Towards a Post-Covid Global Financial System
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Towards a Post-Covid Global Financial System: Lessons in Social Responsibility from Islamic Finance

EDITED BY

M. KABIR HASSAN
University of New Orleans, USA

AISHATH MUNEEZA
International Centre for Education in Islamic Finance, Malaysia

And

ADEL M. SAREA
Ahlia University, Bahrain
We dedicate this book to our mothers:
Moshammad Rahima Khatoon
Mariyam Saada
Fatema Shaikh

We have enjoined on man kindness to his parents; in pain did his mother bear him, and in pain did she give him birth.
(Quran, 46:15)

The Prophet Muhammad said, may Allah’s peace and blessings be upon him:
Your Heaven lies under the feet of your mother (Ahmad, Nasai).
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About the Editors

M. Kabir Hassan is Professor of Finance in the Department of Economics and Finance in the University of New Orleans, Louisiana. He currently holds three endowed Chairs – Hibernia Professor of Economics and Finance, Hancock Whitney Chair Professor in Business, and Bank One Professor in Business – in the University of New Orleans. Professor Hassan is the winner of the 2016 Islamic Development Bank (IDB) Prize in Islamic Banking and Finance. Professor Hassan received his BA in Economics and Mathematics from Gustavus Adolphus College, Minnesota, and MA in Economics and PhD in Finance from the University of Nebraska–Lincoln, Nebraska.

Aishath Muneeza is Associate Professor at the International Centre for Education in Islamic Finance (INCEIF), Malaysia. She is the first female Deputy Minister of the Ministry of Islamic Affairs and was the Deputy Minister of the Ministry of Finance and Treasury of the Republic of Maldives. She is a registered Shariah Adviser at Securities Commission Malaysia and Capital Market Development Authority of Maldives to advise on Islamic capital market products, she sits in various Shariah advisory bodies of Islamic financial institutions.

Adel M. Sarea is Associate Professor of Accounting and Economics at Ahlia University, Kingdom of Bahrain. He obtained a PhD in Economics and Mualalat Administration (Accounting) from the Islamic Science University of Malaysia in 2011. He joined Ahlia University in September 2011 and has been Director of the Ahlia MBA program since 2013. Dr Sarea is the winner of the Emerald Literati Award 2014 for Excellence (best paper). In 2015, he was appointed as a recognized PhD supervisor by Brunel University London, UK.
About the Contributors

Md. Jafor Ali currently works at the Department of Accounting and Information Systems, Islamic University, Kushtia, Bangladesh, as a lecturer and studying PhD in Management at University Selangor (Unisel), Malaysia. My research interests are on Accountability and Governance, Corporate performance Analysis, Islamic Finance and Contemporary economic issues. There are 10 research articles published in referred journals and conference proceedings in the related field of research. He has authored Chapter 12.

Alam I. Asadov is currently an Assistant Professor at the Department of Finance, Prince Sultan University. He has obtained his PhD degree in Islamic Finance from INCEIF in Kuala Lumpur, Malaysia. He also has master’s degree in Economics from the University of Alabama, USA and bachelor’s degree in Economics from University of Richmond, USA. He has authored Chapter 4.

Noor Haini Akmal Abu Bakar has approximately 19 years of conventional banking, Islamic banking and Islamic Social Finance experiences. She is among the pioneers and specialist in Credit Administration & Operations in Middle East Islamic Banking in Malaysia when she was engaged in Kuwait Finance House (M) Berhad, Asian Finance Bank Berhad and Al Rajhi Banking & Investment (Malaysia) Berhad. She was part of the team that lead Al Rajhi Banking & Investment (Malaysia) Berhad to be awarded the first Islamic bank in Malaysia to be awarded and certified the MS 1900:2005, which were recorded in the Malaysian Guiness Book of Record. She has co-authored Chapter 9.

Noor Mahinar Abu Bakar is a PhD in Law student at Ahmad Ibrahim Kuliyyah of Law of International Islamic University Malaysia (IIUM). She graduated with LL. B (Hons) from Staffordshire University, United Kingdom. She holds a Master (LL.M) in Islamic Banking and Finance from IIUM and Chartered Islamic Professional from International Centre for Education in Islamic Finance (INCEIF), Malaysia. She has co-authored Chapter 9.

