



ICIFE E-BULLETIN

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Editor's Note

As the editor of the ICIFE e-Bulletin I once again welcome all readers and ICIFE members with warmth and appreciation. The publication of ICIFE e-Bulletin is yet another feather in ICIFE's cap and further establishes our strong standing within the Islamic finance ecosystem.

In this issue ICIFE e-Bulletin was fortunate enough to interview an influential figure in the Islamic Finance Education, the President of the International Council of Islamic Finance Educators (ICIFE) and the Dean of the IIUM Institute of Islamic Banking and Finance (IIBF), Assoc. Prof. Dr. Syed Musa Alhabshi.

Islamic finance education in Bangladesh and India along with the new and intriguing topic for Islamic finance, blockchain technology is also captured in this issue.

Apart from the above, there are also interesting columns in ICIFE e-Bulletin, which include among others ICIFE Basic Course on Islamic banking and Finance in Philippines, Certificate of Islamic Finance Data Analyst (CIFDA) and ICIFE Institutional Members' pages.

Finally, yet importantly, my gratitude for all the players who have played a key role in making this issue of ICIFE e-Bulletin a reality. May this e-Bulletin play an important role in addressing the current issues and developments in the field of Islamic finance education and to be the part of the ecosystem. I shall be guided by your feedback and advice.

Happy reading!

Dr. Kamola Bayram

Executive Editor of ICIFE e-Bulletin



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"What is blockchain?" -
Question-Answer Session

Islamic Finance Ecosystem and Role of ICIFE in this Ecosystem

Assoc. Prof Dr. Syed Musa Syed Jaafar Alhabshi, President of ICIFE. Dr. Alhabshi serves as Dean of IIUM Institute of Islamic Banking and Finance (IIBF). Dr. Alhabshi has been an Associate Professor of IIBF since October 2012. Dr. Alhabshi obtained a Diploma in Business Studies from Ngee Ann Polytechnic, Singapore in 1984, holds a Bachelor's Degree in Business Administration from the International Islamic University Malaysia in 1989 and completed his Doctorate in Business Administration majoring in Accounting and Finance from University of Strathclyde, Glasgow, United Kingdom in 1994. This interview was conducted by Dr. Kamola Bayram.

Islamic Finance Ecosystem and Role of ICIFE in this Ecosystem

Ecosystem represents sustainability which is both cybernetic and dynamic in nature. Today, when as we look at Islamic finance education it appears there is a disconnect, between the academia and industry due to lack articulation and communication for consistent and coherent curriculum as well as relevant talent development.

Hence to sustain the Islamic finance education ecosystem unless there is need for stronger linkages to build mutual trust with mutual benefit to both academia and industry. By recognizing and promoting the need for Islamic finance ecosystem we can infuse core values of mutual goodwill among the various stakeholders of the ecosystem.

ICIFE is an institution, is endowed the trust by the Ministry to promote curriculum development and talent development to ensure graduate employability and engagement. With an established Ecosystem recognized by the stakeholders, ICIFE will play catalyst role to provide the momentum of the growth and development of Islamic finance talent.

Memorandum of Understanding between ICIFE and major industry players namely IBFIM, ASAS, FAA and AMANIE GROUP and its impact on Islamic Finance Ecosystem

During the Islamic



ASSOC. PROF DR SYED MUSA ALHABSHI
President of ICIFE

Finance Education Ecosystem and Quality Assurance Symposium held on 31st March 2018 in Seri Pacific Hotel Kuala Lumpur, ICIFE signed MoU's with Finance Accreditation Agency (FAA), Association of Shariah Advisors in Islamic Finance (ASAS), Islamic Banking & Finance Institute Malaysia (IBFIM) and Amanie Group as ICIFE Strategic partners.

Each strategic partner will mutually support the systematic development of the Islamic finance education eco system through an integrated curriculum of academic and industry content, delivery and assessment; multi-talent database for the academic and industry talent as well as key role of Shariah as core discipline to guide the right and proper conduct of Islamic financial services and education.

Today we see numbers of universities offering Islamic Banking and Finance Programs. What are the main challenges these universities/ institutions might face and what kind of solutions do ICIFE offers to them

Islamic banking and takaful as well as capital markets as discipline of study significantly emerge from regulatory requirements and industry best practices based on Shariah principles and rulings. Islamic economics a significant branch of moral philosophy addresses the need for an integrated Islamic worldview with values embedded in the Islamic financial system and institutions. Given a multi-disciplinary orientation in the development of Islamic finance discipline, the nature of education institution and the choice of Islamic finance program may be oriented towards a perspective.

Hence depending on the school or department offering the program, Islamic finance could be more Shariah, Legal or Islamic economics oriented. This sometimes pose challenges on program nomenclature as well as the type of graduates to be industry ready. Like a salad bowl,

ancillary domains are Management and Technology including Accounting and Quantitative techniques.

The framework is not intended to be a standard but a reference document to assist education and training institutions to develop

sectors (corporate, cooperatives and social institutions)

What would be suggestion to our readers who are planning to continue their career as educators in Islamic finance?

Islamic finance as a discipline is fluid and should not be restricted to a single pre-occupation. Conceptually it focuses on efficiency and ethical financial intermediation to

facilitate arbitrage for a fair price and equitable distribution.

As educators in Islamic finance, ICIFE encourages academics as scholars in a particular domain to explore and engage with other


domains when

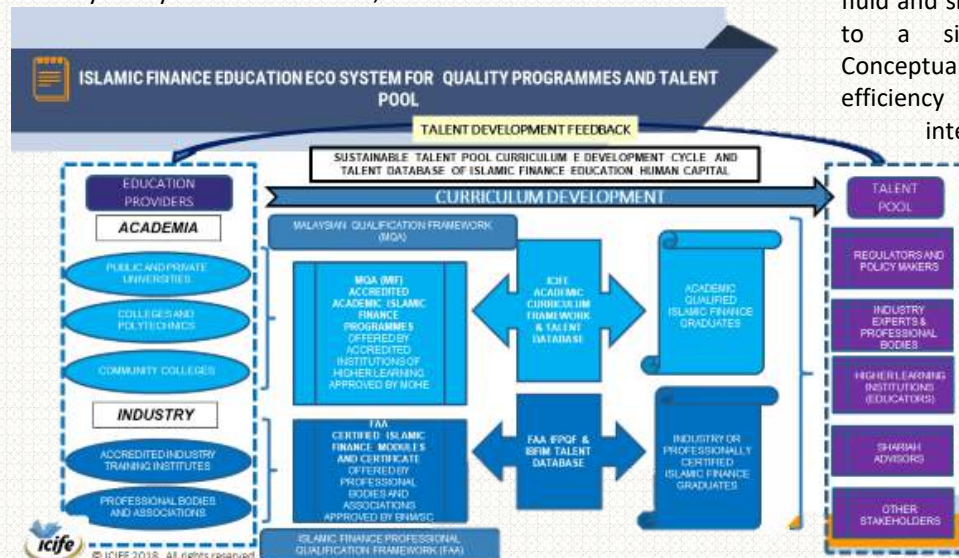
teaching, research and publishing on Islamic finance. For example, a Shariah scholar needs to understand the Islamic economic principles and legal requirements when discussing the implications of juristic ruling. Similarly, an Islamic economist need to be

aware of the legal

constraints and juristic rulings when proposing an economic model with relevant assumptions.

