

# Islamic Finance Development

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# Islamic Finance Development

## ISLAMIC FINANCIAL SECTOR INTERMEDIATION

Since the implementation of the Financial Sector Masterplan in 2001, which outlined a comprehensive set of strategies to solidify the foundation of the Islamic financial sector, the Islamic finance ecosystem has grown in strength towards meeting the evolving needs of the Malaysian economy (Diagram 4.1). Amid a challenging economic environment, Islamic banking and takaful institutions have remained resilient, maintaining healthy financial buffers.

Total assets of the Islamic banking industry grew by 8.3% in 2016 (2015: 11.5%) to account for 28% of the overall banking system (2015: 26.8%). Intermediation activities expanded with encouraging growth in investment intermediation. The takaful industry also sustained its growth as reflected in higher net takaful contributions of RM7.5 billion in 2016 (2015: RM6.8 billion) to account for 14.6% of total industry premiums and contributions.

Over the next two years, the development of the Islamic finance industry will focus on enabling greater business diversification, driven by technology, to sustain its growth trajectory and deliver better value to customers. Towards this end, the Bank will intensify industry engagements to encourage more innovative applications of Shariah contracts in funding, financing and investment instruments. For the takaful industry, greater focus will be directed towards developing takaful protection and risk management solutions to support trade and business activities through collaborative initiatives involving selected institutions. In meeting the demand for Shariah-compliant financial products and services, Islamic financial institutions are expected to assume a larger role in value-based intermediation, beyond existing credit intermediation roles, to contribute more effectively towards the broader economic and social development. This vision

for the Islamic financial sector is also supported by the transformation of the Islamic finance education landscape to address the talent needs of the industry.

## ISLAMIC BANKING

### Performance of the Islamic banking sector

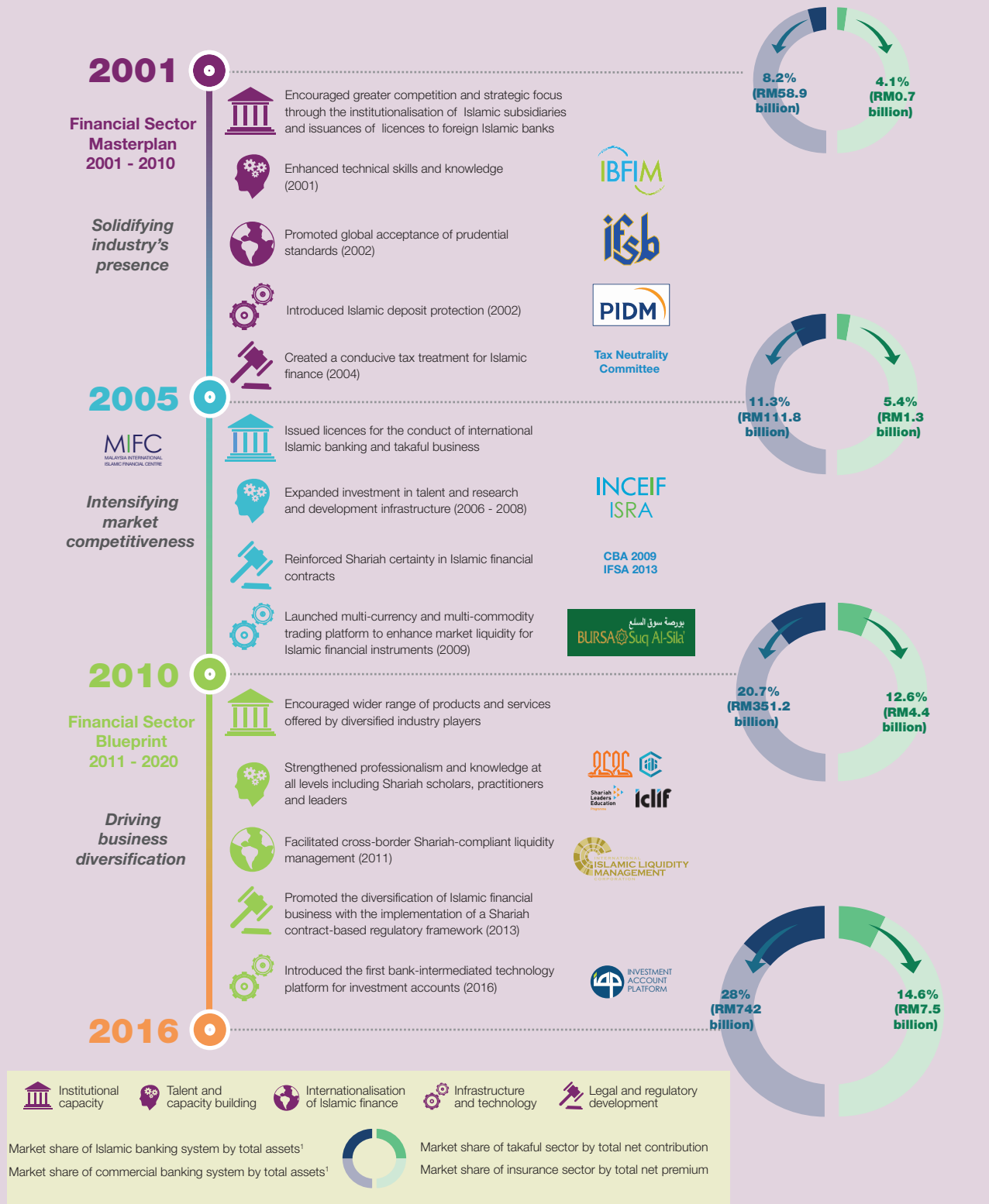
Financing by the Islamic banking industry grew by 11% to RM549.5 billion during the year, underpinned by sustained demand for Shariah-compliant financial solutions from the household sector. Almost 61% of the total financing disbursed by the Islamic banking industry was channelled to households (2015: 61.6%). Demand for Shariah-compliant financing from the retail segment is expected to continue driving the growth of the Islamic banking industry, given the growing consumer preference for the increasingly competitive Islamic financial products and services.

