

VALUE BASED INTERMEDIATION AND INTERCONNECTION OF SUSTAINABLE DEVELOPMENT GOALS IN ISLAMIC BANKING FRAMEWORK

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ABSTRACT

The introduction of a strategic paper on Value-Based Intermediation (VBI) by Bank Negara Malaysia (BNM) on 20th July 2017 is expected to change the landscape of Islamic banking and finance. It involves the strategic change of the industry players as well their supply chain including the mindset of existing workforce and its shareholders' expectation to ensure the success of the initiative. As the default state of the current industry stakeholders are based on profit maximization paradigm, achieving the initiative objectives are doubtful. Employing basic qualitative research method, the objective of this conceptual study is to highlight the issues and challenges faced by the industry players in realising the initiative of VBI. The research will also discuss from the aspects of Sustainable Development Goals (SDG) and propose suggestions as the contribution of the paper. The authors note various issues and challenges for the industry but with appropriate strategies can open up opportunities for the players. For the initiative to be successfully implemented, the bank's key staff needs to change their profit maximization and compliance mindset including its' shareholders. The culture of the bank requires recalibrating to suit the value driven paradigm.

Keywords: Challenges, Islamic banks, Issues, Value Based Intermediation

INTRODUCTION

Value-Based Intermediation (VBI) is a strategic paper introduced by Bank Negara Malaysia (BNM) to strengthen the roles and impact of Islamic finance. The strategy paper is jointly developed by BNM, certain Islamic banking players and other key stakeholders. VBI is important to position Islamic finance in becoming more pivotal and leading agent for positive change in the financial system and operates within the network economy that is built upon shared values of integrity, inclusivity and sustainability (Bank Negara Malaysia, 2017). VBI is also vital for Islamic Financial Industry in fulfilling the Maqasid Al-Shariah via its numerous strategies (Hassan & Mohamad Nor, 2019)

The structural paper of VBI was issued on 20th July 2017 where it underpinned thrusts of VBI and proposed implementation approach and strategies in advancing VBI as the strategic direction for Islamic Banking Industry (IBI). BNM invites return comments on the proposed

strategies, including suggestions for particular issues or areas to be elaborated further and any alternatives proposal that can be considered.

BNM (2017) highlights the importance of Malaysian Islamic financial industry to act as an intermediation function that aims to deliver the intended outcomes of shariah through practices, conduct and offerings that generate positive and sustainable impact to the economy, community and environment, without compromising the financial returns to shareholders. This is tailor to the Sustainable Development Goals (SDG) set by the United Nations (UN) which was conceived at the United Nations Conference on Sustainable Development in Rio de Janeiro in 2012 (UNDP, 2018). The integration of economic development, social inclusion and environmental sustainability in SDG is very important for future development of the IBI. Malaysia remain steadfast in making Islamic Finance an important platform evidenced by her commitment in advocating for the convergence of Islamic instruments and green financing. The Prime Minister of Malaysia, Tun Mahathir Mohamad, presented Malaysia's Islamic finance initiative titled 'Achieving the SDGs: Unleashing the Potential of Islamic Finance through Innovative Investors and Instruments' at the United Nations in September 2018.

Malaysia's SDG initiative can be traced since early 70s when the New Economic Policy (NEP) was introduced in 1970 with the aim to eradicate poverty and restructure societal imbalance (United Nations, 2017). Following suit, all the subsequent 5-years Malaysia development plans have underscored the elements of sustainable and inclusive development with the emphasis on eradicating poverty, improving the well-being of the people, providing universal access to education, health and caring for the environment.

In 2009, Malaysia renewed her commitment on sustainable development when the country launched the New Economic Model, which featured three goals: achieving high income, inclusivity and sustainability (United Nations, 2017). These resonate well with the three components of the SDGs, namely, economy, social and environment. Malaysia is, therefore not starting anew on its pathway to sustainable development but it is a process already in motion.

The Sustainable Development Goals report (2017) focuses on upholding human rights and ensuring peace and security by leaving no one behind through reducing inequalities, reaching those most at risk and sustains the ecosystem. The current Islamic banking institution has to prepare the industry to achieve the sustainable development goals. VBI can be one of the initiatives to achieve the SDGs.

