When it comes to pursuing an Islamic finance education, Pakistan may not seem like the likeliest choice for students who may instead look to Malaysia or to the UK, but considering the fact that many top Islamic bankers, leading Shariah scholars and prominent Islamic finance experts hail from Pakistan and are a product of a Pakistani education, VINEETA TAN posits perhaps it is time aspiring Islamic finance professionals turn to Pakistan for answers.

World standing
On a global level, Pakistan – where Islamic banking has been consistently registering healthy double-digit growth rates – fares relatively impressively in terms of Shariah finance knowledge: the Islamic Finance Development Indicator ranks as it among the top five in the world in 2014 (with Malaysia at the forefront, scoring more than twice that of Pakistan) while a report on the global Islamic finance education landscape conducted by Yurizk in 2013 found that Pakistan houses the largest concentration of Islamic finance education providers, narrowly beating Malaysia and the UK at 88 (against 86).

It must be noted, however, that Yurizk included providers offering independent short courses, certifications, workshops and modules within a degree program, and not only dedicated Islamic finance-related degrees.

Pakistan – the next Islamic finance education hub?

Synergy between universities, the industry and government to improve competency of graduates
The lack of soft skills among students and graduates entering the Islamic finance industry is the responsibility of three parties: universities, the Islamic finance industry and the government. Collectively, AGUS HARTANTO suggests that these three institutions should collaborate to conduct focus group discussions to create a roadmap for the preparation and development of Islamic finance talents.

Interview with Syed Adam Alhabshi, manager of the Shariah Secretariat at Malaysian Industrial Development Finance
The Chartered Institute of Islamic Finance Professionals brings you an exclusive interview with Syed Adam Alhabshi, a manager of the Shariah Secretariat at Malaysian Industrial Development Finance (MIDF), a lawyer (public and private sector) and a chartered professional in Islamic finance with six years of experience in the Islamic finance industry.
HR challenge
Yet, despite these promising figures, Pakistan still faces a serious human resource (HR) challenge.

“The Islamic banking and finance field is growing at a much faster pace than what education institutions are able to produce,” said Dr Hasan Sohaib Murad, the rector of the University of Management and Technology at a recent IFN event.

With Islamic finance projected to command one-fifth of total banking market share by 2020, it is estimated that some 4,000 new Islamic finance professionals are required every year in Pakistan, or 12,500 entrants by 2020, according to Dr Irum Saba, an assistant professor at the Institute of Business Administration Center of Excellence for Islamic Finance (IBA CEIF).

“With only about seven to eight institutions offering fully-fledged degrees in Islamic finance, Islamic banking and/or Islamic economics, how many students can graduate from these institutions to meet this demand?” asked Dr Hasan.

Centers of excellence
This stark mismatch between supply and demand of human capital led the State Bank of Pakistan (SBP) to establish dedicated centers of excellence in Islamic finance at carefully selected academic institutions to tackle the severe talent shortage while simultaneously supporting the research community to create a conducive environment for product diversification and engineering of solutions to industry-specific issues as well as to raise the level of awareness and understanding of Islamic finance among the public.

And while these centers of excellence have only been in operation for less than two years, the progress thus far has been encouraging. Apart from developing research capabilities and organizing various training courses as well as awareness-raising events, one of the three institutions, IBA CEIF, has also designed a Master of Science degree in Islamic finance.

Ahmed Ali Siddiqui, the founding director of IBA CEIF, confirms with IFN Education, that the recently-launched postgraduate qualification will be offered in January 2017 and has been met with overwhelming response, receiving over 200 applications as of November – the pioneering cohort will only accept a maximum of 40 students.

“We are seeing a high demand not only from students but also from existing professionals,” shares Ahmed. “Which is why we are tailoring the program to also accommodate working professionals by having classes on the weekends and during the evenings.”

IBA CEIF is also working on expanding its current offerings to include a PhD program and distance learning courses with a view of developing a database of online lectures.

Research required
Nonetheless, while efforts by the regulators and private players to boost the capacity of education providers are lauded, Pakistan still has a long way to go in becoming an international Islamic finance knowledge hub, especially if it wants to rival the likes of Malaysia.

