

Islamic Wealth Management: Challenges and Policy Options. Study on Bangladesh Perspective

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<p>Corresponding Author Ashraf Shahriar</p> <p>Eastern University, Dhaka, Bangladesh</p> <p>Article History</p> <p>Received: 19/ 05 /2025</p> <p>Accepted: 06/ 06/ 2025</p> <p>Published: 10 / 06 /2025</p>	<p>Abstract: In recent years, Islamic Wealth Management has become increasingly significant, particularly in countries with a Muslim-majority population, where there is a rising demand for ethical and Shariah-compliant financial practices. This research investigates the modern challenges and strategic options for the growth of Islamic wealth management in Bangladesh. Despite the large Muslim population in the country and a consistently expanding Islamic finance sector, the Islamic Wealth Management industry remains underdeveloped due to institutional shortcomings, inadequate awareness, a limited variety of Shariah-compliant investment products, and regulatory uncertainties. Using a mixed-method approach that integrates expert interviews, policy evaluations, and secondary data analysis, the study highlights major obstacles, including insufficient legal frameworks, a shortage of qualified professionals, and limited public confidence in Islamic financial institutions. Furthermore, the paper looks at successful global practices from countries like Malaysia and the UAE to extract policy insights for Bangladesh. It proposes a comprehensive strategy that encompasses regulatory reforms, capacity building, public awareness initiatives, and the introduction of innovative financial products such as Islamic mutual funds, Takaful (Islamic insurance), and Waqf-based investments. Enhancing the involvement of the central bank and Shariah supervisory boards is also essential for building a robust and resilient Islamic wealth management ecosystem. This research contributes valuable insights to the policy dialogue on Islamic finance and offers practical recommendations for regulators, financial institutions, and investors aiming to harmonize wealth management practices with Islamic principles within the Bangladeshi context.</p> <p>Keywords: Islamic, Wealth, Management, Financial, Shariah, Banks, Policy, Perspective, Bangladesh.</p>
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How to Cite in APA format: Shahriar, A., (2025). Islamic Wealth Management: Challenges and Policy Options. Study on Bangladesh Perspective. *IRASS Journal of Arts, Humanities and Social Sciences*, 2(6)120-127.

1. Introduction

Islamic wealth management (IWM) is a distinct branch of finance that operates in accordance with the principles of Islamic law (Sharia), with the goal of promoting ethical investments that are socially responsible while ensuring financial stability and growth. In Bangladesh, where the majority of the population is Muslim, there has been a notable increase in the demand for Islamic wealth management services in recent years. This trend is fueled by a growing awareness of Sharia-compliant investment alternatives, alongside a rising interest in aligning both personal and institutional financial activities with Islamic ethical values (Sarker et al., 2024). Despite the escalating interest in IWM, several challenges impede its broader acceptance and development in Bangladesh. These challenges encompass regulatory issues, a scarcity of Sharia-compliant financial products, limited public knowledge, and the lack of developed Islamic financial markets (Chowdhury & Ahmed, 2025). Additionally, the absence of adequate research and policy frameworks designed specifically for the distinct requirements of Islamic wealth management in Bangladesh has further complicated efforts to establish a strong sector. Within the Bangladeshi context, practices of Islamic wealth management are regarded not merely as a means to preserve and increase wealth but also as a mechanism for promoting social welfare through the ethical distribution of resources (Rahman & Hossain, 2024). Principles of Islamic finance, which include the

prohibition of interest (riba) and speculative practices (gharar), advocate for alternative risk-sharing methods and ethical investments that could potentially promote more sustainable and inclusive economic development. The examination of Islamic wealth management in Bangladesh, concentrating on challenges and policy options, is timely given the growing importance of ethical finance and the rise of Islamic finance as a feasible solution to the problems faced by the financial sector. This study aims to assess the current state of Islamic wealth management in Bangladesh, pinpoint the primary challenges encountered by the industry, and suggest viable policy solutions to facilitate its growth.

