Advancing and Converging Islamic Microfinance with Fintech

- 14–18 June 2021 (Eastern & Central Europe & West Asia & North Africa)
- 21–25 June 2021 (Africa)
- 28 June–2 July 2021 (CIS & SAARC Countries)
The Malaysian Technical Cooperation Programme (MTCP) was officially launched on 7 September 1980 at the Commonwealth Heads of State Meeting in New Delhi, India, to signify Malaysia’s commitment to the South-South Cooperation, in particular, the Technical Cooperation among Developing Countries (TCDC).

The MTCP emphasizes on the development of human resources through the provision of trainings in various areas which are essential for a country’s development such as the public administration, good governance, health, education, agriculture, sustainable development, poverty alleviation, economy and finance, ICT and environment. Annually, Malaysia offered more than 65 capacity-building and technical assistance programmes under the MTCP, which have benefited more than 34,000 participants from 144 countries.

Objectives of MTCP

01. To share the development experience with other countries;
02. To strengthen bilateral relations between Malaysia and other developing countries;
03. To promote South-South Cooperation (SSC); and
04. To promote the technical cooperation among developing countries.

The development of this programme recognises that technology-led innovation is rapidly gaining ground in the Islamic microfinance industry and changing the way financial systems operate across the globe. The emergence and adoption of innovative approaches via Fintech has been an important driver in improving and promoting inclusive finance, which can enable Islamic microfinance to reach underserved populations and firms in innovative ways. While these changes in the financial sector come with numerous benefits and opportunities, they also require careful analysis and assessment of associated risks to financial stability of Islamic microfinance institutions, which must be effectively managed by policy makers, regulators and industry players.

This “Advancing and Converging Islamic Microfinance with Fintech” offered by the International Centre for Education in Islamic Finance (INCEIF) programme is part of the MTCP initiatives to provide overview on the practice and fundamental framework of Islamic microfinance and fintech.
Programme Learning Outcomes

At the end of the programme, participants will be able to:

- Identify the elements required in developing a comprehensive regulatory environment for the development of the Islamic microfinance industry.
- Apply the appropriate tools and techniques in developing business strategy for microfinance institutions.
- Relate the application of fintech solutions and the potential use of blockchain technology in the development and offering of microfinance products.

How To Apply / Application Guidelines

Application should be made using prescribed MTCP forms available at: mtcpcoms.kln.gov.my/mtcpcoms/online/list_course

The application must be completed and endorsed by the Ministry of Foreign Affairs / Focal Points responsible for the MTCP Programme in the applicant’s country, then submitted through the applicant’s government with Note Verbale to the Ministry of Foreign Affairs Malaysia via the nearest Malaysian High Commission / Embassy.

Incomplete and/or unendorsed forms will not be processed.

Online training link will be sent out via email to successful candidates.

Closing date of application submission: 14 MAY 2021

Course Fee and Registration

All course fees will be borne by the Malaysian Government under the MTCP.

Age

Applicants should be between 26 to 50 years old.
**Programme Itineraries**

**DAY ONE**

<table>
<thead>
<tr>
<th>Time</th>
<th>Activity</th>
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<tbody>
<tr>
<td>3:00 p.m. – 3:15 p.m.</td>
<td><strong>OPENING CEREMONY</strong></td>
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</tbody>
</table>
| 3:15 p.m. – 4:15 p.m. | **INTRODUCTION TO ISLAMIC MICROFINANCE:**  
  - Islamic Economic Worldview  
  - Islamic Financial System – Islamic bank, Islamic insurance and Islamic capital market  
  - The Need for Islamic Microfinance in the Economic Development – SME access to financing and how microfinance emerges to meet the financing gap  
  - Sustainability, Outreach, and Issues Pertaining to the Microfinance Sector |
| 4:15 p.m. – 4:30 p.m. | Break                                                                    |
| 4:30 p.m. – 5:30 p.m. | **REGULATORY APPROACHES TO ISLAMIC MICROFINANCE INSTITUTIONS:**  
  - Differences Between Islamic Microfinance Institutions and Other Financial Institutions  
  - Islamic Microfinance Institutions Risk Profile – governance risk, management risk, portfolio risk etc.  
  - Regulation on Minimum Capital Adequacy for Islamic Microfinance  
  - Islamic Microfinance Institutional Development – regulatory support in developing sustainable microfinance institutions |
| 5:30 p.m. – 5:45 p.m. | Break                                                                    |
| 5:45 p.m. – 7:00 p.m. | **GROUP ACTIVITY I**  
  *Participants will be grouped into ZOOM break room to discuss on identified case studies which will require them to present the results of the discussion.* |
| 7:00 p.m. – 8:00 p.m. | Break                                                                    |
| 8:00 p.m. – 9:30 p.m. | **INDUSTRY DISCUSSION I: ISLAMIC MICROFINANCE REGULATORY FRAMEWORK: DEVELOPMENT** |
### Programme Itineraries - DAY TWO

