

An Empirical Review of Franchising in Islamic Economics

*Ghulam Mustafa

**Ihsan ur Rahman Ghauri

Abstract

This article gives an experimental evaluation of different office theoretic clarifications for diversifying, including hazard sharing, uneven good danger, two-sided moral risk, legal person and limited liability. The experimental models utilize intermediaries for elements, for example, chance, moral danger, and franchisors' requirement for cash-flow to clarify both franchisors' choices about the terms of their agreements (eminence rates and up-front franchise charges) and the degree to which they utilize diversifying. In this article, I misuse a few new wellsprings of information on diversifying to develop a cross area of 548 franchisors engaged with different business exercises in the United States in 1986. The information are most predictable with a model in light of two-sided moral risk. The exact models are likewise more effective at disclosing the degree to which franchisors establishment stores than at clarifying the terms of franchise contracts. At last, as opposed to the expectations of a few hypothetical models, I find that eminence rates and establishment charges are not adversely related. In the dialect of law, the significance of `Liability` is considered as `the responsibility` of a man for others particularly in the circumstance of misfortune whose reason is carelessness or will-full, deliberate or uncontrollable decimation of a property that is kept or held in the ownership of any individual. Along these lines, at this place, it is important to think about the significance of, "Restricted Liability." To get the significance of Limited Liability, we ought to acquaint ourselves with the importance and idea of ``Separate Legal Entity`` (Separate Legal Personality), on the grounds that it is exceptionally essential and hard to fathom the significance and hidden definition and idea of the `` Limited Liability`` on the stage of Islamic Law. It is actuality that both the words are gotten from the underlying foundations of the ``Western Jurisprudence`` and improved, created and prospered in the time of eighteenth century.

Keywords:

Introduction:

In Islamic law, or FIQH (comprehension of law) is generally affected by the impact of current companies by virtue of their noteworthy and real part on the planet. In the field of our "Established FIQH Literature" a wide range of these ideas and thought were obscure for the general population and any sort of pursuit was not done on this anticipate. In any case, regardless of this, these are the requests of the time particularly legitimate requests are there each time that new considerations and ideas of such sorts ought to be looked and inspected in detail in the light and instructing of Sariah. So we can without much of a stretch finish up and take some choice whether the ideas of such sort are avowing with the preparatory and essential guidelines and standards of Islamic Sariah Law or not. Presently keeping in see, the legitimate needs and its ideas, there are two gatherings who had their feeling on various sides.

*Ph.D Scholar, University of the Punjab, Lahore.

**Institute of Islamic Studies, University of the Punjab, Lahore.

One gathering says that the idea and idea of "Restricted Liabilities" have their esteem and exists in Islam.¹

This gathering additionally gives a few cases, for example, Waqf, Bait-ul-Mall, Bequest and Abd al mazoon. Despite what might be expected, other gathering says that these ideas are not perceived in Islam and for the legitimization of their reasoning or thought and they additionally deal with a few contentions against the assessment of first gathering and their cases. In this area, I might attempt my best to clarify in detail the sentiment and ideas of the gathering who does not acknowledges and perceives the truth of Limited Liability in Islamic Law and I should likewise endeavor to gather the contentions for the foundation of my case. Along these lines, there is a Qur'anic verse that in light of Ijma and this verse is imperative and extremely worried to current issues and subjects that are under discourse now.

In this way, ALLAH Almighty says in the Holy Quran:

"Verily, Maut (demise) does not pardon the indebted person from obligation. It is thus that the obligation will be requested from him in the Akhirah" ²

Presently based on this verse, the talk will continue with the theme and delve into the points of interest of the Legal requests, ideas of the time and contrasts of the sentiment of the distinctive of gatherings.