ICIFE cross disciplinary workshops for educators and trainers as well as

conferences and seminars will provide the platform to facilitate a wholistic interdisciplinary perspectives of Islamic finance as a multi-disciplinary field of study. 



the choice of salad and its dressing may present different combinations and expectations of talent for the Islamic finance ecosystem.

Can ICIFE offer a standard framework for Institutions?

In an attempt to harmonize the interdisciplinary curriculum and multi-disciplinary approaches to Islamic finance education, ICIFE has identified core domains to support the development of

Islamic finance education curriculum framework. Technically, the key domains are Shariah, Islamic Economics and Law and the

programs with a more precise nomenclature identified to particular domain(s). This will encourage flexibility and innovation to curriculum and talent development for the academia, industry and Islamic finance community. The industry



Memorandum of Understanding between ICIFE, IBFIM, ASAS, FAA and AMANIE GROUP

encompasses both financial (banking, takaful and capital markets) and non-financial

ICIFE Basic Course on Islamic Banking and Finance in Philippines

On March 2018, International Council of Islamic Finance Educators (ICIFE) conducted a program titled 'Basic Course on Islamic Banking and Finance' in Philippines for professors, deans, head of departments as well as the practitioners from Mindanao State University (MSU) and Philippines Association of Islamic Accountants (PAIA).

This program was intended to introduce the fundamental Islamic finance principles, discuss Islamic finance policies and practices as well as to highlight issues of Islamic finance in the financial sector to professionals, practitioners and academics from Philippines. The course was comprised of seven modules namely:

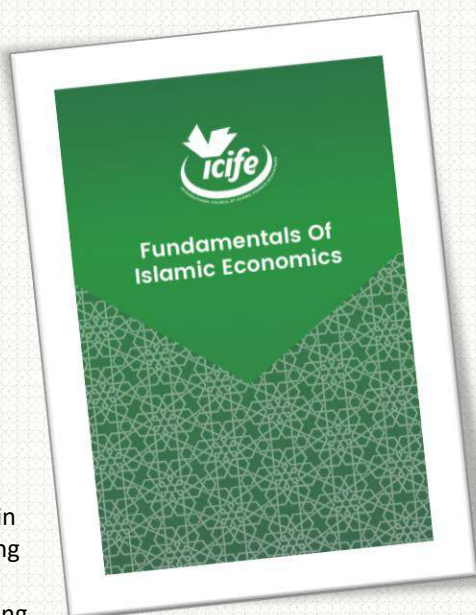
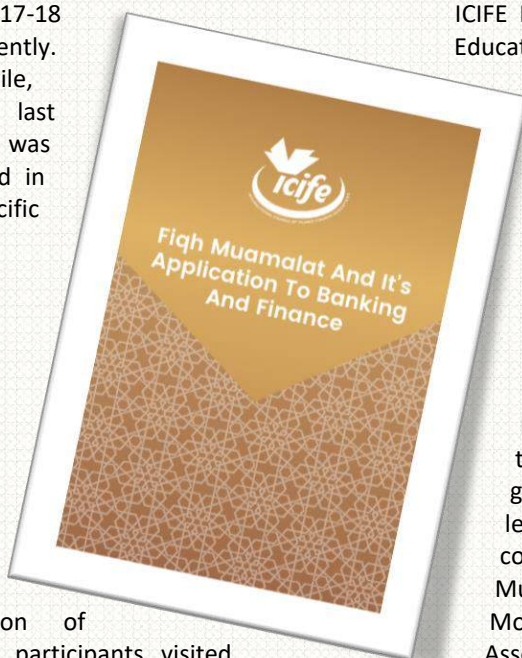
1. Islamic Economics and Banking Business
2. Fiqh Muamalat for Banking and Finance
3. Islamic Financial System
4. Transactions in Islamic Banking and Finance
5. Islamic Banking Operations – Sources of Funds & Application of Funds
6. Takaful and Re-Takaful
7. Muamalat Interactive Game (MIG) – Industry.

First six modules were conducted in Limketkai Luxe Hotel, Cagayan De Oro City, Philippines on March 3-4, 10-11

and 17-18 consequently. Meanwhile, the last module was organized in Seripacific Hotel, Kuala Lumpur Malaysia on March, 27-28.

Upon the

completion of modules participants visited and had session in Islamic Financial



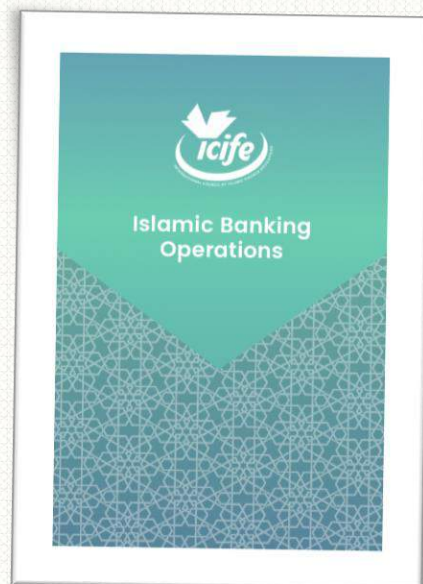
Institutions based in Kuala Lumpur namely, Bank Negara Malaysia (Central Bank of Malaysia), Maybank Islamic, IIUM Shariah Advisory Services (ISAS) and Amanie Holdings.

Participants graduated on 31st March 2018 following the

ICIFE Islamic Finance Education and Quality Assurance Symposium held in Seripacific Hotel, Kuala Lumpur and was granted ICIFE individual membership.

ICIFE would like to express gratitude to the lecturers for this course, Dr. Mustafa Omar Mohammed – Assoc. Professor at International

Islamic University Malaysia (IIUM), Mr. Razi Pahlavi – CEO and Managing Director of Amanie Holdings, Tuan Haji Azmi Bin Abu Bakar – Consultant at First International Consulting and Dr. Zurina Shafii – Assoc. Prof from Islamic Science University of Malaysia (USIM). 



