Number 12: October 2007

Prof Dr Hans Dieter Seibel
University of Cologne
seibel@uni-koeln.de

[1]Revised version of a paper presented during a Symposium on Islamic Micro-Finance at the Harvard Law School, April 14, 2007.

ISLAMIC MICROFINANCE THE CHALLENGE OF INSTITUTIONAL DIVERSITY[1]

Abstract

Forays into Islamic microfinance have been few and scattered and of limited outreach. Some have been mandated by the state, but lack popular demand, as in Iran; other have emerged in response to popular demand, but lack regulatory support by the state, as in Syria. This has provided the background for a more systematic study of Islamic microfinance in Indonesia, the largest Muslim country, where several strands of Islamic microfinance, formal and semiformal, have evolved since 1990 in parallel. Islamic banking is now officially recognized as part of a dual banking system in Indonesia. Lacking broad popular demand, experience differs by sub-sector: Only commercial banks have successfully acquired the art of Islamic banking by training young and dynamic people, yet lack experience in microfinance. Islamic rural banks, mostly under absentee ownership, have failed to prove themselves as efficient and dynamic providers of microfinance services. Unsupervised Islamic, like conventional, cooperatives are an outright menace to their members, who risk loosing their savings. There are two options of promoting Islamic microfinance: (1) Assisting Islamic commercial banks to establish units with Islamic microfinance products; (2) reassessing in a participatory process the challenges and realistic opportunities of Islamic rural banks and cooperatives, with a focus on effective internal control, external supervision, and the establishment of associations with apex services to their member institutions.

Discovering Islamic microfinance...

Islamic finance has boomed in recent years; but what has hit the headlines is big money that is moved around along the principles of Islamic law. Since the Grameen Bank in Bangladesh and its founder, Prof. Muhammad Yunus, received the Nobel Peace Prize last year, microcredit and microsavings have been widely discussed as instruments of poverty alleviation and local development. But has anyone heard of Islamic microfinance in this context, the collection of small savings and the provision of small loans based on Shariah? Yes, some references will be found in Google.

...in Sudan

My first encounter with Islamic finance and microcredit, or rather the lack thereof, dates back to 1983 in Sudan while I was doing a feasibility study for a small enterprise project. I found numerous small enterprises, some of remarkable ingenuity in solving their technical problems in a difficult environment, but all facing one core problem: lack of access to credit. Then I visited a bank, to find out whether they did, or why they did not, lend to small entrepreneurs. The bank's hallway was full of tractors, threshers and other machinery. The bank offered two main products. One was *mudarabah*: the bank carefully selected highly profitable large enterprises, invested in them and shared the profit, gaining in some cases up to 80% during the first year. The other one was murabahah: the bank bought machinery and sold it to its customers, to be (re)paid in instalments with a fixed mark-up, not much different from conventional credit. The bank did very well, defaults were negligible; any type of speculative lending would have been against Islamic law. Then there was *qard al-hasan*, a form of charitable microcredit without any profit-sharing or mark-up and the only type of unsecured lending permitted under Shariah. This represented only an insignificant proportion of the bank's portfolio and reached but a small number of clients. My target group, the small entrepreneurs, fell between the categories: too small for mudarabah and murabahah, too big, and too many, for qard al-hasan. To avoid the wrath of my colleagues in Sudan I should add that their banks have changed a lot since 1983.[2]

… in Syria

My next unintended exposure to Islamic microfinance started in 1998 when I was asked to design a credit programme for Jabal al-Hoss, one of the poorest rural areas in Syria. Of all the banks, state-owned, only the agricultural bank could possibly offer such services, but was very short of staff and thus deemed unsuitable to deal with large numbers of small farmers. After extensive discussions with men and women in various villages, we came up with a proposal that contrasted sharply with state-owned conventional banking: establishing locally owned microfinance institutions; linking them, terminologically, to an ancient Arab institution, *sanduq* (pl.: *sandadiq*), a village fund with some resemblance to a *rabobank* or *sparbank* as they would be called in the Netherlands, or a *Raiffeisenkasse* or *Sparkasse* in Germany; initial resource mobilisation through shares acquired by men and women in the village on a voluntary basis; and insistence on Islamic principles, most strongly expressed by the women – demand-driven! The financial product agreed upon was murabahah; for instance, the sanduq would buy 10 sheep and sell them to a member, to be repaid in instalments with a fixed mark-up. At the end of the year the profit made by a sanduq would be shared between the members and the sanduq as a source of growth. Once financial operations were satisfactory, the sanadiq had access to refinancing from a sanduq *markazi*, or central fund. This was initially replenished by UNDP and subsequently by the Japanese Government. As of June 2006 there were 32 village-based sanadiq with 7,360 shareholders, 47% of them women. The sanduq approach to microfinance is of great promise as a model of self-managed development from below and sustainable poverty alleviation. But so far neither the Syrian government nor any donors other than the International Fund for Agricultural Development (IFAD) have made any attempts to disseminate the sanadiq throughout the country, not even throughout Jabal al-Hoss.[3]