Abul Bashar Bhuiyan is an Associate Professor at Faculty of Business and Accountancy (FBA), University of Selangor (UNISEL), Selangor, Malaysia. He has been working in academic research, supervising as well as teaching the postgraduate students in the different leading reputed Malaysian academic institutions in the last 11 years. There are more than 85 articles presented and published in refereed journals and indexed conferences proceedings as well as

Paolo Biancone is currently a Professor in Business Administration at the University of Turin. He is Editor in Chief of the European Journal of Islamic Finance and European Journal of Social Impact and Circular Economy. He is the scientific coordinator of the H2020 project and other financed projects from local and private firms. He has co-authored Chapter 3.

Saeed Awadh Bin-Nashwan is an International lecturer in Islamic Business School, Islamic business School, Universiti Utara Malaysia. He has joined Universiti Utara Malaysia in early 2021. Saeed holds a PhD in Islamic Accounting from Tunku Puteri Intan Safinaz School of Accountancy, Universiti Utara Malaysia. He has co-authored Chapter 2.

Davide Calandra is a PhD Candidate in Business and Management at the Department of Management of the University of Turin. His doctoral course focuses on new technologies applications in accounting, the health sector, and the business model field. He is particularly interested in the Islamic finance and accounting field. He has co-authored Chapter 3.

Federico Chmet is a PhD Candidate in Business and Management at the Department of Management of the University of Turin. His doctoral course focuses on citizen participation and public sustainability choices. His doctoral journey also focuses on Islamic finance and accounting. He has co-authored Chapter 3.

Razali Haron is currently an Associate Professor at the International Islamic University Malaysia (IIUM) Institute of Islamic Banking and Finance, member of the investment sub-committee at IIUM, former Director of IIUM Shari‘ah Advisory Services Sdn. Bhd., and former Deputy Dean (Research and Publication) of the Institute. He has published his research works with international publishers such as the Emerald, Elsevier, Springer, Sage, Palgrave Macmillan, Inderscience, IGI Global and IntechOpen. He has extensive experience in the corporate sector, covering brokerage dealings, fund management, unit trust and capital market. Dr Razali is currently the Editor-in-Chief of Journal of Islamic Finance and Associate Editor of The Capital Market Review. She has co-authored Chapter 15.

Rusni Hassan is a professor at the IIUM Institute of Islamic Banking and Finance, IIUM. Her area of specialization includes Governance in Islamic Banking and Finance, Legal and Regulatory Aspects of IBF, Islamic Social Finance and Shariah Aspects of IBF. She is an active researcher and expert
trainer in IBF. She has spoken extensively in seminars, workshops, conferences and trainings on various Islamic Finance issues. Her publication includes books on Islamic Banking and Takaful, Islamic Banking under Malaysian Law; Corporate Governance of Islamic Financial Institutions; Islamic Banking Cases and Commentaries; Remedies for Default of Payment in Islamic Banking, Termination of Contractual Obligations and many chapters in books. She was a member of Shariah Advisory Council Bank Negara Malaysia from 2010 to 2016 and also the Shariah Committee for a number of institutions in Malaysia including Association of Islamic Banking Institutions Malaysia (AIBIM) as well as Waqf Al-Nur and Koperasi J-Corp. Internationally, she is the Shariah Committee for Housing Development Corporation, Maldives. She is a registered Shariah Advisor with the Securities Commission Malaysia. She was instrumental for the establishment of the Association of Shariah Advisors in Islamic Finance Malaysia (ASAS) and the International Council of Islamic Finance Educators (ICIFE) whereby she was pro-tem committee, Secretary and the Executive Committee for both associations respectively. She was among The Top 50 Most Influential Women in Islamic Finance 2018 and The Top 10 Most Influential Women in Islamic Business and Finance 2019 by Cambridge IFA. Her contribution to Islamic Finance in Maldives was recognized by the Government of Maldives when she was awarded the National-Recognition for Outstanding Contribution of Females to Develop and Sustain Islamic Finance Industry in Maldives in 2018. She graduated with LLB (Honours), LLB (Shariah) (First Class), Master of Comparative Laws (MCL) and PhD in Law. She has co-authored Chapters 5, 7 and 9.

