

# **Global Forum on Islamic Finance (GFIF) 2017 Event Report**



## The Global Forum on Islamic Finance (GFIF), 2017

COMSATS Institute of Information Technology (CIIT) Lahore, Pakistan has been organizing Global Forum on Islamic Finance (GFIF) since 2013 for serving the noble cause of promoting Islamic finance in Pakistan and beyond. After two consecutive GFIFs in 2013 and 2014 a Center of Islamic Finance (CIF) was established at CIIT Lahore. Center of Islamic Finance is first ever center of its kind for research, development and extensive outreach in Pakistan by establishing sub-offices in six cities of Pakistan including Islamabad, Abbottabad, Attock, Wah, Sahiwal and Vehari. CIF started following innovative services for the promotion of Islamic finance in the Country.

- Shariah Advisory Services
- Islamic Finance Excellence Award (IFEA)
- COMSATS Journal of Islamic Finance (A double Blind Peer Reviewed Journal)

CIF has already launched first volume of CJIF for 2016. CIF organized the **5th Global Forum on Islamic Finance (GFIF) on March 21 – 22, 2017** at the Pearl Continental Hotel, Lahore.



Honourable Dr. Aisha Ghaus Pasha (Finance Minister Punjab) graced the inaugural ceremony of GFIF 2017 as a Chief Guest. Dr. Aisha Ghaus Pasha congratulated COMSATS Institute of Information Technology Lahore for holding Global Forum on Islamic Finance as an annual event and appreciated the academicians and experts for enriching Islamic economics, finance and banking through research and their expertise.



She said Islamic finance has gained enormous international attention. It is evident through number of Islamic banks throughout out the world. She quoted that IMF endorses Islamic finance as it says Islamic finance may help promote macroeconomic stability through risk sharing and asset based investment and it discourages credit boom.

She asserted that there is shortage of tools to manage short term funds for Islamic banking, the limited scope of Shariah compliant safety nets for banks and needful for legal clarity on the rights of investors. She emphasized that Islamic finance is expected to take off in Pakistan in coming years due to new regulations on Sharia compliant banking, new

industry-supporting regulatory bodies, as well as rising demand from foreign investors.

The Government is serious in supporting the growth of Islamic banking in the Country. The government has taken steps required for effective implementation of Islamic finance

That includes formation of task force to undertake amendments in legal and regulatory framework. The issuance of Sukuk by the government during the last three years, including the recent issuance of \$ 1bn international Sukuk, is proof of the government's commitment to Islamic finance.

She also pointed that the scarcity of research and development are impediments to the growth of Islamic banking and finance industry.



Mr. Riaz Riazuddin (Deputy Governor State Bank of Pakistan) very kindly joined the event as Guest of Honor.



Mr. Riaz Riazuddin said Programs like this (GFIF) are significant, given the industry is graduating towards a more mature level with an increasing debate on its greater contribution towards social welfare, wealth redistribution and poverty alleviation. Islamic finance has expanded rapidly over the past few decades, and is now emerging as a strategic financial segment to many economies and is only alternate to conventional system. Islamic banking and finance is challenging task given the changing global financial landscape and the evolution of Islamic finance industry to advanced level. Both the Government and State Bank of Pakistan (SBP) are fully committed and are making serious endeavors for promotion of Islamic banking and its related fields in the Country. SBP's approach of re-launching Islamic banking in 2001-02, in parallel to conventional banking, has worked well. Islamic banking industry has posted an impressive annual growth rate of over 20 percent over the last five years. By end December 2016, the share of Islamic banking has reached to 11.7 percent in terms of assets, while in terms of deposits its share is 13.3 percent, with a network of 2,322 branches of 21 Islamic banking institutions in 112 districts across the country. SBP has tried to perform a dual role of regulator as well as facilitator for the industry.

Effective liquidity management has always been the primary focus of banking industry; however, this has gained more significance in present times. Basel III, aimed at developing more resilient and sustainable financial sector focused on liquidity risk management along with improving the quality and quantity of capital. In Pakistan, issuance of domestic sovereign Sukuk since 2008 did provide some relief to the domestic industry for its liquidity management.

Being cognizant of challenges, we at SBP, in consultation with industry, are working on developing multiple solutions for liquidity management for Islamic banking industry. In this backdrop, I encourage industry and academia to collaborate to develop innovative solutions for deployment of excess liquidity. There is a need for Islamic financial institutions to move away from the traditional business model.

