



Institute of
Business Administration
Karachi

Leadership and Ideas for Tomorrow



IBA CEIF

Centre for Excellence in Islamic Finance
Institute of Business Administration

WORLD ISLAMIC FINANCE FORUM (WIFF) 2022

Development of Islamic Finance Ecosystem for Global Prosperity



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الأكاديمية العالمية للبحوث الشرعية في المالية الإسلامية



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About WIFF 2022

The IBA Karachi's Centre for Excellence in Islamic Finance (IBA CEIF), has been actively working for the promotion and development of Islamic Finance. One of their focus areas is promoting innovation and research in the field of Islamic finance, focused at sustainable national and global economic development. In this regard, IBA CEIF organized World Islamic Finance Forum (WIFF) 2022 at Movenpick Hotel, Karachi, on 30th & 31 May 2022.

WIFF is one of the most auspicious events around the globe. It is an international conference, where talks and discussions are delivered by eminent local and international shariah scholars, Islamic finance professionals and Islamic finance academicians, along with presentation and discussion of research papers, to serve as a think-tank for innovative developments in Islamic finance in order to cater to evolving dynamics of global economic and financial landscape in a sustainable manner, all under the ambit of shariah-compliance.

The theme for this year's conference was "Development of Islamic Finance Ecosystem for Global Prosperity". The conference was being conducted in collaboration with LUMS – Lahore, INCEIF – Malaysia and Hamad Bin Khalifa University (HBKU) – Qatar.

S&P Global Ratings believes the Global Islamic Finance industry will expand 10%-12% in 2021-2022 as per Islamic Finance Outlook 2021. The expansion of Islamic banking assets in some Gulf Cooperation Council (GCC) countries, Malaysia, and Turkey and sukuk issuances exceeding maturities explain this expected performance. Islamic Banking expanded rapidly in 2021 in Pakistan with total assets registering 31% growth despite the shocks from the COVID-19 pandemic. The industry is expected to position itself towards a more sustainable growth.

Moreover, there would be keynote speeches from Eminent International and local Industry leaders and scholars. The panel discussion sessions were the crust of the conference where fruitful, engaging, innovative discussions took place by the esteemed guest speakers and experts. Chief Guest of the conference was Hazrat Mufti Muhammad Taqi Usmani (Chairman Shariah Board, AAOIFI) who is an internationally recognized pioneer of Islamic Finance. He also delivered his visionary address at the conference. We had 600 attendees in person and an additional 6000 participants joined us online.

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World Islamic Finance Forum

Development of Islamic Finance Ecosystem for Global Prosperity (Agenda) Day 1

8:00am -9:00am	Registration/ Networking Break	
09:00am –10:20am	OPENING – Dr. Rizwan Malik – AAOIFI	
	Recitation from Holy Quran (5 mins)	
	Opening Remarks (5 mins)	Mr. Ahmed Ali Siddiqui, Director, IBA CEIF
	Welcome Note (5 mins)	Dr. S. Akbar Zaidi, Executive Director, IBA
	Setting the Stage (5 mins)	Dr. Ishrat Husain, Chairman, IBA – CEIF
	Keynote Address (10 mins)	Dr. Reza Baqir, Governor, State Bank of Pakistan
	Keynote Address (5 mins)	Mr. Aamir Khan, Chairman, Securities & Exchange Commission of Pakistan
	Keynote Address (15 min)	Dr. Miftah Ismail, Federal Finance Minister, Government of Pakistan
	Chief Guest Address (10 mins)	H. E. Shaikh Ebrahim Bin Khalifa Al Khalifa, Chairman AAOIFI Board of Trustees
	Sponsor's Address (5 mins each)	Banking Industry – Mr. Atif Bajwa, CEO, Bank Alfalah Ltd. Takaful Industry – Mr. Rizwan Hussain, CEO & MD, Salaam Takaful Limited
	Visionary Address (15 mins)	Shaikh Muhammad Taqi Usmani, Shariah Board Chairman, Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI); Chairman Shariah Board, Meezan Bank; Deputy President, Dar ul Uloom, Karachi, Pakistan

10:20am -10:50am	Networking Coffee Break	
10:50am –12:10pm	Implementing Industry Vision	
	<ul style="list-style-type: none"> • Progress and Gaps from WIFF 2018 • “Will” to Shift to an Islamic Economic System • 3rd Islamic Banking Strategic Plan 2021-2025 • Challenges Ahead 	<p>Mr. Irfan Siddiqui, President & CEO, Meezan Bank</p> <p>Mr. Khurram Hilal, CEO, Islamic Banking, Standard Chartered Bank, UAE</p> <p>Mr. Syed Samar Hasnain, Executive Director, State Bank of Pakistan</p> <p>Mr. Rafe Hanif, CEO CIMB, Malaysia</p> <p>Dr. Yahia Abdul Rehman, CEO, Lariba Banking Group, USA; CEO, Bank of Whittier, NA</p> <p>Mr. Muhammad Afaq Khan, President, MCB Islamic Bank</p>
	Session Chair	<i>Ms. Sima Kamil</i> , Deputy Governor, State Bank of Pakistan
	Moderator	<i>Mr. Ahmed Ali Siddiqui</i> , Director, IBA – CEIF
12:10pm - 01:30pm	Trajectory of the Fintech Ecosystem	
	<ul style="list-style-type: none"> - Growth of Fintech in ambit of Islamic Finance - Challenges faced - Role of the Regulator 	<p>Mr. Syed Amir Ali, President & CEO, Bank Islami Pakistan</p> <p>Mr. Ghulam Muhammad Abbasi, Director Islamic Banking, State Bank of Pakistan</p> <p>Mr. Ariful Islam, Deputy CEO, Meezan Bank Limited</p> <p>Datuk Badlisayah Abdul Ghani, President, Chartered Institute of Islamic Finance Professionals, Malaysia</p> <p>Mr. Rushdi Siddiqui, CEO, EMStartups.ai, USA</p> <p>Mr. Muhammad Farrukh Raza, Founder & Group CEO, Islamic Finance Advisory & Assurance Services (IFAAS)</p> <p>Dr. Humayon Dar, Chairman, Cambridge – Edbiz Group of Companies</p>
	Moderator	Mr. Ashar Nazim, CEO, Aion Digital
01:30pm - 02:30pm	Lunch & Prayer Break	

02:30pm - 04:30pm	Game Changers for Islamic Capital Markets and Takaful	<p>Muhammad Shoaib CFA, CEO, Al Meezan Investment Management Limited</p> <p>Mr. Azeem Pirani, CEO, Pak-Qatar Family Takaful</p> <p>Ms. Sadia Khan, Commissioner, SECP¹</p> <p>Mufti Irshad Ahmad Aijaz, Chairman & Shari'ah Scholar Member, Shari'ah Advisory Committee, State Bank of Pakistan</p> <p>Dr. Mohamad Akram Laldin, Executive Director, International Shariah Research Academy (ISRA)</p>
	Moderator	Mr. Muhammad Farhan ul Haq Usmani, Head of Shariah Audit & Advisory, Meezan Bank ¹
	Session Chair	Mr. Farrukh H. Khan, CEO & MD, Pakistan Stock Exchange
04:15pm - 04:45pm	Networking Coffee Break	
04:45pm - 05:30pm	Presentation of Research Papers/Case Studies	
	Session Chair	Dr. Aishath Muneeza, Associate Professor, INCEIF
5:30pm	Wrap-up Session - Summarizing Key Takeaway Points and Highlights of Day1 – WIFF 2022	Dr. Irum Saba, Associate Professor, IBA – Centre for Excellence in Islamic Finance

DAY 2

09:00am - 10:10am	OPENING – Mr. Muhammad Raza Poonawala, Group Head – Customer Support, Meezan Bank Limited	
	Recitation from Holy Quran (10 mins)	
	Keynote Address (10 min)	Dr. Muhammad Kabir Hassan, Professor of Finance, Department of Economics and Finance, University of New Orleans, USA
	Keynote Address (10 min)	Dr. Tariq Banuri, Chairman, Higher Education Commission
	Keynote Address (10 min)	Mr. Murtaza Syed, Deputy Governor, State Bank of Pakistan
	Keynote Address (10 min)	Dr. Arshad Ahmed, Vice Chancellor, LUMS
	Keynote Address (10 min)	Prof. Mufti Muneeb-ur-Rehman, Chairman – Shariah Board, MCB Islamic Bank Limited ¹
	Keynote Address (10 min)	Prof Dr Emad El-Din Shahin, Dean, College of Islamic Studies, Hamad bin Khalifa University
10:10am - 10:50am	Future of Islamic Finance	
	<ul style="list-style-type: none"> Strengthening Islamic Economy and Financial System in the Post Pandemic era Sustainability in Islamic Finance 	Dr. Hatim El Tahir, Director Islamic Finance Group, Islamic Finance Knowledge Center Leader, Deloitte & Touche Dr. Yahia Abdul Rehman, CEO, Lariba Banking Group, USA and CEO, Bank of Whittier, NA Dr. Hurriyah El Islamy, Executive Board Member, Foreign Investment and International Relations, Badan Pengelola Keuangan Haji ¹ Dr. Imran Ashraf Usmani, Vice Chairman – Shari'ah Board, Meezan Bank Limited Mr. Mohammad Zahid Ahmed, CEO, Albaraka Bank Limited ¹ Mr. Ariful Islam, Deputy CEO, Meezan Bank Limited ¹ Mr. Yousaf Hussain, President & CEO, Faysal Bank Limited ¹
	Session Chair	Mr. Omar Mustafa Ansari, Secretary General, Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI)

