



Australian
National
University



Symposium on Islamic Finance in Australia

Centre for Arab and Islamic Studies
(The Middle East and Central Asia)
Australian National University

Official Program

Thursday 30 November 2023: 8am - 5.30pm

Proudly sponsored by:

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Contents

Symposium Theme	3
Event Organisers	3
Important Information: Venue, Registration & Safety	4
Program Schedule.....	6
Keynote Speakers & Presenters	8
Parallel Sessions.....	19
Abstracts	23
Sponsors.....	41

Symposium Theme

Islamic finance and banking have experienced significant growth in recent years, offering ethical and sustainable financial solutions to a diverse clientele. The global Islamic finance market reached US\$4 trillion in assets in 2021 and is projected to grow to an estimated US\$5.9 trillion by 2026. This growth highlights the importance of ensuring that the Australian taxation and legal framework is equipped to support the unique characteristics of Islamic finance and address the needs of its growing customer base. Stemming from high-level industry and policy discussions held during the ANU's first Workshop on the Study of Islamic and Middle Eastern Economies in December 2022, this Symposium aims to address the challenges and opportunities surrounding the taxation and legal framework of Islamic finance products, which have been identified as a considerable obstacle towards the effective adoption of Islamic finance in Australia. The symposium will engage stakeholders from various sectors, including industry practitioners, federal government members, taxation experts, Islamic finance scholars and academics, and other business and policy stakeholders.

Event Organisers

This event is proudly organised by the Centre for Arab and Islamic Studies (CAIS) at the Australian National University, Canberra.

During its' nearly 30-year history, CAIS has established itself not only as the largest centre of its kind in Australia but as a globally regarded centre for language-oriented area studies focusing on the Middle East, North Africa, Central Asia and their associated diasporas. CAIS is the leading centre nationally for the teaching of Arabic at a tertiary level and through the centre, ANU is the only university in Australia to offer Persian and Turkish languages. The Centre is the only academic unit nationally focusing on the study of both the Middle East and Central Asia – with no other Australian university offering the specific study of Central Asia. The Centre's multi-disciplinary teaching and research team have established enduring relationships and associations with leading counterpart centres across the Middle East, North America and Europe. The Centre has an impressive record of graduating higher-degree research students with 56 graduating PhD students since 2000.



Important Information: Venue, Registration & Safety

Venue

The venue is located on the lands of the Ngunnawal and Ngambri First Nations peoples who the event organizers acknowledge as the original owners of the place now known as Canberra. The entire event will be conducted at a single venue – the ANU Research School of Social Sciences (RSSS) Building located within the Australian National University at 146 Ellery Cres, Acton, ACT. More information about the ANU Acton Campus is available at: <https://reecon.anu.edu.au/venue>

Venue Access

ANU is conveniently located a short 10-minute walk from the Canberra City Centre. If traveling via taxi or ride share, please provide your driver with the following address:

- **ANU Research School of Social Sciences (RSSS) Building ,146 Ellery Cres, Acton**

Parking information is listed on the next page. Accessible parking spaces available if required.

Registration & Tickets

Event registration opens at 8am at the RSSS Building. Proceedings will commence at 8:30am sharp. Please arrive at least 15 minutes early to register and be seated. If you can no longer attend, please let us know by emailing anas.iqtait@anu.edu.au.

Registration is required for this event. Please have your tickets or email ready upon entry. If you would like to purchase tickets go to <https://payments.anu.edu.au/IFS>

Photographs

Photos may be taken during the event for promotional purposes and may be shared on social media. If you do not wish to be photographed, please inform the event organisers at registration.

Wifi Access

Username: IFS

Guest Password: Symp2023!

Health and Safety

For everyone's safety, please do not attend if you feel unwell including any symptoms of Covid-19. In the unlikely event of an emergency, call 000 and then ANU Security on 6125 3349.

Accommodation & Things to Do

For accommodation and attractions in Canberra go to visitcanberra.com.au

Questions?

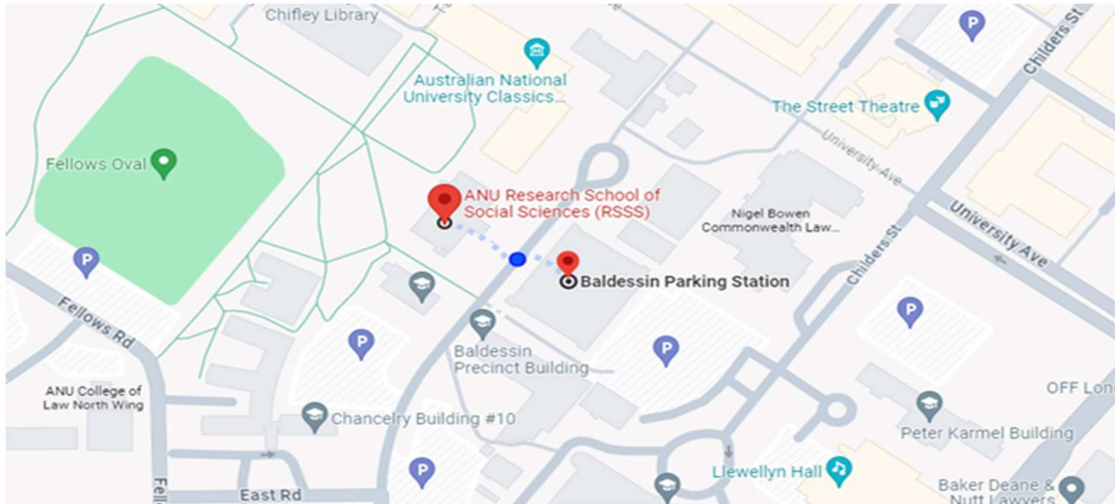
Contact Anas Iqtait at anas.iqtait@anu.edu.au if you have any questions about the event

Parking

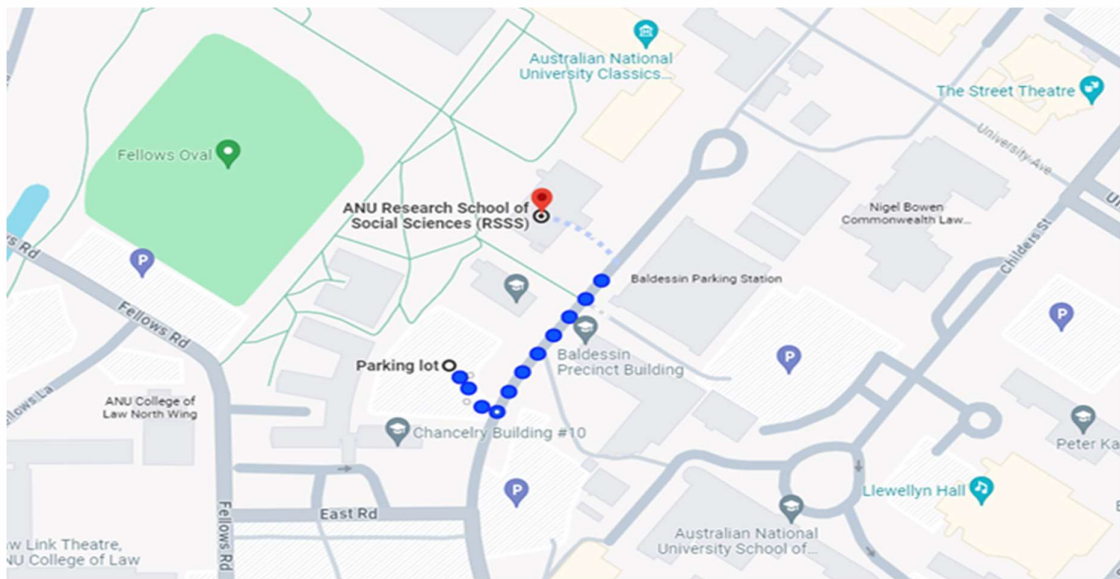
There are two parking locations conveniently located close to the ANU Research School of Social Sciences (RSSS) Building, where the event is held. For additional parking information go to:

<https://services.anu.edu.au/campus-environment/transport-parking>

Option One: Baldessin Parking Station Is located directly opposite the venue



Option Two: The Centre for Arab & Islamic Studies (CAIS) carpark is a 2-minute walk to the venue



Program Schedule

8:00-8:30	Reception	Morning Coffee & Tea served in the foyer
8:30-8:45	Organisers Welcome & Acknowledgement of Country	Brian Schmidt, ANU Vice-Chancellor Karima Laachir, Director of ANU Centre for Arab and Islamic Studies
8:45-9:30	Opening Address	Keynote Speaker: Humayon Dar, Director General, Cambridge Institute of Islamic Finance
9:30-10:30	Keynote Panel One The Islamic Finance Space in Australia	Panel Moderator: Dr. Anas Iqtait, ANU Keynote Speakers: <ul style="list-style-type: none"> ➤ Talal Yassine OAM, Managing Director, Crescent Wealth ➤ Dean Gillispie, CEO, Islamic Bank Australia ➤ Lisa Spagnolo, Associate Professor, Macquarie University
10:30-11:00	Morning Tea & Book Launch	Refreshments served in foyer alongside the launch of <i>Islamic Microeconomics</i> by Routledge Press
11:00-12:00	Keynote Panel Two Islamic Finance in Australia's Neighbourhood	Panel Moderator: Dr Aila Khan, UWS Keynote Speakers: <ul style="list-style-type: none"> ➤ Suhaida Mahpot, CEO, Amanie Advisors ➤ Dian Masyita, Dean of Faculty of Economics and Business, Indonesian International Islamic University ➤ Syed Bilal Husain, Head of Operational Risk, BIBD, Brunei ➤ Udaya Wijesena, Country Credit Head Brunei CPBB, Standard Chartered ➤ Mehmet Bulut, Professor of Economics, Istanbul Sabahattin Zaim University
12:00-1:00	Lunch & Networking	Served in the foyer
13:00-14:00	Parallel Sessions See Page 19 for details	Session 1 - Innovative Perspectives in Islamic Finance: From Zakat Policy to Market Dynamics Session 2 - Islamic Finance: ETFs, CISG Integration, and Ijarah Dynamics
14:00-15:00	Parallel Sessions See Pages 20 & 21 for details	Session 3 - Indonesian Islamic Finance: Policy, Politics, and Risk Management Session 4 - Islamic Finance Evolution: Lifestyle, Digital Banking, and Historical Perspectives Session 5 - Tech in Islamic Finance: Fintech, Digital Values, and Blockchain
15:00-15:30	Afternoon Tea & Networking	Served in the foyer

<p>15:30-16:30</p>	<p>Keynote Panel Three Islamic Finance Product Structuring in the Current Legal and Regulatory Environment</p>	<p>Panel Moderator: Asad Ansari, Co-founder, Amanah Islamic Finance</p> <p>Keynote Speakers:</p> <ul style="list-style-type: none"> ➤ Maya Marissa Malek, CEO, Amanie Advisors, Global Office ➤ Imran Lum, Head of Islamic Finance, National Australian Bank ➤ Kevin Magee, Department of Foreign Affairs and Trade ➤ M. Ishaq Bhatti, UBD
<p>16:30-17:30</p>	<p>Parallel Sessions See Pages 21 & 22 for details</p>	<p>Session 6 - Islamic Finance Today: AML, CBDCs, Fintech, Sukuk, and Crowdfunding</p> <p>Session 7 - Islamic Finance Insights: Performance, Structures, Models, and Principles</p>
<p>17:30-17:45</p>	<p>Closing Remarks & Thanks</p>	<p>Dr Anas Iqtait, ANU & Prof Ishaq Bhatti UBD & ANU</p>

Keynote Speakers & Presenters

Dr Humayon Dar

Director General, Cambridge Institute of Islamic Finance & Chairman, Cambridge IFA

Dr Humayon Dar is a world-known expert in Islamic banking and finance. In a career spanning over 25 years, he has served in academia, investment banking, advisory and most recently in advocacy. Dr Dar is the director general of the Cambridge Institute of Islamic Finance, a research institute specializing in the financial sectors of the countries with significant proportion of Islamic banking and finance and chairman of Cambridge IFA.



