



TENTH HARVARD UNIVERSITY FORUM ON ISLAMIC FINANCE

Islamic Finance and Development

March 24-25, 2012
Austin Hall, Harvard Law School
Cambridge, Massachusetts, U.S.A.

The Tenth Harvard University Forum on Islamic Finance, hosted by Harvard Law School's Islamic Finance Project, will be held at Austin Hall, Harvard Law School in Cambridge, Massachusetts on March 24 and 25, 2012. The theme of the conference will be "Islamic Finance and Development."

The Harvard University Forum on Islamic Finance provides a venue for the critical and objective examination of the purposes, theory, practice, structure, and institutions of the rapidly developing field of Islamic finance. Continuing in this direction, the Tenth Forum sets the evolution of the Islamic financial industry within the context of the economic and political development of Muslim majority markets. The Forum will critically examine traditional frameworks under which Islamic Finance has developed as well as the new challenges raised by recent events, including the global financial crisis and the "Arab Spring" movements in the Middle East.

Global finance today is virtually unimaginable without capitalism, and the contemporary Islamic financial services industry has emerged and demonstrated commercial success within a capitalist framework. However, concerns remain regarding the compatibility of Islamic financial principles with traditional financial metrics. Some have challenged whether socioeconomic goals like sustainability and poverty alleviation can be reconciled with the goals of profitability and market dominance. The Forum will thus compare their relative objectives and pose the

question of whether a restructuring of the Islamic Finance industry's economic paradigm is necessary. The contribution of Islamic Finance to global economic development is another important point of debate. Certain products and practices have been lauded for their potential to advance socioeconomic development, but many still argue that the impact of Islamic Finance has primarily been on an individual level. One of the proposals to expand the impact of Islamic Finance on a society's economic development posits the importance of partnership with small and medium enterprises (SMEs). This poses the question of how SMEs should be defined and regulated within Islamic Finance, and whether they can have a significant impact on economic development. The role of microfinance in Islamic Finance and socially responsible investment are other salient proposals that will also be focal points of the conference.

The development of Islamic financial products has generally been limited to the reengineering of conventional products to meet the formal requirements of Islamic commercial contract law. Many claim that this makes the standard of *shari'a*-compliance a cosmetic label more than a genuine differentiation. Making a substantive contribution to the development of Muslim majority markets may hence require a wider view of *shari'a*-compliance and, accordingly, a new generation of products. The Tenth Forum will address various issues surrounding the debate.

Beyond its economic realm, Islamic Finance is intricately linked to social and political considerations of the state. From economic development to political revolutions, the Forum seeks to engage the speakers and audience in a fruitful discussion of the latest developments in the field. As a continuation of the Ninth Forum's efforts to bridge financial communities, we will also discuss faith-based investment and case studies of countries around the world that are actively engaged in Islamic Finance.

The Forum will be a two-day conference, structured around three plenary sessions and six smaller parallel sessions. The three plenary sessions will explore the topics of global economic development, SMEs, and alternative economic thinking. Each session will be approximately 120 to 150 minutes in length, and will feature one discussion paper. Three to five discussants from a carefully selected set of senior scholars, faith leaders, and practitioners will share their prepared comments in response. The speakers will then have a chance to reply to the discussants before a wider Q&A with the Forum audience. The purpose of this format is to engage diverse perspectives on a common set of questions and ideas and to generate a thought-provoking discussion.

Additionally, a number of research papers will be presented in various sections from leading academics, legal and *shari'a* experts, and practitioners. A summary of this event will be posted on our website soon after the conclusion of the Forum.

PLENARY SESSIONS

THE ISLAMIC FINANCIAL SECTOR'S CONTRIBUTION TO ECONOMIC DEVELOPMENT

- What have been the historical contributions of Islamic Finance to economic development?
- What are the key principles of Islamic Finance that make it a useful tool for advancing economic development?
- What are the different approaches in Islamic Finance for developing products and services globally?
- Which policies and practices can enable Islamic Finance to achieve its socioeconomic goals?