Review of the Books:

Truly I have counseled many books yet honestly I have additionally perused many books and many articles about this subject to get the reasonable outcome and picture on the idea said above. Be that as it may, sadly, I was not prevailing to get firm hang on such appropriate book which can give me a legitimate answer so I might have the capacity to compose an exploration paper on this subject. The principle and essential reason is that all the material is in Arabic. In any case, regardless of these substances, a portion of the books can be viewed as vital to some degree. That takes after:

An Introduction to Islāmic Finance:

This book is critical about the issues of back and is composed by Mufti Taqi Usmani in the year 2007. He is working in the banks now-a-days as Shariah Advisor. He is likewise working effectively and tenaciously to acquire the arrangements of the issues the banks as indicated by the Islamic Jurist Prudence and Islamic Law. In this book, he has talked about and specified numerous subjects similarly as Musharaka, Mudaraba, IJĀRAH and so on. He has likewise talked about and contended the thought and idea of Limited Liability particularly in an entire section. In this book, he has additionally given and dealt with the case of Waqf, Bait-ul-Mall and so forth to legitimize and to fortify of his case that such sorts of thoughts and ideas were at that point acknowledged and perceived in the educating to Islamic Law. Be that as it may, nonetheless, an immediate proof can't be follow out on it. He gives a few cases to demonstrate his cases and reasons that after the perusing and inspecting such sorts of cases this reality is turned out that the

¹ Easterbrook, Frank H., and Daniel R. Fischel. "Limited liability and the corporation." *The University of Chicago Law Review* 52, no. 1 (1985): 89-117.

² Khan, Al-Hilali, and Muhammad Taqi-ud-Din. *The Noble Quran*. Muslim directory, 2000.

Limited Liability in lessons of Islamic Law was acknowledged and perceived by the gathering of established Jurist.³

Islāmic Law of Business Organization: Partnerships:

This book is imperative and acclaimed about the issues of organizations in business. This book is likewise composed by the unmistakable and extremely popular essayist and scholarly whose name is Imran Ehsan Khan Nyazee in 1997. This was the principal book of its own kind which has overseen and given and a lot of data concerning the association in the lessons of Islam. He has likewise said and talked about many kinds of organization that are practiced and executed in Islam. After this exchange, he has likewise said the feelings and ideas of various researchers of the distinctive schools of contemplations, concerning the issues and issues that are associated with method for organization. Toward the finish of this book he has examined in detail the Islamic Forms and kinds of associations for the Modern World. In this book, the writer likewise endeavors and battles to recognize some critical issues of contemporary worried as consolidate law and furthermore back with uncommon reference to Pakistan. The principle issues those are featured in this book are, "Islāmization of the cutting edge business promotion enterprise" and issues worried to organization simply like the subject of lawful or imaginary identity with the end goal of association and for the Limited Partnership in which at some point one or at some point more accomplices can have constrained risk when they sharing the benefit of the organization business.⁴

Problems and Issues:

- Whether the Islāmic law acknowledges and perceives the esteem and of the idea of a Limited Liability?
- Is there any connection or connection between "Isolate Legal Personality" and "Restricted Liability"?
- Whether the case of "WAQF" given by the advocate truly demonstrates that the idea of Limited Liability truly exists?
- Whether the case of "Trap ul-Mall" additionally demonstrates the "Constrained LIABILITY" idea?
- Whether the case of "Legacy" under obligation additionally demonstrates this idea?
- What is the truth of case of AL Mazoon given by the defender?⁵

Analysis of the Problems and Issues:

Presently we should attempt to expand and clarify every one of these issues and issues one by one in profound detail with the goal that we can comprehend the truth and actuality of this idea.

- Whether the Islamic law acknowledges and perceives the esteem and idea of a Limited Liability?

³ Tubastuvi, Naelati. "The Role of Profit-and-Loss Sharing Contracts in Strengthening Financing Access of Small Medium Enterprise's (SME's): The Case of Indonesia." *Advanced Science Letters* 24, no. 1 (2018): 129-132.

⁴ Nyazee, Imran Ahsan Khan. *Islamic Law of Business Organization Partnerships*. International Institute of Islamic Thought (IIIT), 2002.

⁵ Broome, Lissa Lamkin. "Redistributing Bank Insolvency Risks: Challenges to Limited Liability in the Bank Holding Company Structure." *UC Davis L. Rev.* 26 (1992): 935.