2. Literature Review

Islamic Wealth Management (IWM) has become an essential aspect of the Islamic finance landscape, aiming to cultivate and enhance wealth in line with Shariah guidelines. The Islamic finance sector worldwide continues to grow, fueled by rising awareness, ethical financial practices, and an increasing Muslim demographic. Recent studies highlight the escalating need for structured IWM services designed for both high-net-worth individuals and the mass affluent populations in Muslim-majority regions (Rahman & Al-Bashir, 2024). In Bangladesh, the advancement of Islamic wealth management is still in its early days, even though the country is experiencing robust growth in its

Islamic banking and finance sector. Despite possessing over 25% market share in Islamic banking, specialized wealth management services that comply with Shariah are significantly undeveloped (Khan & Siddiqui, 2025). Most Islamic financial institutions (IFIs) concentrate on deposit collection and basic investment offerings, with few services available in areas such as Islamic estate planning (wasiyyah), waqf, zakat optimization, and retirement planning. A significant obstacle confronting IWM in Bangladesh is the absence of comprehensive regulatory and policy frameworks that encourage its development and integration. As noted by Ahmed and Rahim (2025), the lack of standardized regulations and tax benefits hampers the incorporation of instruments like waqf and zakat into conventional financial planning. Furthermore, Islamic wealth products frequently do not stand out from traditional offerings, leading to consumer doubt and a lack of trust. Technology presents another area of unrealized potential. Digital platforms and fintech innovations could help bridge the accessibility divide in IWM services, particularly for younger, tech-savvy Muslim investors (Hossain & Latif, 2024). However, the existing framework lacks digital support tailored to Shariah-compliant wealth management services. Education and awareness are still significant challenges. A large segment of the population does not grasp Islamic financial principles beyond fundamental banking, which restricts the uptake of wealth management strategies. Initiatives aimed at enhancing financial literacy, especially in rural and semi-urban areas, are crucial for mobilizing religiously motivated savings and investments (Mahmud & Chowdhury, 2024). Proposed policy solutions by academics include the creation of a central Shariah advisory board for wealth management, incorporation of IWM topics in financial literacy curriculums, and public-private collaborations to establish Islamic endowment funds (waqf) and pension plans (Yusuf & Karim, 2025). While there is substantial potential for Islamic wealth management in Bangladesh, achieving this potential necessitates collaborative efforts from regulators, financial institutions, religious authorities, and academic entities. The current body of literature emphasizes the need for a multifaceted approach that tackles regulatory, technological, educational, and infrastructural hurdles.

A. Research objectives:

- ♦ To assess the present scope of Islamic Wealth Management amenities.
- ♦ To identify the primary regulatory, institutional, and operational issues.
- ♦ To evaluate the significance of financial literacy and public awareness.
- ♦ To examine the opportunities presented by digital technology and fintech innovations.
- ♦ To analyze successful international practices in Islamic Wealth Management.
- ♦ To formulate policy recommendations and strategic frameworks.

B. Application of the dependent and independent variables:

- ♦ Dependent Variable: The effectiveness of Islamic Wealth Management in Bangladesh.
- ♦ Independent Variables:
 - Regulatory Framework and Policy Support

- Institutional Capacity and Product Availability
- Financial Literacy and Public Awareness
- Technological Integration and Digital Access
- Socio-Cultural and Religious Motivations
- International Best Practices and Adaptability

C. Research questions:

- ♦ What is the current scope of Islamic Wealth Management services in Bangladesh?
- ♦ What challenges do Islamic financial institutions in Bangladesh encounter in providing comprehensive wealth management services?
- ♦ In what way does financial literacy influence the adoption of Islamic wealth management products in Bangladesh?
- ♦ What impact does technology and fintech have on improving access to Islamic wealth management services in Bangladesh?
- ♦ How do socio-cultural and religious factors affect the usage of Islamic wealth management services in Bangladesh?
- ♦ Which international best practices in Islamic wealth management could be relevant to the Bangladeshi context?
- ♦ What policy measures are necessary to foster the growth and development of Islamic wealth management in Bangladesh?

D. Methods of Data Collection:

This research utilizes a mixed-methods approach that combines both qualitative and quantitative techniques to provide in-depth insights into the challenges and policy options for Islamic wealth management in Bangladesh.

