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DR. MAHMOOD GHAZI APPRECIATES THE PROACTIVE ROLE OF SBP IN PROMOTING ISLAMIC BANKING IN THE COUNTRY.

The Shariah Board of State Bank of Pakistan at its meeting held under the Chairmanship of Dr. Mahmood Ahmad Ghazi in Karachi today reviewed the comments /suggestions received by SBP on Essentials and Model Agreements of Islamic modes of financing.

The response from the stakeholders including bankers, scholars, legal experts and the general public was excellent. The guidelines finalized through the consultative process would become the basis for Prudential Regulations for Islamic banking in the country.

It may be recalled that the Essentials and Model Agreements of Islamic modes of financing were placed on SBP website in April this year in order to invite comments/suggestions from various stakeholders.

The Chairman of Shariah Board, Dr. Mahmood Ahmad Ghazi appreciated the proactive role being played by the State Bank of Pakistan in promoting Islamic banking in the country. He observed that the current regulations governing Islamic banking are in line with the best and the most progressive regulations being followed in countries like Bahrain and Malaysia.

Judging from the response of the key stakeholders and the progress made so far, Dr. Ghazi said that he was confident that the State Bank of Pakistan's efforts in promoting Islamic Banking in Pakistan in its true form will be very successful. By introducing a comprehensive Shariah Compliance mechanism that includes appointment of Shariah Advisors by banks in accordance with the Fit and Proper Criteria determined by the Shariah Board and Islamic Banks' Shariah Audit, these regulations will ensure effective compliance of the relevant Shariah norms.

Sheikh Esam Muhammad Ishaq, Shariah Advisor of Al-Baraka Bahrain who is currently on a visit to Pakistan, was invited by the Board to come and share his international experience on Shariah issues and approach being adopted internationally. He observed that the SBP Shariah Board's approach in identifying and resolving Shariah issues is in line with the international norms. He observed that Pakistan would be able to achieve its objective of establishing Islamic Banking as a parallel system. He assured the Shariah Board of his support in any form, if required.

The meeting was attended by the members of the Shariah Board viz. Dr. Imran Usmani, Mr. Ebrahim Sidat, Syed Riazul Hassan Gilani and Mr. Pervez Said, Director, Islamic Banking Department, State Bank of Pakistan, who is also the Secretary of the Shariah Board.
