COMSATS University Islamabad (CUI) Lahore Campus
Center of Islamic Finance (CIF)

Program & Abstract Book

Global Forum on Islamic Finance (GFIF)
March 13-14, 2019
Islamic Finance- Technology and Development
Continental Hotel, Lahore - Pakistan

M. A. Jinnah Building Defence Road, Off Raiwind Road, Lahore – Pakistan
E-Mail: islamicfinance@cuilahore.edu.pk
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**MESSAGE BY EXECUTIVE DIRECTOR CUI**

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**MESSAGE BY DIRECTOR CUI, Lahore Campus**

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<td>Rector, CUI</td>
<td>Convener</td>
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<td>Prof. Dr. Qaisar Abbas</td>
<td>Director, CUI Lahore</td>
<td>Member</td>
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<td>Prof. Dr. Khalid Raiz</td>
<td>Dean FBA, CUI</td>
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<tr>
<td>Dr. Samina Nawab</td>
<td>Chairman MS, CUI Wah</td>
<td>Member</td>
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<tr>
<td>Dr. Abdus Sattar Abbasi</td>
<td>Head, CIF</td>
<td>Member</td>
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<tr>
<td>Dr. Imran Haider Naqvi</td>
<td>Sr. Manager HR,</td>
<td>Member</td>
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<tr>
<td>Ms. Zainab Naveed</td>
<td>Assistant Professor, CIF</td>
<td>Convener GFIF</td>
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<td>Convener/Secretary</td>
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<td><strong>GFIF Secretariat</strong></td>
<td>Ms. Zainab Naveed</td>
<td>Ms. Gulnaz Altaf</td>
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<td>Assistant Professor, CIF</td>
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<td>Mr. Muhammad Saleem</td>
<td>CO, CIF</td>
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<td>Mr. Abdul Qayyum</td>
<td>LDC, CIF</td>
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<td>Mr. Sohail Riaz</td>
<td>Ms. Tasneem Rani</td>
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<td>Mr. Muhammad Saleem</td>
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<td><strong>Guest Facilitation Committee</strong></td>
<td>Mr. Atta UR Rehman</td>
<td>Mr. Umer Farooq</td>
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<td>SRO</td>
<td>Mr. Khurram Shahazad</td>
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<td><strong>Finance Committee</strong></td>
<td>Mr. Ali Raza</td>
<td>Mr. Asif Munir</td>
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<td><strong>IT Committee</strong></td>
<td>Mr. M. Naeem Akhtar</td>
<td>Mr. Muhammad Irfan</td>
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<td>In-charge IT &amp; Services</td>
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<td><strong>Logistics, Transport Committee</strong></td>
<td>Mr. Shahid Latif</td>
<td>Mr. M. Bashir</td>
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<td>Manager C &amp; L</td>
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<td><strong>Hall Management Committee</strong></td>
<td>Mr. Nayyer Pervaiz Butt</td>
<td>Mr. Haroon Rashid</td>
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<td><strong>Participants Recruitment &amp; Registration Committee</strong></td>
<td>Ms. Shamyla Anwar</td>
<td>Ms. Amina Hameed</td>
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Reception Committee
Dr. Abdul Haque  
Associate Professor, MS  
Convener
Ms. Tahira Umair  
Assistant professor, MS  
Member
Ms. Fakhr un Nisa  
Lecturer, MS  
Member/Secretary

Session Management Committee
Dr. Ahmad Nawaz  
Assistant Professor, MS  
Convener
Dr. Asma Imran  
Assistant Professor, MS  
Member
Ms. Tahira Umair  
Assistant Professor, MS  
Member
Ms. Aqsa Akber  
Assistant Professor, MS  
Member
Ms. Amna Naveed  
Assistant Professor, Humanities  
Member
Message by Chief Guest

I would like to congratulate and appreciate the initiative of COMSATS University Islamabad, Lahore Campus to hold this outstanding event called Global Forum on Islamic Finance (GFIF), which brings together professionals, academicians and those interested in the economy and Islamic banking from around the globe which will contribute to the fortification and enrichment of knowledge and development of expertise to improve financial services and Islamic banking.

Islamic banking has gained burgeoning international attention since a number of decades due to its large growth and resilience to financial crises as well as the nature of Sharia-compliant finance models that focus on the principles of investment in real assets and risk-sharing. As a fast-growing emerging market and a major economy within the countries of the Organisation of Islamic Cooperation, Pakistan has a mature financial industry that, in the recent past, has been focusing on broadening the Sharia-compliant sector in a country with more than 190 million people. Islamic finance is expected to take off in Pakistan in coming years due to new regulations on Sharia-compliant banking, new industry-supporting regulatory bodies, as well as rising demand from foreign investors. Pakistan has been at a cumulated 30 per cent over the past five years, which is above the average global rate. If this trend continues, it can be expected that by 2020 Islamic banking assets in the country will be worth $17.6 billion. This growth is supported by the strategy of the State Bank of Pakistan, which seeks to double the number of Islamic banking branches from about 1,200 and increase the market share of Sharia-compliant banking from around 10 per cent to at least 15 per cent before the end of the decade.

I would like to focus on the expected role of universities, research centres and Sharia committees domestically and internationally. I expect the universities to examine challenges, meet various and changing needs of clients that are consistent with the society developments, unleash creativity and diligence that is based on Sharia provisions. The scarcity of research and studies and the limited number of researchers specialized in Islamic banking legislation are among the impediments to the growth and development of Islamic finance industry.
I particularly encourage students to go for Islamic banking and finance. We look forward to see more contributions from all universities and research centers for the support of Islamic banking industry, development of its products, and support of its national human resources. You will find the government very forthcoming to support and promote Islamic finance education in the country.

Mr. Sardar Usman Ahmad Khan Buzdar  
Chief Minister of the Punjab
Message by Ministry for Science & Technology

Pakistan has been one of the pioneers in Islamic Economics and Finance. There has been growing demand of Islamic banking in Pakistan. Government of Pakistan has made sincere efforts and is still continuing in promoting Islamic Banking and Finance in the country. I am jubilant to visually perceive that conclusively there is a lot of discussion about the development and evolution of Islamic Finance in the financial sector of the country. This sub branch of Finance is a burgeoning field and has been formalized gradually since the late 60s globally.

COMSATS University Islamabad (CUI), as a dynamic academic institution with its wide outreach is playing a crucial role in reinvigorating Islamic Finance. CUI has always come forward in taking up pertinent issues and hosting Conferences. CUI, with its national and international strategic partners, has the potential to uplift Pakistan to the eminence in academic discourse in Islamic finance.

The Global Forum on Islamic Finance (GFIF) has comprehensively covered various developments in the Field of Islamic finance and provided the framework for way forward and future progress as well. GFIF has assembled together the regulators, professionals, practitioners, researchers and academic from around the globe at one platform. The open discussion of the noteworthy and accomplished professionals in Islamic finance and sessions with thought instigating research findings are very consequential contributions of this forum. The support of the national and international stakeholders for making 7th GFIF successful is highly commendable.

I am gratified by the commitment and dedication of the organizing team whose untiring efforts resulted in making this event a very remarkable one. I would appreciate and pass on the felicitations to CUI for arranging this mega event instilled with pandemic spirit. I wish good fortuity to CUI Lahore for organizing GFIF once again in 2019 and hope this forum continues and grow and positive results are reaped.
Message by Advisor to the Prime Minister

I am pleased to learn about 7th Global Forum on Islamic Finance and the efforts of COMSATS University Islamabad, Lahore Campus for holding this event. Pakistan has been among the pioneer Islamic countries that endeavored to introduce and develop interest free banking at national level. Back in 2009 there was soul-searching to find an alternative paradigm under which the positive aspects of the international finance system could be preserved and promoted while its destabilizing and negative dimensions could be averted. Islamic finance was seen as an opportunity and possibility of advancing it as a possible alternative means of financial intermediation and reliable instrument of promoting inclusive growth and reducing the economic inequalities in Asia and the world, particularly sub-Saharan Africa.

Islamic financial service industry has been growing 50 percent faster than conventional financing. The annual average growth rate of the Islamic financial assets globally has been about 20 percent and the total volume of the assets has gone up to Rs2 trillion. Still it forms only one percent of the global financial assets. So we are nowhere near or aim to become an alternative to the international financial system. It is not creating paper over paper like the collateral debt obligations raised to cubes, which is the financial engineering done before 2008 and 2009 where one did not know as to where the real asset behind this financial engineering existed. Similarly, there is no fixed and predetermined rate of return and the investors’ rate of return is based on the performance of the underlying assets so the exotic and artificially-contrived instruments, which have been a bane of the global financial system, cannot be part of the Islamic financial system. If the major objective of the Islamic finance was that access to finance would be available to all segments of the society and it would only be through the inclusive finance that assets can be created which will take to the wealth and income generation, then the distribution of that wealth and income should take place equitably. Only then we will say the economic inequality and poverty will be reduced. Unfortunately, this has not been the case and we could not reach even to the level of expectations with which we started the Islamic finance in the country.
The professionals being posted in the Islamic banks have mostly been drawn from the conventional banking system. The centers of excellence set up by SBP have very important role to produce professionals for the Islamic banking system in the country.

The Government is serious in supporting the growth of Islamic Banking in the country. The issuance of Sukuks by the government is proof of the government’s commitment to Islamic finance.

Once again I appreciate the efforts of CIF- CUI for this noble cause. As a result of the Global forum on Islamic finance, the Center of Islamic finance was established at CUI, Lahore. It is a visionary step and I am looking forward to productive and innovative research contributions from here.

I congratulate all the stakeholders including the Government officials, Islamic Banks, researchers, academicians, practitioners and media for making this event highly successful and memorable.

Dr. Ishrat Hussain
Advisor to the Prime Minister
Message by Executive Director CUI

I am pleased to know about the 7th global Forum on Islamic Finance organized by COMSATS University Islamabad, Lahore Campus. The knowledgeable recommendations made at this forum will go a long way in developing future goals. The Islamic banking and finance has experienced substantial and unprecedented magnification in recent years. Such immense growth has brought Islamic finance to the attention of the international banking and finance community prompting the major banks to establish Islamic financial windows to capitalize on demand for Shari’ah compliant finance.

Distinct from Islamic countries, is the interest of few global financial centers around the world that now provide policy and tax incentives to promote Islamic finance industry to attract funds from high net worth clients. As a result of exhilarating developments, financiers and bankers working in the field or those who wish to enter the Islamic financial market need to be cognizant of and trained in the principles, operations, techniques and mechanisms of Islamic finance and financial products as well as the dynamic if Islamic financial and capital markets. Moving from traditional Islamic product, now the industry is offering consumer financing for residential purposes and structuring financing vehicles for supporting infrastructure and housing finance projects etc. Indeed Islamic Finance promises to be a bright future and lucrative career to young generation and even to existing finance professionals.

I congratulate Center of Islamic Finance at CUI Lahore for organizing such an event every year.

Dr. S.M. Junaid Zaidi, H.I., S.I.
Executive Director COMSATS
Message by Rector CUI

It is needed my pleasure to be a part of this thought provoking forum. COMSATS University Islamabad (CUI) is serving the nation by providing quality education at undergraduate and graduate levels in various disciplines of Engineering, Sciences, Information Technology, Management Sciences and Humanities. CUI delivers highest quality education to 40,000 students with the help of more than 1200 PhDs through eight ISO 9001:2008 certified campuses and ten research centers in Pakistan. The Times Higher Education UK and Nature Index ranked CUI as No.1 in Pakistan. Higher Education Commission of Pakistan (HEC) has recently ranked CUI among top five universities in the Country. In addition to sciences and business studies, CUI has propelled towards Islamic Finance and has established Center of Islamic Finance (CIF) in 2014 for the promotion and development of Islamic Banking and Finance.