Khairul Fikry Jamaluddin is currently undergoing his pupillage in one of the prestigious law firms in Malaysia; Azmi & Associates under the tutelage of Encik Ahmad Lutfi Abdull Mutalip, the managing partner of the Firm. He graduated from the International Islamic University Malaysia (IIUM) with a LL.B (Hons) in 2017 and LL.BS (Hons) (Shariah) in 2018. Further, he will be graduating with Master in Islamic Banking and Finance in 2020, Master of Islamic Banking & Finance (MIBF). Fikry was consistently received awards as the holder of Dean’s List Awards for several semesters during his Master study. He has co-authored Chapter 7.

Mohammad Ershadul Karim holds a PhD in Nanotechnology Law and Policy (Malaya). He passionately analyses the interplay between law and emerging technologies. He is the Co-Director of Centre for Law and Ethics in Science and Technology, and a Research Fellow at University of Malaya Malaysian Centre of Regulatory Studies, Faculty of Law, University of Malaya, Malaysia (UM). Being an enthusiast techgeek and passionate researcher, Ershadul teaches Research Methodology, Computer Law and Personal Data Protection Law. He is the author of Cyber Law in Bangladesh, Kluwer Law International, 2020 and co-author of Personal Data Protection Law in Asia (second edition), Thomson and Reuters, 2018 and published more than 60 papers in academic journals. Ershadul co-authored ‘Malaysian Blockchain Regulatory Report’, assisted Malaysian Government in developing National Human Rights Action Plan, UAE Ministry
of Justice, Kyoto Comparative Law Center, Canadian International Development Agency (CIDA) and Consumer International, and consulted by some renowned international organisations. He has co-authored Chapter 11.

Salina Kassim is currently working as a Professor and the Dean of the Institute of Islamic Banking and Finance, International Islamic University Malaysia (IIUM). She has a great passion in writing scholarly articles in various areas of Islamic banking and finance. She has published extensively in academic journals with nearly 200 scholarly articles in the areas of her research interests. She has also published several books mainly in the areas of Islamic social finance. In April 2021, she received the National Book Award for the academic book that she authored on ‘Islamic Financial System: Theory and Practice’. In recognition to her dynamic role as a subject matter expert, she has been appointed as member of the editorial boards of many reputable international and local academic journals. At present, she is supervising (and has supervised) nearly 80 post-graduate candidates at the PhD and Masters levels. A frequent award winner in the annual IIUM Quality Day, Dr Salina also received recognitions as Top 100 Most Influential Women in Islamic Business and Finance, awarded by Cambridge IFA in Dubai in 2019 and 2020, and also Distinguished Woman in Management, awarded by Venus International Foundation in 2020. She has co-authored Chapter 15.

Sherin Kunhibava is a Senior Lecturer at the University Malaya Law faculty and is the Program Coordinator for the masters of Commercial Law. Her area of expertise is in commercial law and Islamic finance law. Apart from her 15 years of teaching experience in academia, Dr Sherin has also worked at Pacific Bank Bhd., International Shariah Research Academy (ISRA) and Wisdom Management Consultancy Sdn. Bhd. Her work experience has been in the area of commercial law, Islamic finance and banking. Dr Sherin has also provided training under the LEEP program at University Malaya and for a number of years was the examiner for two external bodies, namely the Malaysian Association of Company Secretaries and the Malaysian Institute of Chartered Secretaries and Administrators. She also sits on the editorial board of the Journal of Malaysian and Comparative Law as a Subject Editor and is the Academic Advisor to the Student Journal of UMLR of the faculty of Law. Currently her area of research focuses on regulatory concerns affecting fintech and blockchain solutions for finance. She has co-authored Chapter 11.