“Comparing the regulators of Pakistan and Malaysia, there is a major difference in that we do not have a dedicated research-based institute designated to Islamic finance,” opined Mufti Mohammad Najeeb Khan, a resident Shariah board member of Summit Bank.

Research, or rather the lack of applied research, is a major impediment to the growth of the Islamic finance industry, both in practice and in theory.
“Worldwide, there are only about 18-20 journals dedicated to Islamic banking and finance and only approximately 10 articles are produced yearly which aren’t sufficient,” said Dr Hasan. “Islamic economics needs research; we need people to also contribute to theory and to develop case studies and write textbooks to develop the right mindset in people to lead the field.”

And while the SBP’s three centers of excellence at IBA, Lahore University of Management Sciences and Institute of Management are providing much-needed value in deepening the research body, with IBA CEIF also working on a book of real-life case studies which will serve as a reference point for Islamic finance education institutions nationwide, there needs to be more involvement from industry players themselves.

“Research cannot be provided through tuition funding alone as it is barely enough to meet the cost of teaching and other overhead costs,” commented Dr Hasan. “To develop HR for the Islamic banking and finance field, to inculcate a strong research culture and to sustain a research culture – I think it is the job of Islamic financial institutions and they must commit at least 1-2% of their resources to this – because whatever banks are able to do now, are a result of research done in earlier generations.”

“To develop HR for the Islamic banking and finance field, to inculcate a strong research culture and to sustain a research culture – I think it is the job of Islamic financial institutions and they must commit at least 1-2% of their resources to this”

Cross-border collaboration
One of the most promising developments of Pakistan’s human capital agenda is that the Republic is stepping out of its domestic comfort zone and increasingly looking outward for inspiration, guidance and assistance, opening avenues for the exchange of best practices and creating a more compelling proposition for the internationalization of its Islamic finance education system.

IBA CEIF, for example, is building strong ties with Malaysian entities to exchange expertise and collaborate in training programs: in November it partnered with the Islamic Banking and Finance Institute Malaysia for those purposes; it also sent its faculty to gain exposure and training with the International Center for Education in Islamic Finance (INCEIF) in preparation for the commencement of its Masters of Science in Islamic finance program and is considering developing leadership programs with INCEIF to be held in both Pakistan and Malaysia, as well as creating a student exchange program.

“Like INCEIF, we are expecting to attract international students,” relayed Ahmed.

It is apparent that Pakistan is taking a leaf out of Malaysia’s book; however, the relationship is also two-way.

“There are areas where we are ahead of Malaysia, and there are areas we can learn from Malaysia,” said Ahmed expounding that Malaysian academics are also keen on learning the Pakistani experience particularly with respect to its diverse product range such as its Islamic open market operations.

Evolving role
Traditionally, Islamic finance educators are mainly tasked with equipping individuals with the right set of skills and knowledge to support, develop and lead the Islamic finance industry, and they are a vital cog in the research machine, most essential in the sustainability and growth of the industry. And while these roles may confine educators within the walls of academia with much room for interaction with the industry, things are changing, or rather evolving.

“We are trying to find solutions for the industry, and not only through research,” said Ahmed, who shared that IBA CEIF has been approached by the Pakistan Banks’ Association to provide recommendations on enhancing the legal framework for the Islamic banking and finance sector which will then be raised to legislators, a task usually reserved for Islamic banking and finance players.

“This is what academics should do – this is equally as important as writing a research paper and now academics are at the forefront, or at least trying to be, in crafting effective solutions for the industry,” said Ahmed.

Ask anybody from either side of the ‘divide’ and market practitioners and academics would agree that a key driver for success in molding the right talent for the sector is greater synergy between the industry and academia to combine the best expertise from both worlds for the advancement of Islamic finance.

It cannot be denied that there is still much to be done to bridge the gap between these two worlds, but Pakistan looks to be on the right track and the formulation of a national strategy for Islamic finance education – one which will take into consideration concerns, needs and feedback of both industry players and the academic community to craft a framework most conducive for Pakistan’s Shariah finance talent to thrive – would be a key step in its journey toward becoming an international Islamic finance education hub.
Greater synergy needed to improve competency of graduates

The lack of soft skills among students and graduates entering the Islamic finance industry is the responsibility of three parties: universities, the Islamic finance industry and the government. Collectively, AGUS HARTANTO suggests that these three institutions should collaborate to conduct focus group discussions to create a roadmap for the preparation and development of Islamic finance talents.