Pakistan emergence was not just the emergence of new state; it was created on the basis of Islamic ideology, for the preservation of culture and civilization and the Islamic way of life. The ideology of Pakistan took shape through an evolutionary process and historical experience provided the base. The Muslims of South Asia believe that they are a nation in modern sense of the word. The basis of their nationhood is neither territorial, racial, linguistic nor ethnic rather do they believe they are a nation because they belong to the same faith, Islam.

As we can witness Islamic finance services have been transformed from being a peripheral activity to a sizeable industry which is attracting global interest. Although currently the size of Islamic finance is small relative to global financial system, it has promising growth prospects. The large global financial players have been instrumental in fostering linkages and product innovation. Worldwide demand for Islamic Financing is also gaining momentum as Islamic Finance conforms itself to conventional finance by adopting proper regulatory and supervisory frameworks. It is the need of the hour to consolidate and merge Islamic financing to have the scale, efficiency and cost effectiveness to compare globally. Capital and foreign exchange markets will not only be beneficial for borrowers and institutional investors, they can also further enhance the stability of Islamic financing institutions, providing them with improved portfolio, liquidity and risk management tools.
Therefore CUI’s commitment for promotion of Islamic Banking and Finance is a step forward in right direction. State Bank of Pakistan along with the Government of Pakistan has made notable efforts in promoting Islamic Banking and Finance. However, academia and media needs to come forward and join hands with government, and contribute their role in this noble cause, as these two pillars play a pivotal role in the progress of any nation.

CUIF undertakes the visionary initiative of arranging the Global Forum on Islamic Finance (GFIF) every year since 2013, bringing together Islamic finance experts from various industries to share their findings and collaborate and development in the field.

Prof. Dr. Raheel Qamar (T.I)

Rector CUI
Message by Director CUI, Lahore Campus

As Director of the Lahore Campus I feel highly exalted to host you all at this glorious forum. COMSATS University Islamabad, Lahore Campus is serving the nation by providing quality education at under graduate and graduate levels in various disciplines. In addition to pure Management Sciences, CUI has propelled towards Islamic Finance. Islamic Finance has to be recognized as parallel systems which will argument and be augmented by the deeper knowledge and experience of the conventional financial system. As such the key challenge in going forward to its growth and sustainability would lie in how it interfaces benefits from complementing and supplementing the conventional system. Exploiting properly the unique features of Islamic finance with appropriate adaptability, without compromising Shariah principles, will be critical to the growth and promising future of Islamic Finance industry.

CUI has envisioned taking strategic move by promoting and searching the long sung Islamic finance. It has acknowledged far and wide, from East to West that Islamic Finance has the potential to the problems of inflation and financial problems the world is facing today. Global forum on Islamic Finance (GFIF) is an annual event of CUI Lahore. GFIF 2013 resulted in the establishment of Center of Islamic Finance CIF at our Lahore campus that is a hub for training manpower and research and development in Islamic Finance for national and international markets.

GFIF has brought Islamic Banking and Finance experts on one platform to discuss the recent development in the field of Islamic Finance. The valuable findings shared by the experts from around the globe are highly acknowledged by the diversified audience.

I am grateful to the State Bank of Pakistan, Ministry of Science and Technology, Higher Education Commission of Pakistan, Al Baraka, Meezan Bank, Bank Islami and other reputed stake holders of Islamic Finance for supporting in organizing such a monumental event.

I congratulate the GFIF organizing team for their devoted efforts for successfully organizing this global event once again.

Prof. Dr. Qaisar Abbas
Director, COMSATS University Islamabad
Lahore Campus
### GFIF Programme

**Day One – March 13, 2019**  
**Opening Ceremony (Crystal Hall)**

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<td>Recitation of the Holy Quran</td>
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<td>09:35 – 09:40</td>
<td>Welcome Address by Director CUI, Lahore Campus</td>
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<td>09:40 – 10:00</td>
<td>Keynote Address by Mr. Syed Amir Ali, President &amp; CEO, BankIslami Pakistan Limited</td>
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<td>10:00 – 10:10</td>
<td>Address by the Guest of Honor</td>
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<td>Mr. Tariq Bajwa</td>
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<td>Governor State Bank of Pakistan</td>
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<td>10:10 – 10:25</td>
<td>Address by the Chief Guest,</td>
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<td>Dr. Ishrat Husain, Advisor to the Prime Minister</td>
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<td>Institutional Reforms and Austerity</td>
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<td>Government of Pakistan, Islamabad</td>
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<td>10:25 – 10:30</td>
<td>Vote of Thanks by Rector, CUI</td>
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10:50 - 11:30  Panel Discussion
Title: Islamic Finance for SMEs: Opportunities and Challenges
Venue: Crystal Hall
Chaired by: Mr. Syed Amir Ali, President & CEO, BankIslami Pakistan Limited
Panelists:
- Dr. Ahmed Jamal, Cardiff University, UK
- Dr. Razaq Raj, Leeds Beckett University, UK
- Mr. Muhammad Ayub, Director Research & Training, Riphah International University, Islamabad
- Mr. Qazi Abdul Samad, Shariah Advisor Bank of Khyber Pakistan
- Mufti Zubair Usmani, Chairman Sharia Board, Habib Bank Limited – Islamic Banking Group, Karachi

11:30 - 12:30  Policy Roundtable Meeting
Theme: Islamic Finance: Technology and Development
Venue: Emerald Hall A
Chair SBP: Mr. Ghulam Muhammad Abbasi, Director, IBD – SBP
Chair Industry: Mr. Irfan Siddiqui, CEO Meezan Bank

11:30 – 13:00  Session I – A (Crystal Hall)
Theme: Role of Sukuk in the Development of Islamic Finance
Session Chair: Mr. Ahmed Ali Saddiqui

11:30 – 11:50  Mr. Shabeer Khan
International Centre for Education in Islamic Finance, Malaysia
“Does Sukuk Contribute to Financial Inclusion?”

11:50 – 12:10  Dr. Rafi Amir-ud-Din
COMSATS University Islamabad, Lahore Campus
“Corporate social sustainability of sukuk issuers: differential analysis of financial and nonfinancial firms”

12:10 – 12:30  Mufti Muhammad Najeeb Khan
Summit Bank, Karachi
“Potential vis-a-vis regulatory difficulties for national infrastructure and corporate Sukuk in Pakistan focusing dynamics of dual duty mechanism”
12:30 – 12:50  Mufti Zubair Usmani  
Habib Bank Ltd – Islamic Banking Group, Karachi  
“Moving Forward from Islamic Banking to Islamic Trading House (Opportunities & Threats)”

12:50 – 13:00  Questions /Answers

11:30 – 13:00  Session I –B (Emerald Hall B)  
Theme: Islamic Finance Education and IBF  
Session Chair: Dr. Karim Ullah

11:30 – 11:50  Dr. Minhas Akbar  
COMSATS University Islamabad, Sahiwal Campus  
“Islamic finance education: The way forward towards Islamization of banking and financial system in Pakistan”

11:50 – 12:10  Dr. Irum Saba  
Institute of Business Administration, Karachi  
“Islamic Financial Literacy: Case Study of Pakistan”

12:10 – 12:30  Dr. Dai JianBing  
Vice-President, Hebei Normal University, China  
“A brief Summary on Islamic Finance Studies in China”

12:30 – 12:50  Dr. Rai Zahoor Ahmed  
COMSATS University Islamabad, Vehari Campus  
“A Study of Analyzing the Differences between the Islamic and the Conventional Banking systems in Pakistan”

12:50 – 13:00  Questions /Answers

13:00 –14:00  Prayer Break followed by Lunch and Networking

14:00 – 15:50  Session II – A (Emerald Hall B)  
Theme: IBF, HR, Trust & Halal Industry  
Session Chair: Mufti Zubair Usmani

14:00 – 14:20  Mr. Qazi Abdul Samad  
Bank of Khyber, Peshawar  
“Closing the Gaps of Human Resource in Islamic Banks”

14:20 – 14:40  Dr. Farhat Aziz  
Lahore College for Women University, Lahore  
“Problems & Challenges Faced by Working Women: Remediation by Application Shariah Instruction”

14:40 – 15:00  Dr. Khurram Jahangir Sharif  
Qatar University (QU), Qatar  
“The development and enactment of trust within Hawala Networks in the GCC region”
15:00 – 15:20
Mufti Uzair Usmani
Shariah Advisor, TUV, Pakistan
“Shirah Perspective about the usage of Insects in Medicine”

15:20 – 15:40
Mufti Ammar Ashraf
Bank of Punjab, Lahore
“Halal Slaughtering Practice & Issues”

15:40 – 15:50
Questions/Answers

14:00 – 15:50
Workshop on Shari’ah Compliant Product Development

Facilitator: Mr. Amer Khalil ur Rehman, President & CEO
Islamic Bank of Afghanistan

Venue: Emerald Hall A

14:00 – 15:50
Panel Discussion

Title: Halal Industry: Towards Better Understanding
Venue: Crystal Hall
Guest of Honor: Mr. Mujeeb ul Rehman Shami
Chaired by: Capt. (R) Muhammad Usman Younis
DG Punjab Food Authority, Lahore

Participants:
- Mr. H. K. Lateef, CEO, Faham-ul-Halal, Lahore
- Dr. Javaid Aziz Awan, CEO, IFANCA, Faisalabad
- Dr. M. Umair Arshad, Government College University, Faisalabad
- Mufti Fazail ur Rahim, Shariah Advisor, IFANCA, Faisalabad

15:50 – 16:05
Prayer Break Followed by Refreshments & Networking

16:05 – 17:35
Session III – A (Crystal Hall)

Theme: Risk Management in Islamic Finance

Session Chair: Prof. Dr. Mian Muhammad Akram

16:05– 16:25
Prof. Dr. Mohamad Akram Laldin
International Shari’ah Research Academy (ISRA), Malaysia
“Shariah Compliance Risk Management”

16:25 – 16:45
Mr. Noman Arshad
University of Management Technology, Lahore
“The Impact of Risk on the Preferences of Islamic Banks”
16:45 – 17:05  Dr. Razaq Raj  
Leeds Beckett University, UK  
“The Impact of Financial Crisis Transformed the Financial Stability of Islamic Banks (IBs) Vs Conventional Banks (CBs)”

17:05 – 17:25  Dr. Shafiullah Jan  
Institute of Management Sciences, Peshawar  
“Quranic Approach to Development: Makki and Madani Models”

17:25 – 17:35  Questions/Answers

16:05 – 17:35  Session III – B (Emerald Hall B)  
Theme: Marketing in Islamic Banking and Finance  
Session Chair: Dr. Irum Saba

16:05– 16:25  Dr. Ahmad Jamal  
Cardiff University, UK  
“Marketing of Islamic Banking: Key Issues and Opportunities”

16:25 – 16:45  Mr. Shahbaz Ahmed  
University of Veterinary and Animal Sciences, Lahore, Pakistan  
“Customer Satisfaction and Loyalty Behavior: Assessing the PAKSERV Model in Pakistani Islamic Banking”

16:45 – 17:05  Dr. Tahir Rashid  
University of Salford, UK  
“Islamic Values and its influence on the Consumption of Islamic Financial Products”

