

STRATEGIC PLAN

2022 – 2025



Building an Innovative and Sustainable Future



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ACRONYMS

AAOIFI	Accounting and Auditing Organisation for Islamic Financial Institutions
BOD	Board of Directors
CIBAFI	General Council for Islamic Banks and Financial Institutions
CIS	Commonwealth of Independent States
EC	Executive Committee
ESG	Environmental, Social, and Governance
GA	General Assembly
GCC	Gulf Cooperation Council
IFIs	Islamic Financial Institutions
IFSB	Islamic Financial Services Board
IFSI	Islamic Financial Services Industry
IsDB	Islamic Development Bank
ITWG	Innovation and Technology Working Group
MCG	Members' Consultative Group
OIC	Organisation of Islamic Cooperation
SWG	Sustainability Working Group
UN SDGs	United Nations Sustainable Development Goals



1. ABOUT THE GENERAL COUNCIL FOR ISLAMIC BANKS AND FINANCIAL INSTITUTIONS (CIBAFI)

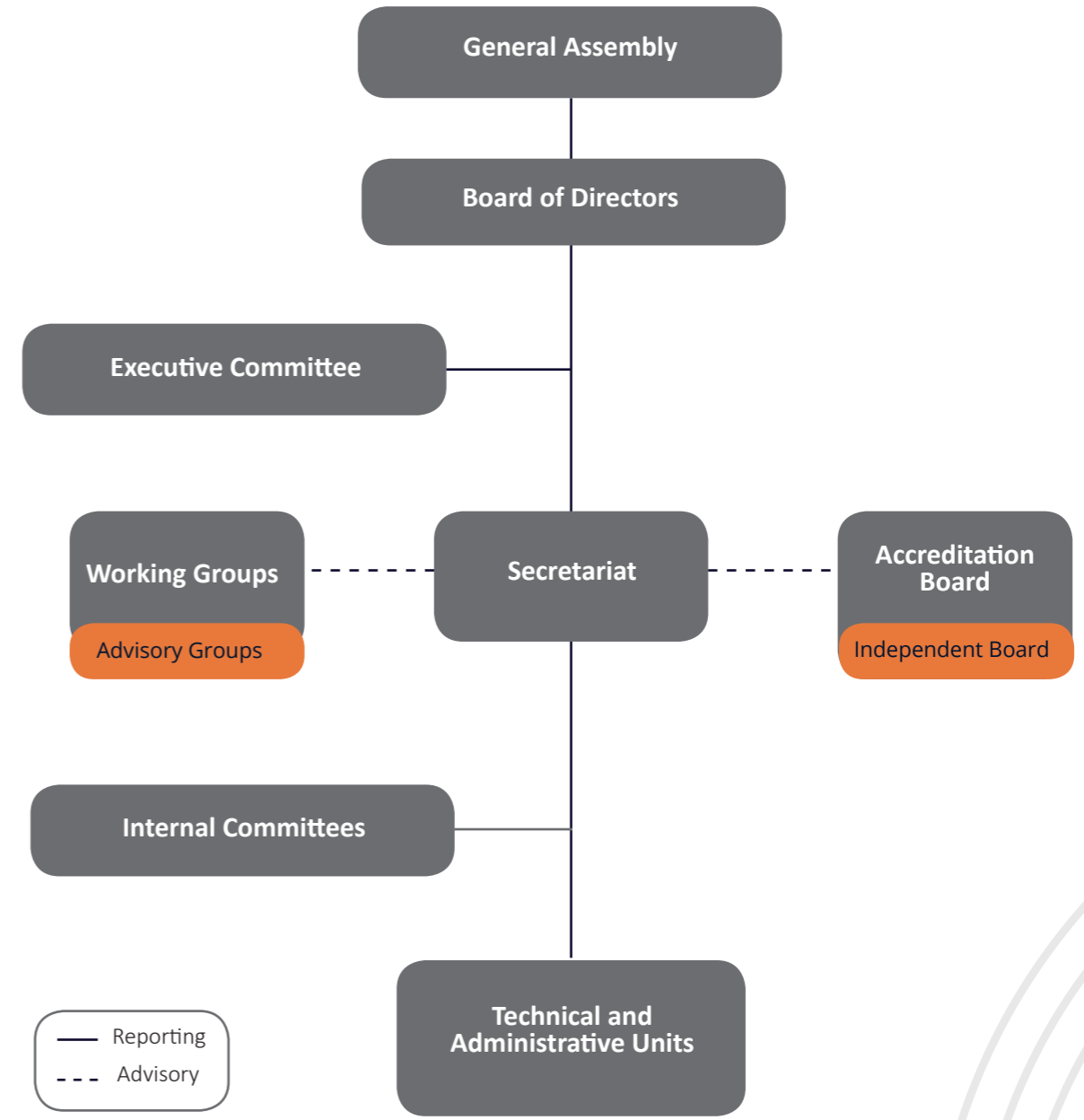
1.1 Background of CIBAFI

The General Council for Islamic Banks and Financial Institutions (CIBAFI) is a non-profit organisation that constitutes the official umbrella for Islamic financial institutions (IFIs) around the world. It was established on 16th of May 2001 in the Kingdom of Bahrain by the Islamic Development Bank (IsDB) and a number of leading IFIs. It is affiliated with the Organisation of Islamic Cooperation (OIC). With over 130 members from more than 30 jurisdictions globally, CIBAFI is recognised as a key piece in the international architecture of Islamic finance, aiming to support the Islamic Financial Services Industry (IFSI).