To overcome the challenge of low level of financial inclusion, Pakistan has launched a National Financial Inclusion Strategy (NFIS). I believe that Islamic finance has the potential to contribute to inclusive economic growth by increasing access of formal financial services to underserved sectors like small and medium enterprises (SMEs), agriculture, low cost housing and microfinance. At this point, I would like to emphasize on the role of technology as we have seen that branchless banking has produced impressive results in increasing financial inclusion. It is also important to note that growing interest in Islamic finance warrants availability of required level of skilled human resources. SBP recognizes that Research & Development (R&D) is key for any evolving industry. Present Government has shown strong commitment towards building sound foundations of Islamic finance industry in the Country. This Govt. established Steering Committee (SC) for Promotion of Islamic Banking in December, 2013. Implementation Committee (IC) has also been formed by Ministry of Finance in order to execute the recommendations of the Steering Committee.



Executive Director COMSATS Dr. Syed Muhammad Junaid Zaid (HI, SI) said that it was indeed his pleasure to be a part of this thought provoking Forum. COMSATS Institute of Information Technology (CIIT) is serving the nation by providing quality education at undergraduate and graduate levels in various disciplines. He appreciated the innovative step of *COMSATS Journal of Islamic Finance (CJIF)* by the CIF and also said to increase the frequency of CJIF and requested Mr. Riaz Riazuddin (Deputy Governor State Bank of Pakistan) to take CIF onboard as a 4<sup>th</sup> Center of excellence in the Country for promotion and development of Islamic finance. Executive Director COMSATS also appreciated the efforts of CIF for organizing a successful event.



Rector CIIT Prof. Dr. Raheel Qamar, TI said that Islam provides a perfect architecture for civilization with the guidance in every sphere of life. Finance being an integral pillar of economy is of critical importance and Islam has put forward a system of financing that creates circulation of wealth which results in equitable distribution of wealth and poverty alleviation. CIIT is organizing this event annually for the noble cause of promoting Islamic finance in the society.



Director CIIT Lahore, Prof. Dr. Qaiser Abbas said that he felt highly exalted to host the audience all at the magnificent Forum. COMSATS Institute of Information Technology, Lahore is serving the nation by providing quality education at under graduate and graduate levels in various disciplines. In addition to pure Management Sciences, CIIT is propelling towards Islamic Finance. Islamic Finance has to be recognized as parallel system which will be in argument and be augmented by the deeper knowledge and experience of the conventional financial system. CIIT has envisioned taking strategic move by promoting and searching the long sung Islamic finance. Global forum on Islamic Finance (GFIF) is an annual event of CIIT Lahore. GFIF 2013 resulted in the establishment of Center of Islamic Finance CIF at our Lahore campus that is a hub for training manpower, research and

development in Islamic Finance for national and international markets.



Dr. Abdus Sattar Abbasi (Head, Centre of Islamic Finance) announced first ever Islamic Finance Excellence Awards (IFEA) in the Country with these words: Ladies and Gentlemen I am sure everyone under this roof will agree that there are numerous contributions behind emergence, growth and global acceptance of Islamic finance. Globally we witness several instances of recognitions, however, in Pakistan there is no such initiative of recognizing individuals and institutions serving the cause of promoting Islamic finance as a viable alternative to liberate the humanity from the clutches of accumulation of wealth. Today, I am pleased to share with this august audience yet another initiative of Center of Islamic Finance (CIF) at CIIT Lahore. CIF is delighted to announce Islamic Finance Excellence Awards (IFEA) 2017 to recognize both individuals and institutions for their untiring efforts to promote Islamic finance. This year CIF is presenting five awards in these categories:

- Best Emerging Bank in Islamic Finance
- Best Writer of the Year in Islamic Finance
- Personality of the Year in Islamic Finance
- Lifetime Achievement Award in Islamic Finance
- CIF Special Award



Chief Guest Dr. Aisha Ghaus Pasha presented Islamic Finance Excellence Awards (IFEA) 2017 to following worthy recipients:

1. “Best Emerging Bank in Islamic Finance” to “Allied Bank Limited”



2. “Best Writer of the Year in Islamic Finance” to “Prof. Dr. M. Kabir Hassan” University of New Orleans USA



3. “Personality of the Year in Islamic Finance” to “Mr. Saeed Ahmad” Deputy Governor State Bank of Pakistan.



4. “Lifetime Achievement Award in Islamic Finance” to “Mufti Muhammad Taqi Usmani”



5. “CIF Special Award” to “Dr. S.M. Junaid Zaidi (HI., SI)”



The platform successfully assembled regulators, Shariah experts, professionals, researchers, and academicians to deliberate on Islamic Finance: The Present and Future. Eminent professionals represented State Bank of Pakistan, IFAAS UK, University of New Orleans USA, Durham University UK, AL-Raji Bank UAE, Islamic Research and Training Institute (IRTI) KSA, Islamic Banking Center, King Saud University (KSA), Zakat Banking Malaysia, University of Damman Saudi Arabia, IFC UK, Pakistan International School and College Oman, College of Banking and Financial Studies Oman, IIUM Malaysia, National Bank of Oman, Ammana IIFE Germany, number of universities, banks, Islamic finance institutions and representatives of CEIF from Pakistan.



