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Bank Negara Malaysia governor **Tan Sri Dr Zeti Akhtar Aziz** (left) and Raeed Holdings Sdn Bhd chairman **Datuk Zamani Abdul Ghani** witnessing the signing ceremony for the **Investment Account Platform** in Kuala Lumpur yesterday. Pic by Hafiz Sohaimi

First fintech platform for Islamic banking

KUALA LUMPUR: Six Islamic banks yesterday launched the Investment Account Platform (IAP), the first financial technology (fintech) platform that will enable Islamic banking to expand its role from a credit provider to an "investment intermediary".

Bank Negara Malaysia governor Tan Sri Dr Zeti Akhtar Aziz described it as a first of its kind shared global platform for Islamic finance.

"In facilitating cross-border transactions, IAP will also contribute towards drawing new foreign investors while also allowing for participation in the financing of projects outside the country," she said at the launch of the IAP, here.

The platform was developed by IAP Integrated Sdn Bhd, a subsidiary of Raeed Holdings Sdn Bhd.

Raeed Holdings is a consortium of six banks comprising Affin Islamic, Bank Islam, Bank Muamalat, May-

bank Islamic, Bank Rakyat and Bank Simpanan Nasional.

The platform will enable different spectrums of businesses, including small and medium enterprises, corporates, new growth industries as well as entrepreneurs, to gain access to financing.

RAM Ratings will provide independent rating on the ventures or assets that are to be listed on IAP.

The new categorisation of deposits under the Islamic Financial Services Act 2013 has now been fully observed since the middle of last year, with the reclassification of deposits to either Islamic deposits or investment accounts.

"Following this exercise, the proportion of investment accounts to total funding for Islamic banks has increased from seven per cent in August to 10 per cent as at December last year, indicating a positive response to this new product offering,"

said Zeti.

As an Internet-based investment platform, IAP provides convenience and facilitates greater access, thus allowing for the efficient channelling of funds from investors to viable economic ventures and business activities.

Zeti said Islamic finance in Malaysia had achieved a market share beyond the target of 20 per cent and also met the increasing and differentiated demands of the economy through a range of financial product offerings in Islamic banking, takaful and Islamic capital market segments.

Raeed Holdings chairman Datuk Zamani Abdul Ghani said the main challenge in developing the IAP was streamlining information technology, banking operations, syariah, legal, products, recovery, risk management and compliance across the banks. **Rupa Damodaran**