CIBAFI's governance structure consists of:

- 01 ● General Assembly (GA)
- 02 ● Board of Directors (BOD)
- 03 ● Executive Committee (EC)
- 04 ● Working Groups
- 05 ● Secretariat

The GA, the BOD and the EC are headed by H.E. Sheikh Abdullah Saleh A. Kamal, Chairman of Al Baraka Banking Group, Kingdom of Bahrain. The members of the BOD and EC mainly consist of IFIs from the Middle East, Africa, Asia, and the Gulf Cooperation Council (GCC) countries. The working groups consist of executives of IFIs. The Secretariat is composed of the Secretary General and the technical and administrative units of the Council.



The Secretariat is responsible of running and managing the day-to-day affairs and activities of the Council and coordinating the activities of the GA, the BOD, and sub-committees, taking measures to ensure the implementation of their adopted resolutions. In its mission, the Secretariat is supported by working groups who provide technical support and guidance on CIBAFI's initiatives. Internal committees from the Secretariat also help support activities and ensure the fulfillment of objectives.

1.2 Message from the Chairman



Praise be to Allah (SWT), and peace be upon the Prophet Mohammed (SWS), his companions and followers, and thanks to the Almighty for His blessings and grace upon us. It is my pleasure to extend my sincere greetings, on behalf of the Board of Directors, CIBAFI members, strategic partners, and stakeholders.

The Islamic financial services industry (IFSI) has been witnessing continuous growth over the past years, supported by the increased interest in ethical financing, solid digital transformation, innovative products' offerings, and a growing Muslim young population searching for Shariah-compliant instruments. Despite the COVID-19 pandemic and its significant economic repercussions, the IFSI sustained its growth and showed resilience through its unique ethical proposition. This growth is also expected to continue with new markets such as North Africa, the Commonwealth of Independent States (CIS) region, and other frontier economies.

However, alongside the strong growth prospects for the industry, the continuous changing environment is exposing the IFSI to several challenges. These challenges include cybersecurity risks, climate change risks, competition from challenger banks and fintech providers, and a lack of standardisation of regulations. In addition, the COVID-19 pandemic has brought several disruptions affecting the Islamic financial institutions' (IFIs) customers' behaviour and preferences. These challenges require concerted efforts by governments, regulatory and supervisory authorities, and Islamic banks and financial institutions to overcome them and support the sustained growth trajectory of the industry.

As the global umbrella of IFIs, CIBAFI works continuously to advocate for and raise awareness on Islamic finance and sustainable practices through various initiatives linked to the current and emerging issues of the industry. Therefore, it is of great importance that CIBAFI re-evaluates its strategic plan to stay aligned with the industry developments, address the challenges, and leverage key opportunities to meet members' and stakeholders' expectations. In this context, and continuing the path drawn by our father, Sheikh Saleh A. Kamel, may Allah (SWT) have mercy on him, we are pleased to launch CIBAFI Strategic Plan 2022-2025, which constitutes a blueprint for CIBAFI's initiatives for the coming period.

This revised strategic plan aims to continue the efforts made over the past years while considering the new trends, opportunities, and challenges that are shaping the industry's future. Specifically, it aims to focus on promoting innovation and sustainability practices in IFIs and internalising the value proposition of Islamic finance. It also aims to integrate global agendas within the work-plan of CIBAFI and continue the collaboration with key stakeholders to reinforce the role of Islamic finance as a major player in economic growth globally.

After extensive consultations with CIBAFI member institutions and stakeholders, I am pleased to introduce this plan. By God's grace, I hope that we achieve the desired outputs of this plan with continuous support from my fellow Board of Directors, CIBAFI members, stakeholders, and our strong belief in the real economy and responsible business practices.

Finally, I would like to extend my sincere thanks to the Secretariat, hoping that our revised plan will effectively support the development of the financial sector in general and the IFSI in particular.

Yours Sincerely,
Sheikh Abdullah Saleh A. Kamel
Chairman

1.3 Message from the Secretary General



With support from our members and stakeholders, CIBAFI has successfully executed multiple initiatives under two strategic plans over the period 2015 – 2021. Sustaining this success, I am happy to share with you CIBAFI's Strategic Plan 2022 – 2025 that will act as a roadmap for our activities over the next four years.

Over the past years, the rise in sustainability, digitalization, financial technology, and the recent pandemic have been reshaping the financial sector globally. No doubt, these have also significantly impacted the Islamic financial services industry (IFSI). In addition, the COVID-19 pandemic accelerated the adoption of technology, spotlighted several new risks and challenges, and brought forward the urgency of sustainability and climate change agenda.

The continuous developments and changes in the global financial sector raise a crucial need for adopting a proactive approach in identifying new trends and tailoring our activities to create an impact and continue contributing to the development of the IFSI. Recognizing this need, CIBAFI conducted a number of public consultation sessions in 2021, involving all CIBAFI's members and stakeholders, to reassess its initiatives and align them with the various emerging issues and trends.

Under the guidance of the Board of Directors, the findings of the consultation process served as inputs for the development of the new CIBAFI Strategic Plan 2022 – 2025. Titled "Building an Innovative and Sustainable Future", this new strategic plan draws a roadmap for supporting the industry's sustainable development, with innovation being a critical factor in this development.

Thus, the new strategic plan focuses on the attainment of four revised strategic objectives:

1. Advocacy of Islamic Finance Values and Related Policies and Regulations;
2. Sustainability and Innovation Integration;
3. Industry Research and Analysis, and
4. Professional Development.

Under these four strategic objectives, CIBAFI aims to address critical emerging risks and trends in the industry, including climate change, women and youth empowerment, technology adoption, and the sustainability agenda. Through various initiatives that incorporate policy dialogues, research and publications, conferences and webinars, and professional training, CIBAFI will continue its mandate of advocating the value proposition of Islamic finance. CIBAFI Strategic Plan 2022 – 2025 will serve as a blueprint, guiding our initiatives to continue promoting and supporting the growth of the IFSI.

