

2018

COUNTRY REPORT ON
ISLAMIC FINANCE
EDUCATION IN PAKISTAN



CEIF
CENTRE FOR EXCELLENCE
IN ISLAMIC FINANCE

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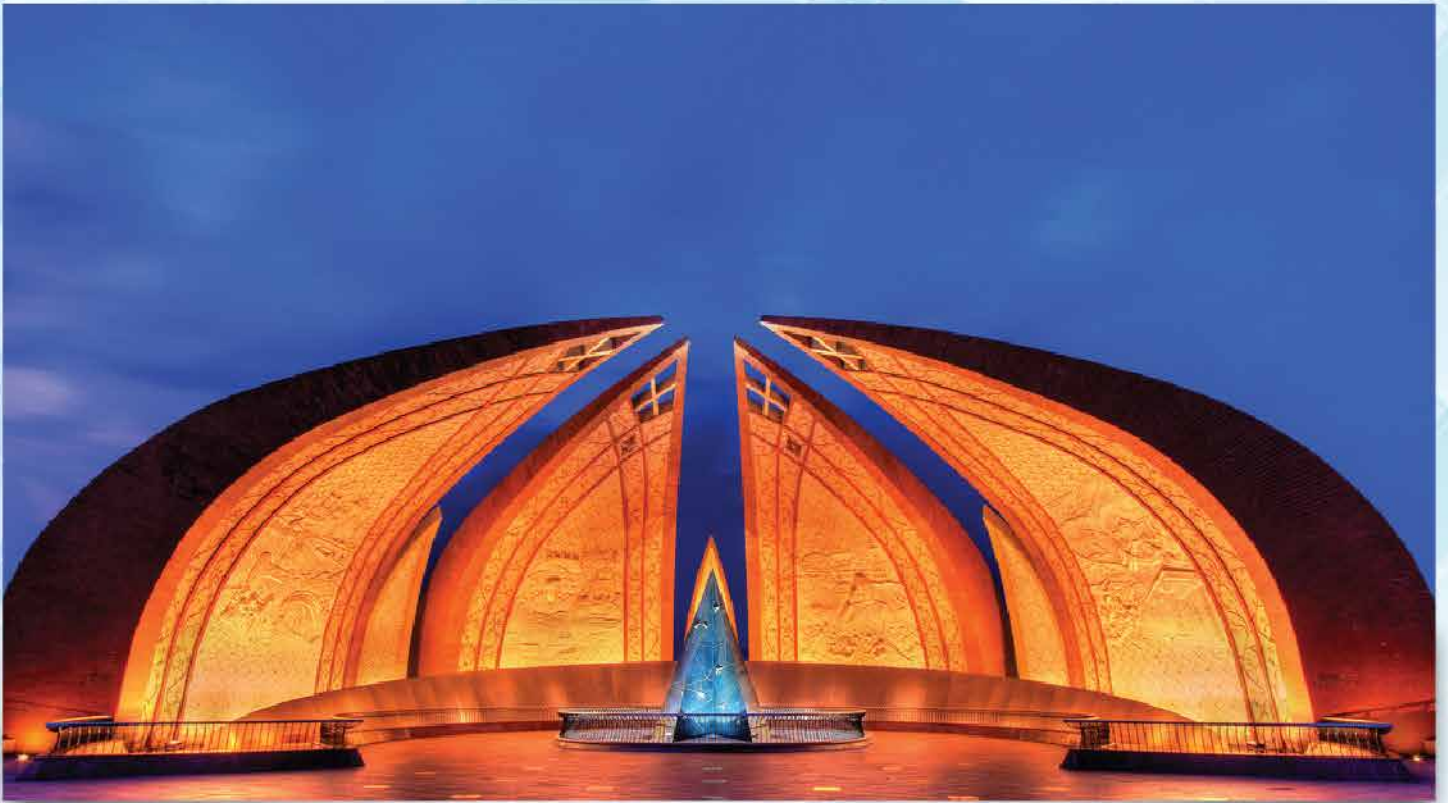
COUNTRY REPORT ON ISLAMIC FINANCE EDUCATION IN PAKISTAN



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For more information, please contact: ceif@imsciences.edu.pk

Research Team



Dr. Muhammad Mohsin Khan
Director, IMSciences



Dr. Karim Ullah
Head and Academic Chair, CEIF IMSciences



Dr. Shafiullah Jan
Research Chair, CEIF IMSciences



Professor M. Kabir Hassan
Professor of Finance and Economics,
Hibernia, University of New
Orleans Virginia



Adnan Malik
Industry Chair, CEIF IMSciences



Ali Abdullah
Lecturer, IMSciences



Muhammad Wahab
Content Writer, IMSciences



Pir Qasim Shah
Assistant Director Higher Education
Commission of Pakistan, Islamabad



EXECUTIVE SUMMARY

Increase in Muslim population, and their interest in Shariah-compliant financial products and services has created high demand for Islamic financial products and services. In order to meet the high demand and to grab potential profit opportunity, institutions have mushroomed offering Islamic financial products and services. With this growth in products and services offerings targeted to Muslim and even non-Muslim consumers as an ethical alternative, Islamic Finance emerged primarily through a banking model in light and appearance of conventional banking model. Trying to compete and survive in the conventional finance industry, Islamic Banks are mimicking conventional financial instruments, thus ignoring or sidestepping the objectives of Shariah at the expense of Islamic finance value proposition, with detrimental long-term economic impact on the society. Such compromise with Maqasid al Shariah in creating those instruments has created mistrust among consumers as well as criticism from the Islamic finance users and practitioners alike. Islamic finance continues to grow at a higher rate than conventional finance. The long-term viability of Islamic finance hinges on its ability to offer a true alternative to the conventional finance system. To this end, development of talent through education and training is crucial.

People expect a strong moral character from banking products and services labeled as “Islamic,” and the bank must deliver on that. Only by differentiating itself from conventional banking can the Islamic finance industry counteract the shortcomings of the conventional financial market and help overcome the exploitation of consumers that happens all too often in the conventional market.

Measures must be taken to ensure that Islamic banks do not fall short of their professed moral principles. Funds should be used in Shariah-compliant ways. Islamic financial institutions must avoid the temptation to take shortcuts and deem products Shariah-compliant without doing their due diligence, resulting in products that are ostensibly true to Islamic principles but are in actuality very similar to conventional finance products.

Talent development is crucial to the health and stability of the Islamic finance industry. However, the global Islamic finance industry has not yet made a systematic, concerted attempt at identifying, developing, and maintaining talent. While the bulk of the effort of creating a knowledgeable workforce for the Islamic finance industry will be carried out at the post-secondary level, the process must begin at the primary and secondary levels. The basic halal-haram dichotomy can be introduced in primary school, with a more detailed explanation being offered in secondary and higher secondary school. This will help ensure that future practitioners of Islamic finance have a solid, enduring devotion to the principles of Islamic finance. Islamic finance requires an all-encompassing sense of moral and ethical responsibility that transcends the usual business concerns about profitability. Future entrepreneurs and practitioners must be taught the ethical and moral implications of their business actions.

Attempts must be made to reach out to religious schools to accept and endorse Islamic finance. The State Bank of Pakistan should be at the forefront of these efforts, partnering with public figures to raise awareness of Islamic banking. The specialized education vital to the Islamic financial

industry must be provided at the university level. The main shortcomings that need to be remedied are in the areas of Shariah expertise, deep Islamic financial knowledge, and product innovation.

Academic institutions should partner with industry so that students will be able to meet the needs of the industry once they graduate. Students should enter the workforce already knowing the practical side of banking, including both branch and head office-level activities such as check clearance, foreign exchange, and treasury management. Internship programs should be compulsory. Some kind of certification should be given to the intern upon successful completion of the internship. Industry and academia should be linked, with research being the most important area of their shared efforts. Another example of potentially fruitful academia-industry collaborations are joint work-study programs where university students can work in the industry for course credit. Universities can also hire industry professionals to serve as faculty. Industry should have a voice in designing curricula, incorporating case studies and joint seminars.

The goal of promoting financial inclusion can be achieved more easily with the help of academia. Regulatory bodies should have a say in changing and adding to existing academic curricula to make them better suited to promote financial inclusion. Bank employees should be encouraged to continue their education and partner with academia to mentor students. A curriculum imbued with modern banking and finance training along with moral and ethical teachings is necessary to develop the future Islamic finance talent pool. For optimal risk management, Shariah scholars should also be trained in all of the different types of risk, including credit risks, market risks, and operational risks.

On-the-job training also plays a key role in developing talent in the Islamic finance industry. While on-the-job training is undoubtedly useful, it is best seen as a complement to academic instruction, not a substitute. The learning-by-working model is often done out of necessity, and employers would prefer that their employees obtain as much necessary knowledge and skills through academic instruction as possible.

The recent opening of centers of excellence dedicated to Islamic finance education is a welcome development to prevent Islamic finance from being too similar to conventional finance. The Centers for Excellence in Islamic Finance (CEIF) can potentially play a vital role in Islamic finance education, particularly in product development. Financial products should be designed and developed according to Shariah guidelines. Students would be greatly benefited by tailoring the curricula to the needs of industry. Furthermore, banks could be allowed to play a role in training CEIF faculty. Incorporating case studies and collaborative research would also benefit students. CEIFs can teach students how to work at the fast pace of the modern business world. E-learning can alleviate any geographical obstacles.

Most important is a uniform curriculum that will be followed in all levels of Islamic finance education. The government should form a national task force comprising of university professors, industry players and policy makers in developing this curriculum and endorsed by the Higher Education Commission of Pakistan.

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Islamic Financial Services and Knowledge

Recent studies have shown a significant growth in Islamic finance products, outreach, and product lines around the globe. However, there seems to be a great potential of getting into a significant size through a persistent supply of human competence to create and consume Islamic Financial Services (IFS). A close observation of the IFS reveals four levels of knowledge deficiencies that constrain the growth in Islamic financial service and can prove to be important avenues of developing a robust and comprehensive Islamic finance education system.

Firstly, awareness or the perception about current principles and practices of Islamic financial industry requires to be enhanced in various strata of the society, which can effectively be done through awareness seminars in universities, chambers, and various similar gatherings.

Secondly, knowledge diffusion is required where multiple stakeholders need to know about each other's institutions, products, and processes. Businesses must learn how IFS operate and bankers must learn how businesses operate. Crossed and multi-faced knowledge

systems must be in place for the knowledge diffusion to happen.

Thirdly, knowledge diffusion can cause competence development if the people with knowledge of IFS are equipped with sufficient diversity of skill sets e.g. risk management. This competence development will speed-up the industry growth and size. For this purpose, educational programmes must incorporate both knowledge as well as skill portions to provide industry with sufficient competence.

Finally, expertise development is a prolong and necessary requirement for the IFS industry to grow. Repetitive and prolong use of knowledge and skill cause expertise development. The current human competence can speedily be transformed into expertise and hence growth of IFS through providing equally distributed application locales in the country. Currently, the Pakistani banking industry is regionally skewed to Karachi, which provides a locale for the competence to be transformed into expertise. The competence in other parts of the country have little opportunity locale to transform and provide opportunities for the expertise developments

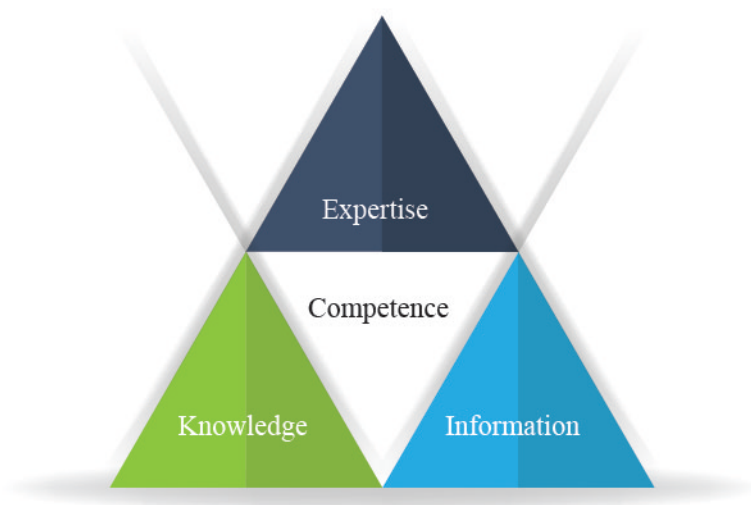


Figure 1: Levels of Knowledge diffusion in Islamic financial system

These levels of knowledge diffusion (Figure 1) can be structured and documented with Islamic belief system. As we know, Islam guides Muslims and provide them guidance related to spiritual, social, psychological, economic, moral, and political matters. IFS are therefore expected to operate within principles of Shari'ah which directs the development path in accordance with Islamic principles.

For the system to remain grow and achieve sustainability, there requires a constant flow of competent human resource from leading educational institutions and learning centres to fill in these four levels of knowledge requirements. To achieve this, Universities and Institutes of higher education need to develop and recognised IFS as a full pledged discipline.

Global Islamic Finance Education Landscape

IFS continue to grow at a high rate, partly, because of its attachment with the faith sentiment, which enables it to attract both supply and demand participation from Muslims around the world. Institutions offering IFS re-emerged in 1960s, but the efforts for formal education started after the establishment of Jeddah based Islamic Development Bank in 1975. In addition, the Federal Shariah Court in Pakistan was established in 1991 to monitor the transformation process from conventional finance to Islamic finance. At present, the IFS industry consists of many institutions including Islamic banks, microfinance banks and institutions, Islamic mutual funds, Mudaraba entities, and Takaful companies.

To fulfil the human resource requirements of these institutions and to develop the industry, more and more educational institutions around

the world are offering degree programmes and diplomas in IFS. This trend indicates that the growing global Islamic finance industry has a rising demand for competent and trained talent. According to the Global Islamic Finance Education Special Report (2013), 61% of the global Islamic finance education and knowledge services providers are universities and higher learning institutions while remaining 39% fall in the category of non-academic institutions. In numbers, Pakistan tops the chart with 88 institutions, 74 of these are academic and 14 are non-academic Institutions. Malaysia and United Kingdom placed second with 86 institutions. United States and United Arab Emirates take fourth and fifth position with 44 and 43 institutions respectively. In the case of the United States, 41 are universities and higher learning institutions. For details see on page ____.

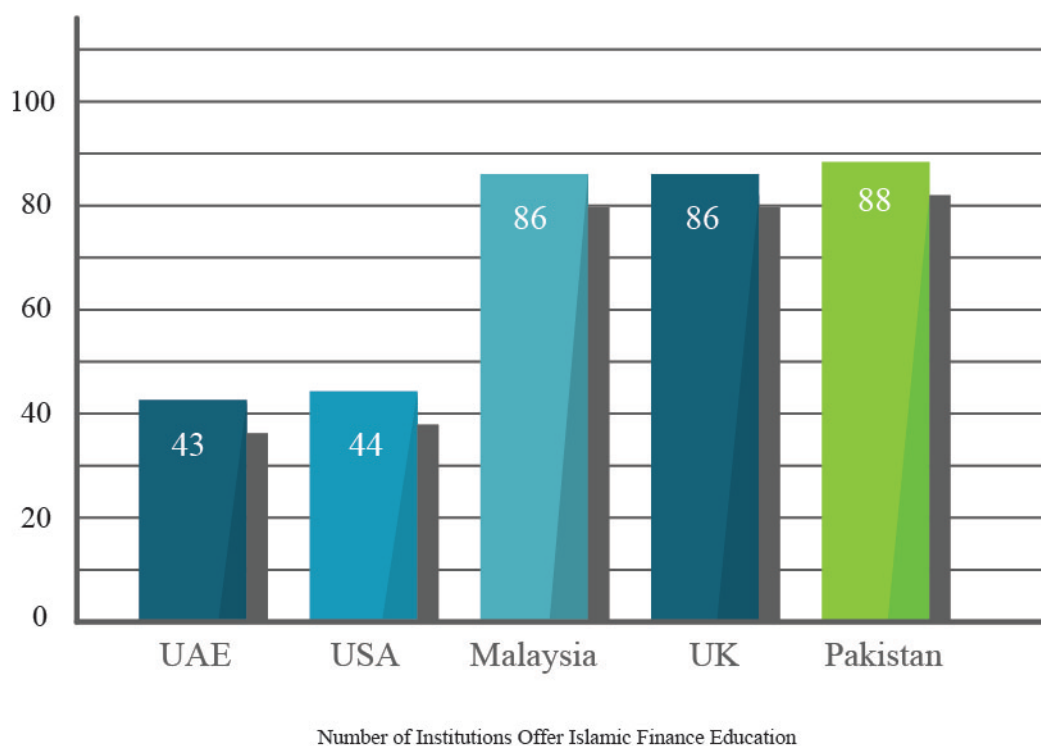


Figure 2: Number of International Institutions Offering Islamic Finance Education
Source: Global Islamic Finance Education Special Report (2013)

However, inadequate/poor quality of human resource is claimed as a critical challenge for the Islamic finance education providers specially when 85% of the educational initiatives are towards professional development. This, even though, improves the knowledge and skill development of employees but contribute

much to the development of Islamic finance aptitude, which is the key to the transformation of any industry. This attitude development is important for speeding up the evolution of Islamic finance theory and practice.

THE EDUCATION SYSTEM OF PAKISTAN



The education system in Pakistan is administered and regulated by federal and provincial educational ministries. Whereas, curriculum development, accreditation, and financing of research and development in higher education is carried out by the federal government through the Higher Education Commission. The overall education system

operates, broadly, at four levels: primary, secondary, intermediate, and higher education. There are estimated 303,446 institutions facilitating about 47 million students with the help of 17 million teachers. Government of Pakistan runs 63% of these institutes whereas private entities run the remaining 37% of institutes.

