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### **International Islamic Capital Market Conference '97 15-16 July 1997**

#### **Welcome Remarks by Dato' Dr. Mohd Munir Abdul Majid Chairman, Securities Commission, Malaysia**

Yang Amat Berhormat Dato' Seri Anwar Ibrahim, Acting Prime Minister and Minister of Finance,  
Your Excellencies,  
Our distinguished keynote speaker, Sheikh Dr. Taha Jabir Alalwani,  
Ladies and gentlemen

#### **Assalamu'alaikum wr. wb. and a very good morning to you.**

It is indeed a great pleasure to once again organise this momentous event, the Second International Islamic Capital Market Conference in Kuala Lumpur. Last year's event, the First International Islamic Capital Market Conference was extremely successful with participants coming not only from within Malaysia but also from all over the world. This year's event, I believe, has received equally encouraging support. The Securities Commission (SC) has structured this year's conference as a follow-up to last year's. Those of you who were present at last year's event would recall that the focus was on broad issues pertaining to the Islamic Capital Market and it included a keynote address on Syari'ah and the Development of Capital Markets by Dr. Yusuf Al-Qaradawi. For this year's conference, we have chosen the theme Developing Islamic Capital Market Instruments. The choice of this theme reflects our firm believe that the frontiers of the Syari'ah can and must be further explored for the benefit not merely of the Muslim Ummah but of the entire global financial community. We are indeed most fortunate to have with us today yet another world-rekknowned Islamic scholar, Sheikh Dr. Taha Jabir Alalwani, as our keynote speaker for this year's conference. Sheikh Dr. Taha will be speaking on "The Role of Ijtihad in Developing the Islamic Capital Market".

Before I go any further, I would like to take this opportunity to welcome our foreign guests to Malaysia, especially to those who are here for the first time and to those who are quite familiar with Malaysia, I hope that your visit this time is even better than the last one. As for the conference, I expect it to be a practical and useful one for all of you who have come here to gain knowledge and an understanding of new instruments and concepts in the Islamic capital market. In addition, I hope all of you will benefit from this meeting of minds and will bring home the wealth of knowledge you have acquired and put it into practice for the benefit of the **Ummah** as a whole.

The SC views the development of our Islamic Capital Market as an integral part of the development of Kuala Lumpur as a regional capital market. Indeed this is one of the areas in which Malaysia can offer products, services and expertise which can be

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differentiated from those offered by other centres which are also aspiring to be regional capital market centres. This indeed is one of the niche areas for Malaysia. However, we may not have this advantage for too long. We have to move fast and capitalise on our strengths. We cannot market ourselves simply on the basis that we are a Muslim nation. Others are also seeing the benefits of offering capital market products that are acceptable to Muslims everywhere. Some of you might have read that last week, Muslims in the UK were introduced to the Halal Mutual Investment Fund PLC which is a pioneering Islamic investment fund that allows investors to earn a regular recurrent income consistent with the Syari'ah. This product is not only recognised by the Securities and Investment Board of the UK; it is also recognised as an "Undertaking for Collective Investment in Securities" (UCITS) in Ireland. The fund is also seeking recognition in other jurisdictions in the European Union. This is just one example; other centres are also doing the same particularly to attract the higher-end Muslim investors. Time is, therefore, not on our side and we must move and move fast in developing the Islamic Capital Market in Malaysia.

We in the Securities Commission, with guidance from our Syari'ah Advisory Council, will do all we can to invigorate and facilitate the process. It is indeed for this reason that in organising this year's conference we have chosen to put forward several important fiqh concepts which have yet to be commonly used, up for discussion. Muamalat concepts such as **Dha' Wa Ta'ajjal**, **Bai' Ul-Ma'dum**, **As-Suyulah**, and **Bai' Ul-'Inah** will be discussed throughout this two-day conference.

By exploring the possibility of using these concepts, it is hoped that the industry will be encouraged to consider using them in structuring new instruments and investment products for the Islamic capital market. Apart from that, we have also included several case studies on designing and structuring existing Islamic instruments such as Islamic Revolving Underwriting Facility (IRUF), Bai' Bithaman Ajil Islamic Debt Securities (BaIDS), Al-Ijarah financing (Sukuk) and many others. Since the issuance of first Islamic Private Debt Securities (IPDS) in 1990, the IPDS market in Malaysia has become a sought after source of finance, particularly, of late, for large infrastructure projects. Some of the successes enjoyed recently by institutions submitting Islamically structured solutions when bidding for project financing demonstrates the versatility of these Islamic financing structures. For this reason we feel that there is much to be gained by having the experts who were involved in structuring these products to share their experience and expertise with us.

There is so much to be done in the days ahead and I hope all of you here will exchange views, ideas and concepts with each other on how and what is the way towards creating a practical Islamic capital market. A concerted effort must be thought out in creating institutions, instruments and intermediaries that are viable and practical in order to see the formation of a truly Islamic capital market and at the same time to advance the cause of the Ummah. For all the hard work, support, cooperation and commitment of all

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persons and organisations that have helped in one way or another in making this conference a success, I would like to say "Thank You".

Allow me also to convey the Commission's recognition and gratitude to the jurists, scholars, capital market experts and practitioners, panel of speakers and paper presenters for their efforts and contribution towards making this conference a thought provoking event and at the same time, putting all of us on a new learning curve addressing new Islamic capital market concepts, instruments and investment products. To our honourable keynote speaker, Sheikh Dr. Taha Jabir Alalwani, I am very grateful and I would like to thank you for allocating your valuable and precious time to be with us here in Malaysia, especially at our conference to deliver the keynote address on "The Role of Ijtihad in the Development of An Islamic Capital Market", a role that our **Ulama'** have to take on in order for us to move in tandem with our competitors.

To the members of the Syari'ah Advisory Council of the SC who have shown dedication and professionalism in guiding the SC in its efforts in developing the Islamic Capital Market, I wish to put on record that their work is greatly appreciated by all. We hope they will continue guiding us in our relentless efforts in this direction.

I would also like to thank our distinguished guests, speakers, paper presenters, capital market practitioners, ladies and gentlemen of this conference.

To Y. A. B. Dato' Seri Anwar Ibrahim, Acting Prime Minister and Minister of Finance, who has given his fullest support and encouragement, in particular in making this conference a reality, and in general to all the efforts initiated by the SC, the Commission would like to place on record our gratitude and appreciation. Despite his heavy schedules especially over the last few weeks, Y. A. B. Dato' Seri has made time to be with us today to deliver the special address and share his thoughts on the theme of this conference. It is with great pleasure that I now invite Y. A. B. Dato' Seri Anwar Ibrahim, Acting Prime Minister and Minister of Finance, to address the Conference and officially declare it open.