We would like to take this opportunity to thank CIBAFI Board of Directors, members and stakeholders for the vital role they play in the significant development of the industry. We look forward to your continuous support as we work towards successfully implementing our new plan for the years to come.

Yours Sincerely,
Dr. Abdelilah Belatik
Secretary General

1.4 CIBAFI Board of Directors

Chairman
H.E. Sheikh Abdullah Kamel*
Group Chairman
Al Baraka Banking Group

Vice Chairman
H.E. Abdulhameed M. Aboumoussa*
Governor
Faisal Islamic Bank of Egypt

Prof. Md. Nazmul Hassan
Chairman
Islami Bank Bangladesh Limited
Bangladesh

Mr. Malek Temsah
Acting General Manager
Al Baraka Türk Participation Bank
Turkey

Mr. Musa A. Aziz Shihadeh*
Chairman
Jordan Islamic Bank
Jordan

Dr. Abdul Hameed Mohammed Jameel
Board of Director Member
Sudanese Banks Union
Sudan

Mr. Reda Amin Dahbour
General Manager
Islamic Insurance Co.
Jordan

Mr. Mohamed Taya
Executive Director
Banque Al Wava Mauritanienne Islamique
Mauritania

Mr. Shadi Zahran*
Group Chief Financial Officer
Kuwait Finance House
Kuwait

Mr. Mohammed Ali Ahmed Al Hussain
Acting General Manager
Industrial Development Bank
Sudan

Mr. Abdulla Zaid Al Shehhi*
Head of International Expansion
Abu Dhabi Islamic Bank
United Arab Emirates

Mr. Hamza Bawazir*
Senior Executive Vice President
& Head of Shariah Division
Saudi National Bank
Saudi Arabia

Mr. Khairul Kamarudin
Chief Executive Officer
Bank Muamalat Malaysia Berhad
Malaysia

Dr. Rami Abdelkafi*
Team Leader, Knowledge Creation
Islamic Development Bank
Saudi Arabia

Mr. Nidal N. Barghouti
General Manager
Safa Bank
Palestine

* Executive Committee (EC) Member

1.5 CIBAFI Accreditation Board Members

H.E. Dr. Koutoub Moustapha Sano
Secretary General
International Islamic Fiqh Academy
Saudi Arabia

Dr. Abdallahi Mohamed Al-Faq Al-Mak
Senior Islamic Finance Specialist
Islamic Development Bank Institute (IsDBI)
Saudi Arabia

Prof. Dr. Mohamad Akram Laldin
Executive Director
International Shari'ah Research Academy for Islamic
Finance (ISRA)
Malaysia

Dr. Faisal M. Al-Atabani
Assistant Professor of Law
Head of Risk Management and Insurance Department
King Abdulaziz University
Saudi Arabia

Dr. Mohamed Pres
Director & Professor of Islamic Economics
Saleh Kamel Center for Islamic Economics
Egypt

Dr. Riyadh Al-Hindawi
General Manager
Institute of Banking Studies
Jordan

1.6 CIBAFI Working Groups

CIBAFI's working groups aim to support CIBAFI in its mandate by providing technical guidance on specific areas of expertise. CIBAFI established three working groups:

Sustainability Working Group (SWG):

This group aims to enhance the environmental, social, and governance (ESG) principles of IFIs and guide institutions towards achieving Shariah objectives in their practices to attain sustainable development. It includes various initiatives such as the preparation of a sustainability guide for IFSI and the development of a Greenhouse Gas Accounting Tool to reinforce the role of IFIs in supporting climate action, among others.

Mr. Mohammad Fairuz Mohd Radi
Chief Strategy Officer
Bank Muamalat Malaysia Berhad
Malaysia

H.E. Amin El Sharkawi
Former Resident Coordinator
United Nations Bahrain

Mr. Ahmad A. Ismael
Chief Executive Officer
Cihan Bank for Islamic Investment & Finance
Iraq

Dr. Sutan Emir Hidayat
Director of Islamic Economy Supporting Ecosystem
Komite Nasional Ekonomi dan Keuangan
Syariah (KNEKS)
Indonesia

Dr. Fahad Bin Ali Alelayan
Vice President
Head of Sharia Group and Social
Responsibility Group
Bank Al Jazira
Kingdom of Saudi Arabia

Mr. Moosa Tariq Khoury
Head of Internal Shariah Audit
Dubai Islamic Bank
United Arab Emirates

Mr. Bassam Ahmad Abu Ghazaleh
Head of Studies, Social Responsibility and
Sustainability Department
Jordan Islamic Bank
Jordan

Mr. Yameen Abdulsattar
Group Head of Investment Accounting
and Consolidation
Kuwait Finance House
Kuwait

Mr. Abdessamad Issami
Chief Executive Officer
Umnia Bank
Morocco

Mr. Imad Al Saadi
General Manager
Palestine Islamic Bank
Palestine

Mr. Seifullah Demirlek
Assistant Director
Strategic Planning Department
Al Baraka Turk Participation Bank
Turkey

Mr. A.S.M. Rezaul Karim
Executive Vice President & Head of SME Investment
Division
Islami Bank Bangladesh Limited
Bangladesh

Mr. Ali Yousif Al Khaja
Head of Compliance & MLRO
Al Salam Bank – Bahrain
Kingdom of Bahrain

Dr. Muhammad Alyami
Director of Development Effectiveness Department
The Islamic Corporation for the
Development of the Private Sector (ICD)
Kingdom of Saudi Arabia

Mr. Alibek Nurbekov
Head of the AIFC Islamic Finance & Business Hub
Astana International Financial Centre (AIFC)
The Republic of Kazakhstan

Mr. Magdy Mohamed Al-Shahed
Head of Central Credit Investigation Sector
and Market Researches
Al Baraka Bank – Egypt
Egypt

Mr. Ahmed Abdullah Salim Alwaily
Corporate Communications Senior Manager
Acting Head of Marketing and Corporate
Communications Department
Bank Nizwa
Sultanate of Oman

Dr. Salman Syed Ali
Senior Economist
Islamic Development Bank Institute (IsDBI)
Kingdom of Saudi Arabia

Mr. Mohamad Maidani
Lead Investment Specialist
Islamic Development Bank
Kingdom of Saudi Arabia

Innovation and Technology Working Group (ITWG):

This group aims to conduct various initiatives with the aim of strengthening the adoption of financial technologies within the IFSI. These initiatives include encouraging innovation and product development activities that are in line with the industry developments and Shariah objectives.