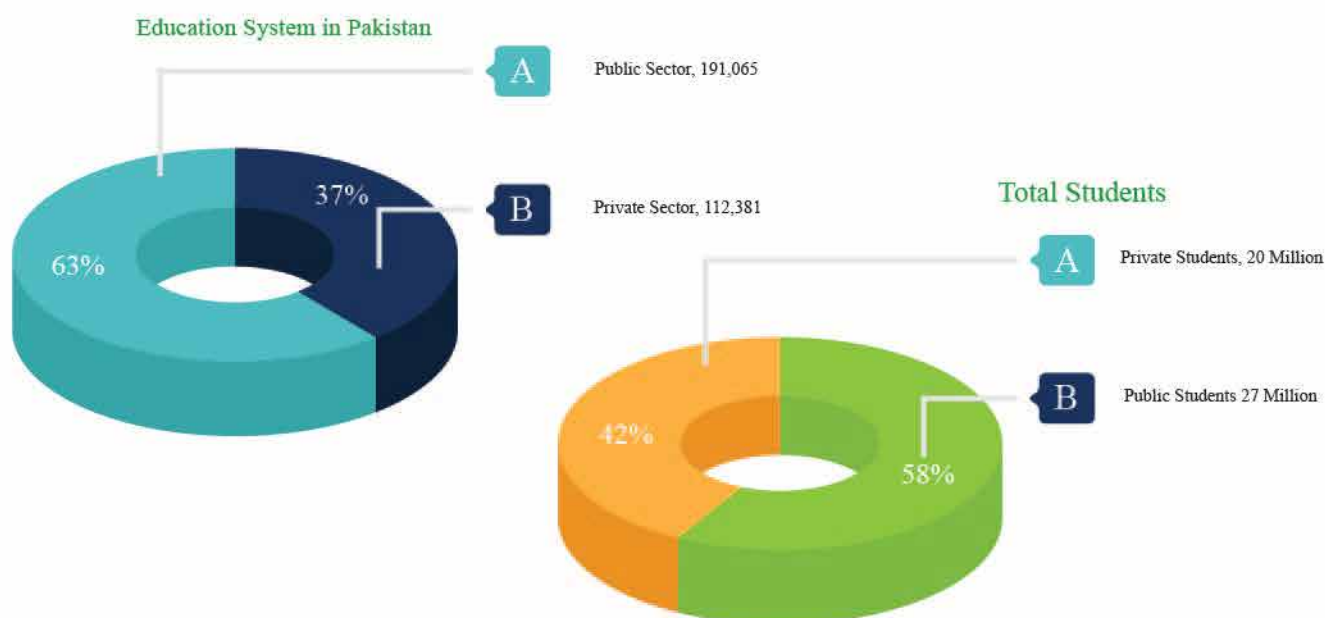


Figure 3: Private and Public Sector Educational Institutions

Parameter	Value
Educational Institutes	303,446
Number of Students	47 Million approx.
Public Sector Students	27 Million approx.
Private Sector Students	20 Million approx.
Number of Teachers	17 Million approx.
Public Sector Institutions	191,065 (63%)
Private Sector Institutions	112,381 (37%)

Table 4: Education System of Pakistan

LEVELS OF EDUCATION

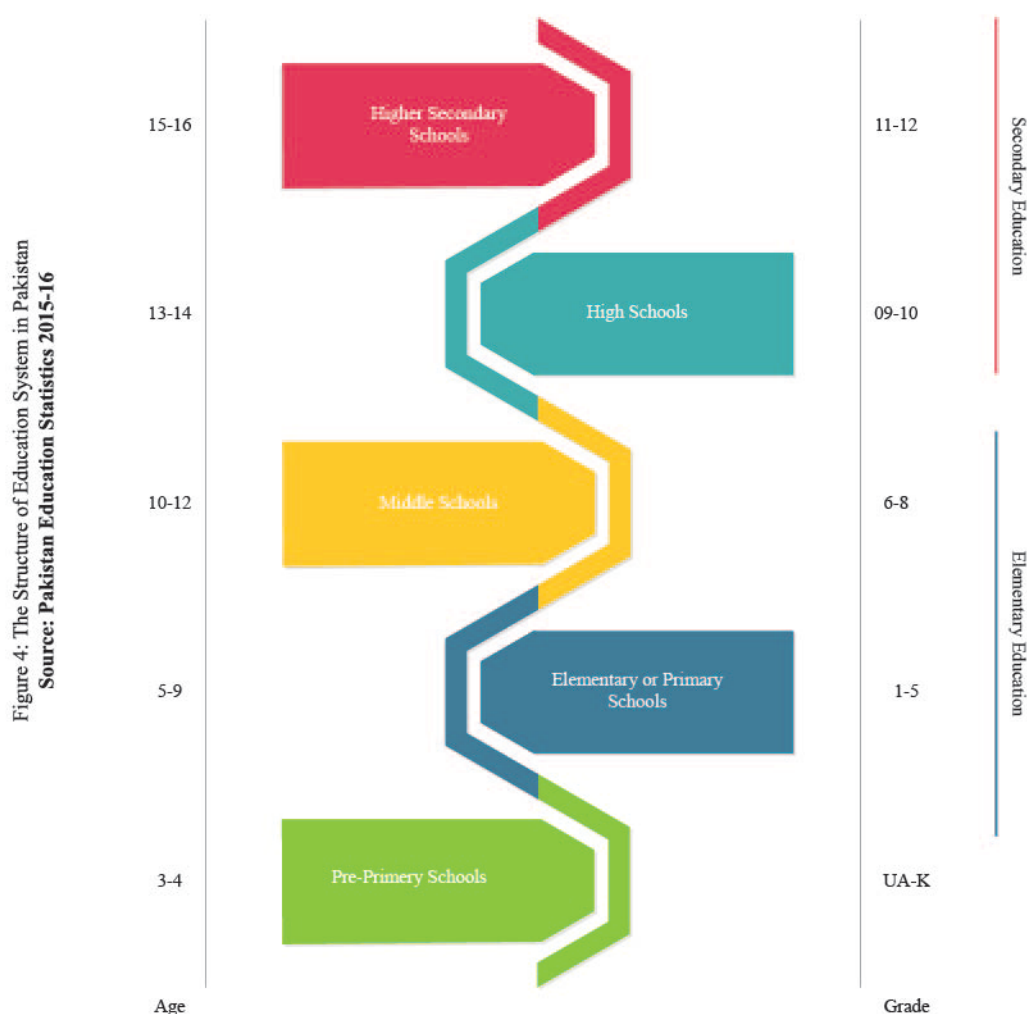
In Pakistan the education sector operates in various levels as discussed below

Primary Education: In Pakistan, pre-primary education usually consists of 3 stages and is aimed for 3-4 year old children (Play Group, Nursery, and Kindergarten) constituting total enrolment of 8.75 million both, for public and private institutions. After pre-primary, students undergo junior/primary school from grades 1 to 5, constituting a total enrolment of 18.75 million, followed by middle school from grade 6 to 8 with 6.445 million of enrollment. The curriculum is usually decided by the institution itself. The eight subjects frequently offered are Urdu, English, Mathematics, Arts, Science, Social Studies, Islamic studies and Computer studies. On Islamic finance, there is a possibility to make the relevant Ayath and Ahadith salient at this level. Furthermore, topics on moral and ethical aspects such as haram/halal should be introduced.

Elementary and Secondary Education: In Pakistan, secondary education starts from grade 9 and lasts for 4 years with a total enrollment of 1.961 million. At the end of grade

9 and 10, students are required to take a standardised test of their academic subjects. After successful completion, they are awarded a Secondary School Certificate (SSC), locally referred to as matriculation or matric. Students then enter higher secondary schools or intermediate college and complete grades 11 and 12 constituting 1.697 million of total enrollments. Again, they must take examinations at the end of each grade and upon successful completion, they are awarded Higher Secondary (School) Certificate (HSSC). This level of education is also called the FSc/ FA/ ICS or intermediate. Some intermediate programmes offer business specialisations such as Diploma in Commerce and Business administration, where many Islamic finance courses can be introduced. Furthermore, there are many degree colleges which offer degree program of two years covering grades 13 and 14 with total enrollments of 0.93 million. Special degree programs in Islamic finance at this level can also be introduced for developing a highly skilled workforce in the market.

The Structure of education sector in Pakistan (Pre-primary to Higher secondary level)



LEVELS OF EDUCATION

Higher Education: After earning their HSSC, students can study in universities/colleges for Bachelor's degree programmes, constituting 1.355 million of enrollments. These degrees are usually of 4 to 5 years' duration. Choices include, engineering, medical, law, dentistry, pharmacy, arts, and business etc.

Degrees are awarded only by the Universities or Degree Awarding Institutions (DAIs). There are 179 Universities and DAIs. Among 104 are public sector universities and 75 are private sector universities.

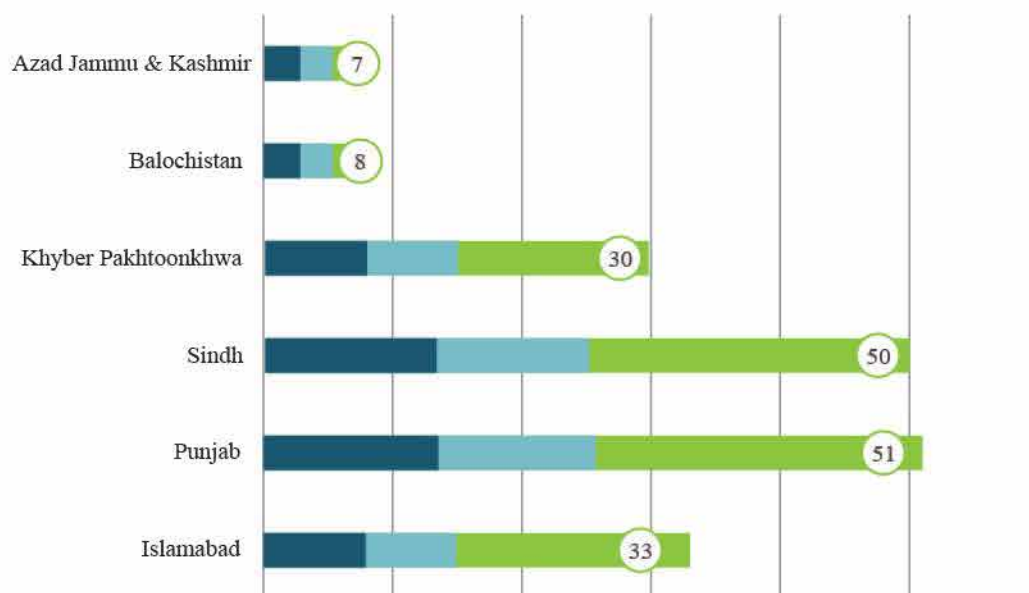
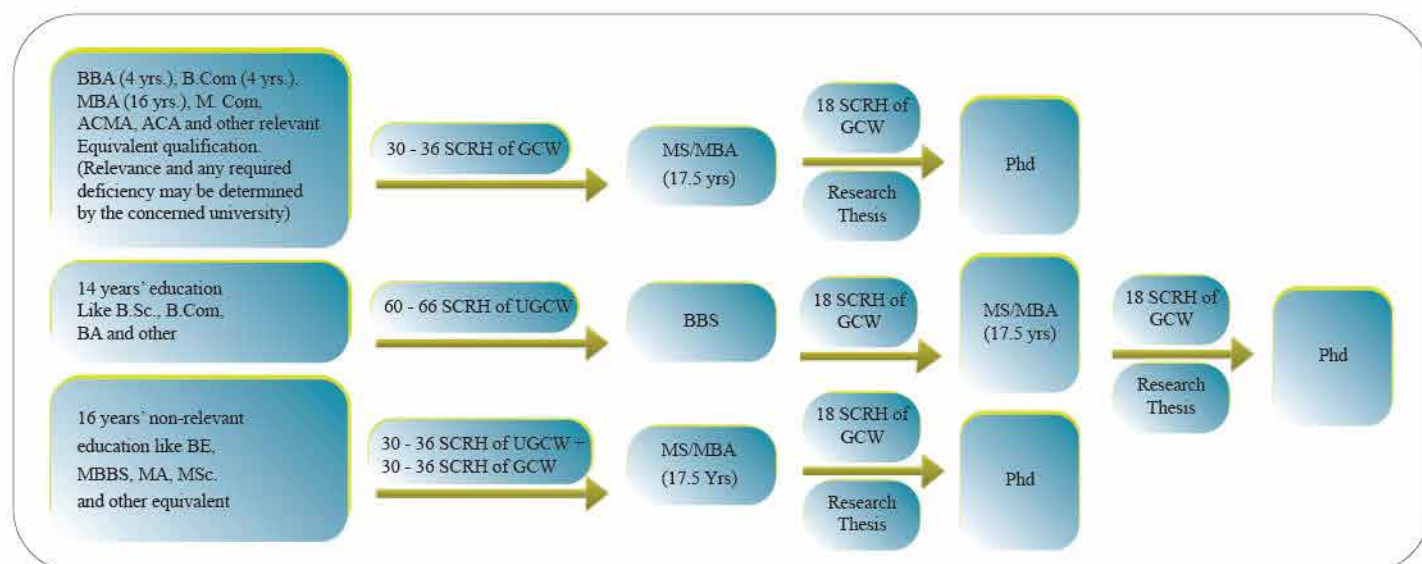


Figure 5: Province Wise Degree Awarding Universities/ Institutions in Pakistan
Source: Pakistan Education Statistics 2015-16



Note:

Semester Credit Hour (SCRH)	Undergraduate course work (UGCW)	Graduate course work (GCW)
-----------------------------	----------------------------------	----------------------------

30-36 Graduate Coursework for MS/MBA includes compulsory 6 credit hours of research thesis in case of MS and research/field project in case of MBA. (A consensus was reached in previous meetings that research thesis is compulsory for MS and can't be substituted with courses. In case of MBA the project may be substituted with two courses.

Figure 6: Roadmap for Business Education in Pakistan

UNIVERSITY WIDE ENROLLMENTS

Table 5 shows enrollments and Table 6 shows the passing out of graduates from various levels of education including Bachelors and Masters (16 years and 17 years) and M.Phil. or MS (18 years). It is witnessed that both enrollments and passing out of graduates are increasing from 2011 to 2016. An upward inclining trend can be noticed in completed education at different

levels for both males and females. A drastic change can be seen in table 6 for Bachelors in a year 2013- 2014 which shows an appreciable increase in the number of graduates at Bachelor level of 16 years of education. Output in the year for 2015 is less because of result to be awaited.

Year	Bachelor (16 Years of Edu.)			Bachelor (17 Years of Edu.)			Master (16 Years of Edu.)			Master (17 Years of Edu.)			MS/M. Phil (18 Years of Edu.)			Grand Total		
	M	F	Total	M	F	Total	M	F	Total	M	F	Total	M	F	Total	M	F	Total
2010 -11	25723	12843	38566	5107	3585	8692	42275	58208	100483	1853	1380	3233	5748	2816	8564	80706	78832	159538
2011 -12	32097	16769	48866	6332	4503	10835	47437	66898	114335	2453	1098	3551	7326	3646	10972	95645	92914	188559
2012 -13	36422	19108	55530	6641	4940	11581	47200	74216	121416	2627	1924	4551	7796	4535	12331	100686	104723	205409
2013 -14	43584	26246	69830	7168	5362	12530	59723	79931	139654	3057	1946	5003	8783	5719	14502	122315	119204	241519
2014 - 15	44222	23877	68099	12045	5100	17145	47948	66612	114560	3229	1662	4891	9431	6099	15530	116875	103350	220225

Note: *Reasons for less output in year 2014-15 is due to result awaited.

Graduates having 16 years of Education and above from Universities Campuses and Affiliated Colleges

Table 5: Graduates Having 16 Years of Education

Year	Bachelor (16 Years of Edu.)	Bachelor (17 Years of Edu.)	Master (16 Yrs of Edu.)	Master (17 Yrs of Edu.)	MS/M Phil (18 Yrs of Edu.)	Grand Total
2010 -11	40352	10789	100990	3328	10855	166314
2011 -12	51317	13066	114529	3555	13613	196080
2012 -13	58313	13926	121622	4591	13379	211831
2013 -14	72651	15014	139981	5045	15500	248191
2014 -15*	71363	20585	115068	4920	16681	228617

Graduates having 16 years of Education and above during Last Five years from Universities Campuses and Affiliated Colleges including Distance Learning (Provisional).

Note: Includes information whose Gender wise information is not available.

*Reasons for less output in year 2014-15 is due to result awaited.

Table 6: Year wise Number of Students Passing Out having 16 years of Education

ENROLMENTS BY LEVEL OF DEGREE

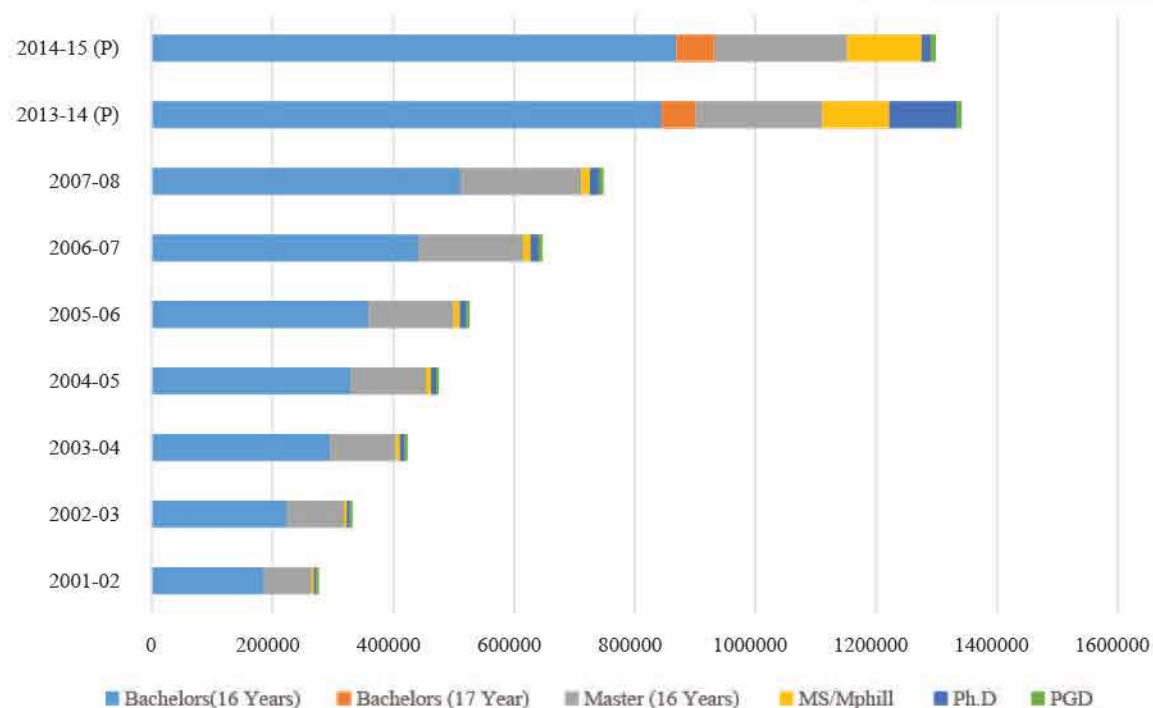


Figure 7: Enrolments at different Levels of Education

Figure 7 indicates that over a span of 15 years that is from 2001-2 to 2014-15, the level of all programs including Bachelors, MS, PhD and PGD headed to the number of 1298600 from 276274 in 2001-2.

UNIVERSITIES OFFERING BUSINESS PROGRAMMES

As shown in Figure 8, out of 179 Pakistani Universities, 113 universities offer Bachelors programs in Business, 100 offer Masters programs in Business, 65 offers MS programs in Business, and 43 offer PhDs in Business. These programmes provide opportunity space for the Islamic finance curricula to penetrate.

