

PREMIER EVENT SINCE 1976

11<sup>th</sup> INTERNATIONAL CONFERENCE ON  
**ISLAMIC ECONOMICS  
AND FINANCE**

11<sup>th</sup> - 13<sup>th</sup> OCTOBER 2016  
The Royale Chulan Kuala Lumpur, Malaysia

CONFERENCE PROGRAM BOOK

Strategic Partner



Co-organizers



Organizer and Host Institution



Silver Sponsor



Bronze Sponsors



Partner Institution



Media Partner



THOMSON REUTERS



BarclayHedge

Centre for Islamic Economics, Kulliyah of Economics and Management Sciences (KENMS), IIUM

[www.iium.edu.my/cie/icief](http://www.iium.edu.my/cie/icief)



## TABLE OF CONTENTS

Messages from the Organizing Partners.....	5
About the Conference.....	13
Program Schedule.....	27
Parallel Sessions Schedule.....	33
Biodata of Keynote Speakers and Session Panelists.....	43
Abstract and Speaker’s Biodata	
Parallel Session 1.....	49
Parallel Session 2.....	59
Parallel Session 3.....	65
Parallel Session 4.....	73
Parallel Session 5.....	83
Parallel Session 6.....	93
Parallel Session 7.....	101
Parallel Session 8.....	107
About the Organizers.....	115



---

MESSAGES FROM THE ORGANIZING  
PARTNERS

---

## International Islamic University Malaysia (IIUM)

### Welcome Message from the Rector of International Islamic University Malaysia

---



Prof. Dato' Seri Dr. Zaleha Kamaruddin

It is an honour for the IIUM to be given the trust to host and co-organize the 11<sup>th</sup> ICIEF for the second time, the first being in 1992. I congratulate the Kulliyah of Economics and Management Sciences (KENMS) and its academics who have played a pivotal role in Islamic Economics and Finance education for the last 33 years.

The IIUM's main goals represented by our mission of 'IIICE' or Triple I CE: Integration of Islamic Revealed Knowledge and Human Sciences; Islamization of Human Knowledge in this case economics and finance; Internationalization where IIUM staff, students and graduates make a meaningful global impact; Comprehensive Excellence in all fields of endeavour where we want to produce professionals, but who will also demonstrate and manifest the noble values of Islam- can all be represented in this very historic series of Islamic economics and finance that has had a major impact on both the discipline and practice of Islamic economics and finance over the last 40 years.

It is my hope that the 11<sup>th</sup> ICIEF would continue the tradition of excellence and to be able to chart out future trends and directions to be taken in Islamic economics and finance- in theory, practice and policy formulation. The University will continue to support the KENMS in its quest for continuous research, international collaboration and networking as well as quality publications and policy prescriptions.

I would like to take this opportunity to thank the organizing committee members and the staff of the Kulliyah, particularly from the Centre for Islamic Economics and Department of Economics for their effort in making this conference a success. My gratitude also goes to our co-organizers, the Islamic Research and Training Institute (IRTI), Islamic Development Bank Group, Jeddah and the International Association of Islamic Economics (IAIE) and to the Ministry of Finance, Malaysia for their support including generous financial contribution. Finally, I would like to also thank the external sponsors for their contributions to make this conference a reality.

## Ministry of Finance Malaysia

### Welcome Message from the Secretary General to the Treasury Malaysia

---



Tan Sri Dr. Mohd Irwan Serigar Abdullah

Promoting inclusive and sustainable development is well engrained and has taken the centre stage in global agenda since the adoption of the United Nations 2030 Agenda for Sustainable Development in 2015. In support of the agenda, the Ministry of Finance Malaysia is pleased to be the strategic partner for the 11th International Conference on Islamic Economics and Finance (ICIEF) 2016. The conference with the theme, “Rethinking Islamic Economics and Finance: Paving Way Forward for Inclusive and Sustainable Development” will collectively address inclusive and sustainable development challenges particularly from the Islamic perspective.

Alhamdulillah, despite prolonged global uncertainties, Islamic finance has registered double-digit growth rates in the past decade and has enormous potential for future growth. Its reach and influence has expanded beyond the traditional Islamic Markets, with increasingly strong footholds in banking, takaful and the capital market. In many parts of the world, Islamic financial services are now available alongside conventional financial services.

With these success stories and achievement, we must not be satisfied and remain complacent. Hence, the Islamic finance industry must be elevated to a higher level by leveraging technology and innovation as well as capitalising on well-rounded talent. As such, it is hope, the conference could provide the right platform for the academia and industry players to come together to share practical ideas and innovative solutions for the industry. The discussion on innovative financing product and approaches to support businesses in the early start-up phases as well as discussion on development of broader range of products to meet diverse consumers need including the underprivileged would be timely and welcome.

Malaysia remains supportive and looks forward to working closely with IDB and other member countries towards promoting inclusive and sustainable development. Insha'allah.

## International Islamic University Malaysia (IIUM)

### Welcome Message from the Dean of KENMS, IIUM



Prof. Dr. Maliah Sulaiman

The Kulliyah of Economics and Management Sciences is very proud to be given the opportunity to organize the ICIEF conference series for the second time. This conference is jointly organized by the Centre for Islamic Economics and the Department of Economics of the Kulliyah.

The Kulliyah of Economics and Management Sciences was established on July 16, 1983, at the time of the inception of the University. It offers undergraduate programs in Economics (B.Econs), Business Administration (B.B.A), Accounting (B.ACC.) and Islamic Finance (BSIF) which are coordinated under four respective departments, namely Department of Economics, Department of Business Administration, Department of Accounting and Department of Finance. The Kulliyah launched the post-graduate program in Economics (M. Econs) in July 18, 1998; and admitted the first batch of 3 students to a Ph.D program in Economics (with a strong Islamic orientation) in Semester I, 1998/99. Subsequently, five additional post-graduate programs were introduced, namely the Master of Science in Accounting, Ph.D in Accounting, Master of Finance, Master of Marketing and Ph.D in Business. These programs are offered on a full time as well on a part time basis.

I am proud to say that since its inception in 1983, the Department of Economics, being the pioneer department of the Kulliyah of Economics and Management Sciences, has dedicated itself to providing excellent education to students from all over the Muslim world. The establishment of the Centre for Islamic Economics is an important development in the Kulliyah as it sets the pace for research in Islamic Economics and Finance. The Centre plays a key role in positioning the platform for the Kulliyah's staff and students in providing an Islamic input towards policy making for the nation and for the ummah. Given the relevant themes and the papers that will be presented, I am confident that this conference will provide an important platform for a deeper collaboration between the IIUM, IDB, IAIE and other researchers from various institutions throughout the world.

I take this opportunity to thank the organizing committee members particularly the Director of the Centre for Islamic Economics, Prof. Dr. Mohamed Aslam Mohamed Haneef, the conference secretary, Dr. Muhammad Irwan Ariffin, Prof. Dr. Sayyid Tahir and Prof. Dr. Norma Md. Saad for their hard work in making this conference a reality. Thanks also to our co-organizers, the Islamic Research and Training Institute (IRTI), Islamic Development Bank Group, Jeddah, the International Association of Islamic Economics (IAIE), the Ministry of Finance, Malaysia and all sponsors for their partnership over the years. I would like to thank all parties that have made this conference a reality today. Special thanks to our respected keynote speakers for their presence. Thanks also to the many distinguished representatives from various organizations, academics and researchers, who will lead the plenary sessions and make presentations that would further enhance the research and applications of Islamic Economics and Finance.

Last but not least, welcome all foreign delegates to Malaysia. I wish you a very productive three days of deliberations.



## Islamic Research and Training Institute (IRTI), Islamic Development Bank

### Message from the Director General, Islamic Research and Training Institute (IRTI), Islamic Development Bank

---



Prof. Dato' Dr. Mohd Azmi Omar

Islamic Economics and Finance has come a long way over the last 40 years. The formal efforts to develop it as a discipline and promote research and scholarship in the area started with the 1st International Conference on Islamic Economics held in Makkah al-Mukarramah in 1396H (1976). This resulted in the creation of some key institutions of academic learning and research. Another milestone was the establishment of the Islamic Research and Training Institute (IRTI) in 1401 (1981) to, among others, conduct Islamic Economics and Finance research and capacity building aimed at supporting the development of the Islamic Finance industry.

Since then, Islamic Economics and Finance has gained prominence and it is now becoming a part of public policy. The issues of institutional reforms and targeting for comprehensive socio-economic development need to be addressed to put the ideas into better practice. Now is the time for economists interested in this discipline to not only develop the theory but also contribute in policymaking. Islamic Economics needs to become more relevant for socio-economic development of countries, especially in today's volatile world that is facing high poverty, unemployment, unsustainable growth and above all, ethical and political crises. In this context, the theme of this conference, "Paving the Way Forward for Inclusive and Sustainable Development", is timely for bringing the Islamic perspective into socio-economic development policies.

I welcome all delegates and hope that the deliberations in the conference would provide new ways to support social and economic development, foster shared prosperity, and promote sustainable development for the humanity at large.

## International Association for Islamic Economics (IAIE)

### Message from the President, International Association for Islamic Economics



Prof. Dr. Tariquillah Khan

On behalf of the International Association for Islamic Economics (IAIE), I welcome you all to the Eleventh International Conference on Islamic Economics hosted by the International Islamic University Malaysia. This is the second time the IIUM is graciously hosting this series of conferences.

This series of conferences was introduced by the pioneers of Islamic Economics in 1976 when the first ever international research conference on Islamic economics was held in Makkah by the King Abdul Aziz University (KAAU) under the leadership of the University Rector, Prof. Muhammad Omer Zubair and Dr. Mohammad Sakr, Professor of Economics at the KAAU, marking the start of Islamic economics as a modern scientific discipline. The participants included Finance Ministry from around the Islamic World and Scholars including the Grand Mufti of the Kingdom of Saudi Arabia and the Shaikh Al Azhar. The Second was held in Islamabad in 1983, hosted by the International Islamic University. The Third was held in 1992 at the IIUM. The Fourth was held in 2000 at Loughborough University, U.K. The Fifth was held in Bahrain under the auspices of Bahrain University in 2005. The Sixth conference was held in 2005 in Jakarta hosted by the Central Bank of Indonesia. For the second time, King Abdul Aziz University hosted the Seventh conference in Jeddah in 2008. In addition to this Tenth conference, the Eighth was also hosted by the Qatar Faculty of Islamic Studies (QFIS) in 2011. The Ninth conference was hosted in 2013 in Istanbul by the Statistical, Economic and Social Research and Training Centre for Islamic Countries (SESERIC), a subsidiary of the Organization of Islamic Cooperation (OIC). The Tenth Conference was hosted in Doha by the QFIS in 2015.

Since the beginning, the Islamic Research and Training Institute (IRTI), the Islamic Development Bank has been supporting with the IAIE in co-organizing the conference. Over the years the conference series has received strong institutional support from national authorities and organizations of different countries and has emerged as one of the world's mega research events addressing policy and intellectual issues of highest relevance for the present and future of the global society.

The IAIE, established in 1984 is an educational and professional organization to promote the study and application of Islamic economics, banking and finance. It aims to develop an integrated approach to economics, welding together the material aspects of economic life with Islamic values and norms. Membership is open to academics, professional financiers and bankers, students of Islamic Economics and institutions interested in Islamic economics and finance. It has been registered in the UK as a non-profit organization. Some of the IAIE founding members are: Prof. Dr. Muhammad Omer Zubair, King Abdul Aziz University (founding president), Prof. Khurshid Ahmad (former president), Dr. Nejatullah Siddiqui (former president), Dr. Mabid Al Jarhi (former President), Dr. Monzer Kahf, Dr. Anas Zarka, Dr. Umer Chapra, Prof. Dr. Mohamad Arif, Dr. Muhammad Elgari and Dr. Munawar Iqbal. Current honorary members of the IAIE Council include: Dr. Abdullah Qurban Al Turkistani, Vice President; Prof. Dr. Habib Ahmed, Vice President; Prof. Dr. Abdulrahim Saati, Secretary General; Prof. Dr. Aslam Haneef, Executive Member; Dr. Irfan Beik, Executive Member; Prof. Dr. Mehmet Asutay, Treasurer.

The tremendous success that the conference has achieved was not possible without the enthusiasm of the professional academic community and the various teams those have worked untiringly. The papers submitted are double-blind peer reviewed in the first place. The papers that are being presented to the conference have been selected as a result of a rigorous academic process. Different teams are also organizing a number of thematic symposiums and panel discussions. As a result of your hard work and deliberations the conference is expected to be a great success.

# International Islamic University Malaysia (IIUM)

## Welcome Message from the Chairman, Organizing Committee



### Prof. Mohamed Aslam Haneef

The International Conference on Islamic Economics (later Islamic Economics and Finance) holds a special place in the intellectual agenda of Islamic economists. This series- beginning with the 1st conference in Makkah al-Mukarramah in 1976- is held by many as the water-shed for the birth of contemporary Islamic economics.

Thirty three years later, as one of the pioneer institutions teaching and researching in Islamic economics and finance, the IIUM- particularly the Department of Economics in the Kulliyah of Economics and Management Sciences (KENMS)- can feel proud that it has contributed to the development of the discipline and practice of Islamic economics and finance. In particular, we have the honour to organize and host the 11<sup>th</sup> ICIEF after doing the same in 1992 for the 3rd Conference.

The 11<sup>th</sup> ICIEF is without doubt the biggest Conference event organized by the KENMS. It also coincides with the 40th anniversary of the series. With a theme that tries on the one hand- to 'rethink' Islamic economics and finance- and on the other- to chart out the direction for inclusive and sustainable development, we were pleasantly surprised with the positive response from paper writers. This premier conference saw approximately 360 papers from scholars representing 35 countries. After going through a multi-layered process of blind review, about 100 papers have been selected representing various sub-categories of the Conference. A full list of the papers is available in this programme book.

On behalf of the Organising committee, I would like to thank all parties who have contributed to this event. To our co-organisers, my gratitude for your support. In particular IRTI-IDB, our strategic partner, Ministry of Finance Malaysia and the few corporate sponsors- thank you for the financial support. In this financially challenging period, your generous contributions are what enabled this 11<sup>th</sup> edition of the Conference series to become a reality. I also thank all parties in the IIUM for their support and cooperation. There is no doubt that the IIUM is known globally as the premier institution in Islamic economics and finance.

I thank keynote speakers, paper presenters and panelists for their support and patience over the last one year or so in dealing with our requests and tens of emails. I also thank the members of the steering committee and organizing committee for their commitment to seeing this 11<sup>th</sup> ICEIF almost immediately from the announcement that the KENMS would host this event. Finally, a vote of appreciation to the 'core' group of the organizing committee, the few who slogged day and night preparing for this event, may Allah bless you for your efforts.



---

# ABOUT THE CONFERENCE

---

## Legacy of the International Conference on Islamic Economics and Finance: 40 Years of Contributing to the Development of the Ummah

Centuries of intellectual stagnation and decline coupled with decades of colonial rule, left the ummah in very dire conditions. Once world leaders, Muslims had become timid followers of their colonial masters. The post World War II period witnessed many Muslim countries achieve political independence. Together with this independence came a 'freeing' of colonial shackles, including in the intellectual sphere. By the early 1970s, a clear Islamic resurgence had begun to engulf the Muslim world. Demands were slowly, but surely being made for comprehensive reforms in Muslim societies, reforms that were based on, and within the bounds of Islamic teachings. One area of these reforms were translated into what would soon be popularized as Islamic economics.

### The International Conference on Islamic Economics Series: 1976-2016

February 1976 heralds a water-shed for the ummah. In Makkah al-Mukarramah, the 1<sup>st</sup> International Conference on Islamic Economics was organised by the King Abdul Aziz University. 40 years later, this conference series has established itself as the 'premier' and most prestigious academic event in the discipline of Islamic economics. Many view this 1976 Conference as marking the start of Islamic economics (and later finance) as a contemporary scientific discipline. With the support of the government, King AbdulAziz University in Jeddah, took the role to initiate the first conference that gathered both professional academic economists and Islamic studies/fiqh scholars. The 1<sup>st</sup> Conference was inaugurated by HE Hasan al-Shaikh, Minister of Higher Education on behalf of His Majesty King Khalid. Prof. Dr. Omar Zubair, then KAAU President, Prof. Khurshid Ahmad as well as a host of 'pioneer Islamic economists', blazed the path that would catch fire all over the Muslim world.

Seven years later, the 2<sup>nd</sup> Conference was held in Islamabad, Pakistan, in 1983 under the auspices of the newly established International Islamic University, Islamabad and was inaugurated by President Zia-ul Haq of Pakistan. A very important resolution of this conference was to establish an "International Association for Islamic Economics (IAIE)", that would play a very fundamental role in all future conferences, together with the Islamic Research and Training Institute (IRTI) of the Islamic Development Bank. In this, the consistent support of HE Dr. Ahmad Mohammad Ali al-Madani will forever be acknowledged as a founding father of the conference series. The 3<sup>rd</sup> ICIE was held in 1992 at the International Islamic University Malaysia and officiated by the Honorable Finance Minister, Anwar Ibrahim, who was also President of the IIUM. A 'Standing Coordination Committee' was established to coordinate research and teaching activities and the IRTI was nominated to serve as the Secretariat of that Committee.

The 4<sup>th</sup> Conference was held in 2000 at Loughborough University, Loughborough, U.K. because it was the first Western seat of higher learning to introduce teaching programmes in Islamic banking. Prof. John R. Presley who had been leading these efforts was awarded the IDB Prize in Islamic economics for his life time achievements in this field. The Fourth Conference also received official recognition from the Rt. Hon. Stephen Timms, Financial Secretary to the Treasury, Government of UK who delivered his speech in the inaugural session. The 5<sup>th</sup> Conference was held in Bahrain under the auspices of Bahrain University in 2003 and was inaugurated by H.E. Abdallah Hasan Seif, Minister of Finance and National Economy. This conference also saw the nomenclature of the Conference become International Conference on Islamic Economics and Finance, as the world witnessed Islamic banking and finance growing rapidly globally. The 6<sup>th</sup> Conference was held in 2005 in Jakarta under the auspices of the Indonesian Ministry of Finance and the Central Bank of Indonesia. The Deputy President H.E Yusuf Kalla as well as the Governor, Burhanuddin Ahmed Abdullah, delivered addresses at the Conference. After almost 30 years of Islamic economics and finance, there was a unanimous agreement that the time had come for a thorough evaluation of the last 30 years. Hence, the 7<sup>th</sup> Conference went back to King Abdul Aziz University in April 2008. This Conference also marked the beginning of an Islamic economics and finance education symposium, that would be held during the Conference to evaluate teaching and curriculum issues related to Islamic economics and finance.

The Eighth and Tenth Conferences were held in 2011 and 2015 respectively in Doha, State of Qatar under the Qatar Faculty of Islamic Studies, while the Ninth Conference was held in 2012 in Istanbul, Turkey. The 8<sup>th</sup> and 9<sup>th</sup> Conferences were also jointly organized by SESRIC, an OIC subsidiary based in Ankara. These three Conferences saw the 'opening up' of the Conference to accommodate 100+ papers each. The idea was to make the ICIEF the focal point and if possible an annual or bi-annual event that would reflect the 'best of the best' in Islamic economics and finance research and publications. Again these conferences received full support of the governments of Qatar and Turkey, with inaugural addresses from the Governor of the Qatar Central Bank and the President of Turkey, Abdullah Gul. The 8<sup>th</sup> and 9<sup>th</sup> Conferences also saw the most comprehensive set of publications in the form of 5 English volumes and 2 Arabic volumes of the papers presented. The 10<sup>th</sup> Conference output is currently being processed.

The Eleventh Conference is once again taking place in Kuala Lumpur, Malaysia. Once again it is hosted by the Kulliyah of Economics

and Management Sciences, International Islamic University Malaysia. Keeping to this new trend, the 11<sup>th</sup> Conference is also having approximately 100 papers in various categories of the discipline and has received full support from the Malaysian Ministry of Finance. As we look back on the 10 Conferences spanning over the last four decades, there is no denying that the ICIEF Series is the PREMIER event in the Islamic economics and finance agenda among not only academics, but policy makers as well. The series has been a major institution in developing the discipline as well as in charting out the theoretical building blocs as well as contributing to the practice and policy making in the ummah.

## Themes and Scope of the Conferences

It is worth noting that preparation for all the conferences were very elaborate and spanned over a period of 15-18 months in each case. In the beginning a Steering Committee was always established to oversee the preparations for the conference both academic and administrative. The Steering Committee used to establish several subcommittees, the prominent among which were the Academic committees. These committees were headed by the leading scholars of the field of Islamic economics and finance and were involved in choosing the themes and areas for papers to be presented in various conferences and hence, set the agenda for contemporary research in the field of Islamic economics and finance.

The Makkah conference of 1976, being the first in the series started with a broader agenda. No specific theme was fixed for the conference but later Conferences has specific themes. A summary of the legacy of the ICIEF Series is presented in the following diagram.

Conference	Theme
First Conference, Makkah, 1976	General
Second Conference, Islamabad, 1983	Development, Finance and Distribution in Islamic Perspectives
Third Conference, Kuala Lumpur, 1992	Financing Development from Islamic Perspective
Fourth Conference, Loughborough, 2000	Islamic Finance: Challenges and Opportunities in the 21st Century
Fifth Conference, Bahrain, 2003	Sustainable Development and Islamic Finance in Muslim Countries
Sixth Conference, Jakarta, 2005	Islamic Economics and Banking in the 21st Century
Seventh Conference, Makkah, 2008	30 Years of Research in Islamic Economics
Eighth Conference, Doha, 2011	Sustainable Growth and Inclusive Economic Development from an Islamic Perspective
Ninth Conference, Istanbul, 2013	Growth, Equity and Stability: An Islamic Perspective
Tenth Conference, Doha, 2015	Institutional Aspects of Economic, Monetary And Financial Reforms
Eleventh Conference, Kuala Lumpur, 2016	Rethinking Islamic Economics and Finance: Paving The Way Forward For Inclusive and Sustainable Development

## BACKGROUND OF THE CONFERENCE SERIES

The International Conference on Islamic Economics and Finance series began in 1976. It is among the most prestigious academic events in this discipline, and has made a significant contribution to conceptualizing the theory and practice of contemporary Islamic economics and finance through research and intellectual dialogue. The conference timeline is as follows:



2016:	The Eleventh Conference to be held in Kuala Lumpur, Malaysia under the auspices of the International Islamic University Malaysia (IIUM).
2015:	The Tenth Conference was held in Doha, Qatar and hosted by the Qatar Faculty of Islamic Studies.
2013:	The Ninth Conference was held in Istanbul, Turkey and hosted by SESRIC.
2011:	The Eighth Conference was held in Doha, Qatar and hosted by the Qatar Faculty of Islamic Studies.
2008:	The Seventh Conference was held in Jeddah under the auspices of King Abdulaziz University
2005:	The Sixth Conference was held in Jakarta under the auspices of the Indonesian Ministry of Finance and the Central Bank of Indonesia.
2003:	The Fifth Conference was held in Bahrain under the auspices of Bahrain University, Bahrain.
2000:	The Fourth Conference was held in Loughborough, UK under the auspices University of Loughborough.
1992:	The Third Conference was held in Kuala Lumpur, Malaysia under the auspices of the International Islamic University Malaysia (IIUM).
1983:	The Second Conference was held in Islamabad, Pakistan, under the auspices of the International Islamic University, Islamabad.
1976:	The First Conference in the series was held in Makkah Al Mukaramah, Kingdom of Saudi Arabia under the auspices of King Abdulaziz University, Jeddah

For more information about previous conferences in this series, please visit:  
<http://conference.qfis.edu.qa/> and [www.irti.org](http://www.irti.org)



## ICIEF 2016 OBJECTIVES

The teaching, research and practice of Islamic economics and finance have made tremendous strides globally over the last 40 years. The establishment of higher education institutions like the IUM and development finance institutions like the IDB, respectively, have provided important avenues for practical implementation of education programs as well as increasing financing for economic and financial cooperation among the OIC-member countries. Development of research and practice of Islamic economics and finance requires commitment by all the stakeholders as well as establishment of viable links between theory and policymaking by the policymakers.

Hence, the conference is devoted to not only theory development and application of the theory but also policy-related issues concerning, but not necessarily limited to, the following four major areas: Islamic Economics, Islamic Finance, Other Related Areas such as Shari'ah, Economics, Finance, Accounting, Management and Marketing and also Policy issues.

In addition, 11<sup>th</sup> ICIEF will organize a major International Symposium of Islamic Economics and Finance on Day 3 (13<sup>th</sup> October 2016) that will discuss on curriculum development and standards for Islamic Economics and Finance education.

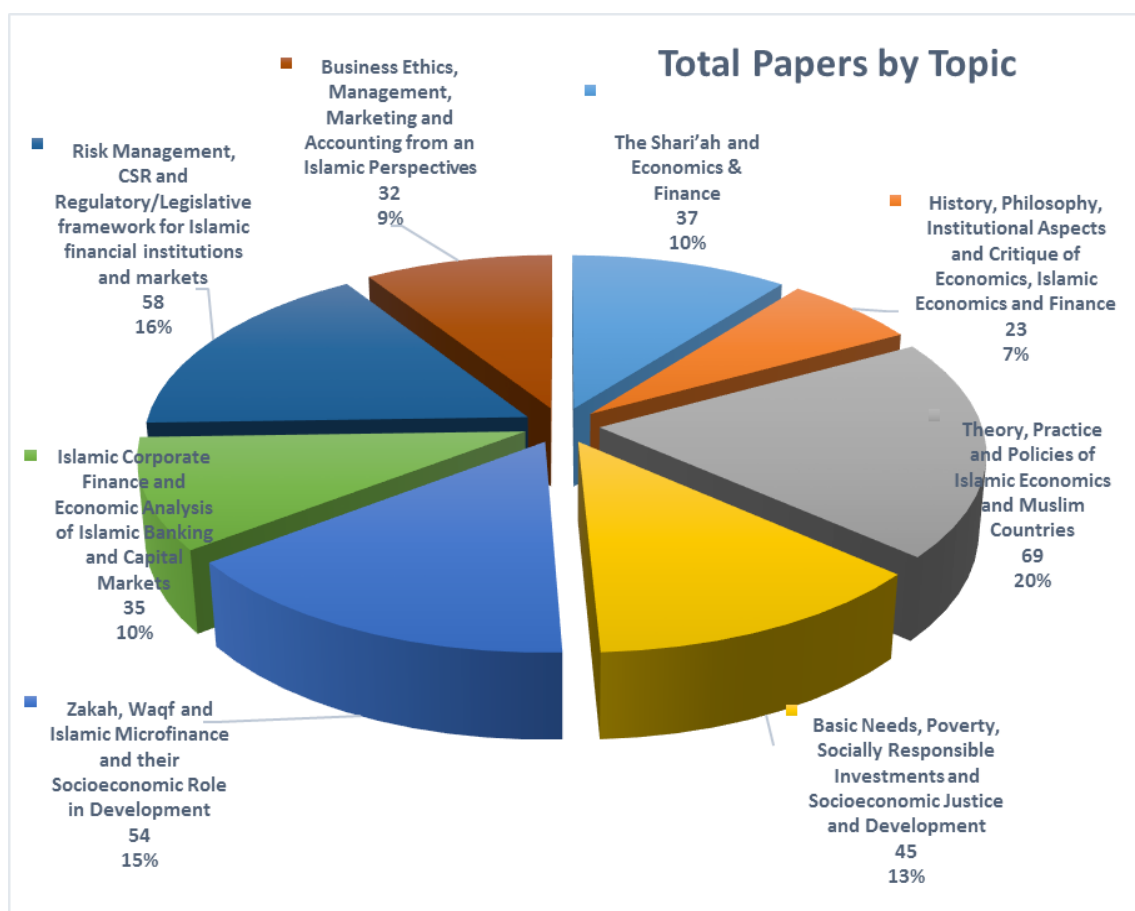
Taking into account the state of the art and the direction of the fields of Islamic economics and finance, the 11<sup>th</sup> ICIEF focuses on the way forward toward developing the disciplines of Islamic economics and Islamic finance and increasing their application in the economies of the OIC and non-OIC countries. Hence, the conference is devoted to not only theory development and application of the theory but also policy-related issues concerning, but not necessarily limited to, the following three major areas: Islamic Economics, Islamic Finance, Policy-related areas in Economics, Finance, Accounting, Management and Marketing.

### Major Areas:

1. Islamic Economics – Islamic economic system and Islamic economy; critical review of theoretical and policy studies dealing with the development of Islamic economics; comparative studies of the foundations and structure of existing economies as compared to the Islamic economic model; Islamic economic theory; applied Islamic economics; review articles useful as teaching materials at the university level
2. Islamic Finance – emerging issues relating to Islamic finance; alternative financial and monetary systems from the Islamic perspective; stability of Islamic financial system; risk-sharing in Islamic finance; Islamic response to regional/global economic and financial crises
3. Other Related Areas – the Shari'ah and its relation to Islamic economics and finance; Shari'ah-based economic policy; issues relating to Islamic accounting theory and its application to Islamic economics and finance; Islamic approaches to management and marketing; Islamic economics education and research; Islamic finance education and research.
4. Policy Issues confronting the OIC and non-OIC countries and practicable Islamic economic solutions – poverty and income distribution; entrepreneurship development and financial services for micro and medium-sized enterprises; role of Muslim women in the economy; existing legal, tax and regulatory framework from the Islamic economics perspective; Islamic monetary policy and issues; use of zakah- and awqaf-based social safety-nets in Muslim countries; economic indebtedness of the OIC countries; role of Islamic Development Bank in the economic development of the OIC countries

## PAPER SUBMISSION REPORT

NO	TOPIC	TOTAL PAPERS
1	The Shari'ah and Economics & Finance	37
2	History, Philosophy, Institutional Aspects and Critique of Economics, Islamic Economics and Finance	23
3	Theory, Practice and Policies of Islamic Economics and Muslim Countries	69
4	Basic Needs, Poverty, Socially Responsible Investments and Socioeconomic Justice and Development	45
5	Zakah, Waqf and Islamic Microfinance and their Socioeconomic Role in Development	54
6	Islamic Corporate Finance and Economic Analysis of Islamic Banking and Capital Markets	35
7	Risk Management, CSR and Regulatory/Legislative framework for Islamic financial institutions and markets	58
8	Business Ethics, Management, Marketing and Accounting from an Islamic Perspectives	32
		353



## ACCEPTED PAPER SUMMARY

THE SHARI'AH AND ECONOMICS AND FINANCE				
1. Fiqh Issues				
No.	Title	Author	Co-Author	Page
1.	Possession (Qabd) in Contemporary Financial Transactions: A Shari'ah Perspective Analysis	Md. Habibur Rahman	Muhammad Amanullah	99
2.	Clearing Debt in Islamic Jurisprudence and the Most Important Contemporary Applications Between Banks	Arif Ali Arif	Aznan Hasan, Khaled Dershwi	87
3.	Foreign Currency Transactions - An Analysis of the Shari'ah Requirements	Mohd Nasiruddin bin Mohd Kamaruddin		98
4.	Securitisation in Islamic Finance - Challenges and Opportunities As Shariah-Compliant Financing Instrument of the Future	Siti Hawa Yusof		112
2. Shari'ah Governance				
No.	Title	Author	Co-Author	Page
1.	Governing Standards for Islamic Financial Engineering	Ashraf Dawaba		68
2.	Case Study of Shari'ah Governance Practices for Islamic Banking Institution in Malaysia	Nurulhuda Abd Rahman	Norazam Mastuki, Nawal Kasim, Muhamad Rahimi Osman	85
3.	Dimensions of Economic Decision and the Effect of Islamic Sha'riah	Ibrahim Adeeb Ibrahim		88
3. The Shari'ah in Practice				
No.	Title	Author	Co-Author	Page
1.	Measuring the Islamicity of Islamic Bank in Indonesia and Other Countries Based on Shari'ah Objectives	Ascarya	Siti Rahmawati, Raditya Sukmana	78
2.	Does Shariah-Compliant Status Signal IPO Firm Quality?: An Insight from Malaysia	Nurwahida Yaakub		-
3.	Shari'ah and SRI Portfolio Performance in the UK: Effect of Oil Price Decline	Nur Dhani Hendranastiti	Mehmet Asutay	111
	Conceptualising a Unified Normative Framework of Social Responsibility in Islamic Economics	Mohd Nizam Barom		99

HISTORY, PHILOSOPHY, INSTITUTIONAL ASPECTS AND CRITIQUE OF ECONOMICS, ISLAMIC ECONOMICS AND FINANCE				
1. History				
No.	Title	Author	Co-Author	Page
1.	Content Analysis on the Origins of Islamic Economics: Contextualized Interpretation of Two Bibliographies	Zeyneb Hafsa Orhan		50
2.	Islamic Banking and Finance Before the Emergence of Modern Islamic Banks: An Investigation Into the History	Abdul Azim Islahi		94
3.	Islamic Finance Crossing Forty Years' Mile Stone-Some Thoughts for the Way Forward for Maqasid Realisation	Muhammad Ayub		94
2. Philosophy and Institutional Aspects				
No.	Title	Author	Co-Author	Page
1.	The Market Institute and the State in Islamic Economics: From Past to Present and Future	Arif Ersoy		86

2.	An Enquiry in to the 'Rationality' of Economic Rationality	Muhammed Refeque	Basim Gazali, Rashid Gazali	67
3.	Theology and Ethics in Adam Smith: A Case for Islamic Economics	Mohammed Wasim Naser		62
4.	"Islamic Money", Aristotle and the Socio-Economics of Islamic Finance	Valentino Cattelan		66
<b>3. The Way Forward</b>				
No.	Title	Author	Co-Author	Page
1.	Modern Economics and Islamic Alternative: Disciplinary Evolution and Current Crisis	Mujeeb Hussain Gattoo	Muneeb Hussain Gattoo	75
2.	Reviving the Promise of Islamic Economics	Asad Zaman		50
3.	Islamic Finance at Crossroads	Mabid Al-Jarhi		63

<b>THEORY, PRACTICE AND POLICIES OF ISLAMIC ECONOMICS AND MUSLIM COUNTRIES</b>				
<b>1. Theory of Islamic Economics</b>				
No.	Title	Author	Co-Author	Page
1.	Rethinking the Structure of Islamic Economics: The Economic Man Imperative	Mohd Mahyudi Bin Mohd Yusop		62
2.	Theoretical Model of Islamic Macroeconomy	Dumairy Dasuri		102
3.	The Informal Economy: A Neglected Area in Islamic Economics	Nazurah Andul Malek	Mohd Nahar Mohd Arshad	102
4.	Consumption and Morality: Principles and Behavioral Framework in Islamic Economics	Hafas Furqani		66
<b>2. The Practice and Policies of Islamic Economics and Muslim Countries</b>				
No.	Title	Author	Co-Author	Page
1.	Institutional Values Needed for Transformative Socio-Economic Development in the Muslim World	Necati Aydin		110
2.	The Political Economy of the OIC Member Countries: A Survey of Data on Potentials and Current Conditions	Amin Mohseni-Cheraghloou		86
3.	Aid Effectiveness in OIC Member countries	Davron Ishnazarov		52
4.	Islam and the Challenge of Economic Development in the Muslim World: Review and Evaluation of Secular Arguments	Abdelrahman Yousri Abdelrahman		50
5.	Economic Engagement of Refugees: A Theoretical and Empirical Appraisal	Omar Kachkar		111

<b>BASIC NEEDS, POVERTY, SOCIALLY RESPONSIBLE INVESTMENTS AND SOCIOECONOMIC JUSTICE AND DEVELOPMENT</b>				
No.	Title	Author	Co-Author	Page
1.	Wellbeing and Globalization in the Muslim World: Islamic Perspectives and Empirical Evidence	Muhammad Tariq Majeed		108
2.	Enhancing Islamic Finance Development Through Socially Responsible Investment (SRI) Sukuk : Social Impact Sukuk	Saadiah Mohamad	Othmar Lehner, Jaizah Othman	108
3.	Achieving Socio-Economic Justice and Human Development through Islamic Non-Commercial Institutions: An Experience From Pakistan	Mehboob Ul Hassan		60
4.	Underpinning the Benefit of Green Banking: A Comparative Study Between Islamic and Conventional Banks in Bangladesh	Kashfia Sharmeen	Rashedul Hasan, Mohammad Dulal Miah	60

5.	Muslim Immigrant Entrepreneurs in Small Retail Sector: Their Business Success and Business Prospects in Malaysia	Moha Asri Abdullah	Mohamed Asmy Mohd Thas Thaker	71
6.	Evaluate the Role of the Palestinian Islamic Banks in Financing the Investment Projects and Economic Development 2010-2014	Azmi Wasfi Awad		87
7.	Is it Costly to Introduce SRI Criteria into Islamic Portfolios?	Erragragui Elias		61