Mr. Mohammed Kateeb

President, Middle East & Africa and Global Head of Islamic Banking
Azentio Software
United Arab Emirates

Mr. Ali Abdulhakeem Althaqafi

Assistant Manager
Digital Transformation Unit
Al Baraka Islamic Bank
Bahrain

Mr. Salman Kabani

Head of Market Risk, Operational Risk, and Strategy
Bank Nizwa
Oman

Dr. Hilal Hussain

Lead Knowledge Solutions Specialist
Islamic Development Bank
Saudi Arabia

Mr. Abdullah Alawadhi

Strategic Planning
Kuwait International Bank
Kuwait

Mr. Amier Almousa

Head of Finance - Strategic Initiatives
Accounting & Auditing Organization
for Islamic Financial Institutions (AAOIFI)
Bahrain

Ts. Megat Mohammad Faisal

Acting Chief Technology Officer
Bank Muamalat Malaysia Berhad
Malaysia

Mr. Asem H. Masri

Assistant General Manager
for Planning and Development
Palestine Islamic Bank
Palestine

Mr. Ahmed A. M. Al Shaikh

Chief Information Officer
Jordan Islamic Bank
Jordan

Mr. Mohamad A. El Sayed

Manager
Information Technology Management
Islamic Corporation for the Insurance
of Investment and Export Credit (ICIEC)
Saudi Arabia

Dr. Ayoub Elajab

Planning Department Manager
Sudanese Islamic Bank
Sudan

Mr. Alibek Nurbekov

Head of Islamic Finance & Business Hub
Astana International Financial Centre (AIFC)
Republic of Kazakhstan

Dr. Ömer Emeç

Chief Economist & Strategist
Head of Strategic Planning and Economic Research
Al Baraka Türk Participation Bank
Turkey

Mr. Amir AbdElwahab AbdEllatif

Deputy Director of Banking Affairs Department
Central Bank of Sudan
Sudan

Mr. Hamed Mishal

Senior Manager, Head of Retail Banking Group
Kuwait Finance House
Bahrain

Mr. Khaldoun Mohammad Ali Khalaf

Head of E-Channels & Cards Department & Head
Business & Follow Up Department
Islamic International Arab Bank
Jordan

Mr. Marwan Al Sabbag

Senior Manager
Information Technology
Kuwait Finance House
Bahrain

Mr. Mohamed Abderrezak

Group Sharia Compliance Officer
Bank ABC Islamic
Bahrain

Mr. Ayman Ahmed Mohammed Abdalla

Acting General Manager, Strategy and Business
Development
Al Baraka Bank
Sudan

Ms. Farah Khan

Senior Analyst
Islamic International Rating Agency (IIRA)
Bahrain

Mr. Mahmood Al Bahar

Assistant Manager
Information Technology
Kuwait Finance House
Bahrain

Ms. Sevcan Ekmen

Banking Services Coordinator Manager
Participation Banks Association of Turkey
Turkey

Mr. Muazu Nasiru Danmaliki

Senior Banking Officer
Product & Corporate Development
Jaiz Bank PLC
Nigeria

Mr. Rafed Al-Mannai

Executive Senior Manager
Head of Product Management & Business Alliances
Ithmaar Bank
Bahrain

Members' Consultative Group (MCG):

This group aims to support CIBAFI in its mission through the provision of continuous technical views and comments on CIBAFI's activities and initiatives during the periodic meetings.

Dr. Mohammed Burhan Arbouna
Executive Vice President
Head of Sharia Department
Al Salam Bank
Bahrain

Mr. Mohammed Fawaz Sudqi Sadeq Imam
Head of Treasury and Banking
Relations Department
Jordan Islamic Bank
Jordan

Mr. Md. Siddiqur Rahman
Executive Vice President
Islami Bank Bangladesh Limited
Bangladesh

Mr. Feyzullah Orman
Manager of the Board Reporting Department
Al Baraka Türk Participation Bank
Turkey

Mr. Sohail Tohami
Senior Vice President & Head of Treasury and
Investments
Al Baraka Banking Group
Bahrain

Mr. Abdulwahab Issa Abdulwahab Al-Rushood
Acting Group Chief Executive Officer
& Group Chief Treasury Officer
Kuwait Finance House
Kuwait

Mr. Abdulkareem Ersan Sukkari
Chief Risk Officer
Islamic International Arab Bank
Jordan

Mr. Mohamed El Haiba Sidi Baba
Head of Electronic Department
Banque Al Wava Mauritanienne Islamique
Mauritania

Mr. Mehmet Fehmi Eken
Corporate Performance
Islamic Development Bank Institute
Saudi Arabia

1.7 Internal Committees

CIBAFI's internal committees aim to reinforce CIBAFI's role in promoting Islamic finance and strengthening its competencies to achieve better overall results. Accordingly, CIBAFI established three internal committees:

CIBAFI Editing Committee:

This committee is responsible for editing CIBAFI publications' contents and revising the final design of the publications before their official issuance for quality assurance.