Testimonials



**PROF DR
MINOMBAO
RAMOS-MAYO,**

Dean, MSU Marawi
Graduate School Center

“

The basic course in Islamic Finance is an “Eye Opener” to all of us who are in attendance. In my case I have a lot of insights and learnings: One is the fallacy on the arguments that we have scarce resource which is not true because in truth and in fact Allah (S.W.T.) has provided us with abundant resources, it’s just that men have unlimited wants and unsociable desire as an individual. Second realization is that it makes me conscious on the concept of Halal and Haram, specifically the guiding principles underlining it. Another is I am now very careful on my financial transactions on how it should be Shariah compliant. Also, this enlightens me how to live truly as a muslimat and be a “role model” to my family, to the youth and the Muslim Ummah. Lastly, it strengthened my faith as a muslimat and made-up my personhood and well-being, balancing my Dunya and Akirah.

”

“

Last March 2018, ICIFE Islamic Finance Program (Philippines) was launched in partnership with Mindanao State University, Main Campus, Marawi City. The one-month course program held at Limketkai Luxe Hotel, Cagayan de Oro City has certainly equipped around thirty (30) individual professionals with basic understanding on Islamic finance.

All the speakers are practically excellent in their assigned topics and have covered the most important issues on Islamic finance from both theoretical and practical perspectives and are complemented by a lot of clear examples. Training materials are detailed enough to be practical and useful to individual participants and simply outstanding. Their methodology is unbeatable and facilitated in an excellent manner.

Participants were all impressed and had exceeded their expectations on the said program. Throughout the course, participants have thoroughly enjoyed the course modules and quizzes so much that they do not want to take a break as they want to be the finest class of professionals in the arena of Islamic Banking and Finance in the Philippines in the shortest possible time.

We recommend the ICIFE Islamic Finance Course Program (Philippines) to everyone who are truly interested in learning about Islamic finance.

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**AMANODING
ESMAIL,
CPA, MPA**

Founding President,
Philippine Association
of Islamic Accountants,
Inc.



**DR
ABDULCADER
M. AYO**

Faculty Member,
King Faisal Center
for Islamic, Arabic
and Asian Studies,
MSU

“

It was on March 3-4, 10-11 and 17-18, 2018 that we had our lectures on Basic Course on Islamic Banking and Finance which was co-organized by Philippine Association of Islamic Accountants Incorporated (PAIA) held at Limkeai Luxe Hotel, Cagayan De Oro City, charmed with the Secretariat headed by ICIFE Dr. Kamola Bayram and the MSU Team. The lecturers, who were present from Malaysia, were Associate Prof. Dr. Mustafa Omar Mohammed, Mr. Razi Pahlavi, Datin Zariah Abu Samad, Tuan Haji Azmi Bin Abu Bakar and Associate Professor Dr. Zurina Shafii. The series of seminars had the following objectives: Introduce the Fundamental Islamic Finance Principles, Discuss Islamic Finance policies and practices, and highlight issues of Islamic Finance in the financial sector to professionals, practitioners, academics and the community.

Unquestionably, those days were noteworthy since we were loaded with information and experience about Islamic Banking and Finance wherein it includes provision of financial services in accordance with Islamic jurisprudence (Shari'ah) and prohibits activities that consider harmful to society. It also requires parties to honor principles of fair treatment and the sanctity of contracts to make sure that Islam and social justice are inseparable. It adheres to protect the world, the benefits of other people and honors Allah (S.W.T.). In other words, it must be in line with the core concepts of Islamic economics and principles. Along with the discussions are the different issues inside and outside the Philippines, how it affects financial sectors, the entire community and the way of living of Muslims. This Islamic Finance must really be understood by adults especially the professionals and be studied and offered as separate course for students as it is part of how we deal with the truthful way of transactions and other financial matters. There must be a thorough understanding of this subject.

Additionally, these series of lectures were followed by a final lecture and final examination done in Malaysia along with the Islamic Finance Education Ecosystem and Quality Assurance Symposium in Conjunction with ICIFE 4th Annual General Meeting on March 31, 2018 at Seri Pacific Hotel, Malaysia. This final lecture also marked the day of our graduation that made it remarkable among us all.

Aside from the reflective wisdom we learned, we also had a quality time visiting different great and memorable places like Putra World Trade Centre alongside with Seri Pacific Hotel, Masjid India and Market place, Twin Tower, Batu Caves, Istana Negara (King's Palace), IIUM, Genting Heights with the company of the President of MSU System himself Dr. Habib W. Macaayong, and other historic and countless markets and shops.

Indeed, I will always support and love to be part of these immense experiences in which I can develop good tidings and relationships among my co-workers and gain constructive knowledge which I can share to my students and others. Alhamdulillah thuma Alhamdulillah.

”



ICIFE Basic
Course on
Islamic
Banking and
Finance in
Philippines

2018

ICIFE INSTITUTIONAL MEMBER'S PAGE

COMSATS UNIVERSITY ISLAMABAD, LAHORE



Center of Islamic Finance

COMSATS University Islamabad, Lahore Campus
Lahore, Pakistan

The Center of Islamic Finance (CIF) was established at COMSATS University Islamabad, Lahore Campus in 2014 with the objective to promote Islamic finance education and research to meet the increasing human resource and knowledge necessities of the industry. The CIF is mainly a platform for research & publication, outreach & advocacy and training & development, for

enlarging the research sphere by providing international research cooperation and exposure. Details about GFIFs can be accessed at <https://lahore.comsats.edu.pk/CIF/>.

CIF launched COMSATS Journal of Islamic Finance (CJIF) in 2016 and has published four issues so far. CJIF is a double-blind peer reviewed research Journal publishing papers that add significantly to the body of

knowledge describing various aspects of Islamic banking and finance. CJIF aims to provide a forum for Islamic finance researchers and practitioners by bridging the gap between academia and industry.

Islamic Finance Excellence Award (IFEA) is the first of its kind of award in Pakistan and GFIF 2017 was the first platform to initiate Islamic Finance Excellence Award in Pakistan.

IFEA identifies and celebrates accomplishments and contributions of individuals and institutions in the



providing Shariah compliant scientific knowledge-based solutions in the field of Islamic Finance in collaboration with regulators, industrial practitioners and Islamic scholars at national and international level. CIF is involved in various activities including conferences, seminars, advisory services and training programs with national and international collaborations.

Islamic financial services industry. The objective of IFEA is to bring to light the best practices in Islamic banking and finance and honor success of regulators, institutions and individuals in Islamic banking and finance, with an ensuing purpose of fostering social responsibility, observance to Shari'a authenticity and obligation to Islamic banking and finance.