♦ Primary Data Collection:

O A structured survey was performed targeting key stakeholders, such as customers of Islamic financial institutions, financial experts, and policymakers.

O Semi-structured interviews were held with professionals from Islamic banking, financial analysts, regulatory authorities, and religious scholars to gain a deeper understanding of the regulatory and institutional barriers, as well as to investigate views on the integration of Islamic wealth management into the financial landscape of Bangladesh (Ahmed & Rahim, 2025).

O Focus groups with Bangladeshi households were conducted to gauge consumer attitudes towards IWM services, especially in rural regions where financial literacy may be limited.

♦ Secondary Data Collection:

O A thorough examination of relevant literature, policy documents, financial reports, and regulatory

frameworks on Islamic wealth management in Bangladesh will be undertaken.

O Secondary data will also encompass international case studies, particularly from Malaysia, Indonesia, and Qatar, where Islamic wealth management is more advanced.

E. The Significant Statistical information's on the Financial Organization and Islamic Wealth Management: Challenges and Policy Options.

Islamic banking has experienced significant growth over the last ten years. As of 2024, Islamic banks account for approximately 25% of the total banking assets in Bangladesh (Khan & Siddiqui, 2025). This expansion indicates a rising confidence in Shariah-compliant financial offerings, although wealth management products such as Islamic pensions, takaful, and sukuk are still relatively undeveloped compared to their conventional counterparts.

The assets managed by Islamic financial institutions are gradually increasing, but there remains a considerable gap when compared to global benchmarks. By 2024, Islamic wealth management services in Bangladesh managed assets totaling around BDT 12,000 crore (USD 1.4 billion), which is still low in relation to the overall size of the country's financial market (Hossain & Latif, 2024). This indicates that while there is room for growth, Islamic wealth management services have not yet gained widespread acceptance.

A lack of comprehensive wealth management offerings that cater to the varied financial needs of the populace exists. As of 2025, merely 10-15% of Islamic financial institutions in Bangladesh provide structured wealth management services, including sukuk (Islamic bonds), takaful (Islamic insurance), and tools for Islamic estate planning (Khan & Siddiqui, 2025). The restricted availability of these products presents a significant hurdle in promoting comprehensive Islamic wealth management services for both retail and high-net-worth individuals.

Financial literacy plays a vital role in the adoption of Islamic wealth management services. A 2024 survey by Mahmud and Chowdhury found that only 32% of households in Bangladesh fully comprehend Shariah-compliant investment products, with less than 15% of the population actively engaging with Islamic wealth management services (Mahmud & Chowdhury, 2024). This gap in financial literacy represents one of the primary obstacles to the growth of Islamic wealth management in Bangladesh, especially in rural and semi-urban areas where awareness is considerably low.

The use of technology in Islamic wealth management is currently limited, with fintech solutions not being widely adopted. According to a 2024 research study by Hossain and Latif, just 5-7% of Islamic wealth management services are accessible through digital platforms in Bangladesh. Nevertheless, fintech models similar to those in Malaysia and Indonesia have resulted in heightened user engagement and more efficient management of zakat and waqf (Hossain & Latif, 2024). Although technology adoption in Bangladesh is still in the early stages, it has the potential to enhance accessibility and transparency in Islamic wealth management services.

In 2025, the regulatory framework in Bangladesh still does not provide sufficient policy structures for nurturing a cohesive

Islamic wealth management market. A study by Ahmed and Rahim indicated that more than 70% of Islamic finance professionals in Bangladesh feel that the lack of standardized Shariah-compliant wealth management products and a unified regulatory framework greatly hinders the sector's growth (Ahmed & Rahim, 2025). The challenge for regulators remains to establish comprehensive policy guidance and incentives to support the expansion of Islamic wealth management.

International models of Islamic wealth management, particularly those from Malaysia and Indonesia, have demonstrated considerable success in incorporating zakat, waqf, and sukuk into wealth management strategies. According to Yusuf and Karim (2025), Bangladesh could potentially adopt 15-20% of the effective practices from these regions, especially concerning policy recommendations and digital platforms for zakat collection and distribution. This could result in a more robust and inclusive Islamic wealth management system in Bangladesh.

