



## Future of Finance conference outlines the value proposition of Islamic finance and the National Payments System Strategy

**Abu Dhabi (14 October 2021):** His Excellency Khaled Mohammed Balama, Governor of the Central Bank of the UAE (CBUAE), launched day two of the Future of Finance conference, hosted by the CBUAE, by highlighting the strong indicators of economic recovery in the UAE and other leading economies, and the importance of Islamic finance as a driving force in a world seeking to achieve sustainable growth and economic resilience. His Excellency also identified qualitative measures to enhance the CBUAE's robust digital payments systems, including the increased importance of commercial and financial payment settlements. His Excellency affirmed that the CBUAE will maintain its supervisory and regulatory responsibilities to ensure the continued, sustainable growth of the UAE economy.

Day two of the conference featured a series of activities in the area of Islamic finance, including a panel discussion on the role of Islamic finance in establishing a flexible and diversified financial system. In line with the theme of Expo 2020, *Connecting Minds and Creating the Future*, the CBUAE facilitated an exchange of views and insights by Islamic and financial sector leaders and Shari'a experts on the future of Islamic finance.

In her keynote speech on the role of women in accelerating transformation, Sheikha Shamma Bint Sultan Bin Khalifa Al Nahyan, CEO of Alliances for Global Sustainability, Founder of Shamma Bint Sultan Sustainability Initiatives, and Co-founder of Aurora50, highlighted the critical role that women play in developing communities. Sheikha Shamma drew attention to the fact that women constitute 50 percent of the world's population, representing a demographic that cannot be ignored in the era of the Fourth Industrial Revolution. She also made reference to the efforts of the UAE's wise leadership in empowering Emirati women to occupy leadership positions across various sectors. Today, the UAE ranks first regionally and 18<sup>th</sup> globally on the United Nations Development Programme's Gender Equality Index.

Combatting financial crime also featured prominently on day two of the conference. His Excellency Abdulla Bin Touq Al Mari, Minister of Economy for the UAE, spoke on the importance of sectoral collaboration in safeguarding the nation from illicit financial activities.

During his keynote speech, His Excellency Sheikh Abdulla Bin Bayyah, Chairman of the Emirates Fatwa Council – UAE, highlighted the value proposition of Islamic products in the changing world of finance. H.E. also spoke on the importance of



risk sharing in the provision of flexible Islamic financial solutions, affirming the ability of Islamic finance products in meeting the challenges faced by the banking and insurance sectors.

One of the most prominent sessions discussed the CBUAE's National Payment Systems Strategy, which aims to increase the UAE economy's competitiveness, in line with one of ten 'Principles of the 50' to develop the world's best and most active economy in the UAE. Dr. Sabri Hamed Al Azazi, Assistant Governor of Support Services and Operations at the CBUAE, suggested that the future of payment systems lay in using digital payment solutions in place of fiat currencies. Dr. Sabri also highlighted the CBUAE's role in continued innovation and investment in emerging technologies to serve the financial sector and ensure alignment with international best practice.

Dr. Mohammad Al Kuwaiti, Head of Cybersecurity for the Government of the UAE, spoke on financial fraud and the challenges impacting cyber-security.

During his closing remarks, His Excellency Ebrahim Obaid Al Zaabi, Assistant Governor of Monetary Policy and Financial Stability at the CBUAE, examined digital adoption and risk, and challenges relating to sustainable finance and financial inclusion. His Excellency proposed that the digital transformation process provided potential solutions to address the financial sector's challenges, and a means to chart the future of finance.

Commenting on day two of the Future of Finance conference, **His Excellency Khaled Mohamed Balama, Governor of CBUAE**, said: "Islamic finance plays a key role in the future direction of the financial sector at large, and provides a valuable opportunity to ensure a more diversified, resilient financial system. The progress of Islamic finance over recent decades, and its geographical expansion beyond traditional markets and sectors, are well-recognised. The insights exchanged today by these key figures mark the immense potential of the Islamic finance industry to thrive, with the support of a robust regulatory structure."

**His Excellency continued:** "Protecting the country's financial system, as well as its economy and consumers, must remain our top priority, regardless of the impact of digital transformation on the financial sector. The proposed National Payment Systems Strategy allows corporations and consumers to settle payments faster and safer, ultimately ensuring the economy's resilience."

**His Excellency added:** "I would like to express my most sincere gratitude to the conference participants for their valuable contributions over the past two days, and for demonstrating their support of the UAE's vision and our shared objective of ensuring a more robust, secure, and resilient financial system. I am confident that the CBUAE is ready to meet the increasing challenges faced by the financial sector



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through its active contribution to sustainable economic growth across the UAE and beyond, as part of our commitment to knowledge sharing and co-operation.”

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