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Agenda

AAOIFI-IsDB 19th Annual Islamic
Banking and Finance Conference 2024

“Leveraging Islamic Finance to Build a Sustainable, Efficient and Resilient Halal Ecosystem for Muslim Economies”

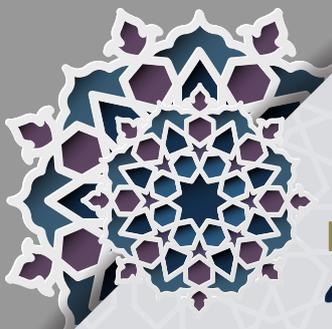
Sunday & Monday, 1-2 Jumada al-awwal 1446 H
3-4 November 2024, Kingdom of Bahrain

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Agenda of AAOIFI-IsDB 19th Annual Islamic Banking and Finance Conference 2024

“Leveraging Islamic Finance to Build a Sustainable, Efficient and Resilient Halal Ecosystem for Muslim Economies”

3-4 November 2024, Kingdom of Bahrain

The current global economic, financial, social and environmental ecosystem is at a critical juncture, necessitating a fundamental rethink due to several pressing issues. Rising geopolitical tensions, persistent high inflation in various regions, environmental degradation and rapid technological advancements are collectively disrupting the economic foundations. Additionally, these complex challenges are exacerbated by growing social and economic inequalities, leading to heightened disparities and social unrest worldwide.

Conventional economic and financial models have struggled to address these multifaceted problems effectively. They often prioritise short-term gains over long-term sustainability, addressing symptoms rather than the root-causes. This approach perpetuates a cycle where solving one problem inadvertently spawns new ones, as the core underlying assumptions and principles of these models remain largely unexamined. Furthermore, they largely neglect social responsibilities and contribute to excessive dependence on financial markets, which fails to adequately support the real economy and promote environmental stewardship. Consequently, these models fall short in building a just and equitable economic and financial system.

In this context, the concept of Halal—encompassing a comprehensive ethical framework detailing what is permitted, pure and lawful in all aspects of a Muslim’s life—combined with the principles, rules and values of Islamic finance, which emphasise risk-sharing, asset-backing, social responsibility and ethical considerations, offers a promising framework for sustainable economic development. Together, they advocate for just and equitable distribution of economic resources, environmental stewardship and advancement of social justice. This holistic approach presents a pathway to address these global challenges more effectively and efficiently, ensuring sustainable development that benefits all segments of society.

The 19th edition of the AAOIFI-IsDB Islamic finance and banking conference seeks to outline actionable steps toward leveraging Islamic finance in building a sustainable, efficient and resilient Halal ecosystem for Muslim economies.

Day 1

Sunday, 3 November 2024

8:00 – 9:00	 Registration
9:00 – 10:15	 Opening ceremony <ul style="list-style-type: none"> Recitation of the verses from the Holy Quran Keynote address: Conference patron’s keynote address: Keynote address: Special speech: Special speech: Welcome address: Mr. Omar Mustafa Ansari, Secretary General, AAOIFI, Kingdom of Bahrain