CIBAFI Sustainability Committee:

This committee is responsible for promoting sustainability initiatives by providing awareness, coordination, and guidance to the Council for the implementation of sustainability policies and practices set forth throughout the entire operational activities within the workplace and outside the organisation, in venues where CIBAFI business activities such as workshops, meetings and conferences are held.

CIBAFI Strategic Planning Committee:

This committee is responsible to looking at what the organisation was set up to do, where the organisation is at present, determining where it wants to get to, and mapping how to get there. Moreover, it aims to ensure that all concerned departments are directed towards the attainment of the organisation's strategic objectives.



2. ABOUT CIBAFI STRATEGIC PLAN 2022 – 2025

In the past few years, the financial industry, and more broadly the global economy, have been witnessing critical global developments, including the rise in technology integration and disruptive trends such as artificial intelligence, blockchain, cryptocurrencies, open banking, and digital banks. These developments bring many opportunities for financial inclusion, operational effectiveness and business improvements; as well as risks like cybersecurity risks. Sustainability is another development with significant implications for the financial system, this includes climate change risks and rising interest in ethical financing. The Covid-19 pandemic, a more recent development, has exacerbated and accelerated the recent disruptions.

These global developments have been changing priorities in the industry and raising new challenges and opportunities for financial institutions to manage and leverage on. In light of these developments, CIBAFI has seen an important need to review and evaluate its existing strategic plan for 2019 – 2022 to tailor its activities to the changing financial landscape and fulfill its mandate in supporting the IFSI.

In early-2021, CIBAFI conducted a consultation process to assess the activities under its existing strategic plan and determine the key areas that need increased focus in the next period. In this context, CIBAFI conducted a strategic session with members and stakeholders in conjunction with its Annual General Meeting in May 2021 to evaluate its initiatives and discuss new outputs in line with the global developments in the financial industry. This was followed by conducting a consultative survey in July 2021 as well as discussions at the board level and with board members, members and stakeholders to assess members' needs and their expectations in light of new opportunities and challenges within the IFSI.

Through the survey results and the guidance from the Board of Directors, members, and stakeholders, CIBAFI has prepared the Strategic Plan 2022 – 2025 aiming to follow up on existing initiatives, with a focus on tailoring activities with crucial developments in the industry including innovation and sustainability.



3. VISION AND MISSION

3.1 Vision

To be the leading international organisation that facilitates inclusive and sustainable development of the IFSI.

3.2 Mission

To support the IFSI growth by providing specific activities and initiatives that leverage current opportunities while preserving the value proposition of Islamic finance.



4. CORE VALUES

CIBAFI Secretariat follows a set of ethical values that apply to all its activities and initiatives and that are embodied by every Secretariat member, which are:



Excellence:

Excelling in all the activities and initiatives, we undertake to support the IFSI and its growth.



Transparency:

Being transparent towards our stakeholders in general, our members, and towards ourselves in our activities and initiatives.



Accountability:

Being responsible for the execution and results of the activities and initiatives we undertake.



Commitment to Results:

Being committed to achieving measurable results in the interest of the IFSI and the development of the real economy.



5. OUTLOOK ON THE ISLAMIC FINANCIAL SERVICES INDUSTRY AND ITS RECENT DEVELOPMENTS

To perform our mandate in supporting the IFSI, it is essential that we continuously monitor the developments in the industry to tailor our activities and stay relevant in what we do. The IFSI has been witnessing continuous growth over the past decades, supported by several factors. This growth is expected to continue in the coming years; however, it is important that existing challenges are addressed to support the trajectory in the next period.

5.1 Evolution of the Islamic Financial Services Industry

The IFSI has shown continuous growth over the past years. Despite the COVID-19 pandemic and other disruptive events, the IFSI was able to sustain its growth and show strong resilience. Several developments have been shaping the industry and its growth trajectory over the past years.

- Regulatory Developments:**
 The past years have witnessed several amendments to financial regulations in various jurisdictions to accommodate Islamic finance and pave the way for its adoption. Global efforts have also been made by regulatory bodies and institutions, such as the Islamic Financial Services Board (IFSB), the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), and other Islamic and conventional bodies to review and develop standards that ensure the stability of the IFSI and allow for its effective oversight.
- New Markets and National Strategies:**
 An increased number of jurisdictions have been adopting national strategies to introduce or support the growth of Islamic finance in their respective jurisdiction owing to the increased opportunities that this mode of financing has proven to provide to economic inclusive growth and resilience. These include markets in the GCC such as Oman and Kuwait; and Asia such as Uzbekistan, Turkey, and Pakistan; and Africa.
- Sustainability and Ethical Finance:**
 By complying with Shariah (Islamic Law) within its practices, Islamic finance has gained momentum as a sustainable and ethical model of finance in Muslim and non-Muslim countries alike, seen as a medium for achieving the United Nations Sustainable Development Goals (UN SDGs) and other sustainable aims.

- Digitalisation:**
 Digital transformation has been reshaping Islamic finance solutions allowing the emergence of new solutions such as digital banking, robot-advisory, Islamic peer-to-peer lending platforms among others, facilitating operations, increasing its penetration in markets, and allowing for increased financial inclusion.
- Crises and the COVID-19 Pandemic:**
 The economy has gone through several downturns over the past years, recently challenged by the COVID-19 pandemic. These crises, while challenging the resilience of the IFSI, brought new lessons and opportunities for the industry through its tools and model that paved the path for recovery and resilience.

5.2 Key Growth Drivers

The growth of the IFSI is expected to continue over the coming years, driven by several factors:



- **Strong Digital Transformation:**

IFIs are increasingly focusing on integrating technology within their operations and offerings, which is likely to increase further with the substantial shift in consumer needs for more flexible and digital solutions, supporting the industry's growth.