17:05 – 17:25  Dr. Karim Ullah  
The Institute of Management Sciences, Peshawar  
“Servitising Islamic Jurisprudence and Economics Propositions”

17:25 – 17:35  Questions /Answers
16:05 – 17:00 7th Meeting of CIF Advisory Board

Chaired by: Prof. Dr. Khalid Riaz, Dean, Faculty of Business Administration, CUI

Venue: Emerald Hall A

Participants:

➢ Prof. Dr. Qaiser Abbas, Director, CUI, Lahore Campus
➢ Mufti Muhammad Najeeb, RSBM, Summit Bank, Karachi
➢ Dr. Abdus Sattar Abbasi, Head CIF – CUI, Lahore Campus
➢ Dr. Imran Haider Naqvi, Senior Manager (HR), CUI, Lahore
➢ Ms. Zainab Naveed, Convener, GFIF, CUI, Lahore Campus
## Day Two – March 14, 2019

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<tr>
<td>09:00 – 15:30</td>
<td>Training on Case Studies Development in Islamic Finance</td>
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<td><strong>Venue:</strong> Emerald Hall B</td>
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<td><strong>Trainers:</strong> Dr. Karim Ullah, IM Sciences, Peshawar</td>
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<td>Dr. Shafi Ullah Jan, IM Sciences, Peshawar</td>
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| 09:00 – 10:30  | Session I – A (Emerald Hall A)                                          |
|                | **Theme:** Performance and Efficiency of IFIs                          |
|                | **Session Chair:** Prof. Dr. Saeed Akbar                                |

<table>
<thead>
<tr>
<th>Time</th>
<th>Speakers</th>
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<tr>
<td>09:00 – 09:20</td>
<td>Ms. Naairah Hanif</td>
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<td>Bahauddin Zakariya University, Multan</td>
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<td>“Do CAMEL Indictors Contribute Towards Efficiency and Profitability of Islamic Banks?”</td>
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<td>09:20 – 09:40</td>
<td>Ms. Ishrat Fatima</td>
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<td>International Islamic University Islamabad</td>
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<td>“Determinants of Capital Structure in Islamic Banks: A Case Study of Pakistan.”</td>
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<td>09:40 – 10:00</td>
<td>Mr. Kashif Islam</td>
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<td>Govt. College of Commerce, Sahiwal</td>
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<td></td>
<td>“Competitive Analysis of Islamic and Conventional Banks of Pakistan by using CAMELS Parameters”</td>
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<td>10:00 – 10:20</td>
<td>Ms. Maria Qamar</td>
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<td>International Islamic University Islamabad</td>
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<td>“Determinant of Profitability in Islamic Insurance Companies of Pakistan”</td>
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<tr>
<td>10:20 – 10:30</td>
<td>Questions/Answers</td>
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| 09:00 – 10:30  | Session I – B (Crystal Hall)                                            |
|                | **Theme:** Islamic Finance and Technological Developments              |
|                | **Session Chair:** Dr. Ahmad Jamal                                     |

<table>
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<tr>
<th>Time</th>
<th>Speakers</th>
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<tr>
<td>09:00 – 09:20</td>
<td>Mufti Irshad Ahmed Aijaz</td>
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<td>State Bank of Pakistan, Karachi</td>
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<td></td>
<td>“Technology and Islamic Finance - Future Prospects”</td>
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09:20– 09:40  Mr. Hassnian Ali  
Minhaj University, Lahore  
“Global Landscape of Islamic Fintech: Opportunities, Challenges and Future ahead”

09:40 – 10:00  Dr. Muhammad Ashfaq  
Amanah IIFE, Germany  
“Can Financial Technology Play an Important Role in the Development of Islamic Finance?”

10:00 – 10:20  Dr. Khuda Baksh  
COMSATS University Islamabad, Vehari Campus  
“Interest-Free Agriculture E-Credit Program and Crop Productivity in Southern Punjab”

10:20 – 10:30  Questions/Answers

10:00-13:00  **Workshop on 5Is Approach for Experiential Learning**  
*(Introduce, Involve, Interact, Instruct and Intensify)*

**Facilitator:**  Dr. Khurram Jahangir Sharif  
Qatar University (QU), Qatar

**Venue:**  Board Room

10:30 – 10:50  **Refreshments & Networking**

10:50 – 12:00  **Session II – A (Crystal Hall)**

**Theme: Religiosity and Islamic Finance**

**Session Chair:** Mr. Muhammad Ayub

10:50 – 11:10  Dr. Musferah Mehfooz  
COMSATS University Islamabad, Lahore Campus  
“Concept of Riba in Semitic Religion and Historical Attitudes toward Riba from Biblical Times to Present: An Analytical Assessment”

11:10 – 11:30  Muhammad Zubair Mughal  
Chief Executive Officer - AlHuda Centre of Islamic Banking & Economics  
“Innovative Dimensions of Micro-Takaful”

11:30 – 11:50  Dr. Imam Uddin  
Institute of Business Management (IoBM), Karachi  
“The Contemporary Islamic Banking & Finance - Finance as Worship or a Commercial Funding”

11:50 – 12:00  Questions/Answers
10:50 – 12:00  
**Session II – B (Emerald Hall A)**

**Theme: Islamic Finance and Regulatory Dimensions**

**Session Chair: Mufti Irshad Ahmad Ijaz**

10:50 – 11:10  
Prof. Dr. Saeed Akbar  
University of Hull, UK  
Issues and Challenges in Implementing AAOIFI and IFSB Standards across Islamic Financial Institutions

11:10 – 11:30  
Mufti Ehsan Waquar Ahmad  
National Bank of Pakistan-Aitemaad, Karachi  
“Is There a Need for Tawwarruq in Pakistan?”

11:30 – 11:50  
Mr. Pir Qasim Shah  
PhD Scholar at CEIF, IM Sciences, Peshawar, Pakistan  
“A Critical Appraisal of Theory of Islamic Financial Regulation”

11:50 – 12:00  
Questions/Answers

12:00 – 13:10  
**Session III – A (Crystal Hall)**

**Theme: Performance and Efficiency of IFIs**

**Session Chair: Dr. Razak Raj**

12:00 – 12:20  
Mr. Faizan Baig  
COMSATS University Islamabad, Abbottabad Campus  
“Impact of Shari’ah Governance on Islamic Banks Performance: Evidence from Pakistan”

12:20 – 12:40  
Dr. Qamar Uz Zaman  
COMSATS University Islamabad, Sahiwal Campus  
“Does Growth of Islamic Banking Contribute to the Stock Market Performance: A Case of Pakistan”

12:40 – 13:00  
Ms. Farah Riaz  
COMSATS University Islamabad, Wah Campus  
Are Global Islamic Stock Markets Efficient? Evidence from Dow Jones Islamic World, Emerging and Developed Stock Markets

13:00 – 13:10  
Questions /Answers

12:00 – 13:10  
**Session III – B (Emerald Hall A)**

**Theme: Inclusive Paradigm of Islamic Finance**

**Session Chair: Mufti Najeeb Khan**

12:00 – 12:20  
Mr. Shoaib Ibrahim
First Habib Mudarbah, Karachi
“Modaraba Regulatory Developments and Way forward”

12:20 – 12:40
Dr. Abdulazeem Abozaid
Qatar Foundation, Qatar
“Does Shariah Recognize Crypto Currencies? A Fiqh and Maqasid Approach”

12:40 – 13:00
Mufti Muhammad Akhlaq
University of Management and Technology, Lahore

13:00 – 13:10
Questions /Answers

13:10 – 14:00
Prayer Break Followed by Lunch & Networking

14:00 – 15:50
Workshop on “Organizational Requirements for Halal Assurance”

Facilitator: Mufti Hassan Usmani
Director, GHA/ Incharge, Halal Advisory, COMSATS University Islamabad (CUI), Lahore Campus

Venue: Crystal Hall

14:00 – 15:50
Session IV – A (Emerald Hall A)
Theme: Islamic Finance and Social Well-being
Session Chair: Dr. Tahir Rashid

14:00 – 14:20
Dr. Sabeen Khurram Khan
COMSATS University, Islamabad
“Role of Islamic Microfinance Institutions on the Income of Involuntary Financially Excluded People in Pakistan”

14:20 – 14:40
Dr. Muhammad Haneef Akhtar
Bahauddin Zakariya University, Multan
“Does Islamic Banking Augment Banking Sector Development in Pakistan?”

14:40 – 15:00
Mr. Abdul Ammar Mun’am
International Center of Research in Islamic Economics, Pakistan
“Rethinking the business ethical framework of the Islamic Financial Institutions in Pakistan; the way forward for social, economic and environmental development”

15:00 – 15:20
Mr. Muhammad Ayub
Riphah International University, Islamabad
“Islamic Finance leading to Shared Prosperity”

15:20 – 15:40
Dr. Muhammad Sadiq Shahid
Bahauddin Zakariya University, Multan
“Impact of Micro Finance on Women Empowerment”

15:40 – 15:50
Questions /Answers

15:50 - 16:10
Prayer Break Followed by Refreshments & Networking

16:10 – 16:55
Panel Discussion

Theme: Fintech, Risk Management and Regulations
Venue: Crystal Hall
Chaired by: Mufti Irshad Ahmed Ejaz, Chairman Shari'ah Advisory Committee at State Bank of Pakistan, Karachi Pakistan

Panelists:
- Prof. Dr. Dai Jian Bing, Vice-president, Hebei Normal University, China
- Prof. Dr. Saeed Akbar, University of Hull, UK
- Mr. Shoaib Ibrahim, CEO, Habib Mudarbah Pakistan.
- Dr. Muhammad Ashfaq, CEO, Amanah Institute of Islamic Finance and Economics, Germany
- Mufti Ehsan Waqar, Chairman Shariah Board at NBP-Aitemaad, Karachi

16:55 – 17:10
Closing Ceremony (Crystal Hall)
Does Sukuk Contribute to Financial Inclusion?

Shabeer Khan  
1Research Assistant and PhD scholar at International Centre for Education in Islamic Finance, Malaysia

Mudeer Ahmed Khattak  
2Excellent Graduate Assistant and PhD candidate at Universiti Kuala Lumpur Business School, Universiti Kuala Lumpur, Malaysia

Abstract
The current development of Islamic capital market raises questions on its economic implications. An important dimension of the effects of the development of Islamic capital market on financial sector development relates to that of financial inclusion. Despite its policy significance, the empirical literature offers little evidence on the impact of Islamic capital market generally or Sukuk specifically on financial inclusion. This paper examines the relationship between Sukuk and financial inclusion for a panel of (developed Islamic capital market) economies during the 1995-2015 period. The empirical findings suggest that Sukuk market development has a positive impact in furthering financial inclusion. Hence, we support the view that development of Islamic capital market alleviates obstacles to financing. The study contributes to the existing literature by suggesting that Sukuk could be one of the tool to tickle the issue of financial exclusion.