Day 1 (Continued)
Sunday, 3 November 2024



10:15 – 10:45	<ul style="list-style-type: none"> 📌 Token of appreciation for guests of honour and sponsors of the conference 📌 Agreements / MOUs signing ceremony
10:45 – 11:15	<ul style="list-style-type: none"> 📌 Exhibition opening and coffee break
11:15 – 11:45	<p>[Interview session]</p> <p>Celebrating IsDB’s golden jubilee: Contribution to developing sustainable economic, financial and social systems of member countries</p> <p>This interview explores IsDB’s influential role over the past 50 years in improving the lives of the Muslim people by advancing sustainable economic, financial and social systems and practices across its member countries. The session will cover IsDB’s strategic approaches, spotlight successful initiatives and discuss innovative projects that have made a significant impact. Additionally, future directions and strategies will be discussed to ensure continued success for IsDB and its member countries.</p>
11:45 – 12:55	<ul style="list-style-type: none"> 📌 Session 1: Leveraging Islamic finance to transition from Halal finance to Halal economy <p>The fragmented and siloed nature of the Islamic finance sector presents notable challenges in advancing a cohesive and thriving Halal economy. Currently, Islamic financial institutions are perceived to concentrate disproportionately in financing and investing in the conventional corporate sector (which is agnostic to Islamic finance in nature), the government securities and certain other traditional investment and financing avenues. Hence, such Islamic finance offerings are often disconnected from real economy sectors, limiting their impact and creating inefficiencies in resource allocation. This lack of integration impedes the growth of Halal sectors—such as food and beverages, fashion, media and recreation, pharmaceutical and travel and tourism—and complicates efforts to establish a unified framework for the Halal economy.</p> <p>This session will focus on how Islamic finance can be strategically leveraged to support and expand Halal sectors by shifting investments from corporate sector and traditional avenues of investment and financing into core Halal industries (including startups, SMEs and agriculture sectors). Additionally, the session will discuss the roles that regulators, businesses and consumers can play in contributing to and benefiting from this transition, thereby fostering a sustainable and resilient Halal economy.</p> <ul style="list-style-type: none"> 📌 Main topics 📌 Scope and components of a Halal economy, including its relationship with Islamic finance 📌 The importance of having Halal standards alongside Islamic finance standards 📌 Strategies for integrating Islamic finance into diverse economic sectors 📌 Regulatory reforms necessary to support and advance a cohesive Halal economy 📌 Utilising technology and digital solutions to streamline and expedite the integration process
12:55 – 13:55	<ul style="list-style-type: none"> 📌 Zuhr and lunch break (lunch sponsored by Central Bank of Bahrain)

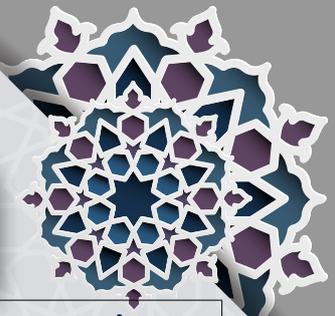


Day 1 (Continued)

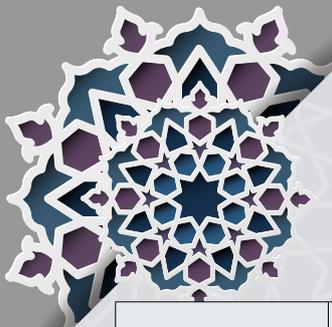
Sunday, 3 November 2024

13:55 – 14:05	
14:05 – 15:15	<p> Session 2: Role of Islamic finance in establishing sustainable supply chains and ensuring food security in Muslim-majority countries</p> <p>Food security remains a pressing issue at a global scale, and particularly in certain Muslim-majority countries, where the reliance on high-cost food imports undermines efforts to achieve self-sufficiency and resilience. The current supply chains are often fragmented and inefficient, exacerbated by a disconnect between Islamic finance and the agricultural and food production sectors. This lack of integration limits the ability to develop sustainable, locally or regionally driven solutions.</p> <p>This session aims to explore strategic uses of Islamic finance in building resilient supply chains primarily through investment in Muslim-majority countries regionally that prioritises food security. Drawing from real-world case studies and expert insights, the session will examine how Islamic finance can strengthen supply chain infrastructure, promote equitable access to agricultural inputs and financing and encourage sustainable farming and food processing methods. It will also highlight the crucial roles of policymakers, regulators and other stakeholders in creating an enabling environment for this integration.</p> <p> Main topics</p> <ul style="list-style-type: none"> Challenges within current food supply chains in Muslim-majority countries and the limitations posed by conventional financing methods Strategies for integrating Islamic finance principles into the agricultural and food production sectors to enhance resiliency and sustainability The role of Islamic social and commercial microfinance instruments in supporting food security initiatives and promoting sustainable agriculture Need for collateral management and electronic warehousing setups to support and streamline the food supply chains The role of technology and digitalisation in enhancing supply chain transparency and traceability The importance of collaboration between financial institutions, agribusinesses and policymakers in advancing food security and sustainable practices Ensuring equitable access to financing and resources for smallholder farmers to boost their participation in the food supply chain Potential of multinational Islamic financial institutions in initiating strategic relationship between stakeholders in their respective jurisdictions
15:15 – 15:30	Asr and coffee break
15:30 – 15:40	

