

# Governor's Speech at the Dinner announcing the IFSB Annual Meetings & Events and Global Islamic Finance Forum 2007

**Speaker** : Governor Tan Sri Dato' Sri Dr. Zeti Akhtar Aziz  
**Venue** :  
**Date** : 18 March 2007  
**Language** : English

Bismillahirrahmanirrahim,

The Honorable Dato' Seri Syed Hamid bin Syed Jaafar Albar,  
Minister of Foreign Affairs of Malaysia,

Excellencies,  
Distinguished Guests,  
Ladies and Gentlemen,

It is my great pleasure to welcome you to this dinner which is being held in conjunction with the Annual Meetings of the Islamic Financial Services Board and the Global Islamic Finance Forum 2007 that will take place at the Kuala Lumpur Convention Centre on 26-29 March. I would like to take this opportunity to thank the Honourable Dato' Seri Syed Hamid bin Syed Jaafar Albar, the Minister of Foreign Affairs of Malaysia, for accepting our invitation to be our guest of honour this evening.

Islamic finance was first introduced in Malaysia almost 30 years ago. It was then considered a niche industry, created to meet the special requirements of the Muslim community. Today, Islamic finance has gained widespread acceptance among Muslims as well as non-Muslims as a viable form of financial intermediation in the global financial system. Indeed, Islamic finance has evolved to become an integral part of the international financial system. It is now being offered in more than 60 countries and with an asset size of over USD 1 trillion. Going forward, the prospects for Islamic finance are indeed promising, with the demand for Islamic financial products and services expanding at exponential rates.

To support the orderly growth and development of Islamic finance, it is important that the necessary financial infrastructure and regulatory framework are in place. In this regard, the IFSB was established to have the important role of developing the international prudential standards for Islamic banking and finance in the global financial system. This is aimed at ensuring the soundness and stability of the Islamic financial system. The development of such prudential standards in Islamic finance is key to facilitating and supporting its development as a viable, competitive and sustainable mode of financial intermediation in the international financial system.

This year, 2007, marks the 5th anniversary of the establishment of the IFSB.

Malaysia is honoured to be the host country of the IFSB. The Government has been committed to providing the IFSB with the fullest support and cooperation so that the IFSB will be able to achieve its mandate as the international financial standard-setter for

Islamic finance. I am pleased to mention that next year, IFSB will move to new premises that is in close proximity to Bank Negara Malaysia. The new building will also house our Bank's learning centre that will have cutting edge and the state of the art facilities which we will share with the IFSB.

In addition to being focused on the prudential standards for Islamic finance, the IFSB also provides an important platform - through its regular series of seminars and conferences - to highlight and deliberate issues concerning the various aspects of Islamic banking and finance. In particular, the IFSB fosters active engagement and collaboration with the financial industry from all parts of the world.

In this connection, from the 26th until 29th March 2007, IFSB will be convening its 10th Meeting of the IFSB Council and its 5th General Assembly. In addition to these Annual Meetings, the IFSB will be hosting a series of public lectures and seminars.

In conjunction with these IFSB events, Bank Negara Malaysia is pleased to host its first Global Islamic Finance Forum (GIFF) from 26 to 29 March 2007. The objective of these seminars and forums is to promote the sharing of experiences and dialogue among the international financial community on the leading issues in Islamic finance. Many of the sessions will be presented by renowned experts and practitioners in their respective fields. It is hoped that these seminars will serve as a catalyst to drive further innovations and developments in the area of Islamic banking and finance.

In closing, I would like thank the Honourable Dato' Seri Syed Hamid bin Syed Jaafar Albar once again for being with us this evening. The Ministry of Foreign Affairs and the diplomatic community at large with your extensive international networks represents an important channel for the dissemination of information on the opportunities that Islamic finance offers to the business, financial communities and authorities from around the world. In so doing, it would contribute towards supporting the further progress of Islamic finance. Finally, I would also like to take this opportunity to thank the staff at the Ministry of Foreign Affairs for their support and cooperation in facilitating the important work of the IFSB. We believe that our collaborative efforts in the development of Islamic finance will facilitate the further strengthening of the international economic and financial linkages in the global economy and thus increase the potential for more balanced global growth.

Thank you.