

12<sup>th</sup> September, 2005

## **SBP GOVERNOR INAUGURATES FIRST ISLAMIC BANKING COURSE**

The Governor, State Bank of Pakistan, Dr. Ishrat Husain inaugurated the First Islamic Banking Certificate Course at the National Institute of Banking & Finance (NIBAF), Karachi Campus today.

Speaking on the occasion, the Governor said the State Bank was implementing, in letter and spirit, the decision of the Supreme Court regarding the Riba-free banking in the country. He said that we would provide level playing field for the conventional and Islamic banking in the country. Islamic banking would run parallel to the conventional banking and it is upto the people of Pakistan to choose which type of banking they would adopt, he said and added 'We need to encourage growth of genuine Islamic Banking in the country'.

Dr. Ishrat Husain said the State Bank of Pakistan has taken a number of steps for the promotion of Islamic banking in Pakistan which include the issuance of licences to Islamic banks, Islamic banking branches and setting up of subsidiaries by commercial banks for Islamic banking

He said the State Bank has issued the Essentials and Model Agreements of Islamic Modes of Financing as recommended by the Commission for Transformation of Financial System and approved by the Shariah Board of the SBP in order to ensure observance of Shariah principles by the institutions conducting Islamic banking in Pakistan.

He urged the participants of the Course to thoroughly study the Essentials and also the Agreements and get any clarification, if needed, from respective Resource Persons of the Course.

With the increased demand for Islamic banking in the country, there is a need of trained bank staff with the right qualifications to undertake Islamic banking based on Shariah principles and methodologies, the Governor added.

He urged the participants to proactively participate in the course. 'Do not accept knowledge in a passive manner. Clarification of concepts and questioning the rationale for various processes and procedures will be helpful in the sustainable growth of Islamic banking in the country', the Governor added.

Dr. Ishrat Husain said the course is initially being offered to the existing staff of Islamic banks and Islamic Banking Branches operating in Pakistan. The NIBAF will gradually open the course to different groups on the basis of their role in promoting Islamic banking in the country, he added.

The certificate course will go a long way in capacity building and fill in the immediate and pressing need for qualified and trained manpower for Islamic banking industry in Pakistan, Dr. Ishrat Husain added.

The course, comprising 15 modules, is very comprehensive and has been designed in consultation with Islamic banking experts and Shariah scholars from within the country and the Islamic world. Thirty four participants from different banks are attending the course which will conclude on September 28, 2005.

The inaugural ceremony was attended, among others, by Dr. Mahmood Ahmad Ghazi, President, International Islamic University, Islamabad and Chairman, Shariah Board of State Bank of Pakistan, senior bankers and heads of Islamic Banking Divisions of banks.

Earlier, the Managing Director, NIBAF, Islamabad, Kazi Abdul Muktadir presented the address of welcome. The Head of Islamic Banking, NIBAF, Karachi, Mr. Muhammad Ayub also spoke on the occasion.

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