ZAKAH, WAQF AND ISLAMIC MICROFINANCE AND THEIR SOCIOECONOMIC ROLE IN DEVELOPMENT				
<b>1. Zakah</b>				
No.	Title	Author	Co-Author	Page
1.	An Exploratory Study in Zakah	Sayyid Tahir		105
2.	The Negative Effects of Mismanagement of Zakat on the Achievement of its Objectives	Ibrahim Nuhu Tahir		105
<b>2. Waqf</b>				
No.	Title	Author	Co-Author	Page
1.	The Potential of Cash Waqf as an Infrastructure Funding Option and its Implication Towards National Macroeconomy	Kurniagung Nur Cahyono	Pyan A.Muchtar, Ardanu B.Wicaksono	80
2.	Toward Developing a Model of Stakeholder Trust in Waqf Institutions	Rashedul Hasan	Siti Alawiah Siraj	89
3.	Development of Waqf in Indonesia: The SWOT Analysis of Indonesia Waqf Board	Qurroh Ayuniyyah		97
4.	Transformation of Idle Waqf Properties Into Income Generating Properties for Socio Economic Development {Successful Cases Worth Attention}	Magda Ismail Abdel Mohsin		104
5.	Potentials of Using Awqaf Funds in Muslim Societies in Stimulating Economic Growth: An Analysis in The Context of Bangladesh	Abu Umar Faruq Ahmad	Muhammad Fazlul Karim	88
6.	Comparative Analysis of Contemporary Foundation (Awqaf) Universities in Turkey	Muammer Koc	Ibrahim Ari	81
7.	Affordable Islamic Home Financing in Malaysia: A Potential Synergistic Venture Between Financial Cooperatives and Cash Waqf Institutions	Mohd Zaidi Md Zabri	Dzuljastri Abdul Razak, Mustafa Omar Mohammed	80
<b>3. Islamic Microfinance</b>				
No.	Title	Author	Co-Author	Page
1.	Islamic Micro-Finance and Sustainable Development: Needs Leading to Capabilities	Abubakar Sadiq Usman	Rosmaini Tasmin, Zatul Karama A.B.U	98
2.	Finding the Best Model for An Inclusive and Sustainable Financing: Baitul Maal Wa Tamwil ( Islamic Micro-Cooperation) or Islamic Crowdfunding? Case Study of Indonesia	Muhammad Qareza Qauldi	Priyesta Rizkiningsih, Atika Irawan	57
3.	Waqf-Based Social Micro Venture Fund: A Proposal for the Malay-Muslim Community in Singapore	Norliana Mohammad Hamber		89
4.	Maqasid Based Approach on the Role of Muslim Public Funds in Sustaining Islamic Microfinance: A Case Study of Tabung Masjid in Selangor, Malaysia	Luqman Zakariyah	Ahmad Basri Ibrahim, Nurhidayat Md Nor, Suhaimi Mhd Sarif, Azman Mohd Noor	97
5.	Challenges of Micro Financing in Bangladesh: A Comparative Study Between Islami Bank Bangladesh Limited and Grameen Bank	Md. Ferdousur Rahman	Sayed Mohammad Asaduzzaman	56
6.	Redefining The Islamic Nanofinance and Its Institutional Strengthening: Lesson Learned from Asian Countries	Khairunnisa Musari		56
7.	Evaluating Efficiency of Islamic and Conventional Micro Finance Institutions in India: Lessons to the Secular Non-Muslim Majority Countries	MK Ummer Farooque		51

ISLAMIC CORPORATE FINANCE AND ECONOMIC ANALYSIS OF ISLAMIC BANKING AND CAPITAL MARKETS				
<b>1. Corporate Finance</b>				
No.	Title	Author	Co-Author	Page
1.	Rethinking Corporate Finance: An Islamic Framework of Sustainable Business Practices for Corporate Organization	AbdulGafar Olawale Fahm		63
2.	The determinant factors of IPO underpricing and Cumulative Abnormal Return: Evidence From Sharia-Compliant Companies Listed on the Malaysian Stock Exchange	Nashirah Binti Abu Bakar	Sofian Rosbi	64
<b>2. Islamic Banking - General</b>				
No.	Title	Author	Co-Author	Page
1.	Does Technology Improves Customer Satisfaction and Loyalty? A Comparative Study of Islamic and Conventional Banks	Malik Shahzad Shabbir		-
2.	Removing Fallacy Regarding Use of Conventional Benchmark in Islamic Banking and Finance	Muhammad Shujaat Saleem	Muhammad Faisal Majid, Abdul Ghaffar	75
3.	The Dynamic Corelation Between Deposit Rates of Conventional Banking and Profit Share Rates of Participation Banking: Case Study from Turkey	Husnu Tekin	Burak Sencer Atasoy, Hasan Murat Ertugrul	74
4.	The Determinants of Performancein Islamic Banks and Conventional Banks: Comparative Study	Mouna Moualhi		74
<b>3. Islamic Banking in Selected Muslim Countries</b>				
No.	Title	Author	Co-Author	Page
1.	Concentration, Competition and Efficiency of Malaysian Banking	Rossazana Ab-Rahim	Farhana Ismail, Noor-Shazreen Mortadza	77
2.	Analysis of Trend and Ratio Comparison of Islamicity Performance at Mandiri Syariah, Muamalat Indonesia, BRI Syariah and BNI Syariah Banks of 2011-2014	Dina Fitriisa Septiarini	Dian Fillianti	70
3.	Determinant of Non Performing Financing in Islamic Banks in Indonesia	Sendy Watazawwadu'llmi	Dina Haryati	84
5.	Efficiency of Islamic Commercial Banks in Indonesia 2011-2014 Case Study Using Two Development Stage Analysis	Alan Ray Farandy	Demas Asfario Suwito, Lila Kondi Dabutar	69
6.	Is Ownership Structure Priced on the Islamic Rural Bank's Efficiency: Lessons Learned from Indonesia	Wahyu Jatmiko		79
7.	High Performance Work Systems and Organizational Performance: A Case of Islamic Versus Conventional Banks in Pakistan	Muhammad Siddique		113
8.	Efficiency and Stability: A Comparative Study Between Islamic and Conventional Banks in GCC Countries.	Mohammad Dulal Miah	Helal Uddin	-
9.	A Panel Survival Analysis for Islamic Banks	Sirajo Aliyu	Rosylin Mohd Yusof	52
10.	A comparison Between the Islamic Home Financing Alternatives in Palestine	Mousa A. M. Ajouz	Nor Azizan Che Embi	110
<b>4. Islamic Capital Markets</b>				
No.	Title	Author	Co-Author	Page
1.	From Screening to Compliance Strategies: the Case of Islamic Stock Indices with Application on "MASI" in English	Kafou Ali		55
2.	Islamic Calendar Anomalies on The Karachi Stock Exchange	Fatima Syed	Naimat U. Khan	63
3.	The Relationship Between Returns and Volatility in ETFs Traded in Borsa Istanbul? Is There Any Difference Islamic and Conventional ETFs	M. Kabir Hassan	Selim Kayhan, Tayfur Bayat	84

4.	Investing in Islamic Stocks: A Wiser Way to Achieve the Genuine Interest-Free Finance	Mehmet Sarac		85
5.	Design of Islamic Financial Certificates for Housing Development in Algeria	Imene Tabet	Monzer Kahf	94
6.	Exploring the Potentials of Diaspora Sukuk for OIC Member Countries	Abdou Diaw		54
7.	Operational Constraint of Islamic Equity Funds for Budget Deficit Financing	Ibrahim Onour		69

RISK MANAGEMENT, CSR AND REGULATORY FRAMEWORK FOR ISLAMIC FINANCIAL INSTITUTIONS AND MARKETS				
<b>1. Risk Management</b>				
No.	Title	Author	Co-Author	Page
1.	Challenges of Risk Management for Islamic Financial Institutions: An Analysis of Shari'ah-Compliant Derivatives, ISDA/IIFM Tahawwut (hedging) Master Agreement and Liquidity Risk	Muhammad Ashfaq		104
2.	Bank Capital Adequacy and Liquidity Risk Management : Conventional vs Islamic Bank	Fedi Kalai	Jean-Baptiste Desquillbet	69
3.	Risk Managent Practices in Islamic Banks: A Comparative Study Between Nigeria and Malaysia	Aliyu Dahiru Muhammad		77
4.	Board of Directors, Shariah Supervisory Board and Risk-Taking Behavior of Islamic Banks in Southeast Asia	Faaza Fakhrunnas	Zulkufly Ramly	103
5.	The Impact of Risk, Competition and Human Capital on Bank Performance: Islamic vs Conventional Banks Around the World	Tanveer Ahsan	Muhammad Azeem Qureshi	96
6.	Strengthening Financial Safety Nets in Islamic Banking: A Proposed Waqf-based Shariah-Compliant Deposit Insurance Scheme	Madaa Munjid Mustafa	Syed Faiq Najeeb	103
7.	Increasing Musharakah Moodel Uwing Repetitive Muwada and Participative Hedging	Walid Mansour		67
<b>2. Takaful and Insurance</b>				
No.	Title	Author	Co-Author	Page
1.	Integrating the Moderating Effect of Individuals' Risk Preference into Takaful Acceptance Model: Evidence From a Frontier Market	Abdulsalam Mas'ud		79
2.	Islamic Life Insurance Efficiency and Performance: Evidence From Indonesia	Irman Firmansyah	Abrista Devi	78
3.	The Impact of the Insurance Surplus Distribution on the Competitiveness of Takaful Insurance Product Versus the Traditional	Ameur oussama		68
<b>3. CSR</b>				
No.	Title	Author	Co-Author	Page
1.	Social Responsibilities of Islamic Banks - Case Study of Bank Islam Malaysia Bhd & Bank Muamalat Malaysia Bhd	Muhammad Adli Musa		108
2.	Corporate Social Responsibility of Islamic Banks in Malaysia: Arising Issues	Wan Noor Hazlina Wan Jusoh		96
<b>4. Regulatory Framework for Islamic Financial Institutions and Markets</b>				
No.	Title	Author	Co-Author	Page
1.	Understanding Islamic Based Financial Reporting Standardisation Projects: Institutional Logics Perspective on the Malaysian Case	Ahmad Abras	Murniati Mukhlisin	95

2.	Governance Mechanisms and Disclosure Among Malaysian Islamic Banks	Asri B. Marsidi	Hairul Azlan Annuar, Abdul Rahim b Abdul Rahman	95
3.	The Necessity and Intensity of Macroprudential Measures With Regards To Countercyclical Buffer Requirement in Islamic Banking: Some Evidence From Iran	Mehdi Hadian		-
4.	Effectiveness of LTV/FTV As Macroprudential Instrument under Dual Banking System in Indonesia	Ascarya	Siti Rahmawati, Adiwarman A.Karim	55
5.	Impact Analysis of Global Financial Crisis on the Credit Risk Performance Nexus: Evidence from Islamic Banks in Pakistan	Azam Ali	Noraini Mohd Ariffin, Salina Kassim	109

#### BUSINESS ETHICS, MANAGEMENT, MARKETING AND ACCOUNTING FROM ISLAMIC PERSPECTIVE

No.	Title	Author	Co-Author	Page
1.	Moral Firms and Distributive Justice in An Islamic Framework	Toseef Azid	Osamah Hussain Al Rawashdeh	53
2.	Marketing Effectiveness of Islamic and Conventional Banks: Evidence from Malaysia	Syed Najibullah	Baharom Abdul Hamid, Muzafar Shah Habibullah	53
3.	Stakeholder Saliency for Corporate Social Performance in Malaysian Islamic Banks - Managers Perspective	Hamidah Bani	Noraini Mohd Ariffin	54
4.	Impacts of Spiritual Intelligence Dimensions on Personal Values of Islamic Bank Employees: An Empirical Investigation in Malaysia	AAhad Osman-Gani	Aftab Anwar, Zabeda A. Hamid	70
5.	Customer Relationship Management Analysis: The Factors Enhancing Customer Loyalty in Indonesia Islamic Bank	Tika Kartika	Achmad Firdaus, Mukhammad Najib	76
6.	Media Independence and Corruption As A Business Operation Problem in Islamic Countries	Charilaos Mertzanis		76



## STEERING COMMITTEE

The steering committee is composed of the following people who made all policy decisions related to the conference.

1. Prof. Dr. Maliah Sulaiman, IIUM, Chairman
2. Prof. Dato' Dr. Mohd Azmi Omar, IRTI, Co-Chairman
3. Prof. Dr. Tariqullah Khan, IAIE, Member
4. Prof. Dr. Mohamed Aslam Haneef, IIUM, Member

## ACADEMIC COMMITTEE

The academic committee is comprised of more than twenty senior professors and renowned economists from the field.

In addition to the members named below, over 120 anonymous reviewers also contributed. The committee was responsible for managing the theme development, dissemination of the call for papers, soliciting proposals and draft papers, reviewing papers and selecting papers for presentation. The committee included:

1. Prof. Dr. Sayyid Tahir, IIUM, Chairman
2. Prof. Dr. Tariqullah Khan, IAIE, Co-Chairman
3. Prof. Dr. Abdul Ghafar Ismail, IRTI, Co-Chairman
4. Prof. Dr. Mohamed Aslam Haneef, IIUM, Co-Chairman
5. Dr. Muhammad Irwan Ariffin, IIUM, Secretary
6. Prof. Dr. Khaliq Ahmad, IIUM, Member
7. Prof. Dr. Habib Ahmed, IAIE, Member
8. Prof. Dr. Abdullah Turkistani, KAAU, IAIE, Member
9. Dr. Salman Syed Ali, IRTI, Member
10. Dr. Muhamed Zulkhibri Abdul Majid, IRTI, Member
11. Shariffah Nehran Sh. Zainal Rashid, IIUM, Coordinator

## REVIEWERS

As part of the academic committee, 92 peer-reviewers were involved on a double-blind basis. Below is a list of academics who contributed in the review process.

- |  |   |
|--|---|
| 1. Prof. Dr. A.K.M. Ahasanul Haque         | 20. Prof. Dr. Sayyid Tahir                            |
| 2. Prof. Dr. Abdullah Qurban Turkistani    | 21. Prof. Dr. Selamah Abdullah Yusof                  |
| 3. Prof. Dr. Arif Hassan                   | 22. Prof. Dr. Tariqullah S. Khan                      |
| 4. Prof. Dr. Ashraf Md. Hashim             | 23. Prof. Dr. Zarinah Hamid                           |
| 5. Prof. Dr. Ataul Huq Pramanik            | 24. Prof. Dr. Zubair Hasan                            |
| 6. Prof. Dr. Habib Ahmed                   | 25. Prof. M. Kabir Hassan                             |
| 7. Prof. Dr. Hasanuddeen Abd Aziz          | 26. Assoc. Prof. Dr. Abdulrahim Abdulhamid Al Saati   |
| 8. Prof. Dr. Jarita Duasa                  | 27. Assoc. Prof. Dr. Azhar Mohamad                    |
| 9. Prof. Dr. Khaliq Ahmad                  | 28. Assoc. Prof. Dr. Aznan Hasan                      |
| 10. Prof. Dr. Maliah Sulaiman              | 29. Assoc. Prof. Dr. Badruddin Ibrahim                |
| 11. Prof. Dr. Moha Asri Abdullah           | 30. Assoc. Prof. Dr. Dzuljastri Abd. Razak            |
| 12. Prof. Dr. Mohamad Akram Laldin         | 31. Assoc. Prof. Dr. Gairuzazmi Mat Ghani             |
| 13. Prof. Dr. Mohamed Aslam Mohamed Haneef | 32. Assoc. Prof. Dr. Gapur Oziev                      |
| 14. Prof. Dr. Mohammed Yusoff              | 33. Assoc. Prof. Dr. Mohamed Eskandar Shah Mohd Rasid |
| 15. Prof. Dr. Nasim Shah Shirazi           | 34. Assoc. Prof. Dr. Muslim Har Sani Mohamad          |
| 16. Prof. Dr. Nazli Anum Mohd. Ghazali     | 35. Assoc. Prof. Dr. Mustafa Omar Mohammed            |
| 17. Prof. Dr. Norma Md. Saad               | 36. Assoc. Prof. Dr. Noraini Mohd. Ariffin            |
| 18. Prof. Dr. Rokiah Alavi                 | 37. Assoc. Prof. Dr. Rafia Afroz                      |
| 19. Prof. Dr. Rosylin Yusof                | 38. Assoc. Prof. Dr. Razali Haron                     |

- |   |   |
|---|---|
| 39. Assoc. Prof. Dr. Rusni Hassan                       | 67. Dr. Maszlee Malik                     |
| 40. Assoc. Prof. Dr. Saim Kayadibi                      | 68. Dr. Maya Puspa Rahman                 |
| 41. Assoc. Prof. Dr. Salina Kassim                      | 69. Dr. Md. Fardous Alom                  |
| 42. Assoc. Prof. Dr. Sharifah Zubaidah Syed Abdul Kader | 70. Dr. Mohamed Asmy Bin Mohd Thas Thaker |
| 43. Assoc. Prof. Dr. Siti Mashitoh Binti Mahamood       | 71. Dr. Mohd Mahyudi Mohd Yusop           |
| 44. Assoc. Prof. Dr. Siti Salwani Razali                | 72. Dr. Mohd Nahar Mohd Arshad            |
| 45. Assoc. Prof. Dr. Suhaimi Mhd Sarif                  | 73. Dr. Muhamed Zulkhibri                 |
| 46. Assoc. Prof. Dr. Suhaiza Ismail                     | 74. Dr. Muhammad Irwan Ariffin            |
| 47. Assoc. Prof. Dr. Syed Musa Bin Syed Jaafar Alhabshi | 75. Dr. Muhammad Tahir Jan                |
| 48. Dr. Abdelrahman Elzahi                              | 76. Dr. Nazrol Kami Mustaffa Kamil        |
| 49. Dr. Adewale Abideen Adeyemi                         | 77. Dr. Noorihsan Mohamad                 |
| 50. Dr. Ahmad Zamri Osman @ Husin                       | 78. Dr. Nor Azizan Che Embi               |
| 51. Dr. Aliyu Dahiru Muhammad                           | 79. Dr. Ousmane Seck                      |
| 52. Dr. Asad Zaman                                      | 80. Dr. Raditya Sukmana                   |
| 53. Dr. Asma Akli Soualhi                               | 81. Dr. Ros Aniza Mohd Sharif             |
| 54. Dr. Buerhan Saiti                                   | 82. Dr. Salman Syed Ali                   |
| 55. Dr. Dawood Ashraf                                   | 83. Dr. Sami Ibrahim Al-Suwailem          |
| 56. Dr. Hafas Furqani                                   | 84. Dr. Siti Alawiah Siraj                |
| 57. Dr. Hamdino Hamdan                                  | 85. Dr. Suharni Maulan                    |
| 58. Dr. Haniza Khalid                                   | 86. Dr. Tamsir Cham                       |
| 59. Dr. Hayatullah Laluddin                             | 87. Dr. Turkhan Ali Abdul Manap           |
| 60. Dr. Ibrahim Nuhu Tahir                              | 88. Dr. Wan Rohaida Wan Husain            |
| 61. Dr. Intan Zanariah Zakaria                          | 89. Dr. Zulkufly Ramly                    |
| 62. Dr. Irfan Syauqi Beik                               | 90. Mr. Ascarya                           |
| 63. Dr. Izyani Zulkifli                                 | 91. Mr. Mohamad Soleh Nurzaman            |
| 64. Dr. Khairunisah Ibrahim                             | 92. Mr. Yusof Ismail                      |
| 65. Dr. Luqman Zakariyah                                |   |
| 66. Dr. Marhanum Che Mohd Salleh                        |   |

## ORGANIZING COMMITTEE

1. Prof. Dr. Mohamed Aslam Haneef, IIUM, Chairman
2. Prof. Dr. Khaliq Ahmad, IIUM, Deputy Chairman I
3. Prof. Dr. Norma Md. Saad, IIUM, Deputy Chairman II
4. Dr. Muhammad Irwan Ariffin, IIUM, Secretary
5. Dr. Mohamed Asmy Mohamed Thas Thaker, IIUM, Assistant Secretary
6. Assoc. Prof. Dr. Gairuzazmi Mat Ghani, IIUM, Treasurer
7. Prof. Dr. Rokiah Alavi, IIUM, Programme Head
8. Prof. Dr. Tariqullah Khan, IAIE, Member
9. Dr. Muhamed Zulkhibri Abdul Majid, IRTI, Member
10. Assoc. Prof. Dr. Mohd Nahar Mohd Arshad, IIUM, Member
11. Sajjad Qurban, IRTI, Member
12. Zahratol'Amani Hj. Shihabuddin, IIUM, Manager
13. Mazlilawati Murad, IIUM, Coordinator
14. Shariffah Nehran Sh. Zainal Rashid, IIUM, Coordinator
15. Zera Zuryana Idris, IIUM, Assistant Coordinator

---

# PROGRAM SCHEDULE

---

## OPENING CEREMONY

### TUESDAY (11<sup>th</sup> OCTOBER 2016)

08.40 am – 08.45 am	Arrival of Guests
08.50 am – 08.55 am	Arrival of VIPs
09.00 am – 09.05 am	Recitation of Verses from Al Qur'an
09.05 am – 09.10 am	Welcoming Address by Prof. Dr. Mohamed Aslam Haneef, Chairman, 11 <sup>th</sup> ICIEF Organising Committee
09.10 am – 09.15 am	Montage on 11 <sup>th</sup> ICIEF
09.15 am – 09.20 am	Welcoming Address by Prof. Dr. Maliah Sulaiman, Chairperson, 11 <sup>th</sup> ICIEF Steering Committee and Dean, KENMS, IIUM
09.20 am – 09.25 am	Welcoming Address by Prof. Dr. Tariqullah Khan, President, International Association of Islamic Economics (IAIE)
09.25 am – 09.30 am	Welcoming Address by Prof. Dato' Dr. Mohd Azmi Omar, Director General, Islamic Research and Training Institute (IRTI), Islamic Development Bank Group (IDB), Jeddah, Saudi Arabia
09.30 am – 09.45 am	Opening Address by Hon. Prof. Dato' Seri Dr. Zaleha Kamaruddin, Rector of International Islamic University Malaysia (IIUM)
09.45 am – 10.05 am	Officiating Address by Y.B. Datuk Abdul Rahman Dahlan, Minister in the Prime Minister's Department, Malaysia
10.05 am – 10.10 am	Book Launching
10.10 am – 10.15 am	Du'a Recitation
10.15 am – 10.30 am	11th ICIEF Group Photo Session
10.30 am - 11.15 am	Tea Break

# 11<sup>th</sup> INTERNATIONAL CONFERENCE ON ISLAMIC ECONOMICS AND FINANCE

## DAY 1 - TUESDAY (11<sup>th</sup> OCTOBER 2016)

08.00 am – 09.00 am	REGISTRATION
09.00 am – 11.15 am	OPENING CEREMONY
11.15 am – 12.30 pm	<p><b>PLENARY SESSION 1:</b> Developing A Sustainable Global Economic and Financial System</p> <p><b>Keynote 1:</b> Prof. Dr. Fahim Khan, Member, International Advisory Board of the Dubai Center for Islamic Banking and Finance (DCIBF) Center, Hamdan Bin Mohammed Smart University, Dubai, UAE</p> <p><b>Keynote 2:</b> Prof. Dr. Jomo Kwame Sundaram, Holder of Tun Hussein Onn Chair in International Studies, Institute of Strategic and International Studies (ISIS) Malaysia and Adjunct Professor of Department of Economics, IIUM</p>
12.30 pm – 02.15 pm	Lunch and Zuhur Prayer
02.15 pm – 03.45 pm	Parallel Sessions I (Group 1 - 5)
03.45 pm – 04.00 pm	Tea Break
04.00 pm – 05.30 pm	<p>Parallel Sessions II (Group 1 - 3) and Panel Session 1</p> <p><b>PANEL SESSION 1:</b> Systemic Risks and Financial Stability in Islamic Banking and Finance</p> <p><b>Moderator:</b> Dato' Wira Dr. Jamil Osman, International Institute of Islamic Thought (IIIT) East and South East Asia</p> <p><b>Panelists:</b></p> <ol style="list-style-type: none"> <li>1. Dr. Salman Syed Ali, Islamic Research and Training Institute (IRTI), Islamic Development Bank Group (IDB), Jeddah, Saudi Arabia</li> <li>2. Mr. Zahid ur Rehman Khokher, Islamic Financial Services Board (IFSB)</li> <li>3. Mr. Rafe Haneef, CEO CIMB Islamic, Malaysia</li> <li>4. Prof. Dr. M Kabir Hassan, University of New Orleans, USA</li> </ol> <p><b>END OF DAY 1</b></p>

## DAY 2 - WEDNESDAY (12<sup>th</sup> OCTOBER 2016)

08.30 am – 10.00 am	Parallel Sessions III (Group 1 - 5)
10.00 am – 10.30 am	Tea Break
10.30 am – 11.45 am	Parallel Sessions IV (Group 1 - 5)
11.45 am – 01:00 pm	<p><b>PLENARY SESSION 2 :</b> Implications of Risk Sharing Economy on Development and Shared Prosperity</p> <p><b>Keynote 3 :</b> Prof. Dr. Abbas Mirakhor, First Holder, International Centre for Educations in Islamic Finance (INCEIF) Chair of Islamic Finance</p> <p><b>Keynote 4 :</b> Y. Bhg. Tan Sri Dr. Mohd Irwan Serigar Abdullah, Secretary General of Treasury, Ministry of Finance, Malaysia</p>
01:00 pm – 02.15 pm	Lunch and Zuhur Prayer
02.15 pm – 03.45 pm	Parallel Sessions V (Group 1 - 5)
03.45 pm – 04.00 pm	Tea Break
04.00 pm – 05.30 pm	Parallel Sessions VI (Group 1 - 5)
	<b>END OF DAY 2</b>

THERE WILL BE THREE PARALLEL SESSIONS AND A PANEL SESSION ON DAY 3 THAT WILL RUN CONCURRENTLY WITH THE SYMPOSIUM ON ISLAMIC ECONOMICS AND FINANCE EDUCATION.

DAY 3 - THURSDAY (13 <sup>th</sup> OCTOBER 2016)	
09.00 am – 10.30 am	Parallel Sessions VII (Group 1 - 3)
10.30 am – 10.45 am	Tea Break
10.45 am – 12.45 pm	Parallel Sessions VIII (Group 1 - 3)
12.45 pm – 02.00 pm	Lunch and Dhuhr Prayer
02.15 pm – 03.45 pm	<p><b>PANEL SESSION 2:</b> Bridging Academia, Policy and Practice</p> <p><b>Moderator:</b> Prof. Dr. Mohamed Aslam Haneef, Centre for Islamic Economics (CIE), International Islamic University Malaysia (IIUM)</p> <p><b>Panelists:</b></p> <ol style="list-style-type: none"> <li>1. Prof. Dr. Abdul Ghafar Ismail, Islamic Research and Training Institute (IRTI), Islamic Development Bank Group (IDB), Jeddah, Saudi Arabia</li> <li>2. Prof. Dr. Volker Nienhaus, University of Bochum, Germany</li> <li>3. Prof. Dr. Mabid Al-Jarhi, International Centre for Educations in Islamic Finance (INCEIF)</li> <li>4. Mr. Razi Fakhri, Managing Partner, Sequentis Consulting, UAE</li> </ol>
04.00 pm – 04.45 pm	<p><b>KL DECLARATION AND CLOSING CEREMONY</b></p> <p>KL Declaration by Prof. Dr. Mohamed Aslam Haneef, Chairman, 11<sup>th</sup> ICIEF Organizing Committee                      Closing Remarks by Prof. Dr. Maliah Sulaiman, Dean, Kulliyah of Economics and Management Sciences, IIUM                      Closing Remarks by Prof. Dr. Abdul Ghafar Ismail, Islamic Research and Training Institute (IRTI)</p> <p><b>Special Closing Address by Y. B. Senator Dato' Dr. Asyraf Wajdi Dusuki, Deputy Minister, Prime Minister's Department</b></p>
04.45 pm	<p>Tea Break</p> <p><b>END OF CONFERENCE</b></p>

5<sup>th</sup> ISLAMIC ECONOMICS AND FINANCE EDUCATION SYMPOSIUM

Venue : Taming Sari 3

THURSDAY (13<sup>th</sup> OCTOBER 2016)

08.30 am – 09.00 am	REGISTRATION AND NETWORKING
09.00 am – 09.15 am	<p>WELCOMING ADDRESS AND OPENING REMARKS</p> <ol style="list-style-type: none"> <li>1. Prof. Dr. Maliah Sulaiman, Kulliyah of Economics and Management Sciences, IIUM</li> <li>2. Prof. Dr. Khaliq Ahmad, Institute of Islamic Banking and Finance, IIUM</li> <li>3. Housseem Eddine Bedoui, Islamic Research and Training Institute (IRTI)</li> </ol>
09.15 am – 09.40 am	<p><b>SPECIAL ADDRESS:</b></p> <p>Why Current Economics and Finance is Not Sustainable- The Need for Curriculum Reform Prof. Dr. Steve Keen, Kingston University, UK</p>
09.40 am – 10.30am	<ul style="list-style-type: none"> <li>■ IEFE landscape in Malaysia based on MIFER Report;</li> <li>■ IEFE in Indonesia- Some Initial Findings;</li> <li>■ Overview Global Trends on Graduate Islamic Economics and Islamic Finance programmes</li> </ul>
10.30 am – 10.45 am	Tea Break
11.00 am – 12.30 pm	<p><b>SYMPOSIUM PANEL SESSION:</b></p> <p>Discussion on Harmonization or Standardization of Islamic Economics and Finance</p> <ol style="list-style-type: none"> <li>1. Prof. Abdullah Qurbani, Islamic Economics Institute, King Abdulaziz University</li> <li>2. Prof. Dr. M Kabir Hassan, University of New Orleans, USA</li> <li>3. Prof. Syed Othman Al-Habshi, International Centre for Educations in Islamic Finance (INCEIF)</li> <li>4. Prof. Arif Ersoy, Istanbul Sabahattin Zaim University</li> <li>5. Prof. Dr. Volker Nienhaus, University of Bochum, Germany</li> </ol>
12.30 pm – 12.45 pm	Briefing on Focus Group Discussions
12.45 pm – 02.00 pm	Lunch and Dhuhr Prayer
02.15 pm – 03.15 pm	Focus Group Discussion Sessions - Islamic Economics and Islamic Finance
03.15 pm – 03.30 pm	Wrapping Up
03.45 pm – 04.45 pm	CLOSING CEREMONY
04.45 pm	Tea and End
	<b>END OF CONFERENCE</b>



---

# PARALLEL SESSIONS SCHEDULE

---

## DAY ONE : 11<sup>th</sup> OCTOBER 2016 (TUESDAY)

### PARALLEL SESSION 1:

#### GROUP 1

Time : 2.15 pm – 3.45 pm  
Venue : Grand Ballroom  
Chairperson : Dr. Mohd Mahyudi Mohd Yusop

- Reviving the Promise of Islamic Economics - Asad Zaman
- Islam and the Challenge of Economic Development in the Muslim World: Review and Evaluation of Secular Arguments - Abdelrahman Yousri Abdelrahman
- Content Analysis on the Origins of Islamic Economics: Contextualized Interpretation of Two Bibliographies - Zeyneb Hafsa Orhan

#### GROUP 2

Time : 2.15 pm – 3.45 pm  
Venue : Tun Sri Lanang 1  
Chairperson : Assoc. Prof. Dr. Salina Hj. Kassim

- Evaluating Efficiency of Islamic and Conventional Micro Finance Institutions in India: Lessons to the Secular Non-Muslim Majority Countries - Mk Ummer Farooque
- Aid Effectiveness in OIC Member Countries - Davron Ishnazarov
- A Panel Survival Analysis for Islamic Banks - Sirajo Aliyu and Rosylin Mohd Yusof

#### GROUP 3

Time : 2.15 pm – 3.45 pm  
Venue : Tun Sri Lanang 2  
Chairperson : Prof. Dr. Aahad M.Osman-Gani

- Moral Firms and Distributive Justice in An Islamic Framework - Toseef Azid & Osamah Hussain Al Rawashdeh
- Marketing Effectiveness of Islamic and Conventional Banks: Evidence from Malaysia - Syed Najibullah, Dr. Baharom Abdul Hamid and Dr. Muzafar Shah Habibullah
- Stakeholder Saliency for Corporate Social Performance in Malaysian Islamic Banks - Managers Perspective - Hamidah Bani and Noraini Mohd Ariffin

#### GROUP 4

Time : 2.15 pm – 3.45 pm  
Venue : Taming Sari 3  
Chairperson : Prof. Dr. Hassanuddeen Abd Aziz

- Exploring the Potentials of Diaspora Sukuk for OIC Member Countries - Abdou Diaw
- From Screening to Compliance Strategies: The Case of Islamic Stock Indices with Application on "MASI" in English - Kafou Ali and Chakir Ahmed
- Effectiveness of LTV/FTV as Macroprudential Instrument under Dual Banking System in Indonesia - Ascarya, Siti Rahmawati and Adiwarman A. Karim
- Financial Crises and Global Economic Integration-Evidence from Select *Shariah* Indices - Saif Siddiqui and Safika Praveen Sheik

## GROUP 5

Time : 2.15 pm – 3.45 pm  
 Venue : Sri Panglima 2  
 Chairperson : Assoc. Prof. Dr. Dzuljastri Abdul Razak

- Challenges of Micro Financing in Bangladesh: A Comparative Study Between Islami Bank Bangladesh Limited and Grameen Bank - Md. Ferdausur Rahman and Sayed Mohammad Asaduzzaman
- Redefining the Islamic Nanofinance and its Institutional Strengthening: Lesson Learned From Asian Countries - Khairunnisa Musari
- Finding the Best Model for an Inclusive and Sustainable Financing: Baitul Maal Wa Tamwil (Islamic Micro-Cooperation) or Islamic Crowdfunding? Case Study of Indonesia - Muhammad Qareza Qualdi, Priyesta Rizkiningsih and Atika Irawan

## PARALLEL SESSION 2:

### GROUP 1

Time : 4.00 pm – 5.30 pm  
 Venue : Taming Sari 3  
 Chairperson : TBD

- Achieving Socio-Economic Justice and Human Development through Islamic Non-Commercial Institutions: An Experience from Pakistan - Mehboob Ul Hassan
- Underpinning the Benefit of Green Banking: A Comparative Study between Islamic and Conventional Banks in Bangladesh - Kashfia Sharmeen, Rashedul Hasan and Mohammad Dulal Miah
- Fiscal Policy Incidence and Poverty Reduction: Evidence From Tunisia - Ahmed Moumami
- Enhancing Islamic Finance Development Through Socially Responsible Investment (SRI) Sukuk : Social Impact Sukuk - Saadiah Mohamad, Othmar Lehner and Jaizah Othman

### GROUP 2

Time : 4.00 pm – 5.30 pm  
 Venue : Tun Sri Lanang 1  
 Chairperson : TBD

- Theology and Ethics in Adam Smith: A Case for Islamic Economics - Mohammed Wasim Naser
- Rethinking the Structure of Islamic Economics: The Economic Man Imperative - Mohd Mahyudi Mohd Yusop
- Islamic Finance at Crossroads - Mabid Al-Jarhi

### GROUP 3

Time : 4.00 pm – 5.30 pm  
 Venue : Tun Sri Lanang 2  
 Chairperson : Dr. Maya Puspa Rahman

- Islamic Calendar Anomalies on the Karachi Stock Exchange - Fatima Syed and Naimat U. Khan
- Rethinking Corporate Finance: An Islamic Framework of Sustainable Business Practices for Corporate Organization - Abdulgafar Olawale Fahm
- The Determinant Factors of IPO Underpricing and Cumulative Abnormal Return: Evidence from Sharia-Compliant Companies Listed On the Malaysian Stock Exchange - Nashirah Binti Abu Bakar and Sofian Rosbi

## DAY TWO : 12<sup>th</sup> OCTOBER 2016 (WEDNESDAY)

### PARALLEL SESSION 3:

#### GROUP 1

Time : 9.00 am – 10.15 am  
Venue : Grand Ballroom  
Chairperson : Assoc. Prof. Dr. Mohd Nahar Mohd Arshad

- "Islamic Money", Aristotle and the Socio-Economics of Islamic Finance - Valentino Cattelan
- Consumption and Morality: Principles and Behavioral Framework in Islamic Economics - Hafas Furqani
- An Enquiry in to the 'Rationality' Of Economic Rationality - Muhammed Refeque, Basim Gazali and Rashid Gazali

#### GROUP 2

Time : 9.00 am – 10.15 am  
Venue : Taming Sari 3  
Chairperson : Dr. Ibrahim Nuhu Tahir

- Increasing Musharakah Model Using Repetitive Muwada and Participative Hedging - Walid Mansour
- Governing Standards for Islamic Financial Engineering - Ashraf Dawaba
- The Impact of the Insurance Surplus Distribution on the Competitiveness of Takaful Insurance Product versus the Traditional - Ameur Oussama

#### GROUP 3

Time : 9.00 am – 10.15 am  
Venue : Tun Sri Lanang 1  
Chairperson : Prof. Dr. Rosylin Mohd Yusof

- Bank Capital Adequacy and Liquidity Risk Management : Conventional vs. Islamic Bank - Fedi Kalai and Jean-Baptiste Desquilbet
- Operational Constraint of Islamic Equity Funds for Budget Deficit Financing - Ibrahim Onour
- Efficiency of Islamic Commercial Banks in Indonesia 2011-2014 Case Study Using Two Development Stage Analysis - Alan Ray Farandy, Demas Asfario Suwito and Lila Kondi Dabutar

#### GROUP 4

Time : 9.00 am – 10.15 am  
Venue : Tun Sri Lanang 2  
Chairperson : Assoc. Prof. Dr. Salina H. Kassim

- Impacts of Spiritual Intelligence Dimensions on Personal Values of Islamic Bank Employees: An Empirical Investigation in Malaysia - Aahad Osman-Gani, Aftab Anwar and Zabeda A. Hamid
- Analysis of Trend and Ratio Comparison of Islamicity Performance at Mandiri Syariah, Muamalat Indonesia, BRI Syariah and BNI Syariah Banks Of 2011-2014 - Dina Fitriisa Septiarini and Dian Fillianti
- Muslim Immigrant Entrepreneurs in Small Retail Sector: Their Business Success and Business Prospects in Malaysia - Moha Asri Abdullah and Mohamed Asmy Mohd Thas Thaker

## GROUP 5

Time : 9.00 am – 10.15 am  
 Venue : Sri Panglima 2

This session will evaluate the research output presented throughout the 10 conferences since 1976. The session will be led by the pioneer institution involved in the conference series such as KAU, IRTI, IAIE, IIUM, IIUI and Durham. Other institutional presenters are invited to join the session.