Abdul Rasheed (2017) has stressed that the development of Islamic finance sector should not be seen only in the headline numbers, but also more importantly in addressing social and environmental concerns. VBI allows the Islamic finance to take lead in the space of ethical finance where concepts, such as sustainable, responsible, impact investing (SRI), have been embraced in pursuit of values beyond financial motivation. He also pointed out the four underpinning thrusts of VBI; namely entrepreneurial mindset, community empowerment, good self-governance and best conduct embodied in the business strategies of Islamic banks would create a positive impact on stakeholders; shariah and Islam itself.

Latifa et. al (2017) stated that human civilisation has proved that the world needs an economic system that emphasizes on the concept of value-based. Islamic sources provide the core element and principles which form a basic philosophy of Islamic economics prioritizing on value-based to achieve social justice.

The Governor of BNM, Datuk Nor Shamsiah Mohd Yunus, at the Global Islamic Finance Forum 2018 said that the VBI would have a significant impact on the business models of Islamic financial institutions, including the drivers of profitability and risks. Such a statement from a regulator should not be taken lightly. It means a great challenge to the industry as VBI has an impact on the business models of the players. It involves the strategic change of

the industry players as well their supply chain including the mindset of existing workforce and its shareholders' expectation to ensure the success of the initiative. As the default state of the current industry stakeholders are based on profit maximization paradigm, achieving the initiative objectives are doubtful. Hence, this research attempts to analyse the issues and challenges faced by the industry players. Following this, the authors will recommend possible course of actions to ensure that the VBI initiative will be materialised.

THE STRATEGY PAPER

VBI is defined as:

“An intermediation function that aims to deliver the intended outcomes of Shariah through practices, conduct and offerings that generate positive and sustainable impact to the economy, community and environment, consistent with the shareholders' sustainable return and long-term interests.” (BNM, 2017)

The 34 pages strategic paper outlines the following:

Executive Summary

- Part I : Unlocking full potential of Islamic Finance
- Part II : Realigning focus towards creating greater socio-economic impact
- Part III: Defining common underpinning thrusts of value-based intermediation
- Part IV: Creating enabling environment for adoption of value-based intermediation

Part I of the strategy paper titled “Unlocking full potential of Islamic Finance” (page 8 - 10) describes achievement of the industry thus far and summarise the strength and opportunities of the industry. One notable statement by the regulator is the need to move beyond the Syariah compliant mindset as specified in the regulatory framework. With the implementation of the new initiative, it is anticipated that the industry would be transformed from the existing characteristics as described below:

Table 1: Expected Transformation on Islamic Banking Industry

Perceived Present Financial Landscape		Envisioned Financial Landscape
Driven by short term and narrow bottom line	➔	Driven by long term and wider objectives (profit, people and planet)
Performance measurement focuses on financial aspect	➔	Performance measurement considers both financial and non-financial aspects
Innovation mainly to create competitive advantage for shareholders and players	➔	Innovation to create values for all
Good conduct driven by regulation	➔	Impact based approach that fosters good conduct
Minimal roles of other stakeholders	➔	Meaningful and active roles of key stakeholders (consumers, employees and public)

Source: BNM, 2017 (page 10)

Part II with the heading of “Strategic direction: Realigning focus towards creating greater socio-economic impact” briefly narrative the strategy that the industry players adopt VBI as common vision for the industry (page 12 – 18). This includes how VBI impact the current banking offerings and practices, the different between VBI and Environmental Social and Corporate Governance (ESG), Ethical Finance, Sustainable Responsible Impact Investing and Corporate Social Responsibility. VBI share some similarities with ESG, Ethical Finance and SRI except that VBI relies on Shariah in determining its underlying values, moral compass and priorities. VBI differs from CSR as it emphasizes on achieving positive result via integrated business activities such as offerings and practices while CSR initiatives are usually separated from business activities.

VBI requires the industry players to introduce innovative products and services with impact-driven paradigm to create greater impact to existing market segment as well as untapped areas. Risk management, the vital element of the industry, is facilitated through the supply chain finance approach while serving the high impact segments. Another important element of VBI is the strengthened collaboration between the banks and their key partners and stakeholders that include non-financial community to leverage on specific skills and infrastructure that are critical but not owned by the IBIs. The implementation of VBI by Islamic banks will benefit the customers, community, regulator as well as the government and will not be at the expense of the industry players but can create more impactful and sustainable economic value in the long run.