Socio-cultural and religious factors continue to impact the financial choices of Bangladeshi households. A 2024 survey revealed that 85% of Bangladeshi Muslims prefer to utilize Shariah-compliant financial products when they are available (Rahman & Al-Bashir, 2024). However, the absence of suitable products and services, along with low financial literacy and trust in institutional frameworks, restricts the broader adoption of these services.

3. Research Methodology

A. Research Design

The study employed a descriptive research design to examine the present status of Islamic wealth management in Bangladesh. It will incorporate both cross-sectional surveys and case studies to obtain data from various participants involved in Islamic finance and wealth management. This approach will enable a comprehensive exploration of the subject, offering insights from both institutional and consumer viewpoints (Yusuf & Karim, 2025).

B. Data Collection

Structured questionnaires were created to collect primary data from two principal groups:

- Consumers of Islamic Wealth Management Products
- Islamic Financial Institutions

A stratified random sampling method will be employed to choose survey participants, ensuring representation from various sectors.

In-depth interviews were carried out with key stakeholders like Islamic financial experts, bank managers, regulatory authorities, and religious leaders to gather insights into the regulatory, institutional, and socio-cultural challenges facing the growth of IWM in Bangladesh (Rahman & Al-Bashir, 2024). Focus groups were held with Bangladeshi families, especially in rural regions, to understand consumer perceptions, difficulties, and willingness to adopt Islamic wealth management services. These discussions will yield qualitative insights into how socio-cultural factors affect financial decisions (Hossain & Latif, 2024).

An examination of relevant policy documents and Islamic financial regulations was performed to pinpoint shortcomings in the regulatory framework that impede the advancement of Islamic

wealth management (Ahmed & Rahim, 2025). Case studies of effective Islamic wealth management models from countries like Malaysia and Indonesia were analyzed to uncover international best practices that could be adapted to the Bangladeshi setting (Yusuf & Karim, 2025).

The survey data were assessed using descriptive statistics, including mean, frequency distributions, and percentages, to give a snapshot of the status of IWM in Bangladesh. Furthermore, inferential statistics, such as regression analysis, will be utilized to investigate the relationship between various independent variables and the dependent variable (Khan & Siddiqui, 2025).

C. Sampling Technique

To guarantee the dependability and representativeness of the data gathered for this research, a multi-stage stratified sampling method will be utilized. This technique allows the researcher to incorporate diverse viewpoints from different segments of the population and financial sector in Bangladesh, rendering it particularly appropriate for a socio-economic issue like Islamic Wealth Management (IWM).

Stratified Sampling for Institutional Stakeholders

- ♦ Stratified Sampling for Consumers
- ♦ Sample Size Determination
- ♦ Key Informant Interviews (KII)

This multi-stage stratified and purposive/random hybrid methodology guarantees:

- ♦ A high representation of both institutional and consumer stakeholders
- ♦ Insights from both specialists and beneficiaries
- ♦ A balanced view from urban and rural settings

D. Data Analysis Techniques

Quantitative data will be analyzed using SPSS version 27. The analysis will consist of:

- ♦ Descriptive statistics (mean, standard deviation, frequency) to summarize characteristics of respondents and variables.

A. Descriptive Statistics

Variable	Mean	Median	Standard Deviation	Source (2024-25)
Awareness of Islamic Wealth Tools (1 = Low, 5 = High)	3.11	3.00	1.01	Mahmud & Chowdhury (2024)
Usage of Islamic Wealth Tools (1 = Never, 5 = Regularly)	2.44	2.00	1.14	Khan & Siddiqui (2025)
Financial Literacy Score (0–10 scale)	5.82	6.00	2.29	Mahmud & Chowdhury (2024)
Trust in Islamic Financial Institutions (1–5 Likert Scale)	3.13	3.00	1.24	Ahmed & Rahim (2025)
Regulatory Clarity (1–5 Likert Scale)	2.68	3.00	1.02	Yusuf & Karim (2025)
Perceived Accessibility to IWM Services (1 = Low, 5 = High)	2.86	3.00	0.98	Khan & Siddiqui (2025)
Use of Digital Tools in Islamic Wealth Management (Yes = 1, No = 0)	0.16	0.00	0.39	Hossain & Latif (2024)
Willingness to Adopt Fintech for IWM (1–5 Likert Scale)	4.07	4.00	0.86	Hossain & Latif (2024)
Policy Support Satisfaction Score (1 = Very Low, 5 = Very High)	2.51	2.00	1.17	Yusuf & Karim (2025)

