

SHORT-SELLING REPLICATION IN ISLAMIC FINANCE: INNOVATION AND DEBATE IN MALAYSIA AND BEYOND

Ryan Calder^{1,2}

Introduction

The short-selling of stocks has long been considered impossible in Islamic finance. This chapter begins by reviewing why. It then moves on to the search to develop Islamic alternatives to conventional short-selling. Several systems have recently come on the market that aim to replicate short-selling in Shariah-compliant ways. This includes one being developed by Bursa Malaysia and the Malaysia Securities

¹ Please address correspondence to Ryan Calder at rcalder@berkeley.edu.

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