



**“Re-directing contemporary Islamic finance
from an Islamic wealth management perspective”**

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WARNING

The strategic observations made in this presentation are more ‘think tank’ theoretical and do not always reflect present day market conditions and opinions.

Viewer discretion is advised. Do not try this at home without professional assistance. And please wear safety belts for your own protection.

Where are we now and where do we want to be in 15 years time

- **A 1.3 billion USD industry with steady growth and high profitability**
- **Market participants (bankers and bank owners and clients)**
- **Rest of the market : openly disappointed about lack of justice, lack of profit sharing and perceived true Islamic finance tenets, lack of agreement on Shari’ah compliancy**
- **Behavior reporting / press**

Step up the plate, move to the next phase or let the flow go free ?

The contemporary mainstream setting

- **‘science’ and market behavior have been de-contextualized**
- **money is individual, has ‘no color’ and bears no responsibility at all**
- **creation of wildcards**

- **Islamic products look the same, behave the same, have the same goal and outcome and are marketed the same as conventional ones**

- **Islamic financial industry conservative and risk averse rather than innovative, as entrepreneurial Islamic regulators experience every day**

The contemporary IF efforts

- 1. Pure legal product structuring : the use of the nominate contracts and partnerships**

somewhat less focus

- 2. Ethical constraints in the product design (Riba, Gharar, Maysir)**

lots of focus and endless debates

- 3. Ethical market behavior of the market participants and boundaries of the free market, market organization**

out of focus nowadays with copy / paste of conventional market regulations

What is (Islamic) wealth management?

- **trading stock as example**
- **holistic (tawhid, definition of wealth, acquisition, spending, debt, regulation behavior rather than facts, rights but also responsibilities)**
- **banking is not an isolated ‘subject on the curriculum’ but integrated part of the whole**
- **different focus is less ‘profitable’ ?**

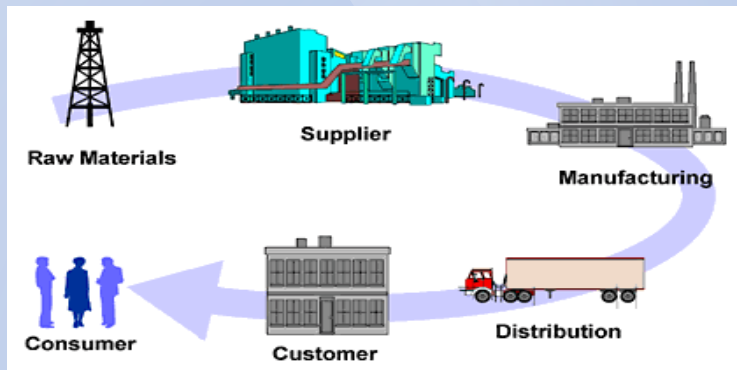
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The Takaful-wildcard



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The Retail banking-wildcard



WHERE TO GO ?

Status quo

Challenge of change

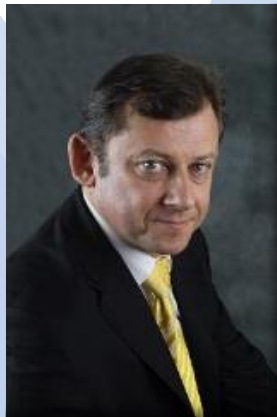
“He (al-Sha’bi 104/722) used to say that if for the sake of only one word of wisdom any one travelled from one end of Syria to the other end of al-Yaman, he (al-Sha’bi) would not consider his journey to have been taken in vain.”

Abu ‘Umar Yusuf b. ‘Abd Allah Ibn ‘Abd al-Barr, Jami Bayan al-‘Ilm w’ Fadlihi, Cairo, nd, 2 vol., vol. I, p. 95 as quoted in Muhammad Zubayr Siddiqi, Hadith Literature – its origin, development, special features and criticism, first printed 1961 by Calcutta University Press, reprint 2006 by Islamic Book Trust, Kuala Lumpur-Malaysia, 211 p., p. 67-68

“Narrated An-Nu'man bin Bashir: The Prophet said "Both legal and illegal things are obvious, and in between them are (suspicious) doubtful matters. So who-ever forsakes those doubtful things lest he may commit a sin, will definitely avoid what is clearly illegal; and who-ever indulges in these (suspicious) doubtful things bravely, is likely to commit what is clearly illegal. Sins are Allah's Hima (i.e. private pasture) and whoever pastures (his sheep) near it, is likely to get in it at any moment.”

Sahih al-Bukhari, Volume 3, Book 34, Number 267

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