

Abstract

The Banking sector in Sudan is playing a role in linking economic and social functions together aiming at creating comprehensive development, the tools for doing that is the package of services rendered to clients, shareholders and employees.

The Islamic bank is a financial institution, which has complementary goals. It is to achieve profit maximize action as well as equitable distribution of prevailing resources. The goal of Islamic banks is mainly to achieve social justice and providing banking services in accordance with Sharia rules. That is to say Islamic banks are development banks for the social welfare of Muslims.

In Sudan, Islamic banks perform their activities according to the Sharia, which prohibits interest and introducing new models of financing investment, which

will create independent economics free from the border of foreign debts, Islamic banks are to realize the following goals: -

- Non-interest leading.
- Linking economic development with social development.
- Mobilizing idle resources in the community to be invested according to Sharia rule.
- Encouraging trade relations between Muslim countries.
- Establishing Zakat system, combating monopoly and curbing inflation.

Islamic banks are performing different banking, trading and financing functions. Through these functions, Islamic banks realize their goals and they apply a wide range of contracts such as sale contracts, murabaha-markup, Salam and partnership contracts “Musharaka

and Mudarba”. The sources of funds in Islamic banks are share capital and reserves public deposits wither time deposits “investment deposits” or demand deposits.

Application of these funds is curried out in the form of direct investment in the share capital of other companies or indirectly in the form of extending finance by using Islamic modes of finance such as Musharaka, Mudaraba, Murabaha, Salam, etc...

To conclude Islamic banks has a developmental role to play in the economy through mobilizing resources and encouraging investment and in the social field through the package of services rendered for clients, shareholder, employees and the community. In this respect, Sudanese banks play a vital role in social development in the form of extending finance for small scale producers, crafts, the retired, the new graduates and women in different sectors of the economy.