



External Relations Department

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State Bank of Pakistan Voted as the Best Central Bank for Promoting Islamic Finance

State Bank of Pakistan (SBP) has been voted as the best Central Bank for Promoting Islamic Finance by a poll conducted by 'International Finance News', an arm of Red Money Group Malaysia. The votes were received from various institutions, practitioners and academicians from all over the world.

After the announcement, Deputy Governor, SBP Mr. Saeed Ahmad stated "SBP remains committed in promoting Islamic banking and finance and will continue to play a proactive and facilitative role domestically as well as globally. It is heartening to learn about recognition at the International level of efforts of SBP for developing Islamic Banking Industry on a sound and sustainable basis."

He further added that under the dynamic leadership of Senator Muhammad Ishaq Dar Federal Minister for Finance, Revenue, Economic Affairs, Statistics, & Privatization and patronage of the Governor, SBP, Mr. Ashraf Mahmood Wathra a number of initiatives have been taken to support the growth of Islamic finance.

It may be mentioned here that Pakistan re-entered the international Sukuk market after nine years by issuing a sovereign Ijara Sukuk that was oversubscribed. A high level Steering Committee for Promotion of Islamic Banking has been constituted by the Government that has played an instrumental role in synergizing efforts of all stakeholders and creating an enabling environment for the growth of Islamic banking and finance in the country.

Being cognizant of the challenges faced by Islamic banking industry SBP has provided liquidity management solutions for providing much desired Shariah compliant investment avenues to the industry. The revised Shariah Governance framework has laid down the necessary framework for ensuring Shariah compliance in Islamic banking institutions. Minimum capital requirement to establish Islamic banking subsidiary has been rationalized to attract new investment to this sector.

Recognizing the need for trained human resource, Mr. Saeed Ahmad said that SBP has played a key role in establishing three centers of excellence in Islamic finance education which are at IBA Karachi, LUMS Lahore and Institute of Management Sciences (IMS) in Peshawar. "These centers are expected to contribute effectively in supplying skilled human resource to Islamic banking industry," he added.

In the meantime a meeting of three Centers of Excellence was held at SBP under the Chairmanship of Mr. Saeed Ahmad with the focus to increase the coordination among them. The meeting was attended by Chairman Centre of Excellence IBA Karachi Dr. Ishrat Hussain, Dean Business School LUMS Lahore Dr. Junaid Ashraf and Head Centre of Excellence IMS Peshawar Dr. Karimullah. It was unanimously agreed upon in the meeting that these centers will jointly arrange a high level international conference annually on Islamic Finance by inviting renowned shariah scholars, academicians and practitioners. Further, it was also decided that a coordination committee comprising of representatives of each centre and SBP will proactively oversight their activities.

'Islamic Finance News' appreciated the roadmap developed by the SBP for Islamic banking industry by linking it to its impressive growth and stated "SBP is clearly doing something right."
