

11th International Shari'ah Scholars Forum (ISSF 2016)

Kuala Lumpur, November 1-2, The International Shariah Research Academy for Islamic Finance organized its eleventh annual International Shariah Scholars Forum (ISSF 2016) in collaboration with the Islamic Research and Training Institute (IRTI) of the Islamic Development Bank in Jeddah. The forum was held at the Sama-Sama Hotel, Kuala Lumpur International Airport (KLIA), Malaysia.

The main theme for ISSF 2016 was “Islamic Capital Market and Islamic Banking: An Appraisal of Unresolved Issues”. The forum was attended by numerous world-renowned Shariah scholars, senior industry practitioners and academicians who shared their views and experiences regarding the theme. Among the scholars who participated in the forum were:

- Sheikh Dr Abdul Sattar Abdul Kareem Abu Ghuddah
- Sheikh Prof Dr Ali Muhyiddin al-Qaradaghi
- Sheikh Datuk Dr. Mohd. Daud Bakar
- Sheikh Prof Dr Mohamad Akram Laldin
- Sheikh Dr Abdul Rahman al-Atram
- Sheikh Prof Dr Mohamed Ali Elgari
- Sheikh Dr Nizam M.S. Yaquby
- Sheikh Dr Bashir Aliyu Umar
- Sheikh Dr Oni Sahroni
- Dr al-Ayyashi Feddad
- Assoc. Prof Dr. Said Bouheraoua
- Dr Osaid Adib Kailani
- Ustaz Ashraf Gomma Ali
- Dr Hamed Hassan Merah
- Dr Abdul Salaam Balaaji
- Dr Muhammad Baltagi
- Dr Adnan Ali Ibrahim Mulla
- Dr Abdul Bari Mashal
- Prof Dr Engku Rabiah al-Adawiyah
- Ustaz Burhanuddin Lukman
- Sheikh Ibrahim Ahmed Sheikh al-Dareer
- Sheikh Dr Izzuddin bin Zeghibah

- Sheikh Abdul Kader Amour
- Prof Datuk Dr Rifaat Ahmed Abdel Karim
- Prof Dr Ashraf Mohd Hashim
- Assoc. Prof Dr Aznan Hasan
- Assoc. Prof Dr Ahcene Lahsasna
- Dr Marjan Muhammad
- Dr Younes Soualhi
- Dr Mohamad Fairouz Abdul Khir
- Dr Sa'id Adekunle Mikail

The two-day forum commenced with a recitation of some verses from the Quran followed by welcoming remarks by Dr. al-Ayashi Faddad, Senior Researcher at the Islamic Research and Training Institute (IRTI). The keynote speech for the first day entitled “An Appraisal of Unresolved Issues in Islamic Capital Market and Islamic Banking from a Shari‘ah Perspective” was delivered by Sheikh Dr Abdul Sattar Abdul Kareem Abu Ghuddah highlighting the urgency to find lasting solutions to the unresolved issues of the Islamic finance industry .

The forum continued with the first session under the theme “Structuring Platforms for Shari‘ah Compliant Financial Tools: Processes and Mechanisms (Islamic Capital Market)”. The topics of the two papers presented in this session were “Defining platforms for trading financial instruments and its Shari‘ah parameters” and “Processes and legal requirements of selected practices on platforms for trading of financial papers and their instruments”.

In the afternoon, Yang Berhormat Senator Dato' Dr. Asyraf Wajdi Bin Dato' Dusuki, Deputy Minister in the Prime Minister’s Department (Religious Affairs), officially opened the ISSF 2016 and launched the second edition of the ISRA-Thomson Reuters Islamic Commercial Law Report (2017).

The opening ceremony started with welcoming remarks by Prof Dr Mohamad Akram Laldin, Executive Director of International Shari‘ah Research Academy for Islamic Finance (ISRA) followed by opening remarks by YB Senator Dato’ Dr Asyraf Wajdi.

The second session of ISSF critically analysed some Islamic Capital Market products from Shari‘ah perspectives. The speakers in this session discussed topics on contra trading, independence of third party guarantee (Sukuk) and sovereign Sukuk between sale of asset and sale of right to usufruct.

The second day of the forum started with the assessment of Islamic banking products emphasising on the following issues: 1) improving the personal financing products; 2) harmonisation between developing financial products; 3) Restructuring and Refinancing Islamic banking products.

After the session, ISRA and Islamic Financial Services Board (IFSB) launched their book entitled: “Financial Safety Nets: Striking a Balance between Shari‘ah Requirements and the Soundness of the Islamic Financial System”. The book launch was graced by the presence of Prof Dr Mohamad Akram Laldin, Executive Director, ISRA and Mr Jaseem Ahmed, Secretary-General of IFSB.

The fourth session dealt with the framework for developing products to strengthen the global connectivity of the Islamic financial industry. The topics discussed during the session were ~~are~~ innovation in investment and development of Islamic financial products; *qard hasan* and methods of its utilisation, and *waqf* based products in line with financial market platform

The final session was an open dialogue with the scholars. In this session, the panellists further discussed unresolved issues, their challenges and systemic ways and mechanisms to resolve them. They propose solutions and innovative ideas to promote the Islamic finance industry.

At the end of the programme, Dr Younes Soualhi, Senior researcher at ISRA read out the recommendations of this year’s forum and vote of thanks to all the scholars, industry players and academicians who contributed to the success of the forum.

The recommendations of ISSF 2016 are as follows:

- Calling upon supervisory and regulatory entities to set up technical committee on the approach of harmonization of Shari‘ah and operational requirements and to share outcomes on the work of the technical committee at both institutional and international level.
- ISRA and IRTI call for executing a project on restricting unresolved issues in Islamic capital market (ICM) through the interaction with leading Islamic financial institutions and organizing special workshops to propose solutions and alternatives products for the ICM sector.
- Emphasis on compliance with the International Fiqh Academies resolutions and not to disregard them unless in exceptional circumstances based on Shari‘ah parameters with approval from relevant Shari‘ah board/committee.
- Establishment of scientific partnerships among research institutions with the aim of focusing on accurate characterization and depiction of the true nature of Islamic capital market and its appraisal as means to come up with innovative ideas and recommendations on investment and enhancement of Islamic capital market products.
- The importance of adherence to standard-setting institutions and general council of Islamic financial institutions and others to take up their duties in setting up code of conducts to guide scholars and members of Shari‘ah boards to appreciate the significance of their role in ensuring the compliance of the Islamic financial institutions within the Shari‘ah requirements.

- The need to engage supervisory, regulatory and financial institutions to discuss unresolved issues in order to have a holistic perspective of those issues and put in place the right policies and remedies.
- Call for Islamic financial institutions to establish incentive programmes to support innovations in promoting Islamic financial products and allocate awards for such innovations.
- The importance of forward-looking by engaging young Shari‘ah scholars in seminars and bodies in discussing contemporary issues and by involving them in Shari‘ah bodies to impart cognitive experience in Islamic finance and pass it to generation to come.
- Call for actualisation of the application of *qard hasan*, *waqf* and *zakat* by innovating new products in Islamic capital market that focus on energising social financial institutions to complete Islamic finance eco-system.
- The need to organise special workshops which involve Shari‘ah scholars and practitioners to investigate the practical reality of personal financing and provide recommendations and more effective Shariah compliant alternative mechanism.
- The need to take into account regulatory requirements during the development and enhancement of Islamic capital market products.
- Focus on enhancing liquidity management and learning from the success achieved in this arena.