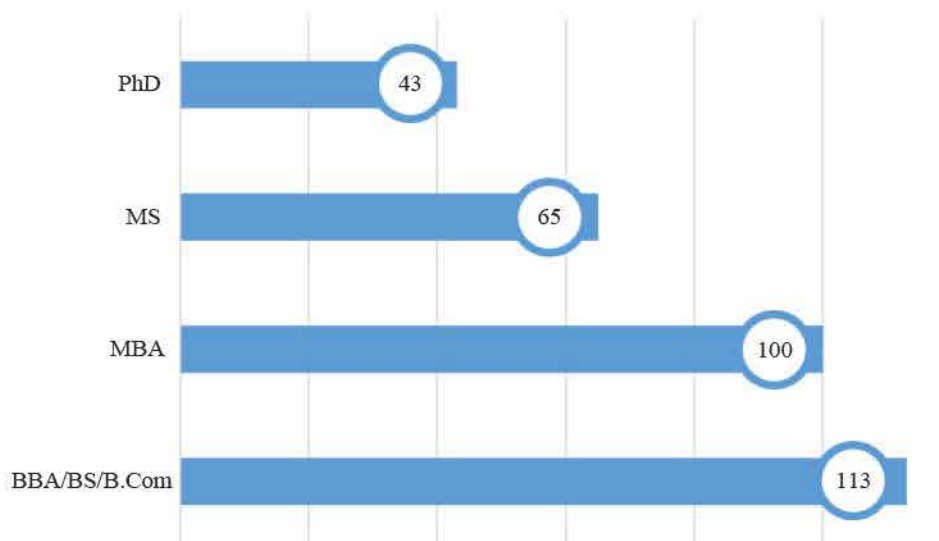


Figure 8: Types and Levels of Business Education Programmes in Pakistan



ISLAMIC FINANCIAL SERVICE INDUSTRY HR REQUIREMENTS

Human resource, which is competent and have an attitude, plays an important role in the development of Islamic finance industry. Islamic financial institutions, based on the true essence of Islamic moral economy in the belief of establishing balance between stakeholders' demands and responsibilities (supplies) towards nature, are at initial stages of development besides the fact that it is not an alien concept. The eligibility criteria for human resource prioritizes professionalism as the most important element as revealed by knowledge, attitude, practices study (KAP) of the State Bank of Pakistan. In the study, 49 percent of subjects were of this view that professionalism is important for the effective supply of IFS. Professionalism comes along with experience gained undergoing competitive environment of industry. Qualification is another important element that needs to be considered while hiring in Islamic financial institutions akin to other organisations. As the KAP study shows, 28 percent of the subjects, places qualification in the form of authenticated degree or diploma in the field of Islamic financial service as a foremost requirement for hiring.

For the establishment and continues development of a robust Islamic financial service industry, it is important that the industry must be supplied with who are equipped with various levels of knowledge diffusion. The public must be aware and the staff must have the knowledge, attitude, and most importantly the sufficient expertise to innovate and cause the growth of the industry, in terms of new products and institutions. This is important for the continuous evolution of the industry.

It is still believed, that there are limited number of quality training or academic centres to generate and disburse quality learning among graduates and working bankers. Many of the Islamic banks made hiring from conventional banks and hence they lack the required understanding of Islamic banking objectives, concepts, evolving operations. It is also important that Islamic financial institutions update their rubric to continuously observe improvement in the Islamic banking knowledge of their employees.

LEVELS OF ISLAMIC FINANCE EDUCATION IN PAKISTAN

In PhD programme, the total numbers of Universities offering Islamic finance courses are 12. Out of those 12 universities, 10 are offering Islamic finance subjects as elective courses and 5 are offering as these as compulsory courses. Similarly, out of 179 total Universities, only 13 offers Islamic finance as compulsory course

and 46 offers as elective course in MBA and MS programmes. Similarly, in Bachelors programme, which includes BBA, 43 universities offer Islamic finance related subjects as electives and only 12 offer these as compulsory courses (Figure 3).

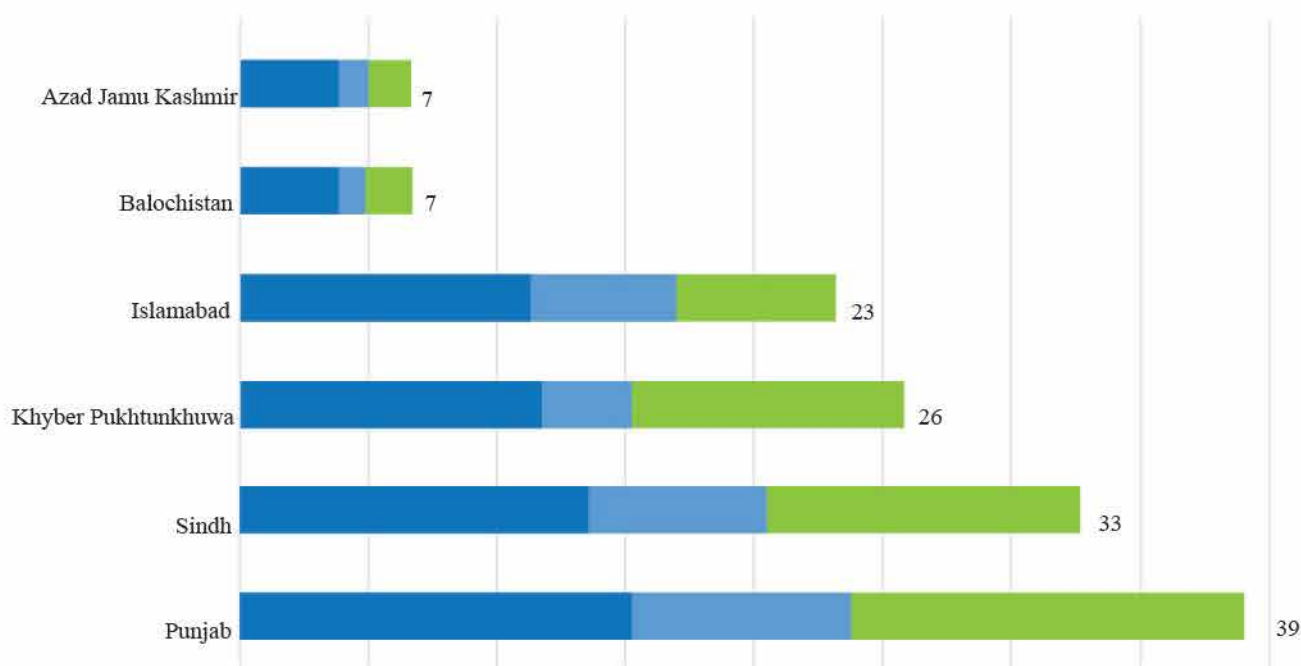


Figure 9: Institutions offering Islamic Finance Education in Pakistan

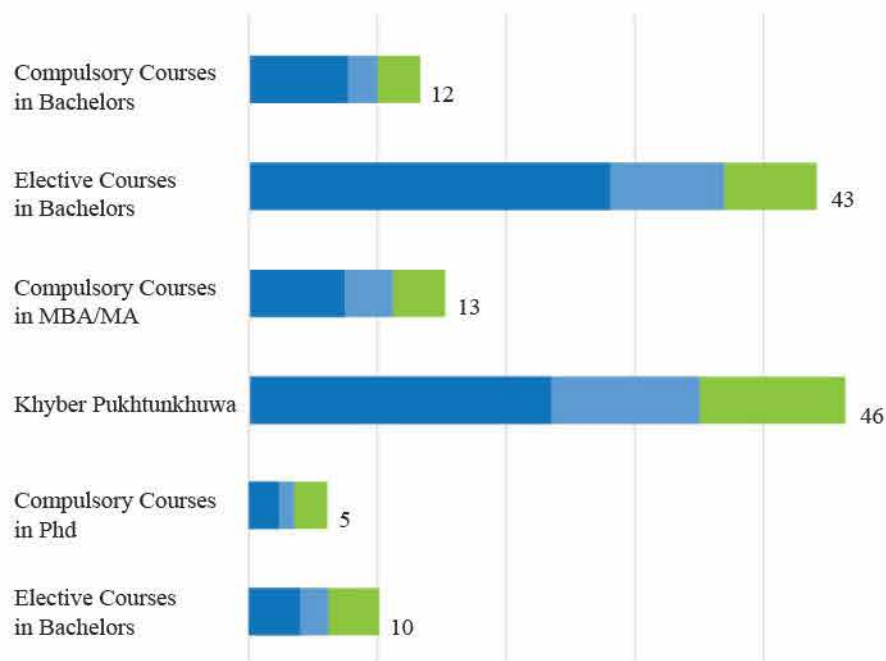


Figure 10: Compulsory and Elective Islamic Finance Courses at Various Levels of Business Education in Pakistan

Similarly, out of 179 total Universities, only 13 offers Islamic finance as compulsory course and 46 offers as elective course in MBA and MS programmes. Similarly, in Bachelors programme, which includes BBA, 43 universities offer Islamic finance related subjects as electives and only 12 offer these as compulsory courses (Figure 3).

In PhD programme, the total numbers of Universities offering Islamic finance courses are 12. Out of those 12 universities, 10 are offering Islamic finance subjects as elective courses and 5 are offering as these as compulsory courses.

MADARIS AS ISLAMIC FINANCE LEARNING CENTRES



The role of Madaris, plural of Madrasah, literally means religious seminary, is vital in educating people and protecting Islamic norms and values in almost all of the Muslim countries. Due to this reason, Madaris remained an important part of the Muslim societies throughout the history. Dare-Arqam, Suffah and Masjid-Nabvi were considered the learning centers during the lifetime of Prophet Muhammad (SAW). Learned prisoners of war Badr's services was being deployed in educating the associates of the Prophet Muhammad (SAW).

History evident that Shariah scholars, have played a significant role in the progress of human capital in the Muslim community. Being part of the Islamic ideology of Pakistan and one of the main reasons

of the independence of Pakistan, the establishment of Madaris remained an easy process throughout the history. Consequently, thousands of Madaris are now operating across the country. Estimated number of madaris in Pakistan are 32,272, out of which 946(3%) are run by public sector whereas, 31,326 (97%) are in private sector. The number of registered Madaris with only Wifaqul Madaaris Pakistan equals to 21,633. The total number of teachers comprises of 79,289 whereas, the total number of students currently enrolled are 2.2 million. In Deeni Madaris , total male enrollment is 1.46 million (65%), whereas, the female enrollment is 0.80 million (35%) The number of students who completed their education from Wifaqul Madaaris Arabia Pakistan are 3,11,477.

The understanding of the difference between the terms Quranic and Madrassa education is important before moving ahead¹. In Quranic School or Maktab, children only recite the Quran. They can be in the mosque, under a tree, in the house of the Quran teacher or even under the open sky. Madaris are usually a bit more organised with classrooms and teachers for different levels. Many Madaris offer boarding and lodging facilities for students that are offered free of charge. Furthermore, a Quranic school is normally a place for lower level of religious education, such as the recitation and pronunciation of the Quran, whereas, in a Madrassa, a more in-depth religious education is provided.

Darul Uloom Korangi Karachi, Darul Uloom Muhammadia Ghousia Bhera-Sargodha, Jamia Ashrafia Lahore, Jamia Islamia Minhaj-ul-Quran Lahore and Jamia Taleemat-e-Islamia Faisalabad are acknowledged by the Higher Education Commission (HEC) of Pakistan. Final degree (ShahadatulAlmiyah) of these Madaris is a contemplate parallel to M.A in Islamic studies or Arabic for teaching Islamic studies and Arabic language in different educational institutes of Pakistan.

teaching institutions. Apart from, there are a lot of Madaris run by different charitable establishments that may not be linked with any academic control but are playing a major role in religious and modern education. Some of them also casually organize lectures on Islamic banking.

Excluding Karachi, Madaris and Universities rarely interact for knowledge transfers, particularly related to Islamic financial service. An introduction of Islamic finance courses in the existing curriculum of the Madaris is indeed would be very significant step towards the development of Islamic finance. Some prominent Madaris and Universities are collaborating in starting Islamic economics, finance and banking education in Madaris as well as in Universities.

The Centre for Excellence in Islamic Finance, Institute of Management Sciences arranged 3 months' certificate course for Shariah scholars. 30 Shariah scholars participated in the certificate course. Teachings by adequate trained Shariah scholars who are at the same time linked with



¹Anzar, U. (2003). *Islamic education: A brief history of madrassas with comments on curricula and current pedagogical practices*. World Bank: Washington, DC.

Darul Uloom Korangi, Karachi has also included Islamic banking and finance as elective subjects in the curriculum. Their students of specialization in Fiqh are easier to absorb a capable height of English which also cover concepts of Islamic finance and even the AAOIFI Shariah level. Furthermore, recently centre for Islamic economics at Darul Uloom Korangi, Karachi has started master of business administration degree in Islamic banking and finance. Currently, in Pakistan, it is the sole main origin of Shariah managerial proficiency to most of the financial institutions. Their resource persons also instruct AAOIFI Shariah level to the Fiqh trained students of Jamia al Rashid, Karachi. Jamia Ashrafia, Lahore is also normally managing diverse Islamic banking and finance educating tracks in alliance with some volunteer Chartered Accountants and private sector Islamic finance

the contemporary finance and banking transactions are essential for the authentic and uprightness for the emerging Islamic finance.

The number of Shariah boards and Shariah scholars should also be increased to lessen the potential conflict of interest arising from a small number of Shariah scholars that governs large number of Shariah boards and currently the representation of Shariah scholars is highly concentrated. A survey by Funds@Work (2011) reveals that only top 20 Shariah scholars hold 619 Board positions representing more than half of the 1,141 positions available, thus raising independence and succession issues. Concentration also creates succession issues. Creation of central Shariah supervisory councils and development of "Next generation" Islamic scholars are key to addressing this issue.



ISLAMIC FINANCE EDUCATION: INDUSTRY REQUIREMENTS

Business educational programmes usually have two industry related objectives. Firstly, to make the students understand the industry and equip them with relevant skill to service the industry. Secondly, to equip students with new theories and inspiration to evaluate the industry current practices and create a locale for further improvement and growth. Next section presents opinion articles of learning heads and Shariah scholars from Islamic Banks and Branches highlighting the industry Islamic finance education requirements.

ALIGNMENT OF ISLAMIC FINANCE EDUCATION WITH INDUSTRY NEEDS



Mr. Ali Raza Nemati

Unit Head Islamic Banking, Learning and Core Development Division-
Human Resources and Learning Group, Bank Alfalah Limited

PRE – REQUISITES FOR AN ISLAMIC BANKER

As a human resource learning and development professional I believe an Islamic banker should have the right Attitude, desired Knowledge and anticipated Skill set (AKS) to be an effective Islamic Banker. An Islamic Banker must have a firm belief and a vision to work for the growth of Islamic Banking with in-depth knowledge for the basic FAQs of Islamic Banking and Product Portfolio enabling him/her to explain clear differentiation between Islamic and Conventional Banking. Combination of right mental attitude and knowledge helps the existing skill set to achieve above and beyond by exceeding expectations. An Islamic Banker must be well versed with the concepts of Prohibition of RIBA, Qimar and Gharar, Difference between Islamic and Conventional banking and process flows that differentiates Islamic banking from conventional banking. furthermore this knowledge when applied practically in transactions strengthens his/her faith that may help in the rapid growth in the industry. To summarise Islamic banking human capital & its development in various dimensions will be the key difference in the growth of islamic banking sector.

CONTINUOUS ALIGNMENT OF ISLAMIC FINANCE EDUCATION WITH INDUSTRY NEEDS IS IMPORTANT

Without naming any, I must extend appreciation to many educational institutes/universities who have taken greater steps for the promotion of Islamic banking and making it as a compulsory subject for their bachelors and master's program. However the journey must not stop and I believe it needs improvement. Educational Institutions lacks strong liaison with industry therefore the curriculum that has been taught doesn't cover the practical aspects of Islamic banking. If I take an example, students might be well proficient in basic Islamic banking concepts like "Mudarabah" however if

asked that which Islamic banking product has Mudarabah as the underlying contract they may fail to answer. These kind of gaps must be addressed at earliest to take degree programs to new heights Insha'Allah.

EDUCATIONAL INSTITUTES SHOULD DEVELOP THEIR STUDENTS ACCORDING TO THE INDUSTRY NEEDS

Whenever we plan to hire fresh grad for an Islamic Banking, more customised training for batches is always on the cards. I believe educational sector must redesign and develop their curriculum as per industry need. I foresee good amount of growth in upcoming years in Islamic banking industry in Pakistan therefore Islamic banking human capital will become the key desired need of an industry. Educational sector must focus on quality programs on Islamic finance to fulfill the gaps and industry needs as per market demand.

ISLAMIC FINANCE EDUCATION BE PART FROM SCHOOL LEVEL

It is very necessary for Islamic finance to be taught from school level enabling the masses know about prohibition of RIBA like we are taught about other prohibitions in Islam since childhood. One of my common observation is that, unfortunately in our society, schools, colleges, homes prohibition of RIBA is not discussed as much Prohibition of PORK is discussed since childhood. However because of awareness campaigns this Islamic Finance has become a substance of discussion in families & societal gatherings. Therefore my suggestion is to include Prohibition of RIBA, Qimar and Gharar in the basic syllabus of school at least a chapter in Islamiyat Books in the start may suffice.

SUGGESTIONS FOR THE THREE CENTRES FOR EXCELLENCE IN ISLAMIC FINANCE ESTABLISHED IN PAKISTAN

My precise and concise expectations from all three CEIF established by SBP are,

- 1 Learning and HR need identification as per industry.
- 2 Islamic Banking Human Capital Development
- 3 Faculty Exchange.
- 4 Involvement on industry experts in curriculum design and development.
- 5 Indigenous case study development.
- 6 Collaborative research.
- 7 Faculty training of CEIF by Banks.
- 8 Focused projects as per industry needs and project completion timelines and deadlines to be met.

ALIGNMENT OF ISLAMIC FINANCE CURRICULUM OFFERED IN UNIVERSITIES WITH INDUSTRY NEEDS



Mufti Syed Sabir Hussain
(Head Shari'ah Compliance MCB Islamic Bank Ltd)

SKILLS NEEDED BY AN ISLAMIC BANKER

An Islamic banker should have the right Attitude, desired Knowledge and anticipated Skill set (AKS) to be an effective Islamic Banker. An Islamic Banker must have a firm belief and a vision to work for the growth of Islamic Banking with in-depth knowledge of the basic FAQs of Islamic Banking and Product Portfolio enabling him to explain clear difference between Islamic and Conventional Banking in general and its products & Services in specific. Combination of right mental attitude and knowledge helps the existing skill set to go beyond the ordinary by exceeding expectations. An Islamic Banker must be well versed with the concepts of Prohibition of RIBA, Qimar and Gharar. Products' process flows that differentiates Islamic Banking from Conventional Banking must be properly known to him.