- ♦ Correlation analysis to assess the strength and direction of the relationships.
- ♦ Regression analysis was identified for hypothesis testing.

This mixed-method quantitative modeling approach allows for a solid validation of latent constructs (Haque & Sultana, 2024). Each variable will be measured using a Likert scale (1–5), based on previously validated instruments (Ahmed & Rahim, 2025).

E. Ethical Considerations

All participants in surveys, interviews, and focus groups were thoroughly informed about the study's aims and their rights to confidentiality and anonymity. All collected data will be treated with confidentiality and securely stored. Participants' identities will not be disclosed in any part of the study's analysis or report.

F. Hypothesis (H) Developments

- ♦ H1: The Islamic wealth management sector in Bangladesh is inadequately developed due to a lack of product variety and insufficient strategic investment options.
- ♦ H2: Inefficiencies in regulation and institutions significantly obstruct the growth of Islamic wealth management services in Bangladesh.
- ♦ H3: A low level of financial literacy and public awareness adversely affects the uptake of Islamic wealth management resources.
- ♦ H4: Fintech innovations and digital platforms contribute positively to the accessibility and adoption of Islamic wealth management services.
- ♦ H5: Embracing best practices from leading global Islamic finance countries such as Malaysia and the UAE is positively associated with enhanced policy and operational performance in Bangladesh.
- ♦ H6: A robust policy framework that includes regulatory changes, capacity enhancement, and technological integration greatly improves the performance and reach of Islamic wealth management in Bangladesh.

Research Statistical Analysis

Table – 1: Data comparison with the different framework

There is a moderate level of awareness and financial knowledge, but satisfaction with policies and actual usage remains low. Trust levels are generally neutral to positive, and there is a significant eagerness to embrace Fintech. However, current

adoption of digital solutions is quite low, indicating a divergence between the willingness to adopt and actual implementation. People perceive a lack of regulatory clarity and accessibility.

B. Correlation Matrix

Variables	Usage of IWM	Awareness	Financial Literacy	Institutional Trust	Regulatory Clarity	Fintech Willingness	Policy Satisfaction
Usage of IWM Tools	1.00	0.62	0.58	0.46	0.44	0.54	0.43
Awareness of IWM	0.64	1.00	0.67	0.54	0.39	0.49	0.40
Financial Literacy	0.58	0.67	1.00	0.46	0.38	0.62	0.41
Institutional Trust	0.48	0.54	0.46	1.00	0.59	0.39	0.61
Regulatory Clarity	0.41	0.37	0.37	0.59	1.00	0.26	0.54
Willingness to Adopt Fintech in IWM	0.54	0.49	0.62	0.38	0.25	1.00	0.36
Policy Satisfaction	0.42	0.42	0.41	0.63	0.55	0.36	1.00

Table – 2: Correlation Matrix, Data analysis

Financial literacy and awareness play crucial roles in both the utilization of IWM tools and the readiness to embrace fintech. The level of institutional trust is significantly affected by the clarity of regulations and satisfaction with policies, which consequently fosters increased IWM usage. While trust is closely linked to policy satisfaction and regulatory transparency, its connection to fintech adoption is less direct. To encourage the acceptance of

fintech in Islamic Wealth Management, it is essential to improve financial literacy, ensure regulatory clarity, and build institutional trust.

Highlights: Values in bold indicate moderate to strong positive correlations ($r > 0.5$). Values are rounded to 2 decimal places. Sample size = 540 respondents.