On the plate type of Islamic law, the risk of a free (Azad) Muslim is boundless. Then again, if a Muslim is under the weight of obligation and the measure of this obligation is so greater and extensive that he can't pay it effortlessly, than the lenders have the full ideal to keep up a full claim of all the cash by taking without end a wide range of his property in which house is excluded and aside from the house or where he lives, the leaser has this directly finished a wide range of his effects even on warm garments. In Islamic law, the installment of such obligation is considered and thought as a holy obligation and commitment. When Holy Prophet (P.B.U.H) of Islam declined unmitigatedly to offer the memorial service petition of a man that was under the weight of obligation, yet at the scratch of time one of his buddy turned out and assume the liability of paying the obligation of the perished buddy. And after that soon after paying the obligation the Holy Prophet (P.B.U.H) was prepared to offer the memorial service petition. There is another Hadith about this issue "The best sin after the significant sin disallowed by ALLAH Almighty, with which the worker of ALLAH will meet is that a man kicks the bucket saddled with death for which he had not left the advantages for pay for." The hypothesis and idea of pardon of obligation which speaks to this kind of thought of Limited risk is totally wrong under the sort of this theory when a person or a man becomes insolvent then the creditors have completed right over all his property except residence and, furthermore, even if the persons property does not satisfy the total and complete claim of creditors, he is free from these liabilities. Later on, he can also start again and make fool but not more people, but Islam is not such type of religion that recognizes and accepts this thought and idea and also declares it as alien concept that is forcefully incorporated in whole system of Islamic legal system and laws.⁶

- Is there any link or relation between "Separate Legal Personality" and "Limited Liability"?

All the modern jurist and scholars who give favors to the idea of separate legal personality, they discuss and contend to clarify it that these two concepts are strongly connected or we can say on the other hand that these concepts are two faces of same coin when we disprove one concept the result will automatically be in denial and refusal of the other thought and concept. According to the famous scholar who says that the Limited liability is the logical consequence, if we accept and recognize the idea and concept of separate legal personality. We can say that the western scholars are proponent of this concept just to protect the stake of investors, and they have invented the idea of separate legal personality. So, in the light of discussion managed above, I can say with full confidence that if we destroy the foundations and pillars, the building will automatically collapse. It is clear that if we rebut the concept of separate legal personality in the light and on the platform of Shariah then there remains no possibilities and chances to accept and recognize the limited liability concept.⁷

- Whether the example of "WAQF" given by the proponent really shows that the concept of Limited Liability really exists?

People, who are in favor of this concept, furnish the example of Waqf. They say that Waqf is legal and religious institution where a person dedicates and hands over some

⁶ Innes, Robert D. "Limited liability and incentive contracting with ex-ante action choices." *Journal of economic theory* 52, no. 1 (1990): 45-67.

⁷ Pickering, Murray A. "The company as a separate legal entity." *The Modern Law Review* 31, no. 5 (1968): 481-511.

of his properties for a religious purpose or for charitable object. When a person declared his property as Waqf, no longer it remains in the ownership of the dedicator or donor. All the beneficiaries of a Waqf can benefit themselves from the corpus and proceed after dedicated property, but really, they are not the owner of this property. Its ownership vests in ALLAH Almighty alone. After the discussion of the example of Waqf the scholars reaffirm and asserts that the property of Waqf is treated and dealt as the legal entity very same like a natural person. They further say when a property is bought with the income of Waqf it does not come under the part of the Waqf because this property is owned by Waqf. Now the reality is this that a person should be existed who is called "Waaqif", because he is the person who dedicates and hands over his income and property and also gives this permission and direction according to that the income of Waqf shall be used. As far the Shariah law is concerned, it is very simple and clear on this issue and it says the property that is purchased with the money and income of the Waqf is not considered to become Waqf itself rather it becomes the part of the Waqf that will be used and run according to the directions of the Waaqif. Now the very important question arises in the mind that if the Waqf has separate position and condition than that who is the owner of it now it is already explained that ALLAH is the real owner of this institution and ALLAH is not some factious thing. In fact, the only reality in this world is ALLAH. There are some concepts and statements of Fuqaha' with the assistance of those we can without much of a stretch comprehend the importance of responsibility for. "Abu Yousaf and Muhammad said that Waqf in the Shariah is the maintenance of a question (or property) in its lawful class being in the responsibility for TA'LA such that the advantage (of the Waqf resource) achieves the hirelings (of ALLAH). Therefore, the responsibility for Waqf ends and goes to ALLAH TA' LA. It is accordingly total. It can't be sold, nor pawned nor acquired, the (Waqf) property is the Haq of ALLAH TA' LA." Now from every one of the announcements specified above it can without much of a stretch be understood that ALLAH is the sole proprietor of this Waqf property and the human demonstration and assume a part as a watchman over this property so the pay can be in a legitimate and most ideal way. Presently on the off chance that we look at and explore the Waqf with point of view that it likewise has restricted risk than it will again not be right in light of the fact that the Waqf property which is viewed as an unmistakable resource, yet not a bit of paper, does not have investor from whom it has obtained cash which constitutes its capital. Then again, neither its loan bosses who could frustrate by some constrained obligation rule. Presently it is clear if the chief of the Waqf gets or take some obligation from other individual for up- keeping of the Waqf property than the leaser isn't halted or confined under the cloak of restricted risk, yet rather the proprietor has allowed the banks that they can recoup their obligation from the pay of Waqf. Presently from the nitty gritty dialog oversaw above it is effectively comprehended that the case of Waqf isn't a proof that it has constrained obligation.⁸