## PARALLEL SESSION 4:

### GROUP 1

Time : 10.30 am – 11.45 am  
 Venue : Grand Ballroom  
 Chairperson : Prof. Dr. Syed Abdul Hamid Al-Junid

- The Determinants of Performance in Islamic Banks and Conventional Banks: Comparative Study - Mouna Moualhi
- The Dynamic Correlation Between Deposit Rates of Conventional Banking and Profit Share Rates of Participation Banking: Case Study From Turkey - Husnu Tekin, Burak Sencer Atasoy and Hasan Murat Ertugrul
- Removing Fallacy Regarding Use of Conventional Benchmark in Islamic Banking and Finance - Muhammad Shujaat Saleem, Muhammad Faisal Majid and Abdul Ghaffar

### GROUP 2

Time : 10.30 am – 11.45 am  
 Venue : Taming Sari 3  
 Chairperson : Prof. Dr. Asad Zaman

- Modern Economics and Islamic Alternative: Disciplinary Evolution and Current Crisis - Mujeeb Hussain Gattoo and Muneeb Hussain Gattoo
- Media Independence and Corruption as A Business Operation Problem in Islamic Countries - Charilaos Mertzanis
- Customer Relationship Management Analysis: The Factors Enhancing Customer Loyalty in Indonesia Islamic Bank - Tika Kartika, Achmad Firdaus and Mukhammad Najib

### GROUP 3

Time : 10.30 am – 11.45 am  
 Venue : Tun Sri Lanang 1  
 Chairperson : Assoc. Prof. Dr. Gairuzazmi M. Ghani

- Risk Management Practices in Islamic Banks: A Comparative Study Between Nigeria And Malaysia - Aliyu Dahiru Muhammad
- Concentration, Competition and Efficiency of Malaysian Banking - Rossazana Ab-Rahim, Farhana Ismail and Noor-Shazreen Mortadza
- Measuring the Islamicity of Islamic Bank in Indonesia and Other Countries Based on Shari'ah Objectives - Ascarya, Siti Rahmawati and Raditya Sukmana

#### GROUP 4

Time : 10.30 am – 11.45 am  
 Date : 12th October 2016 (Wednesday)  
 Venue : Tun Sri Lanang 2  
 Chairperson : Assoc. Prof. Dr. Sharifah Raihan Syed Mohd. Zain

- Islamic Life Insurance Efficiency and Performance: Evidence from Indonesia - Irman Firmansyah and Abrista Devi
- Integrating the Moderating Effect of Individuals' Risk Preference into Takaful Acceptance Model: Evidence from A Frontier Market - Abdulsalam Mas'ud
- Is Ownership Structure Priced on the Islamic Rural Bank's Efficiency: Lessons Learned from Indonesia - Wahyu Jatmiko

#### GROUP 5

Time : 10.30 am – 11.45 am  
 Date : 12th October 2016 (Wednesday)  
 Venue : Sri Panglima 2  
 Chairperson : Prof. Dr. Norma Md. Saad

- The Potential of Cash Waqf As An Infrastructure Funding Option and Its Implication Towards National Macroeconomy - Kurniagung Nur Cahyono, Pyan A. Muchtar and Ardanu B. Wicaksono
- Affordable Islamic Home Financing in Malaysia: A Potential Synergistic Venture Between Financial Cooperatives and Cash Waqf Institutions - Mohd Zaidi Md Zabri, Dzuljastri Abdul Razak and Mustafa Omar Mohammed
- Comparative Analysis of Contemporary Foundation (Awqaf) Universities in Turkey - Muammer Koc and Ibrahim Ari

### PARALLEL SESSION 5:

#### GROUP 1

Time : 2.15 pm – 3.45 pm  
 Venue : Grand Ballroom  
 Chairperson : Dr. Salman Syed Ali

- Determinant of Non Performing Financing in Islamic Banks in Indonesia - Sendy Watazawwadu'ilmu and Dina Haryati
- The Relationship Between Returns and Volatility in ETFs Traded in Borsa Istanbul? Is There Any Difference Islamic and Conventional ETFs - M. Kabir Hassan, Selim Kayhan and Tayfur Bayat
- Investing in Islamic Stocks: A Wiser Way to Achieve the Genuine Interest-Free Finance - Mehmet Sarac and Salih Lev

#### GROUP 2

Time : 2.15 pm – 3.45 pm  
 Venue : Tun Sri Lanang 1  
 Chairperson : Prof. Dr. Saadiah Mohamad

- Case Study of Shari'ah Governance Practices for Islamic Banking Institution in Malaysia - Nurulhuda Abd Rahman, Norazam Mastuki, Nawal Kasim and Muhamad Rahimi Osman
- The Market Institute and the State in Islamic Economics: From Past to Present and Future - Arif Ersoy
- The Political Economy of the OIC Member Countries: A Survey of Data on Potentials and Current Conditions - Amin Mohseni-Cheraghloou

### GROUP 3

Time : 2.15 pm – 3.45 pm  
 Venue : Sri Panglima 2  
 Chairperson : Assoc. Prof. Dr. Oziev Gapur

- Evaluate the Role of the Palestinian Islamic Banks in Financing the Investment Projects and Economic Development 2010-2014 - Azmi Wasfi Awad
- Clearing Debt in Islamic Jurisprudence and the Most Important Contemporary Applications Between Banks - Arif Ali Arif, Aznan Hasan and Khaled Dershwi
- Dimensions of Economic Decision and the Effect of Islamic Shariah - Ibrahim Adeeb Ibrahim
- Difference of Contemporary Fiqh Academic Resolutions on Zakat Fund Investment Is A Diversity Difference or Antagonism Difference - Eiman Ahmed Khaleel

### GROUP 4

Time : 2.15 pm – 3.45 pm  
 Venue : Taming Sari 3  
 Chairperson : Prof. Dr. Moha Asri Bin Abdullah

- Potentials of Using Awqaf Funds in Muslim Societies in Stimulating Economic Growth: An Analysis in the Context of Bangladesh – Abu Umar Faruq Ahmad and Muhammad Fazlul Karim
- Toward Developing A Model of Stakeholder Trust in Waqf Institutions - Rashedul Hasan and Siti Alawiah Siraj
- Waqf-Based Social Micro Venture Fund: A Proposal for the Malay-Muslim Community in Singapore - Norliana Mohammad Hamber
- Protection of Waqf Properties in Asymmetric Information Problem between Waqif and Mutawalli by Contract Theory - Mahdi Toghyani

### GROUP 5

Time : 2.15 pm – 3.45 pm  
 Venue : Tun Sri Lanang 1  
 Chairperson : TBD

- Measuring Shariah Risk – New Risk Rating Model for Islamic Banks (Branded As “A&A Shariah Risk Rating Model” Asar Model) - Muhammad Adeel Ashraf and Ahcene Lahsasna
- The Impacts of Governance and Institution on Financial Inclusion: Evidence from Muslim and Developing Economies - Muhamed Zulkhibri
- Islamic Insurance (Takaful): Underwriting Surplus (Deficit) of Tabarru' Fund in Indonesia - Laila Masruro Pimada

## PARALLEL SESSION 6:

### GROUP 1

Time : 4.00 pm – 5.30 pm  
 Venue : Grand Ballroom  
 Chairperson : Prof. Dr. Sayyid Tahir

- Islamic Banking and Finance Before the Emergence of Modern Islamic Banks: An Investigation Into the History - Abdul Azim Islahi
- Design of Islamic Financial Certificates for Housing Development in Algeria - Imene Tabet and Monzer Kahf
- Islamic Finance Crossing Forty Years' Mile Stone-Some Thoughts for the Way Forward For Maqasid Realisation - Muhammad Ayub

## GROUP 2

Time : 4.00 pm – 5.30 pm  
 Venue : Tun Sri Lanang 1  
 Chairperson : Prof. Dr. Nazli Anum Mohd. Ghazali

- Understanding Islamic Based Financial Reporting Standardisation Projects: Institutional Logics Perspective on the Malaysian Case - Ahmad Abras and Murniati Mukhlisin
- Governance Mechanisms and Disclosure Among Malaysian Islamic Banks - Asri Marsidi, Hairul Azlan Annuar and Abdul Rahim Abdul Rahman
- The Impact of Risk, Competition and Human Capital on Bank Performance: Islamic vs. Conventional Banks Around the World - Tanveer Ahsan and Muhammad Azeem Qureshi
- Corporate Social Responsibility of Islamic Banks in Malaysia: Arising Issues - Wan Noor Hazlina Wan Jusoh

## GROUP 3

Time : 4.00 pm – 5.30 pm  
 Venue : Taming Sari 3  
 Chairperson : Dr. Mohamed Asmy Mohd Thas Thaker

- Development of Waqf in Indonesia: The SWOT Analysis of Indonesia Waqf Board - Qurroh Ayuniyyah, Mohamed Aslam Mohamed Haneef and Nazrol Kamil Mustaffa Kamil
- Maqasid Based Approach on the Role of Muslim Public Funds in Sustaining Islamic Microfinance: A Case Study of Tabung Masjid in Selangor, Malaysia - Luqman Zakariyah, Ahmad Basri Ibrahim, Nurhidayat Md Nor, Suhaimi Mhd Sarif and Azman Mohd Noor
- Islamic Micro-Finance and Sustainable Development: Needs Leading to Capabilities - Abubakar Sadiq Usman, Rosmaini Tasmin and Zatul Karama A.B.U.

## GROUP 4

Time : 4.00 pm – 5.30 pm  
 Venue : Tun Sri Lanang 2  
 Chairperson : Dr. Zaharuddin Abdul Rahman

- Foreign Currency Transactions - An Analysis of the Shariah Requirements - Mohd Nasiruddin Mohd Kamaruddin
- Possession (Qabd) in Contemporary Financial Transactions: A Shari'ah Perspective Analysis - Md. Habibur Rahman and Muhammad Amanullah
- Conceptualising a Unified Normative Framework of Social Responsibility in Islamic Economics - Mohd Nizam Barom

## GROUP 5

Time : 4.00 pm – 5.30 pm  
 Venue : Sri Panglima 2

### Measuring Poverty and Development

This session discusses a very important component of sustainable development, ie. Measurement of poverty and development. Various indices have been developed over the decades moving away from purely economic indicators to those that incorporate other dimensions. This session will discuss the various approaches and indicators and attempt to put forward a comprehensive indicator that is based on the higher objective of the shari'ah. Leading the discussion will be research group from IRTI, Oxford Poverty & Human Development Initiative (OPHI) and IIUM.



**DAY THREE : 13<sup>th</sup> OCTOBER 2016 (THURSDAY)****PARALLEL SESSION 7:****GROUP 1**

Time : 9.00 am – 10.30 am  
 Venue : Grand Ballroom  
 Chairperson : Prof. Dr. Ruzita Mohd Amin

- Theoretical Model of Islamic Macroeconomy - Dumairy Dasuri
- The Informal Economy: A Neglected Area in Islamic Economics - Nazurah Andul Malek and Mohd Nahar Mohd Arshad
- Disentangling Horizontal and Vertical Syariah Compliant Stocks - A.K.M. Azhar, M. Kabir Hassan and Yap Heck Wei

**GROUP 2**

Time : 9.00 am – 10.30 am  
 Venue : Tun Sri Lanang 2  
 Chairperson : Assoc. Prof. Dr. Mohd Eskandar Shah Mohd Rasid

- Strengthening Financial Safety Nets in Islamic Banking: A Proposed Waqf-Based Shariah-Compliant Deposit Insurance Scheme - Madaa Munjid Mustafa and Syed Faiq Najeeb
- Board of Directors, Shariah Supervisory Board and Risk-Taking Behavior of Islamic Banks in Southeast Asia - Faaza Fakhrunnas and Zulkufly Ramly
- Challenges of Risk Management for Islamic Financial Institutions: An Analysis of Shari'ah-Compliant Derivatives, ISDA/IIFM Tahawwut (Hedging) Master Agreement and Liquidity Risk - Muhammad Ashfaq

**GROUP 3**

Time : 9.00 am – 10.30 am  
 Venue : Tun Sri Lanang 1  
 Chairperson : Dr. Ahmad Zamri Bin Osman @ Hussin

- Transformation of Idle Waqf Properties into Income Generating Properties for Socio Economic Development {Successful Cases Worth Attention} - Magda Ismail Abdel Mohsin
- The Negative Effects of Mismanagement of Zakat on the Achievement of Its Objectives - Ibrahim Nuhu Tahir
- An Exploratory Study in Zakah - Sayyid Tahir

## PARALLEL SESSION 8:

### GROUP 1

Time : 10.45 am – 12.45 pm  
 Venue : Grand Ballroom  
 Chairperson : Dr. Adewale Abideen Adeyemi

- Social Responsibilities of Islamic Banks - Case Study of Bank Islam Malaysia Bhd & Bank Muamalat Malaysia Bhd - Muhammad Adli Musa
- Wellbeing and Globalization in the Muslim World: Islamic Perspectives and Empirical Evidence - Muhammad Tariq Majeed
- Is it Costly to Introduce SRI Criteria into Islamic Portfolios? - Erragragui Elias
- The Role of Waqf for Mitigating Adaptation Barriers of Malaysian Rice Farmers - Rafia Afroz, Puteri Farhana Fauzi and Haniza Khalid

### GROUP 2

Time : 10.45 am – 12.45 pm  
 Venue : Tun Sri Lanang 1  
 Chairperson : Prof. Dr. Ataul Huq Pramanik

- Impact Analysis of Global Financial Crisis on the Credit Risk Performance Nexus: Evidence from Islamic Banks in Pakistan - Azam Ali, Noraini Mohd. Ariffin and Salina Kassim
- A Comparison Between The Islamic Home Financing Alternatives in Palestine - Mousa A. M. Ajouz and Nor Azizan Che Embi
- Institutional Values Needed for Transformative Socio-Economic Development in the Muslim World - Necati Aydin
- Economic Engagement of Refugees: A Theoretical and Empirical Appraisal - Omar Kachkar

### GROUP 3

Time : 10.45 am – 12.45 pm  
 Venue : Tun Sri Lanang 2  
 Chairperson : Assoc. Prof. Dr. Nurdianawati Irwani Abdullah

- Shari'ah and Sri Portfolio Performance in the UK: Effect of Oil Price Decline - Nur Dhani Hendranastiti and Mehmet Asutay
- An Investigation of Gambling Elements in Tawarruq Based Profit Rate Swap and Options - Zaharuddin Abdulrahman
- Securitisation in Islamic Finance - Challenges and Opportunities As Sharia-Compliant Financing Instrument of the Future - Siti Hawa Yusof
- Ethical Banking and Islamic Banking a Comparison of Triodos Bank and Islami Bank Bangladesh Limited - Tariqullah Khan and Amiirah Bint Raffick Nabee Mohamed
- High Performance Work Systems and Organizational Performance: A Case of Islamic Versus Conventional Banks in Pakistan - Muhammad Siddique

---

BIODATA OF KEYNOTE SPEAKERS  
AND SESSION PANELISTS

---

## KEYNOTE SPEAKERS

Prof. Dr. M. Fahim Khan

Member, International Advisory Board of the Dubai Center for Islamic Banking and Finance (DCIBF) Center, Hamdan Bin Mohammed Smart University, Dubai, UAE

With Master's degree in Statistics and Masters degrees in Political Economy and Development Economics and with Ph. D in Economics from Boston University, USA, Dr. Khan has more than 40 years of experience in economic policy & planning, teaching & training, institutional capacity building, academic & policy oriented research and advising & consulting. He worked in the area of Economic policy and planning the Ministry of Planning, Government of Pakistan for 13 years in various senior positions. As one of the founding Directors, he played instrumental role in establishing and enhancing the capacity of the International Institute of Islamic Economics (IIIE) of International Islamic University. In this capacity, he also helped government bodies in public policies relating to the application of Islamic financial system in the country. As a Director, in Islamic Development Bank, he developed and enhanced the research and training capacity of Islamic Research and Training Institute (IRTI) and played a leading role in making the Institute a Centre of excellence in the area of training in Islamic economics and finance. He also developed Riphah Centre for Islamic Business at the Riphah International University, Islamabad to offer a graduate program in Islamic Business and Finance and to provide advisory, consultancy and training services in the field. He advised several national and international bodies on issues relating to Islamic Finance and Sharia. In 2000, When the Supreme Court of Pakistan, asked the central bank of the country to form a high level commission to transform the financial system of the country and to conform to sharia, his services were borrowed from Islamic Development Bank to be the adviser to the Governor, State Bank of Pakistan and to be the member/secretary of the high level commission. The work of the commission is the basis of the Islamic financial system now in practice in Pakistan. He taught graduate and undergraduate courses and conducted specialized training programs at International Islamic University Islamabad, Quaid i Azam University Islamabad, Riphah International University Islamabad, Darul Hikmah Jeddah and Islamic Research and Training Institute of IDB in Jeddah. He advised and examined Ph. D level Theses in Pakistan and abroad. He has been a visiting Research Professor at King Abdelaziz University, Jeddah and at Markfield Institute of Higher Studies, UK for Islamic economics and Islamic finance. He is currently in the international advisory board of Dubai Centre for Islamic Banking and Finance, Hamdan bin Mohamed Smart University, UAE. He is also currently advising Institute of Management Sciences Peshawar which has been declared a Centre of Excellence in Islamic Finance by the central bank of the country. He published 12 books and monographs besides several articles in refereed international journals. His last publication is from Edward Elgar (UK) released in February 2010, with the title Islamic Banking and Finance in the European Union: A Challenge. As Chief Editor, he compiled the Annual reports for Dubai Centre of Islamic Banking and Finance for 2014; one on Growth, Efficiency, and Stability in Islamic Banking and Finance and the other on Takaful: Global Challenges to Growth, Performance and Governance.

Prof. Dr. Jomo Kwame Sundaram

Holder of Tun Hussein Onn Chair in International Studies, Institute of Strategic and International Studies (ISIS) Malaysia and Adjunct Professor of Department of Economics, IIUM

Jomo Kwame Sundaram has been Assistant Director General and Coordinator for Economic and Social Development (ADG-ES), Food and Agriculture Organization of the United Nations since August 2012. He was Assistant Secretary General for Economic Development in the United Nations' Department of Economic and Social Affairs (DESA) from January 2005 until June 2012, and (Honorary) Research Coordinator for the G24 Intergovernmental Group on International Monetary Affairs and Development from December 2006 until September 2012. In 2007, he was awarded the Wassily Leontief Prize for Advancing the Frontiers of Economic Thought. He has authored and edited over a hundred books and translated 12 volumes besides writing many academic papers and articles for the media. Jomo was Professor in the Applied Economics Department, Faculty of Economics and Administration, University of Malaya until November 2004, Founder Director (1978-2004) of the Institute of Social Analysis (INSAN) and Founder Chair (2001-2004) of IDEAs, International Development Economics Associates ([www.ideaswebsite.org](http://www.ideaswebsite.org)); he now serves on its Advisory Panel. He was also on the Board of the United Nations Research Institute on Social Development (UNRISD), Geneva. He is on the editorial boards of several learned journals. During 2008-2009, Jomo served as adviser to Father Miguel d'Escoto, the President of the 63rd United Nations General Assembly, and as a member of the [Stiglitz] Commission of Experts of the President of the United Nations General Assembly on Reforms of the International Monetary and Financial System. During 2010-2012, he was G20 sherpa to UN Secretary-General Ban Ki-moon, and also UN G20 Finance Deputy during 2011-2012. Born in Penang, Malaysia, in 1952, Jomo studied at the Penang Free School (PFS, 1964-1966), Royal Military College (RMC, 1967-1970), Yale (1970-1973) and Harvard (1973-1977). He has taught at Science University of Malaysia (USM, 1974), Harvard (1974-1975), Yale (1977), National University of Malaysia (UKM, 1977-1982), University of Malaya (1982-2004), and Cornell (1993). He has also been a Visiting Fellow at Cambridge University (1987-1988; 1991-1992) and a Senior Research Fellow at the Asia Research Institute, National University of Singapore (2004). The Tun Hussein Onn Chair in International Studies at ISIS

Malaysia is funded by the Noah Foundation.

Dr. Abbas Mirakhor

First holder, International Centre for Educations in Islamic Finance (INCEIF) Chair of Islamic Finance

Prof. Dr. Abbas Mirakhor is First Holder, INCEIF Chair of Islamic Finance. A former Executive Director of International Monetary Fund (IMF), Dr Abbas joins INCEIF following a distinguished career as an economist and academician with considerable contribution in the field of Islamic economics, finance and banking. Dr Abbas is a graduate of the Kansas State University, USA, where he received his Bachelor, Master and PhD Degrees in Economics. In 1968, he started his academic career with University of Alabama, USA. With the exception of a 2-year stint at the AzZahara University in Tehran, Iran, throughout his academic career, Dr Abbas has worked as a Professor of Economics at the University of Alabama, Alabama A&M University, and the Florida Institute of Technology. In 1984, he joined the IMF in Washington DC as an economist. He spent 24 years with the IMF, serving as the organisation's Executive Director and Dean of the Executive Board, retiring in 2008. Dr Abbas was conferred the "Order of Companion of Volta" for service to Ghana by the President of Ghana in 2005. In 2003, he received the Islamic Development Bank Annual Prize for Research in Islamic Economics, which he shared with Dr Mohsin Khan, another well-known economist at IMF. The President of Pakistan conferred him the "Quaid-e Azam" star for service to Pakistan in 1997. He has published books, papers and research articles on a wide range of areas including microeconomic theory, mathematical economics and Islamic economics. His latest publications are "Islam and Development: The Institutional Framework" which was coauthored with Dr. Idris Samawi Hamid, Associate Professor of Philosophy at Colorado State University, USA; and "Globalisation and Islamic Finance: Convergence, Prospects and Challenges" co-authored with Prof. Hossein Askari of the George Washington University and Dr. Zamir Iqbal of the World Bank.

Tan Sri Dr. Mohd. Irwan Serigar Bin Abdullah

Secretary General of Treasury, Ministry of Finance, Malaysia

Tan Sri Dr. Mohd Irwan Serigar Bin Abdullah is the Secretary General of Treasury, Ministry of Finance and serves as a Board of Director of Employees Provident Fund, Securities Commission, Land Public Transport Commission, Suruhanjaya Koperasi Malaysia, Multimedia Development Corporation, International Islamic University Malaysia, Kumpulan Wang Amanah Negara, Lembaga Tabung Haji, Yayasan Inovasi Malaysia, GovCo Holdings Berhad dan Capital Market Development Fund. Tan Sri Dr. Mohd. Irwan Serigar Bin Abdullah has been the Chairman and Member of Investment Panel of Kumpulan Wang Persaraan since August 24, 2012. He was appointed as a director on 24 August 2012. He serves as also the Chairman Kumpulan Kerja Pemantapan dan Pemantauan Projek Perumahan Terbangkalai. He served as a Non-Executive Director of Syarikat Bekalan Air Selangor Sdn. Bhd. He did his PhD in Economics from International Islamic University, Malaysia. He received his Masters of Science from University of Pennsylvania, USA and his Bachelors Degree with Honours from University of Malaya. He also attended the Advanced Management Program at Harvard Business School, Harvard University, USA.

## PANELISTS

Dr. Salman Syed Ali

Islamic Research and Training Institute (IRTI), Islamic Development Bank Group (IDB), Jeddah, Saudi Arabia

Senior Researcher at IRTI and the Editor of Islamic Economic Studies journal (English language). Prior to this, he was at the International Islamic University Islamabad, Pakistan where he served as the Director of Research and Director of Training of the International Institute of Islamic Economics. He also taught at the Faculty of Management Sciences of the same university. He received his B.Sc. in Economics from the International Islamic University Islamabad, Pakistan and his Ph.D. from University of Pennsylvania, U.S.A. His areas of interest are Islamic finance, capital markets and game theory. He has a number of publications to his credit including research articles, books, and edited volumes.

Zahid ur Rehman Khokher

Assistant Secretary General at Islamic Financial Services Board

Zahid has been working with the Islamic Financial Services Board (IFSB) since January 2008 and has more than 15 years of regulatory and standard setting experience in the financial sector. Apart from coordinating with IFSB members and industry stakeholders, he is supervising the research, standard setting and database projects of the IFSB. Prior to assuming the charge of Assistant Secretary General in June 2013, his experience with the IFSB includes working as Project Manager and Team Lead for preparing new standards and guiding principles on liquidity risk management, capital adequacy, core principles and smoothing

the profits payout to the investment account holders. Prior to joining the IFSB, Zahid was working as Joint Director with State Bank of Pakistan in Islamic Banking Department where he worked on various assignments related to the introduction and enhancement of Islamic prudential and regulatory framework in the country. His experience in the central bank also includes on-site inspection, foreign exchange, and treasury. Zahid is a Chartered Islamic Finance Professional (CIFP) from INCEIF, Malaysia (2009). He holds Masters in Business Administration (2005), Computer Science (1998) as well as Statistics (1995). He also holds PGD in Islamic banking and insurance from IIBI, London, UK (2001). Currently, he is pursuing his PhD at International Islamic University Malaysia. Zahid regularly speaks at various seminars, workshops and industry events related to Islamic finance and financial sector.

Mr. Mohamed Rafe Bin Mohamed Haneef  
CEO CIMB Islamic, Malaysia

Rafe became the Chief Executive Officer of CIMB Islamic Bank Berhad on 4th January 2016 and is in charge of the CIMB Group's Islamic banking and finance franchise. CIMB Islamic operates as a parallel franchise to the Group's conventional operations and covers Islamic wholesale banking, Islamic consumer banking, Islamic commercial banking and Islamic asset management and investment. Rafe has 20 years of experience covering a range of businesses and functional roles gained from three global banks, an international asset management company and a legal firm, at various financial centers including London, Dubai and Kuala Lumpur. He read Law at the International Islamic University Malaysia and also holds an LL.M degree from the Harvard Law School. He was admitted to the Malaysian Bar in 1995 and qualified for the New York State Bar in 1997. Rafe first joined HSBC Investment Bank plc, London in 1999 and thereafter HSBC Financial Services Middle East, Dubai where he set up the global sukuk business in 2001. Subsequently, he became the Global Head of Islamic Finance business at ABN AMRO Dubai in 2004 covering both consumer and corporate businesses. In 2006, he moved back to Malaysia with Citigroup Asia as the Regional Head for Islamic banking, Asia Pacific. He later joined HSBC Amanah in 2010 as the CEO, Malaysia and Managing Director of Global Markets, ASP.

Prof. M. Kabir Hassan  
University of New Orleans, USA

Professor Dr. M. Kabir Hassan is Professor of Finance in the Department of Economics and Finance in the University of New Orleans. He currently holds two endowed Chairs-Hibernia Professor of Economics and Finance, and Bank One Professor in Business- in the University of New Orleans. Professor Hassan is the winner of the 2016 IDB Prize in Islamic Banking and Finance. Professor Hassan received his BA in Economics and Mathematics from Gustavus Adolphus College, Minnesota, USA, and M.A. in Economics and Ph.D. in Finance from the University of Nebraska-Lincoln, USA respectively. Professor Hassan is a financial economist with consulting, research and teaching experiences in development finance, money and capital markets, Islamic finance, corporate finance, investments, monetary economics, macroeconomics, Islamic banking and finance, and international trade and finance. Professor Hassan has done consulting work for the World Bank, International Monetary Fund, African Development Bank, Transparency International-Bangladesh (TIB), Islamic Development Bank, United Nations Development Programme (UNDP), Government of Turkey and many private organizations. Professor Hassan has 196 (50 in ISI, 181 in Scopus, 145 in ABDC and 85 in ABS ) papers published in refereed academic journals such as in the Journal of Corporate Finance, Journal of Banking and Finance, Journal of Real Estate Finance and Economics, Journal of Financial Stability, Review of Financial Economics, Emerging Markets Review, Accounting Research Journal, Journal of Housing Research, Journal of Business Ethics, Pacific Basin Finance Journal, Journal of Financial Services Research, Financial Review, Quarterly Review of Economics and Finance, Journal of Business, Finance and Accounting, Journal of Economics and Finance, Global Finance Journal, World Development, Thunderbird International Business Review, African Development Review and Journal of Developmental Entrepreneurship. The number of publications would put Professor Hassan in the top 1% of peers who continue to publish one refereed article per year over a long period of time according to an article published in Journal of Finance. Professor Hassan has also been cited as one of the most prolific authors in finance literature in the last fifty years in a paper published in Journal of Finance Literature. His publication record puts him among the top 5.6% of all authors who published in the 26 leading finance journals. He is among the top 5% authors according to number of Journal Pages at RePAC/IDEAS. Professor Hassan is among the top three presenters in the Financial Management Annual Meetings during 1990-2013. He has won 25 Best Paper Awards from Academic Conference presentations. Professor Hassan has supervised 45 doctoral theses at the University of New Orleans and acted as External examiners for 39 dissertations from countries like Australia, New Zealand, USA, India, Bangladesh, Malaysia and Canada. Many of his students are now well placed in the academia (Department Chairs, Deans and Professors), government (Secretary, Under-Secretary and Central Bank Deputy Governor) and private sectors (CEO and CFO). Professor Hassan has evaluated promotion documents of many faculty members from the USA and abroad.

Prof. Dr. Volker Nienhaus  
University of Bochum, Germany

Prof Dr Volker Nienhaus received his Doctorate in Economics (1979) and his Post-Doctorate (1985) from the University of Bochum. He was full professor of Economics at the German Universities of Trier (1989-1990) and Bochum (1990-2004) where he also was Director of the Institute of Development Research and Development Policy and Vice Rector for Structure, Planning and Finance from 2000 to 2003. He was president of the University of Marburg from 2004 to 2010. He holds an Honorary Professorship of the University of Bochum and an Honorary Doctorate of the I.M. Sechenov Moscow Medical Academy (since 2009). He became a Visiting Professor at the ICMA Centre, Henley Business School, University of Reading (UK) in 2010. In addition, he was Visiting Scholar at the University of Malaya under the Securities Commission Malaysia Islamic Capital Market Programme (2010/11) and Visiting Professor at the Faculty of Islamic Studies of Qatar Foundation, Doha (2011). He served as a member of several academic advisory committees and boards in Germany, and he was consultant to the Islamic Financial Services Board. His current research interests are in service sector economics and Islamic economics and finance.





ABSTRACT AND SPEAKER'S BIODATA

---

PARALLEL SESSION 1

---

## GROUP 1

### HISTORY, PHILOSOPHY, INSTITUTIONAL ASPECTS AND CRITIQUE OF ECONOMICS, ISLAMIC ECONOMICS AND FINANCE

#### Reviving the Promise of Islamic Economics

By Prof. Dr. Asad Zaman, Vice Chancellor, Pakistan Institute of Development Economics

##### Abstract

First generation Islamic Economics promised to create a system with just and equitable economic outcomes, which would be far superior to capitalism and communism. Historical circumstances led the second generation to forget this promise, and to consider Islamic Economics as a minor variant of capitalism. The second generation has been trying to create a Sharia compliant system, where the form is Islamic but the spirit is capitalistic. We need to go back to the roots, and building a genuine Islamic system in form and spirit which is Sharia based, rather than Sharia compliant. By doing this, the third generation can revive the promise of Islamic Economics and create a model economic system which fulfills the promise of the first generation.

#### Islam and the Challenge of Economic Development in the Muslim World: Review and Evaluation of Secular Arguments

By Professor Dr. Abdelrahman Yousri, Islamic Economics and Finance, QFIS, HBKU

##### Abstract

Available World statistical data reveals that the Muslim World is generally suffering from underdevelopment and poverty. Only a very small number of countries in the Muslim world are classified as rich, such as the Arab Gulf countries, or enjoying a relatively high level of industrialization, such as Turkey and Malaysia. Muslims make up 19 % of the world's population but earn only 6 percent of its income. Underdevelopment means structural disequilibrium mostly reflected, in high dependence on agricultural products, raw material or mineral production, and lack of technically developed manufacturing sector. Such structural disequilibrium is noticed even in the few rich Muslim countries. Development problems are reflected in low annual rates of growth of income per capita, which is seriously aggravated in many cases by the pattern of GNP and its distribution. Muslim countries commonly suffer from weak export performance, unfavorable terms of trade, BOP problems, depreciating foreign value of national currencies, and highly increasing foreign indebtedness. Add to all this, entire poor social infrastructure, i.e. education, health, sanitations, clean water, etc. which means low levels of human development.

Professor Abdelrahman Yousri is an Egyptian citizen, Ph.D. (Economics) from St. Andrews University, UK. 1968. Teaching economics at Alexandria University and other Arab Universities since 1968, and promoted to full Professor in 1979. He Held twice the Position of D.G at IIE, the International Islamic University, Islamabad. Since 2000, he maintains the position of "Professor Emeritus" at Alexandria University, Faculty of Economic Studies and Political Sciences. In 2013 and till now is Professor of Islamic Economics and Finance, Faculty of Islamic Studies, HBKU, Qatar. As single author he published in Economics and Islamic Economics more than ten books in Arabic, one in English, and more than forty articles in the same field. He contributed in publication of other five books (in English) in Islamic economics and finance. He is holder of Alexandria University Annual Prize for Academic Excellence (1994) (جائزة جامعة الإسكندرية للتقدير العلمي) and The Islamic Development Bank' Annual Prize for Islamic Economics (1997)

#### Content Analysis on the Origins of Islamic Economics: Contextualized Interpretation of Two Bibliographies

By Zeyneb Hafsa Orhan Istanbul Sabahattin Zaim University, Turkey

##### Abstract

Islamic economics is a modern phenomenon because its development began in early 20th century. Though, contributions of the ideas of Muslim scholars regarding economic issues throughout history cannot be denied in such a development. Despite that Islamic economics is more than half a century old discipline, there are many serious issues to be resolved such as the epistemological and methodological ones. In order to delve into such issues, one needs to have a clear understanding in the origins of modern Islamic economics. Some of the questions to be asked in this context are: who the initiators were, what they especially were interested in, and how the subjects/agenda/intentions focused on have changed through different periods. Accordingly, the aim of this paper is to take a picture and evaluate the course of the early development of Islamic economics

via two bibliographies of Siddiqi (1975), and Zaim (1980). In attaining this aim, we use content analysis in which an excel-based technique called heat map is used for contextualized interpretation. By using this method, we construct two heat maps for the selected works gathered from the bibliography of Siddiqi. Lastly, we evaluate the bibliography of Zaim and make comparisons with the other bibliography.