The most prominent annual event of CIF is Global Forum of Islamic Finance (GFIF). GFIF has set its reputation following its initiation in 2013 as a reliable compass not only for Islamic banking and finance industry in Pakistan but also globally. 6th Global Forum on Islamic Finance (GFIF) organized in March 2018 was yet another outstanding event like the previous GFIFs that proved to be a robust platform for researchers, practitioners, industry leaders, policy makers, Shariah scholars and other stakeholders for



Islamic Banking and Finance Education in Bangladesh



Taslima Julia is from Bangladesh. She is currently pursuing her PhD at the IIUM Institute of Islamic Banking and Finance (II/BF), Malaysia. Her field of interest is Green Finance, Sustainable Development, Maqasid-al-Shariah as well as Islamic Finance. She can be contacted at julialodi.1602@yahoo.com.

Since early eighties of twentieth century the Islamization of economic movement was in full swing, in the meantime the Islamic Bank of Bangladesh Ltd (IBBL), the first Shariah based bank, had boldly started its operation and had been proven as a successful financial entity in Bangladesh banking sector. Until now Bangladesh has 8 full-fledged Shariah based banks, 19

Islamic
banking

which is yet to get - that is how far has Islamic Banking Education reached in Bangladesh?

Soon after the inauguration of the first Islamic bank, Islamic Bank Training and Research Academy (IBTRA) had been established in 1984 with an intention to train banks' employees and to involve

Finance” (IBTRA, 2018). Islamic Bank Bangladesh Limited with the assistance of its research and training academy helped in establishing “Jaiz Bank International” in Nigeria, they also trained senior officials of Sri Lanka and Uganda (Mannan, 2014).

International Islamic University Chittagong (IIUC), which is one of the best private universities in Bangladesh, established in 1995 by Islamic



branches and more than 25 Islamic windows out of 57 scheduled banks. Islamic banking is observing remarkable growth in Bangladesh in terms of deposits and investment, and the industry is accounted for more than one-fifth of the entire banking industry (IBRDBB, 2017). However, Islamic banking and finance education being a crucial part of Islamic finance ecosystem, there is a burning question, the answer of

in research on various aspects of Islamic banking. The academy usually used to conduct training courses, workshops, seminars-local and international. Even since 1997, they are offering Diploma in Islamic Banking (DIB) to bank professionals. It is also publishing a journal titled as "Journal of Islamic Economics, Banking and

University Chittagong Trust (IUCT) with a vision to explore Islamic education through institutional setup to motivate individuals to lead a life based on Islamic teachings. The university annually publishes three journals in two different languages: English and Arabic. The journals are - IIUC studies, IIUC business review, Dirasal al-Jamiah Al-Islamiyyah al Alamiyyah (Arabic). The various

faculties of the university each year organize conferences and seminars to provide a unique opportunity to the students, Islamic scholars, and researchers to present the latest discoveries and to enhance the proficiencies (IIUC, 2018).

Bangladesh Institute of Bank Management (BIBM), one of the earliest established training institutions and owned by all banks operating in the country, it started its journey in 1974 with an aim to train bank officials to strengthen and update bankers' skills. Newly this institution inaugurated Masters in Bank Management degree and Evening MBM degree. For Islamic banking and finance it does not provide any specific degrees, however it organizes various workshops, seminars, training courses, round table discussions etc. In 4th June 2018 the institutions organized a day long workshop titled as "Islamic Banking Operations of Banks" (BIBM, 2018).

According to Global Islamic Finance Education report 2013, Bangladesh is in the seventh position among the top 10 Islamic finance education and knowledge service providers of the world. By the report, 22 institutions in Bangladesh are classified as academic (degrees providers) and non-academic (training, awareness etc. providers) (GIFE, 2013). However, few universities and colleges in Bangladesh are offering Islamic banking courses as part of the main curricular but not the whole degree like as Institute of Islamic Banking and Finance (IIBF) of IIUM and INCEIF in Malaysia.

In comparison to Pakistan, United Kingdom and Malaysia, Islamic finance education in Bangladesh is far behind. In United Kingdom 60

institutions are offering courses in Islamic Finance and 22 universities offering Islamic Finance degrees; in Malaysia the number is 50 and 18 respectively (WIFM, 2015), however, in Bangladesh 22 institutions are offering Islamic Finance courses and no universities are offering Islamic banking/finance degrees.


In Bangladesh, these days the Islamic banking sector is accounting for more than 20% market share of the entire banking sector and playing a major role in circulating deposits and financing different sectors of the economy. Moreover, Islamic banking continued showing rapid expansion in the growth of assets, deposits, investments and number of account holders. Thus, there is a huge demand of Islamic banking educated specialists to handle the massive crowds by producing human capital in this field and by introducing university degree programs on the same ground.

The reality of Bangladesh is now a bit cruel. Despite of impressive expansion, Islamic banking's future in the country remains murky. The current government has long recognized Islamic banking with the political opposition, recently the government in effect initiated a boardroom coup at Islamic bank. The ownership of the major Islamic banks is now in the hand of close friends of the Prime Minister (The Economist, 2017).

Nonetheless, whatever the political reality is it's not static, with the passage of time, political ground will change to positive in Sha Allah. Obviously, the hearty desire of majority Muslims in Bangladesh will enjoy various innovative Islamic banking products soon and will find the

ground to explore the desire to devote in Islamic banking and finance scholarship.

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ICIFE INSTITUTIONAL MEMBER'S PAGE ISLAMIC ONLINE UNIVERSITY



Department of Islamic Banking and Economics

Towards achieving the mission of changing nation through education, one of the main concerns of Islamic Online University is to address various economic issues around the world. Addressing the issues need clear understanding of global economic policies and mechanisms. Department of Islamic Banking and Economics is set to provide students the basic understanding of economic concepts, theories, issues and institutions. Department offers world's first tuition-free programs in Islamic Banking and Economics which are accredited with International Council of Islamic Finance Educators (ICIFE). Curriculum at the department is blend of conventional and Islamic courses. Department is committed to provide beneficial knowledge at all levels and has opened doors to seek career in an exciting, expanding and beneficial field of Islamic banking and finance

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Dr. Nissar Ahmad Yatoo
Head of the Department

Islamic Banking and Finance in India: Need and Challenges



Mansha Rafiq hails from Kashmir and is currently pursuing a PhD at the IIUM Institute of Islamic Banking and Finance, Malaysia. Her areas of interest include: Financial Inclusion, Social Finance, Risk Management and Cryptocurrency. She can be contacted at mansha@gmail.com.