SUGGESTIONS FOR ALIGNING ISLAMIC FINANCE COURSES WITH MARKET NEEDS

Without naming any, I must extend appreciation to many educational institutes/universities who have taken commendable steps for the promotion of Islamic Banking and converting it into a compulsory subject for their

bachelors and master's program. However, the journey must not stop and I believe it will need continuous improvement. Educational Institutions lack strong liaison with industry therefore the curriculum that has been taught does not cover the practical aspects of Islamic Banking. If I take an example, students might be well proficient in basic Islamic banking concepts like "Mudarabah" however if asked which Islamic banking product has Mudarabah as the underlying contract they may fail to answer. Such gaps must be addressed in order to take degree programs to new heights Insha'Allah. Further, this education should also be started in different religious institutions (Dar-ul- Uloom) to educate their students regarding practical implementation of Islamic Financial Jurisprudence. It will create acceptability of Islamic Banking system to mass area of the society.

FUTURE HR NEEDS OF ISLAMIC FINANCE INDUSTRY

Coming towards induction, whenever we plan to hire fresh graduates for Islamic Banking, more customized training for batches is always on the cards. I believe educational

sector must re-design and develop their curriculum as per industry need. I foresee significant growth in upcoming years in Islamic Banking industry in Pakistan therefore Islamic Banking Human Capital will become the key desired need of the industry. Educational sector must focus on quality programs on Islamic Finance to fulfill the gaps and industry needs as per market demand.

ADDING BASICS OF ISLAMIC FINANCE IN EARLY EDUCATION LEVELS

I suggest to start teaching Islamic finance from primary level enabling the masses to know about prohibition of RIBA like we are taught about other prohibitions in Islam since childhood. Some preliminary literature about Islamic Modes of Finance like Mudaraba, Musharakah and other modes can be included in text books from secondary level. Further, a separate subject namely “Islamic Business/trading ethics” should be the part of our syllabus. One of my common observation is that, unfortunately in our society, prohibition of RIBA is not discussed much at our schools, college and homes just

like Prohibition of PORK is discussed since childhood. However, because of awareness campaigns this Islamic Finance has become a substance of discussion in families and societal gatherings. Therefore, I suggest to include Prohibition of RIBA, Qimar and Gharar in the basic syllabus of school at least a chapter in Islamiyat Books in the start may suffice.

EXPECTATIONS FROM CENTRES OF EXCELLENCE IN ISLAMIC FINANCE

Centres for excellence established by the State bank of Pakistan are doing a good job in promoting Islamic finance. However, I would like to put forward following expectations from them:

1. Learning and HR need identification as per industry.
2. Islamic Banking Human Capital Development
3. Faculty Exchange.
4. Involvement of industry experts in curriculum design and development.
5. Indigenous case study development.
6. Collaborative research.

ROLE OF APPRENTICESHIP PROGRAMS IN REDESIGNING ISLAMIC FINANCE EDUCATION



Qazi Abdul Samad

(Head Shariah Compliance Division, Islamic Banking Group, The Bank of Khyber)

Talent development in the financial services industry is the key in promoting a well-functioning and stable financial sector. Academia from many year have embarked on wide ranging strategies to strengthen talent development in financial services sector institutional entities for this purpose. In these strategies, it has been focused to develop a strong link between academia and service industry to entrust students with equipping talent with the right skills and knowledge for their transition and fresh start into financial services industry. But current level of industry academia linkages cannot be termed as sufficient in comparison to the global growth and requirements of Islamic finance industry. The internship i.e. a mandatory or at times optional requirements in educational programs depending on the nature of it doesn't fully equip the graduating student with the requirements of the industry

that's not even the aim of it. But business education in general and Islamic business education in particular is designed to create leadership for the industry. When students do not get ample exposure of industry during their academic learning in campus; they are not able to make sound business decisions when they hold their positions. Therefore, it is important to revamp the entire process of internships and align it with the industry needs.

WORK AND STUDY OPTIONS

The aim of this is to connect the needs of industry with the talents produced by institution of higher learning. Besides this, it is believed that with the right training experience and exposure, graduates can be put into position of responsibility over large term and possibly go on to form the pool of services industry. From this universities can send their students on joint work-study programs and appoint

industry professionals as full time or part time faculty members. Students should get actual trainings on the events that are based on genuine business environment. For instance, if students are learning the process of filling the documents of Murabaha contracts; they should be witnessed to real Murabaha contract. So, that they develop professional and practical approach towards their learning endeavors. This type of similar activities allows them to learn the practical implications and the benefits of learning the knowledge accurately, and equip them with the necessary technical knowledge as well as exposure to personal development and job apprenticeship.

INDUSTRY – ACADEMIA TWIN SUPERVISION

A link between productive sector and academia can smooth the path of knowledge transfer. Today a very small group of specialists in industry and academia are interested in innovation. This is the reason that today relationship between the industry and academia has become a matter of public concern and debate. Employers are feeling a widening gulf between the competencies required for practice and those new graduates learned in their education programs. Employers report the need to spend an increasing amount of time and resources to orient and teach new students the competencies required in today's workplace. I am of the view that strong relation between these legs will enhance the innovative process.

I think students should be given assignments in which they have two supervisors, one from the industry side and the other from academia side. Both should teach, train and evaluate students in off-campus learning modules. Resource allocation should be properly made so that all stakeholders can contribute positively. Students should have hands on experience of the field he opts for. They should know fundamentals, the documents involved in the products. The processes and sequences of various documents involved in Islamic products. We should have specialized courses for students. I feel that even for customers there should be a lot of awareness programs under combined effort from industry and academia. I know some of the oldest customers in the Islamic Finance industry missed out introductory level awareness seminars.

REVISITING THE CURRICULUM AT SECONDARY AND HIGHER SECONDARY LEVEL

I feel that our education system should enable the citizens of Pakistan to lead their lives according to the teachings of Islam as laid down in the Qur'an and Sunnah and to educate and train them as a true practicing Muslim. It is therefore very important to restructure the courses and include the content relevant to Islamic financial system. On primary level, we may teach to our kids the concepts of halal haram in Islam. On secondary and higher secondary level, we can include what are Haraam and Halal and sources of

Islamic jurisprudence. On more advanced levels, we can have specialized courses where one should be able to know the implementation of the concepts of Islamic finance in our present financial system.

MAQASID-E-SHARIAH AND ISLAMIC BANKERS

In banking career, students are expected to have skills in IT, Finance, Treasury, Credit & Operations. All these departments deal in Islamic products in their own language that addresses their need. The underlying reality on which these products are based is Shariah and its maqasid. Therefore, the same should be taught to them so that the overall structure make sense to them. Students should know the Maqasid-u-Shariah and their links with products and services offered by Islamic financial institutions.

ROLE OF REGULATORY BODIES IN REDESIGNING THE CURRICULA OF IF EDUCATION.

The primary role of a financial regulator is to maintain the safety and soundness of a financial system. However, financial regulators are now embracing financial inclusion as a new goal in recognition that healthy financial systems should serve the needs of the masses. Promoting financial inclusion is a new and different role for financial regulators. It raises new challenges understanding and building consumer demands, innovative providers offering financial services and accessible and useful services. I feel that these tasks can be achieved through changes in curricula and developing a strong link between academia and service provider industry.

The regulatory bodies can plan a significant role in re-structuring the curricula, industry-academia linkages, skills and expertise building into the educational framework. SBP can influence banks, SECP can influence other companies, HEC can affect the educational institutions.

SBP can develop a criterion to involve academia in a structured manner. For instance, every bank can give 5 marks to their employees if they have attended training, certified courses and degrees in ACRs/performance appraisals of employees. Some have already started this practice. Similar other steps can be taken to ensure as how many employees trained during a year? How many hours spent on mentoring? etc. Similarly, SBP can fix fit and proper criteria for key positions of Islamic financial industry keeping in view their responsibilities. SBP can also be taken on board for employability criteria for fresh graduates/ existing workforce like MBA (IBF) and other disciplines. Such actions will create demand of specialize Islamic finance courses and certificates in the market and will give opportunity to the supplier organizations to play their role in this regard.

APPLIED RESEARCH IN IBF EDUCATION

Organizations benefit from the applied research will be more beneficiary to engaging students from a leading academic institution to carry out research projects such as desk studies, interviews, data collection, successful case study, and analysis on topics relevant to their sector. This will help students to gain hands-on experience working in partnership with them on real world projects, organizations can also tap into the graduate Institute's talent pool for recruitment and expertise. This will also lead us in the engineering in products and services to take the industry to the next level. I think the centers for excellence can play an active role in having practitioners as faculty, especially visiting faculty. Case studies and seminars can be jointly organized in a more comprehensive manner. Mechanisms can be developed for internships/apprenticeship that work more practically. I don't know about LUMS but IBA and IMSciences both are already doing a good job.

THREE TIER TRAINING PROGRAMS

I feel now the industry needs a three tier training programs for IBF professionals. I would summarize them as:

- 1 Trainings for those who don't know anything about IBF. Introductory level trainings are given to such people.
- 2 People who know basics, products and services are introduced to such people.
- 3 People who are shariah scholars, issues are covered in these trainings, with comprehensive question and answer sessions.

FUTURE OF ISLAMIC FINANCE AND A FEW SUGGESTIONS

People opted for Islamic banks for one or more of the following reasons, either they had an emotional relationship, or a religious sentiment was there, convenience or ease of accessibility became a reason etc. But now people have expectations that they want their financial needs to be addressed. They come to IFIs for their needs, if not answered or catered properly, they may go to other places. Therefore, IFIs should do the following:

- 1 Cater the straight forward needs of customer & find solutions for the ones they can't solve right now otherwise they'll lose business.
- 2 Offer need based services instead of the current way of serviceability. Develop Products that can address customer's needs.
- 3 Do engineering to have even future needs catered so that the industry can grow further.

KNOWLEDGE AND SKILLSET REQUIRED FOR ISLAMIC BANKING & FINANCE



Syed Asad Kakakhel
(In-charge Training & Development Division, The Bank of Khyber)

Islamic Banking and Finance (IBF) I think has shown industry wide growth and has innovative demands that are spread in various domains in the Asset and Liability side of operations e.g. Islamic Treasury Pool Management, Murabaha & Ijara products to name a few. Similarly, there are various spheres in which we need to further enhance our potential for instance Musawama & Salam Products. Likewise, when we talk about knowledge and skills we need to remember the general IT issues prevailing in IBF. Our graduates should be able to deal with these real-time matters. Some other areas that I consider very important in the knowledge areas are Sukuks, Islamic Investment and Portfolio Management, Syndication, Sources for Finance for New & Existing Companies & Knowledge of Capital Markets. There should be at least four – five years' extensive education and training in educational institutions that ends up with a master's degree. The course should cover banking and shariah both, so that students understand conventional as well as Islamic banking. There should be supervisor follow up in academic institutions for the mutual projects of academia & industry. Students shouldn't be set free for such endeavors.

ROLE OF INTERSHIPS IN ACADEMIC LEARNING

I believe internships play a vital role in the grooming of students while they are at school. Internship programs should be made compulsory for students and with an extended time. And on a lighter note, along with these internships; supervisors should take a strong role in follow-ups about the interns, their learning, attendance and the like. I see students coming in for internships in different organizations, but at times, on a very casual and irregular pattern. They stay as internees for 4-6 weeks but don't learn practical aspects of banking & finance. We have made strict categorical protocols for internship programs. Every intern is supposed to get an internship certificate at the end of the program duly signed by the HR group head. This happens only when the concerned branch manager requests the same from the HR group head, with solid documentary evidence

about the attendance and learning modules completed by the intern in different departments throughout the stay of intern in the bank. I have also seen another issue in internship programs that I want to talk about so that it is addressed and solved. The issue is of plagiarism in internship reports. Students at times submit internship reports written by others available with different photocopy shops or printers. I think all universities should do something about it so that talented students get their due marks and others are penalized.

KNOWLEDGE BASED RECRUITMENT SYSTEM

So far as the recruitment system is concerned, our bank has a three-tier recruitment structure. After conducting screening tests and short listing, we look for different qualities & traits that fit into the three-tier system. This system comprises of first category that deals with syndication and corporate banking, second category mainly deals with operations and last category is more inclined towards cash management etc. These three are the foundations of our banking services. So, our expectations from graduating student is to fit into either of these roles that is determined on candidate's ability and interest.

ADJUSTMENTS IN EDUCATION SYSTEM

There is a lot of adjustment required in the early sectors of education such as primary and secondary level of education. We still remember the things taught to us in the early school life. Therefore, it is very important. I think IF education should be segregated into pieces for instance on a primary level basic things may be shared with students and after say 8th class significant things about business should be included in it. Similarly, all theories and concepts relevant to the field one has chosen to work in should be known to the banker. Moreover, Constitution of Pakistan, Regional level Laws and the like should be known to them. All these theories and concepts should be linked with our base. We should remember our base & ideology on which our country was established.

SKILLS REQUIRED IN ISLAMIC BANKERS

I think Islamic Bankers should have interpersonal skills, effective communication skills, team work skills, drafting skills, coordination skills and lastly should have a learning attitude. On the technical and operational side, Islamic bankers must know about documents required for Islamic finance contracts and what are the sequences of such documents. Process flow diagrams of IF contracts. I think effort should be made to simplify and minimize the process of IF contracts for example as we know that banking industry is very old, if you go to any branch in the conventional side of banking and say that I want to open up an L/C (Letter of Credit) almost all of them would know, how to open it up? What is the process of it? Which person will do what? The flow is not yet common to this level in IB industry. I also think that Islamic bankers must also be cross trained so that they can be placed in various position across the IBF sector.

INDUSTRY ACADEMIA LINKAGES

I think Industry-Academia Linkage is the most critical area where both parties should work more to take the flourishing industry to the next level. Industry and academia should work like a bridge to fill the current gaps in IBF sector. A key area that I feel can play a very positive role is research, I think the origin of everything is research and research based. Research is very important aspect of IBs. Research is needed in various areas of IF industry for current and prospects.

CENTRES FOR EXCELLENCE IN ISLAMIC FINANCE (CEIF)

I have a lot of expectations from these centres established at LUMS, IBA & IMSciences, especially in the areas of product development. When I say product development, I mean it in all areas such as asset side, liability side & service side. Moreover, I expect that these centres will provide us with trained human resources. We send our employees for tiny trainings to Karachi and Islamabad. NIBAF & Al-Huda are also providing such services but more institutions are required to cater the geographic needs of IBF industry. Moreover, e-learning and having e-knowledge centres can easily solve the training needs even on an individual capacity. If someone is say located in Sheringal (Northern Areas) and has issue with commuting.

Whenever he or she searches something on the internet, he or she will reach your websites, if all the contents are placed there. So, all mediums of learning should create an enabling environment for growth and development.

TRAINING NEED ASSESSMENT

We have broadly two types of training needs, one for those who either moved from conventional banking or are fresh graduates without the knowledge of IBF and second who have the knowledge & experience of IBF. In case of former types of employees, we conduct basic introduction & fundamental level training. In case of latter types an assessment is made on branch level, regional level or regional/head office level and then we design a training calendar that best matches our needs. Recently, we conducted training on Islamic Treasury Pool Management, Salam & Musawama, IT issues, Syndication & Sukuks and Capital Markets and the like. We also have harmonious training programs for those who come from different IBs and use different processes & procedures are acquainted with BOK's methods of business. Likewise, it is bit difficult for us to find appropriate personnel to conduct TOT's here, even for that we've to go to other cities.

RIGHT MEN FOR THE RIGHT JOBS IN IBF INDUSTRY & FUTURE DEVELOPMENT

To be honest with you, it is difficult to find right people for the right jobs. But with a rigorous induction program filled with testing and screening on various tiers it becomes relatively smooth. One more thing that I have witnessed in fresh graduates is that when they enter the job market, they want to get rich over-night, which is not the case in real. So, there is a lot to be done on the behavioral side of fresh graduates. As they think that I have done this degree from such and such institution and the tie that I am wearing is of this brand and the clothes are of that brand. How can I work on such and such seat and environment, with the salary not meeting my expectations? Students should know that evolution process takes time. Growth comes with experience. I think that the rapid growth of IF industry is not any away. There is something behind it that it has achieved such a remarkable level. If it continues like this I feel it will out run conventional banking very soon. Moreover, everybody tries to progress so will the IF industry.

ISLAMIC FINANCE CURRICULA AND TRAININGS IN THE EYES OF PUBLIC SECTOR ISLAMIC BANKING PROFESSIONAL



Syed Muhammad Shahid

(Vice President/Head of Branch Network and Support National Bank Aitemaad Islamic Banking)

FUNDAMENTALS OF ISLAMIC BANKING OPERATIONS (FIBO)

At Islamic Banking Group of National Bank of Pakistan, It is mandatory for all the HR and new inductees to attend 5-days mandatory training program i.e. Fundamentals of Islamic Banking (FIBO). This program is being conducted in house by our Shariah department and through SBP's NIBAF. SBP as a regulator also recommends giving minimum 5 days training to all the resources of Islamic Banking. This mandatory training program introduces Riba and types of Riba, Modes of Finances, Mudarabah and Musharika, Financing side covers Ijjarah, Murabaha, Diminishing Musharaka, Istisna and Salam etc. So, I think if any organization or university wants to develop an introductory level course then basic information and awareness should be catered in this preliminary course covering the basics of assets and liabilities side of banking coupled with the basic operations of Islamic banks.

MEETING TRAINING TARGETS

Having human resource of more than 500 staff members, meeting training targets is not an easy task. Although, we have in house training facilities in 4 major cities; however, in order to cater the demand, we engage services of National Institute of Banking and Finance (NIBAF) which is learning development arm of SBP. Moreover, recently a dedicated resource is being hired responsible for development of in-house standard courses on Islamic banking & finance both preliminary and advanced level. Our training department is putting a lot of energies into our training programs to make them effective.

PRACTICAL IMPLICATIONS OF IBF INDUSTRY AS PART OF ACADEMIC LEARNING

An interesting aspect that I want to address here is that when a student comes in after studying a course or two on Islamic banking during a semester, he is exposed to the very basics of the subject and secondly the course is very pro-academic; it's not applied in nature. What I can suggest to IMSciences in these regards is that if during

the semester if you keep some time and space for certain applied tasks such as a program that you can call 'meet the professionals' in which the students are supposed to meet a practitioner banker. You may also operationalize it by calling the guest speaker to your campus from various backgrounds. When students interact with these professionals they will learn something new and applied from practitioner. You may also consider introducing specialized level courses such as treasury pool management. This could be an area where you can share the industrial practices with the students. Similarly, AAOIFI standards and documentation can be taught to students so that they are well equipped with the practice.