Day 1 (Continued) Sunday, 3 November 2024



15:40 – 16:50	<p>🕌 Session 3: Emergence of the role of Islamic social finance in revamping Muslim economies during difficult economic times</p> <p>Muslim-majority countries face escalating economic challenges exacerbated by geopolitical tensions, market volatility and the enduring effects of the disruptions created by the COVID-19 pandemic. Conventional financial systems have frequently fallen short in addressing the needs of struggling economies and supporting vulnerable or marginalised communities. This session will examine the transformative potential of Islamic social finance instruments such as Zakah, Waqf and Qard Hasan, in revitalising Muslim economies during these difficult economic times.</p> <p>Islamic social finance offers a unique approach to economic revitalisation by mobilising resources for sustainable development while upholding ethical investment practices centred on social justice and community solidarity. These instruments provide a framework where economic resilience is closely linked with social welfare, enabling local communities to better withstand economic shocks and enhance self-sufficiency. The session will explore how integrating Islamic social finance with Islamic finance can facilitate a shift toward a more equitable and resilient economic systems, enhancing overall stability and sustainability.</p> <p>🕌 Main topics</p> <ul style="list-style-type: none"> 🕌 The role of Islamic social finance in supporting vulnerable communities and micro, small and medium enterprises (MSMEs) during economic crisis, addressing high levels of poverty, unemployment and income inequity 🕌 Innovations in digital and technology-based solutions for Islamic social finance to drive economic revitalisation 🕌 Leveraging Waqf endowments for infrastructure development and essential social services, and using Qard Hasan as a catalyst for financial inclusion and entrepreneurial empowerment, particularly at the micro financing level 🕌 Strategies for scaling and institutionalising Islamic social finance through supportive regulatory frameworks and policies and capacity building initiatives for stakeholders 🕌 Collaborative approaches involving public, private and civil society sectors to enhance the effectiveness and reach of Islamic social finance initiatives 🕌 Identifying and addressing the challenges and limitations faced by Islamic social finance in achieving its goals
16:50	<p>🕌 End of day one</p>



Day 2

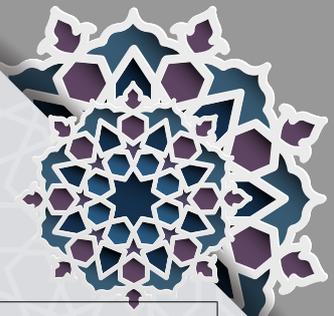
Monday, 4 November 2024

09:00 – 09:10	
09:10 – 10:20	<p> Session 4: Challenges in conversion of Islamic finance from institutions to countries</p> <p>As the Islamic finance industry continues to expand globally, both horizontally and vertically, a growing number of conventional financial institutions and even some Muslim-majority countries are converting their operations and their economies to be Shari’ah compliant. However, this conversion process, whether at the institutional or at the national level, has proven to be complex and fraught with challenges.</p> <p>The lack of clear guidance and resources has made the conversion process slow, uncertain and challenging. Successful conversion requires a multifaceted approach that addresses political, economic, financial, legal and social considerations from strategic, technical and operational perspectives. Crucially, this endeavour necessitates the active involvement and alignment of all relevant stakeholders, including policymakers, regulators, financial institutions, businesses and public at large. This session aims to provide a comprehensive understanding of the multifaceted challenges and opportunities involved in the conversion process, and strategies for overcoming those challenges, both at the institutional and the national economies levels.</p> <p> Main topics</p> <ul style="list-style-type: none">  Development of Islamic fiscal and monetary policies, including the establishment of Shariah-compliant benchmark rates  Converting international borrowing to Shariah compliant modes  Developing financial instruments and markets that cater to the financing needs of the real economy in Islamic capital markets  Enhancement of financial inclusion and innovation through the adoption of Islamic FinTech solutions  Incorporation of Islamic social finance instruments such as Zakat, Waqf and Qard Hasan into the broader economic framework  Alignment of the transformation process with the overarching framework of Maqasid Al Shariah

“Emerging Islamic Finance Issues and AAOIFI Standards”

10:20 – 11:30	<p> Session 5: AAOIFI’s roadmap for shaping the sustainability agenda for Islamic finance tailored to the unique needs and expectations of its stakeholders</p> <p>Islamic finance has the potential to significantly advance sustainability by adhering to the principles of Maqasid Al Shariah, which, inter alia, emphasise economic, social and environmental well-being. AAOIFI has consistently embedded these principles in its standards and is now committed to developing dedicated governance and accounting standards / disclosure guidelines specifically focused on sustainability. This session will delve into AAOIFI’s strategic roadmap, which includes the declaration signed with IFSB and CIBAFI at the COP28 event, spearheaded by the Central Bank of UAE, underscoring a unified commitment to fostering sustainability in Islamic finance.</p> <p>The session will explore both the strategies and challenges for integrating Maqasid Al Shariah into the core operations of Islamic financial institutions, particularly regarding sustainability</p>
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Day 2 (Continued)
Thursday, 30 November 2023