ISLAMIC FINANCE AND THE DEVELOPMENT OF SMEs

- What role can Islamic financial services providers play in seeding market innovation through SMEs, entrepreneurs, and new technologies?
- What are the hurdles of entering into profit and loss sharing partnerships with SMEs?
- What regulatory infrastructure can help make SMEs competitive with big businesses?
- Can the growth of SMEs reduce poverty and unemployment or is its impact too minimal?

FAITH-BASED INVESTMENT AND SOCIAL RESPONSIBILITY

- How does Islamic Finance overlap with or complement socially responsible investment?
- What are the best practices and synergies across faith communities in translating faith-based principles into commercial practice?
- What are the distinctive values and attitudes concerning commerce, debt, and interest that inform various faiths and can be translated across faith communities?

SPECIALIZED SESSIONS

Islamic Finance & the Arab Spring Movements

- How have the Arab Spring Movements created or constrained opportunities for Islamic Finance?
- What is the proper role of the political system in the management of Islamic Finance?

Global Perspectives on Islamic Finance

- What have been the strategies pursued and lessons learned from Islamic Finance in states ranging from the Gulf States to Southeast Asia?

Islamic Finance and Alternative Economic Thinking

- Are new economic paradigms needed in Islamic Finance and conventional finance?
- How compatible are Islamic Finance and capitalism?

Current Academic Research

- What are the challenges in product development in Islamic Finance?
- How does Islamic Finance affect banking sector development and debt management?

-What should be the priorities of social development in Islamic Finance?

A LIST OF SPEAKERS

Taha Abdul-Basser, *Muslim Chaplin*, Harvard Chaplin, Harvard University

Daud Vicary Abdullah, *Chief Executive Officer*, INCEIF, Kuala Lumpur, Malaysia

Abdulqadir Ibrahim Abikan, *Senior Lecturer*, University of Ilorin, Nigeria

Abdulazeem Abozaid, *Shari'a Trainer*, Emirates Islamic Bank, Dubai, United Arab Emirates

Nisar Ahmad, *Junior Joint Director*, State Bank of Pakistan, Faisalabad, Pakistan

Shahab Ahmed, *Associate Professor*, Dept of Near Eastern Languages & Civilization, Harvard University

Ercrement Aksak, *Research Fellow*, Durham University, Durham, U.K.

Salim Al Ali, *Lecturer*, UAE University, Al Ain, Abu Dhabi, United Arab Emirates

Salman Siddeeqe Ali, *Doctoral Candidate*, IIM Ahmedabad, India

Savas Alpaya, *Director-General*, Statistical Economic and Social Research Training Centre for Islamic Countries, Ankara, Turkey

Necati Aydin, *Department of Economics*, King Saud University, Riyadh, Saudi Arabia

Mehmet Asutay, *Reader*, Durham University, Durham, U.K.

M. M. Mahmud Awan, *Director*, Global Studies Institute, Charlton, Massachusetts

Kilian Bälz, *Senior Partner*, Amereller Legal Consultants, Berlin/Cairo, Egypt

Housseem Eddine Bedoui, *Shari'a Scholar and Consultant*, Dauphine University, Paris, France

Ismail Cebeci, *Visiting Fellow*, Islamic Legal Studies Program, Harvard Law School

Nida S. Davis, *Doctoral Candidate*, Georgetown University, Washington, D.C.

Razi Fakhri, *Chief Executive Officer*, HSBC Amanah, Dubai, United Arab Emirates

Noah Feldman, *Bemis Professor of Law*, Harvard Law School

Seamus Finn, *Director*, JPIC Ministry, Missionary Oblates, Washington, D.C.

Laurent Gheeraert, *Professor*, Solvay Brussels School of Economics & Management

Partha S. Ghosh, *Professor of the Practice*, Tufts University, Medford, Massachusetts

Abdulrazzak Elkhraijy, *Executive Vice President*, National Commercial Bank, Jeddah, Saudi Arabia

Mustapha Hamat, *Distinguished Fellow*, International Islamic University Malaysia, Kuala Lumpur, Malaysia

Abdullah Haron, *Asst. Secretary General*, Islamic Financial Services Board, Kuala Lumpur, Malaysia

M. Kabir Hassan, *Professor*, University of New Orleans, New Orleans, Louisiana

Samuel Hayes, *Professor Emeritus*, Harvard Business School

Abdulaziz Al-Hinai, *Vice President*, Islamic Development Bank, Jeddah, Saudi Arabia

Rashad Hussain, *U.S. Special Envoy for OIC*, Washington, D.C.