Keyword: Sukuk, Financial Inclusion, Islamic Capital Market

Corporate Social Sustainability of Sukuk Issuers: Differential Analysis of Financial and Nonfinancial Firms

Awaisur Rehman  
1Universiti Malaysia Sarawak

Dr. Rafi Amir Uddin  
2COMSATS University of Islamabad (CUI), Lahore Campus

Abstract
Resource dependency theory essentiates the stakeholder management so as the corporate social sustainability (CS). According to the theory of resource-based view, the dynamics of a firm resources are crucial for its CS strategy, hence the firms with long-term resources can perform better in CS owing to the long-term nature of CS projects. Moreover, the theory of resource-based view further proposes that due to innate differences in the resources of financial and nonfinancial firms their CS performance must be distinguished. On the parallel Islam encourages the CS performance, hence, the sukuk being the long-term tools of Islamic funds may have an imprint of CS. This study brought this proposition first time into light of empirical findings. Being the global sukuk hub, the Malaysian sukuk issuers were focused
with long-term data of twelve years from 2005 through 2016. Annual reports were scrutinized by the lenses of content analysis. It was found that the sukuk issuers exert their efforts in reporting their CS performance while the quantum of this effort is minimal. The three forth of GRI variables of CS were out of the ambit of their focus. Overall the nonfinancial issuers are moderately better in CS performance. The sukuk issuers were better to the CS aspect that suits to their business model. The financial issuers being the economic mediators were better in economic aspect of CS. While the nonfinancial issuers being more concerned with labor issues, were at higher ebb of performance in social CS.

Moving Forward from Islamic Banking to Islamic Trading House (Opportunities & Threats)

Mufti Zubair Usmani
Chairman Sharia Board, Habib Bank Limited – Islamic Banking Group, Karachi

Abstract
Every Discipline of our today’s life is changing exponentially due to the rapid advancement in in every field of life. To cope up with this continuous changing environment and to be discipline of first choice, Islamic Banking and Finance has to move towards the true principles with continuous financial engineering, since it’s now being 40 years Islamic Banking is in practice.

It’s the time, Islamic banking shows the courage by not only acting as a pure financial intermediary but to act like a non-pure financial intermediary i.e. the concept of Trading House by assuming the role of traders and focusing on trading of goods rather than mere providing financing like the conventional banking. We can say that Islamic banking and finance should involve in trading of real assets so as to earn positive returns. On the contrary, conventional banking which relies on financial assets to earn profit by way of imposing interest.

In short, Islamic banking should reflect real assets in its balance sheet and not financial assets as in the conventional banking. Since, Islamic banking works on the basis of Shariah principles related to financial transactions. It embraces a wide scope of human economic activities ranging from investments, development and trading. Islamic banking is a financial institution that does not indulge in any usurious activities, undertaking business transactions as partners rather than lenders and sharing profits or loss arising from the activities.

Islamic Finance Education: The Way Forward Towards Islamization of Banking and Financial System in Pakistan

1Dr. Minhas Akbar
1COMSATS University Islamabad (CUI), Sahiwal Campus

2Dr. Ahsan Akbar
2Guangzhou College of South China University of Technology, Guangzhou, China

Abstract
This study aims to explore the current situation of Islamic finance education in Pakistan to bring the attention of concerned authorities towards one of the biggest problem that can
seriously hinder the growth of Islamic banking industry in Pakistan. The descriptive research design has been employed and Profiles of Shari’ah board members of all the 21 Islamic banks were examined in terms of their numbers, qualifications, experiences, affiliations and institute of higher education. Subsequently, the study elaborates Islamic finance related degree, specialization and course offerings of top fifteen business schools in Pakistan. Findings reveal that though profiles of all the Shari’ah board members are fully complied with the criteria established by State bank of Pakistan. However, around 53% of the members are serving on the boards of multiple banks that can seriously raise the issue of confidentiality. Moreover, there is a serious lack of well-versed Shari’ah scholars to serve in the academic institutions. While, the inclination of majority of the religious schools (Madrasas) and the motivation of contemporary higher education providers (Universities) to produce Islamic finance experts is not very much satisfied.

Key words: Islamic finance education, Shari’ah board members, Madrasa, University

Islamic Financial Literacy: Case Study of Pakistan

Dr. Irum Saba
Institute of Business Administration (IBA)-Karachi

Abstract
Islamic Republic of Pakistan came into existence on the name of Islam. Islam is complete code of life and provide guidance for not only social and political aspects but also for economic activities. As per the constitution of the country, state should eliminate riba at earliest but the conventional banking is more than 95% of the total banking system as compared to Islamic banking. Takaful penetration is far less than the Islamic banking. This paper is based on the qualitative analysis and provide framework for Islamic financial literacy. One way to improve and to increase the share of Islamic financial system in Pakistan is to create financial literacy especially Islamic financial literacy. Regulatory authorities, academia, higher education commission, ministries, Islamic financial institutions and government have to play their due role for the development of Islamic financial literacy. The research found that unless the financial literacy system is implement in the country the Islamic finance will not grow with speed. The use of FinTech can be instrumental in increasing the financial literacy. The study provides a complete framework for the Islamic financial literacy for Pakistan that will help to achieve Maqasid al Shariah and sustainable development goals.

Key words: financial literacy, Shariah, sustainable development goals, Pakistan, banking

A Brief Summary on Islamic Finance Studies in China

Prof. Dr. Dai JianBing
Hebei Normal University, China

Abstract
Islamic finance is a unique part of world finance system. It is deeply influenced by Islamic teachings and differs a lot in the aspects of regulations and practices from other forms of financial markets. Modern Islamic finance is based on two principles: one is the overall
criticism on all kinds of interest, the other is keeping the concept ‘sharing profit and loss ’in high esteem. Islamic finance system took on a good risk-resistant capability during the global financial crisis in 2008. Hence, it attracted the attentions of many scholars. This paper is a brief summary and comment on the study of Islamic finance system in China. It covers the study on the background, period, ideas of the Islamic finance system and its main characteristics.

A Study of Analyzing the Differences between the Islamic and the Conventional Banking Systems in Pakistan

1Syed Abrar Hussain Shah
2Dr. Rai Zahoor Ahmed
COMSATS University Islamabad, Vehari campus

Abstract
The present study explored the differences between the existing Islamic banking and the conventional banking institutions functioning in Pakistan. A stable as well as the reliable banking system has a vital importance in the smooth performance of every government. The fundamental difference between the Islamic and the conventional banking systems in Pakistan lies in their basic governance patterns. The conventional banks are an old enterprise in the Pakistani economy as compared to the Islamic banking which is entirely a new venture and facing certain difficulties in terms of implementation and comprehension of the Islamic Shariah to achieve the trust of the customers. The primary data were collected through a questionnaire responded by the research participants. The secondary data were collected through the selected banks’ websites i.e. published online in their vision as well as mission statements. Textual analysis of the vision and mission statements demonstrated that there are wide differences in their functions and objectives. The data from the questionnaires were analysed through independent samples t-test which illustrated statistically significant differences between the existing Islamic banks and the conventional banks operating in Pakistan. The study recommended practicable measures to be taken by the Islamic banks in Pakistan to safeguard the confidence of the customers regarding Shariah compliant and to compete the conventional banks in the market.

Keywords: Islamic Banks, Conventional Banks, Shariah Compliant, Mission Statement, Vision Statement

Closing the Gaps of Human Resource in Islamic Banks

Mr. Qazi Abdul Samad
Shariah Advisor Bank of Khyber Pakistan

Abstract
The numbers of Islamic banks are increasing, with the aim of offering interest free banking products. However, since the development of Islamic banks, negative concerns prevail because of the operational concerns: lack of qualified staff, lack of human resource policies, lack of planning and training to speed up Shariah bank business growth. In this scenario, it is imperative for Islamic banks to remove all negative concerns and find solutions for those specific key obstacles which are affecting Islamic bank credibility.
Problems & Challenges Faced by Working Women: Remediation by Application of Shareh Instruction

Dr. Farhat Aziz

Lahore College for Women University, Lahore

Abstract

Women have been as vital in the history making as men have been. These days, there are many families’ issues spreading in the society that start to divorce and disturbed family. Therefore, the research tries to struggle how to illuminate these issues from the mind sets of objectives of Islamic law and general proves of Islamic Jurisprudence. This research perception is to highlight the generalizations and considerations that arouse to the continuation of these issues. The present era family issues are many, and so as not to expand these issues, the research will focus on three serious issues, specially working Women limits, requirements, domestic violence, problems and solutions. The investigation uses basis and secondary approaches for selection of material. The mind sets of Muslim scholars are gathered and then they are concern into agreement and disagreement based on a specific issue. The Muslim scholar’s views are manifestation along with facts and figures in the matter. The investigation of context and problems is made in the guidance of the motives of the law. The results are a wife is endorsed to work as stated in Islam and it is not opposed to purposes of law, but manipulated to standardizations' and reservations, and the working women should correspondence their daily life between working outside and giving attention to family elements. Many issues appear in the Muslim family nowadays resulting from impatient with the rights, commitments and responsibilities between the husband and wife. Each couple should do agreement to the nurturing of Islam and hold firmly its purposes of Islamic law as well as appliance them in family life. Thus, it is bright side that the family life will always be in submission to Allah.

Keywords: family issues; shareh instruction; working women; distressed family

The Development and Enactment of Trust within Hawala Networks in the GCC Region

1Dr. Khurram Jahangir Sharif

1Qatar University, Qatar

2Prof. Nauman Farooqi

2Mount Allison University, Sackville Canada

Abstract

The word ‘Hawala’ has its root in Arabic language and is defined as a bill of exchange or a traveler’s cheque (Jost and Sandhu, 2000). In Hindi (language spoken in India) and in Urdu (official language of Pakistan), Hawala means reference and trust. A Hawala dealer is a Hawaladar (the one who is trusted) (Jost and Sandhu, 2000). Hawala is a type of Informal Value Transfer System (IVTS), the formal term which is used in describing Hawala Networks (HNets). IVTS are defined as “any system used for transferring money from one location to another and generally operating outside the banking channels” (FATF, 2005). HNets were established and used as a means of transferring money long before the advent of contemporary and formal methods utilizing multinational banks (Holt et al., 1970; Lewis,
This system was developed in Asia and Middle East to provide financial support for businessmen to function without having to physically carry large amounts of cash and valuables (such as gold and silver). According to an approximation, annually US$100 billion to US$300 billion are moved through HNets (Buencamino and Gorbunov, 2002). HNets exist due to a number of reasons, which include; anonymity, cultural friendliness (Chene, 2008), low transaction costs (Maimbo, 2003), less transit time (Schramm and Taube, 2002), enhanced level of trust versus banks and other conventional channels (Schramm and Taube, 2002) and increased efficiency (Ballard, 2003). Most of the research conducted to date (e.g., Ballard, 2003, El-Qorchi et al., 2003, Maimbo, 2003, Passas, 1999, Passas, 2006, Schramm and Taube, 2002, Wilson, 2002) on HNets governance and management describes the governance mechanisms and management systems but stops short of looking into what drives the governance network and what enables effective and efficient flow of transactions and management of business relationships. The other field of study has been the linkage of Hawala to terrorist financing and money laundering (Winer and Roule, 2002; Müller, 2004; Basile, 2004; Bowers, 2009; Akchurinnaa and Lavorgna, 2014). Again this research has focused more on the transactions and the mechanics used to transfer money for these purposes rather than what drives the governance network to transact business in an efficient manner.

Many of today’s IVTS originated among ethnic Asian peoples who based codes of conduct for value and money transfer on mutual trust within groups and individuals (Schramm and Taube, 2002). Much has been written about the HNets and their ability to transfer billions of dollars across the globe leaving no audit trail (Buencamino and Gorbunov, 2002). HNets exist due to a number of reasons, which include; anonymity, cultural friendliness (Chene, 2008), low transaction costs (Maimbo, 2003), less transit time (Schramm and Taube, 2002), enhanced level of trust versus banks and other conventional channels (Schramm and Taube, 2002) and increased efficiency (Ballard, 2003). Hawala economy is constituted by networks of spatially dispersed heterogeneous actors with no specific center. While one might think that as an enterprise that exists in the “grey” area of legality and maybe illegal in some circumstances, that the default rate and default risk would be high, fraud would be rife and exploitation common. Contrary to this negative expectation, there is a surprising consensus among scholars that the HNets have a history of being reliable, speedy and convenient (Ballard, 2005; Schramm and Taube, 2003). That is, they produce tangible economic outcomes without the traditional visible elements of formal management control (no reporting processes, absence of formal auditing and documentation, no formalized clearing system and lack of transparency) normally associated with the formal sector.