10:50am - 11:15am	Networking Coffee Break	
11:15am - 01:00pm	Islamic Finance Education Past- Present- Future	<p>Sheikh Esam Mohamed Ishaq, Member – Shari’ah Board, Meezan Bank Limited¹</p> <p>Dr. Abdus Sattar Abbasi, Head – Centre of Islamic Finance, COMSATS University – Lahore Campus¹</p> <p>Dr. Shafiullah Jan, Assistant Professor, Institute of Management Sciences¹</p> <p>Dr. Syed Aun R. Rizvi, Associate Dean, Suleman Dawood School of Business, LUMS¹</p> <p>Dr. Imam Uddin, Associate Professor, Department of Accounting and Finance, IoBM¹</p> <p>Dr. Mohamed Eskandar Shah Mohd. Rasid, Associate Professor, Hammad Bin Khalifa University (HBKU)</p> <p>Dr. Aishath Muneeza, Associate Professor, INCEIF¹</p> <p>Dr. Ahmet F. Aysan, Professor & Program Coordinator of Islamic Finance and Economy, Hamad Bin Khalifa University, College of Islamic Studies, Qatar Foundation¹</p> <p>Dr. Zeeshan Ahmad, Dean, Al Qadir University¹</p>
	Industry – Academia Linkages	
	Moderator	Dr. Irum Saba, Associate Professor, IBA – Centre for Excellence in Islamic Finance
	Session Chair	Dr. Muhammad Kabir Hassan, Professor of Finance, Department of Economics and Finance, University of New Orleans, USA
01:00pm - 02:00pm	Lunch & Prayer Break	
02:00pm - 03:15pm	Talk (10 mins)	
	- Report Presentation (10 mins)	Dr. Muhammad Imran, Group Head, Islamic Banking, Bank Alfalah Limited
	- Global Islamic Financial Inclusion - Shared prosperity	Mr. Omar Shaikh, Advisory Board Member & Director, UK Islamic Finance Council

	Session Chair & Moderator	<p>Muhammad Faisal Shaikh, Head Islamic Banking, Faysal Bank Limited</p> <p>Sheikh Esam Mohamed Ishaq, Member – Shari’ah Board, Meezan Bank Limited¹</p> <p>Mr. Almir Colan, Director, Australian Centre for Islamic Finance</p> <p>Mr. Bilal Rasul, Executive Director, Securities & Exchange Commission of Pakistan</p> <p>Mr. Rafe Hanif, CEO CIMB, Malaysia</p>
	Closed Door Session on “Challenges face by IFIs in Ensuring Shari’ah Compliance”	<p>Mr. Muhammad Farrukh Raza, Founder & Group CEO, Islamic Finance Advisory & Assurance Services (IFAAS)</p>
02:00pm - 04:45pm	Session Chair	<p>Mufti Muhammad Najeeb Khan, Shari’ah Advisor, Habib Metropolitan Bank¹</p> <p>Mufti Hassan Kaleem, Chairman Shari’ah Board, Pak-Qatar Takaful, Member Shari’ah Board, Dubai Islamic Bank¹</p> <p>Prof. Dr. Noor Ahmad Shahtaz, Director, Shaikh Zayed Islamic Research Centre</p> <p>Mufti Syed Sabir Hussain, Resident Shari’ah board Member/ Head Shari’ah Compliance, MCB Islamic Bank</p> <p>Dr. Imran Ashraf Usmani, Vice Chairman – Shari’ah Board, Meezan Bank Limited¹</p> <p>Prof. Mufti Muneeb-ur-Rehman, Chairman – Shariah Board, MCB Islamic Bank Limited</p> <p>Dr. Mufti Khalil Ahmad Aazami, Member – Shariah Board, Faysal Bank Limited¹</p> <p>Ayatullah Sheikh Shabbir Hasan Lakhani Maisami, Shari’ah Board Member – Salaam Takaful, Shari’ah Scholar Member – Shari’ah Advisory Committee, State Bank of Pakistan</p>
	Moderator	<p>Dr. Mohamad Akram Laldin, Executive Director, International Shariah Research Academy (ISRA)</p>
	Presentation of Papers	<p>Ghulam Shabbir, Joint Director, Islamic Banking Department, State Bank of Pakistan</p>
04:45pm - 05:00pm	Session Chair	
		<p>Dr. Mohamed Eskandar Shah Mohd. Rasid, Associate Professor, Hammad Bin Khalifa University (HBKU)</p>

05:00pm - 05:45pm	Concluding Power Session with Islamic Finance Visionaries	
05:00pm - 05:45pm 05:45pm - 06:00pm	Moderator	<p>Dr. Ishrat Husain, Chairman, CEIF-IBA</p> <p>H. E. Shaikh Ebrahim Bin Khalifa Al Khalifa, Chairman AAOIFI Board of Trustees</p> <p>Mr. Irfan Siddiqui, President & CEO, Meezan Bank</p> <p>Dr. Yahia Abdul Rehman, CEO, Lariba Banking Group, USA; CEO, Bank of Whittier</p> <p>Mr. Omar Mustafa Ansari, Secretary General, Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI)</p> <p>Mr. Junaid Ahmed, Chief Executive Officer, Dubai Islamic Bank Pakistan</p> <p>Dr. Rusni Hassan, Associate Professor, Institute of Islamic Banking and Finance, IIUM¹</p> <p>Muhammad Aurangzeb, President & CEO, Habib Bank Limited¹</p>
	Closing Note	Mr. Ahmed Ali Siddiqui, Director, Centre for Excellence in Islamic Finance, Institute of Business Administration (IBA – CEIF)
06:00pm - 06:15pm	Wrap-up Session - Summarizing Key Takeaway Points of WIFF 2022	Dr. S. Akbar Zaidi, Executive Director, IBA
	Prize Distribution Ceremony	Dr. Ishrat Husain, Chairman, CEIF-IBA

Welcome Speech as Director IBA CEIF

Ahmed Ali Siddiqui

Director – IBA CEIF

- Mr. Ahmed Ali Siddiqui welcomed all the participants to World Islamic Finance Forum (WIFF) 2022 by IBA CEIF.
- The conference aimed to develop a global financial system grounded in Islamic principles, offering hope to a world strained by the capitalist system. It seeks prosperity beyond Muslims, necessitating the rejection of interest and adherence to Islamic financial norms.
- The tremendous growth of Islamic finance in Pakistan reflects the desire and demand of majority of the people to adopt Islamic finance as the dominant financial and economic system.
- We are in a crucial stage, requiring a fair economic system rooted in Islamic principles, excluding exploitation, interest, speculation, and toxic assets. Our focus must be on genuine economic growth and widespread benefits.
- Now is the moment for collaboration among bankers, academics, finance experts, Shariah scholars, regulators, and political leaders. We must shift from old and obsolete economic theories, focusing wholeheartedly on reshaping the financial, regulatory, and economic systems using enduring Islamic principles from Quran, Sunnah, and Islamic jurisprudence.
- Young generations, especially students, must recognize that acquiring Islamic finance skills and a profound understanding of this expanding system is vital for their relevance, contribution, and advancement in the financial and corporate sectors.
- He expressed his gratitude and took the opportunity to thank SBP, SECP, IBA management, BOD CEIF BOM, the sponsors, supports, Islamic banks, Shariah Scholars, and Academics for their support & contribution to the success of IBA CEIF & the conference. He also acknowledges the efforts of the IBA CEIF team led by Dr. Irum & Zia Khalid, along with the participation of IBA students.



Welcome Speech as Director IBA CEIF

Dr Irum Saba

Associate Professor and Program Director, MS Islamic Banking and Finance,
School of Business Studies

- On the second day of the WIFF conference, Dr. Irum gave her inaugural address.
- On behalf of IBA CEIF, Dr. Irum extended a warm welcome to all participants, marking the significance of this conference as the first conference after the Covid-19 outbreak in 2019. Organizing such an international event is indeed a remarkable accomplishment.
- The conference saw an impressive gathering of seventy-two (72) esteemed speakers hailing from various corners of the globe, including Malaysia, Qatar, UAE, Turkey, USA, and UK. Bringing together such a diverse group of speakers was no small feat. The task of assembling such a diverse range of speakers was acknowledged as a significant accomplishment, and appreciation was conveyed for their attendance.
- She extends her gratitude to all industry colleagues who stepped forward and contributed to the establishment of this forum, as well as in inviting the guest speakers.
- The attendance of the SECP Commissioner reflects SECP's commitment. The industry panelists hold immense value for us, as events of this nature thrive on the essential partnership between industry and academia.
- Concluding her words, she expressed her gratitude to my esteemed teacher, my beloved students, the industry practitioners, and the Shariah scholars.