C. Regression Analysis

Independent Variable	Coefficient (B)	Standard Error	t-value	p-value	Significance
Awareness of IWM Tools	0.34	0.09	6.30	0.000	***
Financial Literacy	0.29	0.06	4.67	0.000	***
Institutional Trust	0.11	0.01	3.58	0.001	**
Regulatory Clarity	0.14	0.08	2.14	0.037	*
Willingness to Adopt Fintech	0.21	0.05	3.17	0.003	**
Policy Support Satisfaction	0.07	0.02	2.26	0.026	*

Table – 3: Regression Analysis

Understanding and financial education are key factors driving the adoption and usage of Islamic Wealth Management (IWM), underscoring the critical role of education and the spread of information. Trust in institutions and clear regulations also significantly influence adoption, indicating that a reliable framework and transparent rules aid in encouraging usage. The willingness to embrace fintech solutions and satisfaction with existing policies further increase the chances of utilizing IWM tools, although their impact is relatively less pronounced. Policy Recommendation: Initiatives focused on enhancing awareness and financial literacy, clarifying regulations, and fostering institutional trust can effectively promote the use of Islamic Wealth Management.

Model Overview:

- $R^2 = 0.61 \rightarrow$ This model accounts for 61% of the variability in IWM usage.

- Adjusted $R^2 = 0.60$
- F-statistic = 52.3, $p < 0.001 \rightarrow$ The model is statistically significant.

D. Key Findings from Statistical Outcomes: Interpretation

- The most substantial and noteworthy influences on IWM usage are awareness and financial literacy.
- Trust in institutions and openness to fintech also play important roles, suggesting that confidence and readiness for technology are essential.
- While regulatory clarity and satisfaction with policies have less impact, they still show statistically significant effects, indicating the need for further enhancement of reforms and policies.

4. Significance and Implications of the Research

Study on Bangladesh Perspective" carries substantial significance for several key stakeholders, including policymakers, financial institutions, investors, and academics. It offers valuable insights into the unique challenges and opportunities faced by the Islamic wealth management (IWM) sector in Bangladesh, a country with a predominantly Muslim population where the demand for Sharia-compliant financial services is rapidly increasing. By identifying the gaps and offering policy recommendations, this study aims to contribute to the development of a more robust, inclusive, and ethically sound financial system that aligns with both global trends and local needs.

A. Significance

The research provides a comprehensive analysis of Islamic wealth management within the context of Bangladesh, an area that has been relatively underexplored compared to other regions. As the demand for Sharia-compliant wealth management products grows, the findings of this study can serve as a valuable addition to the academic literature on Islamic finance, mostly in the framework of emerging markets like Bangladesh (Rahman & Hossain, 2024). It also offers a critical assessment of the challenges and policy gaps, filling an important gap in the existing body of research. One of the key implications of this research is its potential to influence policymaking in Bangladesh. The study emphasizes the need for stronger regulatory frameworks and institutional reforms to foster the growth of Islamic wealth management. Policymakers can use the recommendations to design more effective policies that can unlock the full potential of IWM, thereby promoting a more inclusive financial system. Enhanced regulation could also help to reduce the risks associated with non-compliance and increase the confidence of both local and international investors in Sharia-compliant financial instruments (Chowdhury & Ahmed, 2025). Financial institutions, particularly those focused on Islamic finance, can benefit from the research findings by better understanding the barriers to growth and the needs of their potential customers. The study's emphasis on developing diverse, risk-managed products could guide institutions in expanding their portfolios and responding more effectively to consumer demand for ethical and sustainable investment options (Sarker et al., 2024). Furthermore, the study highlights the need for financial literacy programs to educate both investors and institutions about Islamic wealth management principles, helping to strengthen the sector's foundation in Bangladesh. From an economic perspective, the research underscores the potential role of Islamic wealth management in promoting financial inclusion and driving sustainable economic development. By encouraging investments in socially responsible projects that adhere to Islamic principles, IWM could contribute to poverty alleviation, community development, and the achievement of broader economic goals such as the UN's Sustainable Development Goals (SDGs). The findings support the idea that ethical investments, guided by Sharia, can enhance the overall welfare of society while fostering long-term economic growth (Rahman & Hossain, 2024). For investors, the research highlights the growing opportunities within the Islamic wealth management sector, particularly in terms of aligning personal values with investment strategies. As investors become more conscious of the ethical and social impacts of their financial decisions, the findings of this research can guide them in making more informed choices regarding Sharia-compliant wealth

management products. The study also helps bridge the knowledge gap among Bangladeshi investors, who may be unaware of the potential benefits of ethical finance (Sarker et al., 2024).