Ms. Zeyneb Hafsa got her undergraduate degree in Economics from Bahcesehir University, Turkey in 2005. She got her master degree in International and European Relations from Linköping University, Sweden in 2008. Lastly, she got her PhD degree in Economics from International University of Sarajevo, Bosnia in 2012. Her PhD thesis titled Risk Analysis for Profit and Loss Sharing Instruments (in Islamic Banking). Throughout her education life, she lived in Sweden and Bosnia for 8 years. Currently, she is Assist. Prof. Dr. at Islamic Economics and Finance Department in Istanbul Sabahattin Zaim University, Turkey. Her research interests are; Islamic economics, Islamic finance and banking, and finance and banking in general. She is both making research in these subjects and teaches courses related to finance and Islamic finance.

## GROUP 2

### THEORY, PRACTICE AND POLICIES OF ISLAMIC ECONOMICS AND MUSLIM COUNTRIES

#### Evaluating Efficiency of Islamic and Conventional Micro Finance Institutions in India: Lessons to the Secular Non Muslim Majority Countries

By Dr. M.K. Ummer Farooque, Markaz Garden Group of Institutions, Kerala, South India

##### Abstract

Though it is secular in nature and constitution, the southern state in India-Kerala is showing the soaring interest to espouse Islamic finance system amid the tight regulatory and legal hurdles. Doing so is next to impossible in present Indian regulatory scenario. Presently Islamic micro finance institutions are getting popularized in the state by the effective initiation of the different nongovernmental organizations. Therefore this study is an earnest attempt to find out the technical, pure technical and scale efficiencies of Islamic and conventional micro finance institutions and to compare these efficiency scores. The performance has been measured using Data Envelopment Analysis. The data used in the study, have been collected from 60 institutions (30 institutions from each streams). As per the results, the average efficiency of Islamic micro finance institutions is higher than their conventional counterparts. Total number of efficient firms among Islamic MFIs is more than that of conventional institutes. The independent t test proves that, in spite of so many legal hurdles, in majority of the cases, there is no significant difference between the efficiency scores of both institutions; hence it gives a positive signal to the Islamic finance in the country which must be considered by policy makers. Similarly the results speak about the future of Islamic finance in pure secular non Muslim majority countries.

Dr. M.K. Ummer Farooque is the principal of Markaz Garden School of Management and Joint Director of Markaz Garden Group of Institutions, Kerala, South India. He completed his PhD from Centre for Management Studies, Jamia Millia Islamia, New Delhi in the area of Islamic finance. He completed the post graduation in commerce and management studies from University of Calicut and in Islamic studies from Jamia Markaz Saqafathi Sunniyya. He authored two books and several papers including on Islamic finance. He presented papers in different national and international conferences held at Iran, Turkey, UAE and native country India. Currently, apart from his works as a principal, he is working as visiting faculty in different institutions of the different states of India. He was (i) the Chief editor, "markazul Uloom" Magazine (2003-2005) and "markazul uloom" souvenir (2005); published from Jamia Markazu Saqafathi sunniyya, Calicut, Kerala (ii) Senior vice president, Ihyausunna Association( head office-Markaz, Calicut, Kerala) (iii) Organizing secretary, Islamic Speech Craft, Calicut, Kerala, India and Co-ordinator, MG Academy for civil Service, Poonoor, Kerala. He is available at 00919020605792; farooquemk@gmail.com; jointdirector@markazgarden.org

#### Aid Effectiveness in OIC Member Countries

By Davron Ishnazarov, Social Economic Research Department of the Statistical, Economic and Social Research and Training Centre for Islamic Countries (SESRIC),

##### Abstract

This paper examines whether Official Development Assistance (ODA) is an effective tool for the human development and progress of aid recipient OIC member countries. Following the suggestions in the recent academic literature, this paper estimates the impact of aid on social indicators rather than on economic growth. It measures the impact of ODA on the components of human development indicator; standards of living, life expectancy and education indices. It also controls for the presence of armed conflicts, population growth, urbanization and government efforts. It utilizes annual, three-year and five-year moving average data between 2005 and 2013 for 48 OIC countries. Results reveal that ODA substantially improves life expectancy in one year and over the longer periods its impact even increases. The results suggest increasing aid to health sector because each additional unit of aid leads to significant improvements in life expectancy. However, long-run impact of ODA to education is negative. Aid to education sector should target more long-term goals such as to achieve a higher quality of education. So far the aid projects mostly oriented at achieving short-term goals like increasing number of school enrolments.

Davron Ishnazarov works at the Social Economic Research Department of the Statistical, Economic and Social Research and Training Centre for Islamic Countries (SESRIC), a subsidiary organ of the Organization of Islamic Cooperation. Mr. Ishnazarov graduated with Magna Cum Laude–Valedictorian, with an MA in Economic Governance and Development from the Organization for Security and Cooperation in Europe Academy. He specializations cover a broad range of economics; particularly economic growth, sustainable development, aid effectiveness, trade and economic integration. He has a deep passion for Islamic economics.

### A Panel Survival Analysis for Islamic Banks

By Sirajo Aliyu, Department of Banking and Finance, The Federal Polytechnic Bauchi, Bauchi, Nigeria

#### Abstract

This study aims to explore the significant predictors of the Islamic bank's survival within the time-varying covariate of risk time exposure. Thus, limited survival studies on the Islamic banks divert the attention of policymakers and practitioners on the failure hazard likelihood and other means to mitigate its menace. The paper adopted panel survival analysis on the Islamic banks in 24 countries. Subsequently, mixed effect and logit model were employed to confirm the earlier predictions and to ascertain the most promising determinant for Islamic banks survival. The findings reveals that non-interest liabilities, assets quality, liquidity and per capita income have a strong influence in explaining Islamic banks survival. Additionally, managerial efficiency and time-varying covariate are better explained in the time survival models. Future survival studies have the opportunity to incorporate maqasid Sharia index and outreach to verify the social justice compliance of the Islamic banks. Consequently, employing accelerated failure time model will provide other evidence in relation to time length to the event. The paper suggested for monitoring the bank's failure predictors investing to the real economic sector coupled with efficient utilization of resources will help in surviving the banks longer. The paper contributes to the Islamic banking literature toward identifying survival determinants.

Mr. SIRAJU ALIYU is a Ph. D candidate at the Islamic Business School of the Universiti Utara Malaysia. Mr. Aliyu was granted a Ph. D. scholarship from Islamic Research and Training Institute of Islamic Development Bank, Jiddah, Saudi-Arabia. He received his B.Sc. in Economics from University of Maiduguri, Nigeria and Master of Banking and Finance from Bayero University, Kano, Nigeria. Mr. Aliyu is a certified member of the international council of Islamic finance educators and chartered institute of loan and risk of Nigeria. The young researcher has a driven interest on the connecting link between Islamic financial sustainability and sustainable development. As a result, he attended a course on finance for development organized by the World Bank and graduated with distinction. He also published among other papers; sustainable Islamic banking: A conceptual framework for non-interest Islamic banks in Nigeria. Mr. Aliyu is a lecturer in the department of banking and finance of the Federal Polytechnic Bauchi, Nigeria and served as chairperson Islamic banking and finance curriculum committee in the school. Before that, he was the finance officer and coordinator of the collaborated programs between UNICEF and NAPTIP, Kano Nigeria. Recently, he served as part of the secretariat to the collaborated program organized by Islamic Research and Training Institute of Islamic Development Bank (IRTI-IDB) and the Islamic Business School of the Universiti Utara Malaysia.

## GROUP 3

### BUSINESS ETHICS, MANAGEMENT, MARKETING AND ACCOUNTING FROM AN ISLAMIC PERSPECTIVES

#### Moral Firm and Distributive Justice in an Islamic Framework

By Toseef Azid & Osamah Hussain Al Rawashdeh, Department of Economics and Finance  
College of Business and Economics, Qassim University Qassim, Saudi Arabia

## Abstract

The objective of this paper is to explore the role of the Islamic/moral firm in the development of an economy and society in the cooperative cum competitive milieu and how moral firm will function in this particular given environment. This study will also examine that how it fulfils the objective of distributive justice. However for its arguments, the current study will try to seek the directions from the Qur'an (Holy Book) and the traditions of Prophet Muhammad (pbuh) and also from great Muslim Scholars like Abu Yousaf, Ibn Taymiyyah, Ibn Khaldun, Al Ghazal, Ibn Qayyim and others.

Dr. Osamah Hussein Al- Rawashdeh, University assistant Professor at University of Qassim College of Business and Economic (CBE). He has earned his bachelor's degree at Poona University (1994, India), his master's degree at M.S Baroda University (1996 India) and doctorate at University of Rajasthan (2001 India). As of March 2015 .He has more than (10) Academic research publications; also given more than Four invited International conference talks and presenting training and workshop of AoL assessments, how to evaluate the learning goals. His Interest research is funded by the corporate finance, credit management and Banking and non-banking systems. He possesses a wealth of knowledge in financial theory of teaching and applications in college classroom, acquired by attending seminars and workshops Dr. Osamah is the E&F (Economic and Finance) Dept. coordinator, one of the AACSB & Aol team in CBE and serves in many committees (Director of financial program, and Director of Curriculum development committee, and Revising and developing Curriculum etc..) He published in National and International peer reviewed journals also one of the International Journal board advisor & CBE Advisor of FMA, California University.

## Marketing Effectiveness of Islamic and Conventional Banks: Evidence From Malaysia

By Syed Najibullah, Centre for Entrepreneurship Development (CED), BRAC University, Bangladesh

### Abstract

The study aims at addressing marketing effectiveness of both Islamic banks and conventional banks by using a modified "chain-of-effect" framework. Against the current literature, which, based on the customer survey, reports lack of marketing activities by the Islamic banks, the study undertakes a bank perspective to explore the Islamic bank's behavior in this regard. Applying fixed effect panel regression on the quarterly data of ten banks (five Islamic & five conventional) in Malaysia, the study aims at exploring the influence of the marketing efforts on performance (both financial & non-financial) and if such relation varies by the type of banks in Malaysia. The findings of the study show that Islamic banks, on the backdrop of existing criticism, are performing well concerning translating its marketing efforts to generate meaningful financial and non-financial performance. Both the instantaneous and carry-over effect of marketing efforts exert significant positive influence on Islamic banks' performance. However, such a carry-over effect, which postulates the true meaning of marketing activities as an investment, is found to be absent for Conventional banks. As a preliminary investigation, the findings of the study stressed the need of developing marketing metrics to reflect the performance of marketing activities and facilitate the managerial decision of resource allocation. The future studies might take a more comprehensive approach by addressing the missing links, for an instance, strategic choice and marketing effectiveness of different marketing activities, and the role of efficiency in between market and financial impact. Future studies might also consider incorporating outreach variables like number of ATMs, branch network, geographical coverage, etc. to see how banks are capitalizing on its marketing efforts through its distribution capabilities.

Syed Najibullah works as a Senior Project Coordinator at Centre for Entrepreneurship Development (CED), BRAC University, Bangladesh. Having been engaged at CED since 2013, his main area of interest is to create business-development fusion by promoting entrepreneurship at the bottom of the pyramid. Prior to that, he worked for three years at Institute of Inclusive Finance and Development (InM) [formerly Institute of Microfinance (InM)], a sister concern of PKSF (the apex development organization established by the Government of Bangladesh), and funded by UKaid DFID under PROSPER program, where he looked after capacity building projects at home and abroad. In his early career, Najibullah also had a short stint in the banking and manufacturing sectors. He holds an MSc in Islamic Finance from INCEIF, Malaysia, and also an MBA from Institute of Business Administration (IBA), University of Dhaka, Bangladesh. His areas of expertise include project life cycle management, needs assessment, partnership management, financial management, etc.

## Stakeholder Salience for Corporate Social Performance in Malaysian Islamic Banks – Manager's Perspective

By Hamidah Bani, Fakulti Perakaunan, Universiti Teknologi Mara Melaka

### Abstract

Social performance is incumbent as one of the Maqasid Shariah of the Islamic banks. In search of empirical evidences on stakeholder salient for Corporate Social Performance (CSP) in Islamic banks, a perception study through questionnaire survey

was conducted to 152 Islamic bank managers in Malaysia. The aims of the study were to evaluate which stakeholder groups were more salient for CSP and to compare the stakeholder salience for CSP between the fully fledged IBs' and Islamic subsidiary banks'. Stakeholder salient were measured by its attributes of power, urgency and legitimacy as per Mitchell's et al. (1997) framework. Items in assessing the stakeholder salience attributes were adopted from the measures developed by Agle et al. (1999). According to average mean of stakeholder salient attributes (power, legitimacy and urgency) government stakeholder interest group was ranked as the most salient for CSP followed by depositors, IAH, borrower, employee community, Zakat and environment. There are significant differences in salience for the stakeholder groups in the Islamic bank managers' perception as revealed by ANOVA and confirmatory statistics Welch and Brown-Forsythe. Community, environment and Zakat stakeholder group were significantly different in salience for CSP while the other five stakeholder groups were homogeneous subsets. Managers in the fully fledged and Islamic banking subsidiary have significant different in salience for CSP towards employee, community and environment stakeholder groups but not for depositors, borrowers, Zakat, investment account holders and the government. Findings suggest that stakeholder salience for CSP is at the managers' discretion, the position are situational and may disagree to the salience of other stakeholders. Future research may expand the respondents from various countries participating in Islamic banking services so as to develop CSP Stakeholder Salient Model for Islamic Financial Institutions.

## GROUP 4

### ISLAMIC CORPORATE FINANCE AND ECONOMIC ANALYSIS OF ISLAMIC BANKING AND CAPITAL MARKETS

#### Exploring the Potentials of Diaspora Sukuk for OIC Member Countries

By Abdou DIAW Al-Itqan Conseil et Formation en Finance Islamique (ACOFFIS), Senegal

##### Abstract

Diaspora bonds are believed to constitute for the issuing country a new source of external funding more stable and, sometimes, cheaper than the traditional instruments. For the investors, they represent an opportunity to meet, in a more efficient way, current liabilities in local currency back home, and to contribute to the development effort of the origin country by participating in the financing of infrastructure projects. With remittances inflow estimated to \$136 billion, in 2014, the OIC member countries have at their disposal an untapped source of external funding as substantial as the Foreign Direct Investment and larger than the Official Development Assistance. This paper explores the adaptability of Diaspora bonds to the concept of Sukuk. The paper argues that the investors' base for Diaspora Sukuk is potentially wider than that of the Diaspora bonds in OIC countries and that would positively impact the cost of capital for the issuing country. However, the success of Diaspora securities issuance largely depends on variables such as the size, the wealth, the level of education of the Diaspora as well as investors' trust in the issuing entity. The assessment of the OIC countries with respect to the above mentioned factors revealed the existence of potential candidates. Thus, for the success of Diaspora Sukuk, the countries are encouraged to gather quality data on their Diaspora, to implement a well thought communication strategy, and to earmark the proceeds of Diaspora Sukuk to projects appealing to the Diaspora.

Abdou DIAW is currently the managing director of Al-Itqan Conseil et Formation en Finance Islamique (ACOFFIS) a consulting firm based in Senegal. He completed his PhD in Islamic finance at the International Centre for Education in Islamic Finance (INCEIF) where he used to be a teaching/research assistant. He holds a Postgraduate Diploma in Islamic Banking and Finance (International Islamic University Malaysia), a Master degree in Mathematics (Cheikh Anta Diop University of Dakar-Senegal). He has also received a Brevet d'arabe littéral (Diploma in literal Arabic - Université de la Sorbonne Nouvelle /France). Dr Diaw has conducted many seminars on Islamic finance in French speaking countries, published articles in refereed journals, and presented several papers at international conferences.

#### From Screening to Compliance Strategies: The Case of Islamic Stock Indices With Application on "MASI"

By Kafou Ali & Chakir Ahmed, Ibn Zohr University, Morocco

##### Abstract

The aim of this paper is to study the screening methodologies as performed by the mainstream Islamic stock market indices through its application on the MASI (Moroccan All Shares Index). Thus, the possibility of providing the Casablanca stock exchange with its own Shariah compliant index will be studied. First, the specific treatments needed for Islamic equity indices

will be explained. Then the application of the screening is done based on methodological rules of the mainstream Islamic market indices. Applying the screens recommended by each index's shariah committee leads to different decisions about the rejection or the acceptance of a stock in the Islamic market index. This leads to the plurality of indices even when built using the same starting universe. Finally, compliance strategies were presented and applied to the MASI

## Effectiveness of LTV/FTV as Macroprudential Instrument under Dual Banking System in Indonesia

By Dr. Ascarya Senior Researcher, Department of Islamic Economic and Finance, Bank Indonesia

### Abstract

In the wake of global financial crisis, maintaining financial system stability (conventional as well as Islamic) from systemic instability through added macroprudential policy becomes a new additional pillar of financial stability, where it should be given top priorities by related authorities. This study aims to test the effectiveness of loan/financing to value (LTV/FTV) as macroprudential instrument under dual financial system in Indonesia, using Error Correction Model (ECM) and Autoregressive Distributed Lag (ARDL). Islamic bank is different from conventional bank. Islamic bank is exposed to some common risks (such as, credit, market, solvency, liquidity, and operational risks) due to some similar features to conventional bank, such as fiat money, fractional reserve banking system, pooling of fund, mismatches and sub-ideal Islamic contracts. Islamic bank is also exposed to some unique risks (such as, rate of return, equity investment, displaced commercial, Shariah non-compliance and inventory risks), which are shared with the investors (depositors). The main results show that the effectiveness of Financing/Loan-to-Value (FTV/LTV) as Islamic and Conventional macroprudential instruments to limit financing/loan growth are still not significant. Moreover, FTV Islamic is not significant to reduce nonperforming financing (NPF), while LTV conventional, conversely, is significant to increase nonperforming loan (NPL). The side results show that Islamic home financing (LRFN70) will increase two times the increase of conventional home loan (LRCR70) when real GDP (LGDP) increases. Moreover, NPF decreases much more than the decrease of NPL when financing/loan to GDP increase. Therefore, Islamic macroprudential policy should be developed distinct from conventional macroprudential policy.

Dr. Ascarya is a Senior Researcher at Department of Islamic Economic and Finance, Bank Indonesia. He is a managing editor of scientific Islamic Journal by Bank Indonesia, as well as reviewer of several National and International Journals. He is also a visiting lecturer and experts in the field of Islamic Economics, Monetary, Banking and Microfinance in several universities. He holds PhD in Islamic Economics and Finance from IEF-Trisakti University, Indonesia. He has also received PhD Candidate in International Development, MBA in Finance and MSc in Management Information System from University of Pittsburgh, USA. He has produced 13 international journals and books, 56 international papers, 21 national journals, 22 national papers, 32 working papers, 3 occasional papers, 17 books, 2 proceedings, 11 periodical publications, and 6 research notes. He has presented in 34 international conferences and 74 national conferences. He has received three International Best Paper Awards in 2013, 2014 and 2015.

## GROUP 5

### ZAKAH, WAQF AND ISLAMIC MICROFINANCE AND THEIR SOCIOECONOMIC ROLE IN DEVELOPMENT

#### Challenges of Micro Financing in Bangladesh: A Comparative Study Between Islami Bank Bangladesh Limited and Grameen Bank

By Dr. Md. Ferdousur Rahman & Sayed Mohammad Asaduzzaman, Islamic University, Kushtia, Bangladesh

### Abstract

The purpose of the study is to analyze the Challenges of micro finance in Bangladesh. The study is confined within two divisions of seven divisions of Bangladesh. Six districts out of 30 districts (20%) in two divisions are selected as sample. A total of 100 respondents (clients) from Islami Bank Bangladesh Ltd. (IBBL) and 100 respondents from Grameen Bank (GB) are selected as sample for the survey which is found out by using Anderson's random sampling technique. On the other hand, 38 bank personnel (19 from IBBL and 19 from GB) have been included in the sample purposively for the study. The analyses of the study are limited within 10 years' data collected from the selected branches. The researchers found some problems in both the banks commonly like: insufficient amount of credit, illiteracy, social custom barrier, excess workload, severe poverty, migration of the clients to India and identifying the skilled & reliable customer. In spite of these problems micro financing is increasing day by day and socio economic development is also enhancing. The study reveals that there are bright prospects of micro financing in Bangladesh. On the other hand, the idea of rural people has been increased regarding micro finance of Islam through IBBL's micro finance program i.e., RDS so that they can play a significant role to encourage the poor rural people about

the necessity of micro finance based on Islam and bad impact of interest based micro finance. The researchers have suggested some recommendations for the prospects of micro finance in Bangladesh. It is hoped that, if the policy makers of Bangladesh take them into consideration, the socio-economic development of Bangladesh will be achieved at an optimum level.

## Redefining the Islamic Nanofinance and Its Institutional Strengthening: Lesson Learned from Asian Countries

By Khairunnisa Musari Faculty of Islamic Economics Business and Postgraduate Program, State Institute of Islamic Studies (IAIN) Jember, Indonesia

### Abstract

Most developing countries have the very poor people in large numbers. Many of these do not have ability to access bank financing and are forced the situation to borrow the loan shark. The need of very poor to reach the finance is not accommodated by most banks. This study found there is much demand among the very poor in some Asian countries for small loans with simple processing system for the emergency needs. Some microfinance institutions and rural/local banks provide financial intermediation for them through what they mention as 'nanofinance', but most of the loans use high interest rate despite it looks relatively low and regarded not burden to the borrower. Through interview to the nanofinance provider/customer in Indonesia and Cambodia and do review of available literature, web-based materials and searchable database/information, and the experience of related organizations related nanofinance in India and Thailand, this paper attempts to: (1) Describe the nanofinance activity in some countries of Asian, namely India, Thailand, Cambodia, and Indonesia. (2) Define the generic concept of Islamic nanofinance for the very poor. (3) Propose the pillars of institutional strengthening for Islamic nanofinance.

KHAIRUNNISA MUSARI is a lecturer at Faculty of Islamic Economics Business and Postgraduate Program, State Institute of Islamic Studies (IAIN) Jember, Indonesia. She is a Secretary General of the Indonesian Association of Islamic Economist (IAEI) Regional Board of Besuki Raya (DPW Besuki Raya), East Java Province. She concerns about sukuk, waqf, fiscal & monetary policies, and Islamic microfinance/nanofinance. Her writings and papers are published in newspaper, magazine and journals. She also has been presenting some papers abroad, particularly International Islamic Economics and Finance conference sponsored by Islamic Research & Training Institution (IRTI) – Islamic Development Bank (IDB).

## Finding the Best Model for an Inclusive and Sustainable Islamic Financing: Baitul Maal Wa Tamwil (Islamic Micro-Cooperation) or Islamic Crowdfunding? Case Study of Indonesia

By Muhammad Qareza Qaldi & Priyesta Rizkiningsih & Atika Irawan

### Abstract

The development of Indonesian Islamic finance flourished in recent years and even reached the rural areas. However, the failure of social dimension in IBs remains a major issue due to IBs competitiveness with conventional banks. The utilization of non-banks financial institution is needed such as Baitul Maal wa Tamwil (BMT) and crowdfund which are expected to provide financial inclusion and Islamic holistic financing. By taking samples of crowdfunding and BMT in Indonesia, this research found that the operation of BMT and crowdfund is very different in their strategy backgrounds, products, and clients' relation. Thus, it is suggested to integrate both institution to complement each other strength and weaknesses through linkage program where crowdfund act as source of fund and BMT responsible for projects monitoring and development. By doing so it is expected that the projects' success rate will be increase and will also stimulate real economy sector by encouraging productive projects. The integration of Islamic crowdfunding and Islamic microfinance will increase the effectiveness of both entities where it expands the source of funding where it able to gather from various investor whether as a philanthropic or investment funding. Moreover, Islamic microfinance will help Islamic crowdfunding in providing client capacity building and skill enhancement, which essential in increasing the success rate of projects, as well as providing projects' controlling and outreach







ABSTRACT AND SPEAKER'S BIODATA

---

PARALLEL SESSION 2

---

## GROUP 1

### BASIC NEEDS, POVERTY, SOCIALLY RESPONSIBLE INVESTMENTS AND SOCIOECONOMIC JUSTICE AND DEVELOPMENT

#### Achieving Socio-Economic Justice and Human Development through Islamic Non-Commercial Institutions: An Experience from Pakistan

By Dr. Mehboob ul Hassan, King Saud University, Riyadh, Saudi Arabia

##### Abstract

Islamic Banking and Financial Institutions were established as the outcome of the efforts of Islamic insertions in the economics during the 1970s. IBFIs enjoyed an overwhelming support from the Muslims believing that IBFIs as a 'quasi-public good' will harbor the rights of the financially deprived and underserved people of the society by socially responsible investments. Restructuring the economy on the moral basis of Socio-Economic Justice, Mutual Prosperity and Sustainable Development are the expected outcomes along-with the success and growth of IBFIs.. For achieving the moral objectives of Shari'ah and the success of Islamic economics, several new ideas are being proposed in the academia. One of the proposed schemes to address the socio-economic problems of financial exclusion, poverty, unemployment and healthcare is, Partnering the formal and non-formal Islamic Financial Institutions with the indigenous people and ethnic communities. Awqaf institutions (with non-commercial approach) can effectively address the socio-economic problems of individuals, communities and societies and can contribute to the Socio-Economic Justice and Human Development. This paper highlights the socio-economic problems of indigenous people and ethnic communities in the developing countries and explores the potential areas of investment and finance for IBFIs. This paper also tries to highlight the potential role of Awqaf institutions for integrating the neglected segments of the society into economic development process and achieving the objectives of Socio-Economic Justice and Sustainable Human Development. The paper also suggests some proposals for expanding the new horizons of Islamic economics for ensuring the economic, financial and social services to those who are still not served by IBFIs. A theoretical approach is made for highlighting the significance and recognizing the importance of Awqaf Institutions for Community-driven development's strength.

Dr. Mehboob ul Hassan is working as Professor at Department of Economics, and Senior Researcher at Islamic Banking Center, King Saud University, Riyadh, Saudi Arabia. He takes care most of the academic research activities of the center. Previously he has worked as Professor and Associate Dean, Departments of Business Administration and Islamic Banking and Finance at Al-Khwarizmi International University College, United Arab Emirates. He has also served as Professor and Dean of Department of Business Administration at Sindh Madressatul Islam University, Karachi, Pakistan. As a foreign professor he has served at Applied Economics Research Centre at University of Karachi and International Institute of Islamic Economics at International Islamic University, Islamabad, Pakistan.

#### Underpinning the Benefits of Green Banking: A Comparative Study Between Islamic and Conventional Banks in Bangladesh

By Kashfia & Rashedul Hasan, Mohammad Dulal Miah, Department of Finance, American International University-Bangladesh (AIUB)

##### Abstract

The paper performs a comparative study between Islamic and conventional banks on the drivers that motivate banks to behave environmentally and the benefits they can reap in behaving so. Bank's environmental behavior is measured through Green Compliance Index (GCI) prepared based on the Bangladesh Bank (the central bank of Bangladesh) guidelines whereas firm specific variables are collected through content analysis of 40 banks comprising of thirty-one private commercial banks and nine Islamic banks for the year ending 2014. Collected data are analyzed using bootstrap and generalized linear model (GLM). Results show that Islamic banks are less complying with the green banking codes than the conventional banks in Bangladesh. Governance does not have a significant association with green compliance for either cluster of banks whereas size appears to be the most significant influence on the extent of green compliance for both classes of banks. Comparative results show that the effects of green compliance toward possible benefits are significantly higher for Islamic banks than conventional banks. Based on these results, some policy prescriptions are offered.

#### Fiscal Policy Incidence and Poverty Reduction: Evidence from Tunisia

By Ahmed Moummi, CIDEMA, France, USAID

#### Abstract

Since 2011, the economic recovery of the Tunisian economy depends on the increasing and pressing social expectations. It is therefore necessary to ensure effective management of public resources to enhance equity, growth and job creation. Since then a substantial need for a deep policy reforms has characterized the policy debate in order to identify policies that will guarantee more equity and poverty reduction. To address this deficiency, this paper aim to analyze the incidence of the fiscal policy in Tunisia with a view to distilling policy lessons to inform future growth policy. In particular, this paper will seek to respond common questions asked by policy makers and civil society like: (i) How progressive are the current tax and transfer systems? (ii) Can public taxes and expenditures better redistribute opportunities so that a more equitable system promotes sustained growth? (iii) Who benefits the most from public services (e.g., education, health, etc.)? And (iv) What can be done to ensure that these efforts are fiscally sustainable? This analysis attempts to cover a very broad spectrum of taxes and transfers in the individual level and analyzes their impact on inequality and poverty. Taxes include direct and indirect taxes, and transfers include direct and subsidies as well as in-kind transfer. This study uses a micro-simulation methodology following the multi-country Commitment to equity project (CEQ). It consists of constructing five basic income concepts. Then it assesses the impact on different concepts of inequality and poverty reduction and simulates different scenarios of redistribution of taxes and subsidies in Tunisia. The five basic concepts include: the market income, the net market income, the disposal income, the post fiscal income and the final income. Each concept includes a particular distribution of taxes and transfers applicable to revenue, consumption or inputs

Ahmed Moummi has over 19 years academic and economic expertise experience in development research programs and capacity building in Africa. Ahmed was the Task Manager of the African Economic Outlook, jointly produced by the AfDB, the OECD, UNDP and UN ECA . he covered the country notes of six African counties: Equatorial Guinea, DRC, Congo Democratic, Niger, Mauritania and Morocco. He is also the Task Manager of the African Economic Conference (AEC) 2012. The AEC has become the premier meeting place for the presentation and discussion of economic and policy research on Africa, bringing together a worldwide network of participants to meet and exchange knowledge and experiences. He has conducted several studies within the Research Department but also with the AfDB regional Departments and with other partners in the topics related to: Fiscal Incidence Analysis, Poverty and inequality in Africa and Economic Development in general. Ahmed is multi-lingual with very good communication and presentation skills.

### Is It Costly to Introduce SRI into Islamic Portfolios?

By Erragragui Elias, Kedge Business School

#### Abstract

Could Environmental, Social and Governance (ESG) performance be a criterion for Islamic investment? The development of socially responsible investment (SRI) has challenged the ethical approaches associated with Islamic investment as a means to promote social achievements. Noting similarities with the positive screening approach, we investigate the integration of ESG criteria, into Islamic portfolios using KLD social ratings. This research seeks to determine the financial price of being both shariah-compliant and socially responsible. We examine the financial performance of self-composed Islamic portfolios with varying ESG scoring. The results indicate no adverse effect on returns due to the application of Islamic and ESG screens, with a substantially higher performance for positive screening on governance during post subprime crisis' period. Significant outperformance still arises for portfolios with bad records in community and human rights though. Performances are controlled for market sensitivity, investment style, momentum factor and sector exposure

## GROUP 2

### HISTORY, PHILOSOPHY, INSTITUTIONAL ASPECTS AND CRITIQUE OF ECONOMICS, ISLAMIC ECONOMICS AND FINANCE

## Theology and Ethics in Adam Smith: A Case for Islamic Economics

By Mohammed Wasim Naser, Jeddah, Saudi Arabia

### Abstract

This study is an analysis of the theological and ethical dimensions in the writings of Adam Smith. It deals with aspects of philosophy and intellectual history. By revealing the theological and ethical roots of Smith in the formation of modern economics, arguments for an economics that is based on Islamic foundations becomes stronger. The study will therefore lay out the basic moral project of Smith and then contextualize it in the Western Enlightenment tradition. It shows how religious discourses were instrumental in shaping the thoughts and ideas of Enlightenment in general, and economics in particular. The study will then give a brief overview of traditional Islamic theology and ethics in order to give directions for future research.

Mohammed Wasim Naser is an independent researcher currently based in Jeddah, Saudi Arabia. He completed my Masters in Economics at International Islamic University Malaysia in 2016, with a dissertation on Adam Smith. Prior to that, he did a bachelors in Commerce at the University of Madras, India. His current areas of research revolve around the metaphysical foundations of economic theories and anthropological studies of South-Indian diaspora along the trade routes of Indian Ocean.

## Rethinking the Structure of Islamic Economics: The Economic Man Imperative

By Dr. Mohd Mahyudi, Department of Economics, Kulliyah of Economics and Management Sciences, International Islamic University Malaysia (IIUM).

### Abstract

The end of value-free economics presents a positive outlook for Islamic economics. Nonetheless, progress is only viable when this discipline has a solid scientific structure. Thus, this paper aims to highlight the economic man imperative in projecting Islamic economics as a normal science. This paper first explores Islamic economics' current state of readiness to fulfill its promising future. Unfortunately, the authoritative view is that Islamic economics is not in proper order. Consequently, Arif's (1985a & 1985b) Islamic economics scientific structure is utilized to locate that stage which requires serious improvement. At the basis of micro-foundation stage, the economic man imperative emerges out of this identification exercise. Thus, the most important implication here is the replacement of homo Islamicus with the concept of 'universal man' which proffers several advantages. Apart from the other stages in the structure, this 'universal man' needs immediate refinement to strengthen the edifice of Islamic economics science.

Since 2008, Dr. Mohd Mahyudi has been a faculty member at the Department of Economics, Kulliyah of Economics and Management Sciences, International Islamic University Malaysia (IIUM). He has been teaching subjects related to Islamic economics at both the undergraduate and post-graduate levels. In general, his research works fall under the critique project of Islamic economics with analysis on characteristics, development and impact of the Islamic economic system. To help solve this nascent discipline's identity crisis is his latest passion. The lack of clarity in Islamic economics' continuous struggle to creatively engage with Western economic thought and Islamic fiqh has brought the discipline into its present state of disarray. This situation has motivated him to go deeper into fundamental questions surrounding the scientific nature and methodology of Islamic economics. This approach, to him, is potent in ensuring that Islamic economics progresses in a more unified and coherent manner. With such clarity about true being, audience and right direction, solutions proffered by Islamic economics are well-positioned to have a greater appeal and acceptance among a wider pool of both Muslims and non-Muslims intellectuals and policy-makers. In 1998, Dr. Mohd Mahyudi obtained a BSc. in Finance and Accounting from the University of Salford, UK. He then completed his post-graduate studies at IIUM with an MBA, specialising in Islamic Banking and Finance in 2002; and a PhD. Economics degree in 2008.

## Islamic Finance at Crossroads

By Mabid Al-Jarhi, INCIEF

This paper looks into the dilemma of the convergence of Islamic finance to conventional finance and attempts to draw a plan of action composed of a research agenda as well as a series of dialogues with stakeholders.

## GROUP 3

### ISLAMIC CORPORATE FINANCE AND ECONOMIC ANALYSIS OF ISLAMIC BANKING AND CAPITAL MARKETS

#### Islamic Calendar Anomalies on The Karachi Stock Exchange

By Dr. Naimat Ullah Khan, Institute of Management Studies University of Peshawar, Pakistan.

##### Abstract

Anomalies are exceptions found in trading by the investors with the help of knowledge or information provided before an event that contradicts Efficient Market Hypothesis (EMH). Various anomalies exist in the market such as day of the week effect, month of the year effect, half month effect and weekend effect. Previous studies have focused mostly on calendar anomalies of Gregorian calendar but limited literature is available about other religious calendars such as Hijri (Islamic) especially in the context of Pakistan. The study focuses on finding the answer to the existence of anomalies in the emerging market of the Karachi Stock Exchange (KSE). The research question is based on the investor's behavior that whether calendar anomalies can affect the returns due to the Islamic months or not? To study the anomalous behavior of KSE-100 Index, monthly Hijri calendar is analyzed for a large sample of 24 years (1991-2014). The methods selected for this study are descriptive statistics, ARCH (Autoregressive Conditional Heteroscedasticity) and GARCH (Generalized Autoregressive Conditional Heteroscedasticity) models. The findings show significant effect of Islamic calendar upon the volatility. In addition, the results demonstrate that returns show positive increase with low level of volatility during Ramadan on the KSE. Similarly, the highest volatility level is observed for the month of Zil-Qad. The findings support that calendar anomalies exist at Pakistani market which refers that the market is not efficient in its weak form and contradicts random walk theory. One of the contributions of this study is the analysis of full Hijri calendar of 12 months instead of looking for just Ramadan or Muharam effect as documented in the literature (Husain, 1998; Seyyed et al., 2005 and Mustafa, 2011). In addition to capture volatility for each Islamic month, more sophisticated techniques of ARCH and GARCH models are used for Pakistani data in comparison of simple OLS regression documented in past literature (Mustafa, 2011). Based on the existence of calendar anomalies on the KSE, the results suggest that investors can design an investment strategy based on the anomalous behavior of particular month in order to beat the market and earn abnormal profit.