Opening Session – WIFF 2022

Speakers:

- Ms. Sima Kamil, Deputy Governor, State Bank of Pakistan
- Mr. Aamir Khan, Chairman, Securities & Exchange Commission of Pakistan
- Mr. Irfan Siddiqui, President & CEO, Meezan Bank
- Mr. Yousaf Hussain, President & CEO, Faysal Bank Limited
- Dr. Muhammad Imran, Group Head Islamic Banking, Bank Alfalah
- Mr. Rizwan Hussain, CEO & MD, Salaam Takaful Limited
- Dr. S. Akbar Zaidi, Executive Director, IBA
- Dr. Ishrat Husain, Chairman, IBA – CEIF
- Mr. Ahmed Ali Siddiqui, Director, IBA CEIF



Main Speeches in WIFF 2022

Dr. Ishrat Husain

Chairman – IBA CEIF

Highlights

- Capitalism has created efficiency but also generated inequities at the same time so it's not suitable for general prosperity. On the other hand, socialism has failed as it didn't generate wealth owing to perverted incentive structures, but they did achieve their objective of creating equity.
- Islamic Finance provides an alternate as it combines the features of capitalism (as production, distribution and trade are in hands of private sector and with the right regulation of markets, it generates efficiency) and socialism (by means of instruments for equitable distribution of income & wealth e.g., Zakat, Usher, Waqf as well as the Islamic Banking System, wherein we have risk sharing and asset-backed credit giving equal opportunity of borrower & creditor). The combination of these two systems overcomes difficulties of opposite systems providing an alternate system that is sustainable for global prosperity.
- Pakistan can work towards this system to create an example for the world and for that it needs a societal transformation wherein the society as a whole need to work on the teachings of the religion and implement those in their day-to-day dealings.
- This forum provided by WIFF is an attempt to find the pathways leading to creating such an exemplary system in Pakistan so it can be demonstrated to the rest of the world.



Main Speeches in WIFF 2022

Dr. S. Akbar Zaidi
Executive Director – IBA

Highlights

- The Centre for Excellence in Islamic Finance is a key center to the IBA and over the years it has been successful in producing reports, studies and papers of exceptional quality which are quoted by academics and practitioners.
- One of the key features of this conference is that it has policy makers, practitioners, bankers and academics all in one place.
- Islamic Finance is one of the fastest growing aspects of Finance globally and as per Moody's it is going to be the leader in the financial aspect not only in Pakistan but globally.
- Another aspect identified by Islamic Finance is the inclusion and representation of women in financial institutions and WIFF can play a key role towards improving this.



Main Speeches in WIFF 2022

Ms. Sima Kamil

Deputy Governor – State Bank of Pakistan

Highlights

- The Maqasid-al-Shariah as articulated by Imam Al-Ghazali underscores the protection of religion, life, family, intellect and property with the aim of preventing harm and attaining benefits.
- As per IFSB Sustainability Report, the worth of total Islamic Financial Assets has increased from USD 2.05 trillion to USD 2.70 trillion during the period 2017-20 with Islamic Banking making the highest contribution i.e., approx. 68%.
- SBP 3rd Strategic Plan (2021-25) for Islamic Banking Industry based on six strategic pillars include Strengthening Legal Landscape, Enhancing Conduciveness of Regulatory Framework, Reinforcing Comprehensive Shariah Governance Framework, Improving Liquidity Management Framework, Expanding Outreach & Market Development and Bolstering Human Capital & Raising Awareness.
- Key initiatives taken by SBP for promotion of Islamic Banking in Pakistan include enabling regulatory and Shariah Governance Framework, establishment of 3 centers of excellences at IBA, LUMS & IM Sciences, Shariah Compliant lender of last resort, regular issuance of 5 year strategic plans to guide the industry and Shariah compliant standing ceiling facility and Open Market Operations. State Bank of Pakistan categorized as the best Central Bank by the Red money Group of Malaysia.
- Challenges faced by Islamic Banking Industry include awareness (perception) & capability building issues, lack of regular supply of sovereign Sukuk, lower penetration in strategic sectors like SMEs, agriculture, lack of research & development for innovative products & services and adoption of technology and digital transformation.



Main Speeches in WIFF 2022

Mr. Irfan Siddiqui

President & CEO – Meezan Bank Limited

Highlights

- The share of Islamic Banking Market Share has jumped from 14.5% in 2018 to approx. 19.4% by the end of 2021.
- Total Banking Industry Deposits – 9% Islamic Windows, 11% Full Fledged Islamic Banks & 80% Conventional Banks; proportion of Islamic Windows & Full-Fledged Islamic Banks to grow to 30% by 2025.
- Issuance of Sukuks will create an ecosystem for the Islamic Banking system to growth.
- Moody's Islamic Banking Report stated that Islamic Banking has outpaced conventional banking with an average growth in deposits of approx. 28% for the next few years. Additionally, there was a 24% YoY growth over the last decade in Islamic Banking in Pakistan i.e., twice the growth rate of conventional banking.
- 25% of remittances came to one Islamic Bank under Roshan Digital Account (RDA) Scheme because of Islamic Banking so there is immense potential in this market for growth.



Main Speeches in WIFF 2022

Mr. Aamir Khan

Chairman – Securities & Exchange Commission of Pakistan

Highlights

- Islamic Capital Markets (March 2022) – Shariah compliant scripts comprise 61% of market cap at PSX, AUMs of Mutual Funds Scheme make up 35% while pension funds schemes make up 65% of the market capitalization.
- SECP has been promoting Islamic Finance via 4 principles of protection, circulation and halal augmentation of wealth, justice and fairness in return distribution, promoting real economic activity and enhancement of society well-being.
- SECP has been facilitating sustainable growth of Islamic Finance and a few outcomes of that were listing of energy sukuk of BHL, launch of first ever Shariah Compliant Exchange Traded Fund, approval of first ever Shariah Compliant development REIT, revamping of commodity Murabaha platform, reform and consistent active utilization of Murabaha share financing product, progress towards Islamic Financing against electronic warehouse receipts, approval of notation of green Mudarbah and permission of Takaful operator to test parameter insurance, licensing of 2 Shariah Compliant financing companies and disbursement of Shariah Compliant loans by non-bank IFIs such as micro-finance institutions.
- However, some structural challenges exist i.e., the financial landscape remains bank centric, the Islamic financial assets are predominantly in the form of CASA which can be in other products as well, only 8% of the Government debt securities (GDS) are available for the Islamic Banks, financial inclusion has been credit centric while private equity lacks the same level of attention, rural financial inclusion has been neglected.
- Some suggestions included nation- wide committee for promotion of Islamic Finance and development of a sustainable Islamic Finance ecosystem, consideration of tax measures to promote use of Islamic Finance products and services among corporate sector and businesses, need to develop a culture for innovation and entrepreneurship in Islamic Finance, need for adaptation of technology to broad based Islamic Finance.



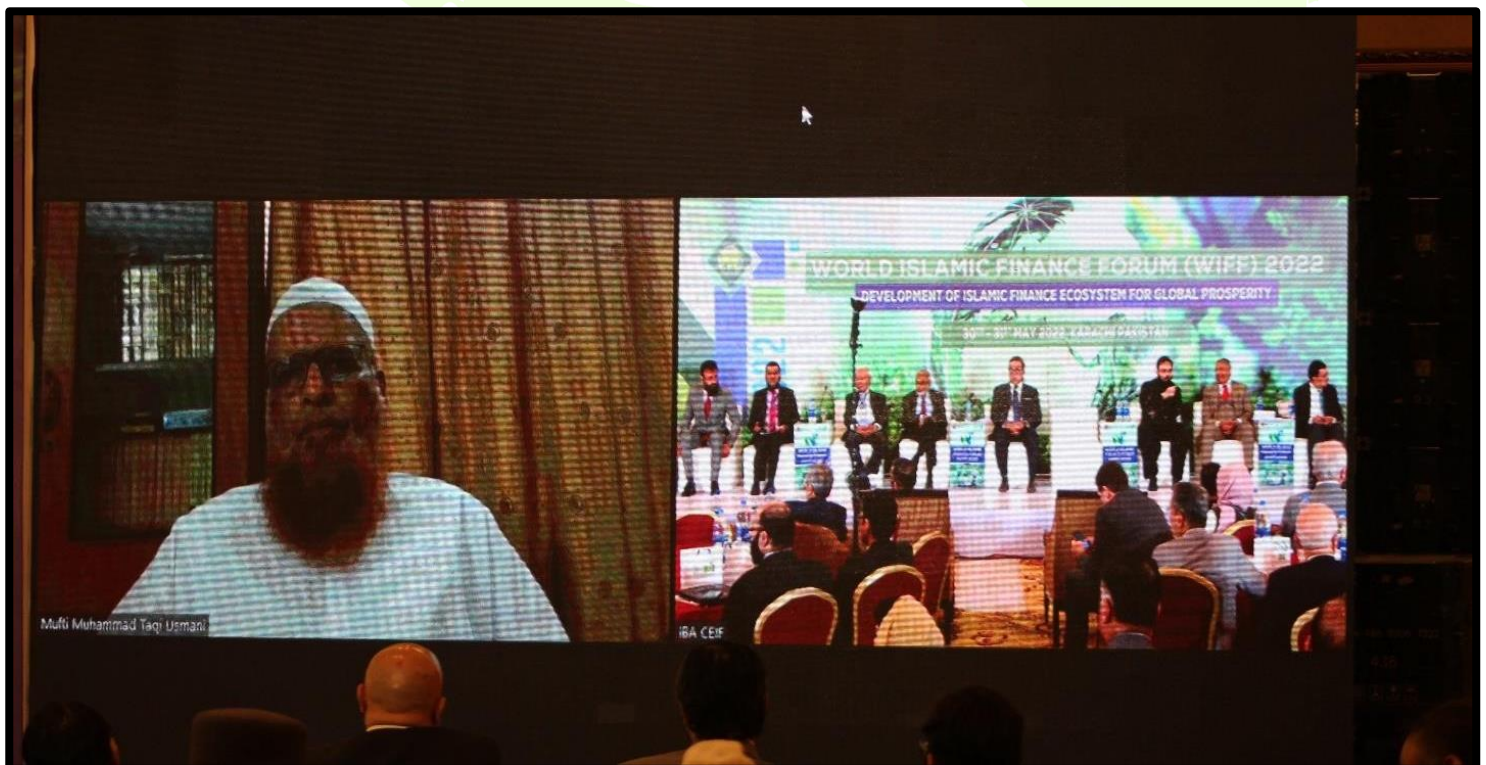
Main Speeches in WIFF 2022

Mufti Sheikh Muhammad Taqi Usmani

Shariah Board Chairman, Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI);
Chairman Shariah Board, Meezan Bank; Deputy President, Dar ul Uloom, Karachi, Pakistan

