

JOURNEYING ON A SUSTAINABLE PATH

INCEIF collaborates with key stakeholders as it pushes for sustainable financing

Kuala Lumpur, 14 March 2019 – The International Centre for Education in Islamic Finance (“INCEIF”) constantly engages with its stakeholders to push the agenda of promoting sustainable development and exploring opportunities to continuously contribute to United Nation’s Sustainable Development Goals (SDGs).

To realise these objectives, INCEIF is actively involved in research and development projects to boost the sustainable agenda of Malaysia’s finance industry. INCEIF has played a role in a number of initiatives, which include:

- Involvement in drafting the Value-based Intermediation Financing and Investment Impact Assessment Framework (VBIAF) together with Bank Negara Malaysia, The World Bank and World Wildlife Fund Malaysia
- Conducting a comprehensive feasibility study on innovative financing, investment platforms and business models for renewable energy and energy efficiency in Malaysia, through a research grant awarded by the then Ministry of Energy, Green Technology and Water (currently known as Ministry of Energy, Science, Technology, Environment and Climate Change or MESTECC)
- Conducting research on the transformation of technology-based small-medium enterprises towards becoming sustainable technopreneurs through a research consultancy project for the Malaysian Technology Development Corporation (MTDC)

INCEIF has also worked with a strong key player in the financial services industry, CIMB Islamic Bank Berhad (“CIMB Islamic”), to develop a sustainability strategy, financing and valuation framework for the bank. The sustainable financing framework complements the aspiration of Bank Negara Malaysia’s Value-based Intermediation (VBI) for the Islamic banking industry, and CIMB’s on-going initiative to embed sustainability into all aspects of the group’s business and operations, within Malaysia and regionally.

The project entailed comprehensive benchmarking based on global best practices, qualitative and quantitative analysis of global environmental, social and governance (ESG) databases and indexes, in-depth industry and academic literature review, as well as extensive engagement with key stakeholders in the social and environmental sustainability space.

CIMB Islamic Chief Executive Officer Mr. Rafe Haneef said, "Our commitment to Value-based Intermediation (VBI), together with CIMB Group's commitment to the Principles for Responsible Banking, through its membership of the United Nations Environment Programme Finance Initiative (UNEP FI) in 2018 marked an important milestone in our sustainability journey. VBI principles embraced by CIMB Islamic have also been incorporated into CIMB Group’s Sustainability pillar in its next mid-term strategy, through which CIMB seeks to advance not just customers, but also societies. As an ASEAN MNC in the financial industry, we have a huge responsibility to create value not just economically, but also environmentally and socially."

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“The foundational benchmarking research and engagement efforts by INCEIF on our behalf positively impacted and informed our understanding of sustainable banking in Malaysia and internationally; our understanding of the larger stakeholder engagement needed across industries, both nationally and internationally; and our sustainable financing policy which guides financing decisions in light of environmental and social risks,” added Mr Rafe.

INCEIF President & CEO Prof. Dato’ Dr. Azmi Omar said: “At INCEIF, we believe that it is our duty to play a role in building a sustainable community. Islamic finance should take the lead in promoting green finance where responsible and impact financing are being embraced in pursuit of values beyond financial motivation.”

“As a proponent of Islamic Finance, INCEIF believes its principles and practices can create meaningful impact through an alternative financing framework, specifically Islamic social finance. INCEIF has embarked on a strategy to encourage policy change and to directly impact social well-being by utilising Islamic finance instruments. A dedicated Islamic Social Finance unit has been established at INCEIF with the objective of providing Islamic financial modelling techniques to deal with social challenges through the application of zakat, sadaqah, waqf and hybrid solutions,” added Dato’ Azmi.

INCEIF, together with its partners, remain steadfast in developing initiatives that support Islamic finance core principles of socio-economic empowerment and upliftment. It affirms INCEIF’s role in developing world-class talent and participating in innovative research projects for the global Islamic financial services industry and reinforces Malaysia’s position as an international hub for the industry.

Ends.

Note to Editor

About INCEIF

INCEIF was set up by Bank Negara Malaysia in 2005 to develop human capital and knowledge leadership for the global Islamic finance industry. Apart from its academic programmes, which are Masters of Islamic Finance Practice, MSc in Islamic Finance, PhD in Islamic Finance and Professional Certificates in Islamic Finance, INCEIF also offers customised executive training programmes and industry-focused applied research in line with its vision to be the knowledge and thought leader in Islamic finance.

INCEIF syllabus is structured with inputs from industry players to bridge the gap between academic knowledge and industry experience. INCEIF faculty members, who are globally respected among the Islamic finance academia and industry, have a combined wealth of experience and diversity. The faculty, coupled with continuous support from the industry, provides INCEIF students with strong mentoring relationships and opportunities for professional development.

In 2017, INCEIF was ranked Excellent (5-Star) in the Rating System for Malaysian Higher Education institutions SETARA '17 by the Ministry of Higher Education. Sistem Penarafan Universiti dan Kolej Universiti (Malaysia Rating for University and University College Excellence) or SETARA measures the quality of all private and public universities and university colleges, including foreign branch campuses.

Since 2015, INCEIF's research has been ranked 1st in Malaysia among the higher education institutions in the Research Papers in Economics (RePec) rankings. In November 2018, INCEIF received full accreditation from AACSB International, joining the top 5 per cent of business schools in the world to be accredited. It is the only Islamic finance university in Malaysia to receive this international accreditation.

For more information, please visit www.inceif.org.

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