

IFN FORUM

FINTECH

2017

#IFNFINTECH17

11th April 2017 | Room 302 & 303, Kuala Lumpur Convention Centre

POST-FORUM ANALYSIS REPORT

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Islamic fintech: Dawn of Islamic finance 2.0?

The (Islamic) financial landscape is changing: with the rapid growth of fintech, boundaries are being broken and preconceptions challenged. This disruption in status quo is raising new questions, new concerns but also new exciting opportunities. While 'disruption' may carry negative undertones, the Islamic financial community has been embracing the innovation and potential revolution technology could offer.

Cheaper, faster, better

The appeal of employing fintech solutions into financial operations is compelling and if it could be summed up in one word, it would be: efficiency.

"Fintech has the potential to play a major role in the Islamic finance industry specifically to improve processes efficiencies, cost effectiveness, increase distribution, Shariah and other compliances and financial inclusion," explains Othman Abdulla, the managing director of Islamic banking at Silverlake Group.

Bashar Al Natoon, the global head of Islamic finance at Fitch Ratings, agrees: "It is worth highlighting two key angles for the industry. The first is that it is necessary for the industry to maintain and grow its market share, as failure to keep pace with such developments, although it has its specific cost and challenges, could impact the competitiveness of its players. The second is that it could help with financial inclusion, which is a big issue in many of the countries where Islamic finance is active."

While these are benefits to all financial institutions in general, the significance of fintech for the Islamic finance sector is greater as compared to its more established conventional peer due to the dynamics of this relatively young sector — which builds the case for Islamic financial institutions to be more agile and receptive to adapting and adopting fintech solutions.

"The Islamic finance industry should embrace fintech and digital technology even more aggressively than its conventional counterparts because Islamic finance does not have the breadth or footprint as conventional finance does," believes Raja Teh Maimunah, CEO of AmInvestment Bank. "Fintech and digital technology allows Islamic finance to reach out further and quicker (and possibly cheaper) without having to build a physical presence and distribution channels."

Raja Teh's sentiments are echoed by Alex Armstrong, the founder of UK-based TrustExec, who adds: "With the ever-growing cost of compliance and record-keeping requirements, anything that removes the amount of paper that is generated from the manual process and stores data allows banks to reduce their back office cost and improve their ability to keep up with compliance requirements."

Data-storing is one element continuously brought up by market players.

"The Islamic banking sector has embraced innovation in financial structuring and we have advised on various innovative Shariah compliant products; that innovation mindset also lends itself to exploring blockchain applications in Islamic banking

and Islamic insurance. The requirements around transparency, integrity and diligence on assets in Islamic finance work lend itself to key characteristics of distributor ledger technologies," shares Muneer Khan, a partner and head of Middle East financial markets, regulatory and international Islamic finance at legal firm Simmons & Simmons.

In addition to that, the interesting thing about blockchain technologies, according to Mark Smalley, the co-founder and CEO of blockchain infrastructure provider Neuroware, is that they fit the mold of Sunnah money for they not only hold intrinsic value from the energy used to produce them, but in most cases, most notably Bitcoin, they are often inflation-proof unlike government-based currencies.

"Until now, Islamic finance was usually constrained by the problematic nature of gold and silver, which are difficult to transfer and hard to verify when tucked away in someone else's vault," Smalley elaborates. "With a digital alternative to gold now available that allows for instantaneous real-time direct peer-to-peer payments, in which the transfer and settlement of value happen together as a single event; technology is going to play the leading role. The ability to enable a transparent market with tamper-proof data is going to revolutionize finance in ways that we cannot fully comprehend yet."

New doors

Blockchain is one of the many areas industry players have highlighted as an instrument with strong potential to catalyze the growth of the Shariah finance industry.

Shakeel Adli, a partner and the head of Islamic finance at CMS, agrees, pointing out that Murabahah transactions could benefit from blockchain which could be used to reduce costs. "We have begun to see the evolution of blockchain-based products which are Shariah compliant, for example HelloGold in Malaysia. We see that trend continuing," he adds.

Armstrong concurs: "Digitizing the Murabahah offer and acceptance process and the marketplace itself which is currently over-the-counter would be positive developments as well as automating anything that allows people to transact faster and removes the administration cost."