Zamir Iqbal, *Lead Investment Officer*, World Bank, Washington, D.C.

Rasem N. Kayed, *Professor*, Arab-American University, Palestine

Brian Kettell, *Visiting Professor*, University of Sharjah, United Arab Emirates

Mohd Yazid Zul Kepli, *Fellow*, International Islamic University of Malaysia

Asim I. Khwaja, *Professor of Public Policy*, Harvard Kennedy Sch. S

Bridget S. Kustin, *Doctoral Candidate*, Johns Hopkins University, Baltimore, Maryland

Saleh Lootah, *Founding Member*, Dubai Islamic Bank, Dubai, United Arab Emirates

Mohamed M. Mahmud, *Executive Director*, Madinah Institute for Leadership & Entrepreneurship, Madinah, Saudi Arabia

Adeel Malik, *Lecturer and Fellow*, University of Oxford, U.K.

Rauf N. Mammadov, *Manager*, PwC Consulting, Dubai, Dubai, United Arab Emirates

Mannan Mansoor, *Senior Manager*, HSBC Amanah, Riyadh, Saudi Arabia

Neil Miller, *Global Head of Islamic Finance*, KPMG, Dubai, U.A.E.

Mahmoud Mohieldin, *Managing Director*, World Bank Group, Washington, D.C.

Muhammad Adli Musa, *Doctoral Candidate*, University of Melbourne, Australia

Zhamal K. Nanaeva, *Independent Financial Researcher*, Dubai, United Arab Emirates

Craig Nethercott, *Partner*, Latham & Watkins LLP, London, U.K.

Volker Nienhaus, *Visiting Professor*, University of Reading, U.K.

Is-haq O. Oloyede, *Vice Chancellor*, University of Ilorin, Nigeria

Mohammad Al-Omar, *Chief Executive Officer*, Kuwait Finance House, Kuwait

Umar Oseni, *Visiting Fellow*, Harvard Law School

Anass Patel, *Managing Partner*, 570 Asset Management, Paris, France

Syed Mizanur Rahman, *Analyst*, Vee Em Infocentre Pvt. Ltd. New Delhi, India

Muhammad Amjad Saqib, *Executive Director*, Akhuwat, Lahore, Pakistan

Sajjad H. Shah, *Vice President*, Wellington Management Company, Boston, Massachusetts

Muddassir Siddiqi, *Shari'a Scholar*, U.S. Dept. of Commerce, Washington, D.C.

Daniel Soloiman, *Doctoral Candidate*, Durham University, Durham, U.K.

Kristen Stilt, *Custodian of Two Holy Mosques Professor*, Harvard Law School

Sultan Al Sudairy, *Chief Executive Officer*, Numu Ventures, Riyadh, Saudi Arabia

Jahangir Sultan, *Professor*, Bentley University, Waltham, Massachusetts

Ibrahim Warde, *Adjunct Professor*, Tufts University, Medford, Massachusetts

Laurent Weill, *Professor*, University of Strasbourg Business School, France

David Wood, *Director*, Initiative for Responsible Investment, Harvard Kennedy School

THE HARVARD FORUM AT A GLANCE

In May 1997, the First Forum, "Islamic Finance in the Global Market," gathered some 100

participants. Though a small, single-day event, the First Forum drew luminaries in the field of Islamic finance. Since then, Harvard University has hosted several forums including:

- 1998- Islamic Finance into the 21st Century
- 1999- Islamic Finance: Local Challenges, Global Opportunities
- 2000- Islamic Finance: The Task Ahead
- 2002- Islamic Finance: Dynamics and Development
- 2004- Islamic Finance: Current Legal and Regulatory Issues
- 2006- Integrating Islamic Finance in the Mainstream: Regulation, Standardization and Transparency
- 2008- Innovation and Authenticity
- 2009- Building Bridge Across Financial Communities

As befits the Islamic Legal Studies Program's focus, emphasis was placed on academic and research aspects with the goal of making a contribution to scholarship and fostering understanding among the academic community, industry practitioners, and economists.