Despite a challenging economic environment for businesses, financing to the business sector grew 13.3%, surpassing the growth rate for financing to the household sector. Financing was broad-based, with 10.4% of total financing channelled to the education, health, manufacturing and agriculture sectors. By 2020, Shariah-compliant financing is expected to account for 40% of total financing in Malaysia.

Investment accounts (IA) expanded further during the year as a new source of funding for Islamic banks. The risk sharing features of IA are expected to support entrepreneurship, facilitated by more efficient arrangements for the intermediation of investments by the Islamic banking industry. IA managed by Islamic banks grew to RM73.7 billion to account for 12.2% of total Islamic deposits and IA within the Islamic banking system (2015: RM47.1 billion, 8.6%) (Chart 4.1). The growing acceptance by retail investors of the attractive value propositions of IA presents the Islamic banking sector with an opportunity to develop innovative products that can cater to this demand.

Diagram 4.1

**Islamic Banking and Takaful: At a Glance**

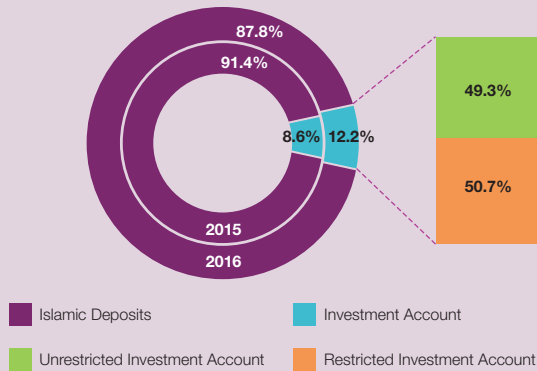


<sup>1</sup> including development financial institutions under the Development Financial Institutions Act 2002

Source: Bank Negara Malaysia

Chart 4.1

**Investment Accounts as a Proportion of Total Islamic Deposits and Investment Accounts (IDIA)**



Source: Bank Negara Malaysia

**Investment accounts grew to account for 12.2% of total funding within the Islamic banking system**

The Islamic banking industry remained well-capitalised throughout the year. As at end-2016, common equity tier 1 (CET1), tier 1 and total capital (TCR) ratios remained well above the minimum regulatory levels at 13%, 13% and 16.6% respectively (2015: 12.3%, 12.3%, 16.1%).

Diagram 4.2

**Key Elements and Intended Outcomes of Shariah Contracts**

Effective Date	1 January 2018	1 July 2018	31 July 2018	1 August 2018
Shariah Contract	<i>Kafalah</i>	<i>Wakalah</i>	<i>Wadi'ah Hibah Qard</i>	<i>Ijarah</i>
Application	Bank guarantee, standby letter of credit and other forms of guarantee	Investment accounts, financing, letter of credit	Islamic deposits, credit card-i and financing	Financing
Key Elements	<ul style="list-style-type: none"> <li>Greater clarity on the distinction between the rights and obligations of guarantors and beneficiaries</li> </ul>	<ul style="list-style-type: none"> <li>Greater clarity on the Islamic banks' capacity as an agent for asset acquisition or investment manager</li> </ul>	<ul style="list-style-type: none"> <li>Prohibition of granting contractual benefits and disclosure of indicative <i>hibah</i> rate for <i>qard</i>-based Islamic deposits</li> </ul>	<ul style="list-style-type: none"> <li>Greater clarity on ownership of the asset during the leasing period and respective rights and liabilities under <i>ijarah</i> contract</li> </ul>
Intended Outcomes	<ul style="list-style-type: none"> <li>Strengthened protection for guarantors</li> </ul>	<ul style="list-style-type: none"> <li>Strengthened governance and fiduciary accountabilities of Islamic banks</li> </ul>	<ul style="list-style-type: none"> <li>Strengthened business and market practices of <i>qard</i> borrowers and lenders</li> </ul>	<ul style="list-style-type: none"> <li>Safeguard interest of lessee and lessor</li> </ul>

Source: Bank Negara Malaysia

**Regulatory and supervisory framework**

**Strengthening institutional resilience and system stability**

During the year, regulatory developments in the area of Islamic finance were focused on: (i) finalising the issuance of six additional Shariah standards; (ii) initiating a review of the Shariah Governance Framework; (iii) implementing capital and liquidity standards for Islamic banks; and (iv) providing further guidance and clarity on the regulatory treatment of IA products.

**Shariah Standards and Operational Requirements**

The Shariah Standards and Operational Requirements give effect to rulings by the Shariah Advisory Council of Bank Negara Malaysia (SAC) and serve to promote the effective management of risks in Islamic financial business. Since 2014, five Shariah Standards and Operational Requirements including *Murabahah*, *Mudarabah* and *Istisna`* have been implemented to guide the application of these Shariah contracts in Islamic financial products and services. Six additional Shariah Standards and Operational Requirements were issued in 2016 as outlined in Diagram 4.2.

The Bank will be issuing three further Shariah standards in 2017 namely *Wa'd*, *Rahn* and *Ba' al-Sarf*, which will

complete the compendium of regulatory standards on Shariah contracts for Islamic financial business.