Dr. Naimat Ullah Khan is an academic by profession for more than 10 years at apex level of education. Currently he is an Assistant Professor at Institute of Management Studies University of Peshawar, Pakistan. He got his doctorate degree from School of Business, University of Dundee, UK. His principal research interests lie in the field of finance using mixed method of quantitative and qualitative research. In addition, he is doing research in the field of Islamic accounting and finance; having a strong tendency to apply the concept of "Critical Theory". One of his papers has been selected by the Emerald Group Publishing as a Highly Commended Paper of 2013. In addition, Emerald Group Publishing has declared him an "Outstanding Reviewer" for Qualitative Research in Financial Markets in the Emerald Literati Network 2014 Awards for Excellence. Moreover, he is interested to study political economy of both Pakistan and Afghanistan. He can be contacted via naimatims@yahoo.com.

#### Rethinking Corporate Finance: An Islamic Framework of Sustainable Business Practices for Corporate Organization

By AbdulGafar Olawale Fahm, Department of Religions, University of Ilorin, Nigeria

##### Abstract

This study is an attempt to critically examine the economic logic of corporate organization business practices. It is a clarion call to go beyond what is considered in our contemporary time good business practices. In writing this paper, the researcher seeks to engage with modern secular insights about sustainable business practices for corporate organizations and to be in critical dialogue with those insights. This is an effort to bring religion into our economic lives, which invariably means bringing religious ethics into what is supposed to be free of such values. This paper explores why, how and when a business organization may choose to go beyond good business practices and standards. This study addresses the questions of how can corporations develop into responsible moral agents and what effective framework can be used for sustainable business practices within an Islamic setting. This paper concludes by proposing Islamic ethical principles such as ikhlas (sincerity), 'ilm (knowledge), hikmah (wisdom), hilm (forbearance) and rifq (gentleness), sabr (patience), tawaadu' (humility), qudwah (good example), husnul-Istimaa' (good listening), shajaa'ah (courage), and karam (generosity). It also suggests how these ethical principles can be incorporated into business practices in order to have a sustainable business practices for corporate organization.

AbdulGafar Olawale Fahm is a native of Nigeria. He received his B.A. in Islamic Studies from University of Ilorin, Nigeria. He obtained his M.A. from International Islamic University Malaysia and his Ph.D. in the same University. His areas of interest are

Islamic Spiritual Culture, Contemporary Issues, and Islamic Thought. In addition, Dr. Fahm is a Lecturer in Department of Religions, University of Ilorin, Nigeria and has experience in teaching courses such as Public Finance in Islam, Islamic Fundamentals, Muslim Organizations in Nigeria, Introduction to Seerah, Status of Women in Islam, The Classical Foundation of Islamic Civilization and Culture and Islamic Festivals.

### The Determinant Factors of IPO Underpricing and Cumulative Abnormal Return: Evidence From Sharia-Compliant Companies Listed on the Malaysian Stock Exchange

By Nashirah Binti Abu Bakar & Sofian Rosbi, Islamic Business School, College of Business, Universiti Utara Malaysia

#### Abstract

The objective of this study is to investigate the short term and long term (one to three year) performance of initial public offering (IPO) for sharia-compliant companies listed on the Malaysian Stock Exchange (MSE) for the period from 2006 till 2010. This study used 74 IPO for sharia-complaint companies. The preliminary results indicate that the average degree of IPO underpricing for sharia-compliant companies is 17.99%. Using a multiple linear regression analysis, this study found that IPO underpricing for sharia-compliant companies is driven by economic condition factor. The empirical results regarding long term performance of IPO for sharia-compliant companies show a good performance (16.81%) than their benchmark for CAR equal-weight and the result for CAR value-weight show a slightly outperformed their benchmark (-0.07%). Finally, this study found that the underpricing, offer price, offer size, market type, trading/service industry, consumer product industry, property industry and REIT industry were statistically significant.



ABSTRACT AND SPEAKER'S BIODATA

---

PARALLEL SESSION 3

---

## GROUP 1

### HISTORY, PHILOSOPHY, INSTITUTIONAL ASPECTS AND CRITIQUE OF ECONOMICS, ISLAMIC ECONOMICS AND FINANCE

#### “Islamic Money”, Aristotle and the Socio-Economics of Islamic Finance

By Dr. Valentino Cattelan, Saudi-Spanish Centre for Islamic Economics and Finance, SCIEF

##### Abstract

Using the four Aristotelian “causes” as explanatory device, this paper aims at investigating the nature of money in Islam, moving from its “reasons” (Part I) to the specific socio-economics of Islamic finance (Part II). In this direction, assuming that not only is money a means of exchange but also a social relation, the study describes its (1) “substance”, (2) “form”, (3) the “price” as efficient cause, and highlights (4) how “Islamic money” (either as purchasing or investing power), by relating both to the “life of goods” (hayat al-amwal) and the “life of human beings” (hayat al-nufus), fosters a trade community where the market is conceived as a common venture of partnership, profit- and risk-sharing (Part I). Accordingly, in the light of the peculiar identity of “Islamic money” in comparison to “Western money”, the paper argues that current regulatory policies should recognize the specific socio-economics of Islamic finance as complementary to that of the conventional financial system, and suggests relevant strategies to nourish the full potential of “Islamic money” in relation to the “community of credit” that it embraces (Part II). Final considerations also comment on the current dynamics of interaction between Islamic and conventional finance within global capitalism.

Dr. Valentino Cattelan’s (Ph.D. Law & Economics) research activity covers aspects of legal and financial pluralism, Islamic commercial law, property rights theory, history of capitalism, Islamic finance regulation, comparative law, socio-economics and social finance. From 2010 to 2013 he coordinated the project Integrating Islamic Finance in the EU Market at the University of Rome Tor Vergata. In 2013-2014 he was Visiting Fellow in Islamic Finance at the Oxford Centre for Islamic Studies (University of Oxford), under the SC-OCIS Scholar in Residence Programme. At present he is Associate Researcher at the Saudi-Spanish Centre for Islamic Economics and Finance (SCIEF), IE Business School, Madrid. Dr. Cattelan actively contributes to workshops, conferences and seminars on Islamic law, economics and finance, and he is the author of several articles and papers on these matters. He is also the editor of *Islamic Finance in Europe: Towards a Plural Financial System* (Edward Elgar Publishing, 2013), and he is currently editing another volume on *Islamic Social Finance: Entrepreneurship, Cooperation and the Sharing Economy* (Routledge, forthcoming).

#### Consumption and Morality: Principles and Behavioral Framework in Islamic Economics

By Dr. Hafas Furqani Faculty of Islamic Economics and Business UIN Ar-Raniry Banda Aceh, Indonesia

##### Abstract

Consumption in Islamic economics is viewed as a positive action that would contribute to human wellbeing (maslahah). Islam sees consumption as having a moral agenda and noble goals rather than viewing it as a mere wants-fulfilment enterprise in a personal self-pleasure agenda. The goal of consumption in Islamic framework is not to gain personal wants satisfaction per se as such effort would be timeless and meaningless. The goal, instead is to direct the consumption in achieving the maslahah (individual and social wellbeing) and the higher purpose of achieving God’s blessing (mardatillah). With that perspective, the Qur’an and Sunnah have laid down the guiding principles in consumption that would be the framework for consumption behavior in Islamic economic perspective. The Islamic economic agents are expected to adopt the Islamic morality principles in their actual consumption. The paper aims at scrutinizing the concept of moral consumption in Islamic perspective by elaborating the goals and guiding principles of consumption in Islamic economics.

Dr. Hafas Furqani is currently a lecturer at the Faculty of Islamic Economics and Business UIN Ar-Raniry Banda Aceh, Indonesia and a research fellow at ISRA (International Shariah Research Academy for Islamic Finance). He receives Ph.D of Economics (2012) as well as Master of Economics (2006) from the Department of Economics, International Islamic University Malaysia. His bachelor degree is in Shari’ah Mu’amalah from the State Islamic University (UIN) Syarif Hidayatullah Jakarta (2002). Dr. Hafas has extensively written and published articles in the areas of Shari’ah, Islamic economics, banking and finance in academic journals as well as newspapers and magazines. His works have been recognized and awarded by local and international institutions. His paper “Challenges in the Construction of Islamic Economics Discipline” has awarded 1st Prize winner at KLIFF Essay Competition (2011) and his article entitled “Theory appraisal in Islamic economic methodology: purposes and criteria” published in *Humanomics* (2012) has been chosen as a Highly Commended Award Winner at the Literati Network Awards for Excellence 2013. His Ph.D thesis “The Foundations of Islamic Economics: A Philosophical Exploration of the Discipline” has also

been awarded Gold Medal at the 2012 International Islamic University Malaysia Research, Invention and Innovation Exhibition (IRIE 2012). Hafas can be contacted at hafasf@gmail.com

### An Enquiry in to the 'Rationality' of Economic Rationality

By Muhammed Refeque, Department of Management Studies at Middle East College, Muscat.

#### Abstract

The unquestionable role played by the rationality assumption in establishing theoretical frameworks of mainstream economics has been subject to a good number of researches and intellectual discussions for the last many decades. A look in to neo-classical economic theories cannot be made without coming across the assumption of rationality. For the invisible hand, to exhibit wonders in self-adjustment mechanisms, the assumption of rational behaviour is very important. But the problem lies not in this assumption, but in the way it was defined and approached. Broadly speaking, behaviour of an individual to follow his self-interests is termed as rational behaviour in conventional economics, and the argument goes like this; man is best judge of his own interests. To our surprise, we will even find arguments to justify outbreaks of wars if they were to protect the 'rational' interest of a nation. It is under this backdrop, an attempt being made to provide a critical enquiry in to economic rationality and propose a comprehensive theoretical base in an Islamic perspective. In the process, paper follows much celebrated contributions of Edgeworth (war and contract) and Amartya Sen (sympathy and commitment) and proposes an advanced version based on Rahma (mercy) and Ithar (sacrifice). The paper goes on establishing that behaviour guided by universal code of conduct would bring consistency in behaviour and such behaviour will result in general wellbeing of the people not just the individual wellbeing. In an effort to establish theoretical superiority of Islamic rationality, a Maqasid Shari'ah based approach is also provided in the research.

Muhammed Refeque is lecturer in the department of Management Studies at Middle East College, Muscat. Previously worked in the New College, Chennai and was part organizing committee of International Conference entitled Global Economic Crises: An Islamic Perspective. He is actively involved in researches related to Islamic Economics, Developmental Economics and Teaching and Learning practices. His special interest in Islamic Economics made him get involved in many researches, presentations and talks on the same area. Other than teaching and research, he is also a proven talent in matters related to policy development and quality assurance of higher educational institutions.

## GROUP 2

### SHARIAH IN ECONOMICS AND FINANCE (ARABIC)

#### Increasing Musharakah Product Using Repetitive Muwa'ada and Participative Hedging

By Dr. Walid Mansour, Islamic Economics Institute at King Abdulaziz University.

#### Abstract

This article suggests an Islamic financial product based on increasing musharakah through the embedding of a new application of muwa'ada, namely repetitive muwa'ada. This product is based on a three-tier musharakah that links between the entrepreneur and the Islamic bank in a first stage, and, in a later stage, includes a third contracting party, that we dub the 'participative hedger'. In its early stage, the contracting relationship is characterized by the examination of the project's specificities and the determination of the provisions that are particularly related to the role of the participative hedger that consists in the injection of any potential loss. In exchange of this commitment, the participative hedger benefits from profit-and-loss sharing as an effective shareholder immediately after the first cash injection and commits repetitively to hedging the cash flow risk. The suggested financial mechanism is a new method for the practical enforcement of the profit-and-loss sharing (PLS) principle from which Islamic banks failed relatively to develop products that meet the needs of the Islamic banking industry. The suggested product has several merits. Firstly, the financial engineering lying behind the product eliminates any default likelihood as a consequence of a single or multiple losses due to negative (technology or demand) shocks. Secondly, the inclusion of the participative hedger discards the handicap of collaterals as a requirement of financing. Thirdly, the repetitive muwa'ada and increasing musharakah permit the flexibility of the product to be applied to small and mega projects, which contributes to financing innovative ideas and unleashing the economic growth. Fourthly, this product can be seen as an opportunity to Islamic banks to restore the participative core of Islamic finance and alleviate the domination of debt-based products, which improves the fulfillment of the objectives of Islamic law and foster the economic development. Fifthly, this product embeds a 'self-contained' shari'ah-compliant risk-hedging instrument for musharakah models.

Dr Walid Mansour is a research affiliate at the Islamic Economics Institute at King Abdulaziz University. He was a research and teaching fellow at the University of Kansas, Lawrence (USA) where he received a postdoctoral diploma. He is the recipient of the Fulbright Scholarship and the Occasional Lecturing Fund (OLF) from the US Department of State (Washington DC), a research grant at Université de Cergy-Pontoise (France) and a research grant from SABIC Chair for Islamic Finance Market Studies (Riyadh, KSA). He published several articles in international refereed journals in various areas that include Islamic finance, corporate finance, and Islamic product development. He has a teaching/lecturing experience of 12 years in various universities such as the Universities of Sousse/Monastir/Manouba in Tunisia, University of Kansas in Lawrence, University of California State University at Fresno, College of Saint Mount Vincent in New York, King Abdulaziz University, and Dar Al Hekma University in Jeddah. Dr Mansour's research and professional interests cover mainly Islamic corporate finance, the economics of information asymmetries, the design of shari'ah-compliant financial innovations, and the econometrics of financial markets.

### Governing Standards for Islamic Financial Engineering

By Dr. Ashraf Dawaba, European Academy for Islamic finance and economics

#### Abstract

The research comes to clarify the extent reached by the Islamic Insurance Company in Jordan in exploiting the distribution policy of insurance surplus in the development of their competitiveness. After the use of the dynamic analysis, the distribution of surplus impact is shown limited only in the short term. This may be due to the lack of specialized human resources that help in the development of the practical mechanism for the application of Takaful Insurance production and its marketing.

### The Impact of the Insurance Surplus Distribution on The Competitiveness of Takaful Insurance Products Versus the Traditional

By Ameer Oussama

#### Abstract

The research comes to clarify the extent reached by the Islamic Insurance Company in Jordan in exploiting the distribution policy of insurance surplus in the development of their competitiveness. After the use of the dynamic analysis, the distribution of surplus impact is shown limited only in the short term. This may be due to the lack of specialized human resources that help in the development of the practical mechanism for the application of Takaful Insurance production and its marketing.

## GROUP 3

### ISLAMIC CORPORATE FINANCE AND ECONOMIC ANALYSIS OF ISLAMIC BANKING AND CAPITAL MARKETS

#### Bank Capital Adequacy and Liquidity Management: Conventional vs Islamic Bank

By Kalai Fedi, Lille University, France

### Abstract

We consider liquidity creation alternatively in an Islamic banking system and in a conventional one, adapting the Diamond and Dybvig (1983) model to take into account the specifics of Islamic deposit contracts: a contingent payment, a predetermined sharing ratio, a secured but non-remunerated principal in case of early withdrawal. We show that, in the equilibrium without runs, an Islamic banking system would offer deposit contracts that are less favourable to depositors, hold more liquid assets and have a lower equity to deposit ratio than a conventional banking system.

### Operational Constraint of Islamic Equity Fund for Budgeted Deficit Financing

By Ibrahim A. Onour, School of Management Studies, University of Khartoum, Sudan

### Abstract

This paper investigate conditions under which Islamic equity fund can be a viable source of budget deficit financing in an interest free economy. Our findings show that Islamic equity fund is not sustainable source of deficit financing under expanding budget deficit that exceed the rate of return on Islamic equity fund. This restriction imply when the deficit expansion rate exceeds the rate of return on Islamic equity fund, the return per unit of Islamic equity fund declines over time as more investment units need to be issued to meet the expanding budget deficit. Given the budget deficit expansion is controlled below the ceiling specified above then stabilization of demand for Islamic equity fund units, require adoption of performance-weighting strategy of the fund management that sustain rate of return of Islamic equity fund exceeding the rate of cost of capital financing in interest-free economy.

### Efficiency of Islamic Commercial Banks in Indonesia 2011-2014 Case Study Using Two Development Stage Analysis

By Alan Ray Farandy, Demas Asfario Suwito and Lila Kondi Dabutar, Diponegoro University

### Abstract

This paper's purpose is to measure the efficiency of Islamic commercial banks in Indonesia, by analyzing the factors that affect the level of efficiency which is known as Two-Stage Data Envelopment Analysis method. The objects of this study are 10 (ten) Islamic commercial banks in Indonesia which are analyzed from the 2011 to 2014. There are 2 (two) methods which are used in this study, namely nonparametric method of Data Envelopment Analysis (DEA) on the first stage and Tobit model on the second stage. The actual overall efficiency of Islamic commercial banks in Indonesia have a fairly good level of efficiency with an average score of 91.82, which means that although relatively inefficient, Islamic commercial banks in Indonesia are able to optimize its resource inputs to produce outputs as an intermediary institution. The application of the Tobit model uses variables i.e. Asset, Non-Performing Financing (NPF), Capital Adequacy Ratio (CAR), Return on Asset (ROA), and Return on Equity (ROE). The results showed that the variables of Non-Performing Financing (NPF), which shows the ratio of financing stalls that occur in an Islamic commercial bank showed a negative and significant effect and ROA shows a positive influence on efficiency.

## GROUP 4

### BUSINESS ETHICS, MANAGEMENT, MARKETING AND ACCOUNTING FROM AN ISLAMIC PERSPECTIVES

### Impacts of Spiritual Intelligence Dimensions on Personal Values of Islamic Bank Employees: An Empirical Investigation in Malaysia

By Professor AAhad M. Osman-Gani Department of Business Administration, Faculty of Economics & Management Sciences, IIUM

### Abstract

The study of Spiritual Intelligence in the workplace is still at the early stage of scholarly research. Although some studies have established the positive effects of spirituality and spiritual intelligence on employee performance, not much empirical investigations have been done to identify the effects on personal values of employees. Moreover, no study was done so far in the field of Islamic Banking and Finance, particularly in the Malaysian context. The purpose of this empirical study is to identify the impacts of employees' spiritual intelligence and its dimensions on their personal values. This research has identified 230 respondents from Islamic banks operating in Malaysia by using simple random sampling procedure. The findings show that spiritual intelligence has overall significant positive impacts both on instrumental and terminal aspects of employees' personal values. Three dimensions of Spiritual Intelligence (e.g. personal meaning production, transcendental awareness, and critical existential thinking) were found to have significant positive impacts on personal values. Only one dimension of 'conscious state expansion' was not found to be statistically significant. Organizational management should consider making appropriate decisions for nurturing and developing the spiritual intelligence among its employees thereby enhancing their personal values in the workplace. This could be done first by identifying and developing the lacking dimensions of their spiritual intelligence. Implications for future research and for professional practice are discussed at the end of this paper. Further research may be conducted to identify the relationships of spiritual intelligence and personal values with other organizational and personal variables in different cultures and contexts.

Professor AAhad M. Osman-Gani obtained PhD in Human Resource Development and M.A. in International Business from The Ohio State University, Columbus, Ohio, USA. Prior to this, he had MBA with double majors in Management and Marketing. He was the Director (CEO) of Graduate School of Management, International University Malaysia (IUM). Currently, he is a Professor of HRD & International Management at the Department of Business Administration, Faculty of Economics & Management Sciences. He is also the Director of Asia Business Leadership (Malaysia) Project based in Japan. Before joining the IUM, he has taught for 17 years at Nanyang Business School of the Nanyang Technological University, Singapore. During the past 40 years of his professional career, he has held various teaching and research responsibilities at several universities and organizations including The Ohio State University, University of Chittagong, and the Public Utilities Commission of Ohio. He is now an Adjunct Professor of Kyoto University of Japan, and a Visiting Graduate Faculty of the University of Texas at Tyler, USA. He was also a distinguished Guest Professor of East China Normal University, Shanghai; a Visiting Professor of Peking University, China; King Fahd University of Petroleum & Minerals (KFUM), Saudi Arabia, University Technology Malaysia (UTM). He was an External Examiner (PhD Dissertations), External Reviewer (Curriculum), and External Assessor (Promotion & Tenure) for several universities, including the University of Minnesota, George Washington University in USA; Liverpool University, UK; UniSIM, and NTU, Singapore, and currently serves as External Examiner and Assessor of several local and overseas universities.

### Analysis of Trend and Ratio Comparison of Islamicity Performance at Mandiri Syariah, Muamalat Indonesia, BRI Syariah and BNI Syariah Banks of 2011-2014

By Dina Fitriisa Septiari, Airlangga University

#### Abstract

This study aims at investigating the trend of financial performances and the difference of Islamicity Performance Ratio among Islamic banks in Indonesia during 2011-2014. The quantitative approach of purposive sampling is used as the research method. The data collected from bank's annual financial statements (2011-2014) were used as sample: Mandiri Syariah, Muamalat Indonesia, BNI Syariah and BRI Syariah Banks. The data collected then analyzed using the trend analysis and ANOVA. Six variables: PSR, ZPR, EDR, DEWR, IIR and IsIR, are used as proxies for Islamicity Performance Ratio. Trend analysis shows that BRI Syariah has better PSR, ZPR, EDR, IsIR compared to other banks except for DEWR. IIR of Bank Muamalat is the best among others. Comparative analysis shows there are differences of Islamicity Performance Ratio among Islamic banks in terms of PSR, EDR and DEWR, nevertheless there is no difference in terms of ZPR, IIR and IsIR.

### Muslim Immigrant Entrepreneurs in Small Retail Sector: Their Business Success and Business Prospects in Malaysia

By Moha Asri Abdullah & Mohamed Asmy Bin Mohd Thas Thaker, International Islamic University Malaysia

#### Abstract

An involvement of immigrant in small businesses is expected to bring benefits to the local economy and the migrants themselves. Their presence, and contribution to the establishment and growth of new businesses, especially to small business, in a country usually lead to economic prosperity and job creation. Simultaneously, however, immigrant entrepreneurs are facing issues and challenges in order to succeed, particularly Muslim immigrant entrepreneurs. There are no any existing kinds of literature focusing on Muslim immigrant entrepreneurs. Thus, the main aim of the study is to identify issues and challenges of

Muslim immigrant entrepreneurs, and their business success and prospects in small retailing businesses. Based on 274 Muslim immigrant entrepreneurs surveyed at Klang Valley, Malaysia, it was found that the majority of immigrant entrepreneurs come from Bangladesh, Pakistan, and Indonesia. Furthermore, the major finding shows that Muslim immigrant entrepreneurs are relatively well prepared for business and obtained experience before initiating a business. They are positive about their business issues as well as business success and prospects, with the highly significant relationship between those variables. The research concludes that Muslim immigrant entrepreneurs and their business activities can be a source of entrepreneurial development, employment generation and future impetus for economic growth in Malaysia. The results also open the way for comparisons with other countries which have Muslim immigrant entrepreneurs.

## GROUP 5

### EVALUATING 40 YEARS OF ICIEF

This session will evaluate the research output presented throughout the 10 conferences since 1976. The session will be led by the pioneer institution involved in the conference series such as KAU, IRTI, IAIE, IIUM, IIUI and Durham. Other institutional presenters are invited to join the session.





ABSTRACT AND SPEAKER'S BIODATA

---

PARALLEL SESSION 4

---

## GROUP 1

### ISLAMIC CORPORATE FINANCE AND ECONOMIC ANALYSIS OF ISLAMIC BANKING AND CAPITAL MARKETS

#### The Determinants of Performance in Islamic and Conventional Banks: A Comparative Study

By Mouna Moualhi Ph.D Student Faculty of Economics and Management of Tunis, Tunisia

##### Abstract

The paper analyzes how bank characteristics and the overall financial environment affect the performance of Islamic banks utilizing a data set of 51 Islamic banks and 71 conventional banks operating in the MENA countries between 2006 and 2012. We use a dynamic panel data model to identify internal and external factors that explain the bank performance. The empirical evidence confirms the importance of country level characteristics, and firm level features. In fact, a variety of internal and external banking characteristics were used to predict profitability. Controlling for macroeconomic environment, financial market structure, and taxation, the results indicate that high capital-to-asset and loan-to-asset ratios lead to higher profitability. In general, our analysis of determinants of Islamic banks' profitability confirms previous findings.

Mouna Moualhi is a Ph.D student in Islamic finance at the Faculty of economics and management of Tunis. She received a master's degree of Advanced Studies in Economics from the School superior of the economics and the business of Tunis (Tunisia) in 2011.

#### The Dynamic Correlation Between Deposit Rates of Conventional Banking and Profit Share Rates of Islamic Banking: Case Study from Turkish Banking Sector

By Husnu Tekin, Department of Islamic Economics and Finance, Istanbul University, Turkey

##### Abstract

Having started with the foundation of The Mit-Ghamr Islamic Saving Associations (MGISA) in Egypt in the 1960s, Islamic finance has been a modern phenomenon in today's world, which attracts great attentions in financial sectors not only in Muslim countries but also in non-Muslim countries especially in the last two decades. Because of its the nature linking a real connection between the financial sector and the real sector in an economy, it presents interest-free and more secure alternative financial instruments to both depositors and fund-seekers. Especially after the great financial crises in 2008, the question of whether Islamic finance could be an alternative financial method to conventional finance system was came up for discussion. Therefore, in this study, we analyze the relationship between conventional banks and participation banks by employing both static models in accordance with existing literature and dynamic model at the first time. We used ARDL approach for static modelling, and DCC-GARCH methodology for dynamic modelling covering 1998 January-2016 May periods for Turkish banking sector. While the result of ARDL model, as expected, shows a positive relationship between deposit rates of conventional banks and the profit share of participation bank, DCC-GARCH model indicates that the dynamic correlation coefficient between these two kinds of banking sectors differs from time to time. The results suggest that while dynamic correlation between deposit rates and profit rates is stable during the good times, there exist significant differences in the bad times. And it is notable that recovery period of dynamic correlation coefficient after the 2001 and 2008 financial crises are different. While the correlation recovered pretty fast during the 2001 crisis, after 2008 it took much longer to recover and did not still stabilize at its pre-crisis levels due to ongoing unfavorable political and economic conditions in neighboring countries and European Countries.

Husnu Tekin got his bachelor degree from Erciyes University, Department of Economics. Then, he got his master degree from Duke University, Master of International Development Policy. He is currently a PhD student at the department of Islamic Economics and Finance in Istanbul University. He is done with his courses and PhD proficiency exam and currently writing his PhD dissertation on the topic of "Institutions in Islamic Economics and Their role in Income Inequality" In addition to nine-year private sector experience, he had a chance to work for public sector. He has been working for the Turkish Treasury for about 10 years. During this period, He has worked in various departments in Turkish Treasury such as Economic Research Department and General Directorate of State Aids. He is currently working at the department of economic research as a senior treasury specialist responsible for analyzing the developments in real economy such as economic growth, poverty and labor market. His main research interests are labor market, income inequality, Islamic economics and finance. He wrote numerous papers and reports, and attended to many conferences regarding these issues.

## Removing Fallacy Regarding Use of Conventional Benchmark in Islamic Banking and Finance

By Mr. Muhammad Shujaat Saleem, Mohammad Ali Jinnah University

### Abstract

The advocates of conventional finance argue that the use of conventional benchmark in determining the prices of the Islamic Banking and Finance (IBF) products makes the de jure distinction but not the de facto difference between the two alternative ways of financing. To what extent are they right? And in what way, there is no de facto difference. A thorough examination of archival data shows that using the conventional benchmark does not make the IBF products akin to conventional interest based products as ex ante and ex post differences exist in the products of IBF compared to conventional banking products. Nevertheless, we recommend the Islamic banks to strive for the implementation of Islamic Interbank Offer Rate (IBOR); as the use of conventional benchmark creates misconceptions and misunderstandings in the mind of general public especially in those regions where Islamic banks co-exist with conventional banks.

Mr. Muhammad Shujaat Saleem has been associated with teaching Islamic as well as conventional finance courses at the Mohammad Ali Jinnah University since 2007. He is an active researcher in the field of comparative study between conventional and Islamic finance. His research paper titled "Applying Financial Efficiency to Mitigate Systemic Risk" was one of the 17 research papers which were selected and presented in the workshop held on 5th- 6th October 2015 in Manama, Kingdom of Bahrain. This workshop was fully financed by the Islamic Research and Training Institute of the Islamic Development Bank. Previously, he worked for the Citi Bank and the National Bank of Pakistan. He has authored two research papers; "Attaining Financial Efficiency through Funds Utilization" published in the Basic Research Journal of Business Management & Accounts and "Applying Financial Efficiency to Mitigate Systemic Risk" published in the European Journal of Business and Management. He has been interviewed twice by the Business Plus TV and Islamic Finance TV to provide insight about the contemporary Islamic banking not only in Pakistan but also worldwide. He is the PhD fellow at the Pakistan Air Force Business School-Karachi Institute of Economics and Technology; he also holds an MBA from the Institute of Business Administration-IBA Karachi.

## GROUP 2

### HISTORY, PHILOSOPHY, INSTITUTIONAL ASPECTS AND CRITIQUE OF ECONOMICS, ISLAMIC ECONOMICS AND FINANCE

#### Modern Economics and Islamic Alternative: Disciplinary Evolution and Current Crisis

By Mr. Mujeeb Hussain Gattoo, Zakir Husain Centre for Educational Studies, Jawaharlal Nehru University, New-Delhi, India

### Abstract

Of late the discipline of modern economics has come under scathing criticism from various circles of thought. Within the territory of the discipline, there is a contestation. While one faction (supporters) sees economics as science, engaging with real world, providing tools for solving fundamental problems to guide policy, other faction (critics) consider it under sway of ideology (of capitalism and free markets) in which arid mathematical formalism is regarded as an end in itself, having no (or harmful) practical policy implications. Various communities of scholars have emerged that have advocated alternative heterodox approaches to the subject, Islamic economics being one among them. In this context present paper will attempt to provide an account of recent history of modern economics and shed light on present state of its crisis. The paper will also attempt to enquire into recent progress and present state of Islamic economics as an alternative paradigm to mainstream economics. An attempt will be made to answer the question that irrespective of the crisis in mainstream economics thinking, why didn't alternative perspective of Islamic economics make a long-lasting mark in the academic circles and why didn't any Kuhnian paradigmatic shift occur within discipline of economics? Lastly the paper will point out various theoretical and methodological basis of the present crisis of mainstream economics, which should not be ignored by the community of Islamic economists, trying to formulate basis of discipline of Islamic economics that will determine its future course.

Mr. Mujeeb Hussain Gattoo is a research student in Zakir Husain Centre for Educational Studies, Jawaharlal Nehru University, New-Delhi, India. He was awarded an M. Phil in 2014 on the dissertation titled "Assessing the Developmental Role of Higher Education in the Economy of Jammu and Kashmir" by Zakir Husain Centre for Educational Studies, JNU. His areas of interest are Economics of Education, Educational Studies, Development Economics, Islamic Economics, Institutional Economics, Economic Sociology and Political Economy of Jammu and Kashmir.

## Media Independence and Corruption as a Business Operation Problem in Islamic Countries

By Charilaos Mertzanis, Associate Professor of Finance, American University, Cairo

### Abstract

Motivated by the persistently weak anti-corruption performance of Islamic countries, the paper uses data from World Bank's Enterprise Surveys and the Freedom House to document the impact of media independence on firms' exposure to corruption in a sample of 38 Islamic countries. The results of the benchmark analysis show that the extent to which firms operating in Islamic countries with more independent media consider corruption as a lesser important obstacle to their business operations is a robust finding that does not depend on their firm-specific characteristics. Further, media independence is shown to be a significant determinant of firms' perception of corruption as a business problem when national-level factors are considered, such as measures of financial and human development, political and democratic institutions, regulatory governance and social heterogeneity. Religious beliefs do not have a significant impact on the role of media independence.

Charilaos Mertzanis is Associate Professor of Finance at the American University in Cairo. Prior to joining the AUC, he served as the Director of Research and Market Regulation in the Hellenic Capital Market Commission for fifteen years. He is a member of the OECD Corporate Governance Committee since 1999. In the past he was a member in the ESMA Financial Stability Working Group, the coordinator of the Corporate Governance Committee in Greece, and Chairman of the EU Council for the Transparency Directive, among others. He has provided professional advice on foreign governments on capital market and corporate governance policy. He has written scholarly papers on capital markets, corporate governance, financial regulation, access to finance and Islamic finance.

## Customer Relationship Management Analysis : The Factors Enhancing Customer Loyalty in Indonesian Islamic Bank

By Tika Kartika Tazkia, University College of Islamic Economic (STEI Tazkia)

### Abstract

The study aims to determine the role of trust, image and customer satisfaction in improving customer loyalty Islamic banks. Research examining new indicators related differentiator Islamic banks with conventional banks. In addition, this study also analyzes differences in the loyalty of two groups of observations. This study consisted of 3 stages of in-depth study of the literature on customer loyalty and interviews prior to the study by the customer and the bank. Then survey conducted by distributing the questionnaire to the respondent. The unit of analysis is the study 7 Islamic Banks (BUS) with the largest asset in Indonesia. The analysis methods used in testing the hypothesis is Structural Equation Modeling (SEM) by using Partial Least Square (PLS). Customer trust has positive and significant impact on developing Islamic banks customer loyalty. Both Image and customer satisfaction significantly influence on building customer trust. Image also have a significant effect on increasing customer satisfaction. The new indicator for the image, improvement and innovation as well as strategic and sustainability proved to be valid and reliable in measuring the image of Islamic banks. The new indicator for the trust, the legal compliance proven valid and reliable measure customer trust dimension. Research also shows differences loyalty between groups of customer.

Tika Kartika has recently completed graduate studies at Tazkia University College of Islamic Economic (STEI Tazkia) with a degree Magister of Sharia Economic. Accomplishments ever achieved among others: Best Graduate of Faculty of Forestry, 3rd Best Graduate III IPB and 3rd Best Graduate Muamalat Officer Development Program Batch 4 - Bank Muamalat Indonesia. The following are her employment history which was Assistant Lecturer Introduction to Informatics, Faculty of Forestry IPB, Instructor Computer Applications Program Development and Harvesting, Assistant of Laboratory of Ecology Faculty of Forestry and Junior Product Manager of Research and Development of Individual Banking at Bank Muamalat Indonesia

## GROUP 3

### RISK MANAGEMENT, CSR AND REGULATORY / LEGISLATIVE FRAMEWORK FOR ISLAMIC FINANCIAL INSTITUTIONS AND MARKETS

#### Risk Management Practices in Islamic Banking Institutions: A Comparative Study Between Nigeria and Malaysia

By Dr. Aliyu Dahiru Muhammad, International Institute of Islamic Banking and Finance, Bayero University Kano-Nigeria

#### Abstract

Increasingly corporate financial institutions are realizing the importance of risk management. This leads to innovation of financial products to mitigate the risk. Islamic banking institutions face similar risks as conventional banking institutions. However, the later face with the additional shariah non-compliance risk. The objective of this study is to compare risk management practices in Islamic banking institutions between Nigeria and Malaysia. The study employs survey technique of data collection. The data were analyzed using various statistical techniques to arrive at the conclusion. Specifically, t-test and analysis of variance and multiple regressions were used to analyze the data. Findings show that there is significant differences in terms of understanding risk management and risk assessment and analysis between Nigeria and Malaysia with the later taking the lead. This is due to maturity and robust legal and regulatory framework. However, the result exhibits relative competition in RMP between Nigeria and Malaysia as out of five dimensions three are not significant (RMP, RI, RCM). While Malaysia leads in some elements of risk management, Nigeria has huge potential to change the landscape of Islamic finance in the country. However, it is evidently clear that risk management processes in Islamic banks require additional legal and regulatory framework to strengthen their existing condition. Further research should investigate the rigorous risk management techniques by Islamic in the two countries

Aliyu Dahiru Muhammad holds B.Sc Economics from Bayero University Kano in 2003, Masters and Ph.D in Economics from the International Islamic University Malaysia in 2008 and 2012 respectively. His research interests include Islamic microfinance and poverty reduction. He received the Faculty of Economics Best Student Award for Doctor of Economics in November, 2013. He also received a gold medal at "IIUM Research, Invention and Innovation Exhibition 2013 for his thesis entitled "Challenges of Microfinance and the Prospects of Developing and Introducing an Islamic Micro-Investment Model in Nigeria". Dr. Muhammad presented and published several articles on Islamic economics, finance, risk management, microfinance, entrepreneurial development and microfinance among others. He visited many countries including Turkey, South Africa, Malaysia, Philippine, Saudi Arabia and Indonesia among others. He was a visiting scholar at Islamic Research and Training Institute (IRTI), Islamic Development Bank Jeddah between May and June 2016. Currently, Dr Aliyu is a lecturer and Deputy Director (Training and Linkages) at the International Institute of Islamic Banking and Finance, Bayero University Kano-Nigeria. Dr. Muhammad happily married with children. He can be reached at alitahir797@gmail.com

### Concentration, Competition, and Efficiency of Malaysian Banks: Islamic vs Conventional Banks

By Rossazana Ab-Rahim, Faculty of Economics & Business, Universiti Malaysia Sarawak,

#### Abstract

The aim of this study is to examine the market concentration, competition and the efficiency performance of conventional and Islamic banks in Malaysian banking industry over the period of 2008 to 2014. Bank reform particularly in the late 1990's has changed the structure of Malaysian banking industry profoundly and triggered the competitiveness among the banks. This study employs concentration ratio (CR) and Herfindahl-Hirschman Index (HHI) to measure the market concentration as the indicator of the market structure of Malaysian banks while H-statistics value generated by Panzar-Rosse method serves as the indicator as the indicator of the market competition. Last but not least, this study utilizes Data Envelopment Analysis to assess the efficiency performance of Malaysian banks. The results of market concentration show that conventional banks are more concentrated. Next, the H-statistics index indicates that conventional and Islamic banks in Malaysia are operating under monopolistic. Finally, the efficiency results show foreign banks in Malaysia are efficient under conventional banks while domestic banks are more efficient compared to foreign under Islamic. The results of H-statistics reveal that banks in Malaysian banking are operating under monopolistic competition and the Islamic domestic banks are more efficient than foreign banks while in the context of conventional banks, foreign banks are more efficient.

