

Islamic Finance in Practice:
from the World Bank (1986) through the TIEF to Italian Islamic heritage (2019)
A talk by Alberto G Brugnoli - Milan, 6 February 2019

TODAY'S TAKE: FOUR (INTERTWINED) KEY CONCEPTS AND TWO HARD QUESTIONS

FROM THE BEGINNING OF TIME: EASY & COMPLEX	Non-Islamic roots of IF principles > just a refreshing function! Contracts-based but with a growing level of complexity
CHALLENGING PROPOSITION	Prey of misconceptions and then victim of its own success (beware: the grass is green everywhere you look)
MULTIFUNCTIONALITY	It is 'impact investing' beforehand. It stretches well beyond its 'remit' and fits in any eco-environment. Migrants & social economy; business; governments; supranational entities; arts
POSITIVE CONTAMINATION	Crossing into SR, solidary economy, impact-investing. Debt, leverage and the nature of money
WHERE THE FUTURE LIES	Will the network disintermediate? Is a balancing act still possible?

FROM THE BEGINNING OF TIME - EASY & COMPLEX

- Few notes on IF development.
 - (i) The principles (ii) have different layers of understanding, and (iii) translate into a limited and easy to understand number of contracts, but (iv) with an endless number of practical details; and (v) a growing level of complexity when comes to product development *within* a given regulatory and taxation environment; (vi) at this point, the Shariah scholars' kick in.
- Expanded in all financial/insurance segments (but have a hard look at percentages) and geographical locations across the globe.
- Not-expanding in halal sectors? Breaking the glass wall? - From finance to cosmetics: an ever-expanding eco-system and mutual contamination?
- The right perspective and debt

CHALLENGING THE STATUS QUO

Opening people's minds.

- 1986 The World Bank Group | US State Department - Washington DC 25-26, September 1986
- 2009 Shadow Treasury Team/Conservative Treasury Front Bench (House of Lords)

- 2010 Demystifying Islamic Finance. Correcting Misconceptions, Advancing Value Proposition - La finanza islamica demistificata, Correggere gli equivoci e avanzare proposte valoriali
- 2011 The World Bank Group - IFC Global Insurance Conference Developing Insurance in the Face of New Challenges
- 2016 Legislative initiative - Italian Parliament

MULTIFUNCTIONALITY

- Social (i) 1998 New forms of citizenship: the “Pilot Project Genoardo”; (ii) 2006 The home financing: the first Italian Islamic ‘mortgage’
- Business: 2008 the first Shariah-compliant Saudi Family Office
- Governments: (i) 2006 Syrian landfills; (ii) 2010-11 Russian SMEs; (iii) 2012 Afghanistan Takaful; (iv) 2012 Palestine Participatory Home financing; (v) 2013 Afghanistan Village Banks
- Supranational entities: (i) 2011 and 2017 World Bank & IFSB; (ii) 2012 the World Congress of Muslim Philanthropists (WCMP); (iii) 2015 EXPO; (iv) (2014, 2015, 2017) Turin Islamic Economic Forum (TIEF)
- Arts: (i) 2015 Modest Fashion in Turin; (ii) TIEF Torino Design of the City 2017

POSITIVE CONTAMINATION

- 2004-2007 The social economy: the ‘NewLifeStyles’ project
- The Islamic understanding of what money is - debt (The Central Bank issue)

WHERE THE FUTURE LIES

- Islamic finance is *by definition* a network amongst peers. Does the concept of bank fits into it? A possible way out is blockchain and smart-contracts. The issue of disintermediation.
- Is a balancing act between religious roots, Quranic warnings, over-consumerism, sky-is-the-limit model, increasing social divide still possible? Human toiling and purpose of life. The issue of consumption financing