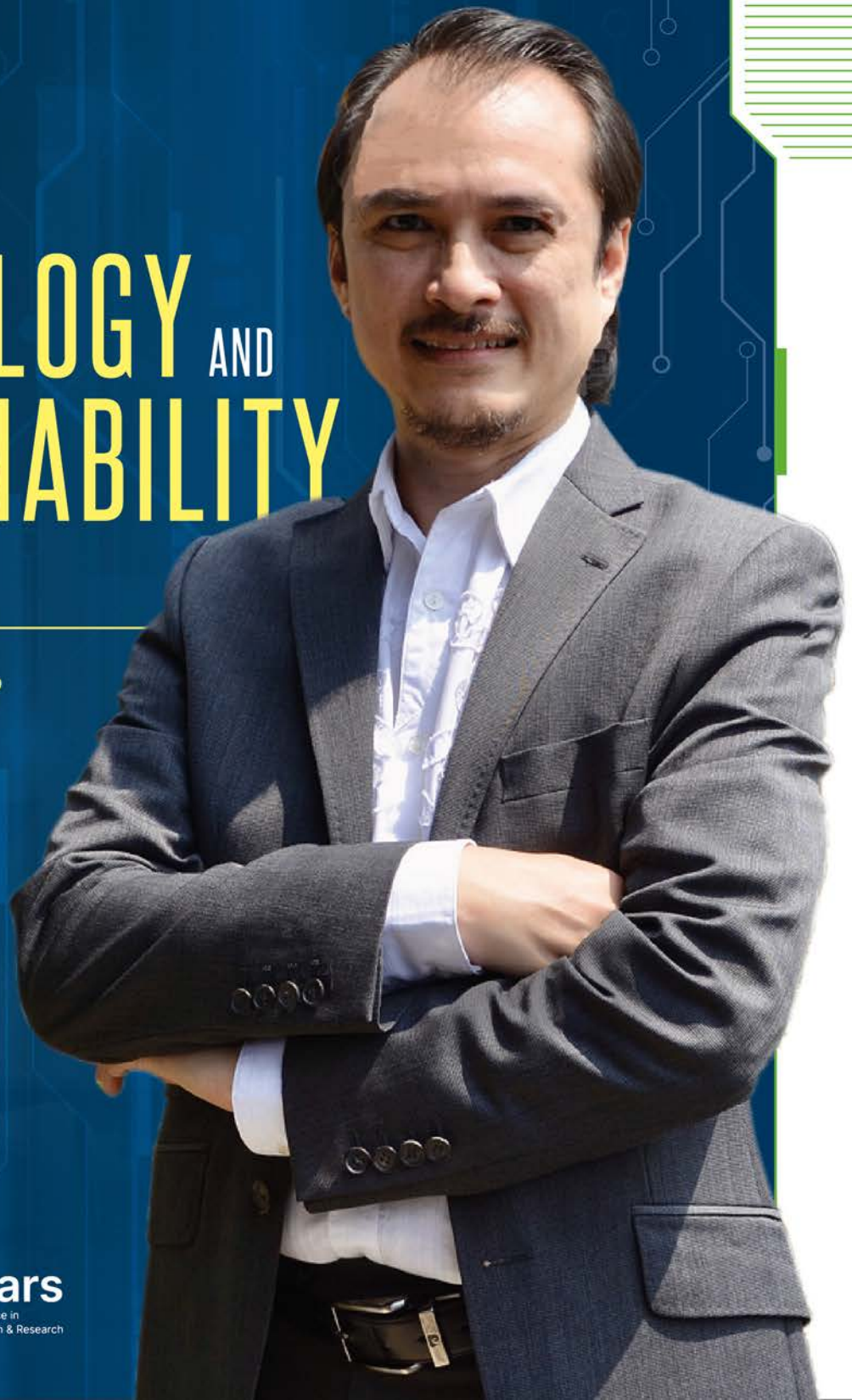


INCEIF

IFHUB™

TECHNOLOGY AND SUSTAINABILITY IN ISLAMIC TERMS

*Dr Hazik Mohamed
Stellar Consulting Group
(INCEIF Alumni)*



Introducing Micro-Certification Course

From Executive Masters in Islamic Finance (eMIF)
and MBA (Sustainable Business)



What Are Micro-Certification?

Micro-certifications are short, competency-based courses that allow learners to demonstrate mastery in a particular area. Choose those that interest you and complete them when and how you choose.

**Available
January
2022**



Learn On Demand

The concept of learning just-in-time, just enough and just-for-me (personalised).

Learn in bite-sized modules and earn micro-certificates.

Collect your micro-certificates, bundle them and get a higher qualification.

Take Charge of Your Life

Join Our Micro-Certification Programme

➤ <https://inceif.org/academic-programmes/micro-certification>

Advisor

Prof. Dr Mohamad Akram Laldin
akram-isra@inceif.org

Editor-in-Chief

Dr Marjan Muhammad
marjan-isra@inceif.org

Managing Editor

Wiaam Hassan
wiaam-isra@inceif.org

Copy Editor

Noor Fuzana Yaakub
fuzana-isra@inceif.org

Coordinating Producer

Noorsyarina Mohd Sapiai
syarina-isra@inceif.org

Published by

ISRA Research Management Centre
An imprint of the International
Centre for Education in Islamic
Finance (INCEIF)
Lorong Universiti A
59100 Kuala Lumpur
Tel +603 7651 4000
Fax +603 7651 4094

Designed by

CIME RESOURCES
15-1, Jalan 2/27E
Seksyen 10, Wangsa Maju
53300 Kuala Lumpur
cimeresoc@gmail.com

© 2021 INCEIF
All rights reserved.

Disclaimer

The views expressed in this publication are solely of the authors and do not necessarily reflect the views of INCEIF. While reasonable efforts have been made to ensure that the contents of this publication are factually correct and properly referenced, INCEIF does not accept responsibility for the accuracy or completeness of the content and shall not be liable for any loss or damage that may be occasioned directly or indirectly through the use of, or reliance on, the content of this publication, including its translation into languages other than English.

ii Editor's Note

by Dr Marjan Muhammad
Director, Research Quality Assurance & Publications

In Person:

3 Technology and Sustainability in Islamic Terms

by Dr Hazik Mohamed (INCEIF Alumni)
Stellar Consulting Group

From Faculty's Table:

7 Alternative Crypto Solutions for Impact Investing: Advancing Social Impact Tokens

by Asst. Prof. Dr Ziyaad Mahomed
Faculty, School of Graduate and Professional Studies, INCEIF

Youth's Corner:

14 Islamic Fintech and Cash Waqf

by Abdul Shakoor Dalvi (PhD Student, INCEIF)

18 The Potential of Islamic Fintech for Sustainability

by An Nisaa Gettar Sukma Sari (MSc Candidate, INCEIF)

Alumni's Corner

22 Digitalization and Moral Ethics: How Should Future Islamic Economics Be?

by Dr Putri Swastika
Head of Islamic Economics Study,
Postgraduate Program, IAIN Metro

25 Role of Islamic Fintech in Achieving the Sustainable Development Goals (SDGs)

by Dr Omar Alaeddin
Head of Islamic Finance Section, UniKL Business School

Event @ INCEIF

30 3rd Islamic Finance INNOFEST 2021

33 16th International Shari'ah Scholars Forum (ISSF 2021)

35 4th Islamic Fintech Dialogue 2021 (IFD2021)

37 INCEIF 12th Convocation 2021

41 Publication @ ISRA RMC

EDITOR'S NOTE

Dear loyal readers,

Time flies! Another year has passed, and yet the whole world is still grappling with the COVID-19 pandemic despite the vaccine rollouts. Nonetheless, 'in the midst of every crisis, lies great opportunity', as quoted from Albert Einstein.

This is proven as the COVID-19 pandemic has changed how businesses adapt to the new normal. Sustainability and fintech have been brought to the limelight to address the global economic crisis and the social woes exacerbated by COVID-19. The focus on the environmental, social and governance (ESG) agenda has become a strategic priority to many organisations.

We at INCEIF have intensified our efforts to promote the sustainability agenda and the adoption of fintech through applied research, publications, and events.

- Our collaborative research with Maybank Islamic Berhad has come to fruition with the launch of the pilot project on 'Urban Kit Farming' which aims to elevate the socioeconomic status of the Bottom 40% (B40) group.
- Our latest report titled *Zakat on Blockchain: From Theory to Applications* presents how zakat institutions can leverage on blockchain to maximise the efficiency of zakat administration.
- Our two main annual events, Islamic Finance INNOFEST 2021 and Islamic Fintech Dialogue 2021, focused on inclusive and equitable takaful and sustainability and inclusivity via Islamic fintech, respectively.

To heighten the vibes, this issue of IF HUB has welcomed intellectual contributions from faculty members, alumni, and students on these two key themes: Sustainability and Fintech.

My editorial team and I would like to take this opportunity to thank all our committed contributors, without whom our IF HUB publication would not be complete. We look forward to receiving more analytical and impactful writings in the future.

Wishing everyone a better year in 2022. Take care and stay safe!

Dr Marjan Muhammad
Editor-in-Chief



In Person

TECHNOLOGY AND SUSTAINABILITY *in Islamic Terms*

By: Dr Hazik Mohamed
(Stellar Consulting Group)

Dr Hazik is a multi-skilled professional whose focus is on business growth strategies for start-ups, tech-related research, and various consulting projects. His past corporate clients include MSMEs, the ASEAN Secretariat, national finance offices, and the UNCDF.

He is also the author of three internationally published books: *Belief and Rule Compliance: An Experimental Comparison of Muslim and Non-Muslim Economic Behavior* (Academic Press, 2018), *Blockchain, Fintech and Islamic Finance: Building the Future in the New Islamic Digital World* (De|G Press, 2019), and *Beyond Fintech: Technology Applications for the Islamic Economy* (World Scientific, 2021).

The second edition to the highly popular and widely cited *Blockchain, Fintech and Islamic Finance* (De|G Press) will be published by the end of 2021.

Dr Hazik graduated from INCEIF in November 2017 with a PhD in Islamic Finance.

Dr Hazik can be contacted at hazik@stellarcg.com

The concept of an ideal economy according to the Quran is itself grounded in a framework of sustainability. Therefore, the circulation of wealth is continuous so that wealth does not remain in the hands of the few (rich), and when consumption happens, it is not in extravagance, opulence or waste (Quran 6:141; 7:31-32, 23:64-65, 34:34-35 and 43:23), but it is in a fair manner and a balanced way (Quran 2:236; 17:100 and 25:67). While savings are meant to be a precaution against uncertainty, hoarding is prohibited.





Hence, there is no money market as in the conventional financial system as money cannot be traded like a commodity. Instead, funds move to an Islamic capital market which maintains liquidity through speculation in investments. The rate of return of these investments come from investing in the real sector, as well as risk-sharing instruments issued by the ruler/government (Mirakhor 1989).

Taxes, in turn, are necessary to ensure an efficient government, and are paid to a government that is led by a rule-compliant leader, abides by the Rule of Law, is established upon allegiance (*bai'ah*) by the majority of citizens, and acts as their representative (*wakeel*) to manage the country's affairs. Taxation on households' income and wealth from work (wages/salaries) and/or investment (profit/rental/service income) productivity partly provides the revenue for transfer payments by the government to redistribute income and wealth. Hence, there is full employment,

limited poverty, sustainable growth and satisfaction from productivity (Krichene & Mirakhor 2008). The Quran envisions a cohesive, dynamic, efficient, and just economy achieved through compliance to the divine rules of Allah (SWT) and practised by Prophet Muhammad (SAW).

The Quranic view of an ideal economy can be established from the interest-free principle. When coupled with technology applications, it can provide solutions for employment, income and investment in any economy, including those that adhere to the Keynesian framework. The Quranic prescriptions can be distilled into techno-economic solutions that involve modifications such as the discovery of asset price signals that determine the rate of return based on the real sector of the economy; the introduction of digital risk-sharing platforms (such as peer-to-peer lending platforms or digital sukuk issuances); and the removal of cultural debt from the public and private sectors.

Elimination of interest, removal of interest-bearing securities and, hence, rife speculation in the capital markets will greatly reduce all problems associated with extreme market volatility. Fraud and agency risks can be minimised through the transparency of Artificial Intelligence (AI) and Internet of Things (IoT) monitoring and the trackability and traceability of the blockchain. The marriage of capital and enterprise, effected by the replacement of interest by profit-sharing, will contribute towards growth and development. With the creation of asset-backed money entirely vested in the central banks and the control of credit with the elimination of interest and curbs on damaging speculative behaviours, inflation can be more easily controlled in the framework of Islamic policies and interest-free institutions (Mirakhor 2014).