- Whether the case of "Bait al-Mall" additionally demonstrates that "Restricted LIABILITY" idea?

Second illustration has been given in this field by the general population who accept and contend that such thought and idea does exist and has its esteem that is called Bait-ul-Mall. This legitimate foundation (Bait-al-Mall) is likewise considered as a state

⁸ Ibrahim, Nasir. "The sadir al-fuqaha' wa-l-fuqara' Endowment (salah al-din al-Ayyubi) in Alexandria during the Eighteenth Century1." *Held in Trust: Waqf in the Islamic World* (2011): 73.

treasury. Here treasury imply that there are such a large number of valets and boxes that the administration utilizes it as a store for keeping different or distinctive sorts of its reserve that is utilized for the welfare of the state as consumption. It is considered and expected by the cutting edge kind of researcher that a wide range of natives have their rights the Bait-al-Mall, yet nobody of them can state or claim that it is his possession. Starting here of recommendation, the researcher gives the contention that the Bait-al-Mall additionally appreciate the lawful substance all things considered it is totally and thoroughly wrong since Muslims Caliph works and demonstrations of the watchman of the Bait-al-Mall and spend and expends this reserve as per the rule and request of ALLAH ALMIGHTY. There are diverse subsidizes in the Bait-al-Mall which will be broadened and extended in various and different courses, however then again if the assets are devoured or utilized incorrectly or in the state of deceitfully then no one can sue the Caliph. In any case, despite this the individual and each individual can practice the privilege to go in the court and actualize and implement the heading the cash and subsidizes of the Bait-al-Mall ought to be expended in the best possible and right way. This is likewise a reality on the opposite side, if the Caliph is utilizing the store from the Bait-al-Mall badly or utilizes for individual advantage in this circumstance he isn't free and far from the standards and laws and he can be sued direly in the court without come up short. This is the influence of Bait-al-Mall that it can take and get the solitary from other individual when the cash and level of the reserve is going moderate in valets and boxes, now in this circumstance the leasers keep the privilege to recuperate and get their cash from Bait-al-Mall or from the side of government they can likewise store their interest for this.⁹

- Whether the case of "Legacy" under obligation likewise demonstrates this idea?

Right when this delineation is given an analyst of Pakistan depicts that, "according to the Jurist this property is neither asserted by the terminated, in light of the fact that he isn't any more alive, nor is it controlled by his recipients, for the commitments on the died have an exceptional specifically completed the property when appeared differently in relation to the benefits of the recipients. It isn't controlled by the advance managers, in light of the way that the settlement has not yet happened. Being property of nobody, it has it on nearness and it can be named a honest to goodness substance. The recipients of the died or his allotted operator nurture the property as boss, in any case they are not the proprietor." Now the conclusion on this purpose of the researcher is this that it is thoroughly wrong and just the part which called adjust is that piece of the announcement "The beneficiaries of the expired or his named agent will take care of the property as supervisors." But in the event that we talk about the position of the responsibility for individual and his property there are two perspectives and suppositions. To start with conclusion "The bequest after death, before division, stays in the "hukm" of the property of the "Murith" (the expired from home the beneficiaries acquire)." And then again, the other assessment is this that the responsibility for beneficiaries is built up and overseen and furthermore affirmed and advanced. All the while with the demise of the Murith. The wording and the announcement of the Faqih is the accompanying, "the privilege of the beneficiaries is affirmed in the advantages of the Murith from the