<table>
<thead>
<tr>
<th>Time</th>
<th>Session</th>
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<tbody>
<tr>
<td><strong>3:00 p.m. – 4:30 p.m.</strong></td>
<td><strong>MANAGING ISLAMIC MICROFINANCE INSTITUTION</strong>&lt;br&gt;  - Planning Islamic Microfinance Under the New Normal – post pandemic crisis (discusses the need for Islamic microfinance institutions to develop strategies that fit the current economic environment and to put in place effective implementation and structures to ensure the strategies deliver maximum results).&lt;br&gt;  - Planning Islamic Microfinance Institutional Resources and Capacity:&lt;br&gt;    - Role of board members and management&lt;br&gt;    - Human resource management&lt;br&gt;    - Risk management and controlling for microfinance institutions&lt;br&gt;    - Credit and savings programme&lt;br&gt;    - Financing programme&lt;br&gt;    - Financial management&lt;br&gt;    - Administration – internal operational process</td>
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<tr>
<td><strong>4:30 p.m. – 4:45 p.m.</strong></td>
<td><strong>Break</strong></td>
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<tr>
<td><strong>4:45 p.m. – 5:45 p.m.</strong></td>
<td><strong>GROUP ACTIVITY II</strong>&lt;br&gt;  <em>Participants will be grouped into ZOOM break room to discuss on identified case studies which will require them to present the results of the discussion.</em></td>
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<tr>
<td><strong>5:45 p.m. – 6:00 p.m.</strong></td>
<td><strong>Break</strong></td>
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<td><strong>6:00 p.m. – 7:00 p.m.</strong></td>
<td><strong>STRUCTURING ISLAMIC MICROFINANCE PRODUCT STRATEGY</strong>&lt;br&gt;  - Analyse the need of B40 community – savings, financing, Takaful.&lt;br&gt;  - Analyse services required by SMEs – savings, financing, business coaching, Takaful.&lt;br&gt;  - Identify Islamic financing product for SMEs in various sectors</td>
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<td><strong>7:00 p.m. – 8:00 p.m.</strong></td>
<td><strong>Break</strong></td>
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<td><strong>8:00 p.m. – 9:30 p.m.</strong></td>
<td><strong>ISLAMIC FINANCING CONTRACT/PRINCIPLES FOR ISLAMIC MICROFINANCE PRODUCT:</strong>&lt;br&gt;  - <em>Waqf&lt;br&gt;  - Musharakah&lt;br&gt;  - Qard&lt;br&gt;  - Mudarabah.&lt;br&gt;  - Istisna’&lt;br&gt;  - Salam</em></td>
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3:00 p.m. – 4:00 p.m. **ISLAMIC MICROFINANCE PRODUCT AND MARKETING**
- Islamic Microcredit,
- Islamic Micro Savings and
- Islamic Micro Takaful Product
- Defining Marketing Channels for Islamic Microfinance Products:  
  - Defining markets and clients  
  - Analysing the environment  
  - Regulatory factors  
  - Economics and political situations

4:00 p.m. – 4:15 p.m. **Break**

4:15 p.m. – 5:15 p.m. **INDUSTRY GUEST LECTURE I**  
Islamic Microfinance Product

5:15 p.m. – 5:30 p.m. **Break**

5:30 p.m. – 6:30 p.m. **INDUSTRY GUEST LECTURE II**  
Islamic MicroTakaful Product

6:30 p.m. – 7:30 p.m. **Break**

7:30 p.m. – 9:00 p.m. **GROUP ACTIVITY III**
Participants will be grouped into ZOOM break room to discuss on identified case studies which will require them to present the results of the discussion.
3:00 p.m. – 4:00 p.m. TECHNOLOGY FOR ISLAMIC MICROFINANCE

- Future of financial services – discussion on changes in the financial services landscape on data architecture, governance, privacy, and strategy.
- Disruptive Fintech – how Fintech applies in financial inclusion strategy by introducing participants to Islamic microcredit, micro savings and micro takaful products and their characteristics, issues, and challenges.

4:00 p.m. – 4:15 p.m. Break

4:15 p.m. – 5:15 p.m. REGULATION OF FINTECH

- Examines the regulatory implications of the progresses made with Fintech which include evolving risks as well as increasing types of participants, products, services, and distribution channels that make supervision of Islamic microfinance activities an even more complex and challenging task.
- Specific regulatory and supervisory considerations for different types of institution involved in technology-based Shariah-compliant Islamic microfinance activities.
- Consumer protection rules and regulations.
- Credit or market risks associated with prudentially regulated institutions.
- Operation and liquidity risks.
- Payment systems in various types of Islamic microfinance institutions.
- Specific Sharī'ah considerations and cross-border issues related to payment systems.

5:15 p.m. – 5:30 p.m. Break

5:30 p.m. – 6:30 p.m. GROUP ACTIVITY IV

Participants will be grouped into ZOOM break room to discuss on identified case studies which will require them to present the result of the discussion.

6:30 p.m. – 7:30 p.m. Break

7:30 p.m. – 9:00 p.m. BLOCKCHAIN

- Introduction to Blockchain – what is blockchain and how it is applied (which sector of the financial industry applies blockchain).
- Shariah principles relating to the Blockchain products.
3:00 p.m. – 4:00 p.m. BALANCING INCLUSION, INNOVATION, AND FINANCIAL STABILITY
Examines the need to achieve a balance between openness and innovation while providing sufficient certainty about the soundness of the regulatory framework. A walk through at how financial stability objectives can be balanced against financial inclusion goals and providing an appropriate enabling environment.

4:00 p.m. – 4:15 p.m. Break

4:15 p.m. – 5:45 p.m. INDUSTRY DISCUSSION II: ISLAMIC MICROFINANCE AND FINTECH DEVELOPMENT

5:45 p.m. – 6:00 p.m. Break

6:00 p.m. – 7:00 p.m. GROUP ACTIVITY V
Participants will be grouped into ZOOM break room to discuss on identified case studies which will require them to present the results of the discussion.

7:00 p.m. – 8:00 p.m. Break

8:00 p.m. – 8:30 p.m. CLOSING TALK – “FUTURE OF FINTECH AND ISLAMIC MICROFINANCE”