- **Increased Interest in Sustainability and Ethical Consumerism:**

A shift in the way society consumes is being witnessed, with more and more people seeking more ethical options in their investment and financing. This is likely to bolster the shift to Islamic finance as an ethical mode of financing.

- **Strong Sukuk Issuances:**

Green and Sustainability-focused Sukuk are gaining increased interest from issuers and investors to pave the way for a green economy and support the attainment of the UN SDGs.

- **Penetration of Islamic Finance in New Markets:**

The adoption of Islamic finance in new markets, such as North and sub-Saharan Africa and the CIS region, is likely to accelerate in the coming years with more and more jurisdictions seeing growth opportunities in this mode of financing. This is likely to support the industry's growth in the coming years.

- **Growth of Halal Markets:**

Halal markets, such as Islamic healthcare, fashion, cosmetics, travel, and other related products, are growing rapidly with growing investments being put into, likely to fuel the growth of Islamic finance.

- **Growing Young Muslim Population:**

A growing young Muslim population is emerging with demands for more ethical and Shariah-compliant solutions to match their values.

- **Rise of Islamic Social Finance Instruments:**

Islamic social finance instruments are being increasingly tapped into, especially with the recognition of their importance during the COVID-19 pandemic. Technology is increasingly integrated with Islamic social finance instruments to offer fintech-based solutions, increasing their emergence.

5.3. Main Challenges to Address

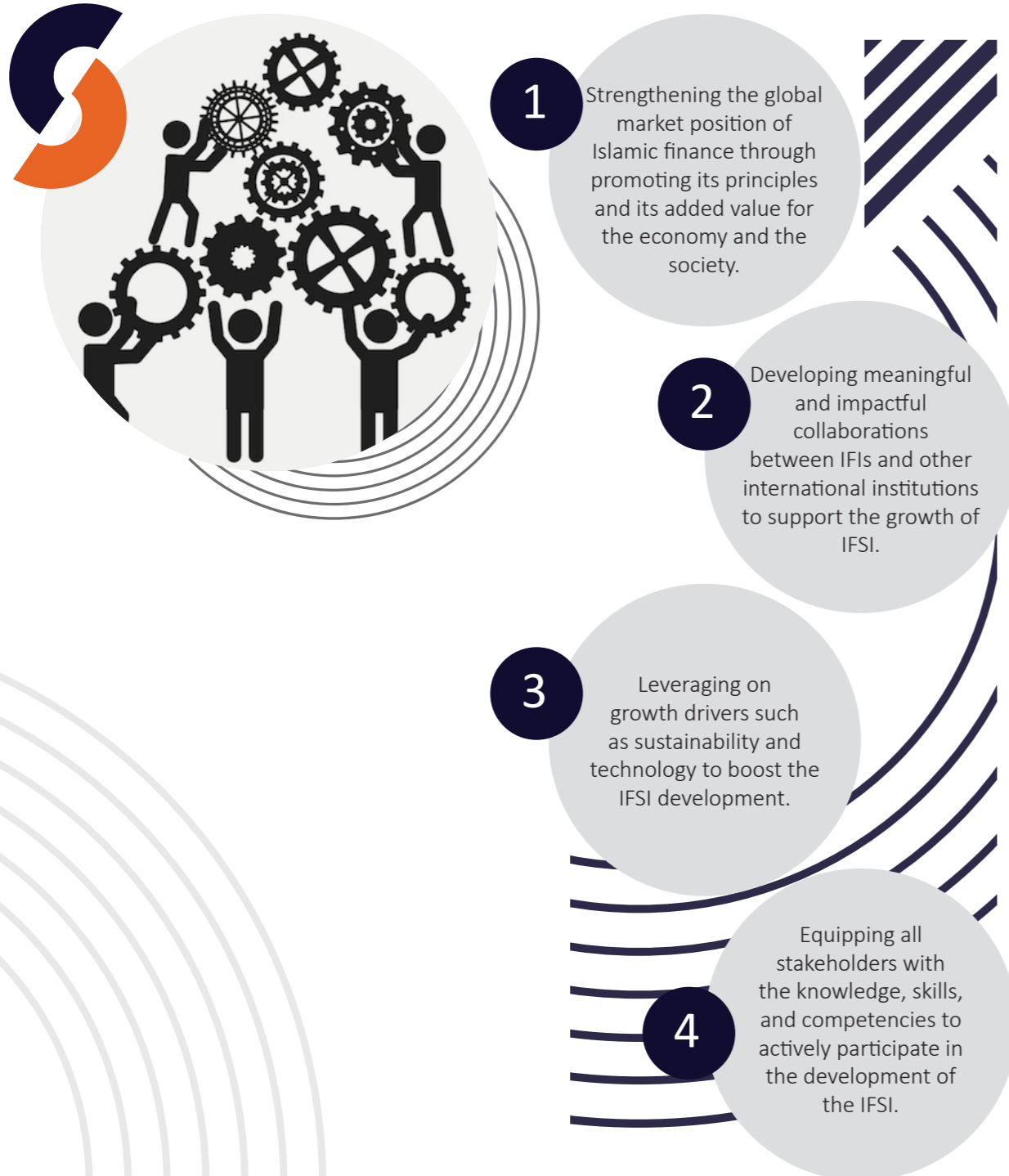
The IFSI is still confronted with several significant challenges that need attention to sustain its growth trajectory.



