

Title	Newspaper	Day	Date
Malaysia to enhance risk-sharing in Shariah finance and spur Islamic cross-border activities using fintech	Islamic Finance News	Wednesday	17 <sup>th</sup> February 2016
Link : <a href="http://www.islamicfinancenews.com/news/malaysia-enhance-risk-sharing-shariah-finance-and-spur-islamic-cross-border-activities-using">http://www.islamicfinancenews.com/news/malaysia-enhance-risk-sharing-shariah-finance-and-spur-islamic-cross-border-activities-using</a>			

MALAYSIA: The Malaysian government hopes to narrow the prevailing gap of the risk-transfer regime in the Islamic financial system by leveraging the burgeoning fintech movement to enhance the utilization of risk-sharing contracts in the market.

Announced by prime minister Najib Razak during his unveiling of the 2015 Budget, a subsidiary of a consortium of Malaysian Islamic banks (IAP Integrated), today launched the Investment Account Platform (IAP), a multi-bank online Shariah compliant platform inspired by the concept of crowdfunding to facilitate direct investment by investors into viable projects – the first of its kind in the Islamic financial world.

“Through IAP, we plan to create a conducive marketplace to match investors ranging from low to high-risk appetites, and entrepreneurs with various funding needs,” said Mohamed Izam Mohamed Yusof, CEO of Raed Holdings, the consortium of the six banks behind the development of the IAP. Although a fundamental pillar of Islamic finance, risk-sharing and equity-based Islamic contracts are not used as widely and the IAP, according to Bank Negara Malaysia governor Dr Zeti Akhtar Aziz, signifies a fundamental shift toward risk-sharing and could potentially spur more public-private partnerships across different industries which would create a more balanced growth for the nation.

Equally as significant is that the new funding vehicle holds the potential to facilitate greater Islamic cross-border transactions as IAP Integrated plans to bring the platform to an international level – culminating in a multicurrency investment platform, an increasingly urgent need as ASEAN nations become more integrated economically.

Targeting investors both at the retail and institutional level, Mohamed Izam said the IAP projects to fund

RM200-300 million (US\$ 47.88-71.82 million)-worth of ventures over the next three years. It is revealed that several proposals are currently being finalized by the sponsoring banks prior to potential listing on the platform starting March 2016. More Islamic banks are also expected to join the platform which currently consists of Affin Islamic, Bank Islam, Bank Muamalat, Maybank Islamic, Bank Rakyat and Bank Simpanan Nasional.