The university as an institution that provides education in the classroom should have a standard curriculum in accordance with Islamic finance industry needs. For example, the current number of universities that teach Islamic finance in Indonesia has reached 90 from the previous year’s figure of 75. The curriculum standards will combine theory and business case studies arranged collectively between universities, the Islamic finance industry and the government which in this case is represented by the Ministry of Education and the Financial Services Authority.

In the standard curriculum, theory, business case studies and shared values are combined to produce competency appropriate to the needs of the Islamic finance industry. In practice, the Islamic finance industry not only acts as a conduit of capital but also ensures capital received by the community or business entities can drive the economy. Employees in the Islamic finance industry do not only think about business, but also the shared values that need to be delivered to business partners. This combination between business and shared values distinguishes the Islamic finance employees from other business employees. There are still many universities that only teach Mazhab, Halal and Haram concepts. That’s important, but not enough. Graduates should be introduced to the business system and its shared values, because in many cases during job interviews, when asked about Islamic finance, these graduates do not know about the Islamic financial system and its business model resulting in them not picked for the job.

The Islamic financial industry, as an institution that recruits and employs these graduates, has competency standards for the selection of each new graduate. With the standard curriculum in universities, the institution will need less time to prepare the competence of graduates and will not require a greater cost to train again. The Islamic finance industry together can also conduct research to identify the type of Islamic finance expertise needed to ‘link and match’ with universities. Business cases and product innovation examined together by Islamic finance institutions and universities can be used as ingredients to enrich the competencies of graduates.

In the concept of mentoring, experts and senior employees are regarded as role models in the Islamic finance industry with a function to manage and coach new graduates. One senior can manage three junior staff. The task of the mentor is to advise and monitor the understanding and development of new
graduates during the training period, which is expected to accelerate the understanding and the service standard of new graduates. It is not the usual superior-subordinate relationship, but rather one that includes knowledge-sharing and mentoring.

“Inactive engagement through focus group discussions among universities, the Islamic finance industry and the government will result in a standard curriculum of Islamic finance that will help to produce graduates with competency standards required by the industry”

In Indonesia, there are currently 12 Islamic commercial banks and 26 Islamic business units. The gap in human resources in 2013 reached the 50,000 mark at a time when the growth of Islamic banking has not even reached 5% of conventional banking. The larger the target of Islamic banking growth compared to conventional banking, the greater the gap in the workforce needed. Islamic banking institutions are still not the first choice for banking or finance graduates in their first career after graduating from universities as they prefer to work in conventional banks. In addition, graduates of Islamic banking still lack competence. Currently, the way to fill vacancies in Islamic banking is still by recruiting graduates that do not have an Islamic finance background and conventional banking professionals.

The Islamic banking industry can work together to establish a center for Islamic finance education and training to produce experts to meet these gaps. One of the points of agreement in the AEC (ASEAN Economic Community) established in 2015 is freedom of movement for skilled and talented labor. This is a serious challenge for Indonesia as the recognized educational centers and training for Islamic banking and finance are abroad such as in Bahrain, the UAE and Malaysia.

The government of Indonesia, represented by the FSA and the Ministry of Education, plays an important role as the regulator in the Islamic finance industry and the education system. The government should initiate focus group discussions between universities and the Islamic financial industry to obtain a standard curriculum to generate a standard competency of graduates that meet industry needs. To accelerate the synergy across departments, the government should form task force institutions like the Malaysia International Islamic Financial Center (MIFC) in Malaysia.

Malaysia’s Islamic finance marketplace is served by the MIFC Community, founded at the launch of the MIFC initiative in 2006. The MIFC Community is a network of the country’s financial sector regulators, including Bank Negara Malaysia (the central bank of Malaysia), Securities Commission Malaysia, Labuan Financial Services Authority, Bursa Malaysia (the country’s stock exchange), government ministries and agencies, industry players from the Islamic banking, Takaful, re-Takaful and Islamic capital market industries, human capital development institutions as well as professional ancillary services companies ranging from legal firms and Shariah advisories to tax and audit firms and research companies.

