

# Islamic Finance Conference 2019

9th of December, 2019

JS Auditorium, IBA City Campus, Karachi, Pakistan

## CONFERENCE SUMMARY

The Islamic Finance Conference 2019 was organized by the Institute of Business Administration-Centre for Excellence in Islamic Finance (IBA-CEIF) in collaboration with the Islamic Finance Society of IBA. The academic partners included Lahore University of Management Sciences (LUMS), International Centre for Education in Islamic Finance (INCEIF), Malaysia, and International Shari'ah Research Academy (ISRA), Malaysia.

The conference commenced with the recitation of the Holy Qur'an by Hafiz Muhammad Ali Noor, Assistant Manager of the Islamic Finance Society (IFS) at the IBA, Karachi. Mr. Ahmed Ali Siddiqui, Director IBA CEIF delivered the inaugural speech which highlighted the role of the centre in promotion of Islamic Finance in Pakistan since its inception in 2015. The inaugural speech was followed by a welcome address by Dr. Farrukh Iqbal, Dean and Executive Director, IBA Karachi. Dr. Iqbal appreciated the initiative as a source of international dialogue on the emerging trends in Islamic Finance industry.

Mr. Ghulam Muhammad Abbasi, Director of Islamic Banking, State Bank of Pakistan delivered a special address on the industry dynamics and the role of central bank. Prof. Dr. Ishrat Husain, Chairperson, IBA CEIF and Advisor to the Prime Minister of Pakistan for Institutional Reforms and Austerity, delivered the visionary address at the conference. He highlighted the importance of Islamic microfinance in empowering the poor and the role of research and innovation in devising Islamic finance solutions to alleviate poverty. The visionary address was followed by a keynote address by Mr. Irfan Siddiqui, CEO, Meezan Bank Ltd.

The conference was organized in four sessions according to the theme of research work. Each session was moderated by a session chair and an industry chair to provide feedback on the receptiveness of the academic research in light of contemporary industry dynamics.

### **Session 1: Islamic Banking**

The session focused on the contemporary practices in Islamic banking and discussion on the future propositions. Dr. Dawood Ashraf, Senior Researcher, IRTI, KSA, presented his paper on the impact of changes in Shari'a screening methodologies on Shari'a compliance status and financial performance of firms. Mufti Naveed Alam, Resident Shari'a Board Member, Meezan Bank shared his work on Running Musharkah as a Shari'a compliant viable alternate of overdraft facility.

Dr. Aishath Muneeza, Associate Professor INCEIF, presented her paper on the role of salam contract in Islamic banking. Dr. Shabeer Khan, Assistant Professor, IBA Sukkur presented his research on the rectification of breach of contract in Islamic finance.

Lastly, Dr. Adam Ng, Deputy Director, Research Management Centre (RMC) and Head of Value-Based Intermediation (VBI) at INCEIF, shared his research work on the impact of sustainable banking practices on banks' stability to the audience. The session chair for this session was Mufti Irshad Ahmad Aijaz, Chairman, Shariah Supervisory Board, Bank Islami. The industry chair was Mr. Abdullah Ghaffar, Group Head - Corporate & Investment Banking, Al Baraka Bank.

### **Session 2: Fintech and Islamic Finance**

The second session of the conference contained research work from aspiring researchers from Karachi and academicians and professionals from Lahore, Multan, Bahawalpur, Bahrain and Malaysia. Ms. Jaweriya Naz, Associate Researcher, NED University of Engineering and Technology, presented her paper on the dynamics of Islamic finance through blockchain implementation. Mufti Muaz Ashraf, Research Sharia Scholar, Sharia Compliance Department at Meezan Bank presented a critical sharia analysis of cryptocurrency.

Dr. Sana Tauseef, Assistant Professor, Department of Finance IBA, shared her research on the role of market sentiment in predicting stock returns by presenting results from Islamic and conventional stocks in Pakistan as evidence. Prof. Dr. Rehana Kouser, Chairperson, Department of Commerce,

BZU, Multan presented her work on the catalytic role of Islamic Finance in sustainable development.

Dr. Alaa Alabed, Chief Research Officer Wethaq Capital Markets, highlighted the prospects of a common digital currency in OIC Member Countries. Dr. Burhanuddin Lukman, Head of Takaful Unit from ISRA, Malaysia, shared a potential new Takaful model, the Postpaid Crowdfunding Insurance.

The session chair, Mr. Parvez Nasim, Chairman and CEO, Islamic Co-operative Housing Corporation and Ansar Financial Group, from Canada, appreciated the data-driven, factual research and recognized it as a milestone for future developments in the Islamic Finance industry.

