

Muhammad bin Ibrahim: Enhancing the professionalism of Malaysia's Islamic financial services industry

Speech by Mr Muhammad bin Ibrahim, Deputy Governor of the Central Bank of Malaysia (Bank Negara Malaysia), at the Launch of the Chartered Institute of Islamic Finance Professionals (CIIF), Kuala Lumpur, 6 November 2015.

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Today's official launch of the Chartered Institute of Islamic Finance Professionals (CIIF) marks a momentous occasion that reflects our collective effort to enhance the professionalism of the Islamic financial services industry. We are embarking on a long journey to create a new landscape of talent development, one which is permeated with a strong culture of professionalism, integrity and ethics. Greater professionalism among Islamic finance practitioners will instil greater confidence and capability to the Islamic finance industry to better serve public interest.

The recent global financial crisis has brought to the fore the importance of trust, confidence and integrity in the financial services sector. The banking industry is subjected to continuous scrutiny on their values, professionalism and work ethics. This has prompted a host of initiatives both domestically and globally, aimed to strengthen the industry, given the significant role financial institutions have to the broader interest of society and the overall economy. Maintaining public confidence is critical.

It is therefore in the industry's interest to always place public trust above everything else, and only if we are able to do this, we shall enjoy the confidence that ensures the long-term growth of the industry. Such expectations are even greater on Islamic finance given that the professed values of this industry are driven by the principles of Shariah which promote fairness, equality and justice. It is from this perspective that Islamic finance practitioners are duty-bound to observe the norms of high ethical conduct to uphold the values and the sanctity of Shariah. The need is even more now, given the increasing complexities faced by Islamic finance brought about by more competition and evolving regulatory requirements, more offerings of sophisticated products and growing cross-border activities.

In Malaysia, it has always been our priority from the beginning to develop talent in Islamic finance as we recognise that quality talent is a crucial prerequisite for the continued success of the industry. There has been significant investment in capacity building, in line with our strategic approach in realising the visions of talent development outlined in the Financial Sector Master Plan and the Financial Sector Blueprint.

To elevate the next stage of growth would require talents with different levels of technical competency and capabilities. The knowledge of yesterday might be useful for tomorrow, but more likely, would not be sufficient to meet future challenges.

It is with this realisation that we should strategically implement a plan of action to develop true professionals who would lead the industry to the next stage of development, and recognised and respected as authorities in their chosen fields. These professionals should produce results that exceed expectations. They should also possess the highest degree of integrity in personal and business dealings. They are expected to adhere to ethically-driven values that reflect Shariah principles. They should be regarded as the true exemplars of Islamic finance. In short, they are the embodiment of what is good about Islamic finance.

The establishment of CIIF is therefore a significant milestone in our collaborative efforts to raise the bar for professionalism and ethics in the industry. We aspire for CIIF to become the global body for professionals in Islamic finance. As we envisage CIIF as the leading driver and advocator of professionalism and ethical conduct, we should expect the new body to adopt global best practices of similar professional institutions.

CIIF will embark on a task that is both revolving and rewarding. A key imperative for CIIF to advance in its quest, as the advocator of the highest degree of professionalism and ethical conduct amongst Islamic finance professionals, is for the professional body to receive strong and continuous support and recognition from the industry. The industry cannot be a passive player. It must be an activist. Together with CIIF, it must be a strong advocator of professionalism and ethics.

The signing of a first of its kind industry-led charter between The Association of Islamic Banking Institutions Malaysia (AIBIM), Malaysian Takaful Association (MTA), The Malaysian Investment Banking Association (MIBA) and CIIF is a very strong reflection of the industry's support. This public commitment by AIBIM, MTA and MIBA acknowledges the noble intent of CIIF. It is also a pledge by the industry to provide the required support by allocating the needed resources in our endeavour to create and promote an internationally recognised Islamic finance professional body. Industry recognition to the bearers of CIIF qualification as highly qualified and competent professionals will give an added boost to the entity as it embarks on this important journey.

Although CIFF is only being officially launched today, the entity has completed two guiding principles and two guidelines which will be launched today. These issuances will set the minimum requirements on the pathway of becoming Chartered Professionals and for financial institutions to become accredited institutions that would enable the training of staff as Islamic finance professionals. More is in the pipeline and I am confident that CIIF is committed towards developing the highest quality of guiding principles and guidelines that are in line with the current and future developments.

Another bold action that we shall embark on is the transformation of The Association of Shariah Advisors in Islamic Finance (ASAS) to become the leading professional body for Shariah advisors.

This transformation would further complete the Islamic finance service providers ecosystem. This is envisioned in the Financial Sector Blueprint, with standards to be set for professional programmes, qualifications and continuous professional education on Shariah.

I would like to congratulate the Board and management of CIIF on its official launch. I am confident that CIIF can contribute towards higher professionalism for the Islamic financial services industry. I am confident CIFF would embed a culture that places unequivocal commitment to professionalism and ethics that would raise the prestige of the Islamic finance industry and its practitioners.