Highlights

- Basic fault in our financial system is the existence of Riba. The dream for prosperity of this world will only come true when Riba is rooted out of our financial system.
- Fortunately, WIFF is held at a time when the Federal Shariah Court has issued its decision for prohibition of Riba and encouraged the participants to propose interesting solutions make that happen smoothly.
- Stressed upon the need for development of a concrete roadmap for conversion of current economic system to an Islamic economic and finance system which he hoped provided solutions to flaws and drawbacks of the current interest-based financial and economic systems.



Main Speeches in WIFF 2022

Prof. Mufti Muneeb-ur-Rehman

Chairman – Shariah Board, MCB Islamic Bank Limited

Highlights

- Development of a task force or steering committee which will help government in the execution of the Federal Shariat Court decision for removal of Riba from the financial system.
- Recommendation to the Federal Board of Revenue and Provincial Revenue Departments to make necessary amendments in law and regulations which stand as a deterrence for the growth of Islamic Finance in Pakistan.
- Issuance of Sukuks till now have been against state assets which do not generate any economic activity and thus are for internal loans of the government. Instead, Islamic Banks should encourage issuance of Sukuks against assets that generate real economic activity in the state and provide means of employment for people to ensure benefit to the whole society which is the true essence of Islamic Finance. This will further ensure taxes and duties for the government from the economic activities generated.
- Proper training of personnel working in the IFIs is needed so as to ensure that complete understanding of Islamic Banking is instilled and implemented in their day-to-day activities.
- Marketing by IFIs must include the real returns rather than including hidden charges that are misleading due to the small font used for them which is often missed by the customer. Further State Bank to take strict measures against such advertisements.
- Recommended a forum for inclusion of Ulemas and Shariah Scholars wherein discussion pertaining to limitations and concerns are held and middle ground of action is suggested taking everyone on board so as to ensure public confidence in the concept of Islamic Finance.



Main Speeches in WIFF 2022

Mr. Omar Mustafa Ansari

Secretary General, Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), Bahrain

Highlights

- Islamic Finance is the means rather than the end. It is in fact a tool towards development of a sustainable social ecosystem.
- Adherence to Maqasid-al-Shariah is one way that we can use to develop an Islamic Financial System. Islamic Finance has a form and a soul, where-in the form is the documentation and its compliance while the essence is its implementation into the real- life transactions. The soul of Islamic Finance is having the right mindset and ethical values.
- The Maqasid-al-Shariah needs to be implemented at all levels of education as well as at regulatory and operational levels.
- There is real economic activity in every genuine Islamic Finance transaction as it supports economic development however if there is no economic activity behind a transaction then that transaction is not Shariah Compliant.
- Social Finance (like micro-finance, charity etc.) needs to be focused on in the coming days as it lacks the necessary attention. Some small institutions are working on it but there needs to be a greater focus and importance that needs to be put on social finance.
- AAOIFI is also working on Maqasid-al-Shariah and have developed standards on Shariah Decision Making as they believe that the perspective of Maqasid-al-Shariah must be incorporated in the Shariah Decision Making procedure.
- Not just the decision making but also the implementation needs to include the Maqasid-al- Shariah. In addition, AAOIFI is also working on other Social Finance factors.



Main Speeches in WIFF 2022

Ms. Sadia Khan
Commissioner, SECP

Highlights

- The consistent and healthy growth of Islamic Finance demonstrates the future potential of the segment not just in Pakistan but across the globe primarily because of Shariah Principles provide a basis for a complete financial ecosystem by encompassing inclusivity, social justice, equitable distribution of wealth and shared prosperity.
- Current progress of SECP's reform agenda which includes introduction of reforms to facilitate the growth of Islamic Finance through improving governance standards and introducing enabling provisions in regulatory space to improve the supply side.
- On the government side, SECP has established dedicated Islamic Finance departments to support the development of sound, fair and resilient capital market and also ensuring its effective enforcement.
- On the product side, reforms and introduction of new products have aided the segment which include growth of Sukuks, reforms in the Murabaha share financing product, growth of Islamic NBFC sector (i.e., 28.9% of the NBFC sector), evolution of the Takaful sector, where-in the gross premium figures increased from PKR 5.3 billion in 2012 to PKR 55 billion in 2021 and make-up 14% of the market share. Takaful operators increased from 5 to 234 since 2012.
- SECP foresees increase in supply of Islamic FinTech products (micro & digital Islamic Takaful, Waqf-based-Sukuks, evolved concepts of P2P lending and crowdfunding. SECP has been working on a requisite framework that promotes innovation and leverages technology that caters to Islamic FinTech market.
- SECP also has enhanced its focus on stimulating demand for Sukuk by encouraging block-chain based retail Sukuk issuances for enhanced financial inclusion, reducing intermediation and transaction cost.



Main Speeches in WIFF 2022

Mr. Muhammad Farrukh Raza

Chairman AAOIFI Governance & Ethics Board, Group CEO, Islamic Finance Advisory & Assurance Services (IFAAS), UK

Highlights

- Current Shariah Governance Standards have overlaps and some collective gaps which cause confusion in the industry.
- The Revised Shariah Governance Framework (RSGF) is a collaboration between AAOIFI & IFSB that aims to provide a revised and unified set of principles and rules on the key components of a sound and effective Shariah governance framework for IFIs.
- The objective is to cater to growing needs of the global Islamic finance industry in a more efficient and effective way and avoid duplication of efforts, as well as provide consistent and harmonized Shariah governance guidelines for the stakeholders.
- Once the RSGF is approved, it will supersede some of the existing standards and guidelines issued by AAOIFI and IFSB. Some standards will also be amended to provide more details and implementation guidelines for relevant sections of RSGF.
- The objectives of this RSGF include to improve quality of Shariah governance by providing comprehensive guidance on minimum and best practices for various elements of Shariah Governance, to help RSA & IIFS fulfil their fiduciary responsibilities towards various shareholders regarding Shariah compliance and governance, to provide greater harmonization of Shariah governance structures and practices across jurisdictions, to provide higher level of transparency in Shariah compliance if an IIFS by standardizing and streamlining the process of issuance, implementation and audit of Shariah rulings, to enhance public confidence in Sharia compliance of IIFS and reduce reputational risk and to complement other standards issued by IFSB & AAOIFI.
- The standard applies to IIFS in Islamic banking, takaful operators and Islamic capital markets and adopts a principle- plus-rule approach that provides comprehensive set of Shariah governance practices for implementation of each principle.



Main Speeches in WIFF 2022

Dr. Ahmet F. Aysan

Professor & Program Coordinator of Islamic Finance and Economy, Hamad Bin Khalifa University, College of Islamic Studies, Qatar Foundation

Highlights

- As of today, the cryptocurrency market holds a higher market share than Islamic Finance just with-in a span of 10 years which is an important point of consideration for the players of Islamic Finance.
- The current financial sector does not care much about price stability or financial stability anymore since the COVID pandemic rather their main focus currently stands on resilience in prolonged periods of uncertainty and how to sustain resilience.
- Overall banking industry is facing a major change as mergers & acquisitions take place based on technological reason for competition reasons.
- There is also an overall financial market restructuring going on for which Islamic Finance needs to be alert of and take necessary measures.
- Islamic Finance has seen a consistent growth rate across the globe as observed in Pakistan but there is a global change taking place that is creating uncertainties in the financial market which needs to be carefully dealt with by the Islamic Financial Institutions.
- Moreover, there is a Fintech revolution that is currently going on which is a shock that is likely to impact the financial institutions as the younger generation is influenced by technology and follow cryptocurrency, crowdfunding and other technology related products. Accordingly, the IFIs must be connected with such products to stay relevant to the Gen Y, Z, and Millennials in the coming period as they are the future customers.