### **Session 3: Islamic Social Finance**

This session focused on Islamic finance solutions for poverty alleviation. Dr. Sanaullah Ansari, Assistant Professor from SZABIST Islamabad shared his work on the role of Islamic social finance (waqf) in poverty alleviation in Pakistan. Dr. Lakhi Muhammad, Assistant Professor, CUST Islamabad highlighted the role of the consumer in the Islamic Financial Industry in his research work.

Mr. Ahsan Mehmood Ghumman, a telecom professional from Islamabad, presented analysis on whether Islamic Banks are helping to achieve Sustainable Development Goals. Dr. Hassan Shakeel, Associate Director, Institute of Islamic Banking, UMT, Lahore presented his paper on the role of Zakat, Waqf and Islamic microfinance in achieving maqasid Al-Shariah

Dr. Syed Aun Raza Rizvi, Suleman Dawood School of Business, Lahore University of Management Sciences shared his paper on the presence of Islamic banks in East Asia- Stability vs Fragility Argument. Dr. Ishaque Bhatti, Director, Department of Economics & Finance, La Trobe Business School presented his research work on Data Analytics approach to Islamic Mutual Fund Performance. The session was moderated by Muhammad Shoaib Ibrahim, CEO, First Habib Modaraba and Chairman, NBFIs and Modaraba Association of Pakistan

## **Session 4: Shari'ah Governance for Islamic Financial Institutions**

Dr. Putri Swastika, Head of Islamic Economics Department, Institut Agama Islam Negeri Metro, Indonesia presented her paper on the relevance of Shari'a for modern economies. Dr. Safdar Husain Tahir, Chairperson and Associate Professor, Lyallpur Business School, Government College University, Faisalabad presented his research titled as "Corporate Governance, Product Mix and Earnings Volatility: A Comparative Analysis of Islamic and Conventional Banks". Mr. Naveed Aslam, Joint Director, Banking Inspection Department, State Bank of Pakistan shared his work on the threats to the independence of shariah board.

Dr. Abdus Sattar Abbasi, Head of Center of Islamic Finance, COMSATS Lahore presented a critical analysis of Shariah Governance Framework for IBIs. Dr. Shafiullah Jan, Head Researcher, CEIF, IM Sciences, Peshawar presented his work on Shariah disclosure attributes of takaful companies. Dr. Ahcene Lahsasna, CEO Salihin Shariah Advisory, Malaysia shared his work on Shariah compliant & Shariah-based products in Islamic Financial Institutions Practices. Dr. Salman Ahmed Shaikh, Assistant Professor at SZABIST Karachi presented his paper on Sustainable Growth with Islamic Financial Instruments and Institutions. The session was moderated by Mr. Azeem Pirani, Deputy Chief Executive Officer, Pak-Qatar General Takaful Limited.

### **Power Session**

The power session at Islamic Finance Conference was an attempt to bridge the gap between researchers and practitioners. The speakers of the power session deliberated upon the efficacy of the research considering the contemporary industry dynamics. By presenting the current issues faced by industry professionals the speakers proposed future course of action that aligns academic research to practical dimensions.

The session was moderated by Mr. Ahmed Ali Siddiqui, Director IBA CEIF. The panellists included Mr. Muhammad Asad, Chief Investment Officer, Al-Meezan Investments Management Ltd, Mr. Amir Ali, CEO, Bank Islami, Mr. Zubair Haider Shaikh, Head of Corporate and Investment Banking, Dubai Islamic Bank, Mr. Rizwan Husain, CEO, Takaful Pakistan, Dr. Zeeshan Ahmed, Dean and Director, KSBL, Dr. Muhammad Imran, Head of Islamic Banking Unit, Bank Al-Falah and Dr. Irum Saba, Conference Chair, Islamic Finance Conference 2019.

The panel deliberated on the social and ethical sound basis of the Islamic finance which makes it a better choice apart from the religious preferences. The panellists suggested that other than the religious appeal, Islamic finance should be promoted based on its intrinsic ethical grounds which ensure sustainability better than conventional banking and finance system. The panel also appreciated the government's initiative to promote Islamic finance via undergraduate and postgraduate education as part of the National Financial Inclusion Strategy.

### **Closing Remarks**

Dr. Huma Naz Baqai, Associate Dean, IBA-Karachi delivered the closing remarks at the Islamic Finance Conference. Dr. Baqai highlighted that the Islamic finance industry should not ignore the 50% of women population if it wants to thrive. She said that the industry is blessed with great intellectual capital in the form of aspiring women who are willing to contribute to the industry and they deserve to be given due opportunities for the industry to flourish. She further supported the idea of promoting Islamic finance as a sustainable and ethical alternative to conventional finance.