The payments industry is also one industry players are keeping an eye on.

"Payments and trade are the two areas I am keen on," shares Raja Teh: "Payments also include remittance, merchant solutions and cash management. My dream is to see paper money in only museums. Trade finance today is very manually managed hence digitization of its record-keeping and processes is much welcome to enhance efficiency and fraud prevention."

And of course, there's crowdfunding and peer-to-peer (P2P) financing — a sector which has seen great participation from the Islamic finance industry. Nasir Zubairi, CEO of the Luxembourg House of Financial Technology, is one of the many who sees opportunities for fintech and Islamic finance in the field of P2P financing and crowdfunding.

Over the last few years, the Shariah finance industry has welcomed an explosion of Shariah compliant crowdfunding platforms, including London-based Yielders.

"We ourselves have identified the business-to-business market as a great opportunity to share our hard work and research and development, therefore we have some exciting news to share: In the third quarter this year, we will be looking for collaboration partners and opportunities to share our bespoke technology in new geographical markets," reveals Irfan Khan, the founder of Yielders.

In the fund management space — artificial intelligence (AI) seems to be the keyword.

"What we have seen in the market in the last decade, volatility has intensified and more frequent, economies are becoming more integrated, information and data are easily accessible and are more current, movements of goods and services are faster — this dynamic would make it challenging to be ahead of the curve, to consistently and constantly deliver superior performance if you are a traditional active fund manager," Najmuddin Lutfi, CEO of BIMB Investment Management, opines.

BIMB Invest has recently started to incorporate AI and big data analytics into its strategy. "Technology can assist us to make more accurate decisions based on facts and figures and eliminates any biases and intuition in the decision-making process."

From AI to blockchain to P2P, the prospects for fintech for the Islamic finance industry seems almost limitless. And the general consensus is that, Islamic fintech will revolutionize the way Islamic finance is viewed and used in the future.

POST-FORUM ANALYSIS REPORT



09:25 – 10:10

Islamic Finance and then Fintech: Where Do We Stand?

Looking at the state of play in Islamic fintech, how well is the Islamic finance industry as a whole riding the wave, and to what extent have incumbents created a culture of innovation? What are the initiatives underway?

Moderator:
Panelists:

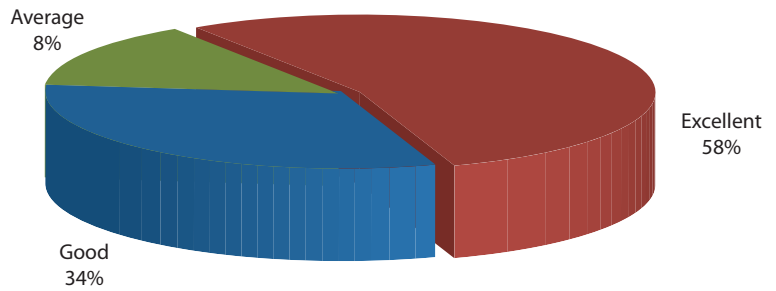
Stuart Hutton — Chief Investment Officer, Simply Ethical, the UK

Alex Armstrong — Founder, TrustExec, the UAE

Adissadikin Ali — Managing Director/CEO, RHB Islamic Bank

Cassim Docrat — Director, DDCap, DIFC

Luis Maldonado — Professor, IE Business School and Founding Partner, DigitalTakers, Spain



10:10 – 10:30

Reshaping Financial Industry

How to get major financial institutions on board? What kind of synergies RegTech and FinTech are to create?

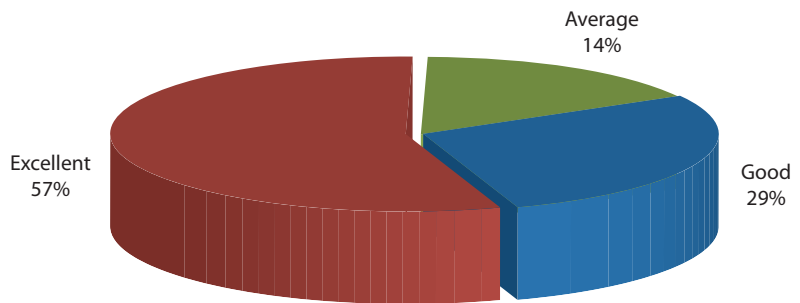
Moderator:
Panelists:

Abdulkader Thomas — CEO, Shape Financial

Ridzuan Abdul Aziz — Co-Founder and CEO, RHT Compliance Solutions

Sam Quawwami — Co-CEO and Co-founder, Eureeca, the UAE

Mark Smalley — Co-founder and CEO, Neuroware



POST-FORUM ANALYSIS REPORT



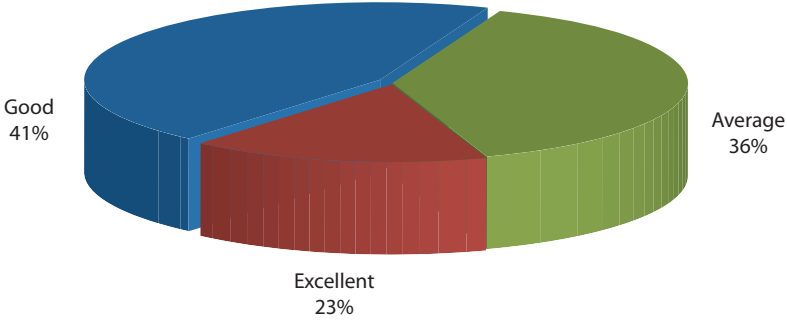
11:00 – 11:30

Growing the Industry through Fintech

The opportunity with fintech is to have a total shift in the way we look at the economy and business. What's fintech got to offer the Islamic finance industry? How can fintech support the industry growth through the current model?

Moderator:
Panelists:

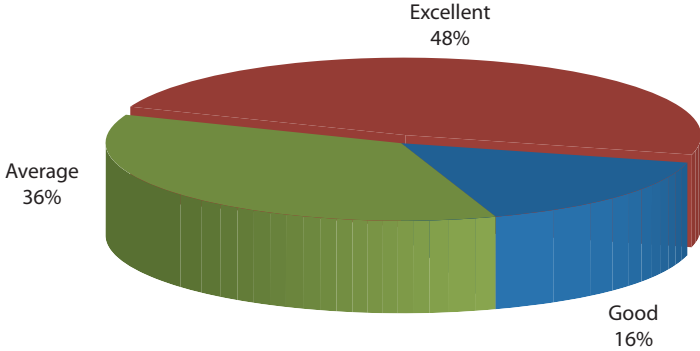
- Vineeta Tan** — Editor, Islamic Finance news
- Kyri Andreou** — Co-Founder and Director, Ata Plus
- Mohammad Raafi Hossain** — CEO, Finocracy, the UAE
- Umar Munshi** — Founder, Ethis Ventures



11:30 – 11:45

Touch 'n Go – Trailblazing National Payments through Financial Inclusion and Accessibility with Technology

Syahrudin Samsudin — CEO, Touch 'n Go



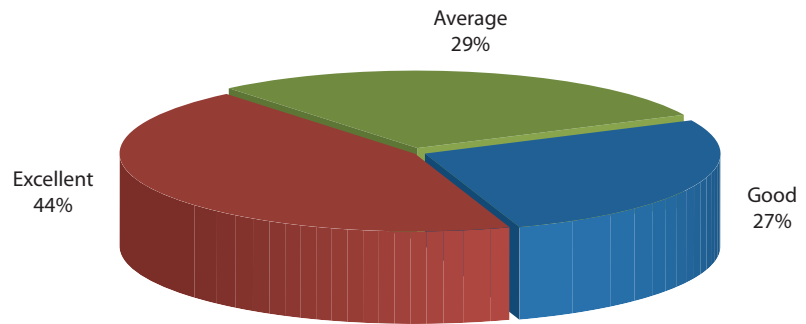
POST-FORUM ANALYSIS REPORT



11:45 – 12:00

The Future of Fintech Investment Solutions

Stuart Yeomans — CEO, Farrington Group



12:00 – 12:45

Fintech Exchange: Collide or Collaborate

Does innovation-at-scale for start-ups come hand in hand with partnering up? Our panel looks at the ins and outs of shaking hands' with the wider financial industry. Where are the most promising areas for collaboration and what are the threats of a wait-and-see approach?

