

CAN EFFECTIVE CORPORATE GOVERNANCE OF ISLAMIC BANKS ENHANCE FINANCIAL INCLUSION IN THE SULTANATE OF OMAN?

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ABSTRACT

Oman has just recently opened the Islamic Banking sector for its customers. This research paper reviews the possibilities of increasing the financial inclusion in Oman by offering products that meet the religious requirements of the population. Several existing studies in corporate governance support the view that it strengthens the firm performance of both financial and non-financial firms. When the corporate governance mechanisms are applied in accordance with the regulatory bodies' recommendations, the stakeholders have more faith in such firms. Financial inclusion plays an important role in making financial products available and accessible to the people. Corporate governance supports the improvement of a country's financial inclusion. The objective of this study is to explore how Oman's Islamic Banking Regulatory Framework can contribute towards enhancing the financial inclusion. This paper also aims to provide the foundations of future empirical studies that measure the association of corporate governance with financial inclusion and give directions to the regulatory bodies for continuously improving practices.

KEYWORDS: Corporate Governance, Financial Inclusion, Firm Performance, Islamic Banking