Dr Dar also served as Director General of Islamic Research & Training Institute (IRTI) of Islamic Development Bank (IsDB). He is a Shari'a advisor, Islamic economist, and advocate for Islamic banking and finance. He has served as a member of the Shari'a boards of Arabesque Asset Management, Abu Dhabi Commercial Bank, Omarco Holding, Hong Leong Islamic Bank Malaysia, FAA Malaysia, Hong Leong MSIG Takaful, Allianz Global Investors Luxembourg, and UMEX Securities. He has also served as CEO at Deutsche Bank for its Islamic finance subsidiary, and CEO of BMB Islamic, a global Shari'a advisory firm. He has also been a visiting Professor for Islamic Finance for universities in the UK, Malaysia and the Middle East.

Dr Dar is a graduate of International Islamic University Islamabad from where he received BSc. (Hons.) and MSc. in economics. Later he attended the University of Cambridge from where he obtained MPhil. and PhD. degrees.

Keynote Speakers & Presenters

Dean Gillispie, CEO Islamic Bank Australia

Dean is the CEO of Islamic Bank Australia and one of the driving forces around the creation of Australia's first Islamic bank.

He has extensive banking and start-up experience across both Australia and Asia. He has been leading the creation of Australia's first Islamic bank since 2018.



Dean has previously been in charge of home loan distribution at Commonwealth Bank, and head of mortgages at Bankwest where he doubled the business' size within three years. He also ran the retail bank at CBA's Vietnam International Bank in Hanoi across 160 branches nationwide, where he built the bank's first mobile banking app.

Dean has passionately advocated for Muslims across Australia, including writing to all of Australia's state and territory premiers calling for stamp duty reform. Off the back of these letters, some changes or consideration for changes are being made in various jurisdictions.

Dean has a history of founding startups, including SparkleVote, an innovative online election company. Outside of work, Dean is Chair of Lucy Air Ambulance for Children and is a former Councillor on Hurstville City Council.

Dean joined Islamic Bank Australia largely as a volunteer in 2018 before transitioning to full-time CEO in 2020. He is absolutely passionate about the need to support Muslim Australians in building the first Islamic bank. His knowledge of Australian retail banking and his commitment to ethical banking are a key driver in delivering our Islamic Bank Australia vision to reality.

Keynote Speakers & Presenters

Professor Dian Masyita

Islamic International University, Indonesia

Prof. Dian Masyita, Ph.D. obtained a bachelor's degree in financial management from the University of Padjadjaran in 1997 and then her master's degree (Engineering) at Bandung Institute of Technology. In addition to the cum laude predicates that she obtained during her bachelor's and master's degrees, she was one of the STUNED awardees for a Postgraduate program at the Executive Program "Financial Management" at the Maastricht School of Management (MSM), also graduating with Distinction in 2007. Before earning her PhD in Islamic Finance from Durham University, she was a member of the R&D division at Indonesian Waqf Board.



Prof. Dian Masyita frequently writes for Indonesian newspapers, journals and magazines, and has also contributed to and authored multiple books (Including "Creating Opportunities for the Poor through Innovation" (2004), "Encyclopedia of Women Islamic and Cultures/EWIC" (2007), and "Islamic Microenterprises" (2016)).

She has presented papers at multiple prestigious conferences (Including the System Dynamics Conference at MIT, USA (2005), IRTI-IDB's Islamic Financial conference (2007) in Brunei Darussalam, Moral Value in Milan (2009), Ustinov Seminar (2010) and DFIP-Kyoto University Workshop in Durham (2010 & 2012), Ethics in Financial in Melbourne (2011), and two IRTI IDB Conferences in Sudan and Doha-Qatar (2011)).

Most recently in December 2020, she received an award from a British financial analysis institute, Cambridge IFA, as one of "The Top Most Influential Women in Islamic Business & Finance". Her track record has shown her passion in the industry, making her the first academician in Indonesia to be appointed as a professor in Islamic finance and banking. On the recommendation of the Minister of Finance, the temporary assignment decree (Surat Keputusan/SK) from the Minister of Education and Culture as well as the permission from the University of Padjadjaran's Rector, she is trusted to become the Dean of the Faculty of Economics and Business at Universitas Islam Internasional Indonesia (UIII).

Keynote Speakers & Presenters

Professor Talal Yassine OAM BA, LLB LLM, MBA, FAICD

Talal Yassine is an experienced business leader, entrepreneur and academic. Currently, Talal serves as Managing Director of Crescent Wealth, Non-Executive Director of Crescent Finance, Director of Crescent Foundation, Director of the Crescent Institute, Council Member for the Australian Fathering Awards, Committee Member for Power house Parramatta Capital Campaign and Member of the Western Sydney University Foundation Council Board Talal also serves as Chairman of First Quay Capital and LandCorp Australia.



Previously, Talal has served on the Board of Australia Post, Sydney Ports, Macquarie University Council and the Western Sydney Area Health Service and the Chairman of the Department of Foreign Affairs and Trade; Council of Australia Arab Relations.

Talal holds a Master of Laws and a Master of Business Administration which was focused on international business strategy. In November 2012, Talal was also appointed as a Vice Chancellor's Professorial Fellow within the Crawford School of Public Policy, Australian National University and in 2014 was appointed Adjunct Professor within the School of Business, Western Sydney University.

On Australia Day 2010, Talal was awarded a Medal of the Order of Australia (OAM) for his service to business and to the community through a range of education, health and multicultural organisations.

Keynote Speakers & Presenters

Suhaida binti Mahpot
Chief Executive Officer
Amanie Advisors (Malaysia)

Suhaida Mahpot is the Chief Executive Officer for Amanie Advisors in Kuala Lumpur office. She holds a Bachelor of Economics (Islamic Economic & Finance) from International Islamic University Malaysia and a professional certificate of Certified Shariah Advisor and Auditor (CSAA) of AAOIFI.

She joined Amanie in 2008 and was amongst the pioneers in the company. She is a specialist in sukuk advisory and has been advising numerous sukuk locally and internationally. One of the sukuk advised by her together with Tan Sri Dr. Mohd Daud Bakar has been awarded as Best Securitisation Sukuk at The Asset Triple A Islamic Finance Award (2020). Apart from sukuk advisory, her primary focus is on Shariah governance, structuring, enhancement and conversion exercises, establishment of Islamic financial entities as well as development of Islamic products. Her career in banking and financial industry started as a trainee under Capital Market Graduated Trainee Scheme organised by the SC.

Prior to joining Amanie, she worked with Affin Investment Bank Bhd since 2006 as an executive for debt and capital markets department. She completed various project financing deals using private debt securities instruments ranging from infrastructure and utilities, real estate, plantation and many others.



Keynote Speakers & Presenters

Imran Lum,
Head of Islamic Finance
National Australia Bank (NAB)

Imran is the Head of Islamic Finance at the National Australia Bank (NAB). At NAB, he developed the first multi award-winning Islamic business banking offering in Australia. He is the author of 'A Comparative Study of Islamic Finance in Australia and the UK' (Routledge, 2022) and is also the host of the podcasts Muslim Money and Arabic with Imran Lum (300k+ downloads).



Previously, Imran was appointed by the Foreign Minister to the Board of the Australia-ASEAN Council, Department of Foreign Affairs and Trade, an Honorary Research Fellow at the Institute for Religion, Politics and Society at the Australian Catholic University and an Advisory Board Member of the Islamic Museum of Australia. Imran was ranked in the top 500 who make the Islamic Economy by ISLAMICA 500 (2017-2019) and he was the 2019 Corporate Winner for the 40 Under 40 Most Influential Asian-Australians.

Imran has an undergraduate degree from the University of Adelaide, a Masters in Islamic Studies from the University of New England and a PhD in Islamic Studies from the Melbourne Law School and the Asia Institute at the University of Melbourne..

Keynote Speakers & Presenters

Dr Asad Ansari

Amanah Islamic Finance

Asad is a Melbourne based lawyer and finance professional with more than 20 years of experience as an adviser to some of the world's largest banks, investment and infrastructure funds in Southeast Asia and the Middle East.

He is a leading Islamic finance advisor and has advised on more than \$1 billion of successfully implemented Australian Islamic finance transactions.

He was a Director at Deloitte in their Financial Services and Investment group and served as a Special Counsel in the firm's legal practice, Deloitte Lawyers.

He has held senior appointments with the Islamic bank, Kuwait Finance House and Australian top tier law firm, King and Wood Mallesons. He co-founded Amanah Islamic Finance, a home finance provider with committed finance of more than \$100 million which provides Islamic financial solutions across Australia.



Keynote Speakers & Presenters

Maya Marissa Malek
Chief Executive Officer
Amanie Advisors Global Office

Maya is the Managing Director/CEO of the Amanie Advisors' global office, based in Dubai.

Maya is a multiple award-winning Islamic finance expert and Executive Leader (also recognised as one of the "Top-50 Most Influential Women in Middle East Finance" by Financial News UK of Dow Jones Group). She has extensive experience

driving strategic planning and collaboration with key industry players – including regulators, corporates, banks, and standard-setting bodies.