10:20 – 11:30	<p>principles. The panel discussion will address the unique needs, requirements and expectations of Islamic finance stakeholders and the obstacles to implement sustainability standards specifically in the areas of governance and accounting. Additionally, collaborative efforts and future directions for promoting sustainability in Islamic finance will also be explored.</p> <p>IT Main topics</p> <ul style="list-style-type: none"> IT Integration of Maqasid Al Shariah into sustainability practices in Islamic finance IT Relevance and adequacy of standards issued by International Sustainability Standards Board (ISSB) for Islamic finance IT Unique need and expectations of Islamic finance stakeholders regarding sustainability IT Challenges and solutions for embedding sustainability within the Islamic finance framework IT Implications of insights from the Islamic finance infrastructure bodies’ declaration at COP28 IT Practical strategies for implementing sustainability standards in Islamic finance IT Future directions and collaborative opportunities for advancing sustainability in Islamic finance
11:30 – 12:00	IT Zuhr and coffee break
12:00 – 12:10	IT Report launch
12:10 – 13:20	<p>IT Session 6: Enhancing transparency and accountability in Islamic finance windows</p> <p>The increasing systemic significance of conventional financial institutions offering Islamic financial services has highlighted the need for robust governance, compliance and reporting mechanisms. Over the past decade, these institutions have become key players in significant Islamic finance markets, a trend expected to continue. Nevertheless, there is an opportunity to further strengthen the alignment of their Islamic financial services with established Shari’ah principles and rules and enhance the transparency of their presentations.</p> <p>The session will explore the dynamics of Islamic finance windows, the need for enhanced governance and the importance of clear financial reporting. The goal is to ensure that these windows operate transparently and maintain stakeholders’ trust.</p> <p>IT Main Topics</p> <ul style="list-style-type: none"> IT The role and systemic significance of Islamic finance windows operated by conventional financial institutions IT Objectives and expected impact of FAS 40 “Financial Reporting for Islamic Windows” on accounting and financial reporting practices of Islamic finance windows IT Governance requirements for ensuring compliance with Shari’ah principles and rules in Islamic finance windows IT Challenges and solutions in financial reporting for Islamic finance windows IT Future trends and regulatory expectations for Islamic finance windows IT Strategies to enhance stakeholder trust through improved transparency and accountability IT Challenges in application of two different accounting frameworks / sets of accounting policies within one institution and their respective consolidation



Day 2

Thursday, 30 November 2023

13:20 – 14:20	<p>🕌 Zuhr and lunch break (lunch sponsored by AAOIFI)</p>
14:20 – 15:20	<p>🕌 Session 7: Leveraging participatory financing for sustainable economic development: Governance and accounting challenges</p> <p>Participatory financing holds immense potential for driving sustainable economic development. These financing mechanisms not only promote economic growth but also ensure equitable wealth distribution and social justice. Additionally, these participatory structures encourage and enable risk-sharing capital availability and hence enhance the capability for entrepreneurship. However, the effective implementation and scaling of participatory financing face significant governance and accounting challenges that need to be addressed to fully harness their potential.</p> <p>This session will explore the strategic role of participatory financing in sustainable economic development, focusing on the governance and accounting frameworks required to support these instruments. The discussion will delve into the complexities of ensuring compliance with Shari’ah principles and rules, maintaining transparency and managing risk while ensuring appropriate financial reporting. Additionally, the session will highlight innovative practices and collaborative strategies to overcome these challenges, drawing on insights from industry experts and case studies.</p> <p>🕌 Main topics</p> <ul style="list-style-type: none"> 🕌 The role of participatory financing in sustainable economic development 🕌 Governance frameworks for ensuring Shari’ah compliance in participatory financing 🕌 Accounting and financial reporting challenges and solutions in managing participatory financing instruments 🕌 Innovations in participatory financing instruments to drive economic growth 🕌 Risk management strategies for participatory financing 🕌 Collaborative approaches to overcoming governance and accounting challenges in participatory financing
15:20 – 15:5	<p>🕌 Graduation ceremony of AAOIFI fellows</p>
15:50	<p>🕌 Conclusion of the conference</p>