There are about 180 million Muslims in India making it the third largest Muslim populated country after Indonesia and Pakistan. Despite having roughly 75% of all minorities as Muslims, a report commissioned by the Prime Minister of India revealed that Muslims are behind the Scheduled Caste/Scheduled Tribe community which are actually considered the most backward in the country, especially in terms of financial inclusion. While evaluating this report, other socio-economic metrics were also analysed empirically, such as education and employment. It was seen that Muslims were heavily reliant on self-employment (about 40% being self-employed), therefore, allowing access to credit becomes all the more important. In addition to this, the report also showed that the Muslim dominated areas are not adequately serviced by banks and fall into what are known as the 'Red zones' (that have the negative list of banks). On an average, the amount outstanding per account for Muslims is about half of other minorities. Even the government held organisations such as NABARD (National Bank for Agriculture and Rural Development) and SIDBI (Small Industries Development Bank of India) which are known for facilitating the poorer sections of the society avail just 4% and 0.48%

credit to the Muslims, respectively. Moreover, the credit-deposit ratio of the Muslims is also much lower than the average (47% against 74%).

According to another report by CRISIL¹, one of the critical parameters that measures the extent of financial inclusion in India is Credit penetration (access to credit for retail borrowers, who typically face financial non-inclusion). It is alarming to note that the States that fall into the 'Below Average' category as per this report contain a fair share of Muslim population (e.g., Jammu and Kashmir, Bihar, Assam, West Bengal and Uttar Pradesh). This can be considered as a loss to the community worth billions of dollars.

The 12th Five-year plan of India is targeting the goal of fast, sustainable and more inclusive growth, and must involve the financially excluded Muslim population, as such poor results of their exclusion has far reaching implications on the overall socio-economic parameters. A specific approach of launching Islamic banking and finance may possibly be a viable option, as religion could be one of the reasons attributed to such disinclination towards conventional finance, since Islam clearly prohibits dealing with interest.

Islamic banking is not explicitly prohibited as per the Indian banking law, but it has provisions which make it an unworkable option. There are various Acts governing the banks in India and accepting deposits from public only for further lending is the most distinct feature of banking as per these Acts. According to the Banking Regulation Act 1949, {Section 5(b) and 5(c)}, banks are prohibited from investing on Profit and Loss sharing basis and from directly or indirectly buying, selling and bartering of goods. Thus, for accommodating Islamic banking in India only a few amendments are required in the existing laws governing the regulatory and fiscal framework of the country.

Another major obstacle in the development of Islamic finance in India is the lack of awareness amongst the masses. It's difficult for people to comprehend that banking system can run without dealing with interest. Therefore, the availability of highly skilled and talented human capital workforce is extremely crucial for sustaining the growth of the global Islamic finance industry in general and India in particular. Although, there is an abundant supply of graduates specializing in the area of economics, finance and Islamic law, yet there is a huge dearth of manpower specializing both in conventional finance and Islamic jurisprudence, which

¹ CRISIL or Credit Rating Information Services of India Limited is a global analytical company providing ratings, research, and risk

and policy advisory services. CRISIL's majority shareholder is Standard & Poor's, a division

of McGraw-Hill Financial and provider of financial market intelligence.

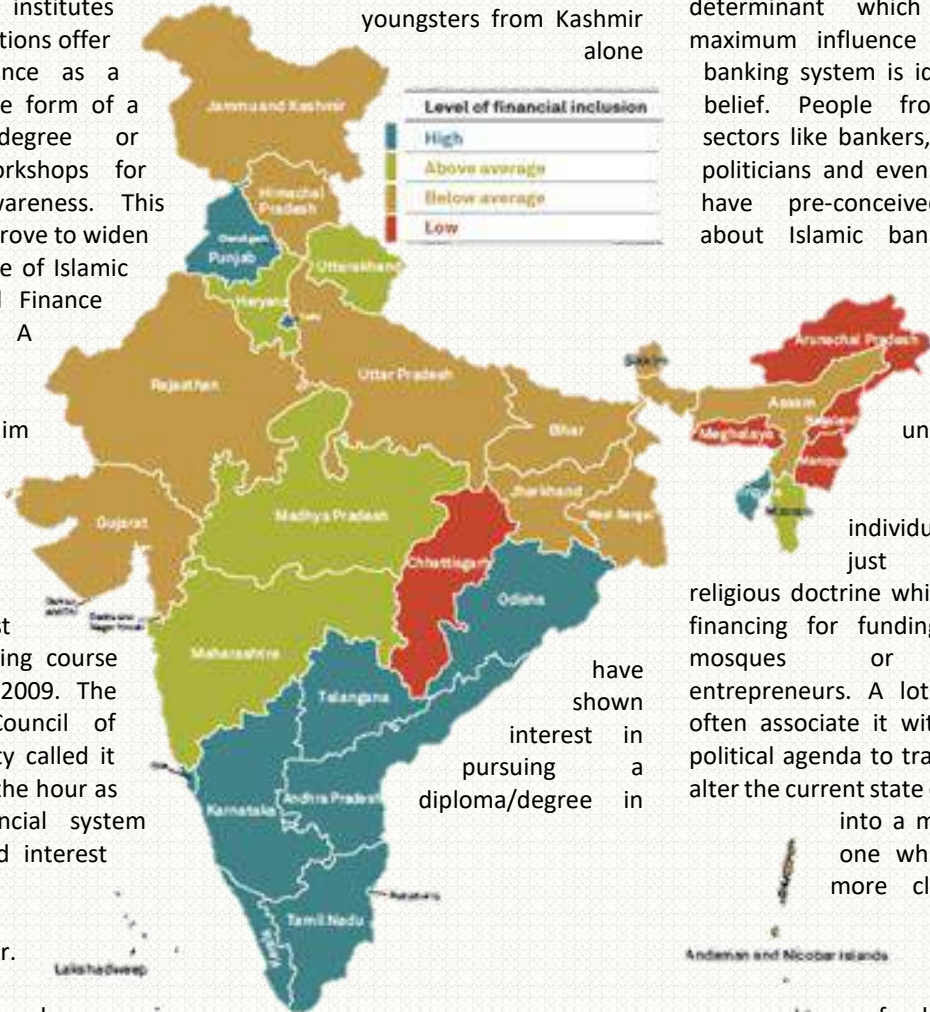
results in the lack of an interdisciplinary focus. Vigorous efforts need to be made specially in this front to gear the society with Islamic Finance, thereby, enunciating the large demand for it in India which in turn may press the government to eventually allow it.