### Policy Dialogue

In addition to the academic sessions, on the first day of GFIF a Policy Roundtable Meeting (PRT) was also held that was chaired by Mr. Yavar Moini (Head of Islamic Solutions and Merchant Banking Group Bank Alfalah) other participants were:

1. Mr. Yavar Moini (Head of Islamic Solutions and Merchant Banking Group Bank Alfalah)
2. Mr. Furrakh Raza, CEO ,IFAAS ,UK
3. Prof. Dr. Muhammad Ayub, Riphah International University, Islamabad
4. Dr. Azam Ali, SBP, Karachi
5. Dr. Kausar Abbas, Assistant Porfessor, UMT,Lahore

6. Mr. Syed Hassan Raza, IBD, SBP, Karachi
7. Mr. Mughees Shaukat, CBFS, Central Bank of Oman
8. Mr. Abu Sufian Rasheed, CIIT, Sahiwal
9. Prof. Dr. Mian Muhammad Akram, GSC, Lahore
10. Mufti Zubair Usmani, Shariah Advisor, MCB Bank
11. Dr. Abdus Sattar Abbasi, Head, Center of Islamic Finance, CIIT, Lahore.
12. Dr. Imran Haider Naqvi,Senior Manager HR,CIIT ,Lahore
13. Ms. Zainab Naveed, Assistant Professor CIF and Convener GFIF 2017
14. Ms. Shumyla Anwar, Assistant Professor CIIT Lahore



PRT discussed how to bridge the gap among national and international stakeholders focusing on the role of regulators, direction for future research, and required capacity building for promotion of Islamic finance.



## CIF Advisory Board Meeting

The meeting of Advisory Board of CIF was held on March 21, 2017 in Emerald Hall C at Pearl Continental Hotel, Lahore. The meeting was attended by:

1. Prof. Dr. Kabir Hassan, University of New Orleans, USA
2. Mr. Furrugh Raza, CEO, IFAAS, UK
3. Dr. Abdus Sattar Abbasi, Head CIF, CIIT Lahore
4. Ms. Zainab Naveed, Assistant Professor, CIF, Lahore



Head, Center of Islamic Finance (CIF) chaired the meeting with following agenda:

1. COMSATS Journal of Islamic Finance (CJIF)
2. Shariah Advisory Services (SAS):
3. Islamic Finance Excellence Awards (IFEA) 2017
4. Outreach for Awareness and Promotion of Islamic Finance.



## Academic Sessions

Global Forum on Islamic Finance 2017 benefited the audience with 15 parallel academic sessions in which 52 notable speakers contributed their work on the latest and applied issues in Islamic finance. An audience of 400 people representing various walks of life participated in the event on both days.





## Panel Discussion

During closing ceremony of GFIF 2017 a Panel Discussion was moderated by Dr. Abdus Sattar Abbasi, Head Center of Islamic Finance. Panelists were: Dr. Dzuljastri Abdul Razak, IIUM, Malaysia, Prof. Dr. Kabir Hassan, University of New Orleans, USA, Dr. Turkhan Ali Abdul Manap, Islamic Research and Training Institute (IRTI) KSA, Mr. Mufti Ehsan Waquar, NBP and Prof. Dr. Mian Muhammad Akram, Govt College of Science Wahdat Road Lahore. Panel Discussion was followed by questions & answers session by the audience.

GFIF 2017 successfully concluded contributing consensus on its theme with recommendations for the way forward of promoting Islamic finance for universities, Islamic banks and SBP. The Forum strongly recommended that the government of Pakistan must ensure its necessary interventions for converting the conventional financial system to a pure Islamic financial system. In this context all provincial governments and public sector institutions are recommended to adopt Islamic finance on priority at all levels.



Dr. Dzuljastri Abdul Razak presented GFIF souvenir to Ms. Zainab Naveed for recognition of her excellent efforts in organizing such a excellent conference, everyone in hall applauded her contribution.

Ms. Zainab Naveed announced that Global Forum of Islamic (GFIF) 2018 will be held on March 13-14, 2018 at PC Lahore with the theme of Islamic Finance – Building Sustainable Future.



On the behalf of Director CIIT Lahore, Prof. Dr. M. A. Farooqi concluded the ceremony with vote of thanks and appreciated all participants and organizers of GFIF 2017 for arranging such a spectacular event.



**For complete information of Global Forum on Islamic Finance (GFIF) 2017, kindly visit**  
<http://gfif.ciitlahore.edu.pk/>

**To Know about Center of Islamic Finance (CIF) kindly visit**  
<http://lahore.comsats.edu.pk/CIF>