She skilfully bridges efforts of diverse regulatory and structural groups – identifying and targeting performance/operations gaps, equipped with a history of success working closely with globally-renowned Shariah scholars while creating awareness of Islamic finance worldwide. Her profession and passion for Islamic finance has taken her around the globe creating awareness on Islamic finance, innovating and creating demand for Islamic finance to take root.

She is also an Associate Member of the Chartered Islamic Finance Professional Association, a member of the Green Sukuk Working Group in UAE and Shariah consultant for the IFC, World Bank Group and a frequent Islamic finance speaker at Chatham House, the Royal Institute of International Affairs, UK, the world' most influential think tank.



Keynote Speakers & Presenters

Mehmet Bulut

Professor of Economics
Istanbul Sabahattin Zaim University

Dr. Mehmet Bulut is a renowned figure in the field of Islamic Economics and Finance, with a distinguished academic and professional background. He holds a Ph.D. in Economic History from Utrecht University and has served as a Professor and Dean at several prestigious Turkish universities, including Ankara Yıldırım Beyazıt University and Istanbul Sabahattin Zaim University. His tenure as President of Istanbul Sabahattin Zaim University was marked by significant achievements, notably the university's recognition for its excellence in Islamic Economics and Finance.

Dr. Bulut's expertise extends to long-term economic development, Ottoman economics, and international economic policy. He has made valuable contributions to the field as a member of the Turkish Academy of Science (TUBA), the Scientific and Technological Research Council of Turkey (TUBITAK), and as a board member for numerous corporations. A prolific author, his works are published in leading academic journals and books globally. His role as Editor-in-Chief for the Journal of Social Sciences- Adam Academy and the Journal of Islamic Economics and Finance underlines his scholarly impact. Dr. Bulut's international experience includes visiting scholar positions in Sweden, England, and the USA. A multilingual communicator, he is fluent in English, Bulgarian, Arabic, and Dutch.



Keynote Speakers & Presenters

Syed Bilal Husain

Head of Operational Risk
Bank Islam Brunei Darussalam (Brunei)

Syed Bilal Husain is an experienced risk management professional with expertise in Operational Risk Management and other Non-Financial Risks. He is currently the Head of Operational Risk, including Shariah risk, at the largest Islamic bank in Brunei, where he oversees risk management operations spanning across Brunei, Singapore, and the Middle East.



Throughout his career, Mr. Bilal has overseen risk management practices in several key regions, including Europe, Asia, Africa, and Canada. Previously, Mr. Bilal held key positions at Habib Bank AG Zurich, United Bank Limited, and NIB Bank Limited, where he successfully spearheaded the implementation of robust risk management practices in various international locations, including Switzerland, United Kingdom, Hong Kong, Canada, South Africa, Kenya, UAE, Pakistan, Bahrain, and Qatar.

With a track record spanning 12 countries across four continents, he is passionate about facilitating knowledge exchange and advancing risk management practices in alignment with global financial resilience goals.

Keynote Speakers & Presenters

Udaya Wijesena

Country Credit Head (Brunei)
Standard Chartered Bank

Udaya Wijesena is an experienced risk management professional with over 20 years of expertise in credit risk management and people management skills.

He is currently the Country Credit Head of Brunei at Standard Chartered Bank, where he oversees the Retail Lending portfolio of the country and leads a team of credit analysts and officers. He has previously worked as the Country Credit Head of Sri Lanka at the same bank for eight years, where he was responsible for the credit risk management of the country's Retail business segments and products.

He holds a master's in business administration from Australian Institute of Business, Adelaide South Australia. He has received several awards and recognitions for his outstanding performance and contributions to the bank, such as the Star Award from the Group Chief Risk in 2010, the Most Valuable Employee Award in Sri Lanka in 2016, and the Chairman Award nomination in Brunei in 2019.

He has extensive skills and knowledge in technical areas such as credit scorecard development and management, management information systems, and sophisticated products such as credit cards. He also possesses strong credit analytical skills and risk assessment techniques. He has successfully completed several complex and innovative projects for the bank, such as designing an automated application processing system that enabled the bank to access the credit bureau through an API for automated decisioning. He is passionate about risk management and enjoys sharing his knowledge and skills with others. He regularly participates in symposiums, panels, and workshops on risk-related topics and issues. He is the chairperson of the Fraud and Risk Awareness Sub-committee of the Brunei Banking Association, where he leads the initiatives to raise awareness and prevent fraud and risk in the banking sector.



Parallel Sessions

Session One: 13.00-14.00

Innovative Perspectives in Islamic Finance: From Zakat Policy to Market Dynamics

Chair: Prof Mehmet Bulut, Istanbul Sabahattin Zaim University

- The Zakat Question in Islamic Public Finance
Dr Edward Mariyani-Squire, Western Sydney University
- Micro-donations: A Daily Islamic Ritual
Dr Aila Khan, Bruce Cameron, Dr. Abdul Babar, Western Sydney University
- Are Profitable Traders in Touch with the Divine? An Exploratory Study about Traders' Anticipatory Skills, Religious Practice, and Profitability.
Dr Hamelin, Gulf University for Science and Technology Kuwait and SPJAIN School of Global Management; Prof Ishaq Bhatti, Latrobe University; Dr Marco Bonelli, MIT World Peace University, School of Business & Leadership
- Towards Authentic Islamic Financial Products: The Role of Shariah Board Interlocks in Strategic Innovation
Mr Shereef Metwally, ANU

Session Two: 13.00-14.00

Frontiers in Islamic ETFs, International Trade Law, and Asset Financing

Chair: Prof Ishaq Bhatti, ANU

- The Returns of Faith-Based Mandates in Islamic ETF Methodologies
Mr. Kevin Chen, Dr. Maria Jahromi, ANU
- Harmonising Shariah Principles with the CISG
Dr. Lisa Spagnolo and Dr. Maria Bhatti
- Exploring Ijarah House Financing Contracts in Australia: Implications of Rising Interest Rates on Rental Rates
Mr. Yusuf Tang, ICFAL

Parallel Sessions

Session Three 14:00 – 15:00

Indonesian Islamic Finance: Policy, Politics, and Risk Management

Chair: Professor Dian Masyita, Islamic International University, Indonesia

- Sharia Banking Regulation in Indonesia: Islamic Window's Spin-Off Policy Analysis
Dr Nur Hidayah, UIN Syarif Hidayatullah Jakarta
- Implementation of Islamic Economics in Minangkabau Indonesia?
Dr. Sudarman, Imam Bonjol State Islamic University Padang Indonesia
- Political Economy of Islamic Banking in Indonesia
Mr. Yoghi Citra Pratama, Australian National University
- Developing Risk Management Framework in Mitigating Financing Risk of Indonesian Islamic Micro Finance Institution (IMFI): Can Value-Chain Integrated Financing Strategy be Helpful?
Dr. Sigit Pramono, SEBI School of Islamic Economics & Sekolah Kajian Stratejik dan Global (SKSG) Universitas Indonesia, Indonesia

Session Four 14:00-15:00

Islamic Finance Evolution: Lifestyle, Digital Banking, and Historical Perspectives

Chair: Dr Aila Khan, Western Sydney University

- How Lifestyle Forms Understanding of Taxation: Hijabers Socialite Community Perspective
MM Trinitaria Marlis Putri, Universitas Islam Negeri Imam Bonjol Padang
- The Compliancy of Basic Tenet of Shariah Contract Toward Digital Banking
Mr. Mohd Zubir Bin Awang, Universiti Sultan Zainal Abidin - UniSZA Malaysia; Associate Professor Wan Mohd Yusof Wan Chik
- Islamic Economics from Classical to Modern History
Dr. Lukmanul Hakim, Fakultas Ekonomi dan Bisnis Islam Universitas Islam Negeri Imam Bonjol Padang
- Bridging the Different Interpretations in Islamic Financing by South-East Asia and Middle Eastern Scholars
Dr. Sazali Zainal Abidin, & Prof M. Ishaq Bhatti Universiti Brunei Darussalam
- Fintech, CBDCs (Central Bank Digital Currencies), Defi-Blockchain, and structural changes to the financial system in the United States, China, and Europe, a lesson for the Muslims majority countries
Dr. Shah Fahad Yousufzai, International Fund House & Dr. Mehmet Bulut, Professor of Economics, Istanbul Sabahattin Zaim University

Parallel Sessions

Session Five 14:00-15:00

Tech in Islamic Finance: Fintech, Digital Values, and Blockchain

Chair: Dr Edward Mariyani-Squire, Western Sydney University

- Technology Self-Efficacy, Maqasid Index and Innovation Diffusion Determinants Impact on Fintech Integration in (Zakat) Alms Tax Institutions
Dr. Imran Mehboob Shaikh, University Malaysia Sabah
- Value Based Digital Finance
Assoc Prof. Ziyaad Mahomed, INCEIF University
- Determinants of Blockchain Technology Adoption Intention in Halal Food Industry: An Empirical Investigation of Indonesian SMEs' Players
Dr. M. Luthfi Hamidi, Universitas Islam Internasional Indonesia
- Recent Development In the study of Islamic Finance via Intuitive machine learning approach
Nicholas Hamelin, SP Jain School of Global Management Sydney
- Islamic Banking and Anti-Money Laundering Practices (AML)
Nishant Kumar, SP Jain School of Global Management Sydney

Session Six 16:30-17:30 - Online Session via Zoom

Islamic Finance Today: AML, CBDCs, Fintech, Sukuk, and Crowdfunding

Chair: Dr. Imran Mehboob Shaikh, University Malaysia Sabah

- Islamic Finance and Money Laundering: A Study on AML Preparedness in the Industry
Mr. Babruk Aijaz Baloch, University of Bolton
- CBDCs and Islamic Finance: Exploring New Horizons and Potential Challenges
Miss Hadia Saqib Hashmi, Hamad Bin Khalifa University Doha Qatar
- Islamic Fintech and Central Bank Digital Currencies: Catalysing the Growth of a Sustainable Financial Ecosystem
Muhammad Fazlurrahman Syarif, Hamad Bin Khalifa University, Qatar Foundation
- Islamic Capital Market: Sukuk and Its Risk Management in the Present Situation
Mr. Ahmed Bashir Ibrahim
- Crowdfunding in the Islamic World: A Comparative Analysis of Regulatory Frameworks and Sharia Compliance
Dr. Mahmood Shaker Abood, University of Kirkuk/ Faculty of Administration and Economics

Online Session Access

<https://anu.zoom.us/j/83029443001?pwd=blEzd0k5V0xINjZieFhmRm9Ea0FjQT09>

Meeting ID: 830 2944 3001

Password: ANU

Session Seven 16:30-17:30 - Online Session via Zoom

Chair: Dr. Edward Mariyani-Squire

Islamic Finance Insights: Performance, Structures, Models, and Principles

- Nexus between Intellectual Capital and Banks' Performance: A Comparative Analysis of Islamic and Conventional Banks of Pakistan
Mr. Usama Javed Ansar, International Islamic University
- Towards the Understanding of Capital Structure Decisions: A Review of Literature with Special Reference to Islamic Financial Institutions
Dr. Syed Muhammad Abdul Rehman Shah, University of Engineering and Technology Taxila, Pakistan
- Proposing an Islamic Agri-FinTech Model: In Context of Pakistan
Mr. Abdul Samad Khan Wazir, Institute of Management Sciences
- Objective Deviance in Islamic Banking: An Archival Exploration
Dr. Muhammad Ismail, Iqra National University
- Truth, Equality and Justice – 3 Pillars to Uplift the IFI's Globally
Mr. Syed Najam Bukhari

Online Session Access

<https://anu.zoom.us/j/87309242193?pwd=Vm9USjhVc2JXM055NGduTHBRWW9HUT09>

Meeting ID: 873 0924 2193

Password: ANU

Abstracts

Dr Nicolas Hamelin, SP Jain School of Global Management, Sydney, Australia

Are profitable traders in touch with the divine? An exploratory study about traders' anticipatory skills, religious practice, and profitability.