### **Shariah governance**

A review of the Shariah Governance Framework was initiated by the Bank in the first quarter of 2016 to take into account the more mature Islamic banking and takaful industry that has evolved in Malaysia. The review aims to capture Shariah governance considerations that are more integrated with the business and risk strategies of Islamic financial institutions, and further strengthen sound decision-making by the key organs responsible for Shariah governance.

The policy review focused on four key aspects:

- clarifying the accountabilities of the Board and its interactions with the Shariah Committee on matters concerning Shariah governance;
- enhancing the composition and decision-making process (such as methodology and quorum) of the Shariah Committee;
- strengthening the three lines of defenses in managing Shariah non-compliance risks and clarifying accountabilities for the implementation of Shariah rulings; and
- strengthening the supporting role of the internal Shariah functions, including enhancing the quality of Shariah research, to promote end-to-end Shariah-compliant business operations.

During the year, the Bank also issued for consultation proposed enhancements to the Shariah Committee's Report. The proposed enhancements seek to improve the quality of disclosures on the management of Shariah compliance risks by Islamic financial institutions, and include new requirements for the Shariah Committee to issue an opinion on the institution's compliance with Shariah. The Bank expects to issue a Concept Paper setting out these proposed changes to the Shariah Governance Framework in the first half of 2017.

### **Implementation of capital and liquidity standards**

Prudential and market conduct standards applicable to Islamic financial institutions are broadly aligned with global standards and best practices, including standards set by the Basel Committee on Banking Supervision (BCBS) and the Islamic Financial Services Board (IFSB). In developing standards that will apply to Islamic financial institutions, the Bank ensures that

the standards adequately address risks associated with the distinct underlying features of different Shariah contracts. This often entails expanded guidance and prescriptions within domestic standards. As an illustration, Diagram 4.3 describes the Shariah-related requirements in the capital and liquidity standards which are currently under review to reflect recently issued Shariah contracts.

### **Investment Account Framework**

The Investment Account Framework (IAF), introduced in 2014, supports investment intermediation by strengthening the entrepreneurial role of Islamic banks in optimising funds for productive uses in the economy. The IAF guides the operationalisation of IA, taking into account the distinct risk characteristics of IA as compared to Islamic deposits, which is principal guaranteed.

In response to the divergent practices observed in the operationalisation of IA, the Bank provided additional guidance to the industry on its expectations around product structuring, operational management and business conduct in the offering of IA. These expectations aim to more closely align IA product features (such as types of underlying assets and redemption flexibility) with the intended investment objectives. The guidance will also serve to strengthen the management of IA funds to better protect the interests of investors, specifically by requiring Islamic banks to improve processes for conducting assessments of the investment risk appetite of customers before any investment recommendations are made to potential IA holders.

## **Developments in the Islamic banking sector**

### **Broadening the intermediation role of the Islamic banking sector**

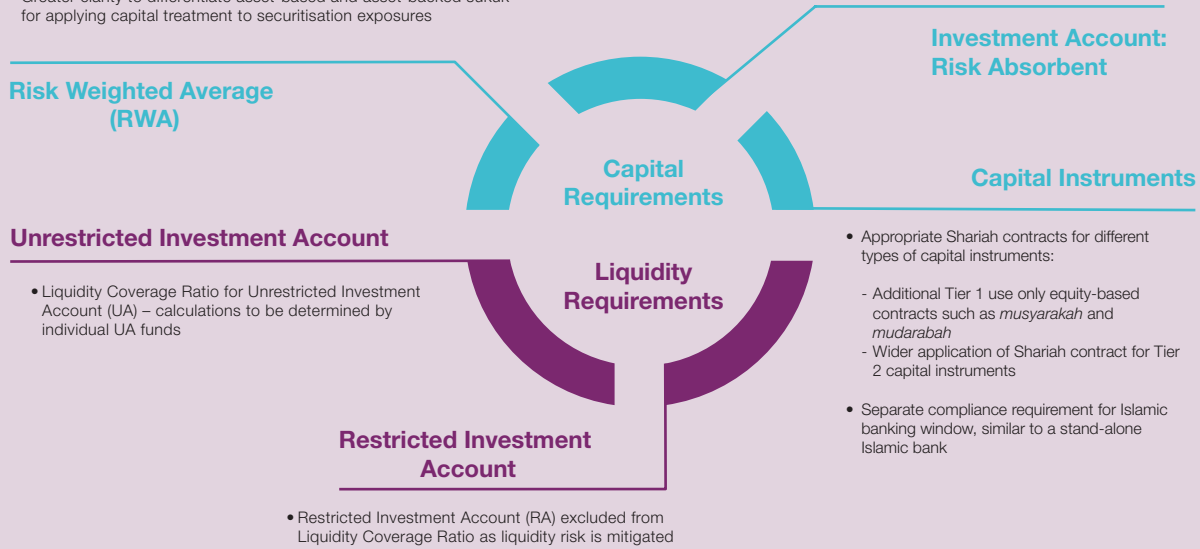
A notable development in the application of Shariah contracts for financing by the Islamic banking industry is the increased application of *tawarruq* over the last three years (Chart 4.2). In 2016, *tawarruq* financing grew over 34% to account for 22.4% of total outstanding Shariah-compliant financing. The growth has been largely spurred by the commodity trading operation of Bursa Suq Al-Sila which has reduced costs and risks associated with *tawarruq*-based transactions. Islamic deposits based on *tawarruq* also increased by 7.5% this year, reflecting higher demand for fixed rates of return on deposits offered under *tawarruq* contracts.