Main Speeches in WIFF 2022

Dr. Miftah Ismail

Federal Finance Minister, Government of Pakistan

Highlights

- The 5-year timeline issued by Federal Shariat Court for conversion to riba free financial system seems quite an ambitious goal, but the process has to start somewhere and Government of Pakistan aims to convert 35% of the banking system to Islamic Banking.
- Commended the efforts of madaris and universities for producing excellent scholars and students of Islamic Finance and the IFIs for employing these scholars and students.
- There still exists a part of the population that will enter the banking industry only if its Riba free and Shariah compliant and when the market focuses on conventional banking system, we forego that large segment of the population.
- In ignoring that proportion of population, we take them out of the global maximum outlook that we hold when implementing the Islamic Finance which aims for the social welfare of the whole society. Therefore, I believe that this step by Federal Shariat Court is in the right direction as it aims at creation of a financial system encompassing all stakeholders.
- The Federal Shariat Court has taken up an extremely enlightened view and made the conversion process easy and feasible for all players in the financial system.
- The decision is a step in the right direction as it will lead to creation of a financial system that is acceptable to all Muslims in turn creating global prosperity.



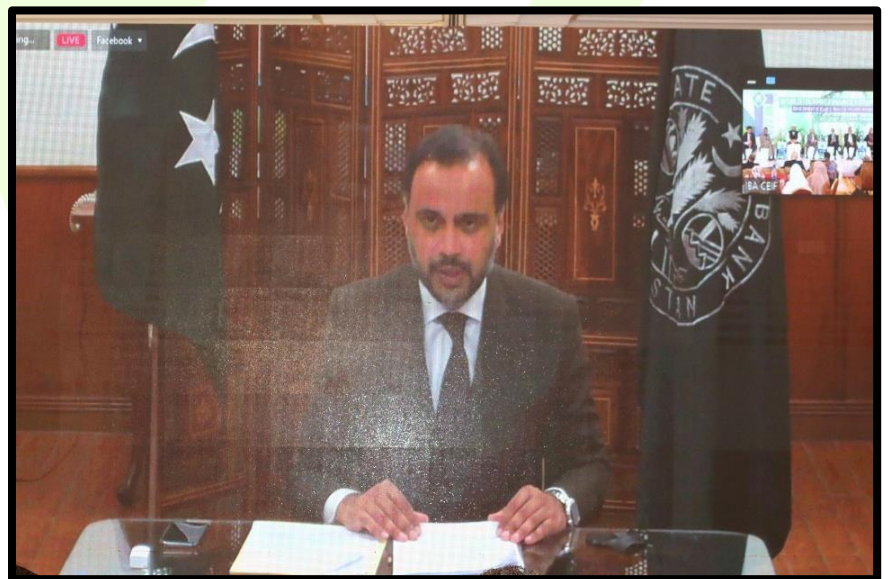
Main Speeches in WIFF 2022

Dr. Murtaza Syed

Acting Governor, State Bank of Pakistan

Highlights

- The inherent characteristics of Islamic Finance system are aligned with sustainable development and prosperity and is the future of the financial system.
- The growth of Islamic FinTech is in line with the State Bank of Pakistan's goal of Digitalization and Financial Inclusion.
- According Global Islamic FinTech report 2021, the Islamic FinTech market size for OIC countries stands at USD 49 billion in terms of transaction volume. This is currently 0.7% of global figure but it is projected to grow by 21% to USD 128 billion by 2025.
- With approx. 1500 IFIs operating in more than 82 countries, the prospect of Islamic FinTech and its role in furthering objectives of sustainability and responsible financing objectives look very promising. In response to this, banking institutions are adapting to this change and adopting measures to the enhanced needs of the customers.
- To develop practical solutions on Sukuk structures specially Asset Light Sukuk Structures, SBP is constituting a working group comprising SBP, SECP, MoF, PBA, Shariah Scholars and Centers of excellence in Islamic finance.
- Islamic banks face challenges due to irregular issuance of Sukuk. SBP is working with all stakeholders to ensure regular availability of Sukuk.
- With these radical changes in the financial systems, IFIs need to embrace digital transformation whole-heartedly. They further need to move from its current model to a more collaborative or competition induced innovative ways of service delivery that align with the high expectations of the tech-savvy customers and place high importance on transparency, efficiency and convenience.
- Further, IFIs are often limited to the urban areas in terms of reach however, with the help of FinTech they can increase their reach to rural areas as well.



Sessions

Session 1: Implementing Industry Vision

Session 2: Trajectory of Fintech Ecosystem

Session 3: Game Changers for Islamic Capital Markets & Takaful

Session 4: Future of Islamic Finance

Session 5: Islamic Finance Education Past – Present – Future
[Industry –Academia Linkages]

Session 6: Closed Door Session on “Leveraging the modern technology to enhance & promote Islamic Finance”

Session 7: Expanding the Islamic Finance Horizon

Session 8: Closed Door Session on “Challenges faced by IFIs in Ensuring Shariah Compliance”

Session 1: Implementing Industry Vision

Key Topics

- Progress and Gaps from WIFF 2018
- “Will” to Shift to an Islamic Economic System
- 3rd Islamic Banking Strategic Plan 2021-2025
- Challenges Ahead

Session Chair

- Syed Samar Hasnain, Executive Director, State Bank of Pakistan

Panel Members

- Syed Amir Ali, President & CEO, Bank Islami Pakistan
- Mr. Muhammad Afaq Khan, President, MCB Islamic Bank
- Mr. Khurram Hilal, CEO, Islamic Banking, Standard Chartered Bank, UAE
- Mr. Irfan Siddiqui, President & CEO, Meezan Bank
- Mr. Rafe Haneef, CEO GTB, CIMB Bank Berhad, Malaysia
- Dr. Yahia Abdul Rahman, CEO, Lariba Banking Group, USA; CEO, Bank of Whittier, NA
- Dr. Muhammad Imran, Group Head Islamic Banking, Bank Alfalah
- Mr. Junaid Ahmed, CEO, Dubai Islamic Bank Pakistan

Moderator

- Mr. Ahmed Ali Siddiqui, Director, IBA – CEIF



Session 2: Trajectory of Fintech Ecosystem

Key Topics

- Growth of Fintech in ambit of Islamic Finance
- Challenges faced
- Role of the Regulator

Session Chair

- Mr. Ghulam Muhammad Abbasi, Director Islamic Banking, State Bank of Pakistan

Panel Members

- Datuk Badlisyah Abdul Ghani, President, Chartered Institute of Islamic Finance Professionals, Malaysia
- Mr. Mohammad Farrukh Raza, Chairman AAOIFI Governance & Ethics Board, Group CEO, Islamic Finance Advisory & Assurance Services (IFAAS)
- Dr. Humayon Dar, Chairman, Cambridge – Edbiz Group of Companies
- Mr. Rafe Haneef, CEO GTB, CIMB Bank Berhad, Malaysia
- Dr. Zeeshan Ahmed, Dean, Al Qadir University
- Dr. Rizwan Malik – Head - Standards Implementation & Strategic Developments AAOIFI, Bahrain

Moderator

- Mr. Ashar Nazim, CEO, Aion Digital



Session 3: Game Changers for Islamic Capital Markets & Takaful

Session Chair

- Mr. Farrukh Khan, CEO & MD, Pakistan Stock Exchange

Panel Members

- Dr. Mohamad Akram Laldin, Executive Director, International Shariah Research Academy (ISRA), Malaysia
- Mufti Irshad Ahmad Aijaz, Chairman & Shari'ah Scholar Member, Shari'ah Advisory Committee, State Bank of Pakistan; Chairman Shari'ah Board, Salaam Takaful; Chairman Shari'ah Board, BankIslami Pakistan Limited
- Muhammad Shoaib CFA, CEO, Al Meezan Investment Management Limited
- Mr. Azeem Pirani, CEO, Pak-Qatar Family Takaful
- Syed Nayyar Hussain, Executive Director, Salaam Takaful Limited

Moderator

- Mr. Muhammad Farhan ul Haq Usmani, Head of Shariah Audit & Advisory, Meezan Bank



Session 4: Future of Islamic Finance

Key Topics

- Strengthening Islamic Economy and Financial System in the Post Pandemic era
- Sustainability in Islamic Finance

Session Chair & Moderator

- Mr. Omar Mustafa Ansari, Secretary General, Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), Bahrain

Panel Members

- Dr. Imran Ashraf Usmani, Vice Chairman – Shari’ah Board, Meezan Bank Limited
- Dr. Hatim El Tahir, Director Islamic Finance Group, Islamic Finance Knowledge Center Leader, Deloitte & Touche, Bahrain
- Dr. Yahia Abdul Rahman, CEO, Lariba Banking Group, USA and CEO, Bank of Whittier, NA, USA
- Mr. Muhammad Nassir Saleem, Acting Head Islamic Banking, Habib Bank Limited
- Mr. Adnan Fasih, Group Head Islamic Banking, Habib Bank AG Zurich
- Mufti Abdullah Najeeb Siddiqui, Resident Shari’ah Board Member, Al-Barakah Bank Pakistan Limited



Session 5: Islamic Finance Education Past – Present – Future [Industry –Academia Linkages]

Session Chair

- Prof. Dr. Necdet Sensoy, Director, Research Centre for Islamic Economics & Economic Systems, Istanbul Commerce University

