

January 7, 2015

**Financial Innovation Challenge on Promoting Excellence in Islamic Finance**

The State Bank of Pakistan will launch the 3<sup>rd</sup> Financial Innovation Challenge Fund (FICF) round on 9<sup>th</sup> January 2015 in Islamabad. The Finance Minister, Senator Muhammad Ishaq Dar will preside over this launching ceremony. FICF is a component of the larger Financial Inclusion Program (FIP) being implemented by State Bank of Pakistan under the funding assistance of the UK Aid.

The Challenge Round is being unveiled to promote Islamic Financial services to meet the latent demand for Shariah compliant financial services in Pakistan. This round aims to develop education and research infrastructure for promoting Islamic Finance in partnership with leading higher education institutions. The initiative will develop the industry's human capital base in the form of Islamic finance professionals, specialists including Shariah scholars, economists and researchers to meet the growing demands for Shariah compliant products and services in Pakistan.

The applicants will submit complete proposal by 20 February 2015. Detailed guidelines will be available on SBP's website on the launch date. An independent Advisory Committee, drawing representation from DFID, Higher Education Commission (HEC), private sector and the SBP, will review and approve the challenge round winners.

The purpose of FICF is to provide grants to foster innovation and test new markets, lower cost of delivery, enable systems and procedures to be more efficient and provide new ways of meeting the unmet demand for financial services. The FICF 1<sup>st</sup> & 2<sup>nd</sup> Challenge Round were successfully held on promoting Financial Inclusive Government to Person (G2P) payments and promoting Innovative Rural & Agricultural Finance in Pakistan. The fund is currently supporting a number of innovative pilots for adoption of financially inclusive G2P payments and innovative agricultural finance.

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