growing alternative to conventional banking. So far this particular way of banking is concentrated in the Gulf region and in South East Asia. In Europe only a few finance centres, such as London and Luxembourg, provide Islamic finance. This thesis investigates the necessary accommodations in order to establish Switzerland as an Islamic finance centre. It focuses on the interaction of an Islamic bank with the Swiss authorities, the national bank, other (conventional) banks and potential clients. The thesis concludes that Switzerland needs to initiate the accommodations to ensure that it will not lag behind in the future. Additionally it suggests that Switzerland should enhance the adaption of existing frameworks in order to better serve Islamic banking peculiarities. This would be favourable for Islamic banks as well as for the country itself.