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Islam's Profit Prophecy

The Irish Islamic Chamber of Commerce is working to promote trade between Ireland and the Muslim world – and the benefits of Islamic finance could be harnessed to provide growth rates of 8 per cent and deliver ambitious projects such as an Irish Sea tunnel, as chairman **Muhammad Hafez** tells *InBusiness*.

The Irish Islamic Chamber of Commerce (IICC) was established in Ireland in April 2011: it is a non-profit organisation registered in Ireland with the backing of Chambers Ireland. Its strategies, services and activities are designed and delivered to meet the following objectives:

- 1) Promote bilateral trade (mainly

- export) and cross-investments between Ireland and the Organisation of Islamic Co-operation (OIC).
- 2) Introduce and develop Islamic business standards in Ireland, such as Islamic financial services, Islamic commercial arbitration services, halal food certification and other similar activities.

- 3) Enhance the contribution of the Irish Muslim community to the Irish economy.

In April 2012, the IICC officially joined the Islamic Chamber of Commerce, Industry and Agriculture as an affiliate member – the umbrella body of national Chambers of Commerce in the

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OIC countries.

The OIC is the second largest intergovernmental organisation in the world after the UN, and represents 57 Muslim countries. There has also been an important memorandum of understanding signed between the IICC and the Islamic Chamber of Commerce, Industry and Agriculture covering halal food certification; per this agreement, food exported from Ireland to OIC needs to be certified halal from the IICC to have smooth access to OIC countries.

The Irish Islamic Chamber of Commerce issues and certifies halal to the following sectors:

- 1) Meat producers and abattoirs
- 2) Consumer food
- 3) The catering sector
- 4) Restaurants and takeaways
- 5) Retail outlets
- 6) Pharmaceutical sector (coming soon)

The IICC works very closely with commercially-orientated entities in Ireland, whether state, semi-or private companies, to assist them in expanding their business to OIC countries. Therefore, the IICC has recently launched a series of electronic directories of top companies in the Muslim world, and works to provide all the necessary information and details to help Irish businesses to conduct business in the OIC countries.

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ISLAMIC FINANCE IN IRELAND

Supporting his initiative to make Ireland the hub of Islamic financial services in Europe, the IICC submitted its strategic study to An Taoiseach, Enda Kenny, and to the Department of Finance demonstrating best practice and policy to achieve this goal.

Among all the European countries, Ireland has the highest potential to play this role, with low CT rates and as the only primarily English speaking country in the eurozone. Additionally, if appropriate and accurate strategies are implemented, Ireland can attract nearly €00bn in investment in this promising industry within the next ten years.



Also, in tandem with the four-year economic recovery plan (2011-2014) adopted by the Irish government, the IICC has launched its strategy for economic recovery (2012-2015) which, if implemented, foresees Ireland taking control of its economy again: GDP growth will reach eight per cent at the end of the four year period, provided the external trade surplus remains at 2012 levels.

The basic concept of the IICC strategy for economic recovery is to reform fiscal policy and introduce the Islamic taxation model, replacing the conventional taxation system which is full of flaws and deficiencies. Unlike conventional taxation, Islamic taxation generates sufficient revenue to government and does not impede the motion of the economic cycle. The Islamic taxation system is fair and encourages people to take jobs.

IICC STRATEGY FOR ECONOMIC RECOVERY (2012-2015)

The IICC believes that the financial sector in Ireland has the capability to gain advantages and benefits from Islamic finance – but it is also concerned about the extent to which the Government is willing to co-operate with the IICC to monitor this promising new industry in Ireland in order to prevent misleading of customers, poor standards and bad practices by these financial firms. Hence, the IICC urges the Government to take the necessary steps to duly regulate the industry and prevent mistakes or poor practices that affect the reputation and the credibility of the financial sector in gaining the benefits of Islamic finance. In time, therefore, financial firms must be obliged to obtain proper licenses allowing them to offer Islamic financial services, whether inside Ireland or to overseas clients.

INSTITUTE OF ISLAMIC FINANCE OF IRELAND (IIFI)

Realising the importance of skilled and qualified employees in the IF sector led the IICC to form the Institute of Islamic Finance of Ireland, which will be the research and educational wing of the

Irish Islamic Chamber of Commerce. It will hopefully run long and short courses in Islamic finance starting from September 2013, the next academic year. The IIFI will also publish new studies and research related to Islamic finance and economics, whether in Ireland or overseas.

IRISH SEA TUNNEL

The long-held dream of connecting Ireland to Britain and Europe via a sea tunnel represents one of the most ambitious infrastructural strategic projects for the 21st century, with an estimated cost of €20bn as per the constructive study conducted by the Institute of Engineers back in 2004.

The IICC has proposed Islamic bonds (known as sukuk) to fund such a project and is prepared to work with stakeholders to revive it. Islamic bonds are a cost- and risk-free source of finance. Initial funding plans require co-operation between the IICC, Department of Finance and the Irish Stock Exchange. The feasibility of this project turns on making Ireland the hub of shipping lines between America and Europe.

Generally speaking, sukuk is an appropriate way to fund infrastructural and major projects, and can be used by State and private companies. Sukuk's advantage over conventional bonds is

that it is backed by the asset: bondholders receive a percentage of the profit generated by the asset funded by sukuk.

The IICC also sees a great opportunity to introduce Islamic finance to the local market, due to its extra competitive advantages over conventional financial services. IF is a profitable, fair and risk-free financial system, as interest and uncertainty do not exist.

For example, Islamic insurance (takaful) is the only co-operative insurance model growing rapidly worldwide, due to its feasibility and fairness to all parties involved. The IICC will be delighted to work with sponsors and patron members to host major conferences in Ireland related to IF.

THE IICC AND THE MUSLIM COMMUNITY

The Muslim community in Ireland has grown significantly in the past decade, and the IICC offers all possible support to help Muslim entrepreneurs do business in Ireland or to build successful business relations between Ireland and the OIC countries in support of the Irish economy. The IICC also reviews Irish economic policies and comments on them from the perspective of Islamic economic and finance.

For more information, see www.islamic-chamber.org

