

Qatar: A new decade, a new drive



QATAR

By Amjad Hussain

2020 comes with new initiatives and plans as Qatari banks release their performance for 2019. Qatar Financial Centre (QFC)'s annual report, produced in partnership with Refinitiv and published under the title 'Unlocking Cross-Border Opportunities,' stated that Qatar has been rapidly developing its Islamic finance industry and is expected to become a leading hub for the sector.

The report highlighted that the industry's total assets grew by 8% from 2015 to US\$129 billion in the first half of 2019, constituting 33% of Qatar's total financial system assets.

The report further noted that Qatar has the necessary foundation to take its Islamic finance industry to the next level while benefiting from the experience of other Islamic finance markets, such as the Malaysian Takaful industry experience.

QIIB received the ISO 27001 certification, a prestigious accreditation in information

security, which reflects QIIB's high standing in the protection of the bank's and customers' data.

“ Solid steps were taken in 2019 to support the Islamic finance sector, and we expect this to continue through 2020 with an emphasis on Qatar's goal to become a leading Islamic finance hub ”

The ISO 27001 certification is awarded to institutions that made a considerable improvement in the protection of information.

Qatar's plans to establish a centralized Shariah board to bolster Islamic finance, which is expected to achieve consistency and improve the industry, were addressed in QFC's annual report.

Although Islamic banks in Qatar operate separately from conventional banks, they are both governed by the same banking regulatory regime. The centralized Shariah body would create a more consistent governance framework approach that aligns Shariah compliance across the sector, resulting in enhancing Islamic banking regulations and improving the industry. Solid steps were taken in 2019 to support the Islamic finance sector, and we expect this to continue through 2020 with an emphasis on Qatar's goal to become a leading Islamic finance hub. ☺

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Big banks make Islamic leasing moves



LEASING

By Shoeb M Shariieff

Dubai Islamic Bank (DIB), which offers a variety of Islamic leasing products including those for residential properties and auto financing, plays a big role in financing Islamic leasing in the Middle Eastern region. DIB is currently proceeding to acquire the Noor Bank where members are appointed to oversee an interim board. Some research on the institution reveals that they have a Noor Bank Auto Finance Department that uses Islamic leasing to steer clear of Riba.

Shariah compliant leasing products are gaining mass appeal to practicing Muslims and others alike from the UK to the Middle East, causing an upward trend in Islamic financing across the world.

The central bank of the Philippines, Bangko Sentral Ng Pilipinas, has approved new Shariah regulations. It is

moving ahead with the passing of the regulations that will further define how the Islamic leasing sector will play a role.

These policy initiatives were a direct result of the Islamic banking law that was signed and came into effect in September last year.

The one and only Islamic bank that deals in Islamic leasing in the Philippines is Al-Amanah Islamic Investment Bank of the Philippines.

Other Islamic leasing institutions that already have a presence in the Philippines are expanding into the Islamic leasing/fintech space.

Akulaku is an online company that deals in a variety of different financial products including Islamic leasing. Recently, the Indonesian company reported it will launch a new Shariah compliant platform in the first half of 2020.

Akulaku has already raised US\$100 million in funding where one of the investors is Ant Financial, the financial services arm of Alibaba. The online platform offers a variety of different merchant and store possibilities. Moving toward a new Shariah compliant platform will include an Islamic leasing element.

Saudi Umm Alqura Company for Development and Construction is working together with an investment company by launching a US\$4.53 billion real estate development fund that will focus on Mecca.

The planned properties include two commercial developments while seven hotels are another developing area where Islamic leasing is believed will play a central role. ☺

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