ABOUT THE ISLAMIC FINANCE PROJECT

The Islamic Finance Project (IFP) is the continuation of the Harvard Islamic Finance Information Program (HIFIP), which was established by the Center for Middle Eastern Studies in 1995. IFP is now part of the Islamic Legal Studies Program (ILSP) at Harvard Law School. It aims to study the field of Islamic finance from legal and *shari'ah* points of view by analyzing contemporary scholarship, inducing collaboration among scholars within and outside of the Muslim world, and increasing the interaction between theory and practice in Islamic finance.

Since inception of the IFP, and particularly over the last ten years, the subject of Islamic finance has attracted growing interest among academics, students and professionals around the globe. In addition to the above-listed Forums, the IFP also hosted specialized workshops including topics such as "*tawarruq*," "*sukuk*," "Risk Management in

Islamic Finance", "Micro-Finance: Toward a Sustainable Financial Model.", and "Reappraising the Islamic Financial Sector." The Project also assists students and other researchers with advice and direction to the academic resources; as well as through sponsoring events such as "Could Islamic Finance have Prevented the Crisis?" and "Bankruptcy, Financial Distress, and Debt Restructuring," held at Harvard Law School. Lastly, IFP attracts luminaries to deliver lectures and seminars, including Robert Merton who delivered the keynote speech on "Innovation in Islamic Finance" at the Eighth Harvard University Forum.

PROCEEDINGS

The publication of the proceedings from the Second, Third, Fourth, and Fifth Forums – the first reference works of their kind in the industry – has endowed the Harvard Forum with additional significance. From the Sixth Forum onwards, the Project began publishing a book of selected papers for every Forum:

-Sixth Forum: Islamic Finance: Current Legal and Regulatory Issues (ISBN 0-9702835-5-5)

-Seventh Forum: Integrating Islamic Finance into the Mainstream: Regulation, Standardization and Transparency (ISBN 0-9702835-6-3)

-Eighth Forum: Islamic Finance: Innovation and Authenticity (ISBN 0-9702835-7-1)

-Ninth Forum: Building Bridges Across Financial Communities: Faith and Finance, Social Responsibility, and Islamic Finance

All publications can be purchased by contacting ifp@law.harvard.edu.

Accordingly, we intend to publish a thematic collection of selected papers from the Tenth Harvard University Forum on Islamic Finance in the form of a book.

For further information on the previous forums' publications, please visit <http://ifp.law.harvard.edu/ifphtml/index.php>.

REGISTRATION

The Islamic Finance Project invites you to attend the Tenth Harvard University Forum on Islamic Finance. We hope that on March 24 and 25, 2012 you and your organization will join us for this event on the Harvard University campus.

You may register by e-mailing the information requested in the registration form below to ifp@law.harvard.edu or fax the form to IFP at (617) 496-2373.

Registration fee: US\$400/person

Registration fee for academics: US\$100/person
Harvard affiliates may attend without charge but still need to register for the conference.
Please make checks payable to "Harvard University" and mail them to:

Islamic Finance Project (IFP)
Islamic Legal Studies Program - HLS
347 Holyoke Center
1350 Massachusetts Ave.
Cambridge, MA 02138 USA

Checks must be in US dollars and drawn from banks in the United States only.

HOTEL INFORMATION

Conference attendees are requested to book their rooms early, as late spring is a busy time in Boston. The Charles Hotel, Harvard Square Hotel, Harvard Inn, and Sheraton Commander are within walking distance from Harvard Square, and there are other hotels in the vicinity of Cambridge as well.

Please note that IFP does not endorse any of these hotels or websites.(?)

The Cambridge Office of Tourism maintains a list of places to stay, as well as other useful information for visitors new to the area.

REGISTRATION FORM

Please register the following for the Tenth Harvard University Forum on Islamic Finance (fill out separate forms for each registrant):

Name: Mr. / Ms. / Mrs. / Miss / Dr.

Position: _____

Organization:

Address:

City, State/Province, Postal Code, Country:

Tel.: _____ Fax: _____

Email: _____

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