Panel Members

- Dr. Shafiullah Jan, Assistant Professor, Institute of Management Sciences
- Dr. Syed Aun R. Rizvi, Associate Dean, Suleman Dawood School of Business, LUMS
- Prof. Dr. Rusni Hassan, Professor, Institute of Islamic Banking and Finance, IIUM
- Dr. Aishath Muneeza, Associate Professor, INCEIF
- Dr. Mohamed Eskandar Shah Mohd. Rasid, Associate Professor, Hamad Bin Khalifa University (HBKU)
- Dr. Ahmet F. Aysan, Professor & Program Coordinator of Islamic Finance and Economy, Hamad Bin Khalifa University, College of Islamic Studies, Qatar Foundation

Moderator

- Dr. Irum Saba, Associate Professor, IBA – Centre for Excellence in Islamic Finance



Session 6: Closed Door Session on “Leveraging the modern technology to enhance & promote Islamic Finance”

Panel Members

- Mr. Majid Dawood – CEO, Yasaar Research Limited, UK
- Dr. Aznan Hasan – Non-Executive Director, Maybank Islamic, President of ASAS
- Mr. Rushdi Siddiqui – Co Founder/CEO, EMStartups.AI
- Mr. Al Umer Suleman – GM UK & Head of Global Risk & Audit, Wahed Funds
- Mr. Muhammad Asad – CIO, Al-Meezan Investment Management Limited
- Mr. Hasnain S. Jaffery – Co-Founder, The Zeal

Moderator

- Mr. Muhammad Farhan ul Haq Usmani, Head – Shariah Audit Department, Meezan Bank Limited



Session 7: Expanding the Islamic Finance Horizon”

Key Topics

- Global Islamic Financial Inclusion
- Shared prosperity

Session Chair & Moderator

- Mr. Mohammad Farrukh Raza, Chairman AAOIFI Governance & Ethics Board, Group CEO, Islamic Finance Advisory & Assurance Services (IFAAS)

Panel Members

- Muhammad Faisal Shaikh, Head Islamic Banking, Faysal Bank Limited
- Mr. Tanveer Farhan Mahmood, Head – Islamic Banking, UBL
- Dr. Mohamed Eskandar Shah Mohd. Rasid, Associate Professor, Hammad Bin Khalifa University (HBKU)
- Mr. Omar Shaikh, Advisory Board Member & Director, UK Islamic Finance Council
- Mr. Rafe Haneef, CEO CIMB, Malaysia



Session 8: Closed Door Session on “Challenges faced by IFIs in Ensuring Shariah Compliance”

Special Address

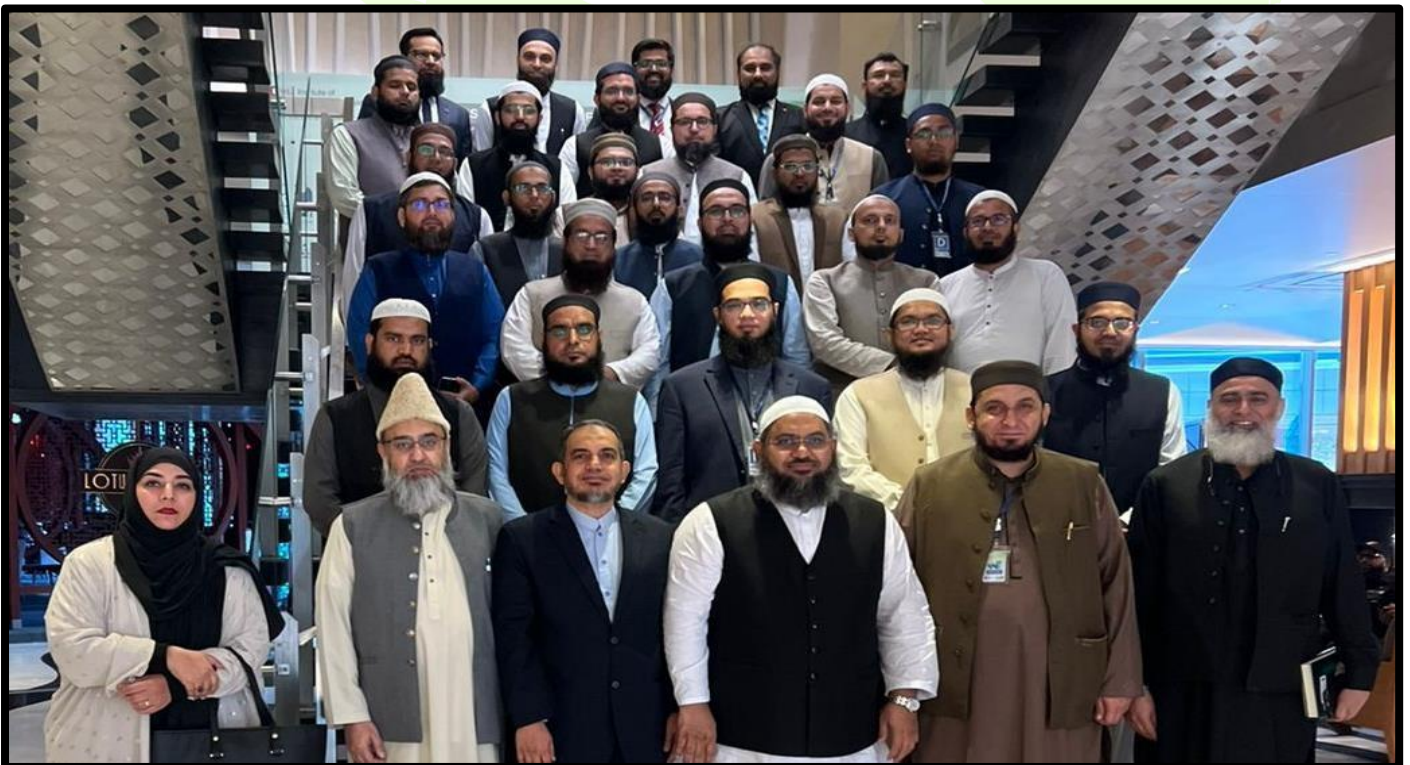
- Dr. Mohamad Akram Laldin, Executive Director, International Shariah Research Academy (ISRA)

Panel Members

- Mufti Muhammad Najeeb Khan, Chairman Shari’ah Board, Summit Bank
- Mufti Hassan Kaleem, Chairman Shari’ah Board, Pak-Qatar Takaful, Member Shari’ah Board, Dubai Islamic Bank
- Prof. Dr. Noor Ahmed Shahtaz, Shari’ah Scholar
- Mufti Syed Sabir Hussain, Resident Shari’ah board Member/ Head Shari’ah Compliance, MCB Islamic Bank
- Dr. Imran Ashraf Usmani, Vice Chairman – Shari’ah Board, Meezan Bank Limited
- Mufti Irshad Ahmad Aijaz, Chairman & Shari’ah Scholar Member, Shari’ah Advisory Committee, State Bank of Pakistan; Chairman Shari’ah Board, Salaam Takaful; Chairman Shari’ah Board, BankIslami Pakistan Limited
- Ayatullah Sheikh Shabbir Hasan Lakhani Maisami, Shari’ah Board Member – Salaam Takaful, Shari’ah Scholar Member – Shari’ah Advisory Committee, State Bank of Pakistan

Moderator

- Dr. Irum Saba, Associate Professor, IBA – Centre for Excellence in Islamic Finance



Concluding Power Session with Islamic Finance Visionaries

Panel Members

- Mufti Irshad Ahmad Aijaz, Chairman & Shari'ah Scholar Member, Shari'ah Advisory Committee, State Bank of Pakistan; Chairman Shari'ah Board, Salaam Takaful; Chairman Shari'ah Board, BankIslami Pakistan Limited
- Prof. Dr. Ishrat Husain, Chairman, CEIF-IBA
- Mr. Irfan Siddiqui, President & CEO, Meezan Bank
- Mr. Omar Mustafa Ansari, Secretary General, Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI)
- Prof. Dr. Rusni Hassan, Professor, Institute of Islamic Banking and Finance, IIUM
- Dr. Yahia Abdul Rahman, CEO, Lariba Banking Group, USA; CEO, Bank of Whittier
- Dr. Muhammad Imran, Group Head, Islamic Banking, Bank Alfalah Limited

Moderator

- Mr. Ahmed Ali Siddiqui, Director, Centre for Excellence in Islamic Finance, Institute of Business Administration (IBA – CEIF)



