



Islamic Finance in the UK

Waheed Qaiser is a pioneer in UK Islamic finance. In 2004 he helped to make banking history, playing a key role in helping to create the first Islamic Bank to be established in the Western world, the Islamic Bank of Britain (IBB) in London.

The UK's Muslim community of around two million people contributes to all areas of British society. But recently, it is the world of finance that is benefiting from the ethics and principles of Islamic influence, and the creation of the IBB was just the beginning. By the end of 2007, there were more than 22 major Islamic banks or departments in the UK, with over US\$24billion in Sukuk issues and US\$12billion in Equity funds and other investments.



It is not only devout Muslims who are turning to the principles of Sharia'a for their banking practices, but also wholesale and retail markets across the Western world. In 2003, the UK Government actually changed its laws to facilitate Islamic mortgages, and reformed debt law to allow the issuing and trading of Sukuk.

"In my experience the UK has readily embraced the criteria of Islamic Finance in a very supportive and proactive manner," says Qaiser. "It now has one of the strongest professional support environments. For example, most major law and accounting firms in the UK now offer full Islamic finance Professional Services and many Fund Managers are offering Islamic finance services. Also, in the academic field, high standards are being achieved in learning qualifications, for example there is now an official Islamic Finance Qualification (IFQ)."

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Islamic Conduit Venturing

The UK is pioneering another initiative – UK Trade & Investment’s “Conduit Venturing” model. This new programme helps investor partners to establish their own UK-run Venture Capital funds, and gives them direct access to global technology and talent through both the Global Entrepreneur Programme, as well as other recognised global sources. The result is a free-flowing conduit of exceptional dealflow, technology and talent between the UK and an investor partner. (See Conduit Venturing Factsheet for more information.)

“This model of bilateral benefits for investor partners is very much aligned with Sharia’a,” says Qaiser. “Conduit Venturing encourages mutual and inter-dependent prosperity – something which promotes stability between partners. The Islamic tenets of shared risk and reward are at the very heart of Sharia’a compliance, and this programme from the UK embodies these concepts well.”

The UK Government understands that Islam places certain ethical restrictions on the use of money, but that there are acceptable ways to conduct business. This is underscored by a unique Memorandum of Understanding that the UK’s Secretary of State for Business and Enterprise can enter into with a Conduit Venture fund, memorialising the collaboration, and allowing the fund managers direct access to the relevant information and support to establish a fund, as well as benefit from the proprietary dealflow of the Global Entrepreneur Programme.

“The UK Government has come up with an invaluable initiative to encourage Islamic banking/ alternative banking system,” says Qaiser. “We very much appreciate the fact that teams have been set up at different governmental levels to address the relevant issues and challenges faced by investors and customers wishing to comply with Sharia’a law. This level of commitment is yet to be matched by any other European country.”

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About Waheed Qaiser

Waheed Qaiser is an acknowledged expert on Islamic Finance and Sharia’a in the UK, and is a frequent spokesperson at Islamic Finance conferences.

In 2003, he sat on the Bank of England’s working party on Islamic mortgages and he is a founding board member of the UK panel for the Islamic Finance Qualification (IFQ).

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In 2007, Lord Ahmed, Baron of Rotheram and Vice Chair of the UK All-Party Parliamentary Group on Entrepreneurship, said of Qaiser “Waheed Qaiser has played a key role in the establishment and promotion of Islamic Finance in the UK”.

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