- **Non-Harmonisation of Regulations:** While various efforts are being made to standardise regulations, there is still a pressing need for global coordination to harmonise Islamic financial regulations. This is needed to facilitate cross-border transactions, allow increased comparability of transactions across borders, and support the industry's development.
- **Management of Disruptive Transformations and Transitions:** The IFSI is witnessing increased disruptions as the global financial and economic environment changes and as new technologies emerge. These include cybersecurity risks, climate change risks, among others. Regulatory and supervisory authorities, standard-setters, and key institutions should work together to help IFIs manage these disruptive transformations and create a more robust industry.
- **Need for Raising Awareness on Islamic Finance Value Proposition:** In various markets, lack of awareness on Islamic finance and its proposition impede its growth. This is especially true in markets where Islamic finance is a niche offering or non-existent, but it is also true in more mature markets. Therefore, education and awareness are essential to driving the growth of Islamic finance.
- **Underdevelopment of Islamic Capital Markets and the Takaful Sector:** Certain segments of the IFSI present significant growth prospects but still require essential efforts to support their development. For example, the underdevelopment of Islamic secondary markets and complexities in regulations impede the attractiveness of Islamic capital market instruments such as Sukuk, affecting their growth as well as impacting the expansion of other markets such as the Islamic funds market. Also, the lack of tailored regulations, consumer awareness, and consensus on Takaful business models impede the development of the Takaful sector locally and globally. Therefore, concerted efforts should be made by regulatory and supervisory authorities, standard-setters, and key institutions to facilitate the development of these segments through standardisation of practices, harmonisation of regulations, increasing of consumer awareness, and the establishment of Islamic solid secondary markets.

6. STRATEGIC GOALS

Aligning our mandate and operations with global developments requires defining goals that will determine the key priorities within CIBAFI's mission. Accordingly, CIBAFI identified four goals considering the feedback from its stakeholders and the recent global developments.



7. STRATEGIC OBJECTIVES

Achieving the goals set by CIBAFI for the next period depends on the drawn roadmap that represents its strategic direction. This roadmap consists of four strategic objectives reflecting the main areas that define CIBAFI's mandate as well as the recommendations obtained from the BOD members and the different stakeholders during the consultation process.



Strategic Objective 1

Advocacy of Islamic Finance Values and Related Policies and Regulations

In a fast-changing environment defined by increased challenges and developments with significant implications on the financial system, it is crucial to preserve the philosophy of Islamic finance based on ethical principles and the support of the real economy while ensuring higher social welfare.

To equip the financial sector with the necessary practices that ensure its resilience against the increased challenges, regulatory and supervisory authorities and standard-setting bodies issue new regulations, guidance, and standards. To support the continuous growth of Islamic finance and guarantee that the concerns of Islamic financial institutions are covered by any new regulation, guides, or standards, CIBAFI is keen to voice the industry's concerns. This is ensured by conducting constructive and proactive dialogues that highlight the industry's challenges and the different implications of the regulatory requirements on IFIs' business operations.

Four key priorities fall under strategic objective 1:

1. Promoting the value proposition of Islamic finance and its integration in new and developing markets.
2. Raising awareness on regulatory and policy developments through dialogues and consultations.
3. Engaging with key stakeholders through dialogue platforms to highlight regulatory challenges facing the IFSI.
4. Raising awareness on key emerging issues in the IFSI, including customer's protection and the importance of youth and women empowerment.

Strategic Objective 2

Sustainability and Innovation Integration

Sustainability and Innovation are factors of growth for all businesses. The financial sector experienced tremendous evolution due to the increased interest in ethical and responsible finance as well as the emergence of innovative business models. The IFSI is increasingly adopting sustainability and digitalisation within its various segments. However, with the fast-paced developments in this field, continuous efforts are required to keep up with the rapid evolution and strengthen the competitiveness of IFIs in the market. In light of these challenges, CIBAFI aims to support IFIs in benefiting from the opportunities and managing the risks associated with sustainability and innovation integration.

Three key priorities fall under strategic objective 2:

1. Encouraging sustainable practices and innovation within the IFSI.
2. Developing guides and tools to facilitate the integration of sustainability and innovative practices by IFIs.
3. Adopting sustainability- and innovation-based culture within CIBAFI activities and operations.

Strategic Objective 3

Industry Research and Analysis

Islamic finance market-related research has a vital role in providing guidance and shaping the way forward for the financial sector by analysing the key trends and developments in the market and uncovering their associated opportunities and risks. In addition, research helps present the market developments and the emerging topics to IFIs, allowing them to be aware of any current or upcoming factors that could impact the development of the IFSI. Recognising this importance, CIBAFI seeks to promote exceptional practices and highlight new trends in the industry through its publications and periodical reports.

Three key priorities fall under strategic objective 3:

1. Publishing market-related research and specific reports on emerging topics.
2. Highlighting key trends and shifts in customer demands in the IFSI.
3. Working closely with research centres and universities to reinforce Islamic finance research and promote its values.

Strategic Objective 4

Professional Development

Human capital development represents the key to face the different trends with significant implications on the financial sector in general and the Islamic financial sector, in particular. Contributing to the growth of Islamic finance needs professionals with competencies and skills in different areas affecting this growth while adhering to the ethics and the core principles of Islamic finance. Therefore, CIBAFI works through several initiatives to equip the industry professionals, from different backgrounds and seniority levels, with the necessary expertise to be an asset to the IFIs.

Four key priorities fall under strategic objective 4:

1. Offering technical workshops and programmes on Islamic finance to different stakeholders.
2. Empowering youth and women in the IFSI through skill and knowledge development.
3. Embedding emerging trends and developments within training and professional empowerment initiatives.
4. Adopting innovative methods in delivering training programmes.

8. REQUIREMENTS AND MECHANISMS FOR THE SUCCESS OF THE STRATEGIC PLAN

For the success of CIBAFI's strategic plan and the achievement of its goals and objectives, it is essential to develop tools and mechanisms that will facilitate the implementation, evaluation, and communication of deliverables. This mechanism is based on the 3A concept: Aiming, Assessing, Applying.