Part III document four underpinning thrusts for the impactful and meaningful implementation of VBI (page 20 – 24). The four foundations are to serve as guidance for the industry players in ensuring that their intent, strategy and performance of their Islamic financial businesses are premised on the underpinning areas that will eventually create values to the stakeholders. The four thrusts are; Entrepreneurial mindset, Community empowerment, Good Self-Governance and Best Conduct. On top of complying with the Shariah, the players must also promote and ease entrepreneurial activities via through holistic offerings which include financing and proactive support i.e. advisory, market infrastructure and business network.

Communities can be empowered effectively via positive impact solutions offered by the banks. Example of community empowerment includes integrating waqf and sadaqah in the Islamic financial activities. Good self-governance means instilling organisational discipline and establishing purposeful participation of all stakeholders in the governance framework. Practicing best conduct requires the banks to embrace activities that improve their offerings, processes and treatments toward their stakeholders.

The last section of the strategy paper records strategies for adopting VBI. These consist of nurturing potential champions (by the regulator), enhanced disclosure by the banks, the establishment of “VBI scorecard” as the industry’s general and complementary measurement of success and the formation of Community of Practitioners (CoP) as well as strategic partnership with targeted value-based community, main partners and stakeholders. BNM proposed two phases of VBI implementation that the industry players can adopt. First phase is allowing the participating banks to familiarise with the measurement and gather relevant data promptly. During the second phase BNM will announce the VBI scorecard that enables the stakeholders to compare performance of the industry players.

On this note, on 3rd October 2018 Bank Negara Malaysia launched 3 guidance documents to aid the industry players in the implementation of VBI. The three documents are; Implementation Guide for VBI, VBI Financing and Investment Impact Assessment Framework (VBIAF) and VBI Scorecard (BNM, 2018). According to BNM governor Datuk Nor Shamsiah Mohd Yunus, the VBIAF will assist in appraising the financing and investment applications taking into account economic, social and environmental implications. Additionally, VBI Scorecard will aid the implementation of performance measurement frameworks that push positive value and impact on society and the environment.

The initiative is seen as a commendable effort by the central bank to aggressively realign Islamic banking in meeting Maqasid Shariah. VBI encourages Islamic banks to move away from bottom line-centric business strategies into the focus on people, profit and planet. This is also to be achieved without compromising the banks profitability as well as the return to their shareholders.

However, it is perplexing that the above initiative is only for Islamic banking industry. SDGs is introduced to all economic sectors including conventional sectors. If Bank Negara Malaysia is really serious on the issue of SDGs, conventional banks should also be encouraged with similar initiative. The Islamic banks only initiative will pose building blocks for those Islamic banks who are not full-fledged Islamic banks. These leveraged banks require their conventional counterparts’ approval for any strategic change of the banks’ business strategy.

ISSUES AND CHALLENGES

Mind-set Change

In an interview in October 2018, Tan Sri Zarinah Anwar, the former Chairman of Securities Commission Malaysia admitted it was a challenge to affect the mind-set change of company directors and senior management. VBI, as explicitly described in the above strategy paper, demand the change in the mind-set of the banks’ stakeholders including Board of Directors, Management of the banks and key staff of the banks. As described on the previous paragraph, VBI will transform the financial landscape of the industry into long-term and wider objectives; performance is measured from financial and non-financial achievement; banks’ innovation must create values for all and just for the banks. Islamic banking which heavily relies on the Shariah compliant mind-set must go beyond this and consider the values created. This compliant regime originates from the paradigm of having to oblige to what permissible and not

permissible in Islam. These might form great challenges to the industry players as it is the industry's culture is about compliant.

BNM also suggests one underpinning thrust for the industry players as guidance i.e. having entrepreneurial mind-set. Entrepreneurial mind-set refers to being initiative and self-direction, risk-taking, flexibility and adaptability, creativity and innovation, critical thinking and problem solving (Michigan State University, 2018). Other definitions include the ability to see opportunities, marshal resources and create value. The term entrepreneurial mind-set also embodies a set of cross-functional life and professional skills that describe someone who is innovative, resourceful and creates value. This is by far post a considerable challenge having to be entrepreneurial and at the same time must meet the regulations set the BNM.

It is also a daunting task for the industry players to be creative and innovative with the present risk management culture of the industry. With VBI, the risk management mind-set needs manoeuvre which is delicate where one need to be risk taker and at the same time must take into consideration risk mitigating activities.