As of now, only a very few universities, institutes and organizations offer Islamic Finance as a course in the form of a diploma, degree or conduct workshops for creating awareness. This needs to improve to widen the landscape of Islamic Banking and Finance in India. A premier institute, Aligarh Muslim University (AMU), paved the way for introducing the first Islamic banking course in India in 2009. The Academic Council of the University called it the need of the hour as Islamic financial system has attracted interest worldwide. Renowned Economist, Dr. Nejatullah Siddiqi who designed this one-year diploma course foresees a huge potential of Islamic banking in India which could also attract investments from the Gulf. Yet another such initiative was taken by Ma'din Academy by offering Bachelor's and Master's programme in Islamic Banking and Finance in collaboration with

International Islamic University Malaysia. The Institute of Islamic Banking Finance and Insurance (IIBFI) and Indian Centre for Islamic Finance (ICIF) are few other institutes that offer short courses and conduct workshops and trainings on Islamic Banking and Finance. As per a survey done by an Educational Trust, YSMMET, it was seen that nearly 70% of the youngsters from Kashmir alone

that this concept is based on ethics and Socially Responsible Investment, which is applicable and profitable to non-Muslims as well. Evidence from Malaysia suggests that 40% of the customers dealing with Islamic banks are non-Muslims, and in the case of UK this share is 20%.


However, the strongest possible determinant which has the maximum influence on Islamic banking system is ideology and belief. People from various sectors like bankers, regulators, politicians and even consumers have pre-conceived notions about Islamic banking. It a general



State-Wise Credit Penetration - 2016
Source: CRISIL Inclusix

Islamic Finance. There is also a misconception among the majority of the community that Islamic banking is merely for Muslims only. This can be addressed through awareness creation and stressing on the fact

understanding amongst various individuals that it's just another religious doctrine which provides financing for funding charities, mosques or Muslim entrepreneurs. A lot of people often associate it with having a political agenda to transform and alter the current state of the world into a more Islamic one which accords more closely with the

fundamentals of Islam. But the truth is that Islamic banking has become an increasingly substantial segment within the global financial market and has shown some amount of resilience to financial shocks during the turbulent times. It just needs to be looked at from an unbiased prism. 

ICIFE INSTITUTIONAL MEMBER'S PAGE

KTO KARATAY UNIVERSITY



**KTO KARATAY
UNIVERSITY**

Islamic Economics and Finance Programme A First in Turkey



Widening The Horizons

- ✓ An interdisciplinary approach to the field over a four year undergraduate degree programme,
- ✓ Raising specialists to implement sustainable solutions for multidimensional problems in Islamic finance,
- ✓ Increasing familiarity about Islamic finance and its facts at the public level,
- ✓ Providing well educated graduates to the markets,
- ✓ Conducting researches in the field of Islamic economy and participation banking,

With The Esteemed Contributions Of

The Konya Chamber of Commerce	The Konya Chamber of Industry
Turkish Prime Ministry Undersecretariat of Treasure	The Aksaray Chamber of Commerce and Industry
Turkish Central Bank	The Isparta Chamber of Commerce and Industry
Turkish Competition Authority	The Karaman Chamber of Commerce and Industry
Turkish Prime Ministry Capital Market Boards	The Nigde Chamber of Commerce and Industry
Turkish State Personnel Presidency	Albaraka Turk Participation Bank
Turkish Banking Regulation and Supervision Agency	Denizbank
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Ph.D: Ankara University, Faculty of Theology

Researches: Islamic Law with Testimonials, The Limits of Profit in Trade According to Islamic Law, Islamic Approach to Modern Economic Problems, Divergences Among Followers of Sunnah and the Shi'a, Trade Guide with Islamic Rules.

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Researches: Internal Audit in Participation Banks.

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“What is blockchain?” - Question-Answer Session



Pavel Kravchenko is a PhD holder in Information Security. He is a blogger, cryptographer and the founder of Distributed Lab (a blockchain expertise center). Pavel is working in blockchain industry since 2014 (Stellar). His expertise is focused on: cryptography, security & technological risks, tokenization. He can be contacted at pavel@distributedlab.com.

Introductory articles on the topic of “What is blockchain” is either a challenge for the novice reader, who tries to puzzle out accurate definitions introduced in the text or for the writer, who tries to keep balance between plainness of bringing the information and the authenticity of the same information. So, what is the sweet spot, when the text is legible for the reader, while definitions are accurate?

Probably the best workaround is a question-answer session. We have prepared a number of questions that you may ask about blockchain.

Maybe some of our questions can provoke even more of yours. But only before you start reading the answer.

What blockchain are you talking about?

Before giving a clear definition of the blockchain. You should ask yourself what blockchain are you thinking about right now? That of Bitcoin? Or maybe you're a CEO of some business and you want to know how it could be implemented in a different from Bitcoin case?

It turned out that the easiest way to move reader away from misunderstandings is to divide what everybody calls “blockchain” into three concepts and define them separately:

- Blockchain as a technology
- Some particular public blockchain (Bitcoin, Ethereum, etc.)
- Blockchain implementation for a particular project

What is the blockchain technology?

Generally speaking, blockchain technology makes it possible to reach consensus in a decentralized environment. It lets you organize a database, where participants are able to store and distribute some digitized and valuable information without having to trust each other.

Whereas, the ultimate definition of blockchain sounds like that... A technology that allows for creating the database, where data is arranged in a sequential chain of blocks, that stores history of every single change that has ever occurred. All blocks are securely linked with each other, which makes it impossible to backdate any previous data without violating the integrity of the database.

This definition is barely readable for a regular person, but once we delve deeper into the aspects — it'll be clear. One more thing... Please note that it doesn't have anything to do with decentralization or trustless environment.

So, in the pure form, blockchain is indeed just a chain of blocks. But, you must admit that it's not the 'chain of block' appearance

matters when you organize a database but the actual scope of properties that open up for your database once you've implemented blockchain.

What is the Bitcoin blockchain, then?

Satoshi Nakamoto never meant to invent blockchain. His goal was to create an independent currency and payment system, where users are in full control of their assets. And that's Bitcoin. A large decentralized database where users (who never need to trust each other) store and transfer valuable information — BTC coins. Up to now, Bitcoin is the best example of how a fully decentralized environment provides users with an undisputable control of their funds.

The upshot was the discovery of the blockchain technology.

For what particular cases can blockchain be implemented?

This is a high-profile issue. You can save a lot of money for people if you describe them where you need blockchain, where — not. Let's consider 5 basic premises that mean that your particular case **might** require blockchain:

1. **Public ledger** (Any governmental or corporate database)
2. **Supply chain** (Company and suppliers we'll be having the access to latest data in real-time)



3. **Decentralized trading** (There's no better example than Bitshares — decentralized trading platform)
4. **E-voting** (Any voting platform. Even on the governmental level, but only under the condition digital identities are implemented)
5. **Mutual payments** (Any system, where users need to safely store and transfer any kinds of assets)

Why use blockchain if we're ok with traditional databases?