Rossazana Ab. Rahim earned her bachelor's degree in Economics with Honors, from Universiti Utara Malaysia (UUM), Sintok (1996). She obtained her MSc. Economics from Surrey University, U.K. (1998). In 2011, she completed her PhD in Economics from Universiti Kebangsaan Malaysia (UKM). She is currently Associate Professor at Faculty of Economics and Business, Universiti Malaysia Sarawak (UNIMAS). Rossazana has expertise in the area of Industrial Economics, specifically in Efficiency and Productivity, Market Structure and Competition, and Banking Market. She had published in various journals, proceedings and chapters in books in the areas of banking, industrial and economic development.

### Measuring the Islamicity of Islamic Bank in Indonesia and Other Countries Based on Shari'ah Objectives

By Dr. Ascarya, Department of Islamic Economic and Finance, Bank Indonesia.

#### Abstract

Performance measurement of Islamic Financial Institution (IFI), including Islamic bank, still adopts classic financial ratios and efficiency (technical and cost) measures, which only concern with economic aspect and ignore other aspects of IFI, so that the Islamicity of Islamic bank has not been the primary objective. This study aims to measure Islamicity of Islamic banks based on the Shariah objectives (namely, Islamic bank Maqashi Index or IBMI) using a holistic model of Islamic Bank Maqashid Index (IBMI). This study applies Analytic Network Process (ANP) method to assign weight, Sekaran behavior science method to breakdown dimensions into elements and ratios, as well as Bedoui Pentagon and Simple Additive Weighting (SAW) method to calculate IBMI. Using Bedoui Pentagon and SAW methods, all Islamic banks scored low Islamicity or IBMI. Islamic banks have given more attention on 'safeguarding the wealth' and 'safeguarding the intellect'. Moreover, most Islamic banks in Indonesia (BNI Syariah, Bank Syariah Mandiri and BRI Syariah) are more Islamic than all Islamic banks in other countries. In 2013, the highest Islamicity or IBMI were BNI Syariah, Bank Syariah Mandiri, BRI Syariah of Indonesia, Mizan Bank of Pakistan, Bank Permata Syariah and Bank Muamalat Indonesia of Indonesia, followed by Al-Rajhi Bank, Kuwait Finance House, Qatar Islamic Bank, Bank Islam Malaysia Berhad, and Dubai Islamic Bank.

Dr. Ascarya is a Senior Researcher at Department of Islamic Economic and Finance, Bank Indonesia. He is a managing editor of scientific Islamic Journal by Bank Indonesia, as well as reviewer of several National and International Journals. He is also a visiting lecturer and experts in the field of Islamic Economics, Monetary, Banking and Microfinance in several universities. He holds PhD in Islamic Economics and Finance from IEF-Trisakti University, Indonesia. He has also received PhD Candidate in International Development, MBA in Finance and MSc in Management Information System from University of Pittsburgh, USA. He has produced 13 international journals and books, 56 international papers, 21 national journals, 22 national papers, 32 working papers, 3 occasional papers, 17 books, 2 proceedings, 11 periodical publications, and 6 research notes. He has presented in 34 international conferences and 74 national conferences. He has received three International Best Paper Awards in 2013, 2014 and 2015.

## GROUP 4

### THE SHARI'AH AND ECONOMICS & FINANCE

#### Islamic Life Insurance Efficiency and Performance: Evidence from Indonesia

By Irman Firmansyah, Siliwangi University, Indonesia

##### Abstract

Indonesia has been widely grown Insurance Industry in 2016. To keep the growth trend of Islamic Insurance company uphold consistently, it is required to identify the efficiency level of Islamic insurance company, and the factors that is affecting to its financial performance. Population of this study is 10 Islamic Unit Life Insurance companies in Indonesia, and time series data from 2011 to 2015. The methodologies used are Data Envelopment Analysis and Moderate Regression Analysis. Variables used in DEA are commission cost, operational cost, insurance premiums, and investment revenue, while variables used in MRA method consist of liquidity, size, Debt to Equity Ration [DER], independent commissioners, inflations, GDP and ROA. Efficiency variable is used as moderator variable. The result of this study revealed that there is no Islamic unit life insurance company that able to achieve perfect efficiency (100%) year 2011 to 2015, but only several DMU are able to achieve perfect efficiency. To achieve perfect efficiency, insurance companies need to decrease operational cost and decrease commission cost. Megalife Syariah and Sinarmas Syariah is the best company in Islamic unit Life Insurance. Size and efficiency have positive significant effect to financial performance; independent commissioner has negative effect to financial performance.

Irman Firmansyah, S.E., M.Si., Ak., CA. Studied Siliwangi University Tasikmalaya Indonesia, Bachelor of Economic (S1 Accounting) graduated in 2008, Jenderal Soedirman University, Accounting Profession Program (PPAk) graduated in 2011, Jenderal Soedirman University, Magister of Accounting Program (Consentration: Sharia Accounting) graduated in 2013. His previous working experiences was Lecturer at Accounting Departmen, Economic Faculty, Siliwangi University (2012 - now), Consultant at Sangkali Raya (Tax Consulting) and Consultant at Smart Consulting

#### Integrating the Moderating Effect of Individuals' Risk Vulnerability into Takaful Acceptance Model: Evidence from a Frontier Market

By Dr. Abdulsalam Mas'ud, Department of Accounting, Hussaini Adamu Federal Polytechnic, Nigeria

##### Abstract

Recently, acceptance of Takaful as an Islamic financial product has been declining in African Muslim-dominated countries such as Kenya, Tunisia, and Nigeria. In understanding the causes of this trend and proffer a possible solution, this study examines the effects of individuals' attitude towards Takaful, perceived behavioral control, individual's risks vulnerability on Takaful acceptance intention in Nigerian Frontier Market. It also examined the moderating effect of individual's risks vulnerability on the relationship between attitudes towards Takaful, perceived behavioral control, and Takaful acceptance intention. Through a quantitative methodology employed for the purpose, the results revealed that attitude towards Takaful, perceived behavioral control and individual's risks vulnerability are significantly related to Takaful acceptance intention. Moreover, individual's risks vulnerability moderates the relationship between attitude towards Takaful, perceived behavioral control, and Takaful acceptance intention. In line with these findings, theoretical and practical implications, as well as the direction of future research, were highlighted.

Dr Abdulsalam Mas'ud, B.Sc. (Africa), M.Sc. (Europe), PhD. (Asia), was born from Sarkin Makeran Kazaure Family in Kazaure Local Government, Jigawa State- Nigeria. He graduated from Bayero University, Kano – Nigeria in 2005 with second class Upper (Accounting). He won prestigious Petroleum Technology Development Fund (PTDF), Nigeria in 2009, which led his enrolment into M.Sc. (Oil and Gas Accounting) at Dundee Business School, University of Abertay - Dundee, UK and graduated in 2010 with Distinction. He has completed his Ph.D. at Othman Yeop Abdullah Graduate Business, Universiti Utara Malaysia in 2016. He published in High Impact Journal Indexed in ISI (Thomson Reuters Web of Science) and SCOPUS (Elsevier). He serves as a reviewer and member of editorial boards of many journals, and was scientific committee member of conferences both locally and abroad. He is an academic staff of Department of Accountancy, College of Administration and Management Studies, Hussaini Adamu Federal Polytechnic, Kazaure, Nigeria. He was a Prize winner of Prestigious Malaysian Institute of Accountant (MIA) Article of Merit Award with two articles for the year 2015.

### Is Ownership Structure Priced on the Islamic Rural Bank's Efficiency: Lessons Learned from Indonesia

By Wahyu Jatmiko, Centre of Sharia Economics and Business (PEBS), Faculty of Economics and Business, University of Indonesia (FEB UI).

#### Abstract

This research aims to examine whether ownership structure which is represented by both ownership concentration and type of ownership affects the technical efficiency of both Islamic and conventional rural bank in the biggest Muslim population country, Indonesia. First, I estimate and compare the efficiency score of rural bank using Stochastic Frontier Analysis (SFA). The findings suggest that Islamic Rural Bank (BRPS) statistically has higher efficiency compared to its conventional counterparts (BPR). Second, using Generalized Linear Model, I conclude that ownership concentration are priced on the BPRS's efficiency, while it is not the case in the BPR's. The finding, on the other hand, fails to prove the relationship between type of ownership and efficiency. Moreover, an appealing evidence comes from the effect of ownership concentration to the efficiency, in which nonlinearity relationship between two holds in the case of BPRS. The fact that the relationship holds in the quadratic and cubic polynomials allows us to derive the minimum and maximum turning point of BPRS ownership. Furthermore, it also shows that the expropriation and alignment effects are jointly embedded in the BPRS ownership-efficiency relationship.

Wahyu Jatmiko is a researcher of the Centre of Sharia Economics and Business (PEBS), Faculty of Economics and Business, University of Indonesia (FEB UI). Wahyu was studying his Master in Islamic finance at Durham University Business School, United Kingdom, and has finished his undergraduate programme in financial management, FEB UI, with cumlaude honour. He was active in several research activities particularly in the Islamic finance related topic. His research interests are Islamic financial market development, Islamic capital markets, banking and microfinance. The former of Durham Islamic finance student representative has published some publications, including one in the Indonesia Journal for The Science, and presented in some conferences, including that in IRTI Education and International Conference on Shari'ah Oriented Public in Islamic Economic Systems, Aceh 2015. He is currently also teaching several modules in FEB UI, including Islamic Financial Management; Islamic Financial Markets and Institutions; Riba and Gharar Jurisprudence; Corporate Finance; Security Analysis; Portfolio Management; Theory of Finance; Financial Econometrics and Business Simulation.

## GROUP 5

### ZAKAH, WAQF AND ISLAMIC MICROFINANCE AND THEIR SOCIOECONOMIC ROLE IN DEVELOPMENT

#### The Potential of Cash Waqf as An Infrastructure Funding Option and its Implication Towards National Macroeconomy

By Kurniagung Nur Cahyono, University of Indonesia

### Abstract

Indonesia's 81 trillion Rupiah potential waqf fund and a government that is actively seeking funds to finance various infrastructure development projects creates an option to make waqf fund a source of funding these projects. By using Social Accounting Matrix (SAM), this study attempts to see the potential impact of the waqf fund if it is managed productively on the development of infrastructure through the construction sector towards Indonesia's macroeconomic conditions. The data used is the Social Accounting Matrix Indonesia in 2008. This potentially increases Indonesia's the GDP by 3.7% . In addition, the largest sectoral impact occurs at the output of forestry sector, which increases by 6.4%, followed by the fisheries sector which amounted to 5.4%, and the livestock sector by 5.33%. While the biggest household impact will be felt by the household's agricultural entrepreneurs with the increase in expenditure by 4.03%, followed by the non-labor force households by 3.89% and non-upperclass entrepreneur household by 3.85%. In terms of manpower, the most significant impact is felt by farmers in the city whose revenues increased by 5.06%. All in all, the management of potential productive cash waqf through the construction sector has a positive impact on macroeconomic conditions in Indonesia.

### Affordable Islamic Home Financing in Malaysia: A Potential Synergistic Venture Between Financial Cooperatives and Cash-Waqf Institutions

By Mohd Zaidi Md Zabri, Academic Staff Training Scheme (ASTS) Fellow at the School of Management, Universiti Sains Malaysia.

### Abstract

This conceptual paper aims to present a potential joint-venture by cash waqf institutions and financial cooperative to offer an affordable, musharakah mutanaqisah partnership (MMP) home financing solution to low- and middle-income families in Malaysia. Five critical stakeholders (waqif, cash waqf institutions, financial cooperative, and joint-management committee) form the critical components in this model to offer an alternative, affordable Islamic home financing framework to the current Islamic home financing providers such as Islamic commercial banking institutions and government-owned home financing institutions. This model is particularly useful for relevant stakeholders especially within the cooperative society milieu in their effort to help their member-customers to acquire their homes through affordable Islamic home financing.

Mohd Zaidi Md Zabri is an Academic Staff Training Scheme (ASTS) Fellow at the School of Management, Universiti Sains Malaysia. He is also a PhD candidate at the IIUM Institute of Islamic Banking and Finance (IIBF), International Islamic University Malaysia under the supervisions of Associate Professors Dr Dzuljastri Abdul Razak, Dr Mustafa Omar Mohammed and Dr Razali Haron. Broadly conceived, his doctoral work is an inquiry into the viability of an affordable Islamic home financing solution to be offered via a joint venture between financial cooperatives and cash waqf institutions in Malaysia. He holds an MBA (Islamic Banking & Finance) from IIUM, BBA (Hons.) Finance and Diploma in Business Studies from Universiti Teknologi MARA Malaysia.

### Comparative Analysis of Contemporary Foundation (Awqaf) Universities in Turkey

By Prof. Muammer Koc, Hamad bin Khalifa University (HBKU) / Qatar Foundation, Education City, Doha, Qatar

### Abstract

This study presents the current standing of foundation universities within the higher education system in Turkey regarding their quantitative impacts (i.e., the number of institutes, students, graduates, publications, finances, etc.). As well as the qualitative contribution (i.e., development of science, technology, and innovation culture; reverse brain drain; quality in learning and research; and overall human capacity building). Since the late 1990s, number and impact of foundation (Awqaf) universities in Turkey have been remarkably increasing. The number of foundation universities increased to more than 76 from a handful since the 1990s compared to 100+ public/state universities. The number of students in foundation universities is about 400,000 as of 2015 whereas it is around 5.5 million in public institutions of higher education. However, as found in this study, the majority of existing foundation universities are far from fulfilling their expected functions and impacts on human capacity building and quality in science, technology and knowledge generation due to several reasons: (1) their legislative status and its consequent cumbersome restrictions as imparted by the Higher Education Council (YOK) of Turkey circumvents establishment and operation of world class foundation universities, and (2) they are not intended, planned, established and administered according to the actual means and ways of the Awqaf culture of the Islamic civilization developed through centuries, but rather function as an unproductive version of the public-private partnership (PPP) mechanism. The main objective of this study is to comprehensively understand their current status and reveal restricting mechanisms so that a progressive legislative framework can be proposed, in which their full functions can be achieved towards increased impactful contributions in the near future.

Prof. Muammer Koc has been the founding Professor and Coordinator of the Sustainable Development Division of HBKU / QF.



Prior to that he held scientist, director, professor, chair and dean/director positions at universities in the US and Turkey. He has a PhD degree on Industrial and Systems Engineering from the Ohio State University (1999) and Executive MBA degree from the University of Sheffield, UK (2014). His research and teaching interests are on sustainability, knowledge-based economy, human and social capital development, organizational and social efficiency, near-zero waste policies and technologies; renewable energy policies and technologies; design innovation and entrepreneurship; design and manufacturing. He has 140+ publications in various international journals and conferences. In addition to his teaching and research activities, he provides service as a consultant to industry, government and educational institutes for strategic transformation, business optimization, restructuring, reengineering purposes.



ABSTRACT AND SPEAKER'S BIODATA

---

PARALLEL SESSION 5

---

## GROUP 1

### ISLAMIC CORPORATE FINANCE AND ECONOMIC ANALYSIS OF ISLAMIC BANKING AND CAPITAL MARKETS

#### Determinant of Non Performing Financing in Islamic Bank in Indonesia

By Sendy Watazawwadu'ilmi, Bank Indonesia, Central Banking of Indonesian Republic

##### Abstract

Islamic banks are always faced with risks. One of them is the financing risk as known as Non Performing Financing (NPF). The aim of this research is to analyze the effects of GDP growth, inflation, unemployment, GCG score, total assets, CAR, FDR, and ROA on NPF. This research uses the unbalanced panel with quarterly data from the first quarter of 2007 to the fourth quarter of 2014. The results show that INFL and GCG positively affects on NPF, while GDPG, CAR, and ROA negatively affects on NPF. On the other hand, UNMPT, LNASET, and FDR do not give any influences on NPF. According to the result of this research, Islamic banks should control their CAR and ROA ratio and also improve the quality of GCC. Governments need to improve GDP growth in order to enhance the the ability of society to pay their debt repayments. Therefore, Bank Indonesia should always control the inflation rate to stabilize the society's purchasing power.

Sendy is Analysis Enthusiast both in Qualitative and Quantitative approaches. Had fair amount experiences in terms of compiling and managing database, literatures (journals and publications), and technical assistance in government and academic institutions. Familiar with international, professional, multidisciplinary and multicultural working environment. Born in Jakarta 13th January, 1993 and graduated from Bogor Agricultural University majoring Islamic Economics, Sendy is now working in Bank Indonesia, Central Banking of Indonesian Republic as Research Assistant. She works under the research experts in fields of finance and monetary economics. Sendy is in charge of Bank Indonesia Journal's (called Bulletin of Monetary Economic and Banking) planning, monitoring, and publishing.

#### The Relation Between Return and Volatility in ETFs Traded in Borsa Istanbul: Is There Any Difference Between Islamic ETFs and Others?

By Professor Dr. M. Kabir Hassan, Department of Economics and Finance University of New Orleans.

##### Abstract

In this study, we aim to analyze the relation between return and volatility in different types of exchange-traded funds (ETFs) traded in the Borsa Istanbul. These types are Islamic stock index, conventional stock index, bond, commodity, and U.S. dollar ETFs. We employ the following battery of causality analysis methods that have different statistical advantages to each other: Toda-Yamamoto (1995); bootstrap based Hatemi-J (2005); volatility spillover, which allows investigating causality in variance; frequency domain, which decomposes causality due to different time frequencies; and asymmetric causality, developed by Hatemi-J, which enables finding causation linkages for different types of shocks in each variable. Although the results obtained from our analyses show that a negative relationship between return and volatility is valid for most ETF types, an asymmetric relation running from negative return shocks to positive volatility shocks is valid for only some conventional stock ETFs and U.S. dollar ETFs. On the other hand, Islamic and commodity ETFs have an asymmetric relation running from positive return shocks to negative volatility shocks. Our results show that the hypotheses investigated in this study vary with the ETF type included in the model.

Professor Dr. M. Kabir Hassan is Professor of Finance in the Department of Economics and Finance in the University of New Orleans. He currently holds two endowed Chairs-Hibernia Professor of Economics and Finance, and Bank One Professor in Business- in the University of New Orleans. Professor Hassan is the winner of the 2016 IDB Prize in Islamic Banking and Finance. Professor Hassan received his BA in Economics and Mathematics from Gustavus Adolphus College, Minnesota, USA, and M.A. in Economics and Ph.D. in Finance from the University of Nebraska-Lincoln, USA respectively. Professor Hassan is a financial economist with consulting, research and teaching experiences in development finance, money and capital markets, Islamic finance, corporate finance, investments, monetary economics, macroeconomics, Islamic banking and finance, and international trade and finance. Professor Hassan has done consulting work for the World Bank, International Monetary Fund, African Development Bank, Transparency International-Bangladesh (TIB), Islamic Development Bank, United Nations Development Programme (UNDP), Government of Turkey and many private organizations.

#### Investing in Islamic Stocks: A Wiser Way to Achieve the Genuine Interest-Free Finance

By Dr. Mehmet Saraç, Faculty of Economics Dept. of Business Admin, Istanbul University

## Abstract

The convergence of Islamic finance to interest-based conventional finance has been one of the major issues. The prominent reason for this is the domination of banking sector in Islamic finance where the investment account returns depend heavily on interest rates. Whereas, Islamic stock markets is argued to be the essential domain to achieve true Islamic finance, since it is based on the profit&loss sharing manner and is not directly dependent on interest rates. We in this paper investigate the relationship between the Islamic stock index and indicative interest rates in Turkey, using the daily data of Participation 30 index returns in Borsa İstanbul and interest rates on indicative bonds between the years 2011-2014. We also include the BIST 100 index in the model, as the control variable. The results of Toda Yamamoto test based on Granger causality analysis show that no causal relationship exists between and interest rates and the Participation 30 Index, while the general index of Borsa İstanbul is influenced by interest rates. The findings provide evidence for the independency of returns on Islamic stock investments from interest rates. This result also proves that the Shariah compliant firms are less sensitive to the interest rates due to their financial structure in which the interest bearing assets and sources are significantly limited.

## GROUP 2

### HISTORY, PHILOSOPHY, INSTITUTIONAL ASPECTS AND CRITIQUE OF ECONOMICS, ISLAMIC ECONOMICS AND FINANCE

#### Case Study of Shari'ah Governance Practices for Islamic Banking Institution in Malaysia

By Nurulhuda Abd Rahman, Senior Lecturer, Faculty of Accountancy at UiTM, Puncak Alam Campus

## Abstract

Islamic banking (IB) is a highly regulated industry and designed to create market transparency to the stakeholders. IB assets grow at remarkable pace and will continue to grow by an average of 19.7 percent a year in 2018. The growth of the industry has been spearheaded by innovative product development that might involve a more complex contract and accounting treatment. In order to compete in global market, IB institution needs to provide attractive yields, excellence services and at the same time maintain Shari'ah compliance in all its operations. This requires a proper Shari'ah governance to ensure compliance to Shari'ah principles. This article provide in depth study of Shari'ah governance practices of IB in Malaysia. There are many studies on this area available but unfortunately there is a lack of study that provide in depth analysis of the practices. So, this study uses qualitative approach and single case study method to analyse Shari'ah governance practices of IB in Malaysia. The case study chosen is in Malaysia, among the top ten countries in terms of IB assets. An extreme single case is selected to obtain information on specific issues examined. The main findings include in depth analysis on Shari'ah governance practices of IB using primary and real data that best describe the phenomenon.

Nurulhuda Abd Rahman is a Senior Lecturer in the Faculty of Accountancy at UiTM, Puncak Alam Campus. She obtained her Diploma from KUSZA, Degree from University of Wales, Aberystwyth, Master in UTM and currently pursuing her PhD in the area of Islamic Accounting and Financial Criminology. She is a member of Qualitative Research Association of Malaysia (QRAM). She also has experience in ISO certification as the Lead Auditor in UiTM Pahang (2005) and in Faculty of Accountancy, Shah Alam (2011).

#### The Market Institute and the State in Islamic Economics: From Past to Present and Future

By Professor Dr. Arif Ersoy, Istanbul University of Sabahattin Zaim University/Istanbul Turkey

## Abstract

The market institute determines the mutual cooperation, division of labour and coordination among producers and consumers. Free functioning of the market institute supplies information and knowledge to buyers and sellers in order to make economic decisions for their actions of transaction according to the purchasing power of buyers and the amount of marketable goods

and services. Free market institute enables buyers and sellers to use their resources efficiently. The market institute has played essential roles in arranging balanced relations among demand and supply. The free market does not deceive buyers and sellers. Obstacles created by the state political or capitalist monopolistic powers prevent the market institute to function efficiently in providing right information to sellers and buyers to establish balance between supply and demand. The free market has paved ways for mobilizing human and natural resources to be used efficiently, whereas the controlled market either by bureaucratic or capitalist monopolies has paved the way for hindering economic development by wasting and leaving idle some human and natural resources. Islamic Economics puts emphasis on the crucial role of free market institute in arranging a suitable atmosphere for the meeting of buyers and sellers at a platform which is called the market. In Islamic Economics, one of the main economic duties of the state is to arrange this suitable atmosphere for free functioning of the market institute. Here within the limited framework of this paper, we will try to give some brief theoretical information about the role of the state in establishing an atmosphere for functioning of the free market institute in the economic history of Muslim world. The main duties of the state concerning the functioning of the free market institute in our time will be evaluated and discussed according to the main economic principles of Islamic Economics.

Professor Dr. Arif ERSOY (M .A. and Ph.D. in Economics) was professor of economics at the Faculty of Economic and Administrative Sciences, Dokuz Eylül University of Izmir/ Turkey 1977-1994 and the Mayor of Çorum City 1994-2002 and the member of The Congress of Local and Regional Authorities of the Council of Europe 1999-2002. He visited the Remin University in Beijing, China in 1990. He was the head of the Department of Economics at the Faculty of Political Sciences, Yıldırım Beyazıt University from 02.03.2012 until 01.01.2015. Now he is the head of the Department of Islamic Economics, the Director of the International Islamic Economics and Finance Research and Implementation Centre and Vice Chancellor of the Istanbul University of Sabahattin Zaim University/Istanbul Turkey and the secretary General of the Economic and Social Research Centre (ESAM) in Ankara/Turkey. E-mail:ersoyarif@hotmail.com

### The Political Economy of the OIC Member Countries: A Survey of Data on Potentials and Current Conditions

By Amin Mohseni-Cheraghloou, Faculty of Economics University of Tehran, Tehran, Iran

#### Abstract

The OIC member countries have vast yet unmet potentials in the global political economy order. They are home to more than 23 percent of world's population 34 percent of which are below the age of 14, control about 25% of world's land which includes geo-politically strategic regions, and hold more than 60 percent of world's proven oil and natural gas reserves. Also, more than 90 percent of OIC member countries are located in areas that are highly suitable for solar and wind power and more 29 percent of world's agricultural lands are located in these countries. However, OIC member countries account for only about 11 percent of world's output in PPP. Moreover 33 out of 57 these countries have output per capita levels below that of world's median level, average life expectancy across the OIC countries is seven years below that of the global average, and poverty and child malnutrition rates are significantly higher than the global average. After arguing that this immense gap between the current conditions and the vast potential of OIC member countries are in clear contradiction to Islam teachings, this paper considers the potential benefits of increasing intra-OIC trade and investment in reducing this gap.

Amin Mohseni-Cheraghloou, is an assistant professor in the Faculty of Economics at University of Tehran in Tehran, Iran. Dr. Mohseni is a frequent consultant at the World Bank and over the past decade has provided his expertise to the World Bank Treasury, MENA Sustainable Development Group, Development Economics Research Group, and Islamic Finance Group. He is the co-author of "The Militarization of Persian Gulf: An Economic Analysis". Dr. Mohseni writes frequently on topics related to development economics, Islamic economics and finance, and economies of the Middle East. He holds a PhD in Economics, MA in International Development, and B.S. in Electrical Engineering.

## GROUP 3

### SHARIAH IN ECONOMICS AND FINANCE (ARABIC)

#### Evaluate the Role of the Palestinian Islamic Banks in Financing the Investment Projects and Economic Development 2010-2014

By Dr. Azmi Wasfi Awad, Palestine Technical University Palestine

#### Abstract

The study aims to assess the role of the Palestinian Islamic banks in financing the investment projects and economic development during the period 2010-2014, And the extent of the concentrations of the use of the financing instruments based on the concept of ownership and indebtedness by Palestinian Islamic banks ,And what the equitable distribution of finances granted by the Palestinian Islamic banks to various economic sectors to push the economic development in Palestine. The study concluded the importance of the role that could be played by Palestinian Islamic banks in financing the investment projects and in economic development theoretically, However, the analytical results of the evaluation of the role of the Palestinian Islamic banks in the development of economic activity, it showed below expectations and the required level and that its role was not active in comparison with the level of success achieved in the compilation of deposits, And that the results also appeared misallocation funds granted by the Palestinian Islamic banks to various economic sectors, The study also showed that Islamic banks were restricted in their use of the instruments financing based on the concept of indebtedness, And in particular on the Murabaha instruments and partially ignored the existing of the financing instruments based on the concept of ownership which weakened its role in achieving economic development, and the researcher presented several recommendations about the revitalization of the developmental role of the Palestinian Islamic banks.

Dr Azmi Wasfi Awad who is a Palestine Technical University Palestine. He has Ph.Degree in Econmoics and Finance from Gujarat University - India (1993), The Thesis Title (The Economic Evaluation of the Operations of the Commercial Banks in U.A.E), Master Degree in Economic and Financial Sscience from Nagpur university,1987, India and also Bachelor Degree in Economics from Nagpur university, 1985 ,India .At Palestine Technical University ,Palestine he is an Asistance Prof. from ( 2007 –To-Date) He also had been the Advisor to the Minister of Education and Higher Education, Palestine (2013-2015) , the Vice-President of the Uuniversty from 2009-2013. He also previously at Palestine Monetary Authority (The Central Bank of Palestine) as Executive Manager from( 1998-2007) , at Bank of Jordan as Asistance Manager from 1994-1997 and also atAl-Mashreq Bank , United Arab Emirates, Department Head from ( 1989-1993) Some of his Published Research are The Horizons and limitations of issuing the Palestinian currency and also By a Palestinian currency board as a monetary policy - Azhar University, 2011,Gaza,Palestine and Estimate money supply in Palestine - Islamic University, 2012 ,Gaza, Palestine

## Clearing Debt in Islamic Jurisprudence and the Most Important Contemporary Applications Between Banks

By Prof. Arif Ali Arif Dr & Aznan Hasan & Khaled Dersawi, International Islamic University Malaysia

### ملخص البحث

تحولت المقاصة في العصر الحديث من مجرد معاملة بسيطة كانت تتم بين طرفين كل منهما دائن للآخر ومدين له إلى عملية آلية وتقنية واسعة الانتشار، تشترك فيها أطراف متعددة، ليس في البلد الواحد فقط، بل على نطاق العالم بأسره، ولكن قد تجري هذه المقاصة بين الكثير من البنوك والمؤسسات المالية دون نظر، أو مراعاة لحرام أو حلال، فكان لا بد من أخذ الحيطة والحذر في ذلك. ونظراً لأهمية المقاصة وانتشارها وجدنا أهمية الكتابة في هذا الموضوع حول أهم الصور والتطبيقات المعاصرة للمقاصة، وفي مقدمتها تلك التي تجريها البنوك بينها وبين عملائها في ديونها المستقبلية المستقرة، بالإضافة إلى المقاصة بين الفوائد الدائنة والمدنية سواء بينها وبين البنوك أو بينها وبين الأفراد. ومن أهم النتائج التي توصلنا إليها في هذا البحث هي: أولاً، أنه يجوز شرعاً الاتفاق بين البنك وعمله على إجراء المقاصة بينهما فيما ينشأ من ديون في المستقبل بشكل عام، ما دامت تنطبق عليها شروط المقاصة الصحيحة، ثانياً، عدم مشروعية المقاصة بين الفوائد الدائنة والمدنية؛ وذلك لكونها تقوم على الإقراض والإقتراض بفائدة، وأما بالنسبة لبدائلها المطروحة، فإن منها ما يلحق بها في عدم الجواز، كالأرصدة التعويضية، ومنها ما أجزتها الهيئات الشرعية والندوات الفقهية لخلوها من الفوائد الربوية. واتبعنا في بحثنا هذا المنهج الوصفي، وذلك لبيان صور المختلفة، بالإضافة إلى المنهج التحليلي المقارن، وذلك لتوضيح الفرق بين هذه الصور، ومن ثم الوصول إلى الحكم الشرعي لها، وقد قسمنا البحث إلى مبحث تمهيدي يتضمن تعريف المقاصة وحكمها الشرعي، ومبحث أول يتضمن المقاصة بين الديون المستقبلية المستقرة وحكمها الشرعي، ومبحث ثاني يتضمن المقاصة بين الفوائد الدائنة والمدنية وحكمها الشرعي.

## Dimensions of Economic Decision and the Effect of Islamic Shari'ah

### أبعاد القرار الاقتصادي وتأثير الشريعة الإسلامية فيه

By Dr. Ibrahim Adeb Ibrahim Al-Chalabi, Mosul University

Dr. Ibrahim Adeb Ibrahim Al-Chalabi who is from Baghdad- Al-Karkh, 1979 is a Teacher at Economics Department, Faculty of Management and Economics, Mosul University. His academic specialization is in Econometric. He achieve the Bachelor (2001)- Master (2004) - Ph.D. (2009) from University of Mosul, Faculty of Management and Economics, Department of Economics. His MA thesis title is The Programs of Structural Adjustment and Their Impact on the Economic Development of Selected Developing

Countries and for Ph.D dissertation: Using error correction model with panel data to explain the impact of education on economic growth in a sample of developing and developed countries for the period 1980-2003: an applied study His had so many research and one of the most important research: "Revenues of Education in a Number of Countries Classified by Patterns of Economic Growth" (in collaboration with Prof. Atheel Abdul-Jabbar El-Jawmard ), the fourth scientific conference of the University of Salah-Eldeen, Erbil, 24-25/10/2011. And also Al-Zakat System And the Mechanism of Growth And Economic Development, The 2nd International Conference on Islamic Economics & Economies of the OIC Countries. Malaysia, 29-30 / 1/2013

### Difference of Contemporary Fiqh Academic Resolutions on Zakat Fund Investment is a Diversity Difference or Antagonism Difference

By Eiman Ahmed Khaleel, Zayed University

## GROUP 4

### ZAKAH, WAQF AND ISLAMIC MICROFINANCE AND THEIR SOCIOECONOMIC ROLE IN DEVELOPMENT

#### Potentials of Using Awqaf Funds in Muslim Societies in Stimulating Economic Growth: An Analysis in the Context of Bangladesh

By Dr. Abu Umar Faruq Ahmad, Associate Professor of Islamic Law of Transactions and Jurisprudence at UBD School of Business and Economics, Universiti Brunei Darussalam

##### Abstract

The awqaf funds in Bangladesh include a huge amount of underutilised national asset, which has the potential to contribute immensely to its overall socio economic developments. This paper seeks to explore the areas that need a fresh look for revitalisation and utilisation of awqaf funds. In line with this objective, the study attempts to 1) examine the issues of awqaf management in Bangladesh; 2) suggest legal, institutional and functional reforms in the awqaf sector for its further development to revitalise the economy of Bangladesh; and 3) identify the role of awqaf in stimulating its economic growth. The study primarily argues that the assets held by the awqaf estates could be utilised more efficiently to eliminate poverty through making the necessary changes in the awqaf management to cater for the need of the time. The paper recommends for empowering the poor through awqaf funds using various Islamic finance instruments, thereby making the poor segments of the society an integral part of the development process, which should be the primary goal of the awqaf administration in the country. It also comes with some more specific recommendations that deserve serious consideration for awqaf developments in this jurisdiction.

Dr. Abu Umar Faruq Ahmad is currently Associate Professor of Islamic Law of Transactions and Jurisprudence at UBD School of Business and Economics, Universiti Brunei Darussalam. Drawing from his unique expertise in both the theory and practice of Islamic banking and finance, he has published extensively on a variety of Islamic finance issues. He is also a regular speaker at international conferences in Asia, Europe, Australia, America and Africa. He has a particular interest in Sukuk, Takaful and Retakaful, banking regulations, dispute resolution, corporate social responsibility, and Shari'ah compliance and case studies of Islamic banks and financial institutions from different perspectives. Dr. Ahmad is serving as Founding Editor, Senior Editor, Co-editor and Member of the International Editorial Boards of many international journals of repute. His doctoral research on Islamic finance in Australia is the first landmark contribution to Australian Islamic finance industry in terms of its regulation and the Shari'ah compliance of its current practice.

#### Toward Developing a Model of Stakeholder Trust in Waqf Institutions

By Rashedul Hasan, Department of Accounting, American International University-Bangladesh (AIUB).

##### Abstract

Waqf institutions' sustainability and significance in becoming a tool for poverty alleviation depend directly or indirectly on the donation from donors. Currently, Waqf institutions are struggling to generate the appropriate amount of donations from donors who have a link toward trust. This conceptual paper is an attempt to construct a model of stakeholder trust that could provide valuable insight on the issues that should be focused on by regulators, Mutawalli's and Waqif for ensuring a sustainable future of Waqf Institutions. This paper is developed based on the literature review and hence constructing a conceptual model of stakeholder trust. The literature review process is divided into three segments where the first segment relates to



the literature identification, the second segment applies valid criteria for literature section for its consideration and the final segment introduces the literature review process. A total number of six variables are identified that could influence and also be influenced by stakeholder trust. This paper is conceptual in nature. As a result, relevant empirical results to support the model could not be provided as it is part of doctoral work. Stakeholder trust is essential for the sustainability of Waqf institutions. The practical use of the constructed model will provide the direction for the much-needed reform required for the sustainability of Waqf institutions. The model of stakeholder trust constructed through an extensive literature review is the first of its kind and could be used for other Islamic charitable organizations operating in both developing and developed countries.