NEW AVENUES FOR CURRENT AND FUTURE NEEDS OF INDUSTRY

I feel professional courses such as on Sukuks, Capital Markets may be opted in this regard and there is a high time to introduce AAOIFI standards as well. Similarly, there is a huge demand of halal businesses globally. There is a social problem that exists in our country. In our early childhood education, we know that utilizing liquor is not halal, eating pork is not halal therefore it stays in our minds forever and we abstain from these types of things. Therefore, I suggest that introductory topics on 'Riba and its non-permissibility' should be included at Primary level, Secondary level and Higher Secondary level and the economic consequences of it. I have seen it that in I.Com level (Intermediate in Commerce) they teach students Islamic Economics but I have not seen students studying Islamic Finance especially in case if the student will opt for Islamic Finance later. I think there is a greater need of developing Islamic Finance curriculum at the intermediate level. It is indeed appreciable that IMSciences is working so professionally for promotion of Islamic banking & finance and developing course/syllabus at basic level.

If we observe since childhood we do Bai; even when we are purchasing eggs and bread we get involved in sale transaction (Bai), but public at large generally don't know what Bai Fasid is and what is Makrooh in it? Similarly, we people don't know the basic elements that

are required for Bai and why such elements are made mandatory for Bai.

RIGHT MINDSET FOR IBF INDUSTRY

There is a need to inculcate right mindset for IBF industry. I often observe that existing human resource is opportunist; they switch back and forth between Islamic and conventional financial institutions as and when they get opportunities. If the mindset is developed

initially then people will be inclined towards Islamic right from the beginning. IMSciences is already providing excellent quality education. I have seen students of IMSciences working very hard and doing well in the fields. I feel the same quality would be maintained in future as well and all Centres for Excellence in Islamic Finance would work collectively for the good of IBF industry.

ISLAMIC FINANCE EDUCATION: SHARIAH, ISLAMIC FINANCE, AND PRODUCT INNOVATION



Mr. Zahid Siraj

Head – Shari'ah Audit, Al Baraka Bank (Pakistan) Limited

IMPORTANCE OF SHARIAH KNOWLEDGE FOR AN ISLAMIC BANKER

Globally, Islamic banking is growing at a very high speed. This growth requires services of knowledgeable and trained human resource. For delivering services in Islamic banking industry, an Islamic banker must be equipped with the knowledge of its products and its underlying Shariah modes. Further, the Islamic banker must be aware about the Shariah structuring of the products and the related documents. Furthermore, an Islamic banker must be careful to execute the transaction step by step as devised, if, otherwise, the transaction may become void. For providing an optimum level of knowledge and skill to people coming towards Islamic banking industry, educational institutes and the industry needs to do a great deal of work. The current level of Islamic finance education partially serves the requirement and needs of the industry.

AREAS NEED TO BE FOCUSED IN ISLAMIC FINANCE EDUCATION

In the existing human resource, I see deficiencies in three areas; expertise in Shariah, in depth Islamic finance knowledge and product innovation. Educational institutes should come forward for filling the gap in the people's knowledge about Islamic banking while the industry should focus on developing the skills of the people based on their knowledge acquired in educational institutes.

To align with industry needs, the Islamic banking & finance education must be re-devised at primary, intermediate and advanced levels for capacity building and quality human resource production. Seminars and workshops shall also be arranged for public awareness and enhancement of their confidence level.

The industry is still facing so many challenges including scarcity of real knowledge of Islamic banking & finance and the quality human resource. A key challenge is to ensure the adequate human capital supply to support various functions such as Shariah expertise and product development, as well as risk management, legal and information technology.

A comprehensive curriculum is needed to cater future needs and requirements of the industry. Islamic Finance should be the part of our educational system. However, it is premature to say what class of education may become the part of this education and what should be the syllabus. I am of the opinion that basic Shariah teachings of Islamic financial Jurisprudence shall become compulsory at all levels of education as per the needs and requirements of the industry.

EXPECTATIONS FROM CENTRES FOR EXCELLENCE IN ISLAMIC FINANCE ESTABLISHED BY SBP

All three Centres for excellences shall be more equipped with quality Islamic finance education. They must enhance their role for the creation of public awareness and production of quality Islamic banking & finance professionals.

KNOWLEDGE, WILL, AND MIND-SET OF ISLAMIC FINANCE

Muhammad Faisal Shaikh

(Head, Shariah Advisory & Structuring Faisal Bank)

KNOWLEDGE, WILL AND MINDSET

In terms of key knowledge areas and skills for Islamic finance graduates there are two aspects to it. I believe that knowledge can be acquired if there is capability in the person but the important issue is development of mind set. Many people feel pride in negating or unnecessarily challenging established Shariah principle. So the mindset should be developed in such a way that students should consider established shariah principle as guiding principle and should try to understand wisdom behind these shariah principles by first accepting them. Same principle is followed in other field such as medical sciences and mathematics.

Current Islamic Banking practices are Alhamdulillah shariah compliant. However, there is room for lots of improvement. I emphasize that students should join this field with a mindset which leads them to accept things and bring improvements in Islamic finance gradually and they should not expect things to change overnight. Things will improve slowly and gradually.

Additionally we need to develop confidence of people in validity of the golden work done by Fuqaha. If we are successful in developing this mind set in our students that would prove very good for their success.

PRACTICAL KNOWLEDGE AREAS

I believe that students should be having a detailed knowledge of all modes of financing and their contracts. Guest speakers session with industry experts and scholars should be arranged regularly for students. Students should be given brief assignments about different modes of financing and contracts.

Students along with their degree programs should be very well aware of AAOIFI standards and should know the practical application of these standards. I suggest that students may be given practical assignments related to AAOIFI standards which are adopted by the industry and the knowledge can be further strengthened by inviting practitioners and having a detailed discussion with them related to practical issues.

LEVELS OF ISLAMIC FINANCE EDUCATION

I strongly support the idea that Islamic finance education should be introduced in the very beginning

for the kids right from their primary education and then extended to further level. It is a must because people at the very basic level do not know concept of riba, halal, haram etc. Students should be given a very basic idea of Quran and Hadith. No body is against validity of Quran but some people nowadays are questioning the validity and use of Hadith. So the concept of Hadith knowledge should be inculcated in the minds of the students that these are valid sources of shariah . Every aspect of life both idadat and muamlat cannot be completed without Hadith and fiqh. I suggest the introduction of initial concepts of shariah issues related to muamlat and trade in the curriculum after the primary education which can be further elaborated in future grades.

REGULATORY ISSUE

One major issue which I face in my routine operations is that rules and regulations are not supportive for Islamic financial institutions which many times results in increase of cost of the transaction for the customer and making it economically infeasible. In order to avoid the extra cost when we try to follow a different route then we get the blame of just manipulating things in the name of Islam and following the conventional way of banking. This issue needs to be resolved as earliest as possible.

EXPECTATIONS FROM CENTRES FOR EXCELLENCE IN ISLAMIC FINANCE

I expect a lot from the centres for excellence in Islamic Finance which are established at LUMS, IBA Karachi and IMSciences Peshawar. I expect two types of resources from these centres. First requirement is a set which deals directly with shariah advisors who helps them design and develop new products as per shariah guidelines. They act as a bridge between shariah and business development personnel. A short course can also be offered to the people who have strong shariah background so that they develop an understanding on business practices as well. The graduates which you will be producing will not only be hired at banks but they will also be consumed in the industries who want to be shariah compliant in their regular business practices. The second set would be strong business professionals who know how to do business in a shariah compliant way.

ROLE OF ACADEMIA IN PROMOTING ISLAMIC FINANCE



Mr. Kashif Waheed

Senior Manager & Head of Training, Pak Qatar Family Takaful Limited

The global Takaful industry has experienced strong double-digit growth rates in the recent years. In Pakistan, takaful companies started establishing from 2006. Since then, there are five fully dedicated takaful companies. Recently, regulator has allowed conventional insurance companies to offer takaful services through window operations.

HIRING AT PAK QATAR FAMILY TAKAFUL

We hire people into two streams; Operations and Marketing. In both categories, we need fresh as well as experienced people. Our operations are centralized and are based at head office Karachi. In operations, we normally consider people based at Karachi or are willing to move to Karachi. Fresh people normally come from Karachi while experienced people may come from other cities as well. In fresh hiring for marketing, we look at the personality and interpersonal skills of the candidates. We don't expect people to have knowledge of insurance and takaful because very little knowledge about insurance and takaful is provided in the academic institutions. Karachi University offers MCOM in insurance and their graduates are considered in hiring. People in marketing are normally hired when they have good contacts, personality and urge for marketing financial products.

BIGGER ROLE OF EDUCATIONAL INSTITUTES IS NEEDED IN PROVIDING TAKAFUL EDUCATION

Trainings are also normally provided to people in higher and middle level while entry level people remains ignored. Therefore, they learn about takaful while working in industry. Sometimes, they are unable to learn about takaful and when people ask them about takaful, for hiding his ignorance about takaful, they say that insurance and takaful are same which bring great damage to Islamic Finance industry. Educational institutes can play an important role in improving the

situation through imparting Islamic Finance education which will provide knowledgeable people to the industry. At present, it will be enough if educational institutes at least provide basic level Islamic finance education to the students.

Islamic Finance is still in its start - up phase and people still have different reservations and objections against it. It will be better if in addition to introducing and explaining different Islamic finance concepts, objections against Islamic finance are also addressed in their studies.

For bringing an impact of Islamic finance education on the society, we are of the opinion that it should start at least from the secondary level. Do's & don'ts learnt at early level of education always has a lasting effect on a person's mind. At Karachi, a family sent its child to Madrassa for studies. There, he came to know about certain prohibitions. One day, the child asked his father that why are you feeding us with prohibited income, the one you have fixed in a conventional bank. His father was initially shocked and then realized it and started searching modes of investments aligned with religion. Therefore, due to knowledge of one child, the whole family changed.

Course on Islamic finance should also be included at I.Com and D.Com as these students normally build their career in commerce and business administration. If they are briefed at Inter level about it, they may further opt education in IF in their higher studies.

EXPECTATIONS FROM CENTRES FOR EXCELLENCE IN ISLAMIC FINANCE ESTABLISHED BY SBP

In creating a cordial environment for Islamic finance, these Centres can bring a visible difference. These Centres should bring together the different stakeholders like practioners, shariah scholars, regulators, researchers and academia on one platform for developing the services of IF. Their contribution should be shared with the masses. The Centre's should become a bridge between masses, regulators and industry.



Mufti Abdul Rehman
Shariah Advisor UBL Ameen Islamic Banking

APPLIED ASPECTS OF ISLAMIC BANKING NEEDS TO BE FOCUSED IN ISLAMIC FINANCE EDUCATION

Islamic Finance industry is highly technical and delicate in nature. Attaching name of Islam with a financial activity invites more care and responsibilities on part of the service providers. People believing in Islamic banking with strong moral character are required by the industry. Educational programs focusing the applied aspects of banking are needed. Therefore, people coming towards Islamic banking should know banking in the first instance. More focus should be made on practical aspects of banking like how different functions are performed at branch level and head office level including cheque clearance, foreign exchange, treasury management etc. For instance, if a Shariah professional joins a bank as a shariah advisor, they should have in depth knowledge of banking, banking correspondence etc. A person coming towards Islamic banking should know the difference between Islamic and conventional banking, how and why Islamic banking started and its existing problems. The person should have a holistic idea of Islamic banking.

During studies, their critical analysis skills should also be developed so that they may utilize their potential in addressing the existing problems of Islamic banking. Moral and ethical aspects of people also need to be addressed. Their attitude should have a strong element of commitment towards Islamic banking.

ISLAMIC FINANCE EDUCATION FOR ALL

These programmes should focus all elements of the society, so that no one remains excluded on the basis of affordability, religion, geographical location etc. These programmes can be successfully developed if educational institutes and the Islamic banking industry collaborate with each other. These efforts should be based on commitment with Islamic banking and may not be focusing earning money from such programmes. 70% of the population lives in rural areas while most of

the awareness sessions are arranged at five star hotels which don't make an impact on majority part of the population. Instead of hotels, such events can be arranged at universities, chambers of commerce and madrassas etc.

CONSENSUS AMONG ALL RELIGIOUS SCHOOLS OF THOUGHT ON ISLAMIC FINANCE IS NEEDED

The education programmes can be made more effective if consensus among all religious schools of thought is arranged. In this regard, services of Maulana Taqi Usmani Sb can be utilized who is an international figure in Islamic finance. Current Islamic banking in Pakistan has the endorsement of very few madrassas while majority of Madrassas are still not yet endorsing it. Non consensus among shariah scholars about the authenticity of existing Islamic banking is leaving a big question mark among the people's mind. The State Bank of Pakistan should make a genuine effort to take all religious schools of thought on board in this matter. Some highly regarded businessmen and professionals call existing Islamic banking in Pakistan as Usmani banking or Jaamia Karachi Banking which is very disappointing.

SUGGESTIONS FOR BETTER SHARIAH COMPLIANCE IN A BANK

Presently Shariah Boards and Shariah advisor in an Islamic bank are required to bring Shariah compliance in the bank. I am of the opinion that instead of Shariah Boards, a Shariah Advisor with a strong team can be more effective in bringing Shariah compliance in the bank. A Shariah advisor should be a full-time employee and shouldn't be allowed to be engaged in any other job or consultancy etc. He should be allowed to meet president of the bank on monthly basis to update on Islamic banking operations from Shariah perspective. The team of Shariah advisor should include strong people in Compliance, Product Development, Treasury Management, Accounting and Auditing etc.

One of the main problems is that few of the muftis are on the shariah boards of majority of Islamic Banks,

Takaful companies, Modarabah companies, Hospitals, Halal Food research councils and mutual funds. They also run their madrassas, also make foreign visits and remain engaged in conducting trainings and seminars. It seems unlikely that having so many commitments, they will still be doing justice with their banking duties. Therefore I suggest working on consensus of shariah people on Islamic banking and developing 10 to 15000 shariah scholars for working in different financial institutions. Imams in Masajid countrywide should be trained on Islamic Banking concepts for mass awareness and effective growth of Islamic Banking. A booklet can be made on Islamic banking mentioning the scholars from all school of thoughts endorsing the Islamic banking. Shariah scholars and religious institutions must be provided formal business and banking education. They should also be considered for hiring in other departments of the bank.

State Bank of Pakistan should play a more active role in promoting Islamic banking. It should have an advocacy campaign for Islamic banking by engaging opinion makers like notable writers, columnists who may build public awareness and opinion for it.

While attending a forum, a senior Islamic banker said that instead of moving forward in Islamic banking, we are stepping back. One of the participant shariah professional commented that present banking Murabaha is better than the one in practiced in the start. I disagreed

and said that the earlier one was better than the existing. We should come out from the state that Islamic banking is at it's initial phase. It's now been 16 years passed. It is like giving wine to a 16 years old boy saying that he is at infancy stage. If he keeps on drinking wine, he will die by the age of 30. Therefore, it is the time to develop Islamic banking on strong footing. Standardization of the products among banks is needed. Consensus on different practices is needed. For instance, benefits on current account are still addressed differently in various Islamic banks. Initially there were no benefits, but later on it started. Screening criteria needs discussion.

Other main critical issue of Islamic Banking is presence of excess funds / excess funds and non-availability / non willingness to place in Shariah Compliant avenues. There should be a determined Asset to Deposit ratio to ensure that majority of Deposits are being deployed for commercial activities and trade. Further, there should be strict vigilance that profit actual earned by Islamic Banks is being transferred to all deposit holders.

RURAL AREAS SHOULD BE TARGETED FOR ISLAMIC BANKING

To conclude, I would say the desired step towards launch of Islamic banking was taken in last decade but still a giant leap and sincere efforts are required to make Islamic banking spread countrywide especially in rural areas; to make Islamic banking products and services fully transparent in nature with the true spirit of Shariah.

ROLE OF ACADEMIA IN PROVIDING TRAINED HR TO ISLAMIC FINANCE INDUSTRY



Mr. Muhammad Raza
Senior Executive Vice President & Group Head Consumer Support
Meezan Bank Limited

ISLAMIC FINANCE EDUCATION & EMPLOYABILITY

We look at the knowledge level and few other factors when we hire fresh people. We understand that being fresh, their skill set will not be developed yet. At this level, we check the candidate from different perspectives. Initially, we test intelligence, aptitude and learning potential of the candidates. Presently, there are not enough graduates specialized in Islamic Finance, therefore, we consider business graduates with conventional education as well and give no preference to a graduate with specialization in Islamic Finance. Another reason for not giving any such preference is that these graduates having degrees in Islamic Finance have very basic level of knowledge and therefore, they have to pass through our entire training program. Knowledge is important but not the decisive factor; we consider candidate's personality; inter personnel skills, intelligence, mind set and knowledge. It's like a whole package.

The bank considers conventional bankers, when it needs experienced people. Here more emphasis lies at their acquired skills.

Current level of Islamic Finance education is not fulfilling the existing needs of industry. Number and depth of knowledge, both needs to be considered while providing IF education. It will also help in bringing depth at the degree level. Moreover, IF should be a compulsory course in all business & management programmes. Industry experts should be engaged in improving the alignment of IF courses with the industry needs.

HR NEEDS OF INDUSTRY

We need people in general banking as well as in specialized areas. Business graduates with no specific specialization are normally hired as general banking officers but at entry level, we do need people good in financial accounting, corporate finance, liquidity & asset management. In these specialized areas, we need to train people; therefore, if people come with a sufficient knowledge in these areas, we can consider them.

ISLAMIC FINANCE SHOULD BE PART OF EARLY

I would suggest that know – how of IF education should at least start from secondary level. Some basics prohibitions of IF can be added to their Islamic studies course.

EXPECTATIONS FROM THE CENTERS FOR EXCELLENCE IN ISLAMIC FINANCE

I expect these Centres to make soft marketing of IF and engage general masses into these areas. Word of mouth can bring a good impact. These centres can develop case studies of IF covering the transactions as well as the experience of existing customers about it.

ISLAMIC FINANCE EDUCATION AND THE BUSINESS FOCUS



Mirza Saleem Baig

General Manager, Head, Islamic Banking, Habib Bank Limited

RISK MANAGEMENT AT ISLAMIC BANKS

I am of the opinion that as far as the asset side of the bank is concerned the most important aspect is risk management. The risk for conventional and Islamic banks is not very different. Mainly three different types of risks exist at conventional banks. Credit risk, market risk and operational risks. In Islamic banks there is an additional risk of non-compliance with Shariah. First, we need to judge the repayment capacity of the borrower. At the same time it is essential to ensure that the structure under which financing is being offered is sharia compliant. Focus of Shariah scholars is sharia compliance while the focus of front office staff is credit risk. The understanding of other risks associated with financial exposures need to be enhanced for staff involved in shariah compliance. Similarly, the understanding of Sharia principles needs to be enhanced for front end staff in banks. Unless this is achieved risk management will remain a challenge.

PROFIT MOTIVE AND SHARIAH SCHOLARS

There is an economic and commercial rationale attached with every business transaction the bank engages in. We are here to present a business proposition to a market segment desiring Shariah compliant products. This needs to be commercially viable for the bank. This is business and profit is important. There is no second opinion in the supremacy of Shariah and the products offered must be Shariah compliant but the profit motive must also not be ignored. If the products are Shariah compliant but result in a loss, then ultimately the offering entity will go bankrupt which is not a desirable outcome for the shareholders and also for the industry.