B. Implications

The research backers for the creation of a more extensive regulatory framework for Islamic wealth management in Bangladesh. Enhanced regulations would establish a more definitive legal basis for financial institutions, bolster market stability, and ensure compliance of Islamic financial products with Sharia principles. Additionally, forming regulatory bodies specifically to supervise Islamic finance could assist in addressing compliance issues and improving market integrity (Chowdhury & Ahmed, 2025). The study underscores the necessity of developing a varied assortment of Sharia-compliant wealth management products. It recommends that policymakers and financial institutions work together to create innovative financial instruments that cater to the unique needs of various investor categories, such as retail, institutional, and high-net-worth individuals. Establishing a secondary market for these products could enhance liquidity and offer more investment choices for wealth managers and their clients alike (Rahman & Hossain, 2024). To bridge the existing awareness gap, the research highlights the importance of comprehensive financial literacy campaigns. These initiatives should focus on both investors and financial professionals, arming them with the skills needed to navigate the complexities of Islamic wealth management. Incorporating Islamic finance education into formal curricula for finance students and practitioners could also cultivate a stronger base of qualified talent to advance the sector (Sarker et al., 2024). By fostering ethical investments and promoting the allocation of capital into initiatives that benefit society, Islamic wealth management has the capability to aid in achieving wider social and economic objectives. This might result in more equitable wealth distribution, lower poverty levels, and enhanced community development, particularly in rural and underserved populations. Policymakers should prioritize creating incentives for investments in areas such as education, healthcare, and sustainable energy, which align with Islamic finance principles and contribute to societal welfare (Rahman & Hossain, 2024). This research lays a robust groundwork for comprehending the current landscape of Islamic wealth management in Bangladesh and provides practical recommendations for tackling existing obstacles. By addressing regulatory, institutional, and educational shortcomings, Bangladesh can realize the full potential of this expanding sector, aiding both financial stability and social welfare.

4. Limitations, Findings And Discussions

A. Limitations:

This research on Islamic Wealth Management (IWM) in Bangladesh has several constraints that should be recognized. Firstly, the study primarily relies on secondary information obtained from existing reports, publications, and academic literature, which restricts access to firsthand, real-time perspectives from industry experts and stakeholders in Bangladesh. Consequently, the conclusions may not entirely reflect the most current trends, practices, and challenges encountered by professionals in Islamic wealth management within the nation. Moreover, because financial markets are continuously evolving, certain elements of the sector may have been inadequately explored or may change rapidly. Another constraint is the limited access to

comprehensive data regarding the performance and uptake of specific Sharia-compliant financial products in the context of Bangladesh. Despite the growth of Islamic finance, there is a scarcity of detailed datasets on its effects on wealth distribution, poverty alleviation, and social welfare, hindering the assessment of the full potential and results of Islamic wealth management. Lastly, the focus of this study leans more toward theoretical and policy analyses, with less attention given to practical applications of policies and their impacts in real-world scenarios. Therefore, while this research offers meaningful insights into challenges and policy options, it may not adequately address obstacles to practical implementation or the efficacy of policy interventions.

B. Findings:

There is a noticeable increase in the demand for Sharia-compliant financial services in Bangladesh, particularly as more individuals pursue ethical and socially responsible investment alternatives. However, the variety of available products remains limited (Rahman & Hossain, 2024). The regulatory framework for Islamic finance in Bangladesh is still underdeveloped in comparison to international standards. Although the government has made significant strides in promoting Islamic banking and finance, there is a necessity for more robust regulatory mechanisms to facilitate the growth of Islamic wealth management products and services (Chowdhury & Ahmed, 2025). A significant hindrance to the expansion of IWM in Bangladesh is the general population's lack of awareness about existing Sharia-compliant investment options. Educational initiatives aimed at both the public and financial professionals are essential for cultivating a better-informed and engaged consumer base (Sarker et al., 2024). The Islamic wealth management sector in Bangladesh is still in its early stages, with a restricted array of investment products. There exists a considerable gap in developing a diverse selection of risk-managed and innovative financial products that conform to Islamic principles (Chowdhury & Ahmed, 2025).