Thus, the active engagement through focus group discussions among universities, the Islamic finance industry and the government will result in a standard curriculum of Islamic finance that will help to produce graduates with competency standards required by the industry. The mechanism to accelerate the synergy could be set up through task force institutions that focus on human capital development. The Islamic finance industry will grow on track when supported by human capital that understands its theory, business practices and share values.

Agus Hartanto is the business development director of Prastiwahyu Group and the former head of corporate banking with Bank Maybank Syariah Indonesia. He can be contacted at aghartanto@gmail.com.
Interview with Syed Adam Alhabshi, manager of the Shariah Secretariat at MIDF

The Chartered Institute of Islamic Finance Professionals brings you an exclusive interview with Syed Adam Alhabshi, a manager of the Shariah Secretariat at Malaysian Industrial Development Finance (MIDF), a lawyer (public and private sector) and a chartered professional in Islamic finance with six years of experience in the Islamic finance industry.

What is your current role, and what are your key responsibilities?

Currently, I am a manager of the Shariah Secretariat of MIDF, a position held since 2013. One of the main functions of the Shariah Secretariat is the handling of the Shariah Committee of MIDF’s meetings from end-to-end. At the same time, we also provide assistance to business units in resolving any Shariah issues and, if required, to assist them in escalating the matter to the Shariah Committee of MIDF.

My key portfolio is the Development Finance Division of MIDF which handles Islamic financing to SMEs.

Can you give a little more insight into your work background and experience? How did you come to be in your current position?

I first embarked on my legal career as a judicial officer, ie as a senior assistant registrar of the High Court in Kuala Lumpur, as a magistrate in Kuala Lumpur and as a special officer to the chief justice of Malaysia between 2007 and 2012. While in service, I completed the CIFP program at the International Center for Education in Islamic Finance (INCEIF), which is an industry-focused qualification recognized as the equivalent to a Master’s degree (accredited by the Malaysian Qualifications Agency, MQA). Thereafter, I joined SKRINE in their Corporate Department where my focus was on banking and property, with emphasis on Islamic finance from 2012-13.

I am also a founding Grand Council member of the Chartered Institute of Islamic Finance Professionals (CIIF), established in 2015 as the successor to the Association of Chartered Islamic Finance Professionals (ACIFP).

Equipped with some legal exposure in the public and private sectors, supported by comprehensive academic achievements and industry experience, I have developed my technical abilities to support value creation as part of the Shariah Secretariat at MIDF.

What does your current role entail on a day-to-day basis? And what are the challenges you face?

My current role revolves around managing and supporting a range of functions and services as a member of the Shariah Secretariat of MIDF, including assisting business units in resolving any Shariah issues and escalating matters to the Shariah Committee of MIDF.
Shariah Secretariat. These include conducting research for all Shariah-related matters of MIDF and its subsidiaries; supporting the Shariah Advisory function and collaborating with the business unit on product structuring.

The main challenge for me when I first joined MIDF was to understand the technical aspects of Islamic finance and regulations. This was a total career shift from public and private legal practice. Alhamdulillah, having the proper industrial cum academic exposure from INCEIF coupled with the legal training that I received, I was better equipped and able to appreciate the challenges of my new work, as well as the practical workings of the Islamic finance industry. All of this provided me with many opportunities to serve the Islamic finance industry's continued growth and development.

Another aspect of the challenges that I faced when I began working at MIDF was the fact that my new employment coincided with the start of my PhD academic journey. In the beginning, it was a real struggle to complete work and academic assignments but Alhamdulillah I managed to find the proper ‘risk-sharing’ balance.

What are the top three career highlights that stand out for you? Why?

The following are the top three highlights in my Islamic finance career:

1. I was part of the research team (together with Maimoonah Aid) for Mohd Zawawi Salleh when he was a High Court judge of the Muamalat High Court (currently he is a Court of Appeal judge) in Mohd Alias Ibrahim v RHB Bank & Anor [2011]3 MLJ 26. This was a landmark case in Islamic finance which discussed whether the Shariah Advisory Council (SAC) of Bank Negara Malaysia was usurping the jurisdiction of the court in determining issues of law. The High Court said that it was not and the Court of Appeal affirmed the “well-considered grounds” of the High Court.