PRODUCT DELIVERY MUST BE EFFICIENT AND COST EFFECTIVE

Once the customer signs up for the product he expects it should be delivered to him efficiently. For Islamic products the customer does not expect to pay any additional costs i.e. he desires a competitive price, efficient delivery and shariah compliance. Islamic structures are different from conventional structures.

The processes are more structured. To assure shariah compliance there is a need of an assurance structure comprising shariah scholars, shariah compliance department and shariah auditors. This infrastructure adds to the costs and shariah diligence adds to enhanced delivery times.

COURSE FACILITATORS

I believe that if you are producing business graduates then the first requirement for them is to understand businesses. If a Shariah scholar is teaching business, he will have a natural inclination to focus on Shariah. Similarly, if the course is related to Shariah then this must be taught by shariah experts and not by business experts. The choice of the facilitator is therefore very important to ensure that a balance between business and shariah understanding is maintained. Finding appropriate resources do justice to shariah injunctions and commercial aspects can be very challenging in this regard.

APPROPRIATE TITLE FOR DEGREES OFFERED

I think the industry needs are very simple, a business graduate must know how to do business. I think the titles given to degrees as “MBA in Islamic business and finance” may not be suitable. They limit the employability of MBA graduates. An emphasis could be there on Islamic business and finance. This can be achieved by offering coursework in Islamic economics and finance. The graduates however must also have grounding in traditional coursework in accounting, business and finance. What I expect from your graduate is that he should have good understanding of Shariah matters but must also have a commercial mind set.

HARAM, HALAL, ETHICAL AND UNETHICAL

There is a general decline in ethics specially the business ethics. Level of morality has also shown a decline in recent times. Things which were not acceptable in a society 20 years ago are now widely accepted as norm. By just introducing things as haram and halal at the very beginning of the educational curricula will not serve the purpose. These things are taught in every household.

ISLAMIC FINANCE TRAINING & ISLAMIC BANKING DIVISIONS



Mufti Muhammad Zahid

(Resident Shariah Board Member Soneri Mustaqeem Islamic Banking)

DEVELOPMENT OF ISLAMIC BANKING MINDSET

At the outset, we would need to identify how this can be achieved. I think that the real change in Islamic finance education will only occur if the mindset of Executive Management is developed. It is utmost important to firstly work on the mindset of the ones holding authority in the field of Islamic banking industry, only then a trickle down affect to the underlings can be expected. For top tier management in Islamic banks a Post Graduate Diploma (PGD) would serve the purpose. So, from top to bottom a comprehensive educational plan should be in place starting from the upper most management to the lowest. The whole management should be on one page.

SEGREGATION OF ISLAMIC FINANCE EDUCATION IN MULTI-TIER SYSTEM

I presume that among top tier practitioners, just nominal percentage come to you to enroll in an MS program and amongst middle level managers may be little bit increased and come to you for MBA in Islamic business and finance, regardless of whether he has an MBA already or not. Junior level staff will come to you to learn Islamic banking as they want to develop their skills and competencies. They have a career path and to grow further they will get further education. The Executive management have subsisted their lives and earned ample experience for themselves. Therefore, I suggest that along with full-fledged degree programs, short-courses should be announced to cater the needs of top tier management. Unless and until you come to their level and speak their language in their way they won't listen to you. There should be specialize programs for executive management of IFIs. Teachers of such programs should be of equal caliber. Justice (R) Mufti Taqi Usmani can be requested to Chair and lead the special training program. CEOs, CFOs, COOs, BMs should also be called for such programs.

BACKDOOR RIBA OR REAL ISLAMIC BUSINESS?

I feel very sad when people (based on their incomplete or inaccurate knowledge) term all activities of Islamic finance similar to the conventional one. Such people assume that Islam has nothing to do with real life, it is mere difference of paper work. It's not the case though. This happens due to lack of awareness. Lower level employees will work better if their upper management understands at least the fundamentals of Islamic Finance.

TRAINING NEEDS IN ISLAMIC BANKS VS. ISLAMIC BANKING DIVISIONS (IBDs)

Similarly, management of Islamic banks and those of working in Islamic banking windows should understand they need to train its employees. Those who moved in from conventional backgrounds and took positions in Islamic banks are not realizing the needs of training in Islamic Banks. In a full-fledged Islamic Bank allocation of resources for training is not that difficult as the whole bank has one vision. However, when management doesn't realize the training needs in an IBDs, they will not be able to allocate sufficient resources for training which subsequently causing some troubles down the road. Trainings should be approved by the Shariah board which can properly be implemented by the human resources department in IBDs.

ESSENTIAL CONTENT OF TRAININGS

Fundamentals of Islamic banking and Sources of Shariah should be a mandatory part of every training even if it is just one day training program and even if non-Muslims are attending the program. The purpose would be to impart in-depth understanding of fundamentals of Islamic finance. Moreover, each person working in IF industry should have an unobstructed vision about life, about his existence and there should a proper way that inculcates the vision of Islamic banking in employees. I have heard employees saying that Islamic banking is like

conventional banking. Those who understand the fundamentals and those who have a vision to work for the cause wouldn't make such statements. State Bank of Pakistan (SBP) is very particular about the training needs of IF industry and has made it mandatory for all the staff members to go through at least 5 days minimum training before commencement of business in a new Islamic banking branch. The most important aspect of a training program is the facilitator who is conducting the training. If the facilitator is equipped with sound knowledge and strength of Iman then he would be able to transfer the same into his trainees. I feel that if the content of training is designed thoroughly with pure intentions, if the training is conducted with due diligence, if the tone of delivery is impactful and timely then it will create lasting effects otherwise not.

SPECIAL TRAINING PROGRAMS FOR IBDs

A special program is needed to overcome the training difficulties in IBDs. All IBDs can be gathered on a single platform to share the costs of the training programs with mutual understanding and support. This will cater the specialised need of these Islamic banking divisions and give them a chance of mutual learning and sharing experiences. There is also a need to harmonize the Shariah departments and Ulama-e-Karaam with limited banking experience. All stakeholders should be invited to different programs to develop a mutual understanding. Discussion and interaction clears misunderstandings. Keeping these points in mind would help us progress towards the right path. Being a Muslim we are all brothers; our direction is the same and our destination is also the same. We all need to understand this.

GROWTH AND EDUCATION IN ISLAMIC FINANCE AND HIRING PRACTICES

Mr. Azeemuddin Sheikh
(Manager HR) Takaful Pakistan Ltd

HIRING PRACTICES

I being the HR manager for Takaful Pakistan look for two specialized areas. The first source for us is the Bachelors degree holders from Actuarial sciences and the second the M.Com with specialization in insurance. These graduates are currently produced by Karachi University. As far as MBA's are concerned if we find any graduates having some background in Islamic finance they do get some preference over others while Masters degree holders from other discipline we look at their academic background. Candidates having some knowledge of business and finance are then considered.

GROWTH TRENDS IN ISLAMIC BANKING AND TAKAFUL INDUSTRY

In the past 10 to 15 years banking industry has shown a great level of growth including the Islamic banking industry rather a few conventional banks are in the planning to convert to Islamic banks as well. Unfortunately this has not been the case with insurance and takaful sector. The condition has even worsened with the permission of window takaful operations. And I think there are many grey areas in the operations of window takaful which has further created challenges for dedicated takaful companies.

COURSE STRUCTURE

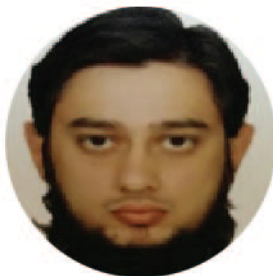
There should be a specially designed course structure for business graduates which must include an extensive internship program. There should be a special short term certificate course or diploma offered to already working practitioners in the industry as well.

Introduction of Islamic finance education should be started in the very beginning. Most of the things we teach to kids are related to ibadat but they are told very little about muamalat which is almost 70% of the life of a muslim.

ROLE OF CENTRES FOR EXCELLENCE IN ISLAMIC FINANCE

I think that practitioners become very occupied in dealing with the business growth and they miss out the activities related to research and development. Now a days industries are being developed due to R&D so a practical solution can be obtained by having an applied research for the problems faced by the industry. An MOU could be signed between companies and centres/universities so that confidentiality of internal documents may be achieved when students join the company as internees or research associates.

BEYOND FUNDAMENTAL ISLAMIC FINANCE EDUCATION & CURRICULUM DEVELOPMENT



Fawad Azim Chashmawala
(Unit Head Product Development And Structuring Dubai Islamic Bank)

The informal learning process that occurs in the life span of an individual goes through several processes and an individual learns the practical implications of realities in the world when he enters practical life. When we tell someone verbally that Interest is prohibited, he or she can't understand or visualize its implications at that time. He learns it clearly when he reaches a mature age i.e. late 20s or early 30s. Therefore, it is imperative that the foundation of Islamic business education should be kept in the early age so that it stays with the individual during all these years. I think curricula of Islamic finance shouldn't merely work like that. There is a deeper side of it for instance, in schools we teach that taking bribe is prohibited in Islam; but we don't focus on the different scenarios in which one can enter a position of giving or taking a bribe or what are the preconditions and after effects of bribery. Similarly, we know the generic halal-haram but the nitty gritty of it is unknown to the masses and sadly people are becoming part of various prohibited transactions on regular basis. Therefore, Mu'amlaat should be given due consideration and IF (Islamic Finance) curricula should inculcate factual nature and right mindset in students who are able to see the big picture and depth of IF industry.

ISLAMIC BANKING OR BUSINESS?

Producing Islamic bankers only shouldn't be our goal. A small shop keeper doesn't know how to conduct his business under Islamic moral ethics. In addition to riba, we also need to focus on other prohibited elements that invalidate the business transactions. We need to educate entrepreneurs regarding the Islamic business ethics and associated moral values.

I will give an example, recently I bought a beverage, when I poured it into another container to check whether the quantity mentioned on the label is correct or not. To my surprise, the quantity was not 1.0 Litre as printed by the producer. Now imagine how much the producer might have saved? Literally a tiny bit of it. Similarly, think about the beverage company which is aware of this fact and still practices the same. How many

millilitres of juice could it save from it? This is just one basic example. Business world is filled with such examples. Transforming mentalities is time taking and gradual process and cannot be achieved by the end of just one course or semester.

I have a firm believe that Islam is a complete way of life. However, it should be crystal clear in our minds that Islam will also provide us economic solutions and there shouldn't be a shame in inquiring business solutions from learned scholars.

While developing IF curriculum we need to keep these points in our mind that we are trying to develop and enhance the skills of students to a level that addresses these concerns. This will only be possible when academia meets professional and join hands with scholars. Islamic finance education centers should provide a platform to people from diverse backgrounds to come forward and work for this noble cause.

DIRECTION OF RESEARCH AND DEVELOPMENT IN IBF

I feel, we need to identify the problems in the conventional financial market and invest our energies in saving the masses from the viciousness of conventional transactions. As an example, we may consider personal loans for instance, you will be surprised to know that this segment constitutes over 40% of overall credit market and it doesn't include credit cards per se. If all the Islamic banks develop a Shari'ah compliant substitute for this huge and un-tapped segment, it would save hundreds and thousands of people from the menace of Riba-based loans, I think that would be a real contribution for masses.

For instance, a salaried person who is aware of the implications of indulging into interest-based transactions, but due to an unforeseen expense like hospitalization etc. he must borrow funds to overcome his immediate cash needs. A question arises in my mind that how many Islamic banks offer solution for this segment which constitutes over 40% of the overall financing. This will happen only if we understand the real problems and needs of the consumers.

MARKET DEMANDS, ISLAMIC FINANCE & EXPOSURE OF STUDENTS

I think students should be encouraged to conduct field based research to get insight of the practical problems faced by businesses and Islamic Banks while executing transactions in sophisticated as well as un-documented markets like Sootar Mandi in Faisalabad or Jodia Bazar in Karachi etc. the operational cycle of a blue-chip textile producer

would be extremely different from a small sized textile producer, although they both represent textile sector.

When classroom training will be clubbed with practical knowledge it will surely produce exceptional results and human resource at the same time. Frequent interactions with practitioners will also help students in getting an idea of other side of the picture.

ISLAMIC BANKING AS A DISTINCT BUSINESS MODEL

Ali Raza Abidi

(Assistant General Manager Training and Development Division Bank Al Habib)

OUR PHILOSOPHY OF ISLAMIC FINANCE

I believe that every bank has its own philosophy, I will tell you my own perspective that you may find very different from industry's perspective. We see Islamic Banking as a business model when we describe it in business connotation. However, Habib family has a history of never making any false claims, we keep our customers on the same page and never deceive them. This is something taught to us from day one. So, if we are doing Islamic banking then we must be 100% compliant, in this regard we complete all the structural requirements of regulatory bodies be it Shariah board or anything like that. Moreover, I believe that at the moment Islamic banking is working on the shoulders of conventional banking industry in a way that trained human resources is only available within in the conventional industry. Industry's reliance was on traditional institutions prior to opening of centres for excellence in three provinces. Now, I feel that these centres would also contribute in providing trained human resources. We are looking forward to having strategic relations with them and I think that the banking industry's vision with respect to human resource availability became better with the advent of these centres.

CHALLENGES IN OPERATING AS AN ISLAMIC WINDOW

I believe that 'perception prevails' you know that banking industry has its own challenges. Banks with an Islamic window has its distinct challenges and the ones that are fully Islamic have their own challenges. There are challenges at the overall industry level as well. Imagine that you were a conventional bank for decades, then you are to open an Islamic window and say that my conventional sister concern isn't a good financial institution. What will be the repercussions if such types of beliefs arise and give birth to conflicts? Moreover, an existing client transferring his investment from conventional to Islamic portfolio is not new business for us, though our Islamic portfolio will increase but strategically speaking company-wise it's not growth. So, we need people who know banking and could also use Islamic banking as a mode of business. If there are fundamentalist type of employees working for you then running both businesses (Islamic and Conventional) becomes more challenging. This is the reason that we look forward to Madaris to provide us resources that would support Islamic banking technically and we expect institutions like yours to give us a mix-breed of graduates who have a business perspective with an Islamic banking knowledge.

COMMERCIAL VIABILITY IN ISLAMIC FINANCE

I feel that institutions providing business education in general and Islamic business education should understand the problem of industry. You see if you ask a Mufti he will explain his own perspective about the challenges of industry. He would need a person who is qualified in Islamic business and then teach him contemporary banking practices especially conventional ones and its right in their perspective. But if you ask me then I have to go the other way around, for me presence of business practitioner is very important and along with that cherry on the top would be that he understands Islamic banking thoroughly as well. So that everything is compliant and works well. If you are sitting in a bank, you must know what is the demand of customer. We have to be commercially viable. If we are not commercially viable then things won't work in the right direction.

TEACHING AND TRAINING OF ISLAMIC FINANCE EDUCATION

I would strongly suggest that all business schools should have practitioner as their faculty member, be it regular or visiting or some other type of arrangement. I will tell you about our bank that we have our own culture and we need people who are willing to work in our culture within a controlled environment. We take training very seriously because training helps you retain culture and inculcate values. When we hire new employees, and give them an extensive training. We have academy here in Karachi as well as in Lahore. We do have academies in our regional centers. We teach them our value system there. Then we call them 'our product'. We take so much pride to build our own products. We do have succession planning programs as well and we are always willing to work with good institutions like yours or IBA, IBP & LUMS. Well, I think keeping in view the needs of industry I think there is no need to go so deep down the line and decide strategically. As excess human resources also contribute towards unemployment. But at least introduction of Islamic finance should be given, where other modes are introduced. I think if we just include Islamic economic system in the overall economics literature it would also

give idea to students what it is. Similarly, when you are teaching factors of productions at that time you can teach them the Islamic perspective of these factors.

ROLE OF FEEDBACK MECHANISM IN ISLAMIC FINANCE EDUCATION

Similarly, I feel that feedback mechanism can play a vital role in education and training and it should go both ways. Feedback should be given to and taken from students and trainees. I think it can really accomplish the overall objective of Islamic Finance Education. Likewise, I feel that investing in people is a key point of overall success of today's corporations. You will be surprised to know that we don't have contract positions, our employees don't leave us and same is the case of our customers. We have a long history as a Habib family and we would like to continue with the same zeal in Islamic banking operations. I understand that misunderstandings occur between brothers but the family norms should not let them divide. I feel we should be able to rotate employees from Islamic to conventional and vice versa.

FUTURE CHALLENGES AND STRATEGIC WAY FORWARD

Strategically thinking about the future of banking I would say that 'Business Dictates'. I think the basic objective of the regulatory body is to address the concern of financial inclusion that is right now at 15%. Countries like Iran for instance has a coverage ratio of 100% and anyone who can be termed a bankable customer maintains a bank account. So, it can happen there, the same can happen here as well. This natural tilt of our society towards Islamic finance will also contribute towards increasing the overall financial inclusion and banking net of our country. Moreover, in many countries Islamic finance is being taken as an economic perspective rather than religious and spiritual perspective. I think if Islamic banking is terms as assets based financing or something like that, its acceptability would have been more and it would have been genuine proposition as well. We need to respect all schools of thought. For us, all customers are respectable regardless of whether it is Islamic or conventional.

Conclusion

To achieve a wider coverage and exposure, to the Islamic Finance education there are three major parties which can play a significant role including Madaris, Academia and Financial institutions. However, apparently there seems to be a large difference between the practices and objectives of the three pillars.

The three important pillars of Islamic financial education follow self-made content and is not integrated. Curriculum for any academic course represents a standardized syllabus that is mandatory for every field. The first pillar which is the strongest (due to its high influence particularly in Pakistan) amongst the three pillars include the Madaris, which provide the Islamic financial education by extracting the pure knowledge from sources of shariah. The content followed by the Madaris is based on the sources of pure shariah knowledge and they believe that industry practices are widely not shariah based. Secondly, the degree awarding institutes (DAI's) while providing specialize degree in Islamic banking and finance follow obsolete content which are not according to the current industry practices followed by the Islamic financial institutions. This resultantly, upsurge the gap between industry and academia. Moreover, the requirements of the current education system are quite different from the requirement of industry based on the long term and short term objectives. The vision of Higher Education Commission is more towards understanding of principles and its impact cannot be realized in short term. The industry is usually short term goals oriented and therefore provide and disseminate Islamic finance knowledge according to their own benefit. Besides, lack of textbooks, standardised curriculum and academic resource in hand is a pressing issue that is a cause of hindrance in Islamic finance education and business growth. In order to expand Islamic Finance Education and awareness, there is an urgent need of textbooks and manuals to provide essential basic and applied education of Islamic Finance. The Islamic finance curriculum development will provide a uniform direction of progress to the industry. Therefore, Islamic finance education development should be made a goal to achieve with appropriate and achievable targets.