Rashedul Hasan is an Assistant Professor in the Department of Accounting at American International University-Bangladesh (AIUB). He has completed his BBA (Accounting and Finance) and MBA (Finance) from AIUB with Summa Cum Laude distinction and currently pursuing his PhD in Accounting at International Islamic University Malaysia (IIUM). His research interests include Islamic Accounting and Finance, Voluntary Disclosure, Sustainability and Corporate Governance. Rashed has published six papers in international peer reviewed journals and presented in two international conferences.

## Waqf-Based Social Micro Venture Fund: A Proposal for the Malay-Muslim Community in Singapore

By Norliana Mohammad Hamber, Chief Operating Officer in Kapital Boost

### Abstract

The institution of waqf in Singapore is limited from playing a broader developmental role in society, especially with respect to the ethnic Malay community who consistently underperformed when measured against key socio-economic indicators. It maintains a largely religious orientation, as evidenced by the launch of Wakaf Ilmu for Islamic education in 2012. As a way of reinvigorating its developmental role to be in sync with the current needs of the Malay community in Singapore, this paper proposed the establishment of a waqf-based social micro venture fund (WSMVF) that promotes inclusive financial development for micro-entrepreneurs. This would help strengthen the community's economic status, amidst existing efforts on the education, social and religious fronts. It reduces vulnerabilities of low-income families, strengthen their earning capability and promote upward social mobility. This paper looked at charitable institutions which practices innovative and progressive forms of giving that the WSMVF could adopt. Resultantly, WSMVF is conceptualized based on the content analysis of cash waqf operations, profit and loss sharing modes and venture capital strategies. The organizational structure and operations of WSMVF brings new features into the present institution of waqf in Singapore, effectively expanding its role in the community.

Norliana is currently the Chief Operating Officer in Kapital Boost, an Islamic-focused crowdfunding platform for SME financing based in Singapore. Previously she worked in the Compliance department in several US and French banks for a combined 2.5 years. She holds a Masters in Islamic Banking and Finance from IIUM Institute of Islamic Banking and Finance and a Bachelor of Business Management from Singapore Management University.

## GROUP 5

### RISK MANAGEMENT, CSR AND REGULATORY / LEGISLATIVE FRAMEWORK FOR ISLAMIC FINANCIAL INSTITUTIONS AND MARKETS

#### Measuring Shari'ah Risk – New Risk Rating Model for Islamic Banks (Branded as “A&A Shari'ah Risk Rating Model” Asar Model)

By Muhammad Adeel Ashraf, IDB, Jeddah

### Abstract

One of the major challenges to the growth of Islamic Finance Industry is perception of the end users/customers on level of Sharia Compliance of an Islamic Bank. End users continue to question that which Islamic Banks should be selected on the basis of better Sharia Compliance. To answer the above question, this research has developed a Sharia Risk Rating Model which is based on 14 Sharia Risk Rating factors. The 14 factors which are used in the research are namely (1) Legal support (2) Supervisory Support (3) Sharia Supervision (4) Sharia Opinion (5) Legal status of the Financial Institution (6) Numbers of years in Islamic Business (7) Compliance with AAOIFI & IFSB Standards (8) Implementation of Profit Equalization Reserve (9) Handling of Charity Fund (10) Use of profit sharing products (11) Width of asset products (12) Reliance on debt based products (13) Structure of deposit (14) and CAR calculation as per IFSB Standards. This research has tested this model on a sample of Islamic Banks and model has proven effective by highlighting strengths & weaknesses of each bank with respect to Sharia Risk. One of the key strength of this Sharia Risk Model is that it is very simple to use and requires information only from Audited Financials of a Bank

to measure the Sharia Risk Rating score. Therefore, individuals can use this model and come up with their Sharia compliance score in order to work with an Islamic Bank of their choice. Another strength is that this Model can be used in coordination with conventional Risk Rating Models developed by Fitch, Moody's and S&P which will give an overall picture on credit risk/financial strength of the Bank along with Sharia Risk of the Bank. Implementation of this model will motivate Islamic banks to improve their level of Sharia compliance. Further research in this area requires testing this model on more Islamic banks.

## The Impacts of Governance and Institution on Financial Inclusion: Evidence from Muslim and Developing Economies

By Muhamed Zulkhibri, Islamic Research and Training Institute (IRTI)

### Abstract

Using data of more than 100,000 individuals' characteristics in the Global Findex database, this paper examines the links between financial inclusion, institutions, and governance using panel data analysis from Muslim and developing countries. This paper argues that strong economic governance and institution are important elements in improving financial inclusion especially for the poor segment of the society because markets, economic activity and transactions more generally, cannot function well in its absence. The results suggest that governance positively influence financial inclusion by increasing the number of bank accounts and saving in formal financial institutions, but negatively impact on borrowing behaviour. There is also significant differences across countries and regions in explaining financial inclusion. The study suggests that removing corruption, increasing transparent legal framework, fair judicial proceedings and administration are essential for development and raising financial inclusiveness prospects.

## Islamic Insurance (Takaful): Underwriting Surplus (Deficit) of Tabarru' Fund in Indonesia

By Laila Masruro Pimada, Airlangga University

### Abstract

The purpose of this paper is to examine the effects gross contribution, reinsurance, claims and net investment income have on underwriting surplus (deficit) of tabarru fund in Indonesia's Islamic insurance companies. A quantitative approach method with purposive sampling was used. So there are 17 out of 24 Islamic life insurance companies in Indonesia used as sample. The research found that significant positively underwriting ratio dependent upon gross contribution, claims and net investment income. Meanwhile, reinsurance is not influence underwriting surplus (deficit) of tabarru fund. The paper contributes to the Islamic insurance industry's growth by providing evidence of factors that can increase surplus of tabarru fund. So both the company and the participant can perceive high profit and increase their assets (wealth). In addition, assets will be considered as one of growth indications and additional profit to participant will be considered as income, in the long-term, it is possible will effects GDP.





ABSTRACT AND SPEAKER'S BIODATA

---

PARALLEL SESSION 6

---

## GROUP 1

### THEORY, PRACTICE AND POLICIES OF ISLAMIC ECONOMICS AND MUSLIM COUNTRIES

#### Islamic Banking and Finance Before the Emergence of Modern Islamic Banks: An Investigation Into the History

By Abdul Azim Islahi, Islamic Economics Institute, King Abdulaziz University, Jeddah

##### Abstract

Islamic banking and finance is 'the most visible practical achievement' of Islamic economics. However, hardly any attempt has been made to investigate its origins and evolution since its beginning in the early period of Islam. In the literature on the subject generally we do not find information about the banking practices in the later parts of Islamic history. Most of the writers are not aware of the existence of interest free lending societies at the end of the 19th century and the situation preceding the development of modern Islamic banks. The present paper aims to fill this void. It investigates the origins and development of Islamic banking and finance right from the early days of Islam up to the formal establishment of Islamic banks in the sixties of the last century. It also provides the earliest record of the establishment of interest-free lending societies by the end of 19th century and semi banking institutions in the first half of 20th century. It gives an account of the major events before Islamic banking became an alternative to the interest-based conventional banks. In the concluding remarks, the paper refutes the allegation by some writers that the Islamic banking is a product of identity creation or 'pan Islamism' and that it was promoted by the oil rich countries of the Middle East.

#### Design of Islamic Financial Certificates for Housing Development in Algeria

By Imene Tabet Qatar, Faculty of Islamic Study, Hamad bin Khalifa University

##### Abstract

Being the only country with only public produced house financing, Algeria's housing industry has been lagging behind in its development. This has caused many citizens to struggle with finding a proper housing. Aside from being one of the highest countries in terms of rent prices; constructing and distributing public houses takes over 15 years yet with bad quality. Hence, This paper proposes a Shari'ah compliant housing certificates, a new Islamic financial instrument that would assist in house construction in Algeria, this instrument uses Istisna' as the underlying contract and accommodates guaranteed returns as well as negotiability for investors. It has a great potential in contributing to solving the prolonged problem of housing in Algeria as well as countries facing problems in the production side of the housing industry. It will also address the issue of high and unaffordable housing in Algeria which is considered to have one of the highest renting costs in the world.

Currently a Master student of Islamic Finance in Qatar Faculty of Islamic Study, Hamad bin Khalifa University. Doing her thesis titled "Developing Islamic Financial Products for Financing Solar Energy with a special reference to Qatar and Algeria". She holds a Bachelor of Economics (Finance) with honours (Rectors List) from the International Islamic University Malaysia in 2014. She is fluent in Arabic and English.

#### Islamic Finance Crossing 40 Years' Milestone Some Thoughts for the Way Forward for Maqasid Realization

By Muhammad Ayub, Riphah International University, Pakistan

##### Abstract

The individuals, systems and the institutions are expected to gain strength by the age of forty for achieving their objectives. However, the desire for quick-fix solutions has led the industry to mimic the conventional products without taking into account their impact on sustainability of the system. The diminishing role of Islamic economists and the helping hand of the Shariah scholars facilitating the finance engineers to replicate the conventional products could be the one reason. This paper analyses the performance so far and discuss the potential and the challenges, keeping in view the developments in global finance during the last two decades. It briefly indicates the distinctive principles and objectives of Islamic financial system and the need for realignment of commercial objectives with Maqasid al Shariah. It also identifies the major mistakes committed and suggests policy measures for the future to keep it aligned for effectively realizing the objectives. It recommends leadership role of Islamic economists for effective reforms in money and credit system to ensure that all financing is based on goods, services or stocks / securities representing the real assets in line with the principles of the Shari'ah. Only then the system would be following the

natural law for social justice leading to social inclusion that is the underlying objective of Islamic finance.

Muhammad Ayub has been as Senior researcher at SBP[1979 to 2006], He also established Islamic banking Department SBP as Senior Joint Director; Head Islamic Banking at NIBAF, Designing. He also an Author of four Books on Islamic banking and finance [2000 -2010] title Understanding Islamic Finance, John Wiley London, an editor for Journal of Islamic Business and Management, Secretary General of the International Conference on Islamic Business – ICIB, Member, Shariah Board Committee, Bank of Khyber and also Juris-consult for rehearing of Riba Case, Federal Shariat Court Pakistan. He had received M.A. Economics, M.A. Islamic Studies, M.A. Arabic, L.L.B., PhD Scholar, Thesis stage; course work at INCEIF, KL, Malaysia, Diplomaed Associate of the Institute of Bankers, Pakistan (DAIBP). He also graduate from Religious Madrasa (1972)

## GROUP 2

### RISK MANAGEMENT, CSR AND REGULATORY / LEGISLATIVE FRAMEWORK FOR ISLAMIC FINANCIAL INSTITUTIONS AND MARKETS

#### Understanding Islamic Based Financial Reporting Standardisation Projects: Institutional Logics Perspective on the Malaysian Case

By Ahmad Abras, Essex Business School, University of Essex, UK

##### Abstract

Recognising the uniqueness of Islamic business transactions and the need to cater for such transactions differently in the financial reporting, The Malaysian Accounting Standards Board (MASB) initiated a comprehensive project for developing a stand-alone set of Islamic financial reporting standards. However, the MASB experienced a shift in its agenda resulting in the abandonment of that project and requiring Islamic financial institutions (IFIs) to apply the Malaysian approved standards for its activities. Employing Institutional Logics Perspective as a theoretical framework, this paper examines the influence of selected institutional logics on the issue of regulating Islamic financial reporting in Malaysia. Based on analysis of semi-structured interviews, this paper finds a shift in the domination map of the institutional logics underpinning the issue of reporting for Islamic financial transactions. Moreover, this paper seeks comprehensive understanding of the role of organizational actors in that project and the shift in its first objectives. The findings show substantial role of organizational actors who are 'embedded' in the certain institutional logics in triggering change in the MASB's agenda related to Islamic financial reporting. This paper provides valuable insights into the institutional demands governing Islamic financial reporting and recommendations on how to revive and promote this type of reporting.

Ahmad Abras is currently doing his PhD at Essex Business School, University of Essex, UK. In his PhD research, he is interested in the projects of developing Islamic based financial reporting standards and regulations. Ahmad got his Master's Degree in International Accounting from University of Essex, UK. He is a graduate of University of Aleppo, Syria, where he received his BA in Accounting in 2008. Ahmad has been appointed as a Graduate Teaching Assistant at University of Essex, UK, since 2013. He was also appointed as a Teaching Assistant at University of Aleppo, Syria, between 2008 and 2011 in addition to his work in some accountancy firms in Aleppo, Syria.

#### Governance Mechanisms and Disclosure Among Malaysian Islamic Banks

By Dr. Asri B. Marsidi, Faculty of Economics & Business, Universiti Malaysia Sarawak

##### Abstract

Decent corporate governance practices are important and fundamental in today's corporate world, particularly in the growing and high future prospect of Islamic banking industry. In this respect, its linkages with disclosure at Islamic banks need to be well understood and developed for better sustainability of the industry. This study is hence conducted to examine the impact of corporate governance on the Islamic financial and social reporting (IFSR) of Islamic banks in Malaysia. Drawing on surveys this study seeks the views of accountants working in Islamic banks regarding the importance of items in the IFSR index developed by Marsidi et al. (2016). The annual reports are used to examine the score of the IFSR for the Islamic banks as well as to collect the data for the related variables. The multivariate regression results suggest that board size is a significant factor in explaining the IFSR at Islamic banks in Malaysia. Such finding is perceived as contributing towards the suitable formation of board of directors specifically in terms of the total number of directors at Islamic banks. The study also contributes towards the use of Islamic agency theory in the context of Islamic banks. From another perspective, the findings of the study contribute towards

the development and sustainability of Islamic banks both in Malaysia and throughout the globe.

### The Impact of Risk, Competition and Human Capital on Bank Performance: Islamic Banks vs Conventional Banks Around the World

By Dr. Tanveer Ahsan, Air University, Multan, Pakistan.

#### Abstract

We analyze the competitive conditions and risk levels prevailing in conventional and Islamic banking business models to investigate the differentiating factors of bank performance between the two models. To compare the two business models, we analyze 3,375 bank-quarter observations of 321 conventional banks and 1,153 bank-quarter observations of 106 Islamic banks taken from 16 countries around the world. When comparing conventional and Islamic banking business model, we control for time-variant country fixed effects and discover some significant insights about these two business models. We find that both Islamic and conventional banks follow 'high risk, high return' strategy but Islamic banks face less competitive conditions as compared to the conventional banks. Further, we find that diversified earnings portfolio increases the performance of both type of the banks. The analysis also reveals that conventional banks invest more in human capital as compared to their Islamic counterparts and this investment in human capital significantly increases their performance. We also sense convergence of the two conceptually competing models where it may become difficult to operationally differentiate the two.

Dr. Tanveer Ahsan, have recently completed my Ph.D in Financial Management from School of Accounting, Dongbei University of Finance and Economics, Liaoning, Dalian, P. R. China. Previously, I have done BBA(Hons.) and MBA in Finance from Institute of Management Sciences, Bahauddin Zakariya University, Multan Pakistan (2010) and served the same university for more than two years (2010-2012). Now days, I am working as Assistant professor in Finance at Air University, Multan, Pakistan. My research interests lie in corporate financing policies, Islamic banking and panel data techniques. I have published numerous articles. My research focuses on different aspects of corporate financing policy such as determinants of corporate financing policy, financing behavior over a firm's life cycle, and adjustment towards target financial leverage.

### Corporate Social Responsibility of Islamic Banks in Malaysia: Arising Issues

By Wan Noor Hazlina Wan Jusoh, Universiti Teknologi MARA (Terengganu), Malaysia

#### Abstract

Corporate social responsibility (CSR) term has rapidly developed and is no longer a strange concept among business communities. As part of business entities and concurrently guided by Shari'ah principles, Islamic banks face even more expectations in performing CSR as Islamic financial institutions. On top of that, although Malaysia is at the vanguard in the development of Islamic finance especially in Islamic banking industry, there is a lack of discussion on issues pertaining CSR applications of Islamic banks. Using interview data with top management executives and supported by observations and document reviews, this study attempts to disclose arising issues regarding CSR applications of Islamic banks in Malaysia. It was found that there are significant issues that need to be addressed in order to ensure the efficiency of Islamic banks CSR applications especially regarding corporate social responsibility disclosure (CSR D), CSR department and CSR fund.

## GROUP 3

### ZAKAH, WAQF AND ISLAMIC MICROFINANCE AND THEIR SOCIOECONOMIC ROLE IN DEVELOPMENT

#### Development of Waqf in Indonesia: The Swot Analysis of Indonesia Waqf Board (BWI)

By Qurroh Ayuniyyah, International Islamic University Malaysia (IIUM)

#### Abstract

As the most Moslem populous country, Indonesia has a great potential in waqf assets and fund. The House of the Representatives



has regulated Waqf Act No. 41/2004 as of 27 October 2004 to support the development of waqf in the country. Indonesia Waqf Board (abbreviated as BWI) was established by the President of the Republic of Indonesia as the implementation of this Act. The role is to become coordinating institution of existing nazhir (waqf managers) in managing and supervising waqf assets and fund. This paper aims to evaluate waqf management conducted by BWI. The paper also identifies the issues of waqf management in Indonesia by using SWOT (strengths, weaknesses, opportunities, and threats) analysis. The study employs both primary and secondary sources. The primary data is through the interview with the Vice Chairman of BWI, while secondary sources are through published regulation and reports, journal papers, and articles. Since its establishment, BWI has faced several strengths, weaknesses, opportunities, and weaknesses. The strengths include an independent status of BWI and good cooperation with other interrelated institutions. With regard to its weakness, the dualism between BWI and Waqf Directorate of Ministry of Religious Affair has been becoming further internal challenge for the Board. Moreover, lack of integration between BWI and other waqf institutions has also hampered BWI to achieve its objectives. The opportunities are the high Moslem population in Indonesia and great potential of waqf cash and land. On the other hand, the threats comprise lack of awareness and knowledge of the Moslem in Indonesia. Besides, the biggest threat occurs on the capacity of waqf managers (nazhir). Meanwhile, waqf land status, change in waqf land location, and controversy of cash waqf are considered as the other threats. This study is expected to provide the current condition in waqf management and its lesson learnt for the development of waqf in Indonesia, specifically, as well as in other countries, generally.

Qurroh Ayuniyyah is currently a Ph.D. candidate in Economics at the International Islamic University Malaysia (IIUM) where she received her master of economics degree in 2013. Her bachelor of economics degree was obtained at Bogor Agricultural University in 2010. She was awarded as the Best Graduate Student at both undergraduate and master levels. She served as Graduate Teaching Assistant at Department of Economics of IIUM from February 2014 to February 2016 for Principles of Macroeconomics and Business Mathematics subjects. She also became a research assistant at the Center of Islamic Economics of IIUM from February 2014 to December 2015. In terms of research experiences, she has presented her papers in such several international conferences as the 1st Gadjah Mada International Conference on Islamic Economics and Development, UGM Campus, Yogyakarta, Indonesia, on 12-14 May 2016 and the Shariah Economics Conference held by Hannover University, Germany on 9 February 2013. She has a strong interest of research in Islamic Economics and Finance and has had several national publications on that particular area.

### Maqasid Based Approach on the Role of Muslim Public Funds in Sustaining Islamic Microfinance: A Case Study of Tabung Masjid in Selangor, Malaysia

By Dr. Luqman Zakariyah, Department of Fiqh and Usul al-Fiqh, International Islamic University Malaysia

#### Abstract

Mosque fund, known as Tabung Masjid in Malaysia, is one of the revenues in Islam yet to be developed. The proper management of this revenue in all Muslim countries where Tabarru'at (voluntary donations) are collected ought to have sustainability capacity on Islamic microfinance. However, managing these funds to bring about the foreseeability remains untapped. In Selangor State of Malaysia as a case study, Tabung Masjid (TM) has not been effectively managed to serve the purpose of Islam. This is either partly due to unawareness of the Islamic jurisprudential perspectives on its potentiality or partly due to the uninformed ways of its management. This paper aims to assess ways of which Tabung Masjid in Selangor State, Malaysia is managed. The paper evaluates the management of TM in Selangor using both questionnaires and semi-structured interview to unveil the current situation of these funds. The role of these funds in strengthening Islamic microfinance is argued based on Maqasid Shariah of protection of wealth. The paper suggests a Tabung Hajj prototype of Tabung Masjid as sustainable drive of Islamic microfinance for empowering Muslim and alleviating poverty.

Dr Luqman Zakariyah is Assistant Professor and current head of the department of Fiqh and Usul al-Fiqh, International Islamic University Malaysia. He holds a L.L.B degree in Shari'ah (Islamic Law) from Islamic University Medina, Saudi Arabia; a Masters in Islamic Studies from Lagos State University, Nigeria and a PhD in Islamic Studies from the University of Wales, Lampeter. UK. Before he joined IIUM as Assistant Professor, Dr Zakariyah has worked and researched in various academic institutions. He was a Teaching Fellow and lecturer of the Study of Islamic and Muslims, University of Aberdeen and Al-Maktoum College of Higher Education Dundee UK respectively between 2009-2013. He was also ILSP Fellow of Harvard Law, USA between 2012-2013, a Visiting Scholar of Ripon College, Cuddesdon, (Oxford Hilary Term 2012) and an Honorary Visiting Lecturer, Department of Shari'ah and Economics, Academy of Islamic Studies University of Malay between June-July 2010.

### Islamic Micro-Finance and Sustainable Development: Needs Leading to Capabilities

By Abubakar Sadiq Usman, Universiti Tun Hussein Onn Malaysia

#### Abstract

The approach of giving Micro-credit has been reported as appropriate in addressing the basic needs of the poor, yet the poor

could not build the necessary capacity to freely express their inherent potentials. In Muslim societies, Islamic Micro-finance has been regarded as an important tool for the empowerment of poor people especially women, towards developing micro enterprises. The main objective of this study is to develop a conceptual framework that broadens the perception of human capabilities in line with diverse needs of the poor. This study identifies different products of Islamic Micro-finance used to address diverse deprivations, leading to individual's personal development, increased productivity and income, and participation in economic and social life. The methodology of this study is based on analysis of relevant literatures. The study identifies the yardstick for Islamic Micro-finance offering in addressing the wider deprivations of the poor. There is a genuine concern on fulfilling well-recognized urgent claims of the poor ranging from basic needs as well as other components such as need for income generation, asset acquisition, protection against uncertainties and risk sharing. Human capabilities such as knowledge, skills, assets, self-reliance and social cohesion enables the poor to manage their economic life effectively, reduce stress and increase security, and participate in the community with self-esteem.

Abubakar Sadiq Usman is a PhD candidate at Universiti Tun Hussein Onn Malaysia with interest in Islamic Microfinance and Well-being of the poor people. Born in the city of Gombe, Nigeria on 23rd march 1971. He obtained a bachelor degree in Business administration and Master degree with specialisation in Entrepreneurship and venture creation from Bayero University Kano, Nigeria in 1995 and 2011 respectively. His working career spanned a period of about two decades in banking and capital market operations (1997 - 2014), rising to the position of principal manager. He is passionate about building talents and workable business ideas towards community development. He pioneered Nii brass entrepreneurship cooperative society in 2010 with the aim of nurturing micro businesses especially by women in the north east region of Nigeria. A professional member of Nigeria Institute of Management, Nigeria Pension Institute, and has authored several papers in International journals and conferences. Beside his native languages, he speaks fluent English and Arabic. Mr Usman is happily married with children.

## GROUP 4

### THE SHARI'AH AND ECONOMICS & FINANCE

#### Foreign Currency Exchange Transactions – An Analysis of the Syariah Requirements

By Mohd Nasiruddin bin Mohd Kamaruddin, Chief Operating Officer for Standard Chartered Saadiq Berhad

##### Abstract

Al Quran outlines clearly the prohibition of riba. Al Hadith specifically guides us how to avoid riba in foreign exchange transactions by regulating that exchanges in foreign currencies must fulfil the requirement of "hand to hand". This paper will look at the requirements for complying with Shariah in international foreign currency markets based on the standard practices set by industry bodies regulating such transactions. It will first examine the criteria for spot transactions in international foreign currency market. It will also examine the permissibility of some of the more exotic structures for foreign exchange transactions which include non deliverable foreign exchange contract as well as foreign exchange derivative products. This paper hopes to outline clearly the mechanics of these structures to give Syariah Advisers a clear understanding of the structures with the hope of allowing them to make better informed decisions on the subject.

Mohd Nasiruddin bin Mohd Kamaruddin is currently the Chief Operating Officer for Standard Chartered Saadiq Berhad, the Islamic Banking subsidiary of Standard Chartered Bank Malaysia Berhad (SCBMB). He joined the Islamic Banking Division of SCBMB in 1999, about 6 years after the division was formed in 1993. As the Chief Operating Officer, he serves as the Secretary to the Syariah Advisory Committee of Standard Chartered Saadiq Berhad since the committee was formed in 2000.

#### Possession (Qabd) in Contemporary Financial Transactions: A Shari'ah Perspective Analysis

By Md. Habibur Rahman, International Islamic University Malaysia (IIUM).

##### Abstract

The possession is one of the significant issues regarding the acquisition of wealth. The conclusion of contracts would not be completed and binding without the possession of respective subject matter. This paper intends to explore the essence of possession and to analyze the appropriate mode of possession in contemporary financial transactions. This is a library-based research and an analytical method has been followed to accomplish this study. The classical references of prominent Schools of Islamic law have been utilized as the primary tools to perform this analysis and exploration. The study finds out that the

essence of possession is to relinquish between the merchandise and its rightful beneficiary, so that it can be enjoyed without any interruption. It also explores that the nature of possession would be different according to the nature of the commodity itself. The study posits that in contemporary financial transactions mostly, not the real, but a legal or constructive possession is utilized, and in this regard the custom plays a significant role to determine the proper mode of possession.

Dr. Md. Habibur Rahman obtained his PhD from the Dept. of Fiqh and Usul al-Fiqh, International Islamic University Malaysia (IIUM). Prior to pursuing PhD he graduated in Shari'ah from al-Azhar University, Cairo. Afterwards, he completed the Chartered Islamic Finance Professional (CIFP), [equivalent to Masters] from INCEIF, the Global University of Islamic Finance, Malaysia. He holds strong commitment to any assignment he is given, an enthusiastic team player and a rigorous researcher. He has strong written and spoken command of both Arabic and English. Rahman has worked as Research Assistant at International Shari'ah Research Academy for Islamic Finance (ISRA), Malaysia, for more than two years. His current role also includes acting as a Shari'ah Consultant at International Islamic Finance and Insurance (IIFIN) Consulting Sdn Bhd., Malaysia. He has a published book entitled *Islamic Legal Maxims, Essentials and Applications* (Kuala Lumpur: IBFIM, p.295, ISBN: 978-967-0149-32-5), and plethora of peer reviewed refereed journal articles to his credit. He has also 3 translated published books, and presented at many international conferences of Shari'ah and Islamic finance held in Brunei, Indonesia and Malaysia.

## Conceptualising a Unified Normative Framework of Social Responsibility in Islamic Economics

By Mohd Nizam Barom Department of Economics, Kulliyah of Economics and Management Sciences  
International Islamic University Malaysia.

### Abstract

Despite the numerous works on social responsibility in the literature, the discussions are mostly within a specific context and application, resulting in the limited applicability of such works in other areas of social responsibility in Islamic economics. Additionally, the normative justifications for social responsibility are also being argued from a number of different positions. Hence, this paper examines three major routes towards normative justification of social responsibility; the objectives of Shari'ah (Maqasid al-Shari'ah), principles of Islamic moral economy (axioms of justice and beneficence), and micro-foundational assumptions (characteristics of homo Islamicus and the notion of falah), with the aim of conceptualising a sound and coherent general theoretical framework for social responsibility in Islamic economics. Despite the differences in perspectives, notable consistencies can be observed rendering a plausible synthesis of these foundations in providing a unified normative framework of social responsibility issues and commitment for economic agents in an Islamic economy. The framework also enables harmonisation of the elements important to the three major approaches to ethics; i.e. teleological (consequence-based), deontological (duty-based) and virtue (character-based) ethics, which exemplify the all-inclusive approach of Islam towards the issue. While social responsibility is argued to be a critical component in facilitating socio-economic justice and overall human well-being in the society, its ability to facilitate spiritual development remains the central consideration in the vision of human development and well-being in Islam

## GROUP 5

### MEASURING POVERTY AND DEVELOPMENT

This session discusses a very important component of sustainable development, i.e. Measurement of poverty and development. Various indices have been developed over the decades moving away from purely economic indicators to those that incorporate other dimensions. This session will discuss the various approaches and indicators and attempt to put forward a comprehensive indicator that is based on the higher objective of the shari'ah. Leading the discussion will be research group from IRTI, Oxford Poverty & Human Development Initiative (OPHI) and IIUM.



ABSTRACT AND SPEAKER'S BIODATA

---

PARALLEL SESSION 7

---

## GROUP 1

### THEORY, PRACTICE AND POLICIES OF ISLAMIC ECONOMICS AND MUSLIM COUNTRIES

#### Theoretical Model of Islamic Macroeconomy

By Dumairy, Faculty of Economics and Business, Universitas Gadjah Mada, Yogyakarta, Indonesia

##### Abstract

In the field of macroeconomics there are several measures to evaluate economic performance and progress of a country. Those are among others gross national product, gross domestic product, national income, economic growth, real per capita income, Gini ratio, and human development index. These measures are used to evaluate economic achievement in a certain period or at a specific point of time. Besides, there are several other measures to evaluate the current economic stability or volatility such as inflation rate, unemployment rate, foreign exchange reserve, stock price index, and debt service ratio.

Dumairy previously got Drs. in economics from Universitas Gadjah Mada, Indonesia, M.A. (in economics) from Catholic University of Leuven, Belgium. He is Lecturer, Faculty of Economics and Business, Universitas Gadjah Mada, Yogyakarta, Indonesia. His working experience teaching Mathematics and Introductory Islamic Economics (undergraduate), teaching Statistics and Islamic Financial Institutions (graduate) and former Head of "Laboratory for Islamic Business and Economics" Faculty of Economics and Business, Universitas Gadjah Mada

#### The Informal Economy: A Neglected Area in Islamic Economics

By Nazurah Andul Malek, Department of Economics, International Islamic University Malaysia

##### Abstract

The informal economy has been neglected by Islamic economists. The neglect means the Islamic economic system that we want to rebuild are exclusive only to the confinement of state and market domains. That existing paradigm is myopic. To understand and solve the real-world economic problems, we need to recalibrate and focus also on the informal economy. The purpose of this study, therefore, is to review the conception of the informal economy. With a better understanding of the concept, we hope that the rebuilding of Islamic economics can become more holistic in the approach. The informal economy is unique according to countries. The economic, political and cultural aspects have a strong influence on the dimension of the informal economy. Based on the extant literature we also have identified the determinants of the informal employment. The evaluation of the factors identified in this study reveals that government policies and efficiency, poverty issues, gender inequality, education and religiosity are the determinants of the informal sector employment. We then call for future research in Islamic economics to be geared towards understanding and addressing issues in the informal economy.

#### Disentangling Horizontal and Vertical Shari'ah Compliant Stocks

By A.K.M. Azhar, M. Kabir Hassan, Yap Heck Wei, Univeristy Putra Malaysia

##### Abstract

This paper presents a new approach to measure the extent of syariah compliance of a particular stock. This present work on measuring the extent of compliance of syariah compliant stocks involve the conflation of both horizontal and vertical compliance into a single measure. We propose a methodological innovation which we call the 'Syariah Compliant space'. This is a geometric tool we construct and using a scaled, symmetric and proportional index we map the coordinates of positiveness and negativeness of the stock attributes contained in each selected syariah compliant stocks into a unit measure. We first measure the maximum of either the positive attributes of a Syariah Compliant in the total stock list to determine the dimensions of the compliant space. To the best of our knowledge, this is the first time using the modified (AE 2006) methodology to measure the extent of syariah compliance of any particular stock, in particular the boundary threshold of positiveness in the stock for it to be classified as Syariah compliant. We illustrate the plausibility and applicability of our approach using illustrative examples from Bursa Malaysia.

## GROUP 2

### RISK MANAGEMENT, CSR AND REGULATORY / LEGISLATIVE FRAMEWORK FOR ISLAMIC FINANCIAL

## INSTITUTIONS AND MARKETS

### Strengthening Financial Safety Nets in Islamic Banking: A Proposed Waqf-Based Shari'ah-Compliant Deposit Insurance Scheme

By Madaa Munjid Mustafa, Islamic Financial Services Board (IFSB)

#### Abstract

The need for Shariah-compliant deposit insurance schemes has become a critical factor for the enhancement of the resilience and stability of the global Islamic banking as it expands into a multi-trillion dollar industry. In this regard, this paper aims to shed light on the current modalities of Shariah-compliant deposit insurance schemes (SCDIS) by analyzing the challenges that are present in them, namely the issue of subrogation to the contributing parties in takaful-based SCDIS and the issue of receiving a fee for a guarantee in kafalah-based SCDIS. The paper would then propose a new modality that relies on the concept of cash waqf and utilizes the mechanism of qarī to overcome the challenges faced by the current modalities by making subrogation possible while at the same time avoiding the payment of fee in exchange for providing a guarantee. The proposed waqf scheme is assessed for compliance against classical works of Islamic jurisprudence and also the contemporary regulations and standards of best practices for deposit insurance schemes. It is hoped that this work will be an important contribution by providing a new alternative mechanism to various jurisdictions interested in applying a Shariah-compliant deposit insurance scheme.

Madaa Munjid Mustafa serves in the Islamic Financial Services Board (IFSB) as a Member of the Secretariat in the Technical and Research Department. His responsibilities include being a point of reference for Shari'ah-compliance issues, Shari'ah consultation, as well as Arabic translation in developing the IFSB Standards/Guiding Principles and other IFSB documents. Moreover, he also undertakes studies and research on prudential and Shari'ah-compliance issues in Islamic financial services industry. Prior to joining the IFSB, he was a Research Assistant at the International Shari'ah Research Academy for Islamic Finance (ISRA) for 3 years. Madaa obtained his second Master's Degree in Islamic Finance from International Centre for Education in Islamic Finance (INCEIF) in 2014. His first Master's Degree was in 2004 from the International Islamic University Malaysia (IIUM) in (Fiqh and Usul Al-Fiqh). Apart from the above, he also holds a Bachelor degree (Bachelor in Islamic Revealed Knowledge and Heritage (Fiqh and Usul Al-Fiqh) from IIUM.

### Board of Directors and Risk-Taking Behavior of Islamic Banks in South East Asia

By Faaza Fakhrunnas, Department of Finance, International Islamic University of Malaysia, Kuala Lumpur-Malaysia

#### Abstract

Board of Directors (BODs) and Shariah Supervisory Board (SSB) have a pivotal role to manage Islamic banks in Southeast Asia. The decision made by the BODs and SSB will affect directly to the risk-taking behavior done by Islamic bank. This study aims to investigate the relationship amongst BODs, SSB and risk-taking behavior of Islamic banks in Southeast Asia. Adopting random effect model, this research utilizes 24 Islamic banks in Southeast Asia which observes over six periods which is from 2009 to 2014. By using unbalanced panel data, the result of the study reveals that independent director influence the risk-taking behavior positively while Shariah Supervisory Board (SSB) affects it negatively. In addition, Board size has positive effect to the credit risk and it is inversely to z-score.

### Challenges of Risk Management for Islamic Financial Institutions: An Analysis of Shari'ah-Compliant Derivatives, ISDA/IIFM Tahawwut (Hedging) Master Agreement and Liquidity Risk

By Mr. Muhammad Ashfaq, Rhine-Waal University Germany

#### Abstract

The Islamic banking and finance industry is young but its rapidly growing footprint has gained the attention of financial leaders

in all major regions of the global banking environment. Unprecedented growth and expansion of Islamic financial activities along with cross-border business transactions has brought to light several challenges facing the Islamic financial industry such as lack of risk management tools and liquidity risk. Some Islamic instruments have derivative features therefore; it is possible to apply Islamic principles in the development of derivative contracts for the Islamic financial industry. Bay' Salam and Bay' Urban are two examples in this regard. This paper concludes that major causes of liquidity risk are: lack of Shari'ah-compliant money market and inter-bank instruments, shallow secondary market, absence of a lender of last resort facilities and poor infrastructure for cross-border liquidity management and poor management of liquidity instruments. Several supporting Islamic financial institutions such as the International Islamic Liquidity Management Corporation, the Islamic Financial Services Board and the Liquidity Management Center in Bahrain have geared their efforts to overcome liquidity management issues for Islamic financial institutions. In order to overcome the daunting challenge of liquidity management, two strategies may be used. First, regulators and other relevant stakeholder should work to establish a dynamic liquidity management infrastructure including both primary and secondary markets. Second, establishing a standardized global regulatory and legal framework will help foster liquidity management.