The Islamic version of the 'economic man' is substantially different to its conventional counterpart. The latter views economics and other 'worldly' activities through a capitalist lens, driven by self-interest and rationality where scarcity of resources dictate the allocation of resources. It is purely secular and dismisses divine interventions, human irrationality, and the imperfection of information available to make the right decisions. In Islamic economics, the fundamental view is that of the 'vertical' relationship between God (the Creator) and man (the created who is subservient), and the 'horizontal' man-man relationship, which defines servitude towards his fellow beings (Mohamed *et al.* 2018). This guides human behaviour and decision-making which determines various economic-related concepts and actions.

The integration of blockchain and AI into a decentralised intelligence system has profound possibilities to employ data analytics for better governance. Good governance is a crucial issue in

strengthening the performance of all Islamic institutions, including its social institutions, viz. charities and foundations pertaining to inheritance and wealth distribution (World Bank & IsDB Group 2017). The principles of accountability, duty, justice and transparency are the foundation of shaping the framework in achieving good governance in all public institutions. The ability to audit and monitor the movement and transfer of assets to the intended beneficiaries is crucial in dispensing the duty of the authorities, and subsequently establishing trust and improving social capital between citizens and governing authorities (Mohamed 2020). Technologies like the blockchain and AI can operationalise the transparency and accountability required by Islamic institutions that govern the dispensation of inheritance law (pertaining to estates, wills and trusts), and the management and distribution of endowments to eradicate poverty and the various forms of asset transactions to circulate wealth, enhance micro, small and large scale infrastructure for social and economic development, and thus share prosperity for a just socio-economic system that enables a more secure and sustainable economy (Mohamed 2021).

CONCLUSION

A successful nation or organisation will be able to ingeniously balance people's pursuit of self-enhancement, like wealth, success and status, with those that look after the well-being of others, such as equality, social justice and protecting the environment. Past studies (Thøgersen 1999; Spence *et al.* 2014) have discovered that improving social values has a spillover effect on them, and elements that oppose such values are simultaneously weakened.

The Quranic prescriptions can be distilled into techno-economic solutions that involve modifications such as the discovery of asset price signals that determine the rate of return based on the real sector of the economy.

As an illustration, it has been known that when people are reminded of kindness, they become more likely to support environmentally sustainable policies than those reminded of affluence and financial success.

The sustainability movement has mostly been focussed on protecting the environment to preserve scarce resources and the environment for the sake of future generations. If we are to survive as a species, it is intuitive that we need to act and live sustainably; this goes beyond safeguarding our environment only. To achieve far-reaching socio-economic

change, sustainable development will encompass the 'sustainability revolution' evolution based on the three E's: ecology/environment, economy/employment, equity/equality (Edwards 2005). The three E's convey the interlinkage of three diverse areas for sustainable actions to start. According to the Quran and Sunnah, the various dimensions in the sustainable framework suggest practices that will operationalise man's duty towards sustainability at the macro and micro levels. It is an observable (and measurable) set of recommendations that will prevent or at least curtail unsustainable behaviours, practices and outcomes.

References

- Edwards, A.R. (2005), *The Sustainability Revolution: Portrait of a Paradigm Shift*, New Society Publishers, Gabriola Island, Canada.
- Hazik, M. (2020), *Theology, Technology and Moral Applications: A Muslim Perspective*. In Anderson, W. (Ed.) *Technology and Theology*. Chapter 6. Vernon Press.
- Hazik, M. (2021), *Beyond Fintech: Technology Applications for the Digital Economy*, World Scientific.
- Hazik, M., Mirakhor, A. & Erbaş, N. (2018), *Belief and Rule Compliance: An Experimental Comparison of Muslim and Non-Muslim Economic Behaviors*, Academic Press.
- Krichene, Noureddine and Abbas Mirakhor, (2008), 'Resilience and Stability of the Islamic Financial System – An Overview', paper presented at the Seminar on the *Comparative Development of the Islamic Economic Model in Context of Current Market Conditions*, 30 January 2009, London.
- Mirakhor, A. (1989), 'General characteristics of an Islamic economic system', in Baqir Al-Hasani and Abbas Mirakhor (Eds.), *Essays on Iqtisad: The Islamic Approach to Economic Problems*, Nur Corp, Silver Spring, pp. 45–80.
- 'Regulatory framework for Islamic finance' (2014), *Islamic Banker* Vol. 11, pp. 50–53.
- Spence, A., Leygue, C., Bedwell, B. & O'Malley, C. (2013), 'Engaging with energy reduction: does a climate change frame have the potential for achieving broader sustainable behaviour?', *Journal of Environmental Psychology*, Vol. 38, pp. 17–28.
- Thøgersen, J. (1999), 'Spillover processes in the development of a sustainable consumption pattern', *Journal of Economic Psychology*, Vol. 20 No. 1, pp. 53–81.
- World Bank & IsDB Group (2017), *Global Report on Islamic Finance: Islamic Finance - A Catalyst for Shared Prosperity?*, World Bank, Washington, D.C., available at: <https://openknowledge.worldbank.org/handle/10986/25738>

From Faculty's Table

Alternative Crypto Solutions for Impact Investing:

ADVANCING SOCIAL IMPACT TOKENS

GLOBAL TURMOIL, THE SDGs, AND IMPACT INVESTING

Global agendas are aggressively gearing towards climate change strategies and funding the United Nations (UN) Sustainable Development Goals (SDGs). The total investment gap for successfully achieving the 169 targets in developing countries is estimated at USD2.5 trillion per year (UNCTAD 2020). Unfortunately, limited data and challenges in data consensus have significantly inhibited monitoring bodies' ability to accurately determine how much and where it is needed. Furthermore, developing countries have been slow in developing sustainable fund structures and even slower in attracting impact investment for the SDGs (UNCTAD 2019). Impact investing is defined as 'investments made with the intention to generate positive, measurable social and environmental impact alongside a financial return' (Global Impact Investing Network 2019). Once embraced as a mainstream funding vehicle, impact or sustainable investing is expected to enable the public and private sectors in reaching their SDGs targets.



**By: Asst. Prof. Dr
Ziyaad Mahomed**
(Faculty, School
of Graduate and
Professional
Studies, INCEIF)

In the digitalization of business processes and strategies, several categories of technology have been bridging the gap for developing countries: Internet of Things (IoT) provides connectivity to more appliances and equipment; cloud computing reduces funding barriers for high technology capital; augmented and virtual reality makes it easy for companies to connect and train without huge costs of logistics; and 3D printing makes parts and accessories accessible without relying on disrupted supply chains. Tech disruptors have been driving automation, big data analytics, robotics, fintech, blockchain and crypto assets to quickly become affordable to access and deploy, making it easier for start-ups and entrepreneurs to compete. Unfortunately, COVID-19 had 'disrupted the disruptor (fintech)', plunging approximately 100 million people into extreme poverty by World Bank estimates.

The UN estimates that almost 500 million people across 70 countries would be moving back into poverty after emerging from it after a decade of growth. Wealthy nations have spent more than 10 per cent of their Gross Domestic Product (GDP) addressing economic strife compared to developing and low-income countries at 3 per cent and less than 1 per cent, respectively. With

inequality increasing and wealthy nations focusing on their own economic turmoil, the short to medium term is fraught with challenges—and this is before climate change impact is considered.

This article therefore aims to assess the development of the social impact tokens (SITs) and their contributions to achieving SDG targets.

THE CRYPTO VERSE

Emerging from the pandemic and dealing with the clear and present danger of climate change will require innovative, disruptive, and swift solutions through various means. Cryptoassets have gained more traction since the pandemic, increasing in market capitalisation from approximately USD200 billion in November 2019 to USD2.5 trillion exactly two years later (See Chart 1). Blockchain technology has limited use cases outside the crypto verse (cryptocurrency universe) but has been touted as a 'machine of trust' with high expectations of revolutionising global record-keeping. Claims that blockchain will decrease transaction costs and multiply efficiencies are limited in practice, although the crypto verse has flourished on the technology.

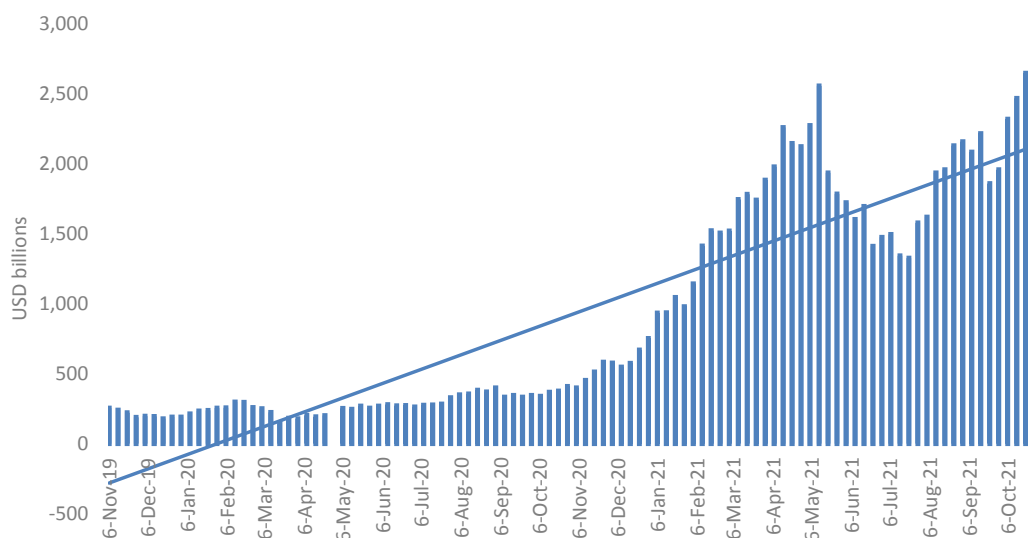


Chart 1: Total Market Capitalisation of the Crypto Market (Nov 2019 – Oct 2021)

Source: Statista

Claims that blockchain will decrease transaction costs and multiply efficiencies are limited in practice, although the crypto verse has flourished on the technology.

LINKING CRYPTO WITH IMPACT INVESTING

Since the release of the UN Principles of Responsible Investment (UNPRI) in 2006, traditional impact investments have integrated various degrees of Environmental, Social and Governance (ESG) criteria to align with the SDGs. However, the GIIN Annual Impact Investor Survey 2018 identified several challenges in achieving impact investment goals, including a lack of standardised definitions, varying investment motivations, liquidity risk arising from limited exit options, lack of standardised measurements, and limited quality investment opportunities. How can cryptoassets reduce the SDG funding gap? Have cryptos provided blockchain solutions that can be a force for good?

Cryptoassets have several categorisations across jurisdictions, including currency, financial assets, or commodities. As the crypto space exceeds 6,000 coins in 2021, it becomes essential to apply clear categorisation and distinction of these assets to better understand the potential of cryptos. The crypto space has been laden with Ponzi schemes and criminal activity, resulting in vulnerable, uninformed investors losing millions of dollars. By mid-2021, the UK, Singapore, Indonesia, and Canada have created regulations governing cryptoassets, whereas China, Bangladesh, and Algeria have banned them. Most

countries are still defining parameters for holding or trading crypto. Much of the confusion arises in distinguishing one cryptoasset from another. Basic categories include coins, utility tokens, and security tokens, each having multiple sub-categories.

INTRODUCING SOCIAL IMPACT TOKENS

Crypto coins and tokens are different: coins are created on their own blockchain and claim to operate like fiat currency, storing value and used as a medium of exchange, such as Bitcoin and Litecoin. Tokens are created on top of existing blockchains and are packaged with single or several utilities. Both coins and tokens attempt to move society to a more decentralised, 'democratic' financial future. Tokens, such as non-fungible tokens (NFTs), have additional flexibility as they may represent real assets, services, data or even art and have successfully developed into their own sub-sector of the crypto space, referred to as the token economy.

Merging social impact investment needs with token representation has opened a new investment channel to reduce the SDGs funding gaps. The emergence of SITs is new, even in the crypto space. However, over the last few years, more than 200 SITs have been launched with varying levels of success.

SITs offer potential solutions that provide their communities with voting and governance protocol, incentives for contributing to the community through media coverage and promotion, and may even nudge behaviour towards good. A key underlying asset is the monetisation of underlying data, which already generates revenue for the largest tech companies in the world, such as Meta, Twitter, Instagram, amongst others.