This study delves into the impact of incorporating holistic practices, including Islamic prayer and meditation, on traders' profitability. By examining the Anticipatory Feeling (AF) of 27 traders using Galvanic Skin Response (GSR) technology during a guessing game, the research unveils intriguing insights. The findings reveal that traders who regularly engage in meditation or prayer exhibit higher AF scores and are more likely to achieve increased profitability. This positive correlation can be attributed to the cognitive load-alleviating and interoceptive-enhancing effects of spiritual practices, which play a pivotal role in making sound trading decisions. The study identifies that traders heavily reliant on news feeds for decision-making might experience elevated cognitive load, potentially hindering their interoceptive accuracy and awareness. Similarly, traders with a pronounced fear of loss and aversion to risk may exhibit diminished interoceptive skills.

This research underscores the potential benefits of integrating holistic activities, such as Islamic prayer and meditation, to enhance traders' interoceptive awareness and well-being. These practices, when incorporated into daily routines, can lead to improved decision-making skills and, consequently, heightened profitability.

Edward Mariyani-Squire, Western Sydney University

The Zakat Question in Islamic Public Finance

When discussing matters of public finance and fiscal policy tools, it is common in modern Islamic economics discourse to find zakat referred to as a dedicated state tax. Debate often revolves around empirical questions of whether such a tax in fact alleviates poverty and reduces economic inequality. A less discussed but equally important question however, is a prior conceptual one: can zakat be classified as a tax at all? Obviously, the answer to this prior question has significant implications for modern Islamic public finance. In this paper, I outline the main lines of argument for treating zakat as a state tax and then problematise these arguments. In brief, I argue that the primary religious sources do not conclusively endorse treating zakat as a state tax; the historical record indicates much variation in how zakat is treated by state authorities; and on the basis of Shafi'i fiqh, there is a substantive disanalogy between zakat and a state mandated tax. I then briefly review the legal status of zakat in Australia, point to some weaknesses with this approach, but conclude that a couple of possible avenues for addressing these weaknesses would be highly problematic either in terms of secular law or the Shariah.

Yusuf Tang (ICFAL)

Exploring Ijarah House Financing Contracts in Australia: Implications of Rising Interest Rates on Rental Rates

This study addresses how rising interest rates influence rental rates within Australian Ijarah house financing contracts. It examines the compatibility of these practices with Shariah law and local regulations, while proposing potential adjustments for fairness. An analysis of local regulations and Shariah principles. A literature reviews covering Islamic finance, Shariah law, Australian credit regulations, and rental tenancy rules. Primary sources include AAOIFI standards, the National Consumer Credit Protection Act and relevant state rental laws. Comparative analysis highlights Ijarah contracts and rental laws. Rental Rate Adjustments: Shariah law, as per AAOIFI standards, permits rental rate changes within specific benchmarks, provided clarity prevails in formulae. Differing Interpretations: Some scholars raise concerns about fluctuating rental rates due to uncertainty. This impacts community harmony and mutual consent in financial transactions. Australian credit laws allow financial institutions to adjust rental rates with notice, contrasting rental tenancy laws protecting renters with extended notice periods and rent increase limits. The study suggests aligning rental adjustments in Ijarah contracts with rental tenancy laws, fostering transparency and improved relations. Shariah Compliance: Insights into rental adjustments enhance understanding of Shariah compliance, clarifying the rationale and potential community impact. Legal Frameworks: The research underscores divergent Australian regulations, advocating for balanced rules that address both Islamic financial institutions and renters. The study's insights into potential community discord and financial planning inform stakeholders' decisions. Ijarah Contract Enhancement: Proposed alignment with rental tenancy laws offers practical steps for a more balanced financial relationship. In conclusion, the study illuminates intricate interactions of Islamic finance, legal structures, and communal dynamics in Ijarah contracts. It underscores the need for harmonized approaches to foster fairness in financial transactions.

Syed Najam Bukhari

Truth, Equality and Justice – 3 Pillars to Uplift the IFI's Globally

Islam, being the most accurate religion, highly recommends safeguarding the rights and protect the goodness of stakeholders of IFIs particularly customers, Society and shareholders. At the same time, it urges the beneficiaries of the IFIs to meet their obligations as well to anchor the balance between these 2 inevitable participants of the financial system. Hence the BOD, managers, employees and Shari'ah board to preserve standard of conducts, to observe good ethics, conscience and piousness in the daily routines and course of actions of their respective institutions. The foregoing discussion on the ethical dimension in Islam further validates the need for inserting ethics as part of corporate governance framework in IFIs. It is very important for all the functional participants of IFIs to be ethical in dealings and ensure the highest standards of corporate governance while performing their duties, being the true ambassadors of IFIs, whilst ensuring the transparency in these dealings and presence of truthfulness, equality and justice during the business processes and operations.

Aila Khan, Western Sydney University

Micro-donations: A Daily Islamic Ritual

Micro-donations or micro giving refers to the concept of donating a minor amount which would generally be seen as an 'irrelevantly small' contribution by an individual donor. However, as reported by charities, when many people come together to contribute towards their preferred charity, it can make a difference. Academics have also recognised that while large donations may drive a prominent donor's 'agenda' (Clarke, 2007), micro-donations help in the 'democratization' of charitable giving. It is well-established that people give charity out of an attachment to their religious beliefs. By analysing the financial dataset of a popular charity amongst a Muslim community, our research identifies the characteristics of an everyday, Muslim donor. Moreover, by applying business principles to the discipline of charitable giving, we propose the concept of 'donor portfolio management'. The matrix presents a theoretical justification in managing a portfolio of donors - including small and micro-donors. By reviewing the literature, our paper also highlights the benefits accrued by micro-donors. Finally, our paper also proposes reasons for Muslim donors' engagement in the everyday ritual of charitable giving. While adherence to religious doctrines and commandments is a commonly understood reason, we offer alternate explanations. This paper proposes that Muslim donors use charitable giving as a tool to manage uncertainty. Our proposed justification is based on previous research (Gudykunst 1997), which shows that people, especially from cultures with a greater need for uncertainty avoidance, tend to develop rules and rituals to deal with difficult situations. When dealing with future uncertainties, religiously oriented people are known to rely on their faith, prayer, and almsgiving (Moore and Burgess 2011). This paper suggests that by participating in charitable giving, Muslims knowingly or unknowingly practice risk-averse rituals.

M. Zaky Mubarak Lubis (UIN Imam Bonjol Padang)

The Effect of Inventory Intensity and Capital Intensity on Tax Aggressiveness in Energy Sector Companies on the IDX 2019-2021

Tax aggressiveness refers to business activities aimed at reducing tax burdens through tax planning to increase company profits. The purpose of this research is to measure the level of tax aggressiveness using the effective tax rate (ETR). A smaller ETR value indicates that a company is more aggressive in dealing with taxes, while a larger ETR value indicates that a company is not aggressive in dealing with taxes. This study utilizes quantitative data, including time series and cross-sectional data from secondary sources. The population for this study consists of 76 energy sub-sector companies listed on the Indonesia Stock Exchange during the period of 2019-2021. The sampling method used is purposive sampling based on specific criteria, resulting in a sample of 18 companies. The data is then analyzed using Eviews Version 12. The research findings show that inventory intensity has a negative and significant impact on tax aggressiveness. Capital intensity has a positive but insignificant impact on corporate tax aggressiveness. Additionally, inventory intensity and capital intensity together do not have a significant and joint impact on corporate tax aggressiveness.

Babruk Aijaz Baloch, University of Bolton

Islamic Finance and Money Laundering: A Study on AML Preparedness in the Industry

Sharia's compliant unique features of Islamic finance mitigate potential combating money laundering risks in Islamic finance. However, no financial system is immune to it. This research evaluates Anti-Money Laundering (AML) preparedness within Islamic Banks. To achieve this objective, research addresses two key questions: i) How familiar are Islamic finance professionals with Islamic finance principles and Financial Action Task Force (FATF) measures? ii) What is the perceived significance of AML risk management in Islamic finance? This paper is based on primary data. A quantitative survey was designed following FATF guidelines on Know Your Customer (KYC), Customer Due Diligence (CDD) and challenges faced while implementing FATF guidelines in Islamic finance. Professionals in Islamic banking institutions were surveyed, focusing on their roles, familiarity with Islamic finance and AML standards, and views on AML risk management. Key findings can be categorised into five sections. i) Familiarity with Islamic Finance and AML Standards: An impressive 63% of respondents exhibited a solid grasp of Islamic finance principles and FATF AML standards. ii) Importance of AML Risk Management in Islamic Finance: Over 70% emphasised the paramount importance of AML risk management. iii) Alignment with FATF Policies: A substantial 62% believed Islamic finance principles align with FATF AML standards. iv) Role of Due Diligence in AML: Among respondents, 55% highlighted the essential role of Customer Due Diligence (CDD) and Know Your Customer (KYC) policies. Additionally, 41% recognised the need to address unique money laundering risks. v) Enhanced Due Diligence Challenges: Of all, 37% acknowledged challenges related to Enhanced Due Diligence for politically exposed persons and high-risk customers. This research on money laundering in Islamic finance has shed light on essential aspects of AML risk management, compatibility with international standards, and challenges faced by the sector. The findings emphasise the need for increased awareness, resource allocation, collaboration, and the role of Sharia scholars in strengthening AML compliance. By implementing the recommended measures and addressing the identified challenges, Islamic finance can enhance its integrity, reputation, and contribution to the global fight against money laundering and financial crimes.

