

THE BRUNEI TIMES

'Brunei can be hub for Islamic finance'



Sheikh Faizal Manjoo (R) speaks during the two day course on the business contracts under Islamic law executive training hosted by Crescent Sdn Bhd held at the Indera Samudra Grand Ballroom of the Empire Hotel and Country Club in Jerudong.

Picture: BT/Al-Haadi

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BRUNEI-MUARA

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BRUNEI needs to invest in its people if it wants to be an Islamic banking and finance powerhouse in the ASEAN region, a position that is currently held by Malaysia.

Sheikh Faizal Manjoo, an Islamic finance scholar, said that for Brunei to become a hub for Islamic finance in the region within the next few years, the country needs to be more aggressive in its marketing and, more importantly, produce stronger human resources in the sector.

"More Ulamas (Muslim scholars) need to be produced, who understands Fiqh Muamalat (Islamic commercial law). You can't expect a single Alim to understand the whole spectrum of derivatives," he said.

"Say for example, you have a goal to achieve in five years time to become a hub. So in five years time you will need 10 ulama. You need to gear them up in various spectrums, one in economics, one in tax law, one in product development, etc," he added.

"This is what Malaysia has done in its 10-year plan, in which they achieve their target to have 20 per cent of the economy to be financed Islamically, and they have been working hard to achieve it."

However, the scholar insists that it does not necessarily be a race to compete, as he foresees a brighter future for the Islamic finance sector for every nation that partakes in it, due to the large and growing Muslim market globally.

"There are 1.6 billion Muslims in the world. Yes, Malaysia may be taking the lead in this region, but to say that Malaysia can satisfy 1.6 billion is a utopian idea," he said.

"The sun rises for everybody, and Brunei takes the share of the cake. Other countries such as Bahrain and Dubai are huge players too, and countries such as Singapore and even South Korea is also trying it out," he added.

"Keep in mind that Islamic finance is a service industry, and being a service industry means you don't have to be physically anywhere else, especially in the Internet age," he said.

"We have to think positively. You got to have the necessary legislation, infrastructure, human resources, regulatory framework put into place, and the willingness to integrate in the globalisation process."

Sheikh Faizal was a guest speaker at two separate Islamic finance workshops organised by Crescent Sdn Bhd at The Empire Hotel and Country Club earlier this week, covering two courses; Business Contracts under Islamic Laws and The Anatomy of Sukuk.

Based in UK, Sheikh Faizal specialises in Syariah, law and Islamic finance. He is a member of the Shariah Supervisory Board of few Islamic financial institutions in South Africa, Bahrain and Mauritius.

In a previous interview, Sheikh Faizal gave a positive notion on Brunei's Islamic finance sector potential due to the Sultanate's advantage of being a Muslim-majority and sovereign state, but urged the country to look at offshore markets for further growth.

<http://www.bt.com.bn/business-national/2012/01/20/brunei-can-be-hub-islamic-finance>