SITs provide specific advantages to its community, led by an increased level of trust between hodlers. When the crypto space markets financial and social inclusion, the SITs exhibit these characteristics more than other categories since they are designed for societal impact. SITs also offer transparent validation of transactions, security of the decentralised database of Distributed Ledger Technology (DLT), and the promise of democratisation¹ in the social impact space.

Figures 1 and 2 provide use cases of what SITs can offer towards impact investing. In addition, SITs contribute to a positive behavioural change and nudge hodlers towards good for as long as the objectives of the SITs are wholesome. It should be noted that most of these projects are under development, and many may not be successful due to the volatility of the crypto space and unconvincing or weak business plans.

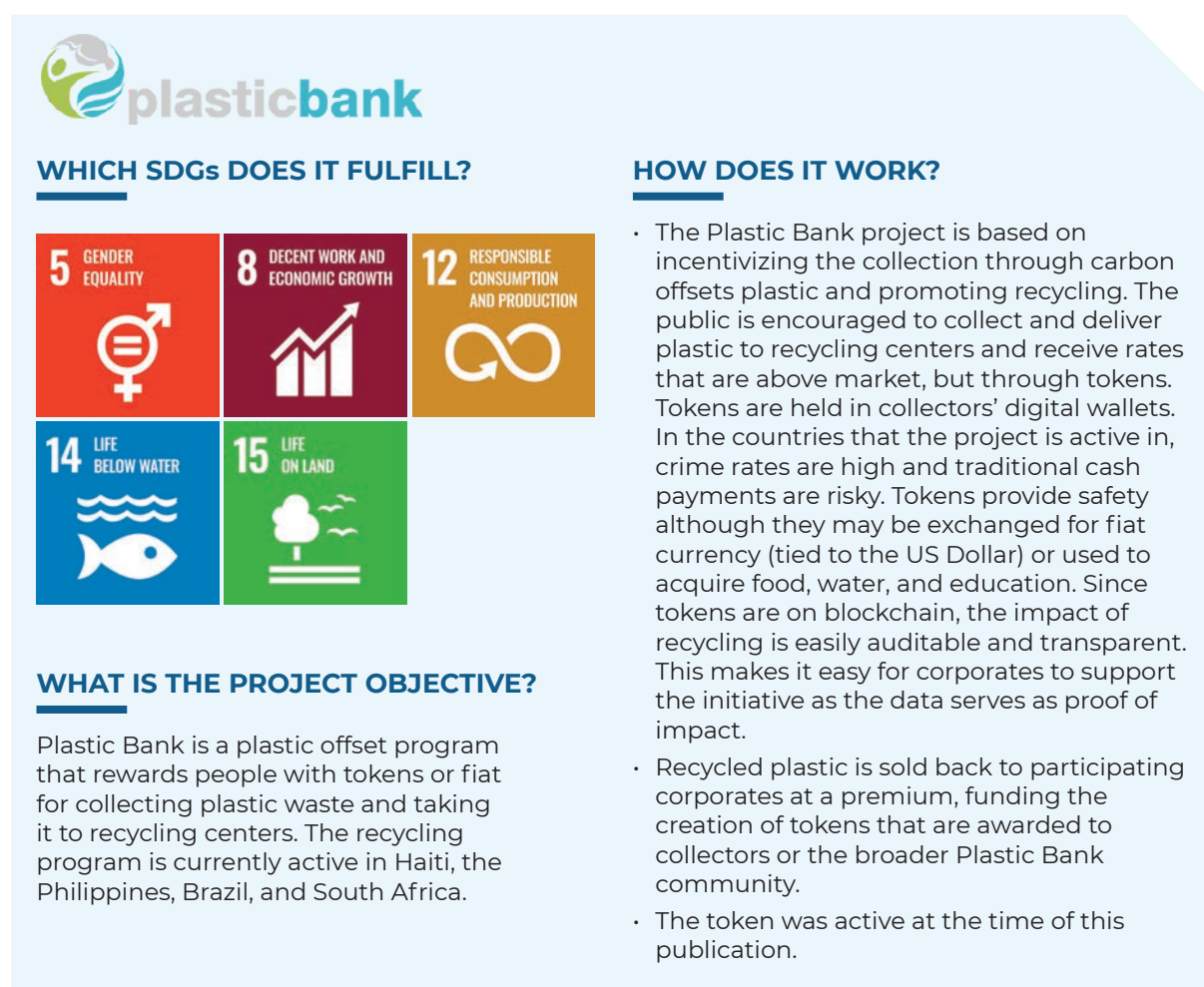


Figure 1: Use Case of Plastic Bank

Source: Plastic Bank (n.d.)

¹ Here, companies have been criticised for adding a 'green sheen' or greenwashing by playing a game of numbers when dealing with responsibility metrics. Democratising the green space allows for ordinary individuals to make a difference that can be impactful in a transparent manner.



WHICH SDGs DOES IT FULFILL?



WHAT IS THE PROJECT OBJECTIVE?

- Amply is a blockchain project that intends to revolutionise early childhood development (ECD) in South Africa. The project is backed by UNICEF and supported through subsidies from the South African government.
- School attendance from pre-school to Grade 3 (approximately 8 years old) in South Africa is monitored through paper-based systems and largely informal or unregulated. ECD centers apply for government subsidies based on the number of learners that they have. These documents are paper-based and without verification due to limited or no identity documents for children.
- The South African government makes ECD compulsory until Grade 3, but without effective monitoring systems ECD has not been well accounted for. This is more apparent in rural areas. Amply provides a system that records attendance records and tokenizes the data for subsidies. The project objective focuses on improving the state of ECD in South Africa.

HOW DOES IT WORK?

- Amply provides a digital attendance mobile application that records and verifies pre-school attendance claims which are subsequently exchanged for subsidies from the South African government. This enhances reporting and accountability as tokens provide impact data that is reliable and authenticated through blockchain. The project was piloted in 2016 and has approximately 61,000 digital attendance records across 85 ECD centers in the Western Cape, South Africa. Amply captures the time and date of collection, location and other metadata that protects the data from manipulation. It is built on the ixo blockchain (based in Switzerland).
- The status of the token on an open platform is unknown at this stage.
- Several more SITs with market cap that has not been verifiable, are based on interesting concepts. For example, Energi Mine apparently uses blockchain and AI to manage energy consumption. Participants earn tokens based on their responsible energy behavior that may include using public transport, electric vehicles and reducing the energy footprint at home and office.

Figure 2: Use Case of Amply

Source: UNICEF (n.d.)

The objective is to highlight how Shariah-compliant SITs can potentially prompt responsible behaviour that is in line with the objectives of Shariah (*maqasid al-Shariah*).

SHARIAH-COMPLIANT SITs

Unfortunately, Shariah-compliant SITs are scarce. IBFNet (2020) released a litepaper explaining four different types of tokens that they have designed for use among

the members of their network. The tokens are described as fungible tokens that are freely transferable among members with varying degrees of utility, intended to act as (i) medium of intra-network exchange, (ii) a unit of account, and (iii) a store of value, 'the IBFS tokens are meant to be collectibles with "esteem" value' according to the litepaper. Several use cases are under development and apply clear diagnostics to measure success based on unique sustainability metrics.

Another initiative is being made by a UK-based start-up called Barakah Finance. They have recently developed a Shariah-compliant token called BRKH Token (Barakah Finance 2021), applying an innovative staking protocol that integrates real-world data into its smart contracts through decentralised oracles.

Barakah Finance will be the first Shariah-compliant DeFi protocol that is also based on a social impact objective. Users are rewarded for their activities under specific staking conditions. For the first stage, users that stake tokens can benefit from the reward pool as the community of Twitter users grow within defined periods.

The next stage for the BRKH Token will be to reward the positive impact behaviour of its ecosystem when users participate and contribute to worthy social impact projects. Barakah Finance will verify these projects through an internally developed *maqasid* metric that also fulfils selected SDGs. The social impact will be measured and tracked on the blockchain through the creation of synths, and stakers will be rewarded for the combination of *maqasid* and SDG goals being met.

The project is defined by its objective of being a force for good, promoting goodness and preventing harm (*al-amr bil ma'ruf wal nahy 'anil munkar*). The team has recently successfully received support from the Harmony blockchain community and is preparing its launch on a testnet.

CONCLUSION

SITs are embryonic, even in the new crypto verse. However, their potential for contributing to SDG targets through behavioural nudging is unique and exciting. Shariah-compliant SITs seem to be a good proposition for achieving the *maqasid*, and in turn, fulfilling the SDGs. But conflicting scholarly verdicts and substantial market volatility have not increased Muslim crypto investor confidence much. Regulators and users fear manipulation and abuse with past track records of failed promises that have capitalised on the vulnerable and greedy, uninformed investors. Innovative SITs that comply with the Shariah may be a positive disruptor if transparent criteria are established for compliance and crypto literacy levels increase for all stakeholders. However, significant research is still required in the space, and it may be reliant on use cases that show success.

References

- Barakah Finance (2021), '*Barakah Finance solution – Staking*', available at: <https://barakah-finance.gitbook.io/barakahfinance/barakah-finance-solution-overview/barakah-finance-solution-staking> (accessed 3 November 2021).
- EnergiToken (2018), '*Decentralising global energy markets by regarding energy efficient behavior: power to the people*', White Paper version 5.0, available at: https://energitoken.com/whitepapers/whitepaper_en.pdf (accessed 3 November 2021).
- IBFNet (2021), '*Building a miniature Islamic economy on the blockchain*', available at: <https://ibfnet.ie/wp-content/uploads/2021/11/IBF-Net-Litepaper-2.0.pdf> (accessed 3 November 2021).
- Global Impact Investing Network (2019), '*What is impact investing?*' available at: <https://thegiin.org/impact-investing/need-to-know/#what-is-impact-investing> (accessed 3 November 2021).
- Plastic Bank (n.d.), available at: <https://www.plasticbank.com/> (accessed 3 November 2021).
- UNCTAD (2019), '*SDG investment trends monitor*', available at: https://unctad.org/system/files/official-document/diaemisc2019d4_en.pdf (accessed 3 November 2021).
- UNCTAD (2020), '*The Covid-19 shock to developing countries*', https://unctad.org/en/PublicationsLibrary/gds_tdr2019_covid2_en.pdf (accessed 3 November 2021).
- UNICEF (n.d.), '*UNICEF Innovation Fund Graduate: Trustlab*', available at: <https://www.unicefinnovationfund.org/broadcast/updates/unicef-innovation-fund-graduate-trustlab> (accessed 3 November 2021).

ISRA International Consulting Sdn Bhd (ISRA Consulting) is a wholly-owned subsidiary of INCEIF University. We offer extensive and comprehensive consultancy, advisory services, industry based research and training in Islamic finance, economics and Shariah. The company is approved and registered as Shariah Advisor with Securities Commission Malaysia to provide Shariah advisory services.

ISRA Consulting provides a wide range of consultancy and advisory services by leveraging its experienced Islamic finance, economics, business and Shariah senior consultants, researchers, and professionals from INCEIF University, and ISRA, an affiliate of INCEIF University, in addition to its extensive network of external local and international Islamic finance experts.

ISRA Consulting has developed customised programmes to meet the specific needs of each organisation. We also specialise in providing public programmes and conduct wide range training in the following areas: Governance and Shariah Governance, Islamic Finance Legal Drafting, Business Ethics, Shariah Accounting and Auditing, Risk Management, Islamic Capital Market, and Islamic Banking and Takaful.



OUR SERVICES



ADVISORY & CONSULTANCY



TRAINING & HUMAN CAPITAL DEVELOPMENT



INDUSTRIAL MARKET RESEARCH



TRANSLATION



PROF. DATO' DR AZMI OMAR
President & Chief Executive Officer,
INCEIF



PROF. DR ASHRAF MD HASHIM
Chief Executive Officer,
ISRA Consulting

WHY US?

