



External Relations Department

ERD/M&PRD/PR/01/2018-04

January 10, 2018

State Bank's efforts lauded globally – Voted as the Best Central Bank for Promoting Islamic Finance*

State Bank of Pakistan has been voted as the Best Central Bank in Promoting Islamic Finance by a poll conducted by **Islamic Finance News (IFN) under REDmoney Group**, Malaysia. State Bank of Pakistan has also won this award in 2015. It is also important mentioning that in 2016, Pakistan was awarded Global Islamic Finance Award (Advocacy Award) by Edbiz Consulting Limited, UK. This recognizes the dedication and commitment of State Bank of Pakistan over the years for laying sound foundations for sustainable growth of Islamic finance industry in the country. Islamic banking industry has shown significant growth rate since its re-launch in 2002; by end September 2017, share of Islamic banking stood at 11.9 percent in terms of assets while in terms of deposits its share is 13.7 percent with a network of 2,368 branches across the country.

“The SBP has demonstrated impressive dedication toward rebuilding Pakistan’s Islamic banking sector, providing strong support and building deep foundations on which the industry can now stand”, stated IFN while announcing the poll results. Further, significant measures to support Islamic banking and finance during 2017 including issuance of detailed guidelines on conversion from a conventional to an Islamic bank, amendments in the Shariah Governance Framework to require external auditing, implementing tax neutrality for Islamic transactions and launching of a new SME finance policy to support entrepreneurship have also been quoted as main reasons for the award.

Government of Pakistan has also shown strong resolve towards developing this industry. To this end, formation of the Steering Committee by the Government for Promotion of Islamic Banking in Pakistan helped a lot in creating the desired harmony among all stakeholders. Subsequently, an Implementation Committee was formed to execute recommendations of the Steering Committee. Four sub-committees; namely (i) sub-committee on Legal and Regulatory Framework, (ii) sub-committee on Taxation, (iii) sub-committee on Capital Market and (iv) sub-committee on Awareness, Training and Capacity Building, are also working diligently for promotion of Islamic Banking in Pakistan.



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***The press release revised on January 12, 2018:**

In the earlier statement, released on January 10, 2018, IFN was inadvertently interpreted as 'International Finance Award' instead of 'Islamic Finance Award'. Further, IFN is under 'REDmoney Group', Malaysia and not Red Money Agency. The inconvenience caused is regretted.