Syed Muhammad Abdul Rehman Shah, University of Engineering and Technology Taxila

Towards the Understanding of Capital Structure Decisions: A Review of Literature with Special Reference to Islamic Financial Institutions

The capital structure is basically a mix of a company's debt and equity that a firm uses to finance its assets. It is necessary for every firm that the capital structure decision be handled carefully; otherwise, the firm can face the problem of bankruptcy and financial distress in the field of corporate finance. Modigliani and Miller's seminal 1958 paper explains conventional firms' capital structure choices in literature. However, we are yet to develop the theoretical framework for our Islamic counterparts. This study reviews the existing theories, theoretical and empirical literature, potential determinants, and current developments in the field of Islamic capital structure, classified into different categories. Researchers have discussed the classical concepts of trade-off theory, pecking order theory, and agency theory of capital structure and compared them with the liability and equity structures of Islamic banks and firms. Then, they have proposed some important factors to formulate the capital structure of IBs with the invention of funds on the basis of Mushark'ah and Modarb'ah-based products. Likewise, they have discussed some products of sale-based Salam, Istisnaah, and Murabha'ah, which make IFIs liable to other groups. Interestingly, investment

accounts of Islamic banks on the basis of Modarbah or Wkala'ah tul Istismar give a new paradigm to banking deposit products that is closer to equity management. Most studies concluded that the trade-off theory is more relevant to the nature of the financing of IBs. They have documented that information asymmetry and agency conflicts are less important for IBs as compared to their conventional peers because of nullifying uncertainties from contracts in IFIs. Further, the previous studies also showed that there is no decisive capital structure theory for Islamic banks and firms. Therefore, we observed in empirical studies that the capital structure's determinants appeared similar to those of conventional banks and firms. As a result, our understanding of capital structure decisions in Islamic banks and firms remains incomplete. Therefore, this study contributes by fixing the milestones covered by researchers in the literature and the way forward to the destination of the capital structure choices of Islamic banks and firms, which have yet to be explored in the Islamic finance literature.

Kevin Chen, Australian National University

The returns of faith-based mandates in Islamic ETF methodologies

This study investigates the intricacies of Islamic investment strategies and their performance dynamics. Employing fundamental analysis as the primary methodology, it examines the influence of faith-based investment mandates on the stock selection process and portfolio relative returns. The findings hold value in enhancing our comprehension of Islamic financial markets and their implications for broader economies. Specifically, it offers insights for investors who aspire to align their investment portfolios with ethical considerations and adhere to Islamic principles. Furthermore, it provides a nuanced understanding of how religious beliefs can shape investment decisions, thus offering a more holistic perspective on the intersection of faith and finance within the global investment landscape.

Ahmed Bashir Ibrahim

Islamic capital market: sukuk and its risk management in the present situation

Development and performance of the financial system is very important in the sustainable economic growth and development (Bittencourt, 2012). Traditionally, a little difference between economic growth and economic development is made. In economics theories these two terms almost used synonymously, and main focus remains on the economic aspects of the transaction only. Upon this idea the whole financial system was built which is called traditional financial system. The traditional financial system, which is about 300 years old (WIEF, 2009, p.1) and based on fixed interest rate, mainly considers economic and financial aspects of the transactions is presently practised in almost all over the world. This system is designed to support the economic growth which is necessary for the sustainable economic development but not a guarantee. This system emerged in Christian societies in the west despite interest is forbidden and human well-being is valued as whole in Christianity religion (Schoon, 2008, p. 10). During the church history, interest was strongly opposed by the Christian scholars. According to Ambrose "If anyone commits usury, he commits robbery and no longer has life". Calvin opinion was to stop the professional money lenders from the church. After the devil there is no grater enemy of human on earth then the usurer and the miser, Luther said (Christian History Magazine, 1987, p.1). Despite negative views about interest, traditional financial system was growing and growing, and no other financial system stood in front of it except the Islamic financial system, re-emerged in mid-1980.

Approximately during the last thirty-five years the concept of “Islamic financial system” has grown tremendously. Islamic finance refers to a financial system which is consistent with the Shariah. It considers the human well-being and justice which provides benefit to the whole mankind (Schoon, 2008, p. 10). It considers not only the economic and financial aspects of the transaction but also focuses on the non-economic and financial aspects at the same time. The main factor that differentiates the Islamic financial system from the conventional financial system is the “interest” in Islamic finance interest is strictly prohibited and it is against the Islamic principles.

M. Zaky Mubarak Lubis, ME (UIN Imam Bonjol Padang)

Implementation of the Concept of Rahmatan Lil A'lamin in Infaq and Alms (Case Study of Musholla Baitul Mukminin BKDI Bali, Indonesia)

As one of the Islamic financial instruments, infaq and alms have a role in the development of mosques and the surrounding community. However, as implementation continues, the benefits received are more focused on Muslims alone. In fact, the purpose of infaq and alms is broader and covers all humanity, including non-Muslims. This will be an implementation of the Islamic concept of rahmatan lil a'lamin. This concept was tried to be researched in a mosque in the Bali area, which includes the Islamic minority in Indonesia. This research includes qualitative descriptive research through direct observation and interviews with mosque administrators regarding the implementation of infaq and alms funds carried out by the Musholla Baitul Mukminin BKDI. The research results show that the Muslim BKDI has allocated infaq and alms funds for the needs of non-Muslims, for example in the Rice ATM program, where out of a total of 150 beneficiaries, 30 are non-Muslims. Then there are circumcision and compensation programs, which are also enjoyed by non-Muslims. As a result, non-Muslims also provide assistance in the form of periodic donations to the mosque in the form of funds for mosque activities. Apart from that, the mosque also lends a very large area of land free of charge for mosque activities such as parking lots, ceremonies, celebrations, and others near the mosque where the owner of the land is not Muslim. The conclusion that can be drawn is that when donations and alms are also planned to help non-Muslims, this is indirectly an implementation of the Islamic concept of rahmatan lil alamin. The infaq and alms funds provided provide benefits to non-Muslims; this will be an indirect da'wah to non-Muslims that Islamic social funds are not only enjoyed by Muslims. This will have an impact on the reaction of non-Muslims in Islamic communities.

Usama Javed Ansar, International Islamic University

Nexus between Intellectual Capital and Banks' performance: A comparative analysis of Islamic and Conventional Banks of Pakistan

The objective of this study is to investigate whether the impact of intellectual capital on performance is significantly different for Islamic banks as compared to conventional banks in Pakistan. Banks achieve their competitive advantage through the intellectual capital which are the prime resources in today's economy. Hypothesis are developed on the basis of resource-based theory. This study employs the auto regressive distribute lag (ARDL) to analyse the data which is gathered from Meezan bank and Habib bank limited for the period of 2010 to 2022. These two banks were taken as a representative of Islamic banks and conventional banks on the basis of ranking. The intellectual capital is measured through the MVAICTM which is the extended form of VAICTM while banks performance is determined thorough ROA and ATO. The findings of this study

show the mixed results while all components of intellectual capital are analysed separately with both ROA and ATO. This study is different with past studies in context of Pakistan as it measures the intellectual capital through MVAICTM and one measurement of bank's performance is ATO. This study would help the stakeholders and policy makers in many ways. As it helps them to recognize the best bank in Pakistan who utilizes the intangible resources in best way. This study has also some limitations. Future studies can enhance the sample size and also use different econometrics models in their studies.

Yoghi Citra Pratama, Australian National University

Political Economy of Islamic Banking in Indonesia

As a predominantly Muslim country and the largest economy among Muslim countries, Governments have adopted ambitious targets and vision to make Indonesia the hub of Islamic economy and finance in the world as documented in the Islamic Economic and Finance Master Plan by the Ministry of Planning and Development, Blueprint of Islamic bank by Bank of Indonesia and Roadmap of Islamic bank by Financial Service Authority (FSA). However, Islamic banking in Indonesia in the three decades since its establishment still lags well behind other Muslim countries. On the domestic scene, the market share of Islamic banking in Indonesia is also far below that of the conventional banks and the target the government has set. Using the Institutional Analysis and Development (IAD) framework by Nobel laureate Elinor Ostrom, this study aims to analyse the "action arena" of the Islamic banking industry. More specifically how effective the industrial policies that the government made to achieve their objective. In seeking to test my arguments and their implications, I did in-depth interviews with various stakeholders of Islamic banks such as the Financial Services Authority (OJK), CEOs of Islamic banks, related ministers, Islamic scholars, etc. Apart from that to analyse the performance of Islamic banks I used secondary data from various secondary sources. Empirical findings showed there is a gap between policies and government ambition in the "action arena of the Islamic banking industry". Those are indicated by the absence of incentives that accommodate characteristics of Islamic banking, and partial and sectoral regulation in the Islamic economy ecosystem. In terms of performance, Islamic banking has not also been able to offer better economic incentives to have a bigger market share compared to its counterparts in conventional banking. This research contributes to our understanding of how Political, economic, and religious institutions intertwine in constructing and developing financial institutions.

Trinitaria Marlis Putri, Universitas Islam Negeri Imam Bonjol Padang

How Lifestyle Forms Understanding of Taxation: Hijabers Socialite Community Perspective

Tax often relates to people who works in a company, government sector or entrepreneur. For the employee, it is known that they should pay several percentage of their salary as the income tax. For the entrepreneur, it is known that they should pay from their business transactions. It is rarely spoken and discussed about tax from other perspectives. This research is aimed to discuss about tax from hijabers socialite's perspectives. They are commonly known as the big spender of fashion who have a high-standard lifestyle. They might not understand how their lifestyle could contribute to the taxation system. Researchers intend to know about how these woman see the taxation. Do they realize on how much their lifestyle supports the taxation? This research set in West Sumatera. We used the type of purposive sampling where we set the criteria for their samples. We will investigate 10 women in our choices with a semi-formal interview concept. These woman's life and character has been known and observed by the researchers before. The samples have the same lifestyle: member of hijabers socialite community, big spender of fashion, love to travel, like to take

outfit of the day (ootd) pictures, and active in social media Instagram. It will be interesting to know their perspective about tax and how they contribute without their consideration. The findings will be fresh and lead to new knowledge of taxation since no research talks about lifestyle impact to the taxation, yet.