Moderator:

Aiza Azreen — Director of Strategy, Axiata Digital Services

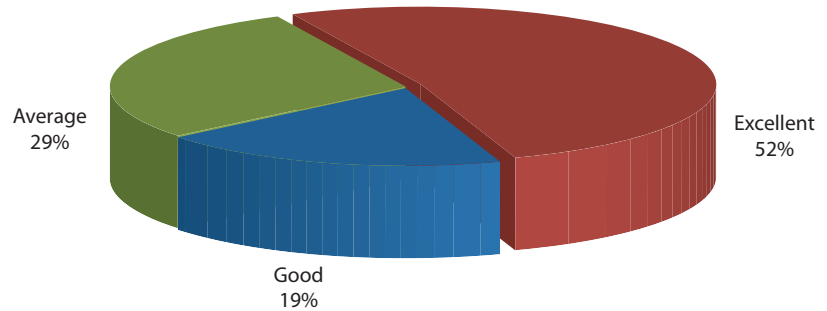
Panelists:

Arif Siddiqui — Chief Information Officer (CIO), Malaysia and Group CIO, Islamic Banking, Standard Chartered Bank

Jason Lee — Co-Founder and Director, Finnext Capital

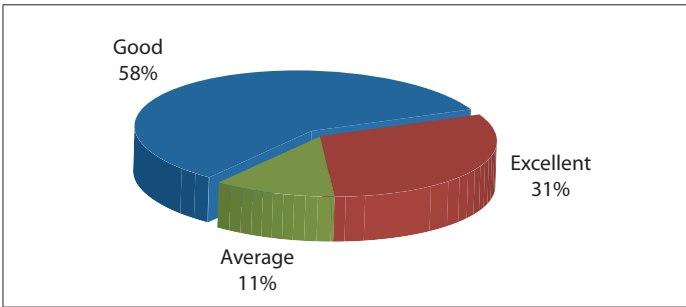
Naysan Munusamy — Co-Founder, MoneyMatch

Nick Ieronimo — COO, Unkapt, Australia

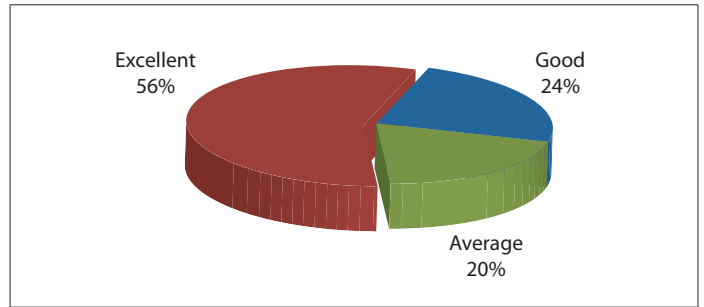


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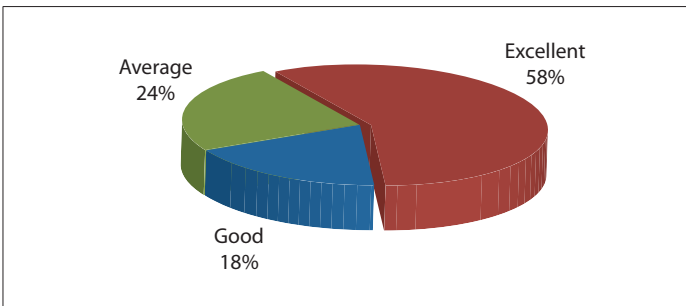
Pre-event Contact