**Shirah Perspective about the usage of Insects in Medicine**

1. Mufti Hassan Usmani  
   1. COMSATS University Islamabad (CUI), Lahore Campus

2. Mufti Uzair Usmani  
   2. Shariah Advisor, TUV, Pakistan

**Abstract**

Islam orders all Muslims to consume only Halal and pure things, similarly Islam abstain Muslims from Haram. Unfortunately, many people are not aware about Halal & Haram ingredients which are used in medicine. Insects are considered Haram because they are known as حشرات. On the other Hand, Modern research shows a number of benefits of these insects. Especially they can be used in life saving drugs. So, it is the need of time to understand sharia perspectives regarding insects which will highlight two major areas

1. Meaning of حشرات under Islamic law. If حشرات are unlawful than what is reason the behind their prohibition and dose that reason exists in modern world.
2. Sharia rulings for consuming insect if they are used for medical purposes. Because modern researchers are claiming that venoms can be used for medical purposes especially for harmful diseases like censor etc. Thus, this study will help to understand sharia perspectives about consuming insects and their use for medical purposes. The research will also explain the rulings about the insects sourced medicine in life saving drugs.

Keywords: sharia Rulings About insects, medicine, venoms

**Halal Slaughtering Practice & Issues**

1. Mufti Hassan Usmani  
1. COMSATS University Islamabad (CUI), Lahore Campus

2. Mufti Ammar Ashraf  
2. Bank of Punjab, Pakistan

**Abstract**

Around the world different slaughtering procedures are adopted according to religions, cultural & commercial requirements. Trade in red meat & poultry around the world is substantial. Muslims can only consume halal meat due to their religious practice. There are different organisations around the world whom provides halal certifications to different slaughter houses. It is found that in many cases, sharia requirements are not properly fulfilled, which causes serious sharia issues. In many cases such meat becomes haram. For that reason, there is a need to understand Halal Slaughtering issues/practice and sharia aspects. This article will focus requirements of Halal Slaughtering, sharia rulings for halal slaughter, its practice in modern world.

**Shariah Compliance Risk Management**

1. Prof. Dr. Mohamad Akramlaldin  
Executive Director, International Shari’ah Research Academy for Islamic Finance (ISRA)

2. Dr. Fares Djafri  
Researcher, International Shari’ah Research Academy for Islamic Finance (ISRA)

**Abstract**

Shariah compliance is the core element of the operation of Islamic financial institutions as it gives legitimacy to their products and practices from the Shariah point of view. Ultimately, any failure or even minor deficiency in the Shariah-compliance aspects will affect the confidence of the public and stakeholders in Islamic finance as a whole and distress the market. Compliance with the Shariah principles is attained by having an effective and comprehensive Shariah governance system, which is a distinguishing feature of Islamic finance. Effective implementation of the Shariah governance framework will further promote...
stakeholder confidence, as well as the integrity of the Islamic financial industry, by reducing Shariah non-compliance risks. That will ultimately contribute to maintaining financial stability. Bank Negara Malaysia (Central Bank of Malaysia) provides a good benchmark in this regard as it places great importance on ensuring that the overall Islamic financial system operates in accordance with Shariah principles. Through qualitative research employing the inductive method and content analysis, this paper discusses Shariah risk management in Islamic financial institutions, the role of Shariah risk management in ensuring Shariah compliance in product development and operation and the remedial measures that need to be taken to reduce Shariah non-compliance risk. The experience of Malaysia in addressing the Shariah non-compliance risk will also be elaborated.

**Keywords:** Shariah Compliance, Shariah Governance, Risk Management, Islamic Finance.

The Impact of Risk on the Preferences of Islamic Banks

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**Abstract**

Profit and loss sharing are one of the key components of Islamic banking. That is why Islamic Banks have to take high risk. Islamic banks eagerly try to cover their risk. Thus, this leads them to the preference of low risk products instead of high-risk products. On the other hand, the ideal goals of wealth distribution can be achieved if Islamic banks prefer high risk participatory modes, such as Musharkha and Mudarbah. But unfortunately, these modes are not in bank’s high preference. This study will focus on the preferences of Islamic Banks in comparison of their risk. This is research will provide solutions for Islamic banks to mitigate risk in financial products. So, the banks can take financial products of high risk to high preference.

Key Words: Islamic Banking, Risk Management.

The Impact of Financial Crisis Transformed the Financial Stability of Islamic Banks (IBs) vs Conventional Banks (CBs)

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**Abstract**

The last financial crisis been viewed as the worst financial crisis since the 1930s Great Depression. The global financial crisis have transformed and changed the viewpoint of financial stability, Islamic banking and non-Islamic banking and their relationship (Shafique, Faheem and Abdullah 2012a). This disaster led many economists to reconsider the soundness
of the capitalistic Economic System. In fact this disaster has seized up money markets and brought about anxiety regarding the fate of the global economy and the current financial system (Shapra, 2008)

Over the last 2 decades, global financial market has seen that Islamic finance is one of the fastest growing area in the world. Leading Muslim countries started to adopt the Islamic finance as a key and important financial transaction tool for trading. Islamic finance has protected of the banking system of Islamic from the impact of the global financial crises Islamic.

According to Siddigi (2006), an Islamic Bank is a financial institution which recognises itself with the strength and character of the Islamic legal code i.e. Shari’a. conventional banking system operates under the rules and regulations which are laid down by human In the previous research works, many theorists have made the comparison between the performance of CBs and IBs globally and they have revealed that Islamic bank’s performance was better than traditional bank’s performance, given large amount of losses which are borne by CBs in the US and Europe because of the global financial crises (Mauro et al. 2013).

This paper critically evaluate the comparative analysis of the impact of the recent financial crisis on Islamic Banks (IBs) and Conventional Banks (CBs). The paper further will explore and discuss the impact of the global financial crisis on the profitability of Islamic Banks and Conventional Banks.

Quranic approach to development: Makki and Madani Models

Dr. Shafiullah Jan
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Abstract

The Qur’an, the Word of Allah, revealed to the Prophet Muhammad (PBUH) through the angel Gabriel from 610 to 632 CE, holds a supreme authority in Islam and is a fundamental and paramount source of creed, rituals and ethics and laws of the Islamic religion, which is intended for all times and all places. Each chapter or Surah in Qur’an is donated to be either makki or madani, which according to the majority of Qur’anic commentators represents place of their revelation. In another opinion those chapters or surahs revealed before the Prophet Muhammad (PBUH) migration to madina are makki and all that revealed after the migration to Madina are madani. However there are certain makki verses in madani surahs and vice versa. The gradual descension of Qur’an upon the heart of Prophet Muhammad (PBUH) began in Makkah when he was forty years old and the first verses revealed were the initial verses of Surah Al–Alaq. During thirteen years in Makkah, total of eighty six (86) surahs in numbers were revealed to him whereas, during the last ten years of his life which he spent in Madina, total of twenty eight (28) surahs were revealed to him.

In this paper, I will be presenting Islamic development approach based on Quranic revelations. The makki model of development is based on makki surahs which are mainly focused on Allah’s Oneness, Greatness and Goodness, judgment day, man’s gratitude toward
Allah and the role and important of selected messengers and prophets of Allah, whereas, Madani model of development based on madani surahs deals with social and family life.

**Marketing of Islamic Banking: Key Issues and Opportunities**

Dr. Ahmad Jamal
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**Abstract**
Islamic banking describes the sector of banking and insurance, which follows the rules of Shariah, the Islamic law and it represents one of the fastest growing segments of the global financial services industry (Khan and Bhatti, 2008; Volk and Pudelko, 2010). The key principles of Islamic banking include: not paying or receiving interest, avoiding uncertainty and investment in certain economic activities (e.g., alcohol, pork and gambling), sharing the risks and rewards of economic activities with all parties and backing financial transactions with a tangible asset (Gerrard and Cunningham 1997; Volk and Pudelko, 2010).

While dedicated Islamic Banks and conventional banks coexist in Islamic and some non-Islamic countries, challenges remain in the way Islamic Banking is marketed especially in convincing customers that the Islamic Banks really offer Shariah compliant products and not dressing up conventional banking practices (Jamal et al., 2013; Karbhari et al., 2004). Some of these challenges relate to actual customer experiences (e.g., comparison of service quality judgements across conventional & Islamic banks) generating high expectations in terms of standards of service quality and use of technology by Islamic banks (e.g., mobile banking). Others deal with a generic lack of awareness and understanding by customers of what appears to be a complex value proposition (e.g., lack of insights into how Islamic finance works). Customers tend to show high levels of skepticism about many aspects of Islamic banking practices. Customers can also get confused due to conflicting messages from Shariah scholars. A further challenge relates to handling misperceptions about the extent to which staff is properly trained to explain Islamic banking options to customers.

This paper uses insights from cutting edge research conducted in the UK that identifies key challenges and opportunities in the marketing of Islamic banks arguing that there is a significant potential in targeting Muslims who can be considered highly religious and in particular for developing stronger insights into market segments that are most likely to value services offered by the Islamic Finance industry. Islamic banks can use Islamic marketing principles (e.g., Alserhan, 2010) with a view to develop positive attitudes and preference for having an authentic Islamic banking system.

**Customer Satisfaction and Loyalty Behaviour: Assessing the PAKSERV model in Pakistani Islamic Banking**

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Abstract
To grasp the world popularity, every organization needs to provide best services to customers. The present study wants to throw shreds of light on adapting the PAKSERV model in Pakistani Islamic banking. This study examines the direct and indirect relationship between service quality and the re-purchase intention using the multivariate technique, Mplus. The measurement model begins with PAKSERV scales consisting of six dimensions: tangibility, reliability, assurance, sincerity, personalization and formality. The study collects data from the banking customers who visit the bank counters. The study targets the customers who must have an at least one full-fledged Islamic and dual-banking account. The findings showed that majority of the customers were satisfied with the Islamic services and products provided by their banks and agreed to re-purchase the services and products. The findings of this study suggest that the measurement model of PAKSERV dimensions should consist of the six dimensions that determine the customer satisfaction in an efficient way. The direct effect of service quality on customer satisfaction and re-purchase intention was significant and positive. Moreover, the indirect effect of service quality on re-purchase intention was also significant and positive that represents the partial mediation. It has proved that the six dimensions of PAKSERV are substantial determinants to measure the service quality of Pakistani Islamic banking industry. The pieces of evidence show that the service quality dimensions used in Pakistani Islamic banking attract the more and more customers by providing suitable services to them. This research plays an important role by identifying the cross-cultural differences among non-Muslim countries. Moreover, the study defines the practical implications, limitations and future research.

Keywords: Customer satisfaction, Islamic banking industry, PAKSERV model, Re-purchase intention.