Diagram 4.3

### Customisation of Capital and Liquidity Requirements in Islamic Banking

- Standardised approach for credit and market risk exposures of Islamic financial transactions is determined based on underlying Shariah contracts
- Greater clarity to differentiate asset-based and asset-backed sukuk for applying capital treatment to securitisation exposures

- Investment account holders (IAH) absorb credit and market risks arising from assets funded by IA
- No additional capital required as actual returns are paid to IAH



Source: Bank Negara Malaysia

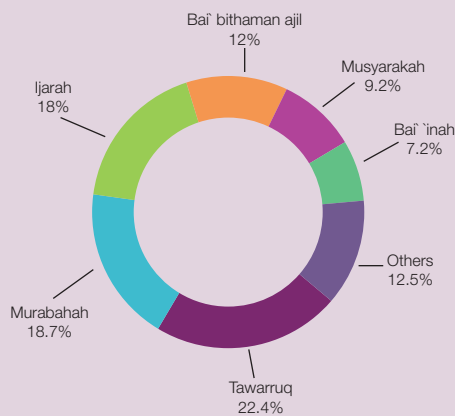
The increased use of *tawarruq* as the underlying contract for Islamic banking business has accelerated efforts to further strengthen capabilities within Islamic banking institutions to effectively manage credit and market risks emanating from trade transactions under the *tawarruq* arrangement. This would lay the foundation for more innovative applications of *tawarruq*

in combination with other Shariah contracts, as provided under the Shariah Standards and Operational Requirements on *Tawarruq* issued by the Bank which came into effect on 1 July 2016.

Greater traction in the innovative use of Shariah contracts, including risk-sharing contracts, to meet

Chart 4.2a

### Composition of Financing by Shariah Contracts

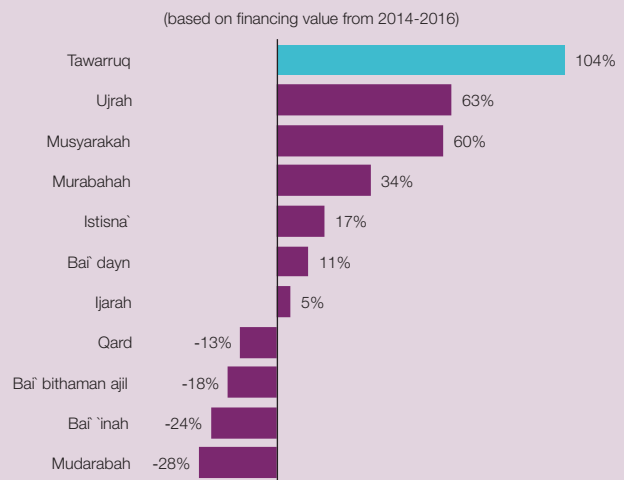


Note: "Others" include unspecified Islamic financing concepts, *bai' dayn*, *bai' salam*, *bai' al-sarf*, *istisna'*, *kafalah*, *mudarabah*, *qard*, *rahn*, *ujrah*, *wakalah*

Source: Bank Negara Malaysia

Chart 4.2b

### Change in Shariah Contract Application



Source: Bank Negara Malaysia

the diverse investment and funding needs of the economy remains important. To this end, the Bank continues to work with the industry and relevant authorities to facilitate the broader application of Shariah contracts. This includes addressing legal issues, clarifying tax as well as accounting treatments, and enhancing the operational and cost efficiency of exchange-based and risk sharing contracts. This needs to be complemented by appropriate operating models implemented within individual Islamic financial institutions, an area that will continue to be a key supervisory focus for the Bank to preserve the integrity of the Islamic financial system.

### Innovative use of a diverse set of Shariah contracts remains important to meet the needs of the economy

#### Advancing the adoption of technology

This year saw further advancement in the use of technology by the Islamic banking industry to enhance the efficiency of intermediation activities, in particular through the operationalisation of the Investment Account Platform (IAP) in April 2016. Developed by a consortium of six Islamic banking institutions, the platform, which is currently in the pilot stage of implementation, facilitated fund-raising exercises of RM20 million in total during the year to support a variety of business ventures across different industries including transportation and education. Current funding and financing structures facilitated through the IAP mostly combine *wakalah* or *mudarabah* with debt-based contracts such as *tawarruq*. However, given the significant potential to achieve wider reach and increase efficiencies, more

diverse structures are expected to evolve under the IAP going forward.

In intermediating investments, Islamic banking institutions have an important role in supporting project viability assessments and the monitoring of project risks, thus increasing investor confidence. This in turn will serve to improve prospects for underserved segments of the economy, including small and medium enterprises (SMEs), to tap into broader funding sources while benefitting from stronger market discipline imposed by Islamic banks.