INNOVATIVE SOLUTIONS

Our expertise lies in tailoring our advice and support specific to your organization's requirements and needs

MORE THAN A DECADE

We are well-regarded for our high-quality delivery and operational excellence which has provided sustainable value for our clients

MULTI-DISCIPLINE

Our team of experts have decades of experience in advising central banks, capital markets, financial institutions, takaful companies, standard-setting bodies, regulatory authorities and legal firms

STRONG RELATIONSHIP

We have been recognized as a leading consultancy in Islamic finance by virtue of our excellent networking with local and international Islamic finance experts

PAST PROGRAMMES



Islamic Finance for Board of Directors (IF4BOD)



Certificate in Islamic Banking for Standard Chartered Bank



Malaysian Technical Cooperation Programme (MTCP)



The Criteria of Shariah Screening Methodology



Quantitative Banking & Finance Research

Islamic Fintech and Cash Waqf



By: Abdul Shakoar Dalvi
(PhD Candidate, INCEIF)

The following story is not well known in computer folklore but is of considerable importance. Back in 1978, a student named Dan Bricklin studied at Harvard Business School. One day, he attended an accounting class and watched his professor fill rows and columns on the blackboard. Every time the professor changed a figure in one box, he had to tediously work down and across the grid on the board, erasing and rewriting other numbers to add everything up. Bricklin was a programmer at Wang computers before he joined Harvard. So, the difficulty the professor was facing made Bricklin think. Then, he and his friend Robert Frankston wrote a computer program for the new Apple II personal computer: an electronic spreadsheet. On 17 October 1979, the new program named 'VisiCalc' went on sale and became an overnight sensation, and hence considered as the first true 'killer app' replacing the manual spreadsheet management process.

The question is: why is this story important to us? One may agree or disagree, but the author believes that Bricklin's computer program was the earliest known fintech application—if one goes by the generally accepted definition of fintech. Schueffel (2017) summarises that 'fintech is a new financial industry that applies technology to improve financial activities'.

The global fintech market value was estimated at USD127.66 billion in 2018 and is expected to grow to USD309.98 billion with an annual growth rate of 24.8 per cent through 2022.

Investopedia defines fintech as: 'the integration of technology into offerings by financial services companies in order to improve their use and delivery to consumers'. According to the Reserve Bank of India (2017): 'FinTech is technologically enabled financial innovation that could result in new business models, applications, processes, or products with an associated material effect on financial markets and institutions and the provision of financial services'.

Whatever the definition of fintech, it is big business, both in dollar terms and number of transactions. The global fintech market value was estimated at USD127.66 billion in 2018 and is expected to grow to USD309.98 billion with an annual growth rate of 24.8 per cent through 2022. You would probably know all the technologies that make up fintech, including blockchain, cryptocurrency, artificial intelligence, and mobile payment. Figure 1 presents contemporary fintech applications which are more sophisticated than Dan Bricklin's program.

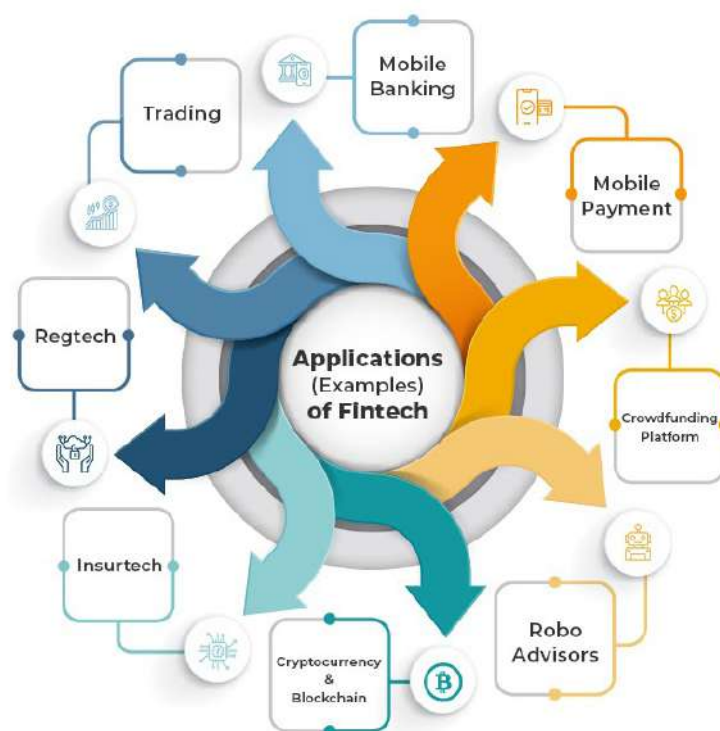


Figure 1: Fintech Applications

Source: <https://www.analyticssteps.com/blogs/what-fintech-examples-and-applications>

ISLAMIC FINTECH

Like conventional fintech, the Islamic fintech ecosystem is growing rapidly. According to the Global Islamic Fintech Report 2021 (Salaam Gateway 2021), the total transaction volume for Islamic fintech within OIC countries in 2020 was about USD49 billion, representing 0.72 per cent of total global fintech transactions. Furthermore, it is projected that Islamic fintech will grow to USD128 billion by 2025, representing a 21 per cent compound annual growth rate (CAGR).

This growth rate is much higher than the projected 15 per cent CAGR for conventional fintech for the same timeframe.

The report identifies 241 Islamic fintech companies in the year 2020. It also states that the top Islamic fintech markets by transaction volume are Saudi Arabia, Iran, UAE, Malaysia, and Indonesia (refer Figure 2). These five markets represent 75 per cent of the OIC Islamic fintech market. The other major players in the Islamic fintech arena are Turkey and Kuwait.

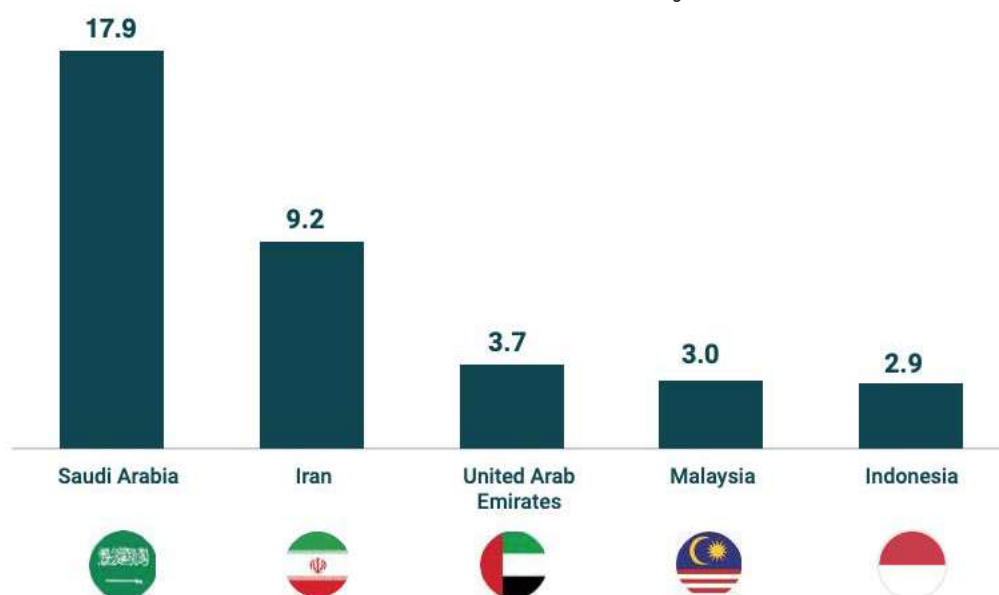


Figure 2: Top 5 Islamic Fintech Markets in 2020 (USD billion)

Source: Salaam Gateway (2021)

APPLICATION OF FINTECH IN CASH WAQF

As mentioned above, Islamic fintech has seen rapid growth with numerous applications in the Islamic social finance arena, and cash waqf is an important component. The cash waqf is a special type of endowment. As the name suggests, the endowed asset is cash. This cash is invested in income-generating projects, and the income received from the projects is used to finance waqf services.

Although cash waqf has its detractors, it has been used since the early days of Islam, and its use peaked during the Ottoman Empire. As for its legality, the Hanafi scholar Imam Zuhri had approved cash waqf in the Islamic world for the first time in the eighth century. In Malaysia, the Fatwa Committee of the National Council for the Islamic Religious Affairs confirmed the legality of cash waqf at its 77th meeting on 10 to 12 April 2007.

Traditionally, waqfs were set up by well-to-do individuals who donated land or buildings to create a waqf for the benefit of the needy. Even with cash waqf, the endowment remained confined to the rich donors. However, thanks to Islamic fintech applications such as 'crowdfunding', the endowment process has become more democratic. An ordinary Muslim who is not so rich can now contribute to a cash waqf, even with a very small amount of money. In addition, thanks to another fintech application, the 'e-payment', the donation process has become simpler and easier.

Although crowdfunding platforms have helped mobilise funds, much more needs to be done. Ismail (2021) cites the following statistics from Yayasan Waqf Malaysia.

If one goes by the numbers in Table 1, the amount is less than one ringgit per person per year. It is hoped that these numbers will improve as more and more people adopt newer digital platforms and Islamic fintech applications. Hopefully, the use of Islamic fintech applications by a digitally savvy population will help more Muslims contribute to social causes.

Year	Total collection of cash waqf (RM)	Total population of Muslims in Malaysia
2010	399,923.80	20,389,632
2011	396,318.17	20,490,061
2012	445,078.52	20,590,491
2013	988,651.74	20,690,920
2014	2,063,153.72	20,791,349
2015	2,033,004.23	20,891,779
2016	2,146,319.15	20,992,208
2017	2,406,319.15	21,092,637
2018	2,485,292.06	21,193,067
2019	2,594,024.75	21,293,496

Table 1: Cash Waqf Collection vs. Total Population of Muslims in Malaysia (2010–2019)

Source: Ismail (2021)

References

- Investopedia (n.d.), 'Financial technology – fintech', available at: <https://www.investopedia.com/terms/f/fintech.asp> (accessed 1 December 2021).
- Ismail, W.M.W. (2021) 'Significance of technology to cash waqf collection: application of Unified Theory Acceptance and Use of Technology (UTAUT)', *International Journal of Academic Research in Business and Social Sciences*, Vol. 11 No. 1, pp. 777–788.
- Reserve Bank of India. (2017) 'Report of the working group on fintech and digital banking', available at: <https://rbidocs.rbi.org.in/rdocs/PublicationReport/Pdfs/WGFR68AA1890D7334D8F8F72CC2399A27F4A.PDF>, (accessed 1 December 2021).
- Salamgateway (2021), 'Global Islamic Fintech Report 2021', available at: <https://cdn.salaamgateway.com/reports/pdf/6127a0965afd7898a34f69dadcd24b8d17ada0b1b.pdf> (accessed 1 December 2021).
- Schueffel, P. (2017), 'Taming the beast: A scientific definition of fintech', *Journal of Innovation Management*, Vol. 4 No. 4, pp. 32–54.

Youth's Corner

THE POTENTIAL OF ISLAMIC FINTECH FOR SUSTAINABILITY



**By: An Nisaa Gettar
Sukma Sari**
(MsC Candidate, INCEIF)

The financial sector has been exposed to several innovative technologies that enable its stakeholders to upgrade how their services are offered and operated. The term fintech was originally applied to the computer technology used at the back-end systems of traditional financial institutions. However, there was a shift to a customer-oriented definition representing personal and commercial finance, which became the basis for financial services innovations. Nowadays, fintech also refers to the companies that offer modern and innovative financial services through technology.

At the onset, fintech was developed to provide financial services that are mobile, fast and affordable. Its subsequent growth was also attributed to the need for financial inclusion of all segments of society, such as helping the 'unbanked' community through easy access to banking with lower costs than traditional banking access. Following the economic impact of the COVID-19 pandemic, the World Bank (2020) states the poverty headcount increased by as much as 100 million people around the globe, thus providing a window of opportunity for fintech to play a major role in increasing the inclusion of the 'unbanked' into the banking system.

Global investment in fintech bounced back remarkably despite the ongoing economic crisis, increasing from USD87 billion in the second half of 2020 to USD98 billion in the first half of 2021. Venture capital investment globally recorded over USD52 billion in the first half of 2021, nearly the annual numbers recorded in 2018, which was USD54 billion (KPMG 2021). At the same time, the Islamic fintech sector in the OIC countries registered rapid growth, reaching USD49 billion in transaction volume in 2020 (Salaam Gateway 2021). Although its percentage stood at only 0.7 per cent of global fintech transactions, it is projected to grow at 21 per cent or USD129 billion by 2025. The fintech industry has also developed more diverse subsectors or segments from insure-tech (insurance technology) and wealth-tech (wealth management technology) to cryptocurrency, whilst incumbent financial institutions and start-ups continue to develop innovative services to meet customer needs.

