

## **Zeti Akhtar Aziz: Expanding further understanding of Islamic finance**

Welcoming remarks by Dr Zeti Akhtar Aziz, Governor of the Central Bank of Malaysia, at the INCEIF's (The Global University in Islamic Finance) Public Lecture by Dr Abbas Mirakhor, the First Holder of INCEIF Chair of Islamic Finance, Kuala Lumpur, 29 January 2010.

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It is my great pleasure to welcome you to the INCEIF's Inaugural Public Lecture by Dr Abbas Mirakhor, a distinguished scholar and the first holder of the INCEIF Chair of Islamic Finance. The INCEIF Public Lecture Series aims to provide a forum for promoting intellectual engagement to discuss the issues, developments and challenges in the area of Islamic finance.

The global financial crisis that has dominated the headlines across the world for more than two years has brought to the forefront the fundamental issues in the international financial system that need to be addressed. Now, as the growth prospect resumes, the debate is focussed on the priorities and direction needed to reshape the post crisis world to ensure that the recovery will be sustainable.

While Islamic finance has demonstrated its resilience during this period, the industry is now entering into an environment that is fundamentally different in this post crisis era. The international financial reform agenda will result in new structures, standards and regulatory regimes for the global financial industry. Greater financial inter-linkages and integration will also require greater cooperation and collaboration in the endeavour to preserve global financial stability.

In this environment, the foundations for the sustainability for Islamic finance as a competitive form of financial intermediation will need to continue to be strengthened. Efforts are therefore being focussed on the further development of Islamic financial markets, the financial infrastructure, research and development to support innovation, and enhancing the legal, regulatory and supervisory framework. In addition, the adoption of the relevant advances in technology and the development of human capital are also key to support the development of Islamic finance. The ongoing efforts in these areas are aimed towards enhancing further the resilience of Islamic finance which would in turn enhance its potential to contribute towards global financial stability and the prospects for global growth. Indeed, the topic of the INCEIF's Public Lecture today, "Paradigm Change in Shaping the Future of Islamic Finance" is timely for us to deliberate and reflect on the issues confronting Islamic finance moving forward.

We are indeed honoured today to have Dr Abbas Mirakhor. Dr Abbas joins INCEIF following a long and distinguished career as an economist and academician with considerable contribution in the field of Islamic economics, finance and banking. Dr Abbas started his academic career in 1968 with University of Alabama, in the United States of America as a Professor of Economics and later at the Florida Institute of Technology. In 1984, he joined the IMF in Washington DC as an economist before serving as the organisation's Executive Director and Dean of its Executive Board. He completed his term at the IMF in 2008.

Dr Abbas is also the recipient of several awards from several governments and from the Islamic Development Bank, he received the Annual Prize for Research in Islamic Economics in recognition of his service in advancing the knowledge in Islamic finance. He has published books and research articles on a wide range of areas including microeconomic theory, mathematical economics and Islamic economics.

During his tenure at INCEIF, Dr. Abbas will also engage in research and consultancy in on Islamic finance, including guiding academic research and supervising dissertations and theses of INCEIF students. He will also present lectures abroad organised by INCEIF as part of the efforts to strengthen the international alliances that have been established with INCEIF

from other centres of learning in other parts of the world. His appointment as the inaugural holder of INCEIF Chair of Islamic Finance would certainly give INCEIF the opportunity to raise its capacity to become a world class learning institution dedicated to Islamic Finance. Dr Abbas valuable knowledge and insights and his extensive experience in both academia and at the IMF, will benefit and enhance the knowledge and expertise of INCEIF graduates as well as the academia and financial community.

Since its establishment in 2006, INCEIF has grown from strength to strength and has been recording a steady increase in the number of students for its three programmes, the Chartered Islamic Finance Professional or the CIFP, Masters in Islamic Finance and PhD in Islamic Finance. The first batch of CIFP graduates received their scrolls in February 2009 and all 32 have gained employment or have continued their studies further. This year, INCEIF will see the first batch of Masters in Islamic Finance graduate and next year will see the first batch of students to graduate from the PhD programme. This is indeed a significant milestone for INCEIF that is achieved in such a short period of time.

As the Chancellor of INCEIF, it is my hope that the setting up of the INCEIF Chair of Islamic Finance will contribute to the development of expertise of the academic faculty and students at INCEIF in addition to expanding further understanding of Islamic Finance by the financial community. Please join me in welcoming Dr Abbas Mirakhor to deliver his lecture.