Key Takeaways – WIFF 2022

- Stressed upon the importance of Islamic economic and financial system as a system that can help provide solution to the flaws of current economic and financial systems and appreciated the growth and journey of Islamic Finance Industry in Pakistan.
- Stressed upon the need of co-operation between all players of the banking Industry to achieve the vision together, and the need of an Islamic banking division under Ministry of Finance for concerted, guided efforts towards achieving goals of Islamic Economic system and Islamic Maqasid-al-Shariah.
- Recommended enhancing Islamic finance outreach to greater role in SME and Agri Financing.
- Formation of a commission for technology and digitization initiatives to benefit banking sector as a whole in expanding financial inclusion, was also proposed.
- Highlighted the need for ingraining the mindset of shariah-compliance preference in the society as a whole.
- Shed light on the need for Islamic finance institutions to focus on the value addition they bring to the society as a whole and focus on achieving SDGs and Maqasid-al-Shariah via Islamic finance approach.
- Shed light on the powerful and emerging role of FinTechs, and how the evolving digital landscape requires banks to evolve, change the board mindsets with greater acceptance to technological changes with rising trends of open banking and banks as e-platforms.
- The need to keep innovating to cater to greater and various untapped customer needs in integrated digital ways was stressed upon. AAOIFI is also recognizing the changing digital landscape and standards pertaining to crowdfunding, open banking and digital banking are under-work.
- Stressed that while shying away from greater use of technology and digitization we are underselling the true potential of Islamic finance. Greater acceptance to, and measure for adaptability to evolving digital trends are the need of the hour for any financial institutions to survive in future and tap potential for phenomenal growth.
- Highlighted how takaful model is based on the 'giving' spirit of Islamic finance by focusing on co-operation first, and material benefits later.
- For development of Islamic capital markets, collaboration between regulators, market practitioners and scholars were stressed. Moreover, it highlighted that a proper roadmap with specified time-framed goals is required for full implementation of Islamic finance system as a whole.
- Stressed upon expanding the outreach of Islamic finance to untapped and less-catered- to market segments, along with exploring new market segments and customer needs. Moreover, the speakers reiterated that Islamic finance products and services should focus on value addition they can bring to the society, and the enhanced role they can play in dealing with economic and financial crisis.
- Academicians from various countries shared the developments and structure of Islamic finance education systems in their countries along with the challenges faced and improvement

suggestions. The speakers highlighted the need for better coordination between academia and industry for better developed curriculum, talent and research that can help solve and address rising and evolving issues facing the Islamic Finance Industry. The need for constant research, innovation and collaborative learning was reiterated.

- They also stressed the important role of sound knowledge of Fiqh and shariah and focus of research on crisis management.
- Talked in detail about sustainable development goals and how Islamic finance product innovation to develop products that create high value and impact is the key. Esteemed panelists also stressed that Islamic finance institutions should have sustainability strategies for playing substantial and successful role in true betterment of society and global prosperity.
- The last power session of the conference was based on concluding remarks by eminent Islamic finance visionaries who stressed upon the practical implementation of takeaways from this conference where international and local experts shared valuable gems of advice, recommendations and suggestions.
- It was highlighted that as per existing Shariah Governance Framework, every policy and agreement shall be reviewed and vetted by Shariah Board which include fuel policy and vehicle maintenance policy and third-party agreements which overburdens the role of Shariah Board. It was suggested by the forum by considering the best practices like of Malaysia that only those products / Policies / Agreements shall go to Shariah Board which are related to Shariah and the recommendation shall be forwarded to Islamic Banking Department of SBP.
- Suggestion for Association of Shariah scholars was given by some participants. The forum has agreed to launch Shariah scholars' forum which meet regularly on innovative issues without going to the formalities of registration etc. as of now.
- It was discussed that the recent landmark judgment of Federal Shariah Court on ban of interest from the economy has put huge responsibility on Shariah scholars to provide their guidance on conversion of economy and give alternative solutions for interest-based monetary policy and other. It was suggested that regular forums shall be conducted on different educational intuitions in which papers shall be presented on these important issues. Out of those papers, we shall come up with concrete roadmap and viable solutions for conversion of the whole economy.

MEDIA COVERAGE

Interest Based Banking should be Replaced by Shariah-Compliant System: Mufti Taqi Usmani **propakistani.pk**

Renowned Muslim Scholar Mufti Taqi Usmani has urged the Islamic banking professionals and other stakeholders of financial institutions to replace interest-based banking with a Shariah-compliant system.

The scholar urged professionals in the Islamic banking industry to come up with workable recommendations to achieve the total elimination of Riba and make Pakistan an example for the rest of the world to follow.

“It is high time to ponder over the matter and develop a roadmap to achieve this goal, as ordered by the Federal Shariat Court (FSC). It is imperative for all of us, and persons involved in Islamic finance, that we make the roadmap to ensure an interest-free financial system,” said Usmani.

The abolition of Riba from the financial system is not just the need of an Islamic system, rather it is the need of humanity and the world at large. Because of this interest-based financial system, the economies of the world very frequently have had shocks, and due to these shocks, the whole economy gets shattered, as it happened in the crisis of 2008, the scholar said.

Riba, or interest, has been prohibited in all divine books like the Bible and finally the Holy Quran. Jews, Christians, and Muslims all agree that usury was prohibited by Allah. But unfortunately, this has been the vilest practice in commercial transactions, he added.

State Bank of Pakistan (SBP) Deputy Governor Sima Kamil highlighted six strategic pillars of the Islamic Banking Industry under the Third Strategic Plan 2021-25. She said the plan included strengthening the local landscape, enhancing the conduciveness of the regulatory framework, reinforcing the comprehensive Shariah governance framework, improving the liquidity management framework, expanding outreach and market development, and bolstering human capital.

The deputy governor said the banking regulator has taken some key steps for the promotion of Islamic banking in the country, including the establishment of three centers of excellence, regular issuance of five-year strategic plans to guide the industry, and Shariah-compliant standing ceiling facility and open market operations.

In her detailed presentation, she informed the participants about issues and challenges faced by the Islamic Banking Industry. She said that perception and capacity-building issues, lack of regular supply of sovereign Sukuk, lower penetration in strategic sectors like SMEs and agriculture, lack of research and development of innovative products and services, and

MEDIA COVERAGE

adoption of technology and digital transformations are some challenges that need to be addressed.

Seema Kamil said that we had a goal of ending poverty through Islamic Banking and it was an achievable goal.

The forum was also addressed by the Former Chairman of the Reute Hilal Committee and renowned scholar Mufti Munibur Rehman, Former governor of State Bank of Pakistan (SBP), and Chairman of IBA CEIF Dr. Ishrat Hussain, Director of IBA's Centre for Excellence in Islamic Finance Ahmed Ali Siddiqi, IBA Executive Director Syed Akber Zaidi, President and CEO of Meezan Bank Irfan Siddiqui, Amir Khan – Chairman Security Exchange Commission of Pakistan, Rizwan Hussain – MD Salam Takaful, Yousuf Hussain – CEO Faysal Bank and others.

اسلامی بینکاری کا کردار نظر انداز نہیں کیا جاسکتا 'وزیر خزانہ روزنامہ جنگ:

کراچی (اسٹاف رپورٹر) وفاقی وزیر خزانہ مفتاح اسماعیل نے کہا ہے کہ دنیا کے تمام ممالک اسلامی بینکنگ کی طرف جارہے ہیں 'اسلامک بینکنگ کا اپنا ایک کردار بن چکا ہے جس کو نظر انداز نہیں کیا جاسکتا' اسلامی بینکاری کے حوالے سے وفاقی شریعت عدالت کا فیصلہ بہت خوش آئند اقدام ہے۔

ان خیالات کا اظہار انہوں نے بحیثیت مہمان خصوصی ورلڈ اسلامک فنانس فورم کے اختتامی سیشن سے بحیثیت مہمان خصوصی خطاب کرتے ہوئے کہا۔

انہوں نے کہا کہ وہ مسلمان جو روایتی سود پر مبنی بینکاری میں انویسٹمنٹ نہیں کرنا چاہتے تھے وہ سود سے پاک بینکاری میں آسکتے ہیں۔

اسلامی اصولوں پر عمل پیرا ہو کر ہم اپنے معاشی معاملات بہتر کر سکتے ہیں 'ہمارے مدارس بہت اہم کام کر رہے ہیں اور خاص طور پر دارالعلوم کراچی اور جامعہ الرشید طلبہ کو معیشت کی تربیت دے رہے ہیں یقیناً وہ اسلامک فنانس میں اپنا کردار ادا کریں گے۔

تقریب سے خطاب کرتے ہوئے گورنر اسٹیٹ بینک مرتضی سید نے کہا کہ اسلامک فنانس اس وقت تیزی سے ترقی کر رہی ہے اور اس کا معیشت میں بہت اہم کردار ہے۔

MEDIA COVERAGE

Riba-free Islamic banking system: 5-year time frame by FSC ‘too ambitious’: Miftah

Business Recorder

KARACHI: Federal Minister for Finance and Revenue, Miftah Ismail Tuesday said the 5-year timeframe granted by the Federal Shariat Court (FSC) for conversion of the current mix between Islamic and interest-based conventional banking into a full-fledged Riba-free Islamic banking system is too ‘ambitious’ and perhaps requires a little longer to achieve the target.

However, he vowed that Pakistan will go for the implementation of Riba free banking system, in compliance with the FSC rulings.

Addressing the concluding session of the 3rd World Islamic Finance Forum-2022 (WIFF) as the chief guest via zoom, Miftah said the FSC order is a step in the right direction, and “there is nothing to fear for Pakistani investors as the Court has taken very enlighten view in its ruling.” It would be an evolutionary process of conversion of conventional banking into a Riba-free Shariah compliant banking.

Islamic finance allows Muslims around the globe to participate in banking, and purchase of government auction papers etc. Many Muslims do not buy insurance because of religious reasons; however, Takaful has offered them an alternate.

Conference on Islamic financing: Call for replacing interest-based banking with Shariah-compliant system

Riba-free banking will attract a number of Muslims who otherwise do not engage in banking system. By doing just conventional banking, we actually ignore a bunch of Muslim population around the world including Pakistan and thereby compromising our prosperity. It’s very important to cater the financial needs of these Muslims who do not wish to have anything to do with conventional interest-based banking. For us to have an inclusive growth, we have to allow unbanked to do interest-free banking.