Sustainability is not a new concept in Islam. It starts with the principle of trusteeship. The Quran mentions that each individual is a vicegerent (*khalifah*) of Allah on earth. Therefore, humans should ensure that everything Allah SWT has given (nature and creatures) must be protected for the next generation. Islam strictly forbids any irresponsible acts that can damage other people and the environment. Implementing Islamic values in several sectors aimed to serve the public interest and prevent harm, hence upholding the five essentials of the objectives of the Shariah (*maqasid al-Shariah*): protection of faith, life, intellect, progeny, and property. Muslims must be socially and environmentally responsible while alive. Therefore, as one of the growing sectors, Islamic fintech should take part in addressing sustainability challenges.

According to the Global Islamic Fintech Report 2021 (Salaam Gateway 2021), Islamic fintech in the OIC countries are divided into nine segments as depicted in Figure 1.

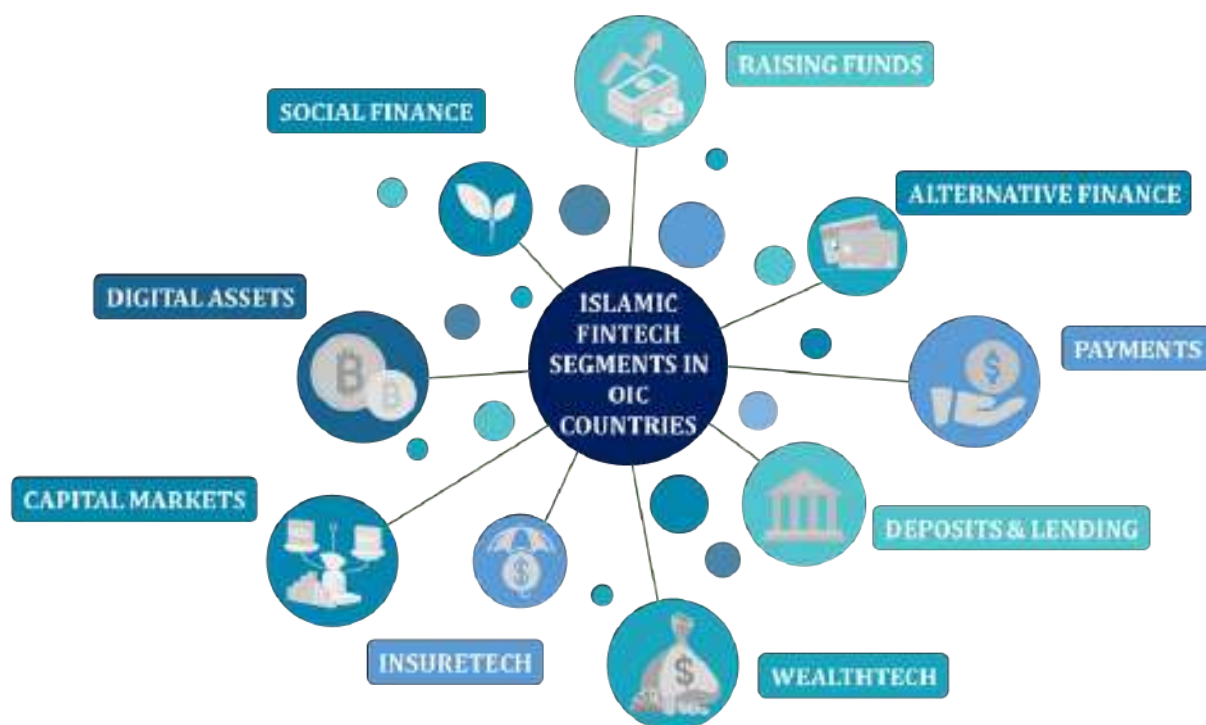


Figure 1: Nine Islamic Fintech Segments in the OIC Countries
Source: Adapted from Salaam Gateway (2021)

Waqf enables people to allocate their money ethically for social investments such as tree planting projects. The waqf property should continuously be managed to generate benefits for social purposes.

There are currently more than 200 companies providing Islamic fintech services globally. In terms of inclusivity, raising funds and alternative finance have widened considerable funding opportunities for small and medium enterprises (SMEs), farmers and smallholders. Integrated technology allows companies to charge lower costs with faster processing and easy requirements. This typically applies to the crowdfunding concept to source funds for its projects, creating an opportunity for wider society to participate. In this case, funders can select a project to fund. Furthermore, unlike traditional financial institutions, digital crowdfunding enables people to be openly informed about the project and its entrepreneur. As a result, funders will receive benefits at the end and create social impact by providing capital for small entrepreneurs. Many of these fintech companies were established in Southeast Asia, Gulf countries, and Europe. Examples are ETHIS from Malaysia, IFIN from Bahrain, and DDCAP Group from the UK.

The social finance segment can also benefit from digital crowdfunding. For example, an environmental foundation from Indonesia called Green Waqf, which was launched in August 2021, aims to reforest 14 million hectares of critical and highly critical lands in Indonesia.

The organization has established a crowdfunding platform to collect the waqf funds from people. To be a *wakif*, one will register online via the platform and wait for verification. Once it is verified, a waqf transaction can be carried out. The digital platform will make it easier for people to perform waqf. It also creates a more efficient process for the waqf organization in achieving the fundraising target.

Waqf enables people to allocate their money ethically for social investments such as tree planting projects. The waqf property should continuously be managed to generate benefits for social purposes. In this case, the reforestation of Green Waqf will utilise the evergreen plant of tamanu or mastwood (*Calophyllum inophyllum*) to recover critical land and produce renewable energy, which can later be used for the community.

Some fintech companies have emerged to create a direct impact on sustainability. For example, Helios, a fintech from France, offers an ecological bank account allowing its users to track their carbon footprint based on their consumption activities. The app calculates at the point of transaction and provides suggestions to lower the footprint.

There is also Mitto, a fintech app from Spain that works similarly to a payment card by measuring the sustainability of every purchase. The more sustainable the spending, the more cashback they would receive.

Fintech in the Islamic finance industry could certainly go further, increasing inclusivity and creating more impact on the environment.

Islamic fintech can be leveraged for both commercial and social purposes. Therefore, the interest in global investment in fintech is high. Diverse technologies in fintech have also proven to be applicable. It is now a matter of innovating and developing ideas to address the sustainability challenges ahead.

References

- Anikina, I, Gukova, A., Golodova, A.A., & Chekalkina, A.A. (2016), 'Methodological aspects of prioritisation of financial tools for stimulation of innovative activities', *European Research Studies*, Vol. 19 No. 2, pp 100-112
- Dorfleitner, G., Hornuf, L., Schmitt, M. & Weber, M. (2017), 'Definition of FinTech and description of the FinTech industry', in Dorfleitner, G. et al., *FinTech in Germany*, Springer, Cham, Switzerland, pp. 5-10.
- Hamilton, A. (2020), 'Sustainability fintech Helios aims to reduce users' carbon footprints', available at: <https://www.fintechfutures.com/2020/09/sustainability-fintech-helios-aims-to-reduce-users-carbon-footprints/> (accessed 7 December 2021).
- Hinchliffe, R. (2020), 'Spanish sustainability fintech Mitto to launch in UK next year', available at: <https://www.fintechfutures.com/2020/09/spanish-sustainability-fintech-mitto-to-launch-in-uk-next-year/> (accessed 7 December 2021).
- Kagan, J. (2020), 'Financial technology - fintech', available at: <https://www.investopedia.com/terms/f/fintech.asp> (accessed 7 December 2021).
- KPMG (2021) 'Pulse of Fintech: biannual analysis of global fintech investments', available at: <https://home.kpmg/xx/en/home/industries/financial-services/pulse-of-fintech.html#:~:text=H1%202021%20%E2%80%93%20Americas-,Pulse%20of%20Fintech%20H1%202021%20%E2%80%93%20Americas,%2466.2%20billion%20with%201%2C189%20deals> (accessed 7 December 2021).
- PwC (2016) 'FS Technology', available at: www.pwc.com/fstech2020 (accessed 7 December 2021).
- Rabbani, M.R., Khan, S. & Thalassinou, E.I. (2020), 'Fintech, blockchain, and Islamic finance: an extensive literature review', *International Journal of Economics and Business Administration*, Vol. 8 No. 2, pp. 65-86.
- Salaam Gateway (2021), 'Global Islamic fintech report 2021', available at: <https://cdn.salaamgateway.com/reports/pdf/6127a0965afd7898a34f69dad24b8d17ada0b1b.pdf> (accessed 7 December 2021).
- Salampasis, D. & Mention, A.L. (2018), 'Fintech: harnessing innovation for financial inclusion', in Lee, K.C.D. & Deng, B. (Eds.), *Handbook of Blockchain, Digital Finance, and Inclusion Volume 2*, Academic Press, London, pp. 451-461
- Syamila, S.A. & Mutmainah, L. (2021), 'Green waqf: wakaf sebagai solusi perbaikan alam dan kemandirian energi', available at: <https://wacids.or.id/2021/08/23/green-waqf-wakaf-sebagai-solusi-perbaikan-alam-dan-kemandirian-energi/> (accessed 7 December 2021).
- Subekti, R. (2021), 'Potensi wakaf hijau untuk hijaukan lahan kritis', available at: <https://republika.co.id/berita/qy8nyx423/potensi-wakaf-hijau-untuk-hijaukan-lahan-kritis> (accessed 7 December 2021).
- World Bank. (2021, October 14), 'Understanding Poverty: Poverty Overview', available at: <https://www.worldbank.org/en/topic/poverty/overview> (accessed 10 December 2021).
- Zafar, S. (2021), 'Environmental sustainability in Islam', available at: <https://www.ecomena.org/sustainability-islam/> (accessed 7 December 2021).

Alumni's Corner

DIGITALIZATION AND MORAL ETHICS:

*How Should Future
Islamic Economics Be?*



By: Dr Putri Swastika

(Head of Islamic
Economics Study,
Postgraduate Program,
IAIN Metro)

The COVID-19 pandemic has provided a moment of the reinstatement of technology due to its capacity to empower economic agents (Guo et al. 2020; Ritter & Pedersen 2020) requiring them to respond effectively to the crisis. SMEs have adopted various digital technologies to cope with this crisis. Using a data set from a survey with 518 Chinese SMEs, the study examines the relationship between SMEs' digitalization and their public crisis responses. The empirical results show that digitalization has enabled SMEs to respond effectively to the public crisis by making use of their dynamic capabilities. In addition, digitalization can help improve SMEs' performance. We propose a theoretical framework of digitalization and crisis responses for SMEs and present three avenues for future research. Technology has accelerated a seamless transformation from brick-and-mortar to virtual business presence. Traditional markets worldwide have been transformed into online marketplaces. Our physical wallets have changed into e-wallets, facilitating a fast, sophisticated, and fraud-free payment process for our needs. Producers of goods now have the advantage of cost minimisation as suppliers have become more competitive, offering the best prices with the best services.

Thus, it is crucial to realise that economic recession is not caused entirely by the pandemic but due to the peculiar mechanism of conventional economics.

By embracing digitalization, the real sector of the economy has become more cost-effective, making it less susceptible to serious institutional economic problems.

In response to the pandemic, most governments sought to balance the concern between saving lives and preserving economic growth. The past trend in government policies was to drive economic growth above all else, and there shall be no conflict in prioritising it. However, policymakers are now discussing the need for a robust and resilient health system, which has become the priority. Politicians have admitted that current policies have failed to provide a strong health system or health security to the public. It points to a conflict between health and the economy in a trade-off that one must give up in exchange for growth.

Such a worldview is disturbing, yet the trade-off is inevitable in the current global crisis. The trade-off between health and economy is manifested in a 'push/pull brake' policy. Governments around the world restore economic activities when confirmed daily cases decline and reimpose lockdowns with a rise in daily cases. Can the 'economic man' live in this situation? It sends confusing signals to industries and households and imposes tremendous business risk, and is unsustainable in the long run. Instead of saving lives, governments may put more people at risk

and death (Liu *et al.* 2021; Zheng *et al.* 2020). Governments must acutely aware that the real problem lies within the market system.

The market works under institutional scaffolding (North 2016). In a conventional setting, growth means accumulation. Due to the scarcity of resources, accumulation results in an allocation problem where the gap between the haves and the have-nots occurs: inequality, poverty, pollution, and other externalities hampering sustainability. Institutional scaffolding of conventional economics will always seek maximum profits, and that the 'economic man' who accumulates can cause the problem of allocation. While digitalization is disruptive and has changed market rules, it is only a facility created by the 'economic man'. The institutional scaffolding of economics is still a factor in today's great economic recessions.