Profit Maximisation vs Beyond Profit

It is well documented in literatures that banks are profit maximizers (Bikker & Bos, 2005) including Islamic banks (Salihu, Man & Abdul Jubreel, 2011; Ahmad Samadani, 2013) and has been the bedrock of the banking industry. Standard theory tells us that a bank's shareholders are claimants for its profits and it is thereby in their interest to maximize these profits. VBI entails the industry players to move beyond profit maximization to creating values to all stakeholders. "Beyond Profit" was the theme for 2018 Global Islamic Finance Forum (GIFF 2018) held in Kuala Lumpur in October 2018, a year after the strategy paper was launched by BNM. Opening speech by the present Governor of BNM, Datuk Nor Shamsiah Mohd Yunus, cite the following quote by Henry Ford:

"Business must be run at a profit, else it will die. But when anyone attempts to run a business solely for profit and thinks not at all of the service to the community, then also the business must die, for it no longer has a reason for existence".

Having said that, a brief survey conducted among Islamic bankers during GIFF 2018 reveals that majority of them still remains at the profit maximization mind-set (Kasri, 2018). This result is not surprising as it is the embedded culture of the banks that their existence is to make profit and not for charity (Ahmad Samadani, 2013). VBI may expose the industry to major challenges as VBI does not necessarily mean brings about value creation but without compromising shareholders' return. This can be gained through innovation.

Lack of Knowledge on SDGs and VBI

VBI focuses on minimisation and prevention of negative impact arising from IBI's practices, conduct and offerings. In the practices, conduct and offering of financial solutions, the Islamic Banks must take into consideration the impact on the wellbeing of people, environment, climate, community and society. This entails the banks' staff to be aware and have sufficient knowledge on the environmental issues such as global warming, acid rain, air pollution, urban sprawl, waste disposal, ozone layer depletion, water pollution, soil and land pollution, deforestation, increased carbon footprint, effect on marine life and public health issues.

As part of SDGs, VBI must be understood in the broader context. SDGs consist of 17 goals as follows:

1. No poverty
2. No hunger
3. Good health and wellbeing
4. Quality education
5. Gender equality
6. Clean water and sanitation
7. Affordable and clean energy
8. Decent work and economic growth
9. Industry, innovation and infrastructure
10. Reduced inequalities
11. Sustainable cities and community
12. Responsible consumption and production
13. Climate action
14. Life below water
15. Life on land
16. Peace and justice and strong institutions
17. Partnership for the goals

SDGs agenda has been in existence since 2012 and it is a global agenda but VBI is only introduced in 2017 by BNM. Although no empirical research conducted on the awareness of Islamic banks employees in Malaysia on SDGs and VBIs, it is anticipated that the awareness and knowledge is low. Institut Kajian Etnik (2016) recommended that there is a need to increase the level of awareness and understanding on SDGs among all levels of society. The importance of awareness and knowledge on VBIs initiative and SDGs agenda is echoed by the United Nations' Educational and Scientific and Cultural Organization (UNESCO) admission that education is a major key to sustainable development with its statement “Sustainable development cannot be achieved by technological solutions, political regulation or financial instruments alone. We need to change the way we think and act. This requires quality education and learning for sustainable development at all levels and in all social contexts.” (UNESCO, 2017). The call to increase the awareness is also made by Higher Education Sustainability Initiative (2017) in its report titled “Mapping Awareness of the Global Goals”. This shows that for VBIs and SDGs agenda to be successfully implemented banks’ staff awareness and knowledge on the matter is vital.

SDGs, Islamic Finance and Maqasid Shariah

The essence of BNM’s move in the announcement of VBI as the way forward for Islamic Banking Industry is part of the industry’s effort in supporting the SDGs agenda and finance (Islamic Banking and Finance fraternity) has an important role. This is deduced from the Governor of BNM in her speech at the 2018 Global Islamic Finance Forum who called for sustainable finance:

“It is increasingly clear that economic prosperity in the long run cannot exist without social equity and environmental responsibility. While the governments of 150 countries are committed to realising the United Nation’s 17 Sustainable Development Goals (SDGs) by

2030, this must be a shared responsibility. The private sector has a key role to play – a role, with finance at its centre that has yet to live up to its full potential. With much at stake, the call to action for sustainable finance is one that the financial sector, perhaps more particularly Islamic finance, cannot afford to ignore.”