CEIF-IMSciences, jointly with other state bank established centres could provide a hub for Islamic finance curriculum development. These centres can work in collaboration for the standardization of the Islamic finance education content. Moreover, for the effective diffusion of Islamic finance knowledge and enabling financial inclusion in the country as well as across the borders faculty exchange programme should be encouraged. Using participatory action research collaborations can also be made between industry and academia. Keeping in view the strategically important steps that are important for the progress of overall Islamic finance industry three knowledge diffusion (spread) centres have played a vital role.

CHAPTER: POLICY BRIEFS

Introduction

Islamic finance continues to grow at a higher rate than conventional finance. The long-term viability of Islamic finance hinges on its ability to, as the Ethical Institute of Islamic Finance puts it, “innovate products away from debt-based, fiat-based, cosmetically-enhanced conventional products for the rich and upper middle class to equity-based, asset-based, genuine products for all.” In other words, Islamic finance must be worthy of the name. It must offer a true alternative to the conventional finance system. To this end, development of talent through education and training is crucial. The current state of Islamic finance education leaves much to be desired, but there are many knowledgeable and passionate voices making their ideas heard.

Islamic in Name Only?

As a Shariah advisor at the United Bank Limited Ameen in Pakistan has pointed out, if you grant a product the status of “Islamic finance,” that carries with it a higher standard. People will expect a higher moral character from such banking products and services, and the bank must deliver on that. Only by differentiating itself from conventional banking can the Islamic finance industry counteract the shortcomings of the conventional financial market and help overcome the exploitation of consumers that happens all too often in the conventional market. For example, 40% of the overall credit market consists of personal loans. A Shariah-compliant substitute for personal loans would free countless people from unfair interest-based loans.

UBL Ameen also identifies specific ways that Islamic banks are falling short of their professed moral principles. A predetermined Asset to Deposit ratio should be maintained to ensure that deposits are used for productive economic activities and trade. Funds should be used in Shariah-compliant ways. Measures must be taken to guarantee that profits are transferred to all deposit holders. It is also important to note that a customer switching his account from a conventional portfolio to an Islamic one does not represent any new business for the bank. However, reaching out to the unbanked and convincing them that Islamic banking is a valid option for them does represent new business, thereby growing the financial institution as a whole.

While Shariah-compliance is paramount, profitability cannot be ignored. Islamic finance products must be cost-competitive with conventional products, even though adhering to Shariah will of necessity introduce added costs. A common problem is that the added costs of Shariah compliance make Islamic financial transactions economically impractical. Thus, Islamic financial institutions are tempted to take shortcuts and deem a product Shariah-compliant without doing their due diligence. The end result is a product that ostensibly is true to Islamic principles but is in actuality very similar to conventional finance products.

Primary and Secondary Education

Joy Abdullah, head of marketing and communication at INCEIF—The Global University of Islamic Finance, states that “talent is the most crucial element in the success of an organization.” However, the global Islamic finance industry has not yet made a systematic, concerted attempt at identifying, developing, and maintaining talent. While the bulk of the effort of creating a knowledgeable workforce for the Islamic finance industry will be carried out at the post-secondary level, the process must begin at the primary and secondary levels.

Too often the Islamic finance industry opportunistically shifts from Islamic to conventional financing and back as a matter of economic expediency. This deceptive Islamic-in-name-only approach to finance can be abated by inculcating students in the fundamentals of Islam early in life. The basic halal-haram dichotomy can be introduced in primary school, with a more detailed explanation being offered in secondary and higher secondary school. Furthermore, basic courses on the impermissibility of *riba* can be taught in primary school. This will help ensure that future practitioners of Islamic finance have a solid, enduring devotion to the principles of Islamic finance.

Fawad Azim Chashmawala, head of product development and structuring at Dubai Islamic Bank, acknowledges that “Islam is a complete way of life.” As such, Islamic finance requires an all-encompassing sense of moral and ethical responsibility that transcends the usual business concerns about profitability. While teaching a general principle, such as the prohibition against interest or bribery, is necessary, the full impact of such a teaching will not be achieved unless there is real-world advice to back it up. It is not enough to simply state that bribery is haram. The student must be educated on the various potential circumstances in which he may find himself susceptible to being bribed and what to do if he finds himself in such a situation. Moreover, the student should be taught the real-world consequences of engaging in bribery. The focus should be broadened to teach future entrepreneurs and practitioners the ethical and moral implications of their business actions. “Transforming mentalities” is the goal, and this will be an ongoing process. The process requires that the worlds of academia and industry collaborate and strengthen one another.

The Role of Religious Schools

Attempts must be made to reach out to religious schools to accept and endorse Islamic finance. Currently in Pakistan, the majority of madrasahs do not yet endorse Islamic finance. Shariah scholars there are not unified in their acceptance of the “authenticity” of Islamic banking. Thus, care should be taken that Islamic finance stay true to its fundamental moral and ethical principles, to clearly differentiate it from conventional finance. To this aim, banks must be certified as Shariah-compliant. UBL Ameen recommends that existing Shariah boards be replaced with a Shariah advisor supplemented by an effective team. This Shariah advisor should be a full-time employee and be in close contact with the President of the

reflected in the observation by Ali Nemati, head of learning and development at Bank Alfalah (Pakistan), that new graduate hires always require extra customized training before they can fulfill their work duties. Students should enter the workforce already knowing the practical side of banking, including both branch- and head office-level activities such as check clearance, foreign exchange, and treasury management.

Syed Asad Kakakhel, head of the training and development division at the Bank of Khyber, recommends at least 4-5 years of education on Islamic finance, culminating with a Master's degree. Students should learn about both conventional and Islamic banking.



Bank. UBL Ameen calls for 10,000-15,000 Shariah scholars to also be formally educated on business and banking. The State Bank of Pakistan should be at the forefront of these efforts, partnering with public figures to raise awareness of Islamic banking.

Islamic Finance Education at the University Level

Muhammad Zubair Mughal, Chief Executive Officer of AlHuda Centre of Islamic Banking and Economics, identifies the lack of specialized education in Islamic finance as one of the main obstacles preventing Islamic finance from spreading internationally and successfully alleviating poverty across the globe. Zahid Siraj, head of Shariah Audit at Al Baraka Bank (Pakistan) Limited, specifies that the main shortcomings are in the areas of Shariah expertise, deep Islamic financial knowledge, and product innovation.

The specialized education vital to the Islamic financial industry must be provided at the university level. Talent development is crucial to the health and stability of the Islamic finance industry. Academic institutions should partner with industry so that students will be able to meet the needs of the industry once they graduate. Currently there is a wide gap between the skills the industry requires and the skills that new graduates have. That the educational system is not thoroughly preparing students for the workplace is

He also recognizes the potential benefits of internships, and calls for such programs to be compulsory. Furthermore, the informal and relaxed internship programs of the past should be replaced by more rigorous and methodical programs that track participation and performance. Industry and academia should be linked, with research being the most important area of their shared efforts.

Ali Raza Abidi, assistant general manager of training and development at the Bank Al Habib, asserts that “investing in people is a key point of overall success of today's corporations.” He singles out feedback as being a vital part of the educational process. Supervisors should take great care to make sure that interns are actually gaining useful information and that their work is being assessed thoroughly and accurately. Some kind of certification should be given to the intern upon successful completion of the internship.

Syed Muhammad Shahid, vice president and head of branch network and support at National Bank of Pakistan Aitemaad Islamic Banking, also sees the need for more practical, industry-based learning in academia. Students should partner with industry professionals to gain a better idea of what working in Islamic finance actually entails. Students should understand that a large salary and high status will not materialize overnight. They must be willing to start at the entry level and move up with patience and hard work.

Another example of potentially fruitful academia-industry collaborations are joint work-study programs where university students can work in the industry for course credit. Universities can also hire industry professionals to serve as faculty. Perhaps students can be graded on their assignments by two supervisors, one from academia and one from industry. Industry should have a voice in designing curricula, incorporating case studies and joint seminars. Field research and internships would benefit students greatly by introducing them to the practical problems faced by Islamic banks and businesses. To ease concerns about confidentiality, a memorandum of understanding can be signed by interns and research associates promising that they will not divulge proprietary or confidential information.

As Qazi Abdul Samad, head of the Shariah compliance division at the Bank of Kyber, notes, financial regulators have branched out into the new role of promoting financial inclusion. This goal too can be achieved more easily with the help of academia. Regulatory bodies should have a say in changing and adding to existing academic curricula to make them better suited to promote financial inclusion. Bank employees should be encouraged to continue their education. Employees should also partner with academia to mentor students. Perhaps employees can be encouraged by their employers to mentor for a certain number of hours per year.

Limiting university curricula to Islamic finance would in turn limit the degree's marketability. Thus, students will still need to learn basic traditional coursework in accounting, business, and finance. However, efforts must be made to supplement this business-centric coursework with moral and ethical teachings so that by the time students become practitioners they have a natural inclination towards morally sound dealings. It is important for such educational programs to be available to all segments of society. Inclusion regardless of race, religion, socioeconomic status, geographical location, etc. is a must. Further, students should be taught AAOIFI standards and documentation.

Centers for Excellence in Islamic Finance (CEIF)

Following the structures of Islamic finance, it is absolutely necessary that customers must never be deceived. There must be 100% Shariah-compliance. However, most human resource training in the Islamic finance industry currently is built on the foundation of the existing conventional finance infrastructure. Thus, the recent opening of centers of excellence dedicated to Islamic finance education is a welcome development to free Islamic finance from being too similar to conventional finance.

The Centers for Excellence in Islamic Finance (CEIF) can potentially play a vital role in Islamic finance education, particularly in product development (asset, liability, and service sides). Shariah advisors should help design the curricula so that students are taught Shariah-compliant business practices. Financial products should be designed and developed according to Shariah guidelines. The finance industry should also have input in developing curricula. Students would be greatly benefited by tailoring the curricula to the needs of industry. Furthermore, banks could be allowed to play a role in training CEIF faculty. Incorporating case studies and collaborative research would also benefit students. CEIFs can teach students how to work at the fast pace of the modern business world. E-learning can alleviate any geographical obstacles.

Training

On-the-job training also plays a key role in developing talent in the Islamic finance industry. It fills in the gaps left by insufficient academic instruction. For example, academic institutions in Pakistan do not offer much material covering the takaful industry, even though it has grown by double-digit percentages in recent years. The takaful industry in Pakistan was established in 2006 and conventional insurers are authorized to provide takaful services. Because of the paucity of takaful in academic curricula, Kashif Waheed, senior manager and head of training at the Pak Qatar Family Takaful Limited, states that PQFT does not expect their new graduate hires to enter the workforce with practical knowledge of the takaful industry. Thus, on-the-job training is necessary.

At the NBP Aitemaad, new hires must attend a 5-day training program entitled "Fundamentals of Islamic Banking." The FIBO program covers the basics of Islamic finance, such as *riba*, *mudharabah*, *musharaka*, *ijarah*, *istisna*, etc. The NBP is also looking at developing more advanced courses in Islamic banking in-house to further boost their workforce's knowledge of Islamic finance.

Risk management is the most important facet of the asset side of a bank, according to Mirza Saleem Baig, general manager and head of Islamic banking at Habib Bank Limited. Usually, Shariah scholars concentrate on maintaining Shariah-compliance while other office staff are concerned with accurately gauging credit risk. However, for optimal risk management, the Shariah scholars should also be trained in all of the different types of risk, including credit risks, market risks, and operational risks. Moreover, special care should be taken to ensure that employees know how to see a transaction through to completion step-by-step, as transactions can become void if a mistake is made at any step.

While on-the-job training is undoubtedly useful, it is best seen as a complement to academic instruction, not a substitute. The learning-by-working model is often done out of necessity, and employers would prefer that their employees obtain as much necessary knowledge and skills through academic instruction as possible. For instance, Kashif Waheed welcomes the CEIF's potential role in facilitating collaboration among practitioners, Shariah scholars, regulators, researchers, and academia to bring knowledge of Islamic finance to the masses.

National Islamic Finance

It is imperative that the Government of Pakistan constitute a National Task Force charged with developing a standard curriculum in primary, secondary, post-secondary and university level education in Islamic finance. Such Task force will be constituted by taking members from the academic community, Islamic finance industry practitioners, and the policymakers. The Task force can opt in international Islamic finance educators who are engaged in Islamic finance education. Upon developing such curriculum, they must be presented to various stakeholders before adopted formally by the Higher Education Council or respective body in Pakistan. As a starter, we recommend that the Task Force begin with curriculum development for Bachelors, Masters program, Ph.D. program and then move down to lower level of education system.

However, inadequate/poor quality of human resource is claimed as a critical challenge for the Islamic finance education providers specially when 85% of the educational initiatives are towards professional development, which improves the knowledge and skill development of employees but contribute much to the

development of Islamic finance aptitude, which is the key to the transformation of any industry. This attitude development is important for speeding up the evolution of Islamic finance theory and practice.

Facility	Type	Country	Course Name	Address
University Ferhat Abbas	University	Algeria	MSc Economic Science (Islamic Banking & Insurance)	University of Setif, Setif, Algeria
Central Queensland University	University	Australia	Master in Islamic Finance	North Rockhampton, Australia
La Trobe University	University	Australia	Master in Islamic Banking & Finance	La Trobe University Melbourne Victoria, Australia
AAOIFI	Institution	Bahrain	Certified Islamic Professional Accountants (CIPA)	AL Nakheel Tower, Kingdom of Bahrain
Arab Open University	Institution	Bahrain	MBA in Islamic Finance	AOU-Bahrain
Bahrain Institute for Banking & Finance (BIBF)	Institution	Bahrain	The Advanced Diploma in Islamic Finance	Manama, Kingdom of Bahrain
Capital Knowledge	Institution	Bahrain	CK Islamic Banker Program	Manama, Kingdom of Bahrain
Royal University for Women	Institution	Bahrain	Bachelor Islamic Business Studies	West Riffa Kingdom of Bahrain
University of Bahrain	University	Bahrain	Masters in Islamic Finance Institution	University of Bahrain Sakheer-Kingdom of Bahrain
University College of Bahrain	University	Bahrain	Finance / MBA in Islamic Finance	Manama, Kingdom of Bahrain
Daffodil International University	University	Bangladesh	Islamic Banking & Insurance	(Main Campus), Mirpur Road Dhanmondi, Dhaka -1207
Darul Ihsan University	University	Bangladesh	Islamic Banking & Insurance	(New) Dhanmondi Dhaka Bangladesh
Islamic Bank Training & Research Academy	Academy	Bangladesh	Diploma in Islamic Economic Internship	Mohammadpur, Dhaka-Bangladesh
LCBS Dhaka	Institution	Bangladesh	Islamic Banking Training Solutions	Dhanmondi, Dhaka-Bangladesh

Facility	Type	Country	Course Name	Address
The People's University of Bangladesh	University	Bangladesh	Islamic Banking	Mohammadpur, Dhaka-Bangladesh
University of Dhaka	University	Bangladesh	Islamic Economics & Banking	Nikhet Road Dhaka, Bangladesh
University of Sarajevo	University	Bosnia and Herzegovina	Masters in Islamic Banking	Sarajevo, Bosnia & Heregovina
University of Brunei Darussalam	University	Brunei Darussalam	Master of Islamic Finance	UBD School of Business and Economic University Burnei Darussalam, Negara Brunei Darussalam
Sultan sharif Ali Islamic University	University	Brunei Darussalam	BSc in Islamic Finance	University Islam Sultan Sharif Ali, Bandar Seri Begawan, Negara Brunei Darussalam
Centennial College	College	Canada	Islamic Finance & Investment	Centennial College, Satation A Toronto, Ontario Canada
Al-Azhar University	University	Egypt	Islamic Economy Management in Islam	Al Mokhaym Al Daem, Gameat Al Azhar, Nasr City, Cairo Governorate, Egypt
Nile University	University	Egypt	Introduction to Islamic Finance	Nile University Campus -Sheikh Zayed, Giza
The American University of Cairo	University	Egypt	Islamic Finance	AUC Avenue, New Cairo, Egypt
Dauphine Universite Paris	University	France	Executive Master: Principles & Practices of Islamic Finance	Place du Marechal de Lattre de Tassigny Paris, France
Em Strasbourg Business School	University	France	Islamic Finance Double Diploma Programme	61 Avenue de la Foret Noire Strasbourg, France
Euclid University	University	Gambia	Online MBA in Islamic Banking & Finance	EUCLID Gambia HQ LG Building (Brusbi Roundabout), Bijilo, Greater Banjul Gambia
Institute for Islamic Banking & Finance	Institution	Germany	Basics in Islamic Economics & Islamic Banking Instruments	IFIBAF - Hamburg: Oberrieden, Switzerland

Facility	Type	Country	Course Name	Address
Al Jamia Al Islamia	Institution	India	Postgraduate Diploma in Islamic Economics & Finance	New Delhi, India
Aligarh Muslim University	University	India	Postgraduate Diploma in Islamic Economics & Finance	AMU Campus, Aligarh, Uttar Pradesh, India
BSE Training Institute	Institution	India	Islamic Finance & Capital Markets	BSE Institute Limited, Kolkata, India
Monad University	University	India	MBA in Islamic Finance	Dist. Hapur (U.P.), India
Airlangga University	University	Indonesia	Masters of Science in Islamic Economics	Gedung Kantor Manajemen, Kampus C Mulyorejo, Surabaya
LPPI Indonesian Banking Development Institute	Institution	Indonesia	Executive MBA in Shariah Banking & Finance	Jl. Kemang Raya Jakarta Selatan
Paramadina Graduate School	Institution	Indonesia	MBA in Islamic Banking & Finance	The Energy Tower-Sudirman Commercial Business District (SCBD) Jakarta
International Telematic University Uninettuno	University	Italy	MA in Islamic Finance and Banking	Corso Vittorio Emanuele II, - Italia
The University of Jordan	University	Jordan	BA in Islamic Finance	Amman, Jordan
Kimep University	University	Kazakhstan	Bachelors in Islamic Banking & Finance	Almaty, Republic of Kazakhstan
Gulf University for Science & Technology	University	Kuwait	Islamic Banking & Finance	Mubarak Al-Abdullah Area/West Mishref Kuwait
American University of Beirut	University	Lebanon	Masters in Finance: Islamic Finance Module	Bliss Street Beirut, Lebanon
ESA Business School	Institution	Lebanon	Islamic Finance Qualification (IFQ)	289, rue Clemenceau-Beirut
INCEIF	University	Malaysia	Master of Science in Islamic Finance	Lorong Universiti A, Universiti Malaya, Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, Malaysia
Nottingham University Business School Malaysia	University	Malaysia	MSc in Investment & Islamic Finance	Jalan Broga, 43500 Semenyih selangor Darul Ehsan Malaysia