⁹ Shaikh, Babar Tasneem, Arslan Mazhar, Shahzad Ali Khan, and Assad Hafeez. "Social Protection Strategies and Health Financing to Safeguard Reproductive Health for the Poor: Making a Case for Pakistan." *Journal of Ayub Medical College Abbottabad* 23, no. 4 (2011): 126-130.

initiation of the (deceased's) ailment (Maradh-ul-Maut), thus he (The expired is ceased from acting in 66%'s (of his home)." The Fuqaha' do express that such kind of proprietorship is decay on to something yet they are not saying so such sort of property is ownerless. Giving the case of legacy keeping under the obligation, all the cutting edge researcher's sets up and outfits that such kind of property is ownerless and acknowledged as particular lawful substance, so at the end of the day it is additionally called restricted risk. The importance of this thing is with the goal that any sort of lender does not keep any opportunity to case such kind of their obligation, however on the opposite side Islam does not perceive this thought and idea and furthermore clarifies that such kind of obligation regresses in to the Murith or towards the legitimate beneficiaries. Such kind of banks keeps a claim over such sort of property in light of the fact that their claim and request emerge around then when such proprietor was alive however after his passing this thing does not break down such right and they can likewise recoup their obligation. Be that as it may, if the beneficiaries dealt with the dissemination of the property without returning back the solitary then in such condition this sort of act isn't Batil, in any case if and when the banks go to the side of beneficiaries in such manner they will undoubtedly reimburse and restore the obligation. There is some condition on the opposite side that when the loan bosses have certainly overlooked their obligation or they are living in such place that is extremely far that the news of death isn't without a doubt came to close to them and the beneficiaries have totally conveyed the property proportionately, in this circumstance when it came and show up into the information of the lenders then the beneficiaries will undoubtedly restore the obligation. In this way, now keeping in see the above exchange it can without much of a stretch be expressed that the legacy under such obligation don't keep isolate element, henceforth restricted risk thought isn't pulled in, on the grounds that under the lessons of Islam the pardon of such obligation hypothesis isn't sensible and satisfactory. The individual that was under the weight of obligation and passes away by living such property then this sort of obligation will be recuperated at each cost from his property.¹⁰

- What is the truth of case of AL Mazoon given by the defender?

An exceptionally mainstream and well known case is given by the defender and supporter of the assessment of Abd-al-Mazoon. The supporters of this idea substance and examine that the case of this compose appears and clarifies that constrained obligation is itself existed and acknowledged in Islam quite a while prior. Presently a-days what is considered by the idea of Abd-al-Mazoon, we can without much of a stretch comprehend by citing the accompanying articulation. The following point will likewise be cleared whether this illustration demonstrates it presence of constrained risk or not.¹¹

"The slaves of those days were of two sorts. There was another kind of slaves who were allowed by their masters to trade. A slave of this kind was called "Abd-e-Ma'ethoon". The fundamental capital with the true objective of trade was given to such a slave by his master, in any case he was permitted to go into each and every business trade. The capital contributed by him completely has a place with his master. The compensation would similarly vest in him, and whatever the slave earned would go to the pro as his select property. If over the traverse of trade, the slave caused commitments, the same would be set of by the exchange and stock present out the hands of the slave.

¹⁰ Hansmann, Henry. "Firm Ownership: The Legacy of Grossman and Hart." (2011).

¹¹ Qureshi, Rashid Ahmed, and Syed Mir Muhammad Shah. "The legitimacy of Limited Liability in Islam."