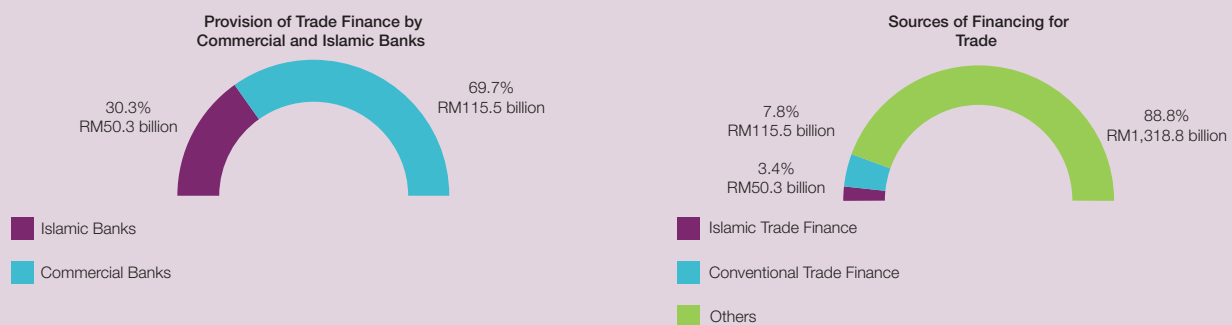
During the year, the Bank continued to collaborate with sponsoring banks and relevant agencies entrusted to develop business ventures such as Malaysian Technology Development Corporation (MTDC), BioEconomy Corporation and Malaysia Digital Economy Corporation (MDEC) to encourage a healthy pipeline of viable ventures for investment funding. At the same time, ongoing efforts by the Bank and industry to increase awareness and familiarity with the distinct features of IA as a new investment product were bolstered by the involvement of cornerstone investors in funding several business ventures floated on the IAP.

#### Trade finance facilitation

Another important development priority is trade finance facilitation, where business opportunities have remained largely untapped by the Islamic banking industry. Drawing from the intrinsic principles of Shariah which encourages trade and entrepreneurship, the Islamic banking industry is particularly well-placed to support the sustainable growth of productive economic activities. There is significant growth potential for trade finance facilitation

Chart 4.3

#### Trade Financing by Islamic Banks in Malaysia



Source: Bank Negara Malaysia and Department of Statistics, Malaysia

to support halal exports which can be seen through the increasing participation of SMEs in the halal economy, initiated by the government, to meet the strong demand for halal products and services globally. The Islamic finance industry currently represents only 3.4% of total trade, and less than one third of overall trade finance from the banking system (Chart 4.3). The Bank aspires for Shariah-compliant trade financing to support 10% of total trade in the next three years.

## Trade finance facilitation is ripe for technological disruption

Process inefficiencies that contribute to higher operational risks continue to be a challenge for the banking industry as a whole. Banks, including Islamic banks, have increasingly applied technological solutions to streamline trade finance operations and reduce reliance on manual document-intensive business processes. Six Islamic banks have established a web-based platform supporting more efficient provision of trade finance and working capital management solutions. To encourage an expanded role of Islamic banks in facilitating trade finance, the Bank plans to consult the industry on a broad range of initiatives in the first half of 2017, including the integration and digitalisation of trade finance offerings as well as enhancing the availability of trade credit takaful as a risk mitigant. These initiatives aim to further improve the efficiencies in trade finance facilitation and connectivity with the trade community in Malaysia.

## TAKAFUL

### Performance of the takaful sector

Gross contribution of new family takaful business increased by 12.5% during the year to account for 76.2% of total takaful business in Malaysia (2015: 74.9%). Term products, comprising mainly financing-related products, remained the largest contributor to new family takaful business with a share of 57.8% of total gross family takaful contributions. This was largely driven by the active role of takaful operators in supporting government-introduced home financing schemes in addition to extensive bancatakaful partnerships. While demand for takaful solutions that complement Shariah-compliant financing remains a key driver of growth, other growth drivers have become more important

with the share of term business declining by 10.5% (2012: 68.3%) over the past five years. Some of this has also reflected the slower growth in household financing in recent years. In contrast, growth of investment-linked business accelerated, with contributions increasing by 13.1% in 2016.

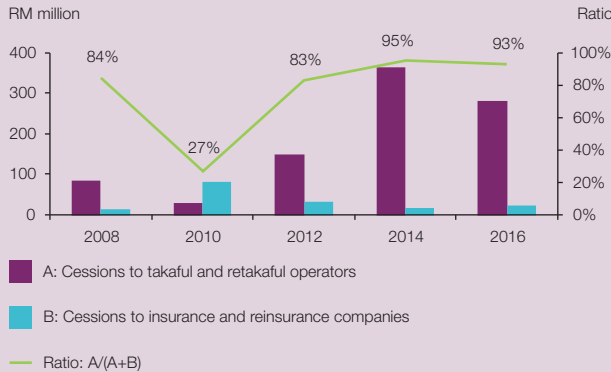
The number of new takaful products introduced into the market increased to 55 compared to 18 in 2015, pointing to an industry that is more responsive to changing demand conditions. Notably, demand for products that provide for bereavement (*khairat*), *haj* and education benefits have encouraged more takaful operators to grow these business segments in the more recent period.

In the general takaful sector, the motor, fire and personal accident business segments continue to account for 91.4% of total gross general takaful contributions. While the sector recorded an overall growth of 4.6% in 2016, certain product lines have contracted over the past few years reflecting measures by several takaful operators to consolidate the areas of business focus and strengthen underwriting practices for larger and more complex risks including liability and marine, aviation and transit risks. Over the medium-term, there is significant opportunity for further growth of takaful products supporting business activity, in particular catering to SMEs. Based on a survey conducted by the Bank in 2015, 59% of SME respondents indicated that they have either opted to use takaful solutions, or would seriously consider purchasing a takaful solution that meets their business needs at a competitive price. This represents significant market potential for the takaful industry to expand the scope of protection beyond traditional risks covered under the current motor and fire classes.

