

2nd ISLAMIC FINANCE, BANKING & BUSINESS ETHICS GLOBAL CONFERENCE 2017, 18-19 April 2017

Theme "Risk Sharing Islamic Finance: Challenges, Innovation and Leadership"

FOR IMMEDIATE RELEASE

21 April, Kuala Lumpur: The recently concluded two-day international conference on Islamic finance jointly organised by INCEIF and one of Pakistan's top business schools, Suleman Dawood School of Business at Lahore University of Management Sciences (LUMS), signifies the commitment by both universities to promote innovative and applicable research findings for the development of the Islamic finance industry.

The Islamic finance sector has experienced exponential growth in the last few decades. Islamic banking institutions are now established in over 50 countries and account for more than 15% of the financial landscape in most of these countries. The success of the Islamic financial industry is all the more evident since it has come during a period when the conventional financial industry is experiencing a crisis. From the Olympic village in London to Burj Khalifa in Dubai, Shariah-compliant investments are making inroads on a global scale.

The global Islamic financial assets stand at US\$2 trillion with Pakistan and Malaysia at the forefront. With nearly one-fifth of the banking sector in the two countries reliant on the Islamic financial services with double digit annual growth, the potential of Islamic financial services is huge.

Following the success of the inaugural conference in Pakistan in 2016, INCEIF and Suleman Dawood School of Business jointly organised the 2nd Islamic Finance Banking and Business Ethics Global Conference in Kuala Lumpur. The conference brought together the research output of scholars and professionals in the Islamic Finance world, including Indonesia, France and Luxembourg, that focuses on the growth and development of the industry.

LUMS Vice Chancellor Prof Dr Sohail Naqvi said the university was proud to collaborate with INCEIF as both shared the common vision of developing expert human capital for the Islamic finance industry.

"We see our collaboration as a precursor to partnerships between financial institutions and other market players from both countries."

INCEIF's Director of Research Management Centre Assoc Prof Dr Baharom Abdul Hamid said the joint event was one of the many initiatives that INCEIF has embarked as part of its effort to showcase and strengthen research activities and collaborations.

“INCEIF sees this relationship with LUMS as a strategic partnership that will positively contribute towards the development of talent both in business and the Islamic financial industry.

Through joint initiatives such as this, INCEIF can in a way ensure that global experience is used to develop human capital in the region - taking each university's strengths to the world.

“This conference in particular is a platform for all us – academicians, industry players and regulators – to hear about, discuss and push for innovative ideas. Although Islamic finance has come a long way in a short span of time, more needs to be done to put the industry on a trajectory. We need new innovations, hybrid products and services to get the markets and the consumers excited about Islamic finance,” said Dr Baharom.

The Islamic finance industry, which encompasses Islamic banking, Islamic capital markets and Takaful, is expected to face slower growth this year and the year ahead as key markets for Islamic finance are facing economic slowdown according to a recent report by Standard & Poor's.

During a panel discussion at the conference, one of the panelists, Associate Professor Dr Saad Azmat of LUMS said: “Perhaps we should even consider ideas that we normally dismissed as foolish. We recently had a project that invited new ideas from the participants, and told them to submit ideas that people deemed foolish. When we checked back with the participants after the project was concluded, we found that a few of the foolish ideas have been successfully implemented. So, there you go.”

Dr Saad who presented four papers at the conference won Best Paper award for one of the papers, ‘Revisiting Islamic Prohibition of Interest’. The other two who also won Best Paper award were Prof Dr Christian Wolff of University of Luxembourg for his paper ‘Credit Risk Characteristics of Small Business Loan Portfolios’; and INCEIF PhD Candidate at INCEIF Mr Kinan Salim for his paper ‘The Impact of Competition on Banks Efficiency – Do Business Model and Corporate Governance Matter: Evidence from Dual Banking Systems.’

Among the papers presented at the two-day conference were:

- Towards greater financial inclusion of refugees in the Fourth Industrial Revolution: A risk-sharing based Islamic financial solution (Bahrain)
- Shariah screening and its effect on portfolio performance (Brussels)
- Go Zakat Mobile Application: Innovation to optimise zakat collection in Indonesia (Indonesia)
- Will Islamic banking make the financial world less risky? (Pakistan)

The winners of the Best Paper award were chosen based on the originality of contribution to knowledge with an emphasis on the paper's innovativeness, and quality of argument incorporating critical analysis of concepts, theories and findings as well as consistency and coherency of debate.

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About INCEIF

INCEIF was set up by Bank Negara Malaysia in 2005 to develop human capital and knowledge leadership for the global Islamic finance industry. Apart from its academic programmes, which are Masters of Islamic Finance Practice, MSc in Islamic Finance and PhD in Islamic Finance, INCEIF also offers customised executive training programmes and industry-focused applied research in line with its vision to be the knowledge and thought leader in Islamic finance.

INCEIF syllabus is structured with inputs from industry players to bridge the gap between academic knowledge and industry experience. INCEIF faculty members, who are globally respected among the Islamic finance academia and industry, have a combined wealth of experience and diversity. The faculty, coupled with continuous support from the industry, provides INCEIF students with strong mentoring relationships and opportunities for professional development.

Since 2015, INCEIF's research has been ranked 1st in Malaysia amongst the higher education institutions in the Research Papers in Economics (RePec) rankings. We are also the only institution to have the research of five professors recognised by RePec, among the top 30 academics in Malaysia. We are ranked 40th in Asia as a university. Within the Financial Economics & Finance Department category, defined by REPEC, we are ranked 30th in the world.

Today there are 1,332 agents for change in the world from INCEIF. Some are already making meaningful contributions to the advancement of Islamic finance at all levels be it product development, policy framework and implementation; regulation and enforcement; and innovation.

INCEIF's curriculum used and adopted worldwide by various academic institutions. INCEIF has a global reach of our executive education through executive programmes, forums & special programmes. In furthering capability development initiatives, INCEIF works closely with emerging markets such as Maldives, Kazakhstan, Kenya and Kyrgyz for knowledge transfer as well as knowledge building.

For more information, please visit www.inceif.org.

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About Suleman Dawood School of Business

The Suleman Dawood School of Business at Lahore University of Management Sciences (LUMS) now proudly stands amongst top 300 business schools of the world according to the latest rankings by Quacquarelli Symonds (QS) World University Rankings by Subject 2017.

Established in 1986, it is the oldest of LUMS schools. The school's curriculum was designed in partnership with Harvard Business School and the University of Western Ontario. The school offers full-time MBA, a week-end Executive MBA, a course-based PhD Management and Bachelor's programmes with Management and Finance, and Management Science.