



System Restart: Islamic Finance in Morocco

Panelists:



Dr Wail Mohamed Aminou — Chairman, Al Maali Group (*Moderator*)



Gonzalo Rodriguez — General Coordinator, SCIEF IE Business School



Hakim Bensaid — President, Moroccan Association for Participative Finance Professionals and Manager, Takaful Projects, Royale Marocaine D'Assurance



Ismail Filali Allach — Country Manager, Morocco, The Islamic Corporation for the Insurance of Investment and Export Credit



Dr Scott Levy — CEO, Bedford Row Capital

IFN focuses on dynamic Morocco once again after our last encounter in 2019, and dives into the current focus, developments and challenges in the country as the world economy activates its post-pandemic recovery plan.

The impact of the crisis has been particularly severe for the hospitality and transport industries, and for the manufacturing segments most exposed to international trade.

The government's response to the crisis has been appropriate, and the ambitious reforms being implemented could set the stage for a solid recovery which not only welcomes foreign investments but also increases the focus on international capital markets.

Morocco is blessed with a solid government which supports Islamic financial institutions to strive not only locally but also on the African continent and beyond. The central bank's participation in better access to financial solutions, regulations and fintech is seen as the beacon of hope for the Islamic finance industry, especially the SMEs which are the backbone of the country's economy.

Dr Scott Levy



Morocco is a well-respected, highly rated, stable country for investment. Conventional players have looked at Morocco as one of the most important MENA jurisdictions. Why should the global Islamic finance market see the country any differently? There is a great opportunity for Morocco to use its strong domestic market and its center of influence for western and sub-Saharan Africa to develop as a hub for regional Islamic finance. Fintech will play a key part of this. From central bank liquidity products to corporate issuers, Morocco should embrace its well-organized regulatory framework (which does need some further updating, admittedly) to create Salam products which can attract international capital. These new sources of capital can make a real impact on the domestic market as well as support the Kingdom's desire to be at the forefront of sustainable development goals investing in the region.

Dr Scott Levy is CEO of Bedford Row Capital.

According to the Global Islamic Fintech Report 2021, the Islamic fintech transaction volume within OIC countries is US\$49 billion. Morocco ranks 37th from 64 countries in terms of development in this report ranking index.

Gonzalo Rodriguez



The new Morocco crowdfunding bill is a very good signal that proves that the Moroccan authorities support and understand that one of the drivers to develop the Islamic finance industry in the country must be the Islamic fintech ecosystem development. We must understand that innovation is the path but impact is the destination.

Morocco is still at the beginning of this path — the Islamic banking assets as a percentage of total banking assets represent no more than 2% in the country — and there are still some important inhibitors to achieve a better development of the industry in the country

but I have identified some clear opportunities and solutions that, undoubtedly, will help to develop the industry in view of the increase in financial education and awareness of Islamic finance, improve the regulation and provide further incentives for Islamic finance providers.

Gonzalo Rodriguez is the general coordinator at SCIEF IE Business School.

Dr Wail Mohamed Aaminou



In only three years of activity, Islamic finance has made important strides in Morocco. To illustrate, 50% of real estate financing in the country was performed by Islamic banks in 2020.

On the banking side, refinancing is probably the most acute challenge as deposits cover only half of Islamic banks' financings, hindering the development of the activity.

2021 will probably be the year in which Takaful starts after the completion of the legal and regulatory framework.

The growth of Islamic banking and Takaful will contribute to the development of Islamic capital markets especially in the Sukuk sphere.


Integrating sustainability into Islamic financial institutions' business models can help mitigate the impact of the crisis, improve the value proposition of Islamic finance and build a more sustainable and resilient economy.

Current fintech initiatives focus primarily on payments and crowdfunding. Morocco needs to complete and reinforce the existing fintech legal and regulatory framework.

Dr Wail Mohamed Aaminou is the chairman of Al Maali Group.

TESTIMONIALS

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Ghana Institute of Islamic Finance and Economics
"Topics were excellently discussed."



KACEM DEBAR
MEC International
"Excellent organization good updates/insights into local and regional markets. Well done."

