



Australian Government

The Treasury

# Global Islamic Finance Forum

Session 1 – Enhancing Islamic Finance System for  
the Next Decade

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Australian Treasury

# Agenda

- The Australian financial landscape and opportunities for Islamic finance in Australia
- Initiatives to foster Islamic finance in Australia
- The Australian experience to date in regulating Islamic finance
- Future directions in regulating Islamic finance

# Australian financial landscape and opportunities for Islamic finance

- Finance and insurance sector contributed 11% of GDP growing at 4.3% per annum
- Investment management industry growing at 12% per annum with A\$1.7 trillion in FUM
- World Economic Forum ranked Australia as second among the world's financial centres

# Australian financial landscape and opportunities for Islamic finance

- Islamic finance has the potential to increase stability in Australia's banking sector
- Potential opportunities include attracting Islamic banking operations and attracting greater funding
- Most interest wholesale rather than retail
- Potentially attractive to a broader section of the population

# Initiatives to foster Islamic finance in Australia

- Islamic Financial Service Trade Missions
- La Trobe University's Islamic finance symposium
- Taxation roundtable
- Austrade report
- Westpac product
- Treasury/Bank Negara MoU

# Regulating Islamic Finance

- Establish level playing field
- Recommendations of industry-led review:
  - Remove regulatory barriers
  - Refer to Board of Taxation
- Board of Taxation discussion paper
- Challenge of attracting human capital and financial infrastructure given niche market in Australia

# Future directions in regulating Islamic finance

- Importance of international standard setting bodies given global markets
- Key to assisting development in small, open countries like Australia
- No unnecessary differences in international standards for Islamic versus conventional finance

# Conclusion

- Thank you