Thus, it is crucial to realise that economic recession is not caused entirely by the pandemic but due to the peculiar mechanism of conventional economics. Accepting it will help acknowledge the 'broken' mechanism of conventional policies and is also important to advance the economy. The socioeconomic phenomena of unemployment, extreme poverty, increasing inflation, climate change, increasing national debts, among others, are the litmus tests that need to be answered.

The 'economic man' must stop debating profitability over sustainability. Have we not learned anything from the COVID-19 pandemic?

Islamic economics should avoid the hive mentality of jumping on the digitalization bandwagon to maximise profits. On the contrary, Islamic finance must use digitalization to reinstall its true asset-based and risk-sharing principles mechanism.

Digitalization must be acknowledged to promote and execute Islamic economics principles in real transactions. It must be driven by objectives beyond halal profits. Since we all agree that institutions in Islam have not yet been fully realised, the burden is now on us—as Muslims—to revive Islamic values and principles in economics and to pass the litmus tests (Akin & Mirakhor 2016; Askari *et al.* 2012; Mirakhor & Askari 2017; Swastika & Mirakhor 2021).

References

- Akin, T. & Mirakhor, A. (2016), 'Efficiency with rule-compliance: A contribution to the theory of the firm in Islamic economics', *Journal of Economics and Political Economy*, Vol 3 No. 3, available at: <https://doi.org/http://dx.doi.org/10.1453/jepe.v3i3.864>
- Askari, H. Iqbal, Z. Krichene, N. & Mirakhor, A. (2012), *Risk Sharing in Finance: The Islamic Finance Alternative*, John Wiley & Sons (Asia), Singapore.
- Guo, H., Yang, Z., Huang, R. & Guo, A. (2020), 'The digitalization and public crisis responses of small and medium enterprises: Implications from a COVID-19 survey', *Frontiers of Business Research in China*, Vol 14 No. 1, available at: <https://doi.org/10.1186/s11782-020-00087-1>
- Liu, Y., Yue, S., Hu, X., Zhu, J., Wu, Z., Wang, J.L., & Wu, Y. (2021), 'Associations between feelings/behaviors during COVID-19 pandemic lockdown and depression/anxiety after lockdown in a sample of Chinese children and adolescents', *Journal of Affective Disorders*, Vol. 284, available at: <https://doi.org/10.1016/j.jad.2021.02.001>
- Mirakhor, A., & Askari, H. (2017), 'Institutional structure of a sound economy', in *Ideal Islamic Economy: Political Economy of Islam*, Palgrave Macmillan, New York, available at: https://doi.org/10.1057/978-1-137-53727-0_4
- North, D.C. (2016), 'Institutions and Economic theory: Editor's introduction', *The American Economist*, Vol. 61 No. 1, pp. 72-76.
- Ritter, T. & Pedersen, C.L. (2020), 'Digitization capability and the digitalization of business models in business-to-business firms: Past, present, and future', *Industrial Marketing Management*, Vol. 86, pp. 180-190, available at: <https://doi.org/10.1016/j.indmarman.2019.11.019>
- Swastika, P. & Mirakhor, A. (2021), 'Applying risk-sharing finance for economic development: Lessons from Germany', in Askari, H. & Zahedi, D. (Eds.), *Political Economy of Islam*, Palgrave Macmillan, Cham, Switzerland.
- Zheng, L., Miao, M., Lim, J., Li, M., Nie, S. & Zhang, X. (2020), 'Is lockdown bad for social anxiety in COVID-19 regions?: A national study in the SOR perspective', *International Journal of Environmental Research and Public Health*, Vol. 17 No. 12, available at: <https://doi.org/10.3390/ijerph17124561>

Alumni's Corner

ROLE OF ISLAMIC FINTECH

in Achieving the Sustainable Development Goals (SDGs)

Financial technology (fintech) is a phrase used to describe a modern technology that aspires to automate the production and use of financial services. Fintech, at its most primitive level, uses specialized advanced algorithms to drive business growth and encourage entrepreneurs, and people to enhance their activities, operations, and lifestyles through the use of machines and, subsequently, smartphones.

The terminology 'fintech' was developed in the 20th century to describe the technology employed in established financial institutions back-end systems. Since then, there has been a shift towards more digitalization.



By: Dr Omar Alaeddin

Head of Islamic
Finance Section,
UniKL Business School



Fintech is evolving naturally, from flow-oriented to technology- centric business processes.

Fintech is the use of specialized, sophisticated algorithms to help businesses, traders and consumers better manage their financial activities, processes and habits through the use of technology, including smartphones. Fintech integrates the concepts of 'technology platforms' and 'financial industry' into one word. Retail banking, charitable campaigns, and investment management are just a handful of the businesses that fall under this umbrella. According to the Ernst & Young (2017)'s Fintech Adoption Index, one-third of consumers use two or more fintech services, and they are becoming increasingly conscious of its accessibility and user-friendliness.

Fintech's primary goal is to use modern technology to increase the efficiency of the financial sector. Fintech's latest advancements include machine learning, deep learning, cloud computing, cryptography, data storage, privacy, biometric distinctiveness and detection, the Internet of Things, mobile applications, and social networking. One of the most significant fintech IT advances is the shift from Internet finance to data finance. Data has always been important in finance. In the age of big data, finance data is expected to drive better regulation in areas like risk management and monitoring. In the future, artificial intelligence (AI) combined with big data will be at the centre of financial data processing. Machine learning in finance and AI would focus on deep learning and

analysis, and logical judgment. The use of AI will progress through information systems, cloud storage, artificial devices, and algorithms.

Fintech is evolving naturally, from flow-oriented to technology-centric business processes. As a result, IT is ushering in a new era of technological developments, resulting in creative financial business models. Fintech procedures, for example, are improved by technology, which pushes fine-tuning and increases modularity. Consumers, on the other hand, would benefit from better access to information, more effective anti-fraud measures, and more efficient information risk mitigation as a result of these advancements. In terms of risk mitigation and acquisition, they would be expected to experience significant cost savings.

Despite the benefits that technology offers, humanity is confronted with many issues. Indeed, with a global population of over 7 billion people increasing at a rate of 75 million people each year, economic disparity has never been worse. For example, at least 1 billion people live in poverty, lacking access to affordable healthcare services, food, and housing. According to the IFC (World Bank), the impact of severe natural catastrophes results in an annual loss of USD520 billion and the creation of 26 million additional impoverished people each year as a result of climate change.

According to a report by the United Nations Sustainable Development Solutions Network, 1.5 to 2.5 per cent of global gross domestic products (GDP) per year may be required to fund the social development goals (SDGs) in all nations (Fajans-Turner & Smith 2019). To achieve the SDGs, low- and middle-income countries would need to raise public and private expenditure by around USD400 billion each year. Yet, it is just 0.4 per cent of the world economy as a whole.

Addressing the aforementioned sustainable finance problems requires operating in a world controlled by the fourth industrial revolution's dominant tendencies, which contemporary technological advancements have enabled at the intersection of the physical, digital, and biological worlds. Fintech firms are an example of such a change in the financial markets. Fintech's growth is fueled by recent technical advances like blockchain (distributed ledger), mobile technologies, and artificial intelligence. The Financial Stability Institute of the Bank for International Settlements acknowledges

that there is no universally recognized taxonomy for fintech developments.

Islamic financial institutions (IFIs) depend largely on debt-based instruments that are comparable to conventional financial products from a competitive perspective, and they often lack economies of scale to allow price difference. As a consequence, the value offer of Islamic financial institutions remains focused on Shariah compliance, which is inadequate to attract non-religious clients. Many IFIs engage in various social activities, ranging from qard hassan to zakat payment and charity assistance, all in the name of sustainability. However, on average, these organizations' social and environmental efforts have fallen short of the expectations of their consumers. Furthermore, with low ethical and sustainability disclosure levels, IFIs underperform compared to their conventional counterparts.

Islamic finance could lead the impact finance sector and provide new perspectives on responsible finance, as proposed in Figure 1.

Islamic Finance to lead the impact finance sector via:

01

Assisting OIC countries in dealing with their massive economic, social, and environmental issues, particularly in light of the COVID-19 pandemic, as the industry is well established in many OIC countries.

02

Offering competitive advantage beyond the 'Shariah compliance' value proposition to consumers by emphasizing on positive outcomes in line with the *maqasid al-Shariah*.

03

Channeling money to 'below-market return' ventures through subsidizing or insuring programs via waqf and zakat institutions



Figure 1: How Can Islamic Finance Lead the Impact Finance Sector?

Sources: Author's own

Despite a wealth of literature on the relationship between sustainable development and Islamic finance, as well as some successful impact finance initiatives, particularly in Southeast Asia, the Islamic finance industry's potential in promoting sustainable development with positive environmental, social, and governance outcomes has yet to be recognized by the market. Investment in fintech is an essential lever to consider if the Islamic finance sector wants to incorporate sustainability into its fundamental business models.

Fintech now offers enormous possibilities that were previously unavailable. Technology in smartphones, peer-to-peer platforms, blockchain, artificial intelligence, etc., now provides various options for making financial services more accessible, scalable, adaptable, and effective. Although fintech companies in the Islamic finance space are still modest in size, they are quickly expanding and developing.

References

- Ernst & Young (2017), 'EY FinTech adoption: the rapid emergence of FinTech', available at: https://assets.ey.com/content/dam/ey-sites/ey-com/en_gl/topics/banking-and-capital-markets/ey-fintech-adoption-index-2017.pdf?download, (accessed 7 December 2021).
- Fajans-Turner, V. & Smith, T. (2019), 'New report estimates SDG financing needs for 59 of the world's lowest-income countries', available at: <https://www.unsdsn.org/new-report-estimates-sdg-financing-needs-for-59-of-the-worlds-lowest-income-countries>, (accessed 7 December 2021).



MICRA is an online learning platform designed and developed by the INCEIF E-Learning Unit with the support of the Executive Education Unit. Its tagline: ***Inspiring lifelong learning*** strives to bring quality learning to anyone anywhere.

MICRA's mission is to provide people with the necessary skills and practical knowledge, especially in Islamic finance and sustainability, to future-proof themselves in this fast-paced industry. The online courses and certifications are provided by INCEIF faculty members and specialised trainers globally respected in academia and industry for their immense contributions in this area.

MICRA currently covers six categories: **Islamic Banking, Islamic Capital Markets, Islamic Insurance, Shariah for Islamic Finance, and Data Analysis**. In the future, there will be plans to add more categories such as Sustainable Business and Finance.

Since the launch of MICRA on 23 March 2021, the following six bite-sized online courses have been introduced for learners.



Short Term Islamic Liquidity Management Instruments

RM41.00



The Institution of Waqf

RM19.99



Components of Shariah

RM19.99

Each purchased course comes with a certificate of completion.

The curriculum for each online course is designed by a subject matter expert/instructor with the help of an instructional designer.