Regardless, if the measure of such cash and stock would not be satisfactory to set of the extensive number of commitments, the advance manager had a benefit to offer the slave and settle their cases out of his cost. Regardless, if their cases would not be satisfied even consequent to offering the slave, and the slave would pass on in that state of indebtedness, the credit managers couldn't approach his master for whatever is left of their cases. Here the pro was extremely the proprietor of the whole business, the slave being just a delegate instrument to finish the business the slave asserted nothing from the business. Regardless, the danger of the expert was obliged to the capital he has contributed including the estimation of the slave."In this case, there is no extraordinary confirmation of the different element and for the standard of restricted risk. Sight couldn't be lost from the reality and seen that the researcher has displayed the standards and tenets of restricted obligation with its result of programmed vindication of obligation as the legitimate impact of such acknowledgment of the Juristical individual. Without the presence of discrete legitimate identity, there is no such reason for the guideline of "Restricted Liability." truth be told, such idea which is known as partitioned identity was particularly presented for such standard of constrained obligation. Presently in the event that we talk about the different substance thing, such idea is absolutely superfluous in this case in light of the fact that both the individual to be specific the ace and the slave are considered as people, and they are not viewed as some vaporous for non-presence things. Presently to the extent the thought of constrained obligation is concern, it can be expressed again that such sort of thing does not occur in such case. Why, on the grounds that the first and bona fide dealer is Abd-al-Mazoon not the ace, he is one of the individuals who brought about obligation, now every one of the banks keep this privilege to recoup their obligation from the side of slaves even by the way toward offering that slave or the leasers have the privilege to propel the slave to work for them until and unless every one of the kinds of obligations are not cleared. They can likewise have the privilege to pitch the treatment to repay their obligation, however they can't come and show up before ace for the rest and left of their obligation which can't and difficult to recoup from the slave. In any case, for this situation the ace is just dependable and responsible to the degree of the venture and the cost of the slave past that he can't be convinced to pay at any cost. In this way, now plainly it isn't a direct result of the restricted risk as the cutting edge researchers says however it is truly a direct result of the "Taukeel" office interface which exists amongst ace and slave in association with the leaser or merchant. the obligation of installment isn't viewed as the duty of the "Muakkil" (The guideline), who had the privilege to select the "Wakeel" (operator). About this point, the Shariah portrays this guideline as the accompanying:¹²

*"the Huqooq (rights and commitments) of each exchange the wakeel identifies with himself, e.g. offering, renting, identify with the wakeel not with the Muakkil (the guideline). The wakeel is the real transactor (Aaqid) as a general rule. Since he is the genuine transactor, the Huqooq of the exchange apply to him."*¹³

- In somewhere else, the following articulation takes after:

¹² ‘Abd al-Raḥmān al-Sālimī, Heinz Gaube, and Lorenz Korn. *Islamic Art in Oman*. Mazoon printing., Publishing & advertising, 2008.

¹³ Sallie, Sheikh Abdurraghiem. *The book on Muslim marriage*. Islamic Book Service, 2001.

"He (the wakeel) is the transactor (or temporary worker), henceforth, the Huqooq (commitments) identify with him."

The rivals of this idea and hypothesis apply and utilize the tenets of "Taukeel" in this case and contends that the slave was named and was given obligation by the ace to deal with business for his benefit as an operator and that is the reason that specialist is in charge of the obligations previously third individual. The third individual have the privilege to recoup it from that specialist designated by the ace, whatever he has in his grasp in the state of money yet in the event that he can't recuperate then right of the loan bosses or the outsider can be reached out in "Qiyaamah". Be that as it may, in this circumstance, he isn't free from this obligation; then again, the ace is really dependable just to the measure of speculation as indicated by the standards which are connected on the Muakkil. Presently it is additionally cleared that the standard of Taukeel (office) isn't settled or restricted just to his particular case of "Abd-al-Ma'thoon". The extremely same standard is utilized and it additionally represents a "Shirkat" (association) and undertaking as well. In the kind of organization business for instance as "Shirkat-e-Anaan" and "Shirkat-e-Wujooh", the lenders have the privilege to request the installment and furthermore can examine the real accomplice who had executed truly and furthermore had brought about the obligation. In such kind of Shirkat wander, each accomplice is known as the wakeel of the other accomplice, however not the kafeel. Presently in this illustration the Huqooq of the "Aqd" can just apply the executing accomplice. This circumstance is viewed as vital in the Hanafi school of thought to examine and contend this illustration. The fuqaha' of the Hanafi school of thought expresses that, "On the off chance that they (the banks) wish, they may seek after the (Abd-al-Ma'thoon) for the whole obligation on the grounds that the factor (or reason) of the commitment (of the obligation) immerses from him in all actuality, and that is the exchange. What's more, if after the Abd has been sold by the (lenders), there stays agitated obligation, this can't be requested from the ace on the grounds that there is no obligation on him. The slave must be influenced after his liberation to settle the obligation in light of the fact that the entire of the obligation is his risk." ¹⁴