Mohd Johan Lee is currently a high court judge of the Kuala Lumpur high court. He was previously in active legal practice and was the managing partner of J. Lee & Associates, a medium-size awards-winning legal firm in Malaysia. He graduated with LLB (Hons) degree from International Islamic University Malaysia. He also holds a Master of Comparative Laws degree, a post-graduate Diploma in Shariah and Legal Practice both of which from International Islamic University Malaysia, an MA in Economics for Competition Law from King’s Collage London and a PhD in Business and Commercial Law from Monash University Australia. He is an advocate and solicitor of the High Court of Malaya,
High Court of Sabah & Sarawak, the Shariah Court and the Supreme Court of Brunei. He has authored Chapter 14.

Jemilah Mahmood is a Medical Professional with more than two decades experience managing crises in health, disasters and conflict settings. She is currently the Special Advisor to the Prime Minister of Malaysia on Public Health, and began her mandate in April 2020. She is also a member of the Government of Malaysia’s Economic Action Council. Her previous appointments include the Under Secretary General for Partnerships at the International Federation of Red Cross and Red Crescent Societies (IFRC), Chief of the World Humanitarian Summit secretariat at the United Nations, and Chief of the Humanitarian Response Branch at UNFPA. She is the founder of MERCY Malaysia a southern based international humanitarian organization. Dr Mahmood has held many Board positions in NGOs and INGOs and is the recipient of numerous national and international awards for her work. In 2020, she was appointed a Senior Fellow of the Adrienne Arsht-Rockefeller Foundation Resilience Centre. Dr Mahmood graduated as a Doctor of Medicine (MD) has a Masters in Obstetrics & Gynaecology from the same university and is a Fellow of the Royal College of Obstetricians and Gynaecologists United Kingdom. She also completed executive education at the International Management and Development Centre, IMD Lausanne. She has co-authored Chapter 6.

Ziyaad Mahomed is an Associate Dean/Director for INCEIF’s Executive Education & E-Learning. He is also the Chairman of the Shariah Board of HSBC Amanah Malaysia and serves on a number of Shariah boards internationally. He is a multi-award-winning Scholar with almost 20 years of global experience as an executive, consultant and Islamic Scholar in Islamic finance and capital markets. Dr Ziyaad has consulted/trained more than 7,000 Finance Professionals and Islamic Scholars in most disciplines within the Islamic Finance sector in Africa, Europe and the Middle East. He intends to focus on Islamic social finance, Shariah issues & innovation, fintech and Sukuk, amongst other research areas. He has authored Chapter 8.

Magda Ismail Abdel Mohsin is an Associate Professor at International Center for Education in Islamic Finance (INCEIF). She is a subject matter expert of Islamic social finance and has authored numerous books on waqf, zakah, Islamic microfinance, Islamic banking & economics, and more recently on fintech and blockchain. She has consulted on this area globally. Over the years, she has received awards for her contribution and achievement in the field of Islamic economics and finance. She obtained her doctorate in Islamic Civilisation/Islamic Economy from the International Institute of Islamic Thought and Civilization (ISTAC)/the International Islamic University Malaysia (IIUM) in 2003. She has co-authored Chapter 10.

Zakariya Mustapha is a PhD candidate at the Faculty of Law University Malaya. He practices law in Nigeria where he is an advocate and solicitor of Nigeria’s Supreme Court since 2008. In 2010, he joined Faculty of Law Bayero University Kano, Nigeria, as a lecturer where he taught conventional and Islamic banking
and finance law, alongside other Islamic law courses until 2017. He specializes on legal and Shariah issues in Islamic banking and finance and offers legal and Islamic financial advisory services about legal framework, dispute resolution and Shariah-compliant product development in Islamic banking and finance. He has published numerous articles and he has presented research papers in national and international conferences. He holds a LL.B, LL.M, BL with membership of Nigerian Bar Association and Nigerian Institute of Management (Chartered). He has co-authored Chapter 11.

Nor Asila Binti Nazmi is currently a Lecturer at Faculty of Business Management and Professional Studies (FBMP), Management and Science University Malaysia (MSU). She holds a Master of Science in Finance (specialize in Islamic Finance and Banking) from International Islamic University Malaysia (IIUM) and Bachelor in Accountancy from Universiti Teknologi Mara (UiTM). Currently, she is a PhD candidate the IIUM Institute of Islamic Banking and Finance, IIUM. She has co-authored Chapter 5.