Retakaful business expanded further with total family and general takaful cessions underwritten by professional retakaful operators increasing, albeit at a lower rate, by 6% during the year (2015: 27.6%). Under the Takaful Operational Framework (TOF) implemented in 2012, takaful operators are required to utilise Shariah-compliant retakaful arrangements and can only cede business to conventional insurers or reinsurers in exceptional circumstances, including where existing retakaful capacity is scarce for specific risks (Chart 4.4). Retakaful operators have also steadily expanded the share of foreign business underwritten out of Malaysia to account for 28.5% and 32.6% of the total business underwritten in the family and general retakaful business respectively. This will improve the

Chart 4.4a

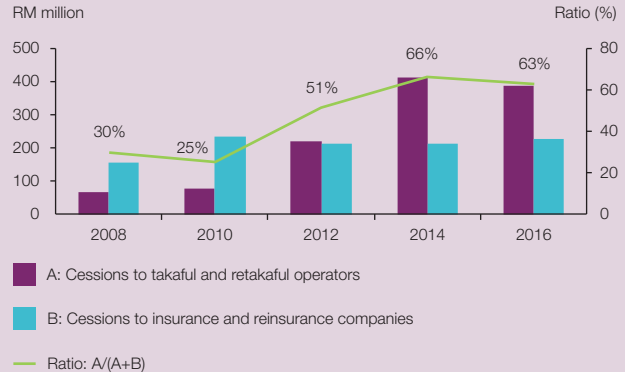
**Ceding Trend of Family Takaful Business**



Source: Bank Negara Malaysia

Chart 4.4b

**Ceding Trend of General Takaful Business**



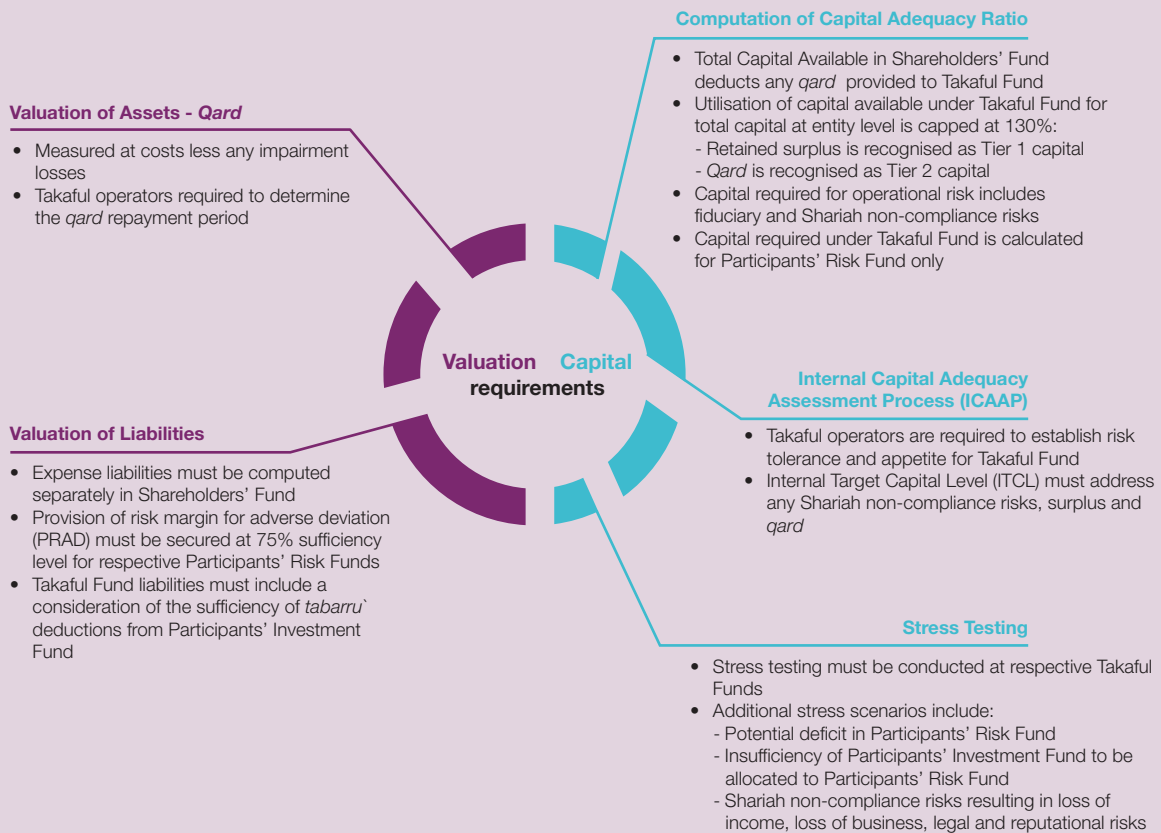
Source: Bank Negara Malaysia

diversification of risks, while enhancing efficiencies of scale to support future investments that will further strengthen the technical and financial underpinnings of the industry.

The capitalisation of the takaful industry remained sound with the aggregate capital adequacy ratio of 205.3% in 2016 (2015: 191.5%). This is comfortably above the minimum regulatory requirement of 130%.