Ever since the announcement of SDG agenda by United Nation and has been adopted all United Nations member countries in 2015 (United Nations, 2018), the discussions and research on the matter have shown tremendous interest including from the Muslim banks and researchers. Islamic Development Bank, for example, has launched a 10-Year Strategy (10YS) of the Islamic Development Bank Group (IDBG) that aim for human dignity and economic and social development as a guide for to support its 57 Member Countries (MCs) and other Muslim communities. The 10YS comprises three strategic objectives: Inclusiveness, Connectivity, and Islamic Finance Sector Growth, and five strategic pillars: Economic and Social Infrastructure, Private Sector Development, Inclusive Social Development, Cooperation Between Member Countries, and Islamic Finance Sector Development (Islamic Development Bank, 2017). Ismail (2016) has mapped the 17 SDGs with the knowledge about Islamic Finance recorded in the Al Quran as follows:

Table 2: Mapping of SDGs with Al Quran

Knowledge About Islamic Finance in Al Quran	Which SDGs
The role of Fiscal Policy	SDG1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 13, 16
Interest, Bounty/Income	SDG1, 2, 8, 10
Public Debt	SDG8, 10
Lending as Moral Phenomena	SDG17 (no moral values)
Prohibition of Interest	SDG1, 2, 8, 10, SDG17
Social Relations vis a vis Interest	SDG17 (Social capital)
Debtor-creditor Relationship	SDG1, 10, 12, 17
Impact of Interest to social economic	SDG1, 3, 12
Productive Activities	SDG8, 9
Trade	SDG8, 9, 12
Objective of economic activities	SDG1, 3, 8
Moral values of economic activities	SDG12
The Wealth	SDG1, 8, 10
The Money	SDG1, 10
Human behaviour towards money	SDG12
The Contract	SDG12
Business conduct	SDG3
Business Profit	SDG1, 3
Philanthropy	SDG1, 2, 3, 4, 6, 8, 11, 12
Zakat	SDG1, 3, 4, 5, 6, 7, 8, 9, 11, 13, 17
Waqf	SDG1, 3, 4, 5, 6, 7, 8, 9, 11, 13, 17
Inheritance	SDG3
Sadaqa	SDG1, 3, 4, 5, 6, 7, 8, 9, 11, 13, 17
Revenue	SDG1, 4

Source: Ismail, 2016

Additionally, the mapping has also been done between SDGs and the Maqasid Shariah as in Table 3:

Table 3: Mapping of SDGs with Maqasid Shariah

Mapping SDG with Maqasid Shariah						
SDG1	No Poverty	Life	Faith	Intellect	Progeny	Wealth
SDG2	Zero Hunger	Life	Faith	Intellect	Progeny	Wealth
SDG3	Good Health and Well-Being	Life	Intellect	Progeny		
SDG4	Quality Education	Intellect	Faith	Life	Wealth	Progeny
SDG5	Gender Equality	Life	Faith	Progeny		
SDG6	Clean Water and Sanitation	Life	Faith	Progeny		
SDG7	Affordable and Clean Energy	Life	Wealth	Progeny		
SDG8	Decent Work and Economic Growth	Wealth	Life	Progeny	Faith	Intellect

Mapping SDG with Maqasid Shariah						
SDG9	Industry, Innovation and Infrastructure	Wealth	Life	Progeny	Faith	Intellect
SDG10	Reduced Inequalities	Wealth	Life	Progeny		
SDG11	Sustainable Cities and Communities	Life	Wealth			
SDG12	Responsible Consumption and Production	Life	Wealth	Faith	Progeny	
SDG13	Climate Action	Life	Progeny	Wealth	Faith	
SDG14	Life Below Water	Life	Progeny	Wealth	Faith	
SDG15	Life on Land	Life	Progeny	Wealth	Faith	
SDG16	Peace and Justice Strong Institutions	Life	Wealth	Progeny	Faith	Intellect
SDG17	Partnerships for the Goals	Wealth	Life	Faith		

Source: Kasbani, 2018

This demonstrates SDGs agenda and VBI initiative have been embraced by Islamic Finance and Maqasid Shariah even before the declaration of SDGs agenda by the United Nations and VBI initiative by BNM. In the context of IBI, the issue here is that why only after the proclamation of the VBI initiative argument put forward that SDGs and VBI are embedded in Islamic banking. This should be highlighted during the early stage of the introduction of Islamic banking and proper framework should be established. The recent adoption of VBI by the Islamic banking players may create unfavourable conclusion that Islamic banking is

incepted on the wrong footing. Instead of meeting the Maqasid Shariah which is more than just profit-making orientation, IBs end up with profit maximization mind-set.

