



System Restart: Islamic Banking and Finance in South Africa

Panelists:



Cassim Docrat — Regional Director, DDCAP (*Moderator*)



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The post-pandemic recovery period has brought greater attention to the African market, with a focus on Sukuk as a viable way out to spur growth in the backdrop of a recovering economy.

Foreign investments have been seen as one of the potential areas of opportunity to be tapped into and in which the government's support is much sought-after. International trade finance and cross-border transactions have garnered much interest from the local Islamic finance practitioners in the market.

The country is looking forward to greater collaboration between the Islamic banking industry and regulators for greater access to finance supporting the local businesses or SMEs through microfinancing and integrating financial technology in the process.

Despite being one of the non-Muslim-majority countries on the African continent, South Africa has proven its place in the Islamic finance industry through its strong foundation of creating diverse products and tools to support the development of the sector in the country.

Yasmina Francke



The role of the South African Islamic social finance sector is an important discussion point in exploring a system restart to address the myriad of socioeconomic challenges in our country — particularly now that we need to recover from a debilitating virus.

The Islamic financial industry, and particularly Islamic banking, in South Africa enables Muslims in the country to manage their financial affairs in a way that is aligned to their beliefs.

A person may live their entire life avoiding Riba/interest and investing in Shariah compliant products but it might be in vain if he or she is not mindful of Zakat and the timeous discharging of this obligation.

Islamic banking coexists with Zakat in that it can be a powerful facilitator for ensuring that Zakat obligations are fulfilled by the Muzakkis in respect of the wealth entrusted to the bank or investment house.

As a country, South Africa's poverty reduction strategy must incorporate all components of the Islamic social finance ecosystem. Each of these components functions at various levels of efficiency and impact, but is still relatively independent of each other. We need greater collaboration between the various players to be truly effective, which will also serve to eliminate some of the inefficiencies and duplications.

Yasmina Francke is CEO of SANZAF.

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