Diagram 4.4

**Customisation of Valuation and Capital Requirements in Takaful**



Source: Bank Negara Malaysia

## Regulatory and supervisory framework

### Implementation of prudential standards for takaful

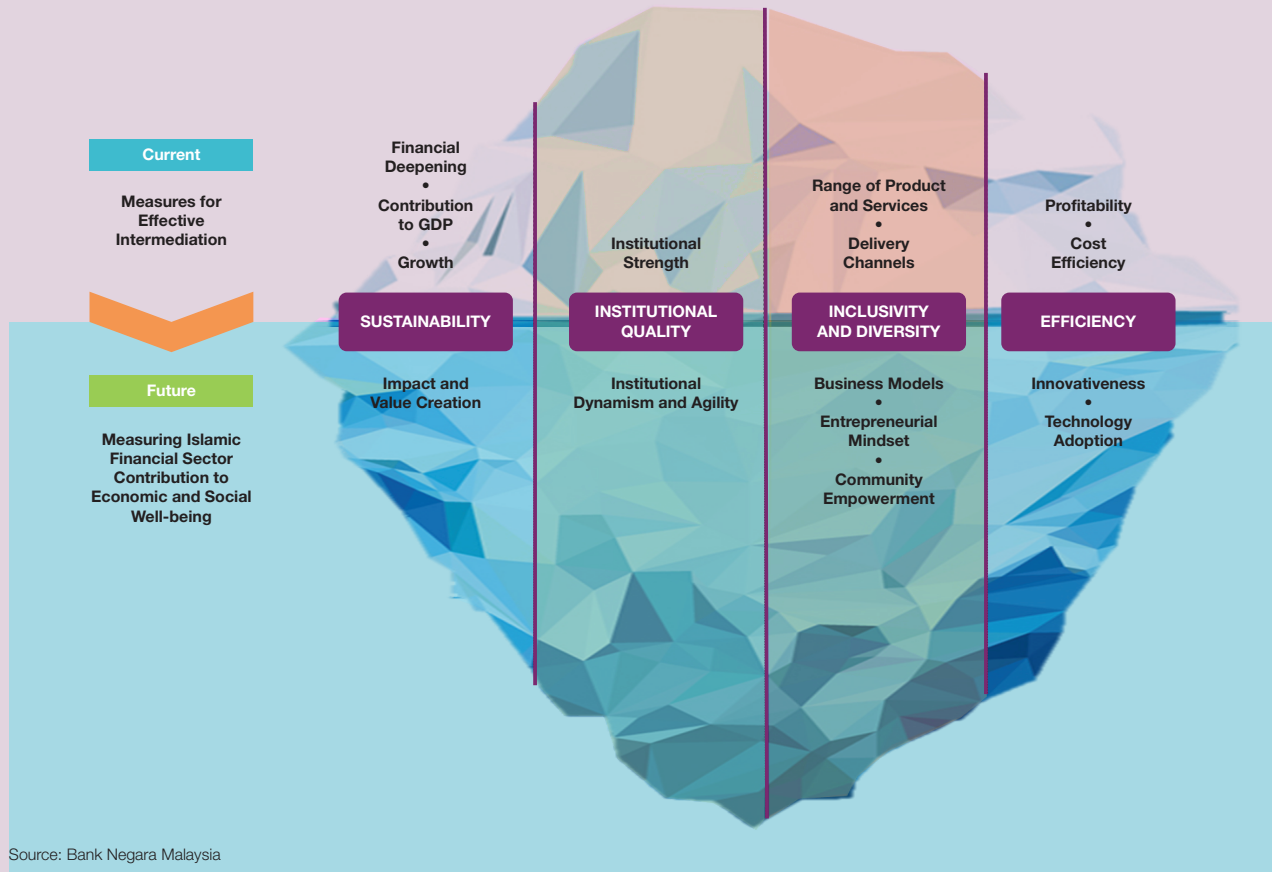
Similar to the approach for Islamic banks, prudential and market conduct standards applicable to takaful operators reflect distinct features of takaful operational models, while maintaining broad alignment with global standards issued by the IFSB and the International Association of Insurance Supervisors (IAIS). Since 2011, the Bank has issued specific takaful standards on valuation and capitalisation to capture the responsibility of takaful operators towards takaful funds, which are owned by the takaful participants (Diagram 4.4). In April 2016, the Bank issued requirements for takaful operators to put in place an Internal Capital Adequacy Assessment Process (ICAAP). These requirements supplement the minimum capital standards to ensure that takaful funds are adequately capitalised against their specific risk profiles, based on a robust capital management programme implemented by takaful operators.

As part of ongoing initiatives to promote the effective implementation of a Shariah contract-based regulatory framework, the Bank also initiated a review of the TOF to provide greater clarity around the application of Shariah standards (including the recently issued *Wakalah*, *Qard* and *Hibah* standards) by takaful operators in their product offerings and operational framework. This, in turn, is expected to encourage greater differentiation of takaful products to meet different risk and demand profiles of takaful participants. Areas under review include regulatory requirements relating to the segregation of takaful funds, remuneration of takaful operators and their fiduciary responsibilities in the management of takaful funds. The Concept Paper on proposed revisions to the TOF is expected to be issued in the second quarter of 2017.

Greater differentiation of takaful products is needed to meet different risk and demand profiles of takaful participants

Diagram 4.5

### Future Measures of Effective Intermediation to Realise the Intended Socio-economic Impact of Islamic Finance



## ADVANCING THE POSITIVE SOCIO-ECONOMIC IMPACT OF ISLAMIC FINANCE

Islamic finance, underpinned by Shariah principles, has the potential to create significant value for economic and social development. The Bank, in collaboration with the industry, continues to pursue strategies aimed at unlocking this value. Measures have broadly focused on four dimensions: promoting sustainability, institutional quality, inclusivity and diversity, and efficiency in Islamic financial intermediation. Going forward, greater focus will be given to assessing the economic and societal impact of Islamic finance along each of these dimensions in order to inform developmental and regulatory priorities (Diagram 4.5).