Islamic Values and its influence on the Consumption of Islamic Financial Products

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Abstract
Based upon increasing consumer trends in Halal food consumption, Islamic Banking and Islamic Insurance, it can be argued that religion has a significant influence upon Muslim consumers purchase behaviour. Established academic theory widely acknowledges the fact that one’s value system has a lasting impact and influence upon behaviour, perceptions and consumption. Religion in many instances provides followers with a specific value system, which acts as a guide and reference point for their conduct, behaviour, extending to day-to-day living. Islamic values thus emerge as a guiding force for its adherents who rely on Qur’anic teachings for not only their personal values, but also their conduct, clothing and dietary laws. Within a society driven by consumption, these values are said to further shape and drive purchasing behaviour. To date, research has mainly focused on the influence of religion on consumer behaviour as a whole, though relationship between religion and Islamic values on consumption of Islamic financial products is scant, especially in non-Muslim countries. The study expands the body of knowledge within the field of consumer behaviour by addressing the importance of religious values during the consumption situation. For practical contributions, the findings highlight implications for marketers to better understand the needs of Muslim consumers and enhance their marketing strategies towards the increasing Islamic Financial sector.
Servitising Islamic Jurisprudence and Economics Propositions

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Abstract
The current Islamic Jurisprudence and Islamic Economic paradigms provide sufficient theoretical and ideological propositions for the development of Islamic financial practices. However, such an academia-centric research seems to be facing a growing criticism on its rare and original offers on converting the great theoretical and ideological propositions, such as Maqasid Al-Shariah and Sustainable Development Goals, into real Market and Social Instances. This paper, basing on a recent Book publication of the author, proposes a service philosophy and a pragmatic framework to approach the implementation of Islamic jurisprudence and economic theories and ideologies through a four-steps evolutionally implementation process, starting with i) Servitisation of Products ii) Institutionalizing the Ideals iii) Value-Co creation and iv) Development of Network of Networks (Ecosystem). The new service philosophy and framework centre around how the promised social and economics benefits, which are idealized and theorised, be served in practice, and can thus advance our pragmatic understanding of the Islamic finance discipline and policy.
Do CAMEL Indictors Contribute towards Efficiency and Profitability of Islamic Banks?

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Abstract
This study intends to evaluate the impact of Capital Adequacy, Asset quality, Management, Earnings and Liquidity (CAMEL) along with some control variables which are bank-specific as well as country-specific on the performance and profitability of Islamic banks across 7 Islamic countries namely: Bangladesh, Brunei Darussalam, Indonesia, Kuwait, Oman, Pakistan and UAE over a period of 5 years (2013-2017). The bank-specific variables include the CAMEL indicators, bank size and the banks’ branches. The country-specific variables represent macroeconomic factors which are financial development, inflation and GDP growth. Technical efficiency of the banks is evaluated using the data envelopment analysis (DEA) approach while the impact of CAMEL is measured through the second-stage regression analysis. The impact of CAMEL is assessed through the use of panel data analysis where both efficiency and profitability of banks serve as dependent variables while CAMEL components as independent one along with the control variables as used in the extant literature. The study is expected to be useful both for policy makers, along with the executives of Islamic banks across the globe. It is expected to contribute as to which factors determine efficiency of Islamic banks in addition to the effectiveness of CAMEL indicators across both efficiency vis-à-vis profitability of banks globally.

Keywords: CAMEL, Efficiency, Profitability, DEA, Panel Data Analysis

Determinants of Capital Structure in Islamic Banks: A Case Study of Pakistan

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Abstract
Capital structure is an important aspect of banking institutes. This study aims to explore the determinants of capital structure of Islamic banks in case of Pakistan. It also aims at exploring the effects of macroeconomic conditions and policy variables on the capital structure of Islamic banks. We have used unbalanced panel data covering the period from 2006 to 2017 of Islamic banks. To achieve the objectives of study, fixed effect model is adopted as econometric technique. The bank-specific variables, namely bank size, tangibility, and growth are positively related to banks’ capital structure, whereas profitability, liquidity, and capital adequacy ratio are negatively associated to capital structure of Islamic banks in Pakistan. Whereas, real interest rate and inflation are negatively connected to the same decision of Islamic banks, while GDP is found with positive relationship to capital structure of Islamic banks in case of Pakistan.

Keywords- Financing, Capital Structure, Islamic Banking Industry, leverage of Islamic Banks

Competitive Analysis of Islamic and Conventional Banks of Pakistan by using CAMELS Parameters

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Abstract
This research aims to study the performance of Islamic and traditional banking of Pakistan. A number of bank specific factors (overheads, volume of reserves, bank size, deposit volume and operating efficiency), financial indicators (market capitalization and market concentration) are used for comparative analysis. The macro-economic factors i.e. GDP, lending interest rate and rate of inflation are used as control variables. The sample period includes years 2006-2016. The study used financial performance index (FPI) and CAMELS Model. It is found that Islamic banks are more stable during financial crisis. The bank size, GDP and market concentration are insignificant contributors to the Islamic banking performance. However, deposits, operating efficiency and lending interest rates are significant and positive indicators of conventional banking performance.

Keywords: Islamic banking, Conventional banking, FPI, CAMELS parameters

Determinant of Profitability in Islamic Insurance Companies of Pakistan

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Abstract
Profitability of a company determines the position of the company in its market and the growth and consolidation of the market, giving as result the development of the economy. The importance of this topic further enhanced when dealing with insurance companies because: 1) insurance companies’ transfers risk in the economy 2) provide a mechanism to promote savings 3) promote investment activities. The growing importance of Islamic insurance companies in Pakistan and the importance of profitability as one of the key performance metrics of a company are the reasons why we decide to write this paper. The variation of profits between Islamic insurance companies over the years, within a country, leads to believe that internal factors play a major role in determining profitability. We have taken under study the impact of growth rate, liabilities, liquidity, fixed assets, volume of capital and company size on the profitability of Islamic insurance companies. The methodology used is based on quantitative methods and the data are provided by reliable sources such as annual reports of Islamic insurance companies. We have taken under study 5 companies from 2007-2017. The results of the paper show that factors such as growth rate, liabilities, liquidity and fixed assets are the main factors affecting the profitability of insurers, where the growth rate is positively associated with profitability, while liabilities, liquidity and fixed assets are negatively correlated. Company size and the volume of capital are positively correlated with the profitability of insurance companies’, but their impact is statistically insignificant.

Key Words: Islamic Insurance, Takaful, Islamic Finance, Profitability

Technology and Islamic Finance - Future Prospects
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Abstract
I will discuss possibilities of use of technology in Islamic modes of financing by removing delegation of role, improving role of banks as trading houses, use of technology for best use of Waqf, use of block chain technology for capital formation.

Global Landscape of Islamic Fintech: Opportunities, Challenges and Future Ahead
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Abstract
Fintech is the compound of two independent words i.e. finance and technology. It can be defined as "Computer programs and advanced technologies used to support or enable banking and financial services". Fintech has become one of the most dynamic, and energetic segments of the financial services marketplace around the globe. Islamic Fintech is at its infancy stage compared to the overall Fintech industry. However, it is also growing at exponential rate. New Islamic fintech platforms have been established in various countries i.e. Malaysia,
Bahrain, Brunei, Saudi Arabia and UAE. Islamic robo advisors have been introduced and some Islamic Fintechs deploying blockchain technology. There is the lack of literature on Islamic Fintech and this paper is an attempt to fill this gap using scientific methodology and will give an overview of Islamic Fintech industry and its global landscape. Moreover, the objective of this paper is to understand, and interpret a new phenomenon (Islamic Fintech industry) and study challenges which lead to recommendations. Qualitative research method with the inductive research approach has been adopted by the researcher in creating an overview of the phenomena that has not been researched enough so far. Findings show that Islamic Fintech has potential to revolutionize the whole Islamic financial industry by using advanced technologies. Islamic Fintechs has potential to reshape Islamic finance by improving the efficiency of Islamic financial services and deal with existing challenges.

**Key Words:** Islamic Fintech, Blockchain, Islamic Finance, Opportunities, Challenges

**Can Financial Technology Play an Important Role in the Development of Islamic Finance?**

Dr. Muhammad Ashfaq  
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**Abstract**

**Purpose**
The purpose of Islamic banking and finance is to promote welfare, economic and social development. Islamic financial institutions function as financial intermediaries between those who have excess resources and those who need it for business investments and personal consumption. Islamic banking and finance is a nascent industry which is growing in different parts of the world. However, still 71% of Muslims are unbanked, and they lack access to basic financial services. Financial Technology (FinTech), which is an innovative way of providing services using technology. These technologies are disrupting the overall financial services industry and Islamic finance is also not an exception. Big data, cloud computing, Internet of Things, Artificial intelligence, Super-computing, and Blockchain are impacting the traditional financial industry and thus will also impact how Islamic financial institutions operate in near future.

**Design/methodology/approach**
The author analyses the secondary sources of data to discuss the foundations of financial technology, hitherto applications in the traditional and Islamic financial services industry and uses practical case studies to highlight how these institutions are dealing with financial disruption. The nature of this study is exploratory.
Findings
This study identifies different technologies which could be used by the Islamic financial institutions to harness growth through financial inclusion. As technologies are evolving, the application in Islamic banking and finance will be slow and gradual. However, we believe that mobile technology could be used in an effective manner to reach unbanked consumers.

Research limitations/implications
A limitation of this study is that it provides information on different use-cases and the scope of the study is broad. It would be better to conduct empirical research to analyse whether the use of FinTech has contributed to financial sector growth, reducing transaction costs and faster delivery of products and services.

Practical implications
It is suggested that Islamic financial institutions should investigate digital transformation to better understand consumer needs and faster delivery of products and services. Mobile banking could play an important role in this regard. Moreover, the paper suggests that banks should launch targeted Islamic banking awareness initiatives using mobile-based campaigns.

Originality/value
This research is novel in many aspects such as it provides a global overview of what is happening in the area of financial services and it also highlights legal and operational issues which financial institutions are facing in this regard.

Keywords: Islamic banking and finance, FinTech, digital transformation, mobile banking, financial inclusion

INTEREST-FREE AGRICULTURE E-CREDIT PROGRAM AND CROP PRODUCTIVITY IN SOUTHERN PUNJAB
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Khuda Bakhsh\(^2\)
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Abstract
Landholders possessing less than three acres are larger portion of total farms in Punjab and such farms have very little access to formal credit. These farmers face access to credit constraint and find it difficult to purchase the required inputs for crop production due to lack of capital. Akhuwat Foundation has initiated to extend helping hand through providing interest-free agriculture E-credit after agreement with Government of Punjab. This organization provides E-credit to those farmers having less than three acres of crop land. At the same time, Telenor provides digital information on agriculture, prices, weather and
advisory services to such farmers. The present study is designed to examine the interest free agriculture E-credit program on crop productivity employing cross-sectional data collected from Khanewal district. Khanewal district is one of the districts where Akhuwat Foundation and Telenor are facilitating farmers. We obtained a list of the farmers from the office of Akhuwat Foundation in Khanewal district. The respondents were selected using simple random sampling technique from the list. Production function was employed to find out the impact of interest free agriculture E-credit on crop productivity. Results provide important policy suggestions for policymakers and other concerned for improving welfare of the most vulnerable farming community in the rural areas of Pakistan.

Concept of Riba in Semitic Religion and Historical Attitudes toward Riba from Biblical Times to Present: An Analytical Assessment

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Abstract
Islam is the same religion that was revealed to, preached and followed by Adam, Noah, Abraham, Moses, Jesus and all other prophets of God (As). Prophet Muhammad (Peace be upon him) was the final link in the chain of divine messengers. Islam therefore, is the continuity of divine guidance since the beginning of the human history on earth, not a new religion founded by Prophet Muhammad (Peace be upon him) in seventh century. Divine religions are designed by a cosmic view of world and there is no distinction between spiritual and worldly life in human destiny. The divine paradigm of economic relations consist on laws and commandments which are extracted from revealed teachings called sharīᶜah. The sharīᶜah requires rules related to both production as well as consumption of resources, the working of market trends, and the distribution of earnings. The primary concern of this article is what Semitic Religion in their divine Scriptures had guided about Riba/usury, and the change of attitudes toward Riba from biblical times to the present, along this article sheds light on adverse effects of Riba upon society in history.