You may ask something like: "Why do I need blockchain? Cause having a traditional database, banks are fairly well at asset recognition, while affiliate chains — at keeping record of loyalty points."

Blockchain can provide a technological solution in cases when:

- Your clients require enhanced security. They do not want to rely entirely on the trust to your business. So, you provide them with a cryptographic proof that nothing has been changed in the accounting system without their awareness.
- Third-parties such as auditors or regulators can audit your accounting in real time. Instead of going through this painful process at the end of the year, you can grant them with a software that would allow them to run some kind of an 'auditor-node' (server) and do their inspections in a real time.
- Blockchain-based infrastructure allows you to keep your independent

servers synchronized. Absence of a single point of failure and ability to seamlessly move infrastructure between physical servers helps to increase uptime and reduce the pain of IT department.

So, unlike traditional accounting systems and databases, blockchain may solve the problem of security, reliability and transparency.

Please note that blockchain doesn't owe anything to anyone. The mentioned features can be achieved only in



case of a successful protocol implementation.

Completely open, but secure?!

Yes. Blockchain can provide a means for the functioning of totally open, that said, secure accounting system. Bitcoin is an example. A completely transparent database, where every single person on the planet has the same level of access. Herewith, security of users' funds is ensured with mathematics only, which makes it practically undisputable. This is a public blockchain.

What is a private blockchain, then?

It's very simple. Whilst, public blockchain is a system that allows access to everyone, private blockchain — to only certain. There is a popular belief that public blockchains (like Bitcoin) are good, private — useless. That's an incorrect opinion. It's

the same if you'd compare saw with the hammer — it all relies on your requirements.

If your goal is to reconcile payments between several banks, you need to build a private blockchain, which is also called permissioned (you need to have a 'permission' in order to join the network).

On the other hand, if you want to build an open, trustless, independent, that said, secure database — of course, it's the case of a public blockchain (aka, permission-less blockchain — no 'permission' is required to be the part of the network).

If blockchain is that good, why it isn't being used on a wide scale basis?

The scale of this issue is quite massive, so you would need a separate article to get acquainted with all the limitations of the blockchain technology. Here, we'll consider the general ideas.

Ecosystem around blockchain is still at its infancy


Blockchain technology is too different from what we've had before, in addition to that, it's too young. Essentially, the combination of these factors results in three principal challenges for blockchain today:

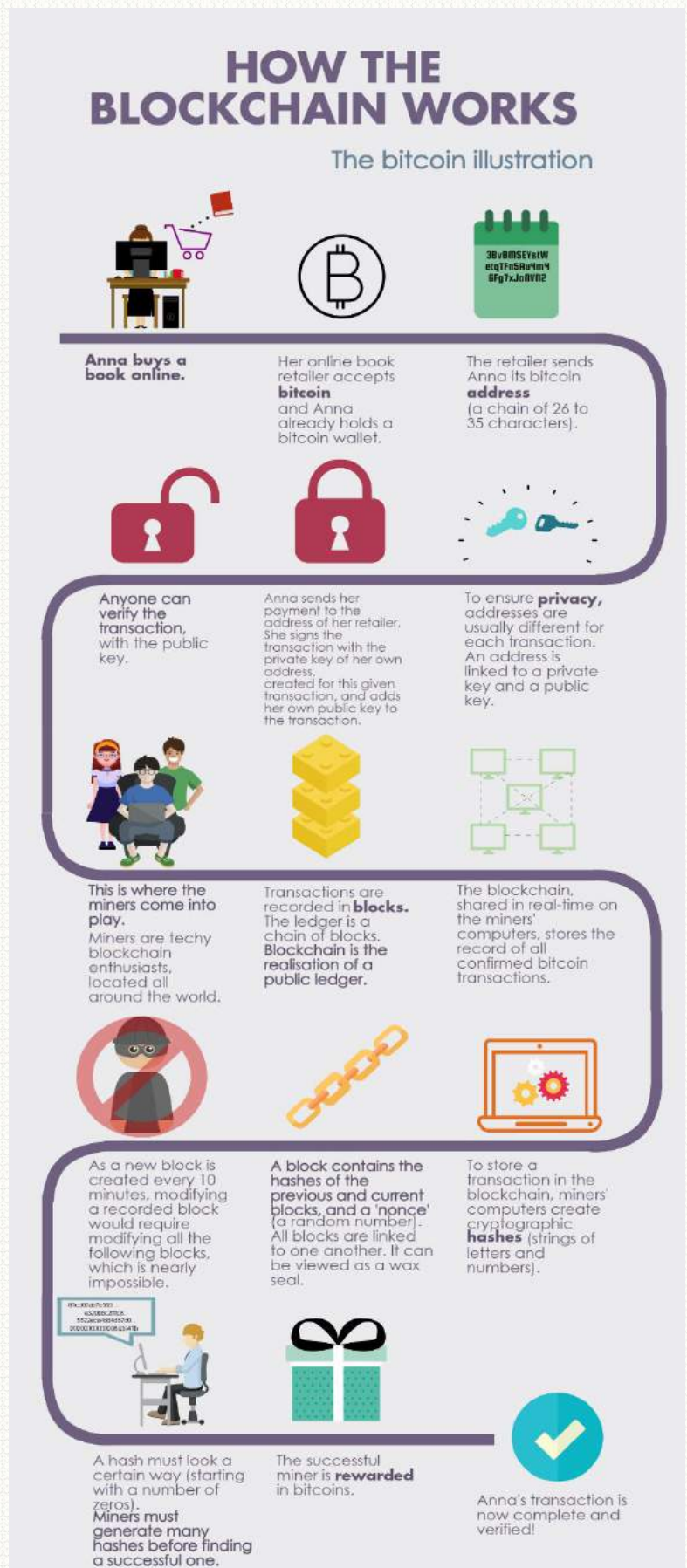
1. **Blockchain requires mentality shift of regular people.** It's not a traditional hierarchical system, where we're under control of higher levels, rather, it's a peer-to-peer interaction between all.
2. **Brief experience in building the blockchain-based systems.** Still, there is no 100% verified and productive

approach. Each has its pros and cons. (Bitcoin provides an undisputable security, but low efficiency, Ripple processes transactions within seconds but doesn't eliminate the trust factor.) Thereafter, the distance between benefits and pitfalls will contract, but we need some time for that.

3. **Lack of legal basis.** As to public blockchains, regulators need to create completely new legal frameworks that would allow the existence of decentralized systems, where each user is responsible for their actions and decisions are made mutually, so no one particular can affect that (even court). As to private blockchains, there's a lack of laws that would regulate the process of how exterior information is to be digitized and delivered to the blockchain (driver's license, proprietary rights, etc). So that blockchain would allow us to buy or sell cars, apartments or do other business on it.

