CIBAFI and University of Bolton sign MoU as curtains ring down on Sharia Auditing Conference

A Memorandum of Understanding (MoU) was signed by the General Council for Islamic Banks and Financial Institutions (CIBAFI) and the University of Bolton, UK on the last day of Sharia Auditing Conference, yesterday.

"CIBAFI provides training services as part of its goals and we have 34 agreements in 17 countries worldwide where we partner with training institutions. Later we will also be signing another MoU with an institution in Jeddah," CIBAFI Acting Secretary General Mohamed Ben Youssef said.

University of Bolton Pro Vice Chancellor Rob Campbell said the agreement with CIBAFI comes at a time when Islamic finance education is gaining ground in the UK.

"Eighteen months ago we started Islamic Finance Centre which we are developing into a research centre. The partnership with CIBAFI will be a good step for the university as CIBAFI's expertise is complementary to the university's courses," Mr. Campbell said.

Even the UK is turning to an Islamic finance hub, he said, the University of Bolton is only one of the five universities in the UK out of a total of 140 universities that offers the same level of Islamic finance education in their country."

University of Bolton Centre for Islamic Finance Director Prof. Mohammed Abdel-Haq said, "CIBAFI for us is not just a partner. It is an Islamic finance infrastructure institution and its importance to the industry cannot be underestimated."

The signing ceremony took place during the two-day conference which saw Islamic banking and finance professionals attend the event at the Regency Intercontinental in Manama.

Standardisation, regulations discussed

The central theme of the conference was standardisation and dealing with external sharia offices such as external auditors.

"Islamic banking standardisation is still an issue because this is an emerging industry compared to conventional banking. We have only been around for four decades while, conventional has been around for four hundred years."

He noted that while there are countries such as Bahrain that stand as a 'regulatory paradise' for the Islamic banking system, most countries, do not have regulations and legislations dealing with the Islamic banking system.

"The problem is with the regulators of those countries. Although we have already drafted a model law for regulators to follow, most have not taken the initiative to adopt them. And this is where the issues start," he said.

Mr. Youssef said that because of a lack of regulation, some Islamic banks are suffering as they are exposed to double taxation and face fierce competition from conventional banks that have Islamic banking arms whereas Islamic banks do not offer conventional services due to prohibition by the Sharia.