Key Words: Riba, Judaism, Christianity, Islam, Bible, Qurʾān

The Contemporary Islamic Banking & Finance - Finance as Worship or a Commercial Funding

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Abstract
The main intent of the study is to determine the perception of general public well versed with the conventional education; regarding the contemporary Islamic banking & finance as to whether they consider Islamic banking; “finance as worship or a commercial funding”. Survey strategy is used to collect primary data through modified questionnaires having 12 questions of Likert scale covering three aspects i.e. Islamic finance as a commercial funding, Islamic finance as worship and knowledge about Islamic banking & finance. A total of 644 questionnaires have been distributed to collect the data from Islamic bankers, conventional bankers, teaching faculty and non-finance industry professionals. Independent sample t-test through SPSS has been used to estimate the results. The study found that the mean values of independent sample t-test of the conventional bankers, teaching faculty and non-finance industry professionals are 4.91, 4.86 and 5.07 respectively; which are below the level of 6.0 on Likert scale reveals that they consider Islamic banking as “a commercial funding and not finance as worship”. However, the mean value of the independent sample t-test for Islamic bankers is 6.07 which is slightly more than that of agreed level but far away from the strongly agreed level of 7 on Likert scale showing that the Islamic bankers consider Islamic banking “finance as worship and not a commercial funding” to certain extent but they are not strongly convinced on the same. Moreover, the study found that none of the respondents including Islamic bankers possess the formal Islamic finance education hence; unable to figure out as to why and in what way the transactions of the contemporary Islamic banks are Sharia’ compliant. Therefore, the study recommends authorities to not only devote resources towards initiating Islamic finance awareness programs for the general public both at the micro and macro levels; but also formulate policies to develop human capital who is well versed with Islamic jurisprudence at least in the area of finance within Islamic banks.

Keywords: Islamic bankers, Conventional bankers, teaching faculty, Non-finance industry

Innovative Dimensions of Micro-Takaful
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Abstract
Micro insurance is a financial service which offers modern formal insurance to low-asset families in developing countries. Microcredit, Micro savings and Micro insurance is one of the three main pillars of what is known as “microfinance”. Micro Insurance is now widely recognized as an important tool for poverty alleviation and a sustainable and affordable micro-insurance scheme can safeguard the poor against the financial effects of sickness, disability and death. But in Islam, Interest (Riba) is prohibited because it is a root cause of many social and economic evils. Moreover, conventional economy today is debt-based, and only does risk transfer. Islamic economy in contrast is asset-based, and does risk sharing. It is all about fairness to all parties.
So, the alternative of Micro Insurance in Islam is Micro-Takaful, Micro-Takaful is the plan for low-income people. Innovative Micro-Takaful products are Micro education, Micro pension, Micro Health, Micro Saving, Micro Credit Takaful, disability and funeral Products, can be delivered to the poor with some modification to allow low premium contributions
collected on a lump sum/periodic basis. Micro-Takaful will offer benefits for the MFI for securing its revolving fund and for the poor to secure the payment to the Micro Finance Institution (IMF) in case of health, disability and death.

This research paper constitutes a range of information on Micro-Takaful schemes available to ultra-poor and low-income earners in Pakistan, as well as, their respective provider organizations. The study will also explore the idea of finding a suitable and sustainable model for policy holder and how Micro-Takaful will become helpful for poverty alleviation. Therefore, if we utilize Micro-Takaful to uplift the poverty from the society and this is one of the best and successful ways to give the best possible facilities to the poor.

In the paper, author will also presents their experiences of developing Innovative Micro-Takāful products.

Is There a Need for Tawwarruq in Pakistan

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Abstract
At present, one of the biggest challenges of Islamic banking is how to satisfy customer needs, for which different types of products have been developed by bringing different types of contracts (عقود) like Shirkatul Aqd, Lease, Agency, Salam and Istisna to meet customer needs.

One of these products is Tawarruq, which helps to meet the customer's requirement of liquidity. Currently, Malaysia is using one of these products to meet the customer requirements. Many Products which are offered in Malaysia like Tawarruq in Financing Product, Tawarruq Deposit Product, Tawarruq in Sukuk, Tawarruq in Interbank Money Market are based on Tawwarruq.

But in Pakistan this product is not permitted hence, many customers switch to conventional banks, where they are compelled to Haram (forbidden by shariah). And thus, Islamic banks are deprived of many potential customers and as a result they cannot compete with the conventional banks.

In this write-up one of the major issues faced by Islamic banks "Lack of financing for the purpose of liquidity management" is discussed and then its permitted solution is sought through Tawwarruq. Tawwarruq (Monetization) refers to the process of purchasing a commodity for a deferred price determined through Musawamah (Bargaining) or Murabahah (Mark-up Sale), and selling it to a third party for a spot price to obtain cash. The type of Tawwarruq practiced under current banking system is known as organized Tawwarruq and is permitted by Majma Fiqh Al-Islami and all four schools of thought. Moreover it is possible practice it in Pakistan, but it is not allowed to adhere/hold Islamic banking to its core basis. But it could be practiced upon by refraining from its negativities and possible risks.

A Critical Appraisal of Theory of Islamic Financial Regulation

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Abstract
This critical narrative appraises the Islamic Theory of Financial Regulation by dissertating the elements thereof. It reviews different aspects of regulation and compares them with the objectives of financial market regulation. These elements of regulation surround constructs such as liquidity authority, market failure, monitoring and evaluation, asset safety and market imperfection. Furthermore, a discussion on objectives of financial market regulation towards outreach of benefits derived out of public and private utilities, preservation and maintenance of social values, promotion of Islamic moral values in the market, preservation and enhancement of socio-economic stability, promotion and support of public and private sector is done, keeping in view the elements of Islamic financial regulation theory. A conclusion is drawn at the end with a way forward in this area of research.

Keywords: Islamic Theory of Regulation, Central Banking, Financial Market Regulation.

JEL Classification: E-58, G-18, G-28, L-43, L-5

Impact of Shari’ah Governance on Islamic banks performance: Evidence from Pakistan

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Abstract
Rapid expansion of Islamic finance worldwide, raise the questions like how Islamic is Islamic banking? Moreover, the investors and stakeholders, regulators and society have a very direct interest in their products and services, and compliance of Shari’ah laws in their activities. Shari’ah governance is the major component of Islamic corporate governance (ICG). The body that describes Shari’ah governance is called Shari’ah supervisory board (SSB) and define as “an independent body of specialized jurists in fiqh-al-mua’malat (Islamic commercial jurisprudence) to ensure that IFIs are in compliance with Shari’ah principle”. Islamic banks must be Shari’ah compliant to enhance their customer loyalty and to gain a competitive edge in the market. This study highlights the impact of Shari’ah governance through SSB attributes on Islamic banks performance in context of Pakistan. The study applied panel random-effects model on an unbalanced panel of 166 firms-year observation.
The sample size of the study consists of 5 full-fledged Islamic banks and 16 conventional banks having Islamic branches for the period of 2001-2017.

The study extracted maximum information in the form of SSB attributes from the profiles of Shari’ah boards’ members given in the annual reports of the respective banks. Six SSB attributes namely board size, cross-membership, educational qualification, reputation, experience and change in the composition were employed as explanatory variables. The empirical findings reveal that Shari’ah board size, education and expertise have a positive and significant effect on performance. And cross-membership of Shari’ah board negatively influence Islamic banks performance and raise conflict of interest. Our research suggests that knowledgeable Shari’ah boards could only ensure good shari’ah governance.

**Keywords:** Islamic corporate governance; Shari’ah supervisory board; Performance; Pakistan

Does Growth of Islamic Banking Contributes to the Stock Market Performance: A Case of Pakistan

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**Abstract**
The objective of the study is to examine the long and short run impact Islamic banking the growth on stock market performance of Pakistan. The study uses multiple proxies to measure Islamic banking growth and stock market performance, with control variables namely; GDP per capita, gross saving to GDP, investment to GDP, governance and deposit interest rate. The sample period of the study includes the year 2005-2015. This study uses ARDL-Bounds testing approach. It is found that the growth of Islamic banking is an important determinant of stock market performance and plays a significant role in the development of the stock market of Pakistan. Private credit of Islamic banks was found an important and positive determinant of stock market performance. The study found causal flow from the growth of Islamic banking to stock market performance. The findings of the study suggest that there is a need for favorable policies to enhance the pace of Islamic banking development in Pakistan.

**Keywords:** Growth of Islamic banking, Stock Market Performance, ARDL-Bounds testing
Are Global Islamic Stock Markets Efficient? Evidence from Dow Jones Islamic World, Emerging and Developed Stock Markets

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Abstract
Purpose – Islamic financial industry is rising into a global phenomenon as highlighted by the increasing appetite for the Islamic instruments across the global financial markets. During last decade, Islamic Finance industry has shown enormous growth with an increasing growth rate. The reason of this growth are many like transparency, profit and loss sharing principle or the religious factor but with the industry ever increasing it is become one of the hot research topics for researchers. The study objectifies the performance comparisons of Islamic stock indexes using the daily market prices of three international Islamic equity markets; the Islamic World, the Emerging countries in Islamic World and the Developed countries in Islamic World stock market under five different study periods; pre-global financial crisis period, global financial crisis period, post-global financial crisis period, Chinese stock market turbulence period and the overall period of study. Design/methodology/approach – Several researches from past are using various approaches for comparisons of stock markets but this study will focus on non-parametric Stochastic Dominance (SD) Approach in comparison with the traditional Mean-Variance (MV) Approach. The variables used in this study will be Risk-Free Rate of Return, Return of the Index and the Global Index Return. We investigate and compare the performances of Islamic stock indexes using the daily market prices of three international Islamic equity markets; World (Dow Jones Islamic World), Emerging countries (Dow Jones Islamic World Emerging) and Developed countries (Dow Jones Islamic World Developed), and the Dow Jones Global Total Stock Market Index as a benchmark under four different study panels; 2002-2005 which is the pre-financial crisis period, 2006-2009 which is global financial crisis period; 2010-2013 is the post-global financial crisis period and after that; 2014-2017 is the Chinese stock market turbulence period. Practical implications – The Islamic financial industry has introduced several new and innovative ways of financial instruments during the last decade which has remarkably proved to be an alternative way of financial intermediation in the world. The study will help the individual investors who can use the result of this investment for the further enhancement of their portfolio; academia can also use this study as it uses the robust SD approach which is better option than traditional parametric approach of Mean Variance (MV) which is mostly used in the stock analysis by the researchers. The policy makers can also use this study for the further improvement of the Islamic stock indexes. Originality/value – This paper will be a good addition to the existing body of literature as few studies have been conducted on Islamic Stock Indexes in comparison with three stock markets.
Keywords: Stochastic Dominance (SD) Approach, Islamic Stock Indexes, Conventional Stock Indexes, Risk-Free Rate of Return, Return of the Index, Global Index Return, Mean-Variance (MV) Approach.