4. **Blockchain requires specific pre-conditions to be fulfilled.** Introduction of digital identities, proper digitization of data, approaches to mutual decision making and initial assembling of the rules in a decentralized environment.

As you can see, all of the drawbacks are only temporary. It's true, blockchain is currently experiencing the trial and effort period. But that's exclusively a positive adventure. Because the technology is being developed and tested with no wait for regulations and even wide acceptance among people. This really shows the height of the potential. 



Certificate of Islamic Finance Data Analyst (CIFDA)

In today's data-driven landscape Data is a financial institution's most valuable asset. It is being used more often to drive decisions across all parts of the institution. This development is increasing the demand for specialists in data analytics more than ever before. To address this gap ICIFE in collaboration with IliBF offering first in its kind program entitled "Certificate of Islamic Finance Data Analyst – CIFDA".


CIFDA provides students with skills to maximize the opportunities that Big Data offers, while learning to apply the principles of data handling in the financial sector. The program also shows the importance of consulting data analytics when making key financial decisions, and how analysis of the organization's data environment can lead to better business outcomes. Furthermore, CIFDA also provides an intensive focus on conceptual and practical aspects of Artificial Intelligence, Data Science, and Machine Learning in Islamic Finance. It is specifically designed to allow Islamic Finance students to emphasize the principles and strategies of the significant role that Artificial Intelligence plays in the development of Islamic Finance methods and concepts. Key topics covered in this program are: Artificial Intelligence, Data Science, Data Analysis, Data

Mining, Machine Learning, Deep Learning, Big Data, Databases, and Finance Use Cases.

Big data and Machine Learning based on Data Science are central themes to enable the understanding of the Islamic Finance student about the theoretical part behind the current technologies which affect the development of Islamic Finance positively. This theoretical part will be presented from Data Analyst perspective to make sure that the student will benefit the most.

In addition, finance use cases and its relationship with each of the above mentioned key topics will be the central concepts and principles throughout the course. These concepts and principles will enable the student to construct intelligence, applicable, and efficient, Islamic Finance ideas.

Higher-order thinking skill approach will be applied in this program. That helps students to learn complex judgmental skills such as critical thinking and problem solving in order to come up with novelty researches.

We believe this field opens up a truly diverse range of employment opportunities, including roles such as Data Manager, Financial Analyst and Business Intelligence Specialist for Islamic Finance industry. 



About the Trainer

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PROFILE

Mr. Altarturi received his B.Sc. in Computer Science at Hebron University (HU), Palestine in 2015. He received his M.Sc. in Universiti Putra Malaysia (UPM), Malaysia, in 2017. Software engineering for big data system was his specialty. Currently Mr. Altarturi is a PhD candidate at Universiti Malaya, Malaysia. His research area focusses on artificial intelligence in software engineering.

PROJECTS

June 2018 - Smart Parking system

Mr. Altarturi has designed and developed an embedded system for managing parking using Guidance Map Ticket. This project relies on Genetic Algorithm for Analysis and Optimization to generate the best route for the best parking bay to be printed for the user. this project is written in Java. The theoretical part of the project is published in a journal.

April 2018 Recommendation System

Mr. Altarturi has designed, architect, and developed a recommendation system for Object Oriented Diagrams (UML). The system helps student to practice UML diagrams. The student will submit their work and it will be corrected and given comments by the system automatically. This system has been written in Java. The project has been received a prize (IIDEI) and published in a conference.

January 2018 Artificial Intelligence Image Recognition

Mr. Altarturi has designed and merged neural Network-based Image Detection with Component-based approach. This tool was based on Neural Network and Artificial Intelligence and how to be merged with component-based concepts is software engineering. This tool is officially used by a research group at UPM to enhance and evaluate Artificial Intelligence applications.


January 2017 Big Data Model

Mr. Altarturi has designed a new requirement engineering model for big data system. This model facilitated for data scientist and software engineer to collaborate effectively to find values and sights of the big data system.

January 2015 BeHealthy Application

Mr. Altarturi has designed, developed, and deployed an Android-based Application for Health Care. Altarturi has merged the software engineering concepts with nutrition science to generate a health and food monitor for users.

2012 - 2014 Microsoft-Student Partner Project

Mr. Altarturi was the leader of Microsoft-Student Partner project at HU for two years as an outreach activity. In this project, he taught and trained students at HU on Microsoft's products; Windows 8, Windows10, Microsoft office and Visual Machine. 

ARTIFICIAL INTELLIGENCE FOR ISLAMIC FINANCE



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LEARNING OUTCOMES:

- ★ To understand the big picture of AI, Data Science, and Big Data
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- ★ To integrate information in AI for Islamic Finance
- ★ To derive values and insights from Islamic Finance data
- ★ To use values and insights in Islamic Finance's development
- ★ To understand how Islamic Finance specialization fits in a broader context with AI

FEE:

ICIFE members RM 180

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the ICIFE membership) RM 220 (RM 200 FOR EARLY

BIRD - before 25th of September)

limited seats for: 30 PARTICIPANTS ONLY

By Data
Analyst
**Hamza
Altarturi**

Date :
20, 27 October and 3 November
2018

Time :

2-7 p.m. - Saturday

Venue :

Ambank I, IUM Institute of Islamic
Banking and Finance

Covered Topics:

Artificial Intelligence
Data Science
Data Analysis
Data Mining
Machine Learning
Deep Learning
Big Data
Databases
Applications for Islamic
finance

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CODE



ABOUT ICIFE

THE INTERNATIONAL COUNCIL OF ISLAMIC FINANCE EDUCATORS or ICIFE is a brainchild of the EPP7 project. After one full year (2013) of intensive EPP7 activities, it became apparent to all that upon the closure of the EPP7 project in December 2015, there was a need to continue with the work and activities started under this project. Examples of activities that needed to be continued include; curriculum review and improvement, module development and training of the Islamic finance educators (through CEPs), updating the database of educators etc. Against this background, an idea was floated to establish and register an independent organization bringing together Islamic finance educators within Malaysia and abroad. The International Council of Islamic Finance Educators (ICIFE) was established in January 2014 as a consequential deliverable of EPP7.

The vision of ICIFE is to be the premier global organization for providing dynamic leadership in quality assurance and enhancement of Islamic finance education worldwide, thereby making significant contributions to the intellectual domains of Islamic finance and other relevant fields of professional practice. Its mission is to design and develop excellent curriculum for Islamic finance education by continuously reviewing and updating the Islamic finance curriculum in order to ensure the supply of an adequate pool of competent, knowledgeable and professional talents to cater for market needs and trends.

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