“I confess, I really do not know enough about Islamic finance and economics to talk very reasonably,” the finance minister said and added that a number of wonderful people in Pakistan really know the Islamic Shariah knowledge of finance and banking who guide Pakistan’s efforts towards the Islamic banking.

He acknowledged that many institutions including IBA are working hard to produce good graduates and experts of economics and finance, and many banks have done very well by employing these graduates. He also acknowledged the role of some seminaries including Darul Uloom for producing graduates and Muftis who have good knowledge of Islamic financial system.

MEDIA COVERAGE

Themed 'Development of Islamic finance ecosystem for global prosperity' the 2-day mega event was organized by Institute of Business Administration, Center for Excellence in Islamic Finance (IBA, CEIF) here at a local hotel. Acting Governor SBP Murtaza Syed in his virtual address said Islamic finance is widely recognized as fastest growing segments of global finance.

The Islamic economic system focuses on providing decent, and provides prosperous lives to all human beings and ensuring everyone has a minimum level of welfare. The major characteristics of Islamic finance are aligned with sustainable development and prosperity. "Without any doubt the Islamic finance is the industry's future, it's dependent upon your ability to keep pace with the latest global developments and align its strategies accordingly," Murtaza said.

Government asked to end riba-based banking system by 2027

He said one of the themes in this year conference was Islamic financial technology (Fintech) which is in line with the State Bank's vision of digitalization and financial inclusion. Fintech is a new revolution in finance industry, and technological sophistication of financial institutions has become increasingly important as strategic way forward.

According to a global Islamic Fintech report 2021, he said the Islamic Fintech market size for OIC countries stands at \$49 billion in transaction value, but today this only represents 0.7 percent of the global figure. It is projected to grow at 21 percent to \$128 billion by 2025.

With roughly more than 1500 Islamic financial institutions are operating around the world, the prospects of Islamic Fintech look very promising. FinTech can play an important role in promoting Shariah Complaint products and services by ensuring rapid processes.

Islamic banking is the future, says SBP chief

Published in Dawn, June 1st, 2022

KARACHI: The Acting Governor of the State Bank of Pakistan (SBP), Dr. Murtaza Syed, said Islamic banking has a key role in the growth of the economy while it has been growing at a fast speed, particularly in Pakistan.

Dr. Syed was addressing the World Islamic Finance Forum (WIFF) held in Karachi on Tuesday. He said Islamic banking has an asset of \$49 billion in the OIC countries.

He said Islamic banking has a central role in the growth of home financing in the country. He said that there is no doubt that Islamic banking is the future of banking. He said Islamic banking has a big role in the growth of the economy.

"1/2 To develop practical solutions on Sukuk structures specially Asset Light Sukuk Structures, #SBP is constituting a working group comprising SBP, SECP, MoF, PBA, Shariah Scholars and Centers of excellence in Islamic finance, says Dr. Murtaza Syed, Governor (A), at WIFF2022," a tweet by the SBP read.

"2/2 Islamic banks face challenges due to irregular issuance of Sukuk. SBP is working with all stakeholders to ensure regular availability of Sukuk," the SBP said in another tweet.

MEDIA COVERAGE

Pakistan pushes ahead with full implementation of Islamic finance

The News

KARACHI: Finance Minister Miftah Ismail has said Pakistan was moving in the right direction to convert from conventional banking to full-fledged Shariah-compliant banking as it pushed ahead with the Federal Shariat Court's ruling that an Islamic country's economic system should be interest-free.

Recently, the Federal Shariat Court has ruled that all banking in Pakistan should convert to Islamic banking.

"The honorable court has given five years for this conversion. Though perhaps these five years is too ambitious a timeframe," Ismail said at the World Islamic Finance Forum virtually on Tuesday.

Admitting that perhaps it would require a little longer, he said there was an effort to convert 35 percent banking to Islamic banking by next year or so.

"We are working in the right direction, our speed may be much slower," that is warranted, but "I think Pakistan as a country is moving towards full implementation of an Islamic finance system and riba-free banking," the minister added.

The government's cost of borrowing has been falling due to selling Islamic debt.

Islamic papers saved the government up to 2 percent.

He said Islamic finance allows a lot of Muslims around the world to participate in banking and in purchase of government papers and auctions. Many people would do banking only if it was Shariah-compliant, and if we stick to conventional banking, we ignore a large segment of the population.

"For us to have inclusive growth means that we (allow) people to do non-interest banking and therefore this step by the Shariat court," Ismail said.

State Bank of Pakistan (SBP) Acting Governor Dr Murtaza Syed said to develop practical solutions on Sukuk structures specially Asset Light Sukuk Structures, the SBP was constituting a working group comprising SBP, Securities and Exchange Commission of Pakistan, Finance Ministry, Pakistan Banking Association, shariah scholars and centers of excellence in Islamic finance.

Islamic banks face challenges due to irregular issuance of Sukuk. "SBP is working with all stakeholders to ensure regular availability of Sukuk," Syed said.

He said Islamic finance was widely recognized as one of the fastest growing segments of global finance.

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The central theme of this forum underscores a critical global shift i.e., revamping financial services. He said it was likely to play a role in the economy.

Islamic economic system focuses on providing decent and prosperous lives for all human beings, while ensuring that everyone has a minimum level of welfare. The Islamic finance industry's future was indivisibly dependent on the ability to keep pace with the largest developments and align its strategies accordingly.

Islamic fintech is exactly in line with the central bank's vision of digitalization and financial inclusion. According to the global Islamic fintech report 2021, the Islamic fintech market size for OIC countries stands at \$49 billion in transaction volume.

Now this only represents about 0.7 percent of the global figure, but it is projected to grow at 20-21 percent to \$128 billion by 2025. The Islamic financial institution should embrace digital transformation wholeheartedly.

Minister advocates Islamic banking system

Terms Shariah court's ruling for conversion step in the right direction

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KARACHI:

Federal Shariah Court's ruling to convert the entire banking system into Islamic is a step in the right direction, as the Shariah-compliant banking has paced up financial inclusion and holds the key towards prosperity and inclusive economic growth, remarked Finance Minister Miftah Ismail.

The court has given five years for the conversion. "Though five years is a very ambitious timeframe and perhaps will require a little longer," Ismail said.

He was speaking at the concluding session of a two-day conference on 'World Islamic Finance Forum 2022 (WIFF 2022) – Development of Finance Ecosystem for Global Prosperity' on Tuesday. The conference was organized by IBA Centre for Excellence in Islamic Finance (IBA CEIF).

The Shariah-compliant banking has not only convinced a large section of the society towards a formal banking system, but at the same time, the Islamic banking has provided required financing to the government at notably reduced cost which has saved billions of rupees in interest payment to the rulers.

"I think there is an effort to convert 35% banking to Islamic banking by next year or so," the minister said.

"We are working in the right direction. Our speed may be much slower than perhaps is warranted but ... Pakistan as a country is moving towards a full implementation of Islamic finance banking system and Riba-free (interest free) banking."

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People do not utilize banking services because they are not well off enough or for religious reasons. But those people who are out of the banking system because of conventional banking are unacceptable to them. So, this means “(we) obviously leave out a large chunk of the population and therefore you sacrifice prosperity”.

“For us to have inclusive growth means that we have to allow people to do non-interest banking and therefore this measure by the Shariah court is the step in the right direction.”

Ismail said that conventional banks provided financing to the government through buying sovereign papers at a cost of 14.5%, but when the government sold Sukuk (Islamic-papers), the cost came almost 2% lower at around 12.5- 13%.

“So going Islamic way and selling Islamic paper was not just full of Barkat (prosperity), but saved 2% to the government treasury,” he said.

So Islamic finance allows people around the world to participate in banking and to participate in purchase of government papers and “that is something that we have ignored to date that there are many people who will do banking only if it is interest-free and Shariah-compliant”, he mentioned. “When we just do conventional banking we ignore a large segment of the population, Islamic population, Muslim population around the world, including in Pakistan.”

He said there is nothing to fear for Pakistani investors in the context of Shariah court ruling. The conventional bonds sold for up to 30-year would remain in place till their maturity.

“Shariah court has taken a very enlightened view on how to convert this. So, it will be a gradual evolutionary formation from conventional to Islamic banking. That is going to bring greater prosperity to Pakistan.”

“I have no doubt in my mind that it will encourage more and more people to become part of the modern economy, utilizing both Islamic banking instruments and Islamic Takaful (insurance) instruments.”

The State Bank of Pakistan (SBP) acting Governor Murtaza Syed said Islamic finance is widely recognized as one of the fastest growing segments of global finance.

“Islamic economic system focuses on providing decent and prosperous lives for all human beings and ensuring that everyone has a minimum level of welfare. The inherent characteristics of Islamic finance are aligned with sustainable development and prosperity without any doubt.”

Islamic fintech is exactly in line with the central bank’s vision of digitalization and financial inclusion, he said.

According to the global Islamic fintech report 2021, the Islamic fintech market size for OIC countries stands at \$49 billion in transaction volume. “Now, today this only represents about 0.7% of the global figure, but it is projected to grow at 20-21% to \$128 billion by 2025”. Globally, it is seen that artificial intelligence, robotics, blockchain and other advanced technologies have slowly found space in the banking world.