Mr. Muhammad Ashfaq is widely recognized as an outstanding and experienced Islamic Finance expert. He has contributed to the further development of the Islamic financial industry through his cutting-edge research and global initiatives for human capital development and organizational capacity building. Mr. Ashfaq has also conducted a number of lectures and facilitated training programs for many institutions and companies on the topic of Islamic Finance, Banking, the Halal industry, Islamic Microfinance, Islamic Insurance (Takaful) and Islamic Law. He recently conducted a TV lecture series on Islamic Finance for Paghiam TV Network. Mr. Ashfaq has spoken on the topic of Islamic Banking and Finance at conferences in more than 25 countries worldwide, and has served as peer-review referee for a number of international conferences. Before joining Amanah Institute of Islamic Finance and Economics as CEO, Mr. Muhammad Ashfaq served as Lecturer/Scientific Staff Member at the Rhine-Waal University of Applied Sciences in Germany. Mr. Ashfaq also worked in the professional industry in various roles. In pursuit of his passion, Mr. Ashfaq is currently a visiting faculty member of the international MBA program at the Wittenborg Business School in the Netherlands, where he regularly teaches Finance and Management related courses.

## GROUP 3

### ZAKAH, WAQF AND ISLAMIC MICROFINANCE AND THEIR SOCIOECONOMIC ROLE IN DEVELOPMENT

#### Transformation of Idle Waqf Properties Into Income Generating Properties for Socio Economic Development {Successful Cases Worth Attention}

By Dr. Magda Ismail Abdel Mohsin, International Centre for Education in Islamic Finance (INCEIF).

##### Abstract

The main objective of this research is to present the current successful cases in making a revolution reform of the old and idle waqf properties into income generating properties in Muslim and Muslim minority countries. These reforms include providing services to the community, opening jobs for the majority of people, funding small entrepreneurs, educating the mass, taking care of the health of the people, and sheltering the poor and needy in the different countries. Cases under studies are; Turkey, Malaysia, Singapore, Sudan, Indonesia, New Zealand, Kuwait, India, Pakistan and Bangladesh. The researchers uses both primary and secondary data. Primary data collected through meetings and interviews, while secondary acquired from published sources including articles, journals, reports and websites whenever necessary. The expected outcome from this research are to serve as a reference article in guiding trustees, institutions, organization in redeveloping the old and idle waqf properties and activating their socioeconomic role. Moreover, to create awareness on the socioeconomic role of the institution of waqf and to provide classical and new innovative modes of financing these waqf properties. This paper is extracted from a research conducted by the author and six co-authors and funded by Khazana for two years research 2014-2016. The title of the research is: "Innovative modes of financing the development of waqf properties in selected countries {Principles and practices}".

Dr. Magda Ismail Abdel Mohsin, is currently a lecturer at the International Centre for Education in Islamic Finance (INCEIF). She obtained her Bachelor Degree in 1984 from Cairo University/Khartoum branch in the field of economy. In 1996, and also obtained her master in economics from the international Islamic University Malaysia (IIUM). She received her doctorate in Islamic Civilization/Islamic Economy from the International Institute of Islamic thought and civilization (ISTAC)/the International Islamic University Malaysia (IIUM) in 2003. Over the last years, she has served as a lecturer in higher learning institution, was appointed as a deputy head of economy and quantitative program, and Deputy Chief Executive Officer/Academic Affairs, at the International Islamic college Malaysia before joining INCEIF. She had been involved in many research and consulting projects mostly in the area of the institution of Waqf and Islamic Economics. She is the author of two books on waqf entitle: "Cash Waqf:



A New Financial Product” and Corporate Waqf: From Principle to Practice” both published by Pearson Malaysia Sdn. Bhd. 2009 & 2014 respectively. Her Ph.D. Dissertation was also in Waqf entitle “Integration of Waqfs in the process of socio-economic development {case study: Sudan}”. She has published many articles on Waqf, Zakah, Islamic Microfinance and Islamic Economic System in international journals and business Islamica Magazine. She is the recipient of two awards on waqf publications; Best/ outstanding paper award for the paper: Financing through cash-waqf: A new innovation for the 21st Century. Emerald Group 2013 and Best book for translation into Arabic. Corporate Waqf; from Principle to practice. Imam Muhammad ibn Saud Islamic University Riyadh, Saudi Arabi. Sheikh Rashid bin Dail Research Chair for Endowments Studies 2015. In 2016 she also received the Outstanding Women Achiever for the contribution and achievement in the field of Islamic Economics and Finance, given under the seal of Venus International Foundation, India. Has designed a website on Waqf at: <http://beautyofwaqf.wordpress.com/intresting-reads/>

## The Negative Effects of Mismanagement of Zakāt on the Achievement of its Objectives

By Ibrahim Nuhu Tahir, Department of Economics, International Islamic University Malaysia (IIUM)

### Abstract

Zakāt is one of the five pillars of Islam and even though it’s a system designed by Allah The Almighty it has faced many challenges across the centuries when it comes to its application. The main objectives of zakāt were well achieved during the early generations, from the time of the Prophet to the time of the Rightly Guided Caliphs. This success was a result of strict adherence to the text of SharĒÑah which are supposed to be understood literally in this matter. For examples, instances were reported in some areas where people reached the level of satisfaction which removed them from poverty. However this is not the case in our contemporary era where mismanagement of zakāt occurs due to interference by those in authority and inappropriate ijtiĒEd which have become obstacles that hinder the achievement of the objectives of the zakāt system. The system is divinely revealed by Allah and this is proof of its perfection and accuracy and thus needs no modification or change. The paper focuses on certain key issues of concern in managing the collection, preservation and distribution of zakāt.

Ibrahim Nuhu Tahir was born in Zaria, Nigeria on April 19, 1977. He graduated with B.A degree (first class of honours) in Shari’ah and Islamic studies from the Kulliyyah of Shari’ah at the International Islamic University of Al-Madinah Al-Munawwarah and a postgraduate diploma (first class of honours) in Islamic law and Islamic political science from the same university. He then proceeded to earn a masters in Shari’ah and civil laws from the International Islamic University of Malaysia. Thereafter he obtained his PhD in Shari’ah and civil laws from the same university where he now works as Assistant Professor in the Kulliyyah of Economics and Management Sciences in the Department of Economics.

## An Exploratory Study In Zakah

By Prof. Dr Sayyid Tahir, Center for Islamic Economics, International Islamic University Malaysia

### Abstract

This study applies the methodology generally followed for understanding salah, saum and hajj to understanding zakah, and seeks to interpret the Divine Texts related to zakah with an integrated look at the respective Ayat and Ahadith rather than relying on linguistic meanings of the Divine Texts. This brings the definition of zakah into line with that of salah. Thus, zakah is seen to be applicable to everything unless there exist reasons to justify exemption of an item from zakah rather than viewing everything to be ab initio zakah-exempt unless it has attributes of growth. On the applied side, the matters addressed include zakah assessment, its collection and disbursement, applicability of zakah on items not pointedly mentioned in the Hadith and to holding money, property and wealth with oneself, in the form of bank deposits, securities or shares and investing in partnerships.

Sayyid Tahir is associated with teaching and research in Islamic economics and finance since 1981 at International Islamic University Islamabad (1981-1988, 1991-2011) and International Islamic University Malaysia (1988-1991, 2011-onward), the two leading universities in these fields. He made significant contributions in the development of academic programs at these institutions. He also played active role in the organizations of 2nd (Islamabad, 1983), 3rd (Kuala Lumpur, 1992) and 11th (Kuala Lumpur, 2016) International Conferences on Islamic economics and finance. He has published original research in Islamic economics and finance in journals of international repute and books on Islamic economics and finance.



ABSTRACT AND SPEAKER'S BIODATA

---

PARALLEL SESSION 8

---

## GROUP 1

### BASIC NEEDS, POVERTY, SOCIALLY RESPONSIBLE INVESTMENTS AND SOCIOECONOMIC JUSTICE AND DEVELOPMENT

#### Social Responsibilities of Islamic Banks Case Study of Bank Islam Malaysia Bhd & Bank Muamalat Malaysia Bhd

By Muhammad Adli Musa, Department of Quran and Sunnah Studies, International Islamic University Malaysia

##### Abstract

It is claimed that the difference between Islamic and conventional finance is that the former has to preserve certain social objectives, while the latter need not be concerned with the moral implications of their business ventures. The Islamic Financial Services Board (IFSB) suggests that shariah compliance is manifested in the ability of Islamic financial institutions (IFIs) not only to demonstrate that their operations are governed by an effective system of shariah governance but also that they conduct their activities in a socially responsible manner. This paper seeks to establish the social responsibilities of IFIs and explore the extent to which two full-fledged Malaysian Islamic banks, Bank Islam Malaysia Bhd (BIMB) and Bank Muamalat Malaysia Bhd (BMMB), translate their social responsibility commitments into practice. This is achieved by analysing their annual reports and annual financial statements for a period of six years (2010-2015). Generally, the banks are committed to playing a social role by providing support to various organisations that provide benefits to society and by participating in government socially-oriented activities. Nonetheless, the percentage of financing provided for sectors deemed beneficial for society is relatively small and the portion of financing provided to small and medium enterprises generally declined over the years.

#### Enhancing Islamic Finance Development Through Socially Responsible Investment (SRI) Sukuk: Social Impact Sukuk

By Prof. Dr. Saadiah Mohamad, Arshad Ayub Graduate Business School, Universiti Teknologi MARA, (UiTM),

##### Abstract

While the premise of Islamic finance is often couched in the principle of maqasid al-shariah and that of risk sharing with claims to social justice and welfare, the impact and contribution to the social sector has been minimal. This paper examines the claim among critics that there is an inherent weakness of the present day Islamic banking and finance industry in terms of its underdeveloped social sector and argues for the need for new models that will enhance a proliferation of shariah compliant financial products for solutions in the social sector. This paper further examines the benefits for structuring such a socially responsible investment (SRI) sukuk, and makes recommendations for structuring a shariah compliant SIB or social sukuk.

Saadiah Mohamad is professor of Economics at the Arshad Ayub Graduate Business School, Universiti Teknologi MARA, (UiTM), Malaysia's largest and most comprehensive university. She received her undergraduate degree from University of Manchester, a Master's degree in Economics from the University of Missouri Kansas City, USA and a PhD in Economics in 2003 from Universiti Kebangsaan Malaysia. She has just returned from a one year visiting research fellowship at the Oxford Centre for Islamic Studies, University of Oxford. Previously she has had research attachments including at the World Bank in 2001, Bank Negara 2007 and Asian Institute of Finance in 2010-2011. Prof Saadiah received a grant award for the prestigious Fulbright visiting specialist in 2006 at the Institute of Global Enterprise in Indiana USA. Her research interests include exchange rate modelling, exchange rate management and policy, Financial inclusion and Inclusive growth, Islamic hedging, Islamic capital market, and Social Islamic Finance

#### Wellbeing And Globalization in the Muslim World: Islamic Perspectives and Empirical Evidence

By Dr. Muhammad Tariq Majeed, Quaid-i-Azam University, Islamabad, Pakistan.

##### Abstract

While the relationship between globalization and economic performance is now becoming the matter of increasing attention, there has been little attention regarding the impact of globalization on socio-economic wellbeing. This study attempts to provide a comprehensive understanding of the impact of globalization on socio-economic wellbeing of the Ummah using Islamic perspectives and empirical evidence. This study uses a comprehensive measure of globalization that covers three dimensions of globalization namely economic globalization, social globalization and political globalization. We use different econometric techniques related to dynamic panel data analysis for 44 Islamic countries from 1970 to 2010. The results exhibit

that overall globalization improves wellbeing. Nevertheless, different forms of globalization influence wellbeing differently. Social globalization does not improve quality of life while other forms of globalization do improve it. Similarly, socio-political dimensions of globalization exert favorable influence on health outcomes while economic globalization impact adversely. The results reveal that there is a great disparity of wellbeing in different regions of the Muslim world at different levels of economic development. This study concludes that the Islamic countries need to embrace globalization but must at the same time struggle for the provision of justice in its paradigm.

Mr Majeed is working as Assistant professor of Economics in Quaid-i-Azam University, Islamabad, Pakistan. He did his PhD in Economics from the University of Glasgow, UK in 2012. He has published many research papers in national and international journals. He has written chapters in five different research books. Moreover, he has presented his research at various international forums. He has more than 10 year research supervision experience. He has supervised 30 plus MS/MPhil theses. His research interests include: Islamic economics, financial development, corruption, inequality, poverty and economic growth. He has also worked as Research Associate in Punjab Economic Research Institute; Assistant Director in National Tariff Commission of Pakistan; Lecturer in University College Islamabad; Alama Iqbal Open University.

### The Role of Waqf for Mitigating Adaptation Barriers for Malaysian Rice Farmers

By Rafia Afroz, Department of Economics, Faculty of Economics and Management Science, International Islamic University Malaysia

#### Abstract

Malaysia is one of the newly growing industrializing countries. In the path of economic development from agriculture to industrial movement, the agricultural sector in Malaysia has contributed significantly to the gross domestic product (GDP). This research is intended to connect the potential of agricultural production and direct them to contribute to the Malaysian economy. However, the contribution of agriculture has been declining as 8.9% in 2000 and 8.2% in 2005. Because farmers in Malaysia has to face a number of barriers to adaptation, such as financial, human. Capital. Physical, and especially natural barriers due to climate change. To overcome the situation, we need to find alternative solutions. The aim of this study is to propose an integrated waqf environmental protection model. The proposed model can be one of the options that are expected to help affected farmers to mitigate barriers. This study will help policy makers to plan more effective policies to improve the potential role of waqf to mitigate barriers to adaptation and sustainable livelihoods of rice farmers in Malaysia. While the author's knowledge, the idea of environmental waqf is a relatively new concept and today certainly need a lot of discussion.

## GROUP 2

### THEORY, PRACTICE AND POLICIES OF ISLAMIC ECONOMICS AND MUSLIM COUNTRIES

#### Impact Analysis of Global Financial Crisis on The Credit Risk Performance Nexus: Evidence from Islamic Banks in Pakistan

By Dr. Azam Ali, International Islamic University Malaysia (IIUM)

#### Abstract

This study investigates the nexus between performance and credit risks and impact of 2007-08 global financial crises (GFC) on this nexus of all full-fledged Islamic banks operating in Pakistan during the period 2002Q2-2012Q4. On the basis of published quarterly data of Islamic banks, regression model SUR is applied for the analysis of unbalanced panel data at aggregate banks level and at the individual bank level. The findings reveal that size, funding cost, regulatory capital, risk weighted assets and risky sector financings have significant nexuses with profitability, liquidity and financing variables of Islamic banks. Moreover, the results further exhibit that the 2007-08 GFC affected the credit risk and performance of Islamic banks in Pakistan. Comparative analysis of 2007-08 GFC crises impact on the nexus of performance and credit risk was found to be more influential during crisis period 2007-09 as compared to the post-crisis period 2009-12. This happened because of the unavailability of risk evasion measurements with the Islamic banks in Pakistan. We argue that it is the banks' responsibility to develop early warning systems to desist from vulnerabilities of such crises in future. The findings suggest several policy implications: Firstly, serious attention should be given by banks to risk management in Islamic banking especially on those performance variables that are identified as having significant nexus with the credit risk. Secondly, there should be greater and adequate disclosure of information on concentration of financing assets. Thirdly, the development of early warning systems is essential to avoid harmful effects of plausible crisis' shocks on the Islamic banks.

## A Comparison Between the Islamic Home Financing Alternatives in Palestine

By Mousa A. M. Ajouz, International Islamic University Malaysia (IIUM)

### Abstract

The purpose of this study is to investigate Islamic home financing alternatives in Palestine and to examine the perceptions of customers on Murabahah and Ijarah home financing in Palestine. In this research, comparisons were made between the debt home financing alternatives, which are Murabahah to the Purchase Ordered and Ijarah Muntahia bi al-Tamlik regard to concept, method of pricing and debt based financing. This study adopted three approaches to realize the objectives, which are descriptive approach, comparison approach, and analytical approach. To support the study's finding, a total of 100 university students, who are clients of Islamic banks, were selected as the sampling's design. Based on the overall findings of this study, the practice of Murabahah to the Purchase Ordered and Ijarah Muntahia bi al-Tamlik home financing in palestine proved that there is no significant difference in the context of pricing methods and debt-based financing between the two products. Although, the concept of the two product showed a significant difference.

## Institutional Values Needed for Transformative Socio-Economic Development in The Muslim World

By Dr. Necati Aydin, Alfaisal University

### Abstract

This paper explores key institutional values needed for transformative socio-economic development in the Muslim World. The paper begins with examining the role of uplifting institutional values in the Golden Ages of the Muslim World. It then surveys the role of similar institutions in the rise of the West since the Enlightenment from a new institutional economic perspective. The paper adds new layer to institutional economics literature by addressing the importance of hidden "internalized institutional values" in economic development. It discusses the role of formal and informal institutions for the development pyramid. It explores key social and cultural values (liberty, critical thinking, justice, rule of law, equality, participatory culture, accountability, and competency) behind the success of institutions in the West and failure of their counterparts in the Muslim world. The paper concludes with developmental policy recommendation for the Muslim countries based on internalized institutional values.

Dr. Aydin is an associate professor of economics at Alfaisal University. He received his bachelor's degree in Public Finance, master's degree in International Economics, and two doctoral degrees, one in Education and the other in Economics. He worked as a researcher at Florida State University and Florida TaxWatch Research Institute for nine years after receiving his first doctoral degree. He also taught at Florida A&M University and Tallahassee Community College for several years. He had worked at King Saud University for 3.5 years before moving to Alfaisal in August 2014. Dr. Aydin had conducted over 40 research projects on various topics including local and state government budget analysis, economic impact studies, tourism, higher education, virtual education, information technology, and Medicaid. He has published theoretical and empirical papers on these matters. He presents his works through conferences and seminars at top universities around the world including Harvard and Cambridge. In total, Dr. Aydin has completed over forty research projects; authored seven, translated two, and co-authored three books; and published many peer-reviewed articles. Dr. Aydin currently focuses on Islamic economics, human nature, subjective well-being, and neureconomics. He is currently directing two two-year research projects worth of nearly one million riyals funded by KACST. He has published in top academic journals including Journal of Business Ethics, International Journal of Social Economics, etc.

## Economic Engagement of Refugees: A Theoretical and Empirical Appraisal

By Omar Kachkar, International Islamic University Malaysia (IIUM)

### Abstract

Refugee crisis has increasingly become the focus of international discourse, especially in the wake of the recent new influx of the Syrian refugees. The latest report of UNHCR issued in June (2016) gives a very gloomy picture of forced displacement around the globe. The report asserts that global displacement has reached at the end of 2015, a total number of 65.3 million individuals, the highest in the history of UNHCR. The number of refugee is estimated to reach 22 million individuals. Economic engagement of refugees has been recognised long ago by UNHCR and humanitarian agencies as an effective solution to address the socio-economic situations of refugees in particular those in protracted situations. Nonetheless, due to numerous challenges economic engagement has remained out of reach to the vast majority of refugees. These challenges can be underlined as

the legal constraints, discouraging policies of host countries and lack of funds for NGOs to support refugee microenterprises. Furthermore, lack of access to finance and lack of access to markets have remained on top of the challenges for refugees to start microenterprises. This study is proposing a model to promote the economic engagement of refugees namely refugee microenterprises. The model is based on the Islamic institution of waqf. The model is an attempt to address the main challenges of financing, marketing services, and human capital in order to support refugee microenterprises.

## GROUP 3

### THE SHARI'AH AND ECONOMICS & FINANCE

#### Shari'ah and SRI Portfolio Performance in the UK: Effect of Oil Price Decline

By Nur Dhani Hendranastiti, Islamic Finance in Durham University, United Kingdom,

##### Abstract

2014 was marked as a crisis for countries whose economy depends highly on energy sector, especially oil commodities since there has been a sharp decline starting on June 2014, which continued until present days. One of countries that was affected by the decline in oil price is United Kingdom since oil and gas sector plays an important role in the UK's economy. Considering that the decline in oil price affected the revenue of oil and gas companies, it would be reflected in companies' share price and decreased investors' portfolio. Other than those companies, companies which heavily rely on oil and gas such as transportation and distribution companies might be indirectly affected by oil price changes. In accordance with decline in oil price and portfolio performance, this study attempts to examine the effect of oil price on Shari'ah portfolio performance, which Socially Responsible Investment (SRI) portfolio is also constructed as a comparison. This study is different from other empirical studies which use stock index as proxy for stock market returns since this study constructs its own Shari'ah and SRI portfolio investment in the UK taking the companies included in FTSE 100 from 2008 up to 2015. This study shows that the decline in oil price has higher impact on Shari'ah portfolio compared to SRI portfolio, which is shown by lower value of Sharpe's ratio and Treynor ratio. On the other hand, Shari'ah portfolio has higher beta and Jensen's alpha compared to SRI portfolio. It provides insight to the regulatory body and scholars to reconsider the Shari'ah screening criteria in order for Shari'ah portfolio to be able to have better performance and more sustainable in the long run in order to be able to overcome different type of crisis.

Nur Dhani Hendranastiti is a PhD student in Islamic Finance in Durham University, UK, starting January 2016. Obtained master's degree in Islamic Finance from Durham University with the dissertation title of 'Comparison of Portfolio Selection and Performance: Shari'ah-Compliant and Socially Responsible Investment Portfolios' and bachelor degree in Economics majoring in Financial Management from Universitas Indonesia. Her PhD thesis is about constructing Islamic venture capital for SMEs financing in Indonesia.

#### An Investigation of Gambling Elements in Tawarruq-Based Profit Rate Swap and Options

By Dr. Zaharuddin Abd Rahman, International Islamic University Malaysia

##### Abstract

Hedging products are becoming increasingly popular and widely used as a means of efficient hedging instruments. Despite their important in Islamic financial market, this article examines the elements of gambling in the Shariah compliant Profit Rate Swap which is a hedging product based on tawarruq or commodity murabahah transaction. To transfer the payment of differential sum from one party to the other party, tawarruq transaction is used, hence, the cost of commodity is quoted as notional and the profit, which represents the difference later transferred from one party to the other. The study explores whether this structure represents a real exchange in Shariah or it resembles the element of gambling which prohibited in the Shariah law. The objective of this study is premised on the view that Shariah scholars are not against the tawarruq transaction being utilized as an underlying Islamic contract, but only when it is embedded with element of gambling (maysir) in the arrangement and hence; it may violate Shariah rulings and principles.

## Securitisation in Islamic Finance – Challenges and Opportunities as Sharia-Compliant Financing Instrument of the Future

By Siti Hawa Yusof, Sunway University, Malaysia

### Abstract

Securitisation is one of the most complex and dynamic areas of financial innovation. Despite the negative reception in the early days of the recent financial crisis, securitisation has the potential to become one of the sophisticated yet simple solutions to liquidity in Muslim-majority economies as well as paves the way for an organised and sustainable secondary Islamic capital market. For a comprehensive Sharia-compliant securitisation market to develop and mature, there is a need to address some of the major issues and obstacles that are still holding back the development of the securitisation industry. This paper covers the major challenges and the workaround (or potential solutions) for issues such as true-sale, bankruptcy remoteness, credit enhancement, credit rating, as well as legal uncertainty and regulatory consolidation. The efforts from institutions like AAOIFI and IFSB are very crucial in standardising the practice not only within the Islamic finance universe, but also in relations to the harmonisation of regulations and supervision with its conventional finance counterparts. Without universally accepted structures or framework, there will be possibility of having transactions that mimic the conventional structures, causing the Islamic finance to lose its substance and uniqueness in the long run.

## Ethical Banking and Islamic Banking a Comparison of Triodos Bank and Islami Bank Bangladesh Limited

By Dr. Tariqullah Khan and Amiirah Bint Raffick Nabee Mohamed (IAIE)

### Abstract

Ethical finance and Islamic finance are the two important topics in the post global financial crisis market environment and in the context of sustainable development goals and circular economy. If Islamic finance is inherently ethical finance, then what remains the difference between the two is an interesting theme for investigation. Islamic finance is governed by universal and divine legal and moral principles and standards related to economic transactions. Contemporary Islamic financial practices are however, strongly criticized for giving precedence to legal forms over ethical substance and for the rising gap between moral ideals and practical realities. Ethical finance is a conscious human effort to reform finance and it embraces environmentally, socially and morally conscious practices. In this paper we select two banks, namely Islami Bank Bangladesh Limited (IBBL) and Triodos Bank. We perceive that the first is an ideal Islamic Bank and the second is an ideal Ethical Bank. We undertake an analysis of the content of balance sheet disclosures of the two banks and try to gauge the similarities and divergences in their business principles and practices. The analysis uncovers that the current practices of IBBL may far exceed other Islamic banks in terms of financial inclusion, microfinance, gender balance, SME financing and green banking while still being financially stable and profitable. However, Triodos Bank has some significant lead over IBBL regarding ethical practices since it only promotes sustainable businesses. If Triodos Bank exceeds IBBL in ethical expectations as we conclude, then it is far ahead of other Islamic banks in such comparison. The implication of our conclusion is that Islamic banking needs ethical reform and this can be benchmarked with Triodos Bank's business model. For Islamic banks the correct approach would be to strike the right balance between ethics, moral standards, Shariah compliance and profitability. The Islamic banking model has in-built features to ensure Shariah compliance, and this can be enhanced through adopting sound ethical practices as well as dedicating efforts towards being environment-friendly. The paper attempted to present some considerations which if present in Islamic banks would take them away from the criticism of being only for-profit in motivation. Triodos has balanced its for-profit and not-for-profit motivations letting the later to lead the first

## High Performance Work Systems And Organizational Performance: A Case of Islamic Banks Versus Conventional Banks in Pakistan

By Dr. Muhammad Siddique Institute Of Management Sciences Peshawar Pakistan

### Abstract

This study sets out to determine the effects of high performance work systems (HPWS) and on organizational performance. Previous research in the field of HRM has mainly supported the view that properly designed high performance work systems can enhance organizational performance. This study has been conducted in the banking sector of Pakistan. Primary data was gathered in the form of managers' and employees' perceptions about the extent of HPWS and organizational performance in 340 sample branches. Results have shown that HPWS was significantly related to performance in terms of branch deposits, advances, and overall profitability. The findings from this study contribute to the literature on HPWS and performance, showing how HPWS can affect the performance of banks at unit level. The implications of this study suggest that as important stakeholders, managers, employees and HR function should be engaged in the design of HPWS and the plans for achieving higher levels of performance.



Dr Muhammad Siddique received PhD Human Resource Management (2014) from Newcastle University Business School United Kingdom, MS Management (2007) from Institute of Administrative Sciences, University of the Punjab, Lahore Pakistan with CGPA 3.61 out of 4, DAIBP Stage I, II & III (2004) Diplomaed Associate of the Institute of Bankers Pakistan (Professional qualification of Banking under the aegis of the Institute of Bankers Pakistan) He also had MBA (Banking and Finance) (2003) from Institute of Management Sciences, University of Peshawar Pakistan in collaboration with Institute of Bankers Pakistan (IBP) with CGPA 3.7 . Currently is Working as assistant professor at Institute of Management Sciences Peshawar since August 2009 to date .Previously Worked as teaching assistant at Newcastle University UK from 2011 to 2014, an assistant professor in the Department of Management Sciences FAST National University Pakistan (July 2006 to August 2009) and also as a lecturer in the Department of Management Studies. University of Malakand NWFP Pakistan (Sept 2004 to Oct 2005) . His research paper titled "Exploring the linkages between HPWS and organizational performance: The role of relational coordination in the banking sector of Pakistan" was awarded best paper in British Academy of Management conference in 2014.



---

# ABOUT THE SPONSORS AND PARTNERS

---

## CO-ORGANIZERS

### Islamic Research and Training Institute (IRTI), Islamic Development Bank



#### ABOUT THE ISLAMIC RESEARCH AND TRAINING INSTITUTE

The Islamic Research and Training Institute (IRTI) is a Member of the Islamic Development Bank (IDB) Group responsible for enabling the development and sustenance of a dynamic and comprehensive Islamic financial services industry, which supports socio-economic development in Member Countries and Muslim Communities worldwide. Established in 1401H (1981), IRTI serves as the IDB Group's primary organizational unit for the delivery of Islamic finance research, training, information, advisory, technical assistance, and Islamic financial products development services.

#### Research

IRTI conducts research on how the principles and best practices of Islamic economics and finance can be harnessed for the socio-economic development of Member Countries and Muslim Communities globally. IRTI research seeks to enable the development of a dynamic, innovative and sustainable Islamic financial services industry, including assisting countries to create and foster an enabling environment for Islamic finance sector development.

#### Capacity Development

IRTI provides training and other capacity development services in Islamic economics and finance in order to build the necessary human capital that can serve as the catalyst for the development of Islamic financial services in Member Countries as well as globally.

#### Advisory & Technical Assistance

IRTI provides advisory services to governments, public and private sector institutions on the practical application of Islamic economics, banking and finance principles to promote socio-economic development. Through technical assistance, IRTI also undertakes activities to develop the Islamic financial services industry.

#### Information Systems

IRTI collects, systematizes and disseminates data and knowledge in Islamic economics, banking and finance for the benefit of all industry stakeholders.

#### Product Development

IRTI assesses the existing Islamic finance products and instruments and identifies areas of further improvement, develops innovative Islamic finance products and instruments, and promotes their use by the IDB Group and Member Countries.

#### Publications

IRTI produces a wide range of publications in the field of Islamic economics and finance, including textbooks, journals, edited books, and lecture papers. To date, IRTI has released hundreds of publications in Arabic, English, French, Turkish, Russian, Portuguese and Bahasa Indonesia languages.

#### Collaborations

IRTI is the IDBG's focal point for collaboration and coordination with Islamic infrastructure institutions, multilateral bodies and other organizations to promote Islamic economics, banking and finance. IRTI engages in collaborations to hold policy dialogues and to collect, synthesize and disseminate the results of Islamic economics and finance research conducted by external entities.

For more information, please visit: [www.irti.org](http://www.irti.org)

## CO-ORGANIZERS

### International Association of Islamic Economics (IAIE)



The International Association for Islamic Economics was established in 1984 as an educational and professional organization with the objective of promoting the study and application of Islamic economics, banking and finance. It involves the reconstruction of economics and finance theory and practice in the light of Islamic principles. The Association, thus, aims to develop an integrated approach to economics while welding together the material aspects of economics life with Islamic values and norms. Membership is open to academics, professional financiers and bankers, and students who are interested and involved in Islamic Economics, banking and finance, and agree with the aims and objectives of the Association. The IAIE has been closely involved in the past with the organization of previous conferences in this series.

## ORGANIZER AND HOST INSTITUTION

### International Islamic University Malaysia (IIUM)



IIUM is a unique university either in Malaysia or on a broader plane of the world. Since its inception English is used both as its medium of instruction and the language of its administration. It blends harmoniously modern and professional disciplines with traditional values and moral virtues. Its students originate from more than 100 countries representing nearly all regions of the world. IIUM has spared no effort to ensure that it provides the best tertiary education possible in all branches of knowledge.

It scours the entire world to recruit accomplished scholars for its academic faculties. Its administrative divisions are manned by committed and dedicated professionals. Through generous support from the Malaysian Government, its facilities are kept up-to-date to the changing demands of the core business of the university such as teaching and learning as well as research and consultancy. Because of their holistic qualities through emphasis on commitment to ethics and moral values, graduates of IIUM have in-built added values that employers are looking in knowledgeable and skilful professionals.

Through its unique educational model of integration and Islamization of knowledge, IIUM unifies reason with revelation, science with religion and ethics with professional courses. Undoubtedly this is one place where great leaders of the future are being trained and nurtured to hone their potentials. It tempers the spirit of optimism with moderation. Its establishment in 1983 was a fulfillment of one of the major aspirations of the contemporary global Muslim community to regain the leadership of the Ummah in the quest for knowledge as encapsulated in its vision statement:

“To be an international centre of educational excellence which integrates Islamic revealed knowledge and values in all disciplines and which aspires to the restoration of the Ummah’s leading role in all branches of knowledge.”

IIUM operates under the direction of a Board of Governors with representatives from the eight sponsoring governments and the Organization of Islamic Conference (OIC). It maintains links with governments and institutions all over the world, such as the League of Islamic Universities, the International Association of Universities and the Association of Commonwealth Universities. Through smart industrial linkages it develops opportunities for students to gain practical work experience that would be very useful in their future careers development.

# Creating wealth through pure business and commercial transactions.

As CIMB Group's global Islamic banking and finance franchise, CIMB Islamic has been breaking new grounds in wealth creation by pioneering innovative Islamic finance solutions that follow the principles of Shariah.

We are recognised as a pioneer in the Islamic financial market, having advised and developed numerous groundbreaking Shariah-compliant deals and innovative products. All our products and services - from investment banking to consumer banking, asset management, Takaful, private banking and wealth management - are managed under the guidance of CIMB Islamic's Shariah Committee, which comprises some of the world's leading Islamic scholars.

Through our network of over 40,000 staff spread across 1,000 branches in 17 countries worldwide, we listen to the needs of our 13 million global customers. And cater to them with innovative solutions that are designed to benefit modern lifestyles yet remain true to Shariah values.

Because at CIMB Islamic, we believe that wealth is best attained through pure business and commercial transactions that promote a clear conscience and absolute peace of mind.

For more information, log on to [www.cimbislamic.com](http://www.cimbislamic.com)  
or call +603 2084 8888

MALAYSIA INDONESIA SINGAPORE THAILAND

ASEAN FOR YOU



CIMB ISLAMIC

## *Guiding the financial services industry towards resilience, stability and quality*

FAA is the global leader in quality assurance of human capital for the financial services industry, having developed the world's first learning standards specifically for the industry and providing internationally assessed accreditation services for professional learning initiatives.

With a panel of international assessors and a technical committee made up of industry experts and leading academics, FAA brings sustainability to the financial services by ensuring that organisations are building solid foundations for the development of their human capital.

**Learning Programme Accreditation**  
Assessment of learning programmes by industry experts.

**FAA Learning Standards**  
Reference suite for learning programme development for the financial services industry.

**FAA Certified Training Professional**  
Certification of trainers for the financial services industry.

Supported by:



**BANK NEGARA MALAYSIA**  
CENTRAL BANK OF MALAYSIA



**Suruhanjaya Sekuriti**  
Securities Commission  
Malaysia

+603 2788 1212

[www.faa.org.my](http://www.faa.org.my)



# With Passion and Dedication, We Build A Strong Foundation

For 49 years, paving the path towards  
prosperity and peace of mind.


**49<sup>th</sup>**  
ANNIVERSARY

 **PELABURANMARA**

Know How. No Doubt.

 **PMBINVESTMENT**

 **PMBTIJARI**

 **PMBASSETS**

 **PMBCONSULTING**

T: +603 2785 9800 | E: [enquiry@pelaburanmara.com.my](mailto:enquiry@pelaburanmara.com.my) | W: [www.pelaburanmara.com.my](http://www.pelaburanmara.com.my)

## SPECIAL ACKNOWLEDGEMENT

Prime Minister's Department Malaysia

Y.B. Datuk Abdul Rahman Dahlan, Minister in the Prime Minister's Department, Malaysia

Y.B. Senator Dato' Dr. Asyraf Wajdi Dusuki, Deputy Minister in the Prime Minister's Department, Malaysia

Ministry of Finance Malaysia

Y. Bhg. Tan Sri Dr. Irwan Serigar Abdullah, Secretary General to the Treasury Malaysia

Islamic Research and Training Institute

Prof. Dato' Dr. Azmi Omar, Director General

International Association of Islamic Economics

Prof. Dr. Tariqullah Khan, President

## ACKNOWLEDGEMENTS

The organizing committee of the ICIEF2016 wishes to thank all persons, departments and organizations for their invaluable contributions towards the success of this conference. The organizing committee would also like to express its appreciation to the following:

- Rector's Office
- Office of Corporate Communication (OCCM), IIUM
- Press and Media who covered 11<sup>th</sup> ICIEF
- All KENMS staff and students who assisted in the conference.
- All parties who are directly or indirectly involved in the organization of this conference.