Anwar Hasan Abdullah Othman is currently an Assistant Professor at IIUM Institute of Islamic Banking & Finance (IIiBF) and working as Deputy Dean for responsible research and innovation at IIiBF. Previously he was Post-Doctorate Researcher in International Islamic University Malaysia (IIUM). He has Doctor of Philosophy in Business Administration (Finance) from IIUM University-Malaysia, 2015. He is working as Editor for Journal of Islamic Finance, Editor of Turkish Journal of Islamic Economic, and Associate Editor for International Journal of Al-Turath in Islamic Wealth and Finance. He was a Lecturer at Universiti Kebangsaan Malaysia (UKM). He was senior Financial/Accountancy Trainer at Geomatika University College and British Academy Center for Training & Development in Kuala Lumpur. He was lecturer at Lincoln University Collage - Malaysia. Dr Anwar was also working as Finance Manager for International Communication Academy (ICA), Kuala Lumpur- Malaysia. In addition, he was working also as finance manager at AL_Rwaishan Investment & Development Co. Ltd, Sana’a-Yemen. He worked as Auditor & Accountant in many companies in Yemen. He has done many research and publications, focusing more on monetary policy, cryptocurrency industry, micro and macro-economic policy, assets pricing, unit trust funds industry, banking industry and Asian stocks markets. Dr Anwar has membership with many research organizations. He also participated in many local, global conferences and world economic forums on business, economic, finance and social science. Dr Anwar has strong skills in data analysis using different statistical models and software. He has co-authored Chapter 15.

Majid Pireh is currently the Secretary of Shariah Committee of Securities and Exchange Organization (SEO). In 2007, Majid as Islamic finance expert, joined SEO which is the capital market regulator and later on, he was promoted to Islamic finance senior expert in 2013. He has authored Chapter 13.

Abdul Rahim Abdul Rahman is currently the Deputy Vice Chancellor (Academic and International), Universiti Sains Islam Malaysia (USIM). He is a Professor at
Auwal Adam Sa’ad is an Assistant Professor at the IIUM Institute of Islamic Banking and Finance, International Islamic University Malaysia. Dr Auwal has completed LLB_Shari’ah from Islamic University Madinah, Kingdom of Saudi Arabia. He also completed Master of Comparative Laws and Doctor of Philosophy in laws from Ahmad Ibrahim Kulliyyah of Laws, International Islamic University Malaysia. His PhD thesis was on Sukuk regulations. Prior to his appointment at IIUM, he has been a lecturer at the Faculty of Management, University Sains Malaysia. Dr Auwal also works with Ahmad Ibrahim Kulliyyah of Laws as part-time lecturer between 2011 to 2016 respectively. His areas of research are Islamic Commercial Law, Islamic Banking and Finance, Islamic Fintech, Islamic Capital Markets, Blockchain Sukuk, Crypto Currencies, and the use of Artificial Intelligence in Islamic Banking and Finance. He has co-authored Chapter 11.

Silvana Secinaro is Associate professor at the Department of Management at the University of Turin. A chartered accountant, a freelance journalist, author of numerous publications on public and private accounting and crowdfunding. She is the scientific coordinator of the H2020 project and another financed project from local and private firms. He has co-authored Chapter 3.

Randi Swandaru is a PhD student at INCEIF Malaysia. Formerly, he worked as the Head of Zakat Utilization Division at BAZNAS, the National Board of Zakat, the Republic of Indonesia. His responsibilities, amongst others, include the utilization of zakat funds for economic empowerment programs. He earned his Master degree in Islamic Finance and Management at Durham University in 2017. He was also awarded as Obama Foundation Leaders Asia Pacific 2019 and Young Southeast Asian Leaders Initiative Professional Fellows 2020. He has co-authored Chapter 10.