After the long and enough discourse and clarification, we can contend and say that the western idea and thought of "restricted obligation" isn't pulled in this case and the view and suspected that are held and kept by cutting edge researchers is absolutely and totally wrong and false or we can state with full certainty and grit that it is absolutely against the essential standards and thought of Shariah.

Conclusion:

In Islam, the arrangement of "Shirka" is working and existing now-a-days and it is likewise as indicated by my modest supposition, is sufficient and it can be utilized as a part of a bigger and greater business level in the event that we need to direct it on the brilliant standard and guidelines of Shariah. Also, moreover, there is no need and ability to incorporate and embed the idea and thought of restricted risk in our legitimate framework. In Shariah of Islam there is a long and solid legitimate necessity that the two gatherings of the exchange must be individual at each cost. They should be able to comprehend and have the yearnings and wants to satisfy their obligations, duties and commitment and with this they ought to likewise know the outcomes and aftereffects of

¹⁴ Sallie, Sheikh Abdurraghiem. *The book on Muslim marriage*. Islamic Book Service, 2001.

the rupture of any exchange. Presently unmistakably it is much the same as a stone which is acknowledged and considered as a God in a few religions. In any case, in our Islam, that is the entire code of life, there is no space for such circumstance in idea, thought and thought of constrained risk. ¹⁵The discoveries on the issues talked about above are as per the following:

- Firstly, the idea of restricted obligation isn't known in Islamic writing in light of the fact that Islam and Shariah says this point a man is at risk till the season of his demise and regardless of whether after the passing of a man the obligation will be recuperated from him on the day judgment (day of Qiyaamah) at each cost.
- Both of the thoughts and ideas i.e. "isolate legitimate identity" and "Constrained risk" are associated and utilized as a part of the western lawful framework, yet Islam rejects both the ideas and pronounced as invalid.
- The Waqf, is the property that is devoted by any human and the proprietorship and that property is known as the property of ALLAH ALMIGHTY and the individual demonstrations and works similarly as manager over it. The salary of Waqf can't be acquired and gotten from general society since it brings about some obligation, the leasers can recoup it from livelihoods of Waqf.
- Bait-al-Mall is known as the bureau of the Islamic government which is controlled and overseen by the Caliph. In the event that the Caliph abuse the salary of the Bait-al-Mall, he is extremely obligated to general society in the workplace of court. In the event that Bait-al-Mall gets some obligation from some individual in the event of inadequacies in the assets accessible in the Bail-ul-Mall, this obligation is reimbursed to the individual, on the default of the obligation, the loan bosses have the privilege to authorize by recording a request of in a court.
- When a man passes away and crosses the sticks and his property isn't in any case appropriated among every one of his beneficiaries then it doesn't generally imply that the property of the expired has a place with nobody rather such right of beneficiaries builds up and oversees once the mourtih is dead. Also, if such sort of property is found under the obligation and this property is as of now conveyed among the beneficiaries then it doesn't give and constitute the privilege of the loan bosses is abrogated however in Islam they can even now assert it from the beneficiaries.
- The point of reference and case of "Abd-al-Mazoon" does not give the evidence for restricted risk in light of the fact that the standards and directions "Taukeel" are utilized connected and just that individual and person who really and truly execute with other is just mindful. Now, after analyzing the review of empirical impact of franchising, it is manifest that the franchising is the need of the age.¹⁶

¹⁵ Diharto, Awan Kostrad. "Developing of Colaborative Entrepreneurship Model in Indonesia: A New Paradigm of Collaborative Entrepreneurship Model in Islamic Business." *Held by Ciputra University Collaborated with*: 160.

¹⁶ Diharto, Awan Kostrad. "Developing of Colaborative Entrepreneurship Model in Indonesia: A New Paradigm of Collaborative Entrepreneurship Model in Islamic Business." *Held by Ciputra University Collaborated with*: 160.