Ahmad Wira, M.Ag., M.Si., Ph.D, UIN Imam Bonjol Padang

Dualism of Zakat and Taxes in Indonesia

Although the majority of Indonesians are Muslims, Indonesia is not an Islamic state. Indonesia does not use Islamic law as the basis of its state. This also applies to tax law. Therefore, a Muslim in Indonesia will have two obligations: tax as an obligation to the state and zakat as an obligation to religion. This research aims to analyse the implementation of zakat and taxes in Indonesia. This research conducted a content analysis of related articles accessed through Science Direct, the Deakin Library, and Google Scholar. In the Indonesian context, the implementation of zakat and tax is very different. First, tax is a state fiscal instrument managed by the ministry of finance, while zakat is managed by the government through an independent institution called BAZNAS and is not counted as state revenue. Second, tax is mandatory for all citizens, but zakat, in practice, is more of a charity. The implication is that there are state sanctions for non-payment of taxes but not for non-payment of zakat. However, several institutions, both government and private, have implemented a policy of requiring employees to pay zakat by making direct deductions from their income, just like tax deductions. Thus, Muslims experience double taxation. As a solution so that zakat obligors are not subject to double burden, the government issued Law No. 23 of 2011 on Zakat Management, which contains that zakat paid by muzakki to BAZNAS or LAZ will be deducted from taxable income. In its implementation, this policy has not been effective. In terms of zakat institutions, not many BAZNAS or LAZ apply this regulation. From the zakat obligors' side, not many people know about it and have the awareness to take care of it due to a lack of socialization. In addition, the effort made is not worth the deduction earned. Zakat paid reduces the amount of income subject to tax, not the amount of tax payable as applied in Malaysia. Therefore, this reduction is not significant.

Nur Hidayah, UIN Syarif Hidayatullah Jakarta

Sharia Banking Regulation in Indonesia: Islamic Window's Spin-Off Policy Analysis

To develop and promote the growth of Islamic banks, Sharia Banking Law No. 21 of 2008 requires Islamic windows of conventional banks (UUS) to carry out a spin-off if their assets have reached 50% of the parent bank's assets or 15 years after the enactment of the Law, namely 2023. This spin-off obligation raises pros and cons among stakeholders. Behind the expectations of Islamic banks that occurred in the field, many UUS objected because it would produce many small full-fledged Islamic Banks (BUS) with limited Islamic bank capital and a lack of quality human resources. This paper aims to analyse spin-off policies using an interpretive policy analysis approach by discussing spin-offs from the perspectives of stakeholders, especially regulators, and the practitioners. This paper finds that the different perspectives between regulators and Islamic banking practices in responding to UUS development spin-off policies stem from differences in the perspective of Islamic bank strategy between quantity and quality. This debate finally sought a middle way by eliminating the obligation to spin-off after 15 years of passing the Sharia Banking Law through Law No. 4/2023 on P2SK (Financial System Development and Strengthening). With such solution, UUS can still operate as an Islamic window from its conventional bank, and if in its development, it has reached 50% of the traditional bank's assets, it can undertake the spin-off.

Muhammad Fazlurrahman Syarif, Hamad Bin Khalifa University, Qatar Foundation

Islamic Fintech and Central Bank Digital Currencies: Catalysing the Growth of a Sustainable Financial Ecosystem

This research aims to explore the intersection of Islamic Fintech and Central Bank Digital Currencies (CBDCs) to elucidate how the combination of these two domains can catalyse the growth of a sustainable financial ecosystem. Through a comprehensive analysis of the critical characteristics of Islamic Fintech and CBDCs, this study explores their potential convergence to preserve a resilient, inclusive, and sustainable financial system. The study further examines existing and emerging use cases, regulatory frameworks, and the roles of different stakeholders in developing and implementing CBDCs within the Islamic Fintech context. This research underscores the need for strong collaboration among regulators, financial institutions, and technology providers. This collaboration is needed to leverage the disruptive potential of CBDCs and Islamic Fintech, bringing societal and environmental benefits and contributing to the development of sustainable financial ecosystems. This study focuses on the intersection of Islamic Fintech and CBDCs. It provides novel insights into how synergy between these two domains can drive the growth of a sustainable financial ecosystem. While the study provides comprehensive insights, it acknowledges the dynamic nature of Islamic Fintech and CBDCs, indicating potential changes in regulatory frameworks, technological developments, and stakeholder roles. Future research should delve deeper into specific case studies and monitor the evolution of these two domains. The findings of this study are relevant to policymakers, regulatory authorities, financial institutions, and technology providers. This study provides a roadmap for leveraging the potential of CBDCs and Islamic Fintech to increase sustainable financial ecosystems. The convergence of Islamic Fintech and CBDCs could lead to a more resilient, inclusive, and sustainable financial system with significant societal and environmental benefits.

Sigit Pramono, SEBI School of Islamic Economics & Sekolah Kajian Strategik dan Global (SKSG) Universitas Indonesia, Indonesia

Developing Risk Management Framework in Mitigating Financing Risk of Indonesian Islamic Micro Finance Institution (IMFI): Can “Value-Chain Integrated” Financing Strategy be Helpful?

The practice of Islamic micro finance arises from the needs of the poor to access financing and capital which formal financial institutions such as banks often fail to offer. In Indonesia, Islamic micro finance institutions have played an important role in financing business of micro, small and medium enterprises (MSMEs) and have become a pivotal phenomenon in the development of the Islamic finance ecosystem. There are two types of Islamic micro finance institutions in Indonesia, namely ‘Islamic rural banks’ (Bank Pembiayaan Rakyat Syariah/BPRS) and ‘Islamic micro finance cooperatives’ (Baitul Maal wat Tamwil/BMT). The role of risk management is crucial for IMFI since the effective practice of risk management will keep the success of IMFI to sustainable growth and expand its business. The urgency of implementing effective risk management practices in IMFI will also minimize the impact and potential risks that can occur and lead to business failure. This paper provides an overview of the recent progress of risk management practice in the Indonesian Islamic Micro Finance Institution (IMFI) to mitigate its financing risk. This study aims to develop risk management framework based on the IMFI business process using the institutional theory approach. and to elaborate “value-chain integrated” financing strategy implemented by IMFI. Using “value-chain integrated” financing strategy, IMFI carries out an integrated business ecosystem approach to their clients through mutual relationship establishment process in providing “economic value-added” for their business counterparts. The study uses qualitative data analysis by performing in-depth interviews with IMFI’s directors who responsible in approval and monitoring of financing process to the IMFI’s clients. Results of this study will contribute such crucial

insights in portraying the successful of IMF's best practices in risk mitigation using "value-chain integrated" financing.

Mohd Zubir Bin Awang, Universiti Sultan Zainal Abidin - UniSZA Malaysia

Co-authors: Dr. Wan Mohd Yusof Wan Chik & Dr. Nor Faridah Mat Nong
The Compliancy of Basic Tenet of Shariah Contract Toward Digital Banking

Islamic digital banking in Malaysia has undergone initial phases of establishment within the banking and business landscape. However, BNM has set forth stringent assessment criteria, encompassing applicant integrity, financial resources, business and technology plans, as well as inclusivity efforts. These criteria pose significant challenges in Sharia compliance. This study focuses on digital banking from a Shariah perspective. Since this type of banking is newly emerging in the Islamic Financial Industry, this study will critically evaluate the compliance with the basic tenets of Shariah contracts, its potential, challenges, and the flexibility of Shariah application. This paper employs a qualitative research method and content analysis, examining digital banking, including the applicable contracts, terms, and conditions. All these matters will be evaluated from a Shariah perspective. Hence, this study concludes that digital banking can be operated in accordance with Shariah as long as it complies with Shariah requirements, ultimately making it accessible to all levels of people, especially those who are non-bankable.

Mahmood Shaker Abood, University of Kirkuk, Iraq (Faculty of Administration & Economics)

Crowdfunding in the Islamic World: A Comparative Analysis of Regulatory Frameworks and Sharia Compliance

In recent years, crowdfunding has emerged as a revolutionary financial mechanism, offering an alternative avenue for startups, SMEs, and individuals to raise capital. Simultaneously, the Islamic world, with its unique financial ecosystem rooted in Sharia principles, presents both challenges and opportunities for the integration of this innovative fundraising model. This study provides an in-depth examination of the legal frameworks governing crowdfunding across major jurisdictions and evaluates their alignment with Islamic financial tenets. By juxtaposing contemporary financing methods with age-old Sharia principles, we uncover areas of convergence and divergence, offering insights for the development of Sharia-compliant crowdfunding platforms. This analysis not only paves the way for inclusive financial innovation in Muslim-majority regions but also enriches the global discourse on harmonizing modern financial practices with traditional ethical standards.

Dr A. Sudarman, Imam Bonjol State Islamic University Padang, Indonesia

Implementation of Islamic Economics in Minangkabau Indonesia?

Minangkabau society is known as a society that is very strongly Islamic and this can be seen from its traditional adat which is passed down from one generation to the next, namely Basandi Syara'-syara' basandi ketabullah, syara' mengato-mamakai custom. This means that customs and the Islamic religion in Minangkabau are closely related, forming an inseparable whole. This article analyzes the implementation of Islamic Economics in Minangkabau Society. This research uses historical methods which start from collecting primary and secondary sources, then continue with

criticizing both the validity of the source and the content of the source itself, then analysing the events recorded in the source and finally carrying out historiography. The research findings are: Firstly, ABS-SBK, which is a symbol of the Minangkabau people's religion, is not a basic benchmark for running the economic system that is practiced in everyday life. Second, many Minangkabau people still use the rebawi economic system which is clearly very contradictory to the principles of values developed in Islamic economics. Third, the Minangkabau people are very pragmatic in running their economic system, if the Islamic economic system is profitable for their business, then they will run it, if it is not profitable, they will abandon it.

Sazali Zainal Abidin, & M. Ishaq Bhatti, SBE Universiti Brunei Darussalam

Bridging the Different Interpretations in Islamic Financing by South-East Asia and Middle Eastern Scholars with Musharakah Mutanaqisah

The dual-banking system in Malaysia is expected to place Islamic finance at a disadvantage because of its over-dependency on fixed rate asset financing such as Bai Bithaman Ajil and Murabahah. Currently, the Islamic finance system is being faced with several paradoxes and it is consistently being criticized for the overuse of contracts which has been declared to be Islamically permissible. This study focuses on Bai Bithaman Ajil Sukuk structure which is highly controversial because of the different interpretations by Malaysian and Middle Eastern scholars on the issue of Bay' Al-'Inah. Subsequently, this study proposes Musharakah Mutanaqisah as an alternative instrument that charges customers low repayment costs on assets compared with the Bai Bithaman Ajil method. However, the requirement of large funds from each participant in an Musharakah Mutanaqisah contract and the complicated procedure to determine the rental rate could hinder bankers or business entities from implementing Musharakah Mutanaqisah contracts.