Norhayah Zulkifli is the dean of the Faculty of Business and Accountancy, Universiti Selangor (UNISEL), Malaysia since the beginning of 2019. Previously she was the head of Accounting department in University of Malaya. She obtained her Bachelor’s degree and Masters from Indiana State University, USA, and PhD from University of Glamorgan, Wales, UK. She is the chief editor of Selangor Business Review (SBR), a peer-reviewed journal published by the UNISEL Press. Her research interests include Social and Environmental Accounting, Accounting Education, Corporate Social Disclosure, and Sustainability. He has co-authored Chapter 12.
It is an honor for me to write the foreword to this important book that discusses the post-Covid global finance system with a focus on social responsibility lessons from the Islamic finance industry. The pandemic, which initially began as a health crisis, has not only led to an economic and financial crisis but to a full-blown human crisis. During this unprecedented emergency, our perceptions and conduct regarding socio-economic issues have shifted to attaining socio-economic good through social justice and shared prosperity. Islamic finance is no exception to this. The pandemic has allowed us to rethink and reconsider the direction of Islamic finance as an alternative to the dominant financial system, one that serves humanity with social responsibility. In this regard, I strongly believe that the chapters published in this book have assisted in understanding how Islamic finance ought to be reshaped in the light of the pandemic.

There is no doubt that research and publication play a pivotal role even at a time of unprecedented extremity. In times like this, the focus of research and publications should not only be dedicated to health-related issues; it is equally important to focus on areas of human concern. Therefore, I commend the publisher and the editors of this book for taking the initiative to publish selected quality research papers on pandemic-related Islamic finance subjects. The chapters found in this book shed light on the post-Covid impact on Islamic finance as well as proposing innovative solutions to some of the critical issues faced by it. Therefore, I am confident that this book will play an indispensable role in shaping the post-Covid Islamic financial system.

The economic and social disruptions caused by the pandemic so far have been devastating. The impact it has created on the lives of common people is inconceivable. The social distancing rule is applied today to all human dealings, and the very mode of interactions between humans has been forced to change. Technology adoption and adaption to internet-based human dealings and interactions have become an integral part of our lives. This has resulted in an escalation of the adoption of fintech in commercial transactions. Moreover, the proportion of the world population in poverty has sharply increased. Due to this, social finance is needed more than ever globally, and the importance of collective and social responsibility has been realized.

Today, we have had the opportunity to show the world that Islamic finance is different from conventional finance. The way Islamic financial institutions have dealt with the debt moratoriums without burdening customers who have been subjected to a sudden and sustained loss of income has given hope to the world
that Islamic finance is indeed an alternative to the conventional financial system. Likewise, the pandemic also allowed us to experience the social justice Islam provides via Islamic social finance tools and institutions. When the poor and needy required a helping hand, the commercial finance instruments, and products available in the market were utilized to provide them the financial relief they needed. The Islamic notion of social justice through Islamic social finance institutions and instruments whereby the rich and comfortable give back to the society through shared social responsibility became a solution for those who had no means to ask for a helping hand.

The pandemic has taught us several lessons. One of them is that the world is more than ever in need of moral and ethical financing. Islam’s emphasis on morality and ethics is reflected in Islamic finance. What is required from the stakeholders of the Islamic finance industry is not only to display the moral and ethical aspects of Islamic finance but to let the world know and appreciate them. This could be achieved by redefining Islamic finance in the light of maqasid al-Shariah (objectives of Islamic law) by adopting value-based intermediation in all our dealings. I am pleased to note that the three parts included in this book:

- resilience of the Islamic financial system during the pandemic.
- the pandemic’s transformation of zakat and waqf management practices; and
- case studies of Islamic finance and pandemic innovations

will provide readers, including practitioners, academicians, and students all over the world with comprehensive information on the lessons in social responsibility from Islamic finance while moving towards a post-Covid financial system.

Professor Dr Mohamad Akram Laldin,
Executive Director
The International Shari‘ah Research Academy for Islamic Finance (ISRA),
Kuala Lumpur, Malaysia
In the name of God, the most Gracious, and the most Compassionate.

Alhamdulillah! All praise be to Allah (SW) for giving us the strength to complete this book in the midst of the pandemic.

The editors are grateful for all the contributors of this book for their unabated support and valuable contributions.

The editors also express their deepest appreciation to the following institutions:

- University of New Orleans, USA
- INCEIF (International Centre for Education in Islamic Finance), Malaysia
- Ahlia University, Bahrain

Last, but not least, the editors also acknowledge the guidance and assistance provided by the publisher.