Modaraba Regulatory Developments and Way forward

The Securities and Exchange Commission of Pakistan (SECP) has proposed new Modaraba law, which shall replace the 37 years old Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980. The SECP has finalized discussions/consultations with public and all other stakeholders on the draft Modaraba Bill which is now on implementations phase with SECP. The proposed amendments are intended to reflect the rapid and extensive changes in the business of Modarabas.

The key changes of proposed laws are as follows:-

- A comprehensive provision has been added to curb the misuse of word "Modaraba" prohibiting any entity or person to un-authorize collection of deposit or raise funds from the public by use of the word "Modaraba or Musharaka".
- Permission to establish unlisted Modaraba. At present approval available for listed Modaraba only.
- Performance based remuneration of Modaraba Management Company (MMC).
- Enabling provision for resource mobilization.
- Introduction of Shariah governance mechanism.
- Further empowerment to the certificate holder of Modaraba
- Introduction of concept of Annual General Meeting in place of Annual Review Meeting
- Reduction of time from six to four months for the circulation of annual accounts.
- Appointment of statutory external auditor by the Modaraba certificate holders. Presently Registrar of Modaraba approves appointment of auditor.
- Power given to Modaraba certificate holders' right to apply for the change of MMC.
- Change of CEO/director by the SECP in some special circumstances.
- Broadening of definition of Key Executives.
- Revision in winding up mechanism for MMC and Modaraba

Within Islamic Financial sector Modarabas are playing significant role for promotion of Islamic financial within non-banking sector of the country. The concept of Modaraba was introduced in Pakistan in early 80s as the first Islamic Shariah business model with statutory framework and proper regulations.

Modaraba’s business model remains extremely versatile and dynamic. Under this concept any business venture complying with the Islamic Shariah principles can be floated, which could be for a specific purpose or multi purposes. These Modarabas were not only trend setters of Islamic modes of financing in a predominant conventional financial system in Pakistan but also built confidence among the general public regarding practice of Islamic modes of financing.

Within the proposed amendment, the provision of private or unlisted Modaraba will be most significant change within the regulations. In accordance with existing Modaraba Laws every new Modaraba initially must be listed on Stock Exchange before commencement of its business operations. Due to said statutory limitations normally investors do not participate at the time of public offering since new venture does not have any performance back ground as
an independent entity and it may lead to undersubscription of public floatation. Furthermore, due to cumbersome listing regulation requirement and processes including high listing expenses, the new entrant sometime remains shy to enter Modaraba sector. It is anticipated that new change in regulations will encourage new corporate group to initially establish new Modaraba as unlisted Modaraba and covert the same into a listed within few years if the venture perform well.

In my presentation I will try to cover impact of new regulations and future business opportunities available within the sector. Outline of presentation will be as follows:

- Current status of the sector
- Impact of new laws on Modaraba sector
- Challenges and issues
- Future business opportunities
- Way forward of Modaraba sector

Over the years Modarabas have emerged as major sector within the segment of non-banking Islamic financial institutions. It is expected that with the sincere efforts of regulator to amend the old Modaraba laws will further boosts the confidence of investors and will support for sustainable growth and profitability within the Modaraba. By giving the competitive environment there is no doubt that Modarabas would definitely find their way to the better future and to set new milestones in coming years.

Does Shariah Recognize Crypto currencies? A Fiqh and Maqasid Approach

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Abstract

Undoubtedly, the emergence of crypto currencies and their successful performance recently has imposed upon Shariah scholars the challenge of addressing related Shariah issues and providing Muslims with clear answers as to whether or not they can deal with, or invest in these currencies. The challenge, however, is in demystifying these currencies and understanding their technicalities and economic implications, because no Shariah rule can be issued about something before having a complete and thorough understanding of its nature. Hence, it is necessary to first study the technicalities of these currencies in order to address their various Shariah issues. Crypto currencies involve various Shariah matters, including the very permissibility of their issuance in view of the fact that they are not backed by real valuable assets or supervised by governments or financial authorities, such that people dealing with them are vulnerable to possible fraud and manipulative fluctuations in their values. Other Shariah issues also include trading in them and whether or not they are considered as interest-bearing (ribawi) commodities such that the injunctions pertaining to interest (riba) may apply to them, as they apply to conventional currencies. In addition, they have potentially negative implications for the market, such as their use in money laundering, drugs trafficking and other illegal dealings. This paper treats the Shariah aspects of crypto currencies using both an Islamic jurisprudential (fiqh) approach as well as a ‘Higher Objectives of the Shariah’ (maqasid al-shariah) approach - treating their Shariah issues from
a macro and philosophical perspective. It is hoped that this paper will provide solid ground for future research to build on its findings.

Current practices of Family Takaful and Life Insurance: A Comparison of Financial Benefits

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Abstract
Family Takaful and life insurance are two distinct contracts. From Shari’ah perspective, the former is permissible while later is prohibited. According to its terms and conditions, contract of insurance is a buy and sale transaction of currencies which is illegal from Shari’ah point of view as it contains prohibited elements of riba, gharar and qimar. On the other hand, Takaful has two types of contract: first is the investment agency contract in which Takaful company acts as a wakeel, invests the funds on behalf of customer and takes agency fee for providing its services. Second contact is of Tabarru’ in which Takaful Company establishes a waqf fund and customer becomes member of this fund by paying contribution. Takaful company provides financial support to the family in case of death or permanent disability of the member customer. There exists not only prominent difference of halal and haram in family Takaful and life insurance but also exists difference in the financial benefits in both cases. This paper attempts to explore the differences in financial benefits of family Takaful and life insurance in Pakistan due to different terms and conditions.

Key Words: Family Takaful, life insurance, Shari’ah, financial benefits etc.

Role of Islamic Microfinance Institutions on the Income of Involuntary Financially Excluded People in Pakistan

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Abstract
Efficient banking system accelerate economic growth and have a long-run equilibrium relationship between banking sector growth and economic development. Therefore, in order to achieve the economic growth, access to finance is very important to all members of the
society. On the other hand, the high cost associated with access to finance, and acceptable collateral are considered as major hindrances from conventional financial institutions. Such situation lead the emergence of microfinance institutions that provide funds to the involuntary financially excluded people. In Pakistan, Islamic microfinance institutions are serving to a very limited population, and mainly focusing on Qarde-Hassanaand Murabaha. The motive of our study is to determine whether the funds provided by microfinance institutions helps to improve the income of involuntary financially excluded people in Pakistan. We collected data through self-administered questionnaire from the borrowers of four Islamic Microfinance institutions (IMFIs) in various cities of Pakistan. K-modes clustering was performance to identify the subgroups based on certain characteristics of borrowers. In factor analysis, 4 factors were extracted that represents borrowers background attributes, financing procedural attributes, IMFIs attributes, and demographic attributes. We used these factors as independent variables to perform multinomial logistic regression. The outcomes of the analysis suggest that IMFIs in Pakistan help to increase in income of borrowers. The findings of this work will not only be of interest to microfinance beneficiaries, service suppliers and researchers but also to the government of Pakistan.

Key Words: Financial system, Conventional banking, IMFIs, Clustering, Factor Analysis, Multinomial logistic regression

**Does Islamic Banking Augment Banking Sector Development in Pakistan?**

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**Abstract**

Given the phenomenal growth of Islamic banks in Pakistan and worldwide, the question arises as to whether Islamic banks support the process of banking sector development? Present research is an attempt to test for the degree of complementarity vis-à-vis substitution between Islamic banks and their conventional counterparts in the country. The study is conducted over a period of 11 years (2007-2017) where the level of support or otherwise by Islamic banks towards banking sector development is estimated through the use of three alternative measures. These include the credit to private sector (CredP), bank deposits (D) and assets (A) of the banks. These indicators are important in the sense as these reveal the resource mobilisation practices of banks and their ability to channelize their deposits into income generating activities. The study also uses some control variables taking the form of financial sector development, GDP growth and inflation in the country. The contribution of Islamic banks towards banking sector development is also explored taking into account the level of penetration of Islamic banks over the period of analysis. An appropriate data analyses technique based on the use of ARDL model is proposed for the research. The research is expected to offer useful implications both for managers of Islamic banks in Pakistan as well as regulators in the country.
Rethinking the business ethical framework of the Islamic Financial Institutions in Pakistan; the way forward for social, economic and environmental development

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Abstract
Business ethics is one of the most discussed doctrines in our millennium and one of the most conflicting subjects within the business environments. Financial Institutions pose that they are working and reporting according to prevailing ethical standards. Similarly, officials of Islamic financial institutions usually claim to front desk customers, in marketing materials and in annual reports that Islamic Financial Institutions are performing according to principles of Shari’ah, following Islamic business ethical framework and they are contributing in social, economic and environmental development.

This research study aims at identification of loopholes in business ethical framework of Islamic Financial Institutions in Pakistan with the help of Islamic Business Ethics and globally accepted reporting standards. After analysis, it can be found that Islamic Financial Institutions seem to not follow in true spirit the ethical principles of Islam for their business ethical framework. In addition, they are not acting as much as catalyst for social, economic and environmental development.

It would provide food for thought for the rethinking process of the current business ethical framework of Islamic Financial Institutions in Pakistan. Furthermore, it would suggest some practical way outs for achieving higher levels of social, economic and environmental development of the country. The outcomes of this research study would enable the regulators to take practical steps for the betterment of common man, financial institutions, society and humanity as a whole.

Key words: Business Ethics, Islamic Financial Institutions, Pakistan, Social and Economic Development, Rethinking

Islamic Finance leading to Shared Prosperity
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Abstract
Islamic finance is said to be leading to socio-economic inclusion and balanced development of human societies and economies by dint of its established strengths. There are many opportunities for Islamic banking and finance institutions (IBFIs) to enhance financial inclusion by providing finance to the commodity producing sectors, particularly small
farmers, SMEs and micro business, besides the corporate sector for large scale production process. For this, the IBFIs have to apply the Divine principles of the Shariah of prohibition of riba and gharar and permissibility of trade and business in letter and spirit. Practically, however, IBFIs are less adaptive in this regard. They are more concerned about the commercial considerations at the cost of widely accepted principles of the Shariah. A genuine question arises: Can the current practices of IBFIs achieve the higher purpose of broad based economic and human development and shared prosperity? The answer is apparently ‘NO’ and various studies have concluded that even Shariah compliance in letter is doubtful in some cases. The IBFIs need to use participatory as also the trading and leasing contracts while observing their Shariah essentials in letter and spirit. Policy changes are required to evolve a real, stable and sustainable Islamic system of finance to serve the cause of humanity by enhancing socio-economic inclusion.

Keywords: Islamic Finance, Financial intermediation, Real economy, Socio-economic inclusion.

Impact of Micro Finance on Women Empowerment

Asra Saqib

Dr Muhammad Sadiq Shahid

Abstract

This paper explores the effort to implement principles of microfinance and evaluate its effectiveness on empowerment of women. A research on 215 women of different categories in Pakistan was conducted through a structured questionnaire. The exploratory factor analysis is used to study the indicators and their implementation on women empowerment. After the through research and study, the review results demonstrates that the markers of ladies strengthening are for the most part Household Economic Decision Making, Legal Awareness, Mobility, Economic Security and Family Decision Making. These are five hypotheses which evaluate the effectiveness of microfinance and implement them on empowerment of women under the above mentioned indicators. A paired samples t test is used to know the difference in women’s opinion and perception before and after joining the microfinance program. The findings of this survey or study shows that microfinance is the powerful tool for enhancement of women empowerment by using all its indicators like household decision making, legal awareness, mobility, economic security, and family decision making.

Keywords: Microfinance, Empowerment, Self-help Group and family decision making