

SPECIAL SESSION ON GOVERNORS' PERSPECTIVE ON DESIGNING NATIONAL STRATEGIES TO DEVELOP ISLAMIC FINANCE

<i>Brief Note</i>	<p>Starting from the 1950s, Islamic finance has gained increasing attention and widely recognized in Islamic countries as well as developed non-Islamic countries such as UK, Luxemburg, Singapore, Hong Kong, Japan etc. Furthermore, Islamic finance has been one of fastest growing components of international financial system over the last decades. The concept of Islamic or Shariah-compliant finance is based on core tenets of Islam concerning property rights, social and economic justice, wealth distribution, and governance. In the wake of the recurrent financial crisis, there has been a renewed debate on the role that Islamic finance can play, with its strong ethical principles and asset based approach, in promoting international economic growth and mitigating financial crisis. Islamic finance is now widely accepted as a solid tool and trustworthy industry with its unique structure.</p> <p>On the other hand, given the industry's current size US\$ 1.88 trillion in 2015 (IFSB 2016) and composition, Islamic finance is still a niche market in the overall global financial industry. Prospects for the industry are quite bright due to the strong demand for financial services from a large segment of the world's 1.6 billion Muslims and other non-muslim investors who want to channelize their savings to ethical finance. The sustainability and future growth of the sector will largely depend on how successful it will respond to demands' of investors and cope with the numerous challenges which include issues concerning its theoretical foundation, infrastructure development, systemic implementation, integration with external systems, and enhancing operational efficiency.</p> <p>Within member countries, public sector bodies are pivotal for promoting Islamic finance. Supervision functions are undertaken by central banks, capital market authorities and Takāful regulators. Public sector bodies also act as key market platforms, facilitating Islamic deposit insurance and accepting Sharī'ah-compliant statutory deposits. Public universities generate substantial research and information on the Islamic Financial Services Industry, particularly in countries that have established dedicated programmes for the field. Additionally, some governments have funded training and certification bodies within their countries – providing an important element of infrastructure for the industry.</p> <p>Considering the above mentioned issues, Member Countries need to increase public awareness on Islamic Finance industry as well as build a stronger financial infrastructure for its development to better utilize from the opportunities provided by Islamic finance. In this respect, developing a National Islamic Finance Strategy is of particular importance for boosting the Islamic Finance industry. Islamic Finance Strategies at national level would provide a roadmap for the Islamic Finance Industry and facilitate the creation of the necessary legal, regulatory and supervisory framework.</p>
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<i>Objective of the Panel</i>	The main objective of this panel is to discuss various aspects of national Islamic finance strategies to promote Islamic finance in the OIC member Countries.
<i>Issues and Topics</i>	<p>Possible points of discussion include but not limited to the following questions:</p> <ul style="list-style-type: none"> • Why do member countries need Islamic Finance? • What should be the legal and conceptual framework of Islamic Finance Strategies (IFS)? • What types of legal and institutional arrangements are required for developing IFSs in Member States? • What should IFS focus in the short, medium and long term? • What could be the main components of IFS? • How could the implementation of the IFS be measured and evaluated? • How enabling environment for Islamic finance should be established? • How can the compliance with sharia be ensured? • How can IFS address the challenges of the Islamic Finance (i.e. need for necessary infrastructure, enhancing operational efficiency) in order to ensure its sustainability and future growth?
<i>Participation</i>	All delegations of the OIC Member States, the representatives of the OIC Institutions and various International Organizations attending the 32 nd COMCEC Ministerial Session are invited to participate in the special session. Representatives of civil society, businessmen, academicians and other relevant stakeholders will also be invited to attend this Session.
<i>Venue & Date</i>	<p>Istanbul Congress Center, İstanbul / Turkey, November 24th, 2016 For more information, please contact: Okan POLAT, Expert, COMCEC Coordination Office, Necatibey cd. No:110 CANKAYA- ANKARA Ph: +90 312 294 57 08 E-mail: opolat@comcec.org</p>