THE WAY FORWARD

We outline below recommendations for the Islamic banking communities in support of the VBI initiative and in ensuring the VBI objectives are met.

VBI Initiative for Malaysia Financial Institutions

As highlighted in the above, one of the stumbling blocks for the leveraged Islamic banks to smoothly strategies their VBI framework is their governance structure. Hence, we propose for Bank Negara Malaysia to roll out another phase of VBI initiative that encompass conventional counterparts as well for all Malaysian Financial Industry and not limited to commercial banking industry. This would facilitate the speedy transformation and adoption of SDGs via VBI for the domestic Financial Industry.

National Agenda

One notable scenario is the lack of concerted effort by both government and financial industry as well as all other sectors. This is evidenced as SDGs move is announced in 2012 and efforts by the Malaysian government is proclaimed in 2018 when the Prime Minister presented Malaysia's Islamic finance SDGs initiative. Bank Negara Malaysia launched the VBI strategy paper in 2017. It is only in 2019 the government has invited financial industry representatives to be in a government led task for related to SDGs.

Increasing SDG and VBI Awareness

Since the introduction of VBI initiative, the degree of understanding on the initiative among Islamic banking employees is unknown. For the initiative to be successfully materialised, all Islamic banking workforce need to have sufficient knowledge on SDGs and VBI. It is stated in the strategy paper that one important element is the entrepreneurial mindset among the employees. Even though the thrust is one of core components of Malaysia's Pelan Pembangunan Pendidikan 2013- 2025, sufficient level of entrepreneurial mindset among the Islamic bankers remain questionable. This lack of understanding may disrupt banks' move in implementing the VBI framework.

In addition to the above, the successful of SDGs and VBI initiative require the embodiment of environmental issues, the least, by the society in general and the Islamic banking employees in particular. For example, in the issue of non-biodegradable plastic, to embody the spirit of environmental-friendly one must exercise the concern on the highly usage of plastic at personal level and try to minimise the usage of the plastic in their daily lives. Without this embodiment, Islamic bankers would not be able to fully appreciate one of the main thrusts of VBI initiative i.e. the planet.

With the above in mind, more effort needs to be step up to increase the awareness on the issues that form the foundation of SDGs and VBI initiative as well as both SDGs and VBI. This can start with relevant education concerning SDGs and VBI initiative.

Bank's Money Creation: Skeleton in the closet

Bank's money creation is an old debatable issue that remain unsettled among the financial stakeholders and continue to be highlighted by the critiques of fractional reserve modern banking system. The loanable fund created ex nihilo by modern banking system every time loan and financing are made increase economics' money supply exponentially which eventually result in inflation (Moosa, 2018). Consequentially, bank's money creation has been blamed for cyclical financial crisis (Turner, 2013) hence affecting people, profit and disregard of planetary concern issues. Studies by Brown (2015) and Meera & Larbani (2009) found bank's money creation lead to inequality and unequal wealth distribution. This will finally impede SDGs and VBI initiative. Researches by Islamic scholars have also concluded that bank's money creation contradicts with the Maqasid Shariah (Meera et al., 2009, Sani, Salleh, Meera & Ahmad, 2013; Al Twijri, 2016). Alternative banking model that circumvent bank's money creation, or at least private bank's money creation, must be pursued.

CONCLUSION

Having presented the issues and challenges post by the implementation of VBI initiative, the authors optimistic that this initiative is by far the correct move by BNM in diverting the industry into its original purpose i.e. meeting the Maqasid Shariah. The regulator has been very supportive and has embarked on facilitative approach by providing guidelines and strategies for the players to adopt the VBI initiative. By getting the involvement of certain Chief Executive Officers of the banks in the establishment of the initiative, it gives them hands on knowledge and commitment on the adoption of the initiatives.

Holding to the adage of "It is better late than never", the Islamic banks fraternity must embrace the initiative not solely because of the banks' survival but it is the move that brings back Islam into Islamic banks holistically.

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