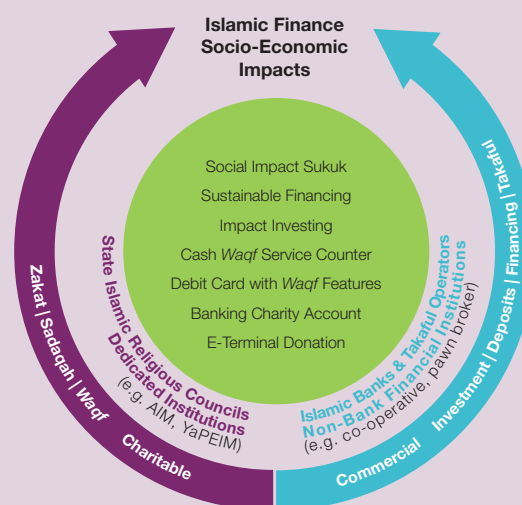
### Measures to assess the economic and societal impact of Islamic finance are being developed by the Bank, in collaboration with the industry

In 2016, the Bank drove and supported a number of initiatives to encourage a stronger focus on value-based intermediation as a core premise for Islamic financial solutions and to facilitate greater innovation in Islamic product offerings.

- In line with expectations for Islamic financial institutions to evaluate and manage the impact of their activities on the economy and society, the Bank is working with the industry and key stakeholders to develop a Corporate Value Intent (CVI) framework as a tool to assist Islamic banks to embrace and adopt value-based practices, premised on the objectives of Shariah. The framework aims to promote high quality disclosures by Islamic financial institutions on the intent, strategy and performance of their business, focusing specifically on how Islamic banks generate value for both shareholders and the wider community. Engagements with the industry are well advanced toward the issuance of a CVI Strategy Paper in the first half of 2017.
- At the state level, a number of initiatives have been spearheaded by Islamic financial institutions in collaboration with the respective State Islamic Religious Councils (SIRC), including the introduction of cash *waqf* to finance *waqf* activities while allowing *waqf* assets to be beneficially utilised. A cash *waqf* master agreement is currently being

Diagram 4.6

### The Social Finance Dimension of Islamic Finance in Malaysia



Source: Bank Negara Malaysia

developed with five Islamic financial institutions and SIRC to serve as a template for operationalising cash *waqf* arrangements. This year also saw the introduction of a new Islamic debit card with a *waqf* feature and a crowdfunding platform which facilitates donations to charitable organisations with increased transparency, traceability and efficiency. *Waqf* is also being reviewed as a new growth area for developing sustainable funding for social welfare purposes (Diagram 4.6).

- The Islamic Finance Innovation Festival (IF InnoFest) was organised by the International Centre for Education in Islamic Finance (INCEIF) with the support of the Bank and industry associations in November 2016 to encourage greater collaboration between the industry and academia in bridging innovative ideas and practical industry solutions. The event provided a platform for businesses to pitch innovative ideas to Islamic financial institutions, with a view to identify solutions that could be further developed and implemented to create distinctive advantages in product offerings. Ideas pitched covered solutions that spanned the Islamic capital market, microfinance and financial technology.

## TALENT DEVELOPMENT

The development of high quality talent for Islamic finance remained a priority of the Bank. In November 2016, the Steering Committee for Transformation of the Education Landscape for Islamic Finance (Steering Committee) was formed to frame a clear industry-led strategic direction for talent service providers

in Malaysia. The current focus is on the Bank's affiliates, namely INCEIF, the International Shariah Research Academy (ISRA), the Islamic Banking and Finance Institute Malaysia (IBFIM), the Chartered Institute of Islamic Finance Professionals (CIIF) and the Association of Shariah Advisors (ASAS). These affiliates, each with their own mandate and focus, have important roles in driving talent development initiatives within the broader financial services education landscape.

The Steering Committee is charged to undertake an in-depth review of these institutions, with the view to identify gaps in the Islamic finance education landscape and develop strategic recommendations to strengthen the five institutions. Its scope includes strategies to ensure high quality offerings by the institutions, improvements to institutional arrangements for greater effectiveness, future positioning to strengthen institutional focus and harness synergies, and measures to achieve long-term financial sustainability. The Steering Committee is expected to outline a roadmap in the second quarter of 2017 charting the path forward to transform the Islamic finance education landscape.

During the year, the Bank also developed two dedicated training programmes for Shariah personnel and the top management in Islamic banks. The Shariah Leaders Education Programme, launched in March 2015 in collaboration with The Iclif Leadership and Governance Centre (ICLIF), is the first flagship programme designed for Shariah scholars to further complement their existing Shariah domain expertise. This programme will be offered internationally in 2017.

For the boards of Islamic financial institutions, work is almost complete to introduce a programme to provide board members with a solid foundation in Shariah knowledge and its business applications. The programme is expected to be rolled out in the first half of 2017.

In addition to the requisite talent within the Islamic banking and takaful industry, leaders in the professional ancillary services sector also have critical roles in advancing Islamic finance development. In the field of accounting for example, the Malaysian Institute of Accountants (MIA) has initiated a programme to develop accounting professionals with specialised expertise in Islamic finance. The Bank continues to lend its support, where relevant, to such efforts as part of the Bank's mandate to promote a sound and progressive dual financial system in Malaysia.

The Bank also published the first Educator's Manual on Shariah Standards and Operational Requirements in August 2016 to support the teaching of Islamic finance disciplines in higher learning institutions. The Educator's Manual is developed based on the Bank's Shariah Standards and Operational Requirements and serves as a ready source of practical learning reference for tertiary students on technical issues, market practices and industry developments. It is also intended to serve as a useful aid for academics to infuse Shariah contracts and their application in the existing academic syllabus. The first Educator's Manual covered the *Murabahah* Shariah Standard, with further plans to progressively develop similar manuals on other Shariah standards over the next three years.