2. I am part of the team to transform MIDF to be Shariah compliant. One of the most interesting experiences was to be part of the MIDF Amanah Asset Management (a subsidiary of MIDF) team that presented an important industrial research paper to the SAC of Securities Commission.

3. I managed to complete my PhD in Islamic Finance at INCEIF on a part-time basis in less than four years. Juggling my responsibilities between work, studies, family and other commitments was really challenging and Alhamdulillah, with the Grace of Allah, I was able to manage my time and complete it (my convocation was in November 2016).

What advice would you give to students and aspiring professionals looking to enter the Islamic finance industry?

There is a need to understand that Islamic finance is about Shariah compliance, and not merely Fiqh compliance.

What advice would you give to students and aspiring professionals looking to enter the Islamic finance industry?

Be sure to observe and benefit from the experiences and wisdom of others. I feel that this helps to accelerate one's learning.

Also, acquire and practice ‘Adab’. ‘Adab’ can certainly distinguish you from those that do not practice it.

After fulfilling your duties to the best of your ability, leave it to Allah SWT to reward you.

Last but not the least, in your opinion, why do you think we need knowledge, integrity and service in assuming our role or profession?

The bulk of Islamic finance is related to services. In services, we must serve with ‘Ihsan’ (excellence). Integrity would then fit nicely in our decision-making. But how are we supposed to know what to do, what to omit, what is permissible or what is not if we do not acquire knowledge?
**AMERICAS**

**World Bank holds Islamic finance seminar**

US: Over 100 participants, including government officials, bankers, asset managers and academics from all over the world, participated in the World Bank-IFSB high-level seminar on Islamic finance and the sustainable development goals held at the office of the World Bank Treasury.⁹

**AFRICA**

**UIC launches Islamic finance MBA**

MOROCCO: Universite Internationale de Casablanca (UIC) has launched an executive MBA in Islamic finance in partnership with Al Maali Institute. The program covers banking, finance, insurance and asset management.⁹

**ASIA**

**TEVTA to provide interest-free loans**

PAKISTAN: The Technical Education and Vocational Training Authority (TEVTA) of Pakistan will extend PKR500 million (US$4.73 million) to Akhuwat to enable the latter to provide microfinancing facilities to support TEVTA graduates during the 2015-16 year.

The fund provided in the first year will be revolved over the project period of 10 years.⁹

**IBA CEIF announces new initiatives**

PAKISTAN: The Center for Excellence in Islamic Finance (IBA CEIF) has launched the ‘Advanced Certificate in AAOIFI Shariah Standards’, a six-month certification launched in collaboration with Dubai Islamic Bank Pakistan.

Separately, IBA CEIF also signed an MOU with the Sindh Judicial Academy to promote Islamic finance education and understanding within the judicial sector of Pakistan.⁹

**EUROPE**

**IR Academy holds IFQ course**

UK: The Islamic Relief Academy (IR Academy) held a companion course for the Chartered Institute of Securities & Investments’s Islamic Finance Qualification (IFQ) on the 22nd, 24th and 29th November as well as on the 1st December. Courses will be held again on the 13th and 15th December.⁹

**UKIFC and ISRA hold workshop**

UK: The Islamic Finance Council UK (UKIFC) and the International Shari’ah Research Academy for Islamic Finance (ISRA), in association with K&L Gates, have organized a workshop on Shariah governance. UKIFC and IFSA also launched the Shariah Audit Report 2016 at the event.⁹

**MIDDLE EAST**

**Al-Salam supports BIBF in Islamic finance e-learning initiative**

BAHRAIN: Al-Salam Bank has provided financial backing to the Bahrain Institute of Banking and Finance (BIBF) for the development of an Islamic finance e-learning platform that will revolve around the standards issued by AAOIFI. The e-learning platform will provide access to individuals interested in learning about AAOIFI’s standards and Islamic banking and finance.⁹

**Waqf Fund allocates scholarships**

BAHRAIN: Bahrain Institute of Banking and Finance (BIBF) recently received a total of 31 scholarships from the Central Bank of Bahrain's Waqf Fund for Advanced Diploma in Islamic Finance.⁹

**CBFS partners with AAOIFI**

OMAN: College of Banking and Financial Studies (CBFS) signed an MoU with AAOIFI through which it will provide coaching and exam services for AAOIFI programs, conduct joint workshops, seminars and capacity building-related events with regards to Islamic economics and finance.⁹
## Islamic Finance Education Providers Around the World