Facility	Type	Country	Course Name	Address
University of Malaya	University	Malaysia	Master of Sharia*	Academy of Islamic Studies University of Malaya, Kuala Lumpur Malaysia
Asia Pacific University of Technology & Innovation (APU)	University	Malaysia	Master of Islamic Banking and Finance	Technology Park Malaysia Bukit Jalil, Kuala Lumpur Malaysia
University of Reading (Henley Business School Malaysia)	University	Malaysia	MSc Investment Banking & Islamic Finance (IBIF)	Persiaran Graduan Kota Iimu, Educity, Iskandar Puteri Johor, Malaysia
Nottingham University Business School	University	Malaysia	MSc in Investment and Islamic Finance	Jalan Brogo, Semenyih Selangor Darul Ehsan
Al-Madinah International University	University	Malaysia	PhD in Islamic Banking and Finance	Al-Madinah International University, Shah Alam, Selangor, Malaysia
Islamic Banking & Finance Institute Malaysia (IBFIM)	Institute	Malaysia	Certificates in Islamic Banking & Takaful	Jalan Sultan Sulaiman, Kampung Attap, Kuala Lumpur Wilayah Persekutuan Kuala Lumpur, Malaysia
Arshad Ayub Graduate Business School (AAGBS) University Teknologi Mara	University	Malaysia	Master of Islamic Banking & Finance (MIBF), BBA (Hons) Islamic Banking	Shah Alam, Selangor Darul Ehsan Malaysia
University Internationale de Rabat	University	Morocco	Master of Islamic Finance	International University of Rabat Technopolis Rabat-Shore Bypass rabat-Sale
Al-Quds University	University	Palestine	Islamic Banking	Al-Qudus University, Main Campus, Abu Dis
International Islamic University Islamabad	University	Pakistan	MS in Islamic Banking & Finance MSc in Islamic Banking & Finance PGD in Islamic Banking & Finance	Islamabad, Pakistan
National University of Science & Technology (NUST)	University	Pakistan	Islamic Banking & Finance	Islamabad, Pakistan
Institute of Management Sciences, Peshawar	Institute	Pakistan	Post Graduate Diploma in Banking & Finance, BBA in Islamic Business & Finance, Islamic Subject in BS Economics & MSc Finance, MBA in Islamic Banking & Takaful, PhD in Islamic Business & Finance	Hayatabad, Peshawar Pakistan
Karachi Institute of Economic & Technology	College	Pakistan	BBA Islamic Business & Finance	PAF-KIET Main Campus Korangi Creek, Karachi Pakistan
COMSATS of Information Technology	University	Pakistan	Master in Islamic Banking & Finance	Park Road, Tarlai Kalan, Islamabad, Pakistan

Facility	Type	Country	Course Name	Address
Riphah International University, Islamabad	University	Pakistan	MS Islamic Business & Finance	Peshawar Road, Islamabad, Pakistan
University of Management & Technology Lahore	University	Pakistan	MBA (Islamic Banking), MS (Islamic Banking), PhD (Islamic Banking)	Johar Town, Lahore, Pakistan
Virtual University of Pakistan	University	Pakistan	Associate Degree in Islamic Banking	M.A Jinnah Campus, Defence Road, Off Raiwind Road, Lahore
Lahore Leeds University	University	Pakistan	BS Islamic Banking	Tipu Block, New Garden Town, Lahore, Pakistan
Jinnah University for Women, Karachi	University	Pakistan	Bachelors in Islamic Business and Finance	Nazimabad, Karachi, Pakistan
Minhaj University, Lahore, Pakistan	University	Pakistan	BS Economics (Specialization in Islamic Banking & Finance)	Township, Lahore, Pakistan
Dadabhoy Institute of Higher Education, Karachi	Institute	Pakistan	BBA, MBA (Islamic Banking), PhD (Islamic Banking)	North Nazimabad, Karachi, Pakistan
Institute of Business Administration, Karachi	Institute	Pakistan	BBA, MBA, MS (Islamic Banking)	Kayani Shaheed Raod, Karachi, Pakistan
The University of Faisalabad, Faisalabad	University	Pakistan	BBA (Islamic Banking), MBA (Islamic Banking) Specialization	Sargodha Road University Town Faisalabad, Pakistan
Qatar Faculty of Islamic Studies	College	Qatar	MSc in Islamic Finance	Education City, Doha, Qatar
Effat University	University	Saudi Arabia	Master in Islamic Financial Management (MIFM)	EFFAT University, Jeddah, Saudi Arabia
Islamic Research & Training Institute	Institute	Saudi Arabia	Master of Science in Islamic Finance	Jeddah, Kingdom of Saudi Arabia
King Abdul-Aziz University	Universtiy	Saudi Arabia	Executive Masters in Islamic Finance	Jeddah, Kingdom of Saudi Arabia
Islamic Finance Institute of South Africa	Institute	South Africa	Fundamentals in Islamic Finance	Zakariyya Park Gauteng, South Africa
The Centre for Islamic Economics & Finance South Africa (CIEFSA)	Centre	South Africa	CIEFSA conducts Seminars & training courses on Islamic economic & commerical matters	Jan Smuts Highway Sherwood Durban KZN South Africa

Facility	Type	Country	Course Name	Address
St Clements University	University	Switzerland	BSc in Islamic Finance	SCPSU Business School Avenue Lous-Ruchonnet, Lausanne, Vaud Switzerland
Geneva Business School	Institute	Switzerland	MSc in Islamic Finance	Avenue Blanc, Geneva, Switzerland
Al Khawarizmi College	College	UAE	Bachelors in Islamic Banking & Finance	Abu Dhabi, Al Bahia Abu Dhabi UAE
Emirates Institute for Banking & Finance Studies	Institute	UAE	Islamic Financial Markets & Institutions/ Islamic Banking Products & Operations	EIBFS Dubai Campus International Academic City Al Ruwayyah 2 Opposite Zayed University Dubai, UAE
Ethica Institute of Islamic Finance	Institute	UAE	Certified Islamic Finance Executive (CIFE)	EIBFS Abu Dhabi Campus, Emirates Centre for Strategic Studies & Research Abu Dhabi, UAE
Hamdan bin Muhammad University	University	UAE	Masters in Islamic Banking & Finance	Dubai Academic City Dubai, UAE
Canadian University	University	Dubai (UAE)	MBA Islamic Banking	Dubai, UAE
Zayed University	University	UAE	MA in Islamic Economics & Wealth Management	Zayed University, Abu Dhabi, UAE
Aston Business School	School	United Kingdom	Phd in Islamic Finance	Birmingham, UK
BPP University	University	United Kingdom	LLM (Islamic Finance & Business Law)	BPP University, Chorlton Street, Manchester UK
Bangor University	University	United Kingdom	MA in Islamic Banking & Finance	Bangor University Bangor Gwynedd UK
Chartered Institute of Management Accountants (CIMA)	Institute	United Kingdom	Diploma in Islamic Finance	The Gelicon On South Place London, United Kingdom

Facility	Type	Country	Course Name	Address
Chartered Institute for Securities & Investment (CISI)	Institute	United Kingdom	Islamic Finance Qualification (IFQ)	London, United Kingdom
Durham University	University	United Kingdom	MA in Islamic Finance / MA in Islamic Finance Management Ph.D Islamic Finance	Mill Hill Lane Durham, UK
ICMA Centre - Henley Business School, University of Reading	University	United Kingdom	MA in Investment Banking & Islamic Finance	Whitenights, Reading, England
Institute for Islamic Banking & Insurance	Institute	United Kingdom	Diploma in Islamic Banking	Frognaal London, United Kingdom
London School of Business & Finance (LSBF)	University	United Kingdom	MA in Islamic Banking & Finance	Bunhill, Row, London, United Kingdom
The Markfield Institute of Higher Education (MIHE)	Institute	United Kingdom	MA in Islamic Banking, Finance & Management	Ratby Lane, Markfield, Leicestershire, UK
University of Bolton	University	United Kingdom	Masters in Islamic Economy	Deane Rd, Bolton, UK
Judge Business School, University of Cambridge	University	United Kingdom	Islamic Finance Programme	University of Cambridge, Trumpington St, Cambridge UK
University of Dundee	University	United Kingdom	MSc Islamic Accounting & Finance	Nethergate Dundee Scotland, UK
University of Salford	University	United Kingdom	MSc in Islamic Banking & Finance	The crescen, Salford. UK
University of South Wales	University	United Kingdom	Masters in Islamic Banking & Finance	University of South Wales, Pontypridd, UK
Institute of Islamic Banking & Finance	Institute	United Kingdom	MBA Islamic Finance	AIMS, Wenlock Road London UK
Global Bankers Institute	Institute	United States	Islamic Banking Training	New York, USA
The George Washington University	University	United States	Introduction Transactional Islamic Law	NW Washington, DC USA
University of Science & Technology	University	Yemen	Islamic Banking	President Office-Main Campus of The University - Yemen
Regent Business School	Institute	South Africa	Higher Certificate in Islamic Finance, Banking & Law (HCIFBL)	Sunnyside Park, Auckland Park, South Africa

Facility	Type	Country	Course Name	Address
Islamic Online University	University	Qatar	Associate Degree in Islamic Economics, Banking & Finance (AIBE)	Doha, Qatar
Islamic Online University	University	Gambia	B.Sc. in Islamic Economics, Banking & Finance (B.Sc. IBE)	Kanifing South, KMC, The Gambia
Hamad Bin Khalifa University	University	Qatar	Master of Sciences in Islamic Finance	Qatar Foundation, Al Luqta St, Ar-Rayyan, Qatar
Geneva Business School Barcelona Campus	Business School	Spain	MSc.F in Islamic Finance	Gran Via de Les Corts Catalanes, Barcelona, Spain
Universiti Utara Malaysia	University	Malaysia	Master in Islamic Finance & Banking	Sintok, Universiti Utara Malaysia, kedah, Malaysia
Intrnational Islamic University Malaysia	University	Malaysia	Bachelors in Islamic Finance	Kuala Lumpur, Malaysia
Intrnational Islamic University Malaysia	University	Malaysia	Master in Islamic Finance & Banking	Kuala Lumpur, Malaysia
Talal Abu-Ghazaaleh College of Business (TAG-College), Amman, Jordan	Business College	Jordan	Master in Islamic Finance & Banking	Mecca Street Amman Jordan
Asia e-University (AeU), Malaysia	Business College	Malaysia	Master in Islamic Finance & Banking	Kampung Attap, Kuala Lumpur, Malaysia
Prifysgol Bangor University, London, UK	University	London (Bangor)	Master in Islamic Finance & Banking	Bangor University Bangor Gwynedd
Cass Business School Dubai	Business School	Dubai	EMBA Specialization in Islamic Finance	Dubai International Financial Center (DIFC) Gate Village, Dubai, UAE
Institute of Management Technology Dubai	Institute	Dubai	MBA Finance with electives in Islamic Finance	International Academic City Dubai, UAE
Hochschule Bremen University of Applied Sciences, International Graduate Center Germany	University	Germany	Master with Global & Islamic Finance	Hochschule Bremen Neustadtswall Bremen
Universite Paris-Dauphine Geneva Business School	University	Paris	Master in Islamic Finance	Place du Marechal de Lattre de Tassigny-Paris Cedex
Graduate School of Business Universiti Tun Abdul Razak Malaysia	University	Malaysia	Master in Global Islamic Finance	Universiti TUN Abudl Razak Jalan Tangsi Kula Lumpur
Institute of Economics & Finance - Universitas Trisakti Jatarka, Indonesia	University	Indonesia	Master's Program in Islamic Finance, Economics & Banking	University of Trisakti JLn. Kyai Tapa, Grogol Jakarta Barat

Facility	Type		Course Name	Address
Selangor International Islamic University College (KUIS) - Malaysia	University	Malaysia	Master in Muamalah	Kolej Universiti Islam Antarabangsa Selangor (KUIS), Bandar Seri Putra 43000 Kalang, Selangor, Malaysia
EUCLID University (Online)	University	Online	Master in Islamic Finance	
Istanbul Zaim University	University	Istanbul	International Research center for Islamic Economics & Finance	Istanbul Sabahattin Zaim University Halkalı-Küçükçekmece / Istanbul
Arees University	University	Houston	Master of Risk Management in Islamic Banking	University of Arees Richond Houston
EM Strasbourg Business School Strasbourg University	Business School	France	Islamic Finance	EM Strasbourg Business School Avenue De La Foret-Noire
EM Strasbourg Business School Strasbourg University	Business School	France	Islamic Finance	EM Strasbourg Business School Avenue De La Foret-Noire
Institute of Islamic Banking & Insurance	Institute	UK	Certificate in Islamic Banking	Hampstead Gate Frognal London United Kingdom
MCBS Center for Graduate & Professional Studies	College	Oman	Master in Islamic Banking & Finance	Al-Khuwair, PC Sultanate of Oman
College of Banking & Financial Studies	College	Oman	Bachelor in Islamic Finance	Ruwi Sultanate of Oman

Table 2: Key Global Universities Offering Islamic Banking Finance Education
Source: Extracted from the websites of the respective Institutes/Colleges & Universities


Wafaqs/ Tanzeem/ Rabita	Province/ Region	Institutions				Enrolment			Teacher		
		Male	Female	Mixed	Total	Male	Female	Total	Male	Female	Total
Rabita-tul-Madaris Islamia	Punjab	385	187	385	957	52,406	33,168	85,574	1,984	783	2,767
	Sindh	241	50	617	908	26,308	15,050	41,358	1,115	296	1,411
	KP	128	30	-	158	14,851	2,543	17,394	941	140	1,081
	Balochistan	58	8	115	181	4,736	2,779	7,515	276	29	305
Wafaq - ul-Madaris*	AJ&K	11	10	142	163	10,613	11,881	22,494	389	347	736
	GB	11	-	12	23	4,430	524	4,954	140	-	140
	FATA	1	-	2	3	608	23	631	9	3	12
	ICT	23	15	8	46	698	1,431	2,129	25	46	71
	Total	858	300	1,281	2,439	114,650	67,399	182,049	4,879	1,644	6,523
	Punjab	1,471	760	1,589	3,820	206,032	139,196	345,228	8,308	3,455	11,763
	Sindh	773	246	1,786	2,805	105,144	69,037	174,181	4,287	1,372	5,659
	KP	934	217	-	1,151	121,117	19,218	140,335	7,684	1,405	9,089
	Balochist-an	325	29	423	777	26,657	9,972	36,629	1,375	90	1,465
	AJ&K	33	21	102	156	9,572	9,650	19,222	560	177	737
	GB	19	-	16	35	4,428	1,946	6,374	146	13	159
	FATA	286	102	102	490	130,560	43,603	174,163	2,569	681	3,250
	ICT	108	46	69	223	4,160	6,521	10,681	264	342	606
	Total	3,949	1,421	4,087	9,457	607,670	299,143	906,813	25,193	7,535	32,728

Tanzeem-ul-Madaris Ahlesunnat Pakistan	Punjab	1,240	704	1,492	3,436	171,461	107,908	279,369	6,339	2,512	8,851
	Sindh	702	181	1,540	2,423	69,661	39,680	109,341	2,872	581	3,453
	KP	336	78	-	414	30,572	7,275	37,847	1,830	488	2,318
	Balochistan	132	12	316	460	11,362	5,642	17,004	523	122	645
	AJ&K	22	31	257	310	13,068	16,484	29,552	580	332	912
	GB	11	3	9	23	2,109	499	2,608	82	-	82
Other Bodies	FATA	1	-	1	2	425	68	493	12	-	12
	ICT	-	-	-	-	1,180	1,125	2,305	53	53	106
	Total	2,444	1,009	3,615	7,068	299,838	178,681	478,519	12,291	4,088	16,379
	Punjab	295	128	342	765	30,138	16,423	46,561	1,183	345	1,528
	Sindh	226	85	632	943	23,999	14,599	38,598	972	313	1,285
	KP	180	42	-	222	18,496	4,471	22,967	1,145	320	1,465
	Balochistan	41	12	127	180	4,484	2,751	7,235	235	9	244
	AJ&K	37	32	145	214	8,640	9,231	17,871	391	198	589
	GB	8	-	3	11	917	39	956	35	-	35
	FATA	-	-	-	-	-	-	-	-	-	-
	ICT	-	8	-	8	-	27	27	10	-	10
	Total	787	307	1,249	2,343	86,674	47,541	134,215	3,971	1,185	5,156

Not Affiliated	Punjab	1,436	741	1,830	4,007	142,398	94,623	237,021	4,779	1,812	6,591
	Sindh	517	135	1,670	2,322	52,074	33,047	85,121	1,998	510	2,508
	KP	734	171	-	905	56,677	13,809	70,486	3,143	1,032	4,175
	Balochistan	292	49	826	1,167	16,546	11,367	27,913	959	60	1,019
	AJ&K	71	78	317	466	19,783	21,938	41,721	871	231	1,102
	GB	16	5	14	35	3,452	1,227	4,679	129	-	129
	FATA	-	-	-	-	-	-	-	-	-	-
	ICT	23	-	46	69	692	316	1,008	39	4	43
	Total	3,089	1,179	4,703	8,971	291,622	176,327	467,949	11,918	3,649	15,567
Not Reported	Punjab	302	191	320	813	20,381	13,347	33,728	779	248	1,027
	Sindh	216	50	366	632	10,583	6,271	16,854	517	74	591
	KP	144	34	-	178	10,790	1,980	12,770	581	121	702
	Balochistan	78	4	112	194	2,595	1,927	4,522	181	1	182
	AJ&K	8	11	76	95	2,505	3,071	5,576	116	35	151
	GB	6	2	10	18	608	186	794	39	4	43
	FATA	31	8	17	56	8,861	4,603	13,464	204	36	240
	ICT	-	-	8	8	-	-	-	-	-	-
	Total	785	300	909	1,994	56,323	31,385	87,708	2,417	519	2,936

Total	Punjab	5,129	2,711	5,958	13,798	622,816	404,665	1,027,481	23,372	9,155	32,527
	Sindh	2,675	747	6,611	10,033	287,769	177,684	465,453	11,761	3,146	14,907
	KP	2,456	572	-	3,028	252,503	49,296	301,799	15,324	3,506	18,830
	Balochistan	926	114	1,919	2,959	66,380	34,438	100,818	3,549	311	3,860
	AJ&K	182	183	1,039	1,404	64,181	72,255	136,436	2,907	1,320	4,227
	GB	71	10	64	145	15,944	4,421	20,365	571	17	588
	FATA	319	110	122	551	140,454	48,297	188,751	2,794	720	3,514
	ICT	154	69	131	354	6,730	9,420	16,150	391	445	836
	Pakistan	11,912	4,514	15,844	32,272	14,56,77	800,476	2,257,253	60,669	18,620	79,289

Table 5: Madaris in Pakistan



1-A, Sector E-5, Phase 7, Hayatabad, Peshawar, Pakistan
Ceif@imsciences.edu.pk
www.ceifimsciences.org

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