- **Aiming:**
Clear targets and initiatives must be defined during the entire period of the strategic plan life cycle. These targets and initiatives will serve as steppingstones to achieve the strategic objectives of CIBAFI. In this context, CIBAFI develops and implements an annual work plan detailing the projects under each strategic objective with their respective timelines.
- **Assessing:**
The developments and changes happening in the industry can be managed by a dynamic strategic plan. Thus, a continuous assessment of the initiatives, the projects, and the developments must be conducted to track the implementation process and identify any necessary adjustments.
- **Applying:**
Applying the defined initiatives by engaging with stakeholders through effective communication is essential to show the organisation's commitment towards achieving its strategic objectives. Through this, CIBAFI showcases its deliverables and receives feedback to help improve its work.

9. RESOURCES FOR IMPLEMENTING THE STRATEGIC PLAN

To support its initiatives and activities aiming to achieve the strategic plan, CIBAFI will rely on a number of internal and external resources to provide different types of support to its mandate.

A. The Secretariat:

- The development of technical skills and the use of external consultants and experts in order to enhance the efficiency of internal capacities.
- Searching for proper funding means to cover the operational costs of the activities and initiatives.
- Utilising modern technological methods such as digital services and innovation within CIBAFI's activities.

B. Board of Directors' contribution:

- A commitment to support the added value of Islamic banking and ethical finance in member institutions as well as through the presence and effective participation in the dialogues, roundtables, and other initiatives and the participation in fulfilling the necessary financial resources to achieve the purposes and objectives of CIBAFI through:
 1. Financial support for CIBAFI's activities such as events and research and publications, which are in the interest of members.
 2. The nomination of representatives from their institutions (Members of the BOD, Shariah bodies and the rest of the employees from different departments) to participate in the Executive Programmes, Technical Workshops, and Roundtables, especially those that have been specifically designed according to the request of the BOD.
 3. Assisting in expanding memberships within the scope of their institutions and other institutions in their jurisdictions.
 4. Working to establish and strengthen the relationship of CIBAFI with the local communities (in the member country) and international bodies..

C. Members' Contribution:

- Supporting the added value of Islamic banking and ethical finance in the member institution.
- Participating in the activities and programmes of CIBAFI, such as conferences and roundtable meetings, as well as engaging in closed dialogues with Islamic finance leaders, decision-makers, policymakers, and standard setters.

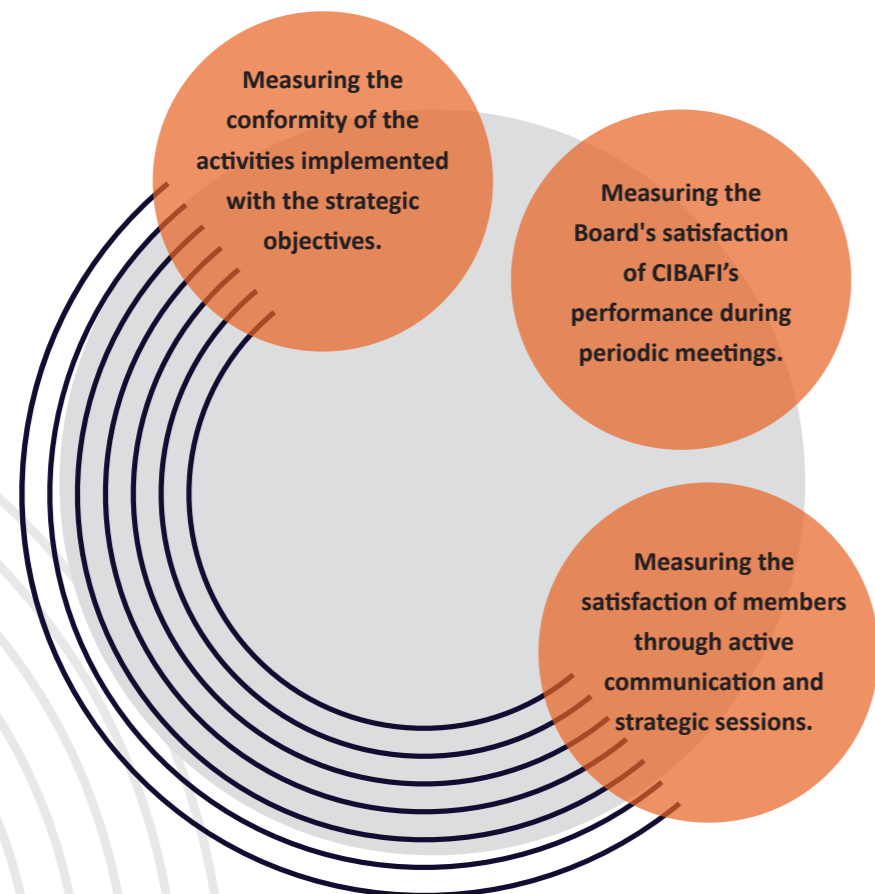
- Providing financial support and resources for the implementation of CIBAFI's initiatives.
- Supporting certain initiatives such as, coordinating between member institutions for staff rotation and exchange programmes to enhance the development and exchange experience; entering in cross-border Islamic syndicated financings for large-scaled projects both to increase the share and effectiveness of Islamic finance and to distribute the risk of each institution; etc.

D. Working groups and committees in partnership with strategic partners when necessary.



10. PERFORMANCE EVALUATION

The implementation of the strategic plan will be evaluated periodically (semi-annually / annually) by focusing on several points, the most important of which are the following:





General Council for Islamic Banks and Financial Institutions (CIBAFI)

Email: cibafi@cibafi.org

Telephone No.: +973 1735 7300

Fax No.: +973 1732 4902

www.cibafi.org