<table>
<thead>
<tr>
<th>Institution Name</th>
<th>University Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Universiti Ferhat Abbas</td>
<td>University of Muhammadiyah Jakarta</td>
</tr>
<tr>
<td>Griffith University</td>
<td>Ajoun National University</td>
</tr>
<tr>
<td>La Trobe University</td>
<td>The University of Jordan</td>
</tr>
<tr>
<td>Al Khawarizmi International College</td>
<td>World Islamic Science and Education University</td>
</tr>
<tr>
<td>Cambridge University, Judge Business School</td>
<td>KIBS Kuwait Institution of Banking Studies</td>
</tr>
<tr>
<td>Canadian University of Dubai</td>
<td>Kuwait University</td>
</tr>
<tr>
<td>University of Sarajevo</td>
<td>Ecole Superieure des Affaires</td>
</tr>
<tr>
<td>Universiti Brunei Darussalam</td>
<td>International Islamic University Malaysia</td>
</tr>
<tr>
<td>Universiti Islam Sultan Sharif Ali</td>
<td>Institute of Islamic Banking and Finance</td>
</tr>
<tr>
<td>Centennial College</td>
<td>Al-Madinah International University</td>
</tr>
<tr>
<td>Rotman School of Economics Toronto University</td>
<td>APU Asia Pacific University</td>
</tr>
<tr>
<td>Al-Azhar University</td>
<td>Bank Rakyat School of Business &amp; Entrepreneurship</td>
</tr>
<tr>
<td>Nile University</td>
<td>Cybernetics International Collegeof Technology</td>
</tr>
<tr>
<td>Paris-Dauphine University</td>
<td>INCEIF</td>
</tr>
<tr>
<td>Euclid University</td>
<td>Insaniyah University College</td>
</tr>
<tr>
<td>IFIBAF</td>
<td>Universiti Putra Malaysia</td>
</tr>
<tr>
<td>Aligarh Muslim University</td>
<td>Islamic Banking &amp; Finance Institute</td>
</tr>
<tr>
<td>BSE Institute</td>
<td>Islamic University College of Malaysia</td>
</tr>
<tr>
<td>Islamic University KERALA</td>
<td>ISRA Islamic Shariah Research Academy</td>
</tr>
<tr>
<td>Monad University</td>
<td>Kolej Profesional Mara Bandar Melaka</td>
</tr>
<tr>
<td>Preston International College</td>
<td>Kolej Islam Darul Ridzuan</td>
</tr>
<tr>
<td>Institute of Islamic Banking Finance &amp; Insurance</td>
<td>Kolej Islam Pahang Sultan Ahmad Shah</td>
</tr>
<tr>
<td>The Institute for Islamic Banking and Finance</td>
<td>Kolej Universiti Islam Sultan Azlan Shah</td>
</tr>
<tr>
<td>Graduate School of Gadjah Mada University</td>
<td>Seberang Perai Polytechnic</td>
</tr>
<tr>
<td>LPPi- Indonesian Banking Development Institute</td>
<td>SEGi College Kuala Lumpur</td>
</tr>
<tr>
<td>Muamalate Institution</td>
<td>Selangor Universiti</td>
</tr>
<tr>
<td>Paramadina Graduate School</td>
<td>Selangor International Islamic University College</td>
</tr>
<tr>
<td>State college of Islamic studies Pekalongan</td>
<td>TWINTERCH International University College of Technology</td>
</tr>
<tr>
<td>State Islamic University</td>
<td>Universiti Islam Malaysia</td>
</tr>
<tr>
<td>Tazkia University College of Islamic Economics</td>
<td>UCSI University</td>
</tr>
<tr>
<td>Trisakti University</td>
<td>UITM Universiti Teknologi MARA</td>
</tr>
<tr>
<td>Universitas Airlangga</td>
<td>Universiti Kebangsaan Malaysia</td>
</tr>
<tr>
<td>University Islam Indonesia</td>
<td>UMS University Malaysia Sabah (Labuan faculty)</td>
</tr>
</tbody>
</table>

This is not a comprehensive list. To add your institution to the list, please contact vineeta.tan@redmoneygroup.com