Sukuk in Practice: Fundamentals of Sukuk

RM41.00



Sukuk in Practice: Sukuk Structures

RM70.00



Beginner's Guide to Family Takaful

RM19.99



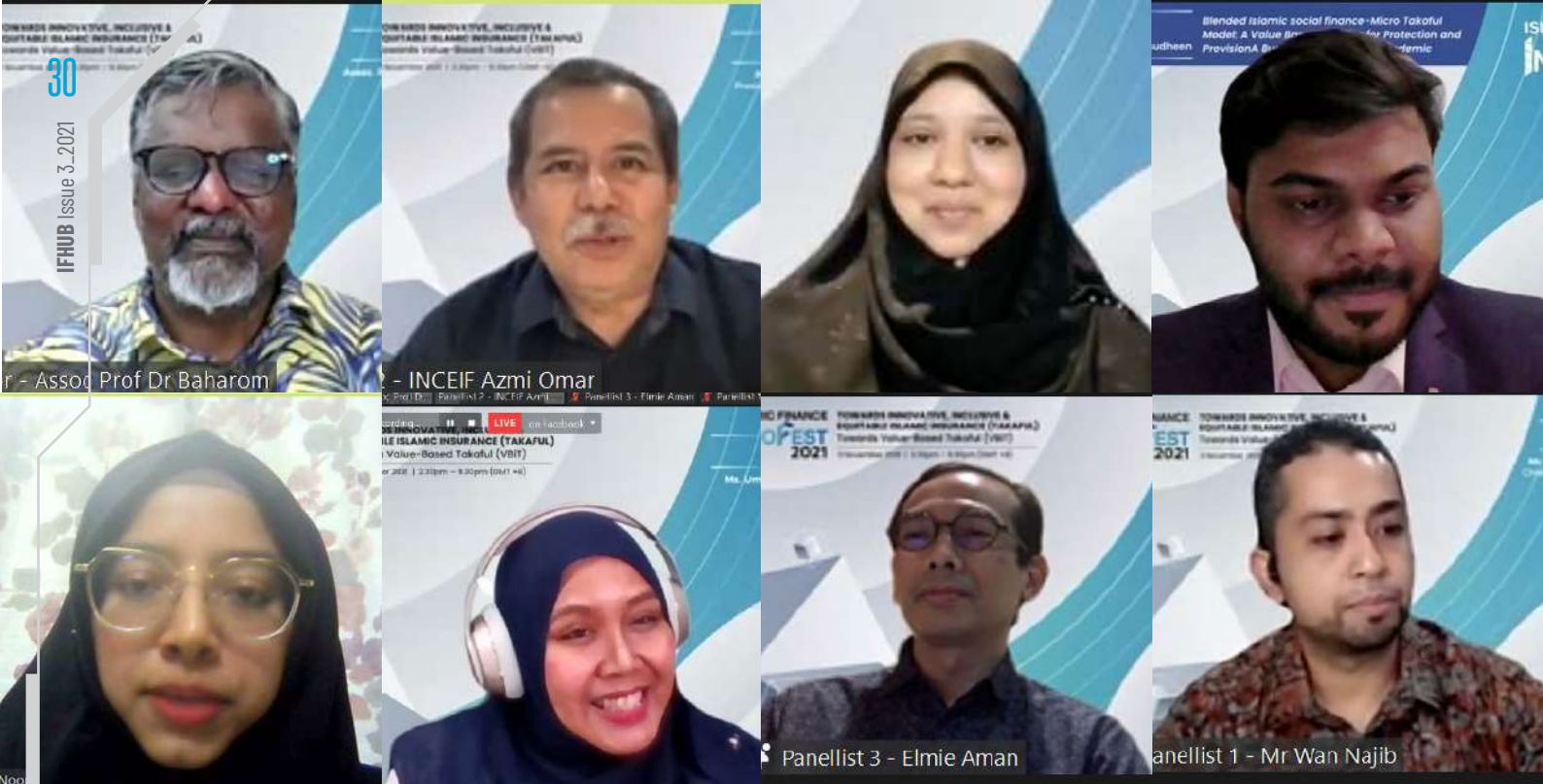
Each online course features about 5 to 15 video lessons, at an average of 3 minutes per lesson.



The learner can watch and re-watch the video lessons at any time, allowing the learner to self-pace study—in bite-size pieces or perhaps all at once!

Do check out MICRA's short online courses, and don't forget to sign up to learn new skills that are transferable, adaptable, and applicable in the world today!

For more information, please get in touch with ellearn@inceif.org



Event @ INCEIF

3RD ISLAMIC FINANCE INNOFEST 2021

The unprecedented COVID-19 pandemic has accelerated the development of fintech innovations across the globe. It has also forced Islamic finance industry players to become more agile and alert in managing risks efficiently to improve resiliency towards unexpected events. It is, therefore, timely for Islamic finance industry players to rise to the challenges in creating a more sustainable financial system through value-adding partnerships with the Islamic fintech community.

The 3rd Islamic Finance INNOFEST 2021 (IF INNOFEST 2021) was organised by INCEIF with the full support of FWD Takaful Berhad and i-Connect, with the theme **"Towards Innovative, Inclusive and**

Equitable Islamic Insurance (Takaful), Towards Value-Based Takaful (VBiT)". It was held virtually on the Zoom platform on 3 November 2021 and attracted an estimated 150 audiences ranging from various financial industries' practitioners, researchers, analysts, academicians and start-ups.

In light of the COVID-19, the IF INNOFEST 2021 provides a relevant platform for all industry players and key stakeholders to exchange views and perspectives to develop more equitable financial systems. It is an opportune time for the Islamic finance industry to highlight its important role in catalysing inclusive economic recovery.

Among other objectives of this event is to transform research into implementable outcomes by linking new ideas from academia, entrepreneurs, start-ups with interest in Islamic finance with those who can bring the idea to the next level.

The technical committee received approximately 15 idea pitches from local and international participants. However, only eight idea pitches were chosen to be presented during the event. The following are the list of presenters during the event:

No.	Idea Pitch	Presenter	Country
1.	ELEO: A National Reward System	Mr Lim Siok Jin	Malaysia
2.	Innovation in Takaful Business Model - The <i>Musharakataan</i> Business Model	Dr Najmul Hussein Rassool	Mauritius
3.	Sustainable Urban Farming Business Model using Islamic Social Finance Tools	Ms Hina Noor	Pakistan
4.	Blended Islamic Social Finance-Micro Takaful Model: A Value-based Solution for Protection and Provision: A Business Case for the Pandemic	Dr Shinaj Valangattil Shamsudheen & Assoc. Prof. Dr Aishath Muneeza	India & Maldives
5.	ASAR: Investment Platform on Islamic Finance Principles	Mr Rinat Zhussupov	Kazakhstan
6.	A Social Security Microtakaful Model for Gig Economy Workforce	Dr Mohsin Ali	Pakistan
7.	TAKATECH: The Game Changer	Dr Hj Haneffa Muchlis Gazali, Dr Md Mahmudul Haque, Dr Lutfi Abdul Razak	Malaysia & Brunei
8.	BANTU: Value-Based Intermediaries Takaful	Mr Kusnan, Mr Mohamad Damar Hulan Osman, Mr Mohamed Rafique Abu Bakar Maricar	Indonesia & Singapore

Prior to the event day, an INNOFEST Pitching Workshop was organised for the finalists to strengthen their ideas and pitch deck. We were honoured to have Mr Zusuff Kan, Business Designer and BisKaunselor INSKEN, who trained our finalists. The workshop covered various interesting topics including 'Expectation Settings', 'Business Model Design' and 'Planning the Pitch Deck'.



A 5-panel judge evaluated the idea pitches during the event day. The ideas were judged equally on the following criteria:

DESIGN

How does the project meet the objectives of the IF INNOFEST 2021

INNOVATION

How novel is the idea?

VALUE

What is the potential value of this idea?

SCALABILITY

How scalable is the idea?

FEASIBILITY

How feasible is the idea?

Congratulations

to all the winners of IF INNOFEST 2021!

1

Blended Islamic Social Finance-Micro Takaful Model: A Value-based Solution for Protection and Provision: A Business Case for the Pandemic



Dr Shinaj
Valangattil
Shamsudheen



India



Assoc. Prof.
Dr Aishath
Muneeza



Maldives

2

A Social Security Microtakaful Model for Gig Economy Workforce



Dr Mohsin Ali



Pakistan

3

TAKATECH: The Game Changer



Dr Hjh Haneffa
Muchlis Gazali



Malaysia



Dr Md
Mahmudul
Haque



Malaysia



Dr Lutfi
Abdul Razak



Brunei



Event @ INCEIF

16TH INTERNATIONAL SHARI'AH SCHOLARS FORUM (ISSF 2021)



The ISRA Research Management Centre of INCEIF (previously known as the International Shari'ah Research Academy for Islamic Finance (ISRA), with the support of Bank Negara Malaysia, organised its 16th annual International Shari'ah Scholars Forum (ISSF 2021) on 6th – 7th October 2021. The forum was held online through the Zoom platform.

The theme of ISSF 2021 was **"Islamic Finance and Fiqh of Crisis Management"**. The forum was attended by numerous world-renowned Shariah scholars, Muslim economists, senior industry practitioners and academicians who shared their views and experiences regarding the theme. English sessions, which were dedicated for the standards-setting institutions, and two mixed Arabic and English sessions to accommodate the participation of English speakers, were also

included in this year's forum. The event was officiated by YBhg. Tan Sri Dato' Azman Mokhtar, Chairman, Board of Directors, INCEIF, while the two keynote speeches were delivered by YBhg. Datuk Sheikh Abdul Rasheed Abdul Ghaffour, Deputy Governor, Bank Negara Malaysia and H.E. Sheikh Prof. Dr Koutoub Moustafa Sano, Secretary-General of International Islamic Fiqh Academy of Organisation of Islamic Cooperation (IIFA-OIC).

Prof. Dato' Dr Mohd Azmi Omar, President & CEO of INCEIF and Dato' Syed Abdul Aziz bin Syed Hassan CEO, Bank Rakyat, delivered keynote remarks on the second day. After which, the book, *An Introduction to the General Theory of Obligations in Islamic Jurisprudence* was launched, followed by remarks by Encik Nor Shahrizan Sulaiman, Deputy CEO, Maybank Islamic.

The panel of global Shariah experts, leading industry figures, academics and practitioners who participated in the forum were:

- Tan Sri Dato' Azman Mokhtar
- Datuk Sheikh Abdul Rasheed Abdul Ghaffour
- H.E. Sheikh Prof. Dr Koutoub Moustapha Sano
- Sheikh Prof. Dr Mohamad Akram Laldin
- Sheikh Prof. Dr Ali Muhyiddin al-Qaradaghi
- Sheikh Dr Muhammad Qirat
- Sheikh Dr Asseddine Benzeghiba
- Sheikh Prof. Dr Mohamed Ali Elgari
- Sheikh Dr Abdul Bari Mashal
- Sheikh Dr Layachi Feddad
- Dr Bello Lawal Danbatta
- Dr Abdelilah Belatik
- Mr Omar Mustafa Ansari
- Asst. Prof. Dr Ziyaad Mahomed
- Prof. Dato' Dr Mohd Azmi Omar
- Dato' Syed Abdul Aziz bin Syed Hassan
- Sheikh Dr Muhammad Burhan Arbouna
- Sheikh Assoc. Prof. Dr Aznan Hasan
- Sheikh Dr Abdul Sattaar Ali Al-Qattan
- Prof. Dr Engku Rabiah Adawiyah Engku Ali
- Dr Ahmad Asad Mahmud Ibrahim
- Dr Jaideep Rana
- Sheikh Dr Osaid Adeeb Al Kaelani
- Sheikh Prof. Dr Muhammed Anas al-Zarqa
- Mr Rafe Haneef
- Mr Nasser Hayedar
- Sheikh Dr Nizam M.S. Yaquby
- Sheikh Prof. Dr Sayed Muhamad Abdul Razaq Al Tabtabaei
- Sheikh Dr Bashir Aliyu Umar
- Prof. Dr Ashraf Md Hashim
- Assoc. Prof. Dr Said Bouheraoua
- Prof. Dr Younes Soualhi
- Dr Sa'id Adekunle Mikail





IFD2021

4th Islamic Fintech Dialogue

SUSTAINABILITY
& INCLUSIVITY
THROUGH
ISLAMIC FINTECH

35

Issue 3, 2021



Event @ INCEIF

4TH ISLAMIC FINTECH DIALOGUE 2021 (IFD2021)

The 4th Islamic Fintech Dialogue 2021 (IFD2021) was successfully held virtually on 17th November 2021 under the theme: **Sustainability and Inclusivity through Islamic Fintech**. More than 300 participants from all over the world, including France, Belgium, Nigeria, Bangladesh, Russia, Ethiopia, Germany, Saudi Arabia and our neighbouring countries such as Singapore, Indonesia and Brunei, participated in the event that focuses on the convergence of the Islamic finance industry with the financial technology (fintech) industry.

Established in 2017 by the International Shari'ah Research Academy for Islamic Finance (ISRA) – currently known as the ISRA Research Management Centre of INCEIF, the Islamic Fintech Dialogue has become a trailblazer for dialogues on this convergence. It has provided the industry and its global players with enlightening sessions by some of the world's most captivating industry experts during its past conferences.

This year, despite various limitations caused by the pandemic, IFD2021 returned to promote a better understanding of Islamic fintech policies and Shariah compliant practices and their harmonisation, including the development and impact of Islamic social financing in the Islamic finance industry and other global trends. The global initiative has listed down six main topics of discussion, namely:

- *Maqasid al-Shariah* of Islamic fintech
- Green and Sustainable Financing
- Financial Inclusion
- Islamic Digital Banking
- Islamic Social Finance
- Sustainable Development Goals (SDGs)

According to **Prof. Dato' Dr Azmi Omar, President and Chief Executive Officer of INCEIF**, in his opening remarks, "The theme this year is a timely topic for discussion. Malaysia and the rest of the world are still working to curb the wide-ranging impact of COVID-19 on our health, social and financial systems. The pandemic has increased the level of poverty and inequality globally. A bigger segment of the world population has become more vulnerable with the increase in debts, less secured jobs, and emotional or financial difficulties which have yet to be resolved almost two years into the pandemic. On the other hand, the world is also facing another challenge, the climate issues highlighted by world leaders at the 2021 United Nations Climate Change Conference (COP26). At INCEIF, we are committed to playing our role in promoting both sustainability and inclusivity in the Islamic finance industry and to champion the discussion of its convergence with the thriving fintech industry".