Lukmanul Hakim, Bisnis Islam Universitas Islam, Padang

Islamic Economies from Classical to Modern History

This article summarizes the history of the development of Islamic economics from classical times to the modern era. The classical period began during the time of the Prophet's prophethood, which overhauled the entire economic structure in accordance with Islamic law. Then, the economic policies that had been regulated in such a way by the Prophet were inherited and continued by the next generation, the khulafaurasyidin and subsequent ruling dynasties. The development of Islamic economics has experienced a long history, several setbacks, then rise and rise again until now. The purpose of this article is to look at the history of the development of Islamic economics from classical to modern times and see the weaknesses and strengths of Islamic economic concepts from time to time so that we can see what Islamic economic concepts and practices should be like. The research method in this article uses historical research methods, namely heuristics, source criticism, interpretation and historiography. The history of the development of Islamic economics from classical to modern times marks a long and tense journey in the face of various challenges and changing times. In the classical period, Islamic economics reached its peak by applying the principles of justice, fair trade, and social balance. The sharia-based economic system formed the basis for a prosperous Islamic civilization, based on ethical values and spirituality, and prioritizing public welfare. In addition, technology and digital innovation have opened up new opportunities for the modern Islamic economy. Shariah-compliant fintech and e-commerce platforms enable wider access to Islamic financial services, and other digital initiatives contribute to economic growth in various sectors. Nonetheless, challenges such as economic

inequality and poverty persist, and a deeper understanding of the principles of Islamic economics is still needed to ensure effective and thorough implementation. The development of Islamic economics from classical to modern times shows great potential in creating an economic system that is inclusive, sustainable and grounded in Islamic values. By utilizing Islam's rich economic heritage and combining it with modern innovations, Muslim societies can face global challenges and achieve economic progress in line with their religious principles.

Nicholas Hamelin, SP Jain School of Global Management Sydney

Recent Development in the study of Islamic Finance via intuitive machine learning approach

In an era of increasing AI, this paper explores the link between traders' religious practices, interoceptive skills and profitability in Islamic Business and Financial activities. It investigates the potential advantages of integrating holistic activities such as prayer and meditation, into traders' routines to enhance their profitability. Findings indicate that religious traders have higher anticipatory feeling (AF) scores, which enhance their ability to predict market movements and use internal bodily cues to report increased profitability. This outcome might be because spiritual practices have been demonstrated to reduce pressures on the cognitive load and improve interoceptive abilities, which are vital for making effective trading decisions. Moreover, traders who heavily rely on news feeds for making decisions may experience elevated cognitive load, which can subsequently impair interoceptive accuracy and awareness. Likewise, traders with a great fear of losing and an aversion to risk-taking may also exhibit diminished interoceptive skills. Finally, this paper emphasizes the potential benefits of religiosity into interventions aimed at enhancing traders' interoceptive awareness and associated health outcomes. The results suggest that integrating these practices into traders' daily routines could lead to better decision-making abilities and, ultimately, increased profitability.

Assoc. Prof. Ziyaad Mahomed, INCEIF University

Value Based Digital Finance

In the aftermath of the pandemic, fintech solutions have received a bigger boost than the human vaccine requirements, as more businesses have been forced to move digital for survival. The digital banking share increased to almost US\$10 trillion in 2023, with almost 80% of Americans preferring to use electronic banking over physical (Forbes, 2023). For Islamic banking, one new Islamic digital banking license was released in 2022 in the world's leading Islamic finance nation, Malaysia, and almost 400 Islamic fintech apps are operational with Malaysia and Indonesia leading the world. The existential argument for Islamic fintech in addition to convenience is financial inclusion. However, the risks of offering tap-ready finance to the underserved and unbanked, or for apps to collect and store biometric data, transactional data and preferences exposes users to intermediary hazards from some unscrupulous actors. More than 40% of financial institutions have reported a year-on-year increase in financial tech frauds with billions of dollars lost every year. Is it time for a value-based framework for digital finance? This study assesses the risk of unbridled Islamic fintech solutions to vulnerable segments, potentially the largest users in the guise of financial inclusion. Comparison is made to the value-based intermediation initiatives offered through Bank Negara in Malaysia. Findings include that a framework is required that integrates user access with higher levels of Shariah compliance certification, improved support and security, increased awareness of financial literacy and an appreciation for the danger of excessive consumption through debt. Recommendations are made on the potential parameters for a value based digital finance framework that can promote socio-economic empowerment and improved financial inclusion in the OIC.

Hadia Saqib Hashmi, Hamad Bin Khalifa University Doha

CBDCs and Islamic Finance: Exploring New Horizons and Potential Challenges

The introduction of Central Bank Digital Currencies (CBDCs) has triggered a significant upheaval in the global financial environment, ushering in an era of digital financial innovation. This research paper digs into the far-reaching ramifications of CBDCs on the realm of Islamic banking, analysing the possible benefits, limitations, and the critical role of appropriate regulatory measures. The research process will involve a comprehensive analytical assessment of the foundational principles underpinning Islamic banking and finance, seeking to gain a deep understanding of their core tenets. Simultaneously, it will involve an examination of the inherent features and potential impacts of CBDCs on the Islamic banking sector.

With numerous countries actively exploring or implementing CBDCs, Islamic banks face an urgent need to adapt to this evolving landscape. In a gist the present research unveils the intricate relationship between CBDCs and Islamic finance. It underscores the importance of thoughtful examination, proactive adaptation, and robust engagement to navigate the challenges and seize the opportunities presented by the digital currency revolution within the realm of Islamic banking. This research serves as an indispensable compass for stakeholders in Islamic banking, aiding them in navigating the uncharted terrain of CBDC adoption and its transformative impact on Islamic finance.

Muhammad Ismail, Iqra National University, Pakistan

Objective Deviance in Islamic Banking: An Archival Exploration

Globally, the Islamic banking market's assets total USD 1.99 trillion, growing at a rate of 14% per year. Islamic Financial Institutions (IFI), according to prior research, operate in more than 60 countries. Additionally, many western and European countries have adapted their banking and financial laws and regulations to accommodate Islamic banking; for example, the UK is considered as an emerging hub for Islamic finance. However, the foundations of Islamic banking were laid with certain core objectives, including the provision of a shariah-compliant alternative to the capitalistic banking system, the promotion of social investment, poverty alleviation through financial inclusion, economic and social justice, and contribution to the fulfilment of Maqasid al-Shariah. The purpose of this paper is to conduct an examination of the disconnect between fundamental Islamic banking objectives and contemporary Islamic banking practices. Additionally, the study attempted to synthesise all credible research and present a broader picture of objective deviance and its causes in Islamic banking. A qualitative research technique was used to review pertinent prior literature. It was found that the subject of Islamic banks' divergence and deviation from their fundamental and desirable objectives is extensively discussed across a broad spectrum of subjects. The study concluded that Islamic banking institutions' practices globally demonstrate a significant misalignment with the desired fundamental objectives.

Abdul Samad Khan Wazir, Institute of Management Sciences (IM|Sciences), Peshawar

Proposing an Islamic Agri-FinTech Model: In Context of Pakistan.

Considering the surge in global population and the increasing food demand, pressure has been increased on the agricultural system which threatens food security. The same holds true for Pakistan, where most of the labor force is employed in the agriculture sector and is supposed to have a significant

contribution to the country's GDP as well. However, lack of access to financing is one of the leading factors for the sluggish agriculture performance. The aim of this research is to propose an Islamic Agri-FinTech model. It is in line with tackling the credit challenges faced by the farmers and supporting the agriculture sector in financing various needs e.g., equipment, fertilizers, seeds, etc. A qualitative approach is employed, and a type of applied research called developmental research is used for product development.

The implementation of this model is expected to cater to the farmers' financing needs conveniently and provide a socially responsible investment avenue for the investors. Facilitation of the agricultural financing through Islamic Agri-FinTech would potentially contribute to the target of SDG # 2 i.e., Zero Hunger, by providing access to financial services and land for agricultural production. Consequently, a positive growth in agriculture would ensure food security. The proposed model (having sub-models 1 and 2) can be considered by entrepreneurs, Islamic financial institutions, policymakers, and regulators to encourage agricultural financing in Pakistan.

Udaya Wijesena, Country Credit Head Brunei CPBB, Standard Chartered

Banking and Financial Sector Ethics and Taxation

The financial services industry has been transformed since the 2008 global financial crisis, largely due to rapidly evolving regulations and laws designed to protect depositors and the public. Many new policies and accounting practices have been introduced to require banks and other financial institutions to hold more capital, assess risk more accurately, and make necessary provisions in their financials. However, additional global threats such as climate change, the COVID-19 pandemic, and cyberattacks have further complicated these calculations, and the list continues to grow as technology and platforms evolve. While larger and more international banks have been able to adapt to these challenges using sophisticated models and accurate assumptions, regional and smaller banks and financial institutions are struggling to develop their own models and make accurate assessments. Depending on the market they operate in and the strength of the regulatory environment, they may be forced to make minimum provisions and use judgmental approaches in some cases. As mentioned earlier, these intricate scenarios and models pose significant challenges both internally within banks and externally for any authority attempting to comprehend and scrutinize financial statements, profit and loss declarations, and underlying assumptions. Internally, some of these models are managed by subject matter experts who may make decisions based on personal or departmental expectations and objectives. In many cases, finance experts may lack the authority to challenge such decisions or offer alternative proposals. Similarly, external stakeholders, except for financial sector regulators possessing relevant expertise, may face similar difficulties in understanding and questioning these complex models. In the absence of the necessary expertise within their organization, taxation authorities will need to rely on the ethical and sound practices of the financial services industry to ensure that financial models are used fairly and accurately. While this paper/discussion will not focus on identifying specific areas for scrutiny or challenge, it will emphasize the importance of building a culture and fostering behaviors in the financial services industry that demonstrate social responsibility to depositors, investors, and the community.