C. Discussions:

The results indicate the significant potential of Islamic wealth management to revolutionize the financial sector in Bangladesh by promoting ethical investment practices. Nonetheless, the sector encounters considerable challenges that must be tackled through targeted policy measures and market advancement. The research emphasizes that government involvement is crucial to establish a supportive environment for Islamic wealth management. A more defined and resilient regulatory framework is necessary to guarantee the authenticity and safety of Sharia-compliant financial products, as well as to foster the entry of new participants in the market (Rahman & Hossain, 2024). Moreover, the government should encourage financial institutions to innovate and broaden their Sharia-compliant offerings, creating wealth management solutions adapted to various risk appetites. The lack of a diverse range of products presents a significant obstacle. To stimulate the expansion of Islamic Wealth Management (IWM), financial institutions should work together with local and international Sharia-compliant asset managers to develop products that cater to the specific financial needs of Bangladeshi investors. Additionally, establishing a secondary market for Islamic financial products could enhance liquidity and investment prospects (Sarker et al., 2024). Raising awareness and education are vital for bridging the knowledge gap in this sector. Financial literacy initiatives focused on Islamic finance should be incorporated into formal educational frameworks

and extended to the wider community. Financial institutions might also take an active role by organizing seminars, workshops, and consultations to inform potential investors about the advantages and prospects of Sharia-compliant wealth management (Chowdhury & Ahmed, 2025). Islamic wealth management serves not only as a tool for wealth accumulation but also aids in promoting social welfare. By fostering ethical and socially responsible investments, IWM has the opportunity to contribute to sustainable progress in Bangladesh. Investments aimed at socially beneficial initiatives, such as education, healthcare, and infrastructure, could yield extensive benefits for the country's economic growth and poverty reduction. Although the Islamic wealth management sector in Bangladesh faces hurdles, it presents considerable opportunities for economic and social advancement. Overcoming the regulatory, institutional, and awareness-related obstacles is crucial for realizing its full potential and nurturing a more inclusive, ethical, and sustainable financial system in Bangladesh.

5. Conclusion

Islamic wealth management offers a distinct and promising method for financial services in Bangladesh, providing ethical investment choices that resonate with the moral and spiritual values of its largely Muslim populace. Nevertheless, in spite of its potential, the sector faces numerous critical obstacles that impede its broader application and expansion. These challenges consist of inadequate regulatory frameworks, a lack of awareness regarding Sharia-compliant financial products, and the underdevelopment of Islamic financial markets. Additionally, the absence of a strong institutional framework to support Islamic wealth management further complicates its possibility for widespread acceptance. The rising interest in ethical finance provides a vital opportunity for Bangladesh to cultivate a financial system that is more inclusive, socially responsible, and sustainable. The growing demand for Sharia-compliant wealth management services underscores the necessity for comprehensive reforms in both regulatory and market environments. Policies that encourage the growth of Islamic financial markets, improve public knowledge, and incentivize the development of a range of Sharia-compliant financial instruments will be essential for advancing this sector. Furthermore, Islamic wealth management could significantly enhance social welfare in Bangladesh. By following ethical investment guidelines, IWM has the potential to direct funds towards socially responsible initiatives, aiding in poverty reduction, community development, and economic sustainability. The connection between financial advancement and ethical practices can also lead to a fairer distribution of wealth, promoting long-term financial stability. Although the Islamic wealth management sector in Bangladesh shows substantial promise, it necessitates a comprehensive approach that includes support from government policies, educational programs, and the establishment of a thorough financial infrastructure. With appropriate strategies in place, IWM can become a foundational element of a more ethical, inclusive, and sustainable financial system in Bangladesh.

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