Among the invited panellists were some of the country's leading industry experts:

Mohd Muazzam Mohamed (Chief Executive Officer, Bank Islam Malaysia), Arsalaan Ahmed (Chief Executive Officer, Al Rajhi Banking and Investment Corporation), Raja Amir Shah Raja Azwa (Chief Executive Officer, HSBC Amanah Malaysia), Ruslena Ramli (Director of Fintech and Islamic Digital Economy, MDEC) and Mohammad Ridzuan Abdul Aziz (President, Fintech Association of Malaysia). **Prof. Dr Mohamad Akram Laldin, Executive Director of ISRA Research Management Centre, stated in his closing speech that**, "Islamic finance institutions should leverage on fintech as a transformational force in financial services and integrate it into Islamic financial operations, which will undoubtedly influence financial inclusion positively and, more broadly, will boost social and economic inclusion".

To sustain a legacy to champion the way of life that brings greater value to people and the planet by advancing expertise and knowledge in Islamic finance and sustainability, INCEIF has also set up the INCEIF Endowment Fund or IEF. The fund will be channelled towards, among others, sponsoring deserving students to pursue their studies at the university and enriching Islamic finance knowledge through applied industry-focussed R&D to maintain a consistent stream of new knowledge and products that fulfil industry needs.

Anyone who missed the event can now watch the full event on the [I-FIKR App](#).



Event @ INCEIF

INCEIF® 12th CONVOCATION

The 12th Convocation of INCEIF on 18 Dec 2021 witnessed the graduation of Class 2020 (135 graduates) and Class 2021 (160 graduates) with a total of 295 graduates from 41 countries including Côte d'Ivoire, Russia, Sweden, Saudi Arabia, Spain, Uzbekistan, Taiwan and United Kingdom. The top five nationalities are Malaysia, Indonesia, Pakistan, Nigeria and Bangladesh. This takes the number of INCEIF global alumni to a total of 2,166 as at 18 December 2021.

The diversity of INCEIF graduates affirms the university's role in developing world-class talent for the global Islamic financial services industry and reinforces Malaysia's position as the global hub for the industry.

INCEIF 12th Convocation marked the first time that the University's convocation was held on a dual mode of physical and virtual due to the COVID-19 event SOP. The pandemic also resulted in INCEIF postponing 2020's convocation to this year.

Khazanah Nasional Auditorium



Of the 295 graduates, 18 received their PhD in Islamic Finance; 135 - Masters in Islamic Finance Practice; 42 - MSc in Islamic Finance; and 32 - Chartered Islamic Finance Professional.

Joining them were 61 recipients of the Professional Certificate in Islamic Finance and 7 recipients of the Executive Masters of Islamic Finance.

Tan Sri Azman Mokhtar, who is the Chairman of INCEIF Board of Directors, and Dr Rozali Mohamed Ali, Pro-Chancellor of INCEIF, were also present at the ceremony. Bank Negara Malaysia Governor Tan Sri Noor Shamsiah Mohd Yunus attended the ceremony virtually as well as INCEIF Board Member Dr Aamir Rehman, Senior Fellow at Columbia University in the City of New York, and Partner at Princeton Stone House Capital who logged in from New York.

In his speech at the convocation, INCEIF President & CEO Professor Dato' Dr. Mohd Azmi Omar congratulated the Class of 2020 and 2021 of INCEIF. He praised the graduates who "have made it through under trying conditions with challenges and changes that the global population never could have imagined". He then stated that, "INCEIF applauds you for your patience, endurance, adaptability, and commitment to continue your studies remotely, participating in lectures and sitting for exams from the computer screens – a less-than-perfect setting for postgraduate studies".

In acknowledgment of their academic excellence, the recipients for the 12th Convocation President's Award were:



Class of 2020:

- i. Dr. Marjan Naseri (Iran) – PhD in Islamic Finance;
- ii. Ms. Siti Kholifatul Rizkiah (Indonesia) – MSc in Islamic Finance; and
- iii. Ms. Sakinah Jumat (Malaysia) – Masters In Islamic Finance Practice / Executive Masters in Islamic Finance / Chartered Islamic Finance Professional

Class of 2021:

- i. Dr. Muhammad Mahmudul Karim (Bangladesh) – PhD in Islamic Finance
- ii. Ms. Fasihatul Husna Abdul Hadi (Malaysia) – MSc in Islamic Finance; and
- iv. Ms. Sumaira Siddiky (Bangladesh) - Masters In Islamic Finance Practice / Executive Masters in Islamic Finance / Chartered Islamic Finance Professional

In addition to these awards, the 'Book Award' was also given out at this convocation. Introduced for the first time at INCEIF 11th Convocation in 2019, recipients of the award were graduates who excelled in selected domain of knowledge. The recipients were:

Class of 2020:

- i. For Banking, MSc in Islamic Finance graduate Ms. Siti Kholifatul Rizkiah (Indonesia),
- ii. For Capital Market, Masters in Islamic Finance Practice graduate Ms. Nurul Balqis Mohamed Othman (Malaysia); and
- iii. For Shariah, MSc in Islamic Finance graduate Ms. Siti Kholifatul Rizkiah (Indonesia)

Class of 2021:

- i. For Banking, Masters in Islamic Finance Practice graduate Mr. Ahmed Shujau (Maldives),
- ii. For Capital Market, MSc in Islamic Finance graduate Ms. Sri Marlia (Indonesia); and
- iii. For Shariah, Executive Masters in Islamic Finance graduate Mr. Ghulam Shabbir (Pakistan)

The recipients received cash award each, sponsored by FWD Takaful Bhd and Cagamas Bhd.

The momentous occasion also witnessed a heartwarming speech by the graduate's representative, Muzakkir Muhammad Diah who made a bold decision to pursue his post-graduate studies in Islamic Finance at INCEIF after being retrenched in 2018. He is now part of this year's recipient of Masters in Islamic Finance Practice.

This convocation will be the last for INCEIF's Chancellor Tan Sri Dr. Zeti Akhtar Aziz and Pro Chancellor Dr. Rozali Mohamed Ali. Both will be leaving their respective positions as they are retiring from their official duties at INCEIF.

Due to her passion for internationalising Islamic finance, Tan Sri Dr. Zeti in her capacity as then Governor of Bank Negara Malaysia, was instrumental in establishing INCEIF to develop professionals and experts to drive innovation and raise the industry's performance in a comprehensive talent ecosystem. As the first Chairman of INCEIF Board of Directors, she spearheaded INCEIF's footprints in Malaysia and globally to ensure that the university's operations, services and academic programmes were benchmarked against best international standards, and subsequently were well-received in the financial arena around the world.

Dr Rozali, who joined INCEIF as Chairman of the INCEIF Governing Council, has been a valuable mentor in INCEIF's journey to be a Knowledge Leader in Islamic Finance, incidentally a phrase coined by him when INCEIF was looking for an identity in our early days. With the Council, he led our wise elders in advising us on strategic directions and providing visionary global insights on the learning needs of the Islamic financial services industry with the aim of transcending the needs of the industry both domestically and internationally.

Publication @ ISRA RMC



ISRA RESEARCH PAPER 121/2021

The Emerging Shari' ah Issues of the COVID-19 Pandemic in Contemporary Islamic Financial Applications

Assoc. Prof. Dr Said Bouheraoua
Dr Fares Djafri
Dr Sa'id Adekunle Mikail



REPORT

Zakat on Blockchain: From Theory to Applications

Dr Moutaz Abojeib

ISRA INTERNATIONAL JOURNAL OF ISLAMIC FINANCE (IJIF)

Volume 13 Number 3 December 2021



- Determinants of credit risk of Indonesian Sharī'ah rural banks
- Developing a ranking methodology for Sharī'ah indices: the case of Borsa Istanbul
- Establishing zakat on oil and gas in Malaysia: a new insight
- A comparative analysis of financial performance of Islamic banks vis-à-vis conventional banks: evidence from Pakistan
- Impact of brand equity on purchase intentions: empirical evidence from the health *takāful* industry of the United Arab Emirates
- Factors influencing Bumiputera contractors' acceptance of the Contractor's All Risk *takāful* product
- Rebate in Islamic sale-based financing contracts: Bank Negara Malaysia Guidelines on *ibra'* versus conventional finance practice

Submit your article online through the ScholarOne system at: <https://mc.manuscriptcentral.com/ijif>

Scopus • Emerging Sources Citation Index (ESCI) • Australian Business Deans Council (ABDC) • Directory of Open Access Journals (DOAJ) • ProQuest • EBSCO Products • Other indexes

مجلة إسرا الدولية للمالية الإسلامية المجلد 12 العدد 2 ديسمبر 2021

- نحو استثمار مقومات الصّكوك الإسلامية الاستثمارية لترقية مساهمة المصارف الإسلامية في تفعيل السلوك "الادّخاري-الاستثماري" لدى قطاع الأفراد - دراسة تطبيقية على عينة من المصارف الإسلامية للفترة 2004 - 2017 (د. عبد القادر زبوني)
- عنوان المقال: ضوابط التمويل الإسلامي ودورها في تحسين البيئة الاستثمارية في الجزائر: دراسة تحليلية نقدية (مريم زغلامي).
- تفاقم الديون العلنية وبروز أزمة مالية عالمية جديدة (إحسان بويرمة وحمزة شاكر)
- منصات التمويل الإسلامي الذكية: أداة مستقبلية لتعزيز الشمول المالي في العالم الإسلامي (عويسي أمين ومومني إسماعيل).
- مفهوم الملكية الاقتصادية: محاولة في تحديد حق حملة شهادات الصّكوك (حسن السوسي)



Download the App Now



I-FIKR APP

All-in-One Islamic Economics and Finance Knowledge Source

I-FIKR offers a wide range of resources that can aid knowledge-sharing and networking amongst members through its easy to use mobile app.

Members enjoy various features available on the app, such as:

- **Lively Newsfeed**
- **Dynamic Ask Shari'ah**
- **In-depth Resources**
- **Q&A Community**
- **Latest Events**
- **Connect with Friends**

And much more.

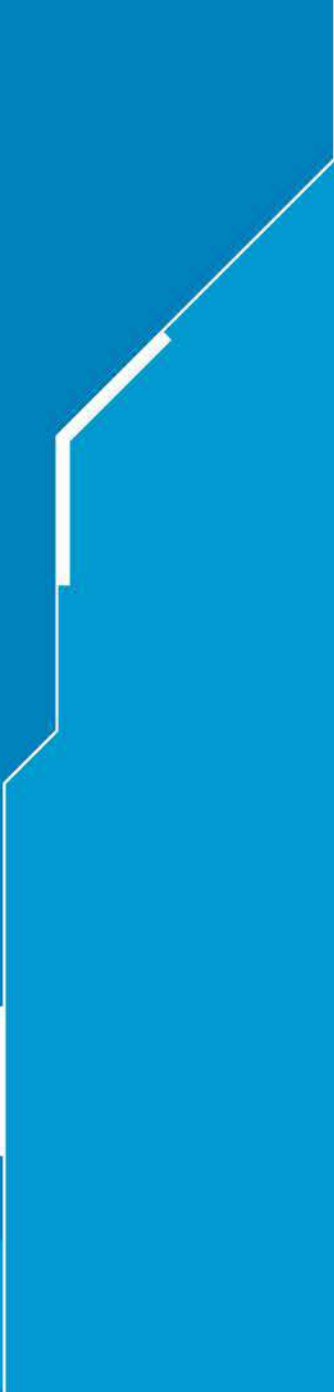
Download the App Now



CONNECT. ENGAGE. EXPAND



I-FIKR is available on both Google Play Store and Apple App Store. Best of all, you can also use I-FIKR on iPad, Android tablets, and the latest M1 Apple MacBook and iMac series.



INCEIF

THE GLOBAL UNIVERSITY OF ISLAMIC FINANCE

www.inceif.org