Shereef Metwally, Australian National University

Towards Authentic Islamic Financial Products: The Role of Shariah Board Interlocks in Strategic Innovation

The proposed research seeks to explore the crucial role of Shariah advisory boards in fostering strategic innovation within the Islamic finance sector. Amid concerns that the industry has neglected the creation

of authentically Islamic financial products that address substance and form, there's a pressing need for a paradigm shift (Abozaid 2010, Zaman 2015). This shift would emphasise strategic innovation that champions risk-sharing financial products, aligning with Islamic principles of economic justice and minimisation of inequality (Laldin & Furqani 2016, Chapra 2008). Existing literature has indicated a negative correlation between financial performance and Shariah board interlocks (Hassan et al. 2018, Gozubuyuk 2018). The interconnectedness of Shariah advisory boards is evident, with the top 10 members accounting for nearly 40% of all SAB memberships, and the top 100 members representing a significant 83.52% (Al Amer 2018). Such interconnectedness raises concerns about the potential for innovation, leading to the research hypothesis that Islamic financial institutions with more interconnected SAB's are less inclined towards innovation, resulting in a higher prevalence of risk-transfer activity. The research hypothesis is further supported by conventional financial literature, which has asserted that intra-industry board connectedness is negatively correlated to innovation and increases conformity to industry norms (Hernandez-Lara & Gonzales-Bustos 2018, Haynes & Hillman 2010, Geletkanycz & Hambrick 1997). Addressing the challenges of board interconnectedness within financial institutions requires paramount policy changes. While Australian law doesn't explicitly restrict individuals from serving on multiple boards, it does have guidelines focusing on independence and minimising conflicts of interest. However, independence and conflict of interest are just one facet of the broader issue of board interconnectedness. Given the hypothesised impact of interconnectedness of SAB members on innovation in the Islamic financial sector, there's a pressing need to revise and expand these guidelines to foster innovation and address the broader implications of such interconnectedness.

Reducing board interconnectedness can clear the path for innovation in Australian Islamic Banks, shifting from conventional risk-transfer replicas to authentic risk-sharing products. Implementing such policies would pave the way for Islamic financial institutions to present a genuine alternative to the conventional system, one that existing research underscores has the potential to instil greater discipline in the financial system (Chapra 2008, Miskhin 1997).

**Professor Intekhab (Ian) Alam, School of Business, State University of New York
M. Ishaq Bhatti, SBE-UBD, Brunei, ANU and La Trobe University, Australia**

Interacting with Muslim Minority Customers for New Service Development Process in a Multicultural Country

Offering new successful services to the market is a paramount objective service firm worldwide. The growth and prosperity of these firms depend on their ability to consistently offer innovative services to a diverse group of customers. This process necessitates meaningful firm vis-à-vis customer interaction as it yields valuable insights into service design and content. This significance amplifies in emerging nations with substantial Muslim minority populations. Against the backdrop of above context, our article examines the importance of customer interaction with Muslim minority customers in shaping new financial services within India's emerging market. Utilizing a multiple-case study methodology, we gathered data through in-depth interviews with both service managers and Muslim customers. Data triangulation was achieved through consultation of pertinent documents and archival records related to new service development efforts by the participating financial service firms.

Drawing from the case study data, we contend that crafting new services with both Muslim customer needs and comply with Shariah principles poses a formidable challenge for many service firms. Overcoming this challenge necessitate the establishment of a system that integrates the requirements of Muslim customers into the creation of new services. In this regard, we propose

several modes and methods of customer interaction, while also analyzing the intricacies with Muslim customers. Contrary to a prevailing notion in the literature, our findings suggest the willingness of Muslim customers to engage with service firms in the pursuit of new service development. They serve as a valuable source for generating innovative services. This article bears significance implications for financial service firms seeking to introduce new services to ethnic minority and Muslim customers in emerging markets. Furthermore, this article contributes to the theoretical landscape of literature related to Islamic Finance marketing.

Dr. Shah Fahad Yousufzai, International Fund House & Dr. Mehmet Bulut, Professor of Economics, Istanbul Sabahattin Zaim University

Fintech, CBDCs (Central Bank Digital Currencies), Defi-Blockchain, and structural changes to the financial system in the United States, China, and Europe, a lesson for the Muslims majority countries

The most recent academic studies and up-to-date works on cryptocurrencies, financial technology, defi-blockchain, stable coins, state-owned, and central bank digital currencies (CBDCs) have been evaluated in this study article. The development of Fintech and the recent attention given to Defi, Bitcoin, and CBDC have important implications. This paper discusses the overall fintech experience, payment transactions, digital banking tools, fintech-based borrowings, as well as the various countries' current developments in CBDC programs and pilot projects. We will also see how the cryptocurrencies, Fintech, and Defi-Blockchain transformed the traditional financial system in developed countries such as the US, China, Japan, and European countries and the implications of these changes for financial stability, security, and regulation.

Dr. Lisa Spagnolo and Dr. Maria Bhatti

Harmonising Shariah Principles with the CISG

Interest-bearing transactions are pervasive in international commerce, yet they pose a fundamental challenge in regions governed by Shariah law, where interest (riba) is typically prohibited. The United Nations Convention on Contracts for the International Sale of Goods (CISG) in Article 78 mandates an interest obligation, a provision that has led to hesitation among many Muslim-majority countries to ratify the Convention. While the CISG Advisory Council has made efforts to address the implications of this interest obligation under Shariah, the question of whether the CISG aligns with Shariah principles remains unsettled. Existing assessments of their compatibility often rely on generalised notions of Islamic prohibitions and CISG interest provisions.

This paper undertakes a thorough examination to ascertain the compatibility of Shariah and the CISG in the context of interest-bearing transactions. It delves into the rationale behind Islamic prohibitions on riba (interest) and gharar (uncertainty) and considers the diverse approaches taken by individual Muslim-majority states in interpreting these prohibitions. Furthermore, it scrutinises the various interpretations of the CISG's interest obligation, providing a comprehensive analysis of the implications of these interpretations on the enforceability of awards. Within this enriched contextual framework, the authors evaluate whether Shariah can be harmonised with the CISG.

The paper concludes that by making slight modifications to Opinion No 14 of the CISG Advisory Council, compatibility can be achieved between the CISG and Shariah principles. This alignment has the potential

to encourage greater adoption of the CISG among Muslim countries, as they seek to enact laws that facilitate increased participation in international trade.

The question of interest-bearing transactions within the framework of uniform international sales law is inherently complex and has far-reaching implications. While interest obligations are widely accepted in the global commercial arena and are incorporated into many transnational commercial legal regimes, the prohibition of interest as *riba* under Shariah law poses a unique challenge.

Article 78 of the CISG imposes an obligation to pay interest, a provision that has deterred many Muslim-majority countries from ratifying the Convention. Although the CISG Advisory Council, in Opinion No 14, has attempted to address the compatibility of CISG Article 78 with Shariah, this endeavour has not provided a definitive resolution.

This paper establishes the necessary context for a comprehensive evaluation of the harmony between Shariah and the CISG concerning interest. It investigates the Islamic prohibitions on *riba* and *gharar* and takes into account the wide spectrum of practical approaches to *riba* within Muslim-majority states. The paper examines the myriad interpretations available within both legal frameworks, exploring the repercussions of these interpretations on the enforceability of contracts governed by the CISG and the enforceability of awards enforcing those contracts. This holistic contextual analysis enables the authors to ascertain the degree of alignment between Shariah and the CISG, discerning genuine conflicts from perceived ones.

The paper also addresses prevalent perceptions of conflicts between Shariah and the CISG, advocating for a nuanced and pragmatic approach to the interpretation of both legal systems. Such an approach can mitigate "pseudo conflicts," potentially promoting increased adoption of the CISG among Muslim countries.

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This paper examines the factors that influence Zakat (alms tax) payers' adoption towards FinTech integration using innovation diffusion theory (IDT) model. A survey was carried out and snowball and purposive sampling method was used. Moreover, over 200 responses were gathered from individuals that are Zakat payers. Besides, the literature on the factors that influence an individual adoption towards electronic apps for payments via FinTech using the IDT model was also reviewed as an effort to contribute towards the factors that are significant in predicting the Maqasid-based zakat institutions' adoption index (MAZDAi) of FinTech services in Malaysia. The results of the study revealed that consumer maqasid index, perceived relative advantage and technology self-efficacy are the main factors in determining the adoption of Maqasid-based zakat institutions' adoption index (MAZDAi) of FinTech services in Malaysia. Moreover, subjective norms plays an important role in the adoption of FinTech by Zakat payers. This study not only contributed to the theoretical extensions but also to practical implications, which would benefit the community of FinTech service providers in Malaysia. The limitations of this study were two but are not limited to, firstly, the respondents which were taken among Zakat payers in Malaysia, confining its contribution to the narrowed perspective of east Malaysia. Besides, this study also considers its contributions toward the use of the IDT in which the factors examined were specific which may elucidate that the generalisation of the findings only includes FinTech, where the IDT comes into play. This study is a revelation for the merging perspective of both the IDT and FinTech in context of digital social finance using FinTech integration in Zakat institution in

east Malaysia. IDT is extended in the context of FinTech. Consumer maqasid index is incorporated in the context of the IDT model to be used in Maqasid-based zakat institutions' adoption index (MAZDAi) of FinTech. Consumer maqasid index is yet to be tested and for that this study is a useful reference guide for academicians, policymakers, and future researchers.

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Islamic Banking and Anti-Money Laundering Practices (AML)

This paper presents a thorough literature review on factors impacting anti-money laundering (AML) practices specifically within the context of Islamic banking. By employing deep artificial intelligence techniques, the study identifies and analyzes key elements such as Suspicious Transactions, Money Laundering, Financial Intelligence Unit, Machine Learning, and Risk Assessment in the unique landscape of Islamic banking. The developed conceptual framework takes into account the unique characteristics of Islamic finance and provides suggestions for central banks and policymakers on how to improve AML procedures.

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This study investigates factors influencing the adoption of blockchain technology in Indonesia's halal food industry from the perspective of small and medium-sized enterprises (SMEs). Using the Technology, Organization and Environment (TOE) framework, the study examines seven variables: government support, organizational readiness, firm size, relative advantage, cost, compatibility, and awareness. Data collected from 407 SME stakeholders across six provinces are analyzed using a structural equation modeling (SEM) approach. The findings suggest that three out of seven variables, government support, firm size, and awareness, are not significant. The evolving and unclear regulations as well as the authority transition in Indonesia could explain the insignificance of government support. The predominantly small organization composition of the sample might contribute to the insignificance of firm size, while the low percentage of stakeholders actively learning about blockchain technology through formal training could discourage organizations from decision-making processes regarding its adoption. To improve the possibilities of SMEs using blockchain technology in the future, relevant recommendations are proposed both for players as well as the regulator.

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