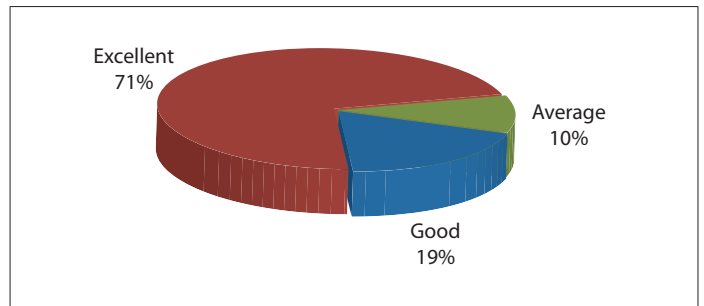
Overall Evaluation of the Event



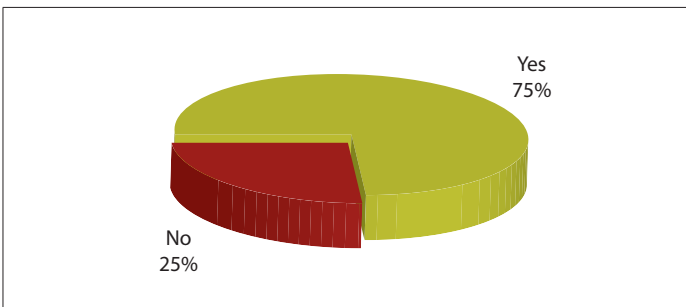
Venue and Facilities



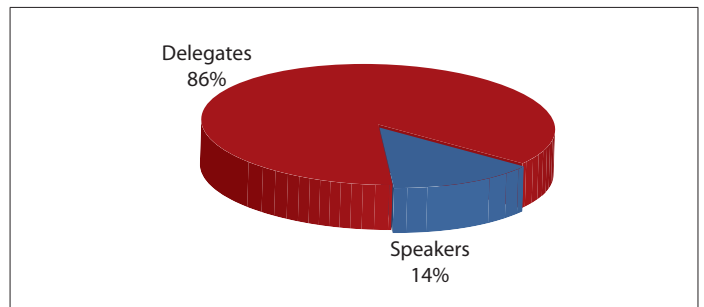
Overall Evaluation of the Speakers



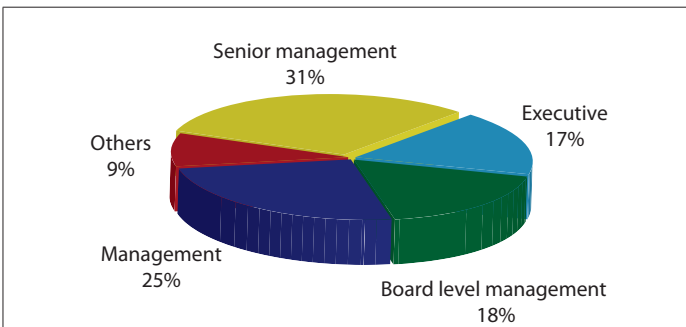
Delegates Who Would Like to attend IFN Fintech Forum 2018



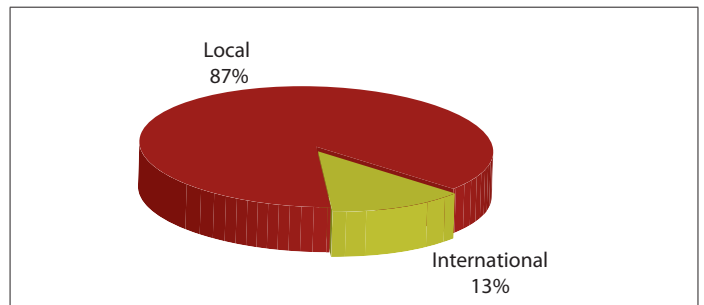
Delegate Breakdown



Delegate Job Title Breakdown



Delegate Breakdown (International and local)



Board Level Management	25
Senior Management	43
Management	34
Executive	24
Others	12
Total	138

SPEAKERS

COMPANY	NAME	JOB TITLE
Ata Plus	Kyri Andreou	Co-Founder and Director
Axiata Digital Services	Aiza Azreen	Director of Strategy
DDCap, DIFC	Cassim Docrat	Director
DigitalTakers, Spain	Luis Maldonado	Professor, IE Business School and Founding Partner
Ethis Ventures	Umar Munshi	Founder
Eureeca, the UAE	Sam Quawasmi	Co-CEO and Co-founder
Farringdon Group	Stuart Yeomans	CEO
Finnext Capital	Jason Lee	Co-Founder and Director
Finocracy, the UAE	Mohammad Raafi Hossain	CEO
Islamic Finance news	Vineeta Tan	Editor
Malaysia and Group CIO, Islamic Banking, Standard Chartered Bank	Arif Siddiqui	Chief Information Officer (CIO)
MoneyMatch	Naysan Munusamy	Co-Founder
Neuroware	Mark Smalley	Co-founder and CEO
RHB Islamic Bank	Adissadikin Ali	Managing Director/CEO
RHT Compliance Solutions	Ridzuan Abdul Aziz	Co-Founder and CEO
SHAPE Knowledge Services	Abdulkader Thomas	CEO
Touch 'n Go	Syahrnizam Samsudin	CEO
TrustExec, the UAE	Alex Armstrong	Founder
Unkapt, Australia	Nick Ieronimo	COO
Watch Tower & Friends	Sam Shafie	Founder



