

RESEARCH

ISLAMIC FINANCE

This year saw further strengthening of the Centre's Islamic Finance Unit.

The Unit hosted Dr Siti Raihana Hamzah, the 6th OCIS–SC Visiting Scholar, whose research subject is 'Empirical Analysis of Risk Shifting and Risk Sharing in Bonds and *Sukuk*: Application to Equity Crowdfunding'. Dr Hamzah is studying the extent of risk shifting in bonds, debt-based *sukuk* and equity-based *sukuk* before justifying the issues with possible solutions based on a risk-sharing system. Her research is to include recommendations on the development of equity-based *sukuk* and the potential of risk-sharing to improve macroeconomic policies and economic growth.

Other research hosted by the Centre during the 2017–18 academic year included:

- Miss Nilay Akcay, Abdullah Gul Chevening Fellow, on the regulatory and legal enforceability issues of Islamic finance instruments used in infrastructure financing under the public–private partnership model.
- Dr Lena Rethel, Visiting Fellow, on the emerging global governance frameworks for Islamic finance and the *halal* economy.
- Dr Irwan Shah Zainal Abidin, Visiting Research Fellow, on the linkages between Malaysia and the GCC and the role of Islamic finance.
- Dr Abdulkader Kaakeh, Academic Visitor, on consumer behaviour in respect of attitude and intention toward Islamic financial institutions, organizational behaviour and effective performance of sales personnel in Islamic Banks and how their behaviour is affected by that of customers.
- Mr Muhammad Meki, Junior Research Fellow, on the effect on the investment and growth of microenterprises in developing countries of equity-like financial contracts based on profit and loss sharing and/or shared asset ownership, with particular focus on the importance of behavioural characteristics such as risk preferences.

Researchers in the Islamic Finance Unit published their work in several international research journals including the *International Journal of Emerging Markets*, *International Journal of Islamic and Middle Eastern Finance and Management*, *Economic Anthropology*, *Journal of Contemporary Asia*, *New Political Economy*, *Journal of Islamic Accounting and Business Research*, *Journal of Managerial Finance*, *Academy of Accounting and Financial Studies Journal*, *Journal of Islamic Finance* and *Review of International Political Economy*. Further work is currently undergoing peer-review.

The researchers also presented their work at a number of international conferences and workshops, including the Newton Researcher Links Workshop 'Developing an agenda for FinTech research in emerging economies', the Annual Convention of the International Studies Association, the Project

Southeast Asia Symposium, Universitas Gadjah Mada, the University of Sussex and Princeton University.

Researchers in the Islamic Finance Unit also contributed to Centre events such as the ‘Political Economy of the Middle East’ workshop organized by Dr Adeel Malik and presented their work at several Fellows’ Seminars during term-time.

This year also saw the launch of the ‘Perspectives on Islamic Finance’ discussion group, a new forum, hosted by the Centre, to engage in regular multidisciplinary debate on Islamic finance. The first session featured Dr Liza Mydin, Head Strategic Research and Reporting at Maybank Islamic Berhad, who presented a practitioner’s perspective on the value-based intermediation framework currently pioneered in Malaysia. Three further sessions followed, which included an economist’s perspective on risk-sharing in Islamic finance, a lawyer’s perspective on Islamic finance contracts and a historian’s perspective on taxation in the Ottoman Empire.

The 9th SC–OCIS Islamic Finance Roundtable was held in Kuala Lumpur on 24–25 March 2018 to discuss ‘Enhancing the Value of Islamic Capital Market through Social and Impact Investment’. Discussions focused on the roadmap for a sustainable Islamic Capital Market, linking the aspects of responsibilities outlined by the Maqasid al-Shari‘a with the market principles of business and the role of Islamic finance in mitigating inequality. There was strong attendance by industry experts, regulators and scholars, as well as by Centre fellows, who all contributed to rigorous debate.

The Centre hosted the presentation of the Sultan Hassan al-Bolkiah International Prize in Islamic Finance by HRH Prince Abdul Mateen ibni HM Sultan Haji Hassan al-Bolkiah to The Islamic Development Bank and HE Dr Ahmad Mohamed Ali Al-Madani on 5 April 2018.