

**SABDA BY**

**HIS ROYAL HIGHNESS PRINCE HAJI AL-MUHTADEE BILLAH IBNI HIS MAJESTY  
SULTAN HAJI HASSANAL BOLKIAH MU'IZZADDIN WADDAULAH,  
THE CROWN PRINCE AND SENIOR MINISTER AT THE PRIME MINISTER'S OFFICE**

**ON THE OCCASION OF  
THE OPENING OF THE BRUNEI DARUSSALAM ISLAMIC INVESTMENT SUMMIT (BIIS2017)**

*"GLOBALISATION OF ISLAMIC FINANCE: THE ROAD AHEAD"*

Indera Samudra Grand Hall  
The Empire Hotel and Country Club

On  
Wednesday, 2<sup>nd</sup> August 2017

## **Assalamu 'Alaikum Warahmatullahi Wabarakatuh**

Bismillah Hir Rahman Nir Rahim

Alhamdulillah Rabbil 'Aalameen, Wassalaatu Wassalaamu 'Alaa Asyrafil Mursaleen, Sayyidinaa Muhammadin, Wa'ala Aalihee Wasahbihee Ajma'een, Waba'du.

Excellencies,  
Distinguished Guests,  
Ladies and Gentlemen,

I am grateful to join distinguished scholars, leaders and experts in Islamic Finance, and all our guests and participants here today attending the Brunei Darussalam Islamic Investment Summit 2017.

The global and regional economic environment has changed dramatically over the last ten years, bringing with it new risks and challenges. Against this backdrop, the Islamic Finance industry has seen extraordinary growth and has continued to evolve.

According to The World Bank, the Islamic Finance industry has expanded rapidly this past decade, growing at 10-12% annually.

At the end of 2016, Syariah-compliant financial assets are estimated at US\$2.3 trillion, covering bank and non-bank financial institutions, capital markets, money markets, insurance companies and takaful operators. In many Muslim-majority countries, Islamic banking assets have grown faster than conventional banking assets.

There has also been a surge of interest in Islamic Finance from countries such as the United Kingdom, Luxembourg, South Africa, and Hong Kong.

With Muslims accounting for more than 20% of the world's population, and the increasing awareness on Islamic Finance, the Islamic Finance industry looks poised to continue its remarkable growth. The Global Islamic Finance Report 2017 forecasted that Islamic Finance assets will grow to between US Dollar 3 to 4.3 trillion by 2020. In this regard, this Summit's theme "*Globalisation of Islamic Finance: The Road Ahead*" is therefore timely and appropriate.

Ladies and Gentlemen

The value proposition of Islamic Finance lies in its emphasis on risk-sharing and its ability to link finance to the real economy.

More significantly, it prohibits contracts involving speculation or the like, as mandated in the Holy Qur'an, Verse 90 of Surah Al-Ma'idah.

The strength of Islamic Finance to face any adversities was demonstrated during the Global Financial Crisis in 2008 when highly complex and risky financial structures crippled the world's financial system.

At the time, Islamic financial institutions had avoided from investing in speculative instruments and came out relatively unharmed.

In recognition of these strengths, the appeal of Islamic Finance has extended beyond faith and origins. Global financial centres in London, Luxembourg and Hong Kong have started ambitious initiatives to tap into the potential of Islamic Finance.

Domestically, in over 20 years of inception, Brunei Darussalam's Islamic Financial eco-system has continued to develop and now comprises Islamic banks, Takaful operators, Islamic investment dealers, Sukuk and other ancillary services.

Currently, Islamic Banking and Takaful assets have grown to account for 53% of the total market share.

Ladies and Gentlemen,

True globalisation of Islamic Finance requires collaboration among regulatory and supervisory authorities; and harmonization of international standards.

On that note, I am pleased that as a regulator, AMBD has continually strived to adopt international best practices and plays an active role in its development.

AMBD is now an active member in a number of standard-setting bodies such as the Islamic Financial Services Board and International Islamic Financial Market.

Recognizing the importance of public trust and fiduciary duty within the financial sector, AMBD has issued the Guidelines on Corporate Governance for Banks which shall take effect on 1<sup>st</sup> January 2018. Similar requirements shall also be applied to insurance companies and Takaful operators in the near future.

Complementing this corporate governance initiative, I am pleased to note that AMBD will also be introducing a Syariah Governance Framework for Islamic financial institutions.

Alongside this, AMBD will be enhancing the Syariah audit framework to ensure that all approved Islamic financial products and services continue to adhere to Syariah standards.

I am confident that all these initiatives will provide confidence to stakeholders.

A strong and dynamic workforce is crucial for the industry to retain its competitiveness. In this regard, AMBD, with the support of Centre for Islamic Banking, Finance and Management (CIBFM) will be introducing Continuous Professional Development (CPD) requirements for all financial practitioners, which will enhance the skill set of those working in the financial industry.

Ladies and Gentlemen

I am most encouraged that all these developments are in line with the aspirations of His Majesty the Sultan and Yang Di-Pertuan of Brunei Darussalam to realise the country's vision in becoming a world renowned Islamic Financial hub.

As a national agenda, I urge AMBD and relevant government and non-government agencies to continue their close collaboration in realizing His Majesty's vision.

Our key competitive edge towards becoming an International Islamic Finance hub lies in our strong Islamic philosophy which is embedded in our way of life. It naturally contributes to the purity of Brunei Darussalam's Islamic Finance.

Furthermore, the country's continued political and macroeconomic stability and favorable ties with our international partners are conducive for foreign direct investments (FDI) to locate their new operations in Brunei Darussalam.

Finally, the true practice of Islamic Finance as upheld by the fundamental tenets of Syariah, will continue to resonate with the global call for building a stable Islamic financial system worldwide.

This in turn Insha Allah, will achieve the noble intention of effectively generating an inclusive economy for the well-being of the Ummah.

I believe that this Summit can be leveraged upon to facilitate the meeting of minds of distinguished scholars, leaders and experts, and to further understand the developments and future of Islamic finance.

On that note, I would like to wish all of you a productive and successful Summit.

With the kalimah Bismillahir Rahmanir Rahim, I now declare the Brunei Islamic Investment Summit 2017, officially open.

Wabillahit Taufiq Walhidayah, Wassalamu 'Alaikum Warahmatullahi Wabarakatuh.