IFN Fintech Forum 2017 sessions would be broadcast on IFN-TV. For more info, visit <http://ifn-tv.com/> to know more. IFN-TV Channel is a fresh new media platform video content. All IFN Forums are filmed session by session and uploaded to IFN-TV, allowing you to revisit your favorites, catch up on sessions you missed or share clips of interest with others — and offering those unable to attend a vital alternative to access invaluable industry insights. The channel will also host exclusive interviews with industry leaders, along with discussions, roundtables, seminars and much more.

COMPANY LISTING

121 Advisor | 500 Startups | Ableace Raakin | ACR ReTakaful | Affin Islamic Bank | Al Ariff Development | Alkhair International Islamic | AlRajhi Bank | Amanie Academy | Amundi | Amundi Malaysia | Andrew Yong & Co. | Aqard Chipta Consultancy | Arivaz | Asian Finance Bank | Awal Consulting | Bank Islam | Bank Islam Malaysia | Bank Muamalat Malaysia | Bank of Tokyo Mitsubishi | Bee & Co | BIMB Investment Management | BIMB Invesrment Management | Bihus Consultancy | British High Commission KL | BTMU Malaysia | CERT Events | Deutsche Bundesbank | Dewi Negara Fachri & Partners | EdulogyNS | EPSB | Ernst and Young | Ethis | Ethis Ventures | Fariz Halim & Co (FALCOLaw) | FinTech Rakyat | First City University College | Flanner2u | Freelance | Frey Media | FundedByMe Malaysia | FWU Malaysia | GMX Capital Group | Growth Coaching | Halalmoney.my | Helierland Fintech | Hong Leong Investment Bank | HRM Consulting | HSBC Amanah Takaful (M) | IBFIM | IIML Fund Managers | IIUM University | Inland Revenue Board | Innovation & Development | International Shariah Research | ISIS Malaysia | i-VCAP Management | Japan Research Institute | JPPPL | KAF Investment Bank | KAF-Seagroatt & Campbell | Kenanga Investment Bank | Kenanga Wealth Management | Khairul, Suhaila & Hazlina | Khazanah | KIC Resource | Kolej Komuniti Bentong | Koperasi Dinar Dirham | Kuwait Finance House (Bahrain) | Lendingstar | M-2 Network | Malaysia Debt Ventures | Mastercard | MAVCAP | Maybank Singapore | MeLAB | MINDA | MNRB Holdings | Mohamed Ridza & Co | MySwitch | Naqiz & Partners | Nomura Asset Management | Opus Asset Management | OR Technologies | Orange on Gray | Pan Malaysian Pools | Pelaburan MARA | PMB Investment | Prudential BSN Takaful | Rahmat Lim & Partners | Red Ants | RHB Investment Bank | Robin Capital | Sakarya University | Saturna | SBI Islamic Fund Brunei | SBI Islamic Fund II (Brunei) | SBI Ventures Malaysia | Securities Commission Malaysia | Sedania As Salam Capital | Shangren Group | Shook Lin & Bok | Silverlake | Standard Chartered Bank | Sunway University | TA Securities Holdings | TAR University College | TMF Group | Treasury Operations | TriAset | Truadvice Consulltants | UKM, Malaysia | Universiti Islam Antarabangsa | UniKL | UNISSA | Universiti Putra Malaysia | Universiti Teknologi MARA | University of Malaya | Unkapt | UTAR (Sungai Long) | Wong Beh & Toh | Zaid Ibrahim & Co |