… in Iran

Next were studies in Iran, between 2001 and 2004, where Islamic finance is mandatory. Both deposit and lending rates are fixed by the government, below market rates: a practice known among development theorists as *financial repression*. What are the results? Let's have a look at the major government bank dealing with small clients. In 2003-2004 the bank had about 2.5 million borrowers and 16.6 million deposit accounts (including current accounts). 2.7% of loans outstanding and 46% of deposit balances were unremunerated qard al-hasan: a big discrepancy between qard assets and liabilities. The depositors were attracted to the qard accounts by religious motives and by prizes at semi-annual draws, valued at 2% of deposits: very unwisely in economic terms. Inflation imposes a so-called inflation tax, to the benefit of the state. The biggest losers are the depositors. During the mid-1990s when inflation rates were around 50%, depositors lost about half the value of their deposits every single year. In 2003-2004 the inflation rate had dropped to 16%, which means that depositors still lost the equivalent of 14% of the value of their deposits. Accordingly, the state cashed in on what I would call the *usurious inflation* tax – very much in contrast to fairness and brotherhood as principles of Islamic banking. Religious authorities seem unconcerned. But on the lending side, aren't low profit-sharing rates beneficial to farmers, microentrepreneurs and the poor? Unfortunately, experience has shown that they are not. The scarce resources flow disproportionately into the pockets of big borrowers, at the expense of small farmers and microentrepreneurs. It is thus not

[2]Studies are available from *NENARACA@nets.com.jo*, a regional association of agricultural banks (*www.fao.org/ag/ags/agsm/Banks/associat/nenaraca.htm*).

[3]See Omar Imady & H.D. Seibel, Sanduq: *A Microfinance Innovation in Jabal Al Hoss, Syria*. Working Paper 2003-1 in *www.uni-koeln.de/ew-fak/aef/*; Nashwa Abdulkarim, *Rural Community Development Project in Jabal al-Hoss, European Microfinance Week* 2006, *www.microfinance-platform.eu*; *www.microfinancegateway.org/files/38383_file_23.ppt*.

surprising that microfinance institutions and programs are few and insignificant in Iran: a challenge to those in government who are in charge of shariah banking and finance!

Tentative conclusion

Forays into Islamic microfinance have been few and scattered and of limited outreach. Some have been mandated by the state, but lack popular demand; other have emerged in response to popular demand, but lack regulatory support by the state. This has provided the background for a more systematic study of Islamic microfinance in Indonesia, the largest Muslim country, where several strands of Islamic microfinance have recently evolved in parallel.

Origins of Islamic finance in Indonesia[4]

Indonesia is probably the country with the greatest diversity of both conventional and Islamic microfinance, the former evolving over a period of over 100 years, the latter over a period of 15 years. Indonesia possesses one of the most differentiated microfinance infrastructures in the developing world, comprising some 6,000 formal and 48,000 semiformal registered microfinance units serving about 45 million depositors and 32 million borrowers; 800,000 channeling groups; and millions of informal financial institutions and self-help groups. There is hardly an institutional type of microfinance that is not found in Indonesia.

Islamic finance in Indonesia has evolved since around 1990, mainly in response to political demands from Muslim scholars and organisations. The first Islamic cooperatives were established in 1990, followed by rural banks in 1991 and an Islamic commercial bank (ICB) in 1992. In 1998, Bank Indonesia gave official recognition, as part of a new banking act, to the existence of a dual banking system, conventional and Islamic. Until December 2005, this led to the establishment of two additional ICBs and 19 Islamic commercial banking units (ISBU) (out of a total of 138 commercial banks), with a continuing upward trend. The growth pattern of Islamic rural banks has been quite different. After an initial period of growth until 1996 when they reached a total of 71, their number almost stagnated after the Asian financial crisis, reaching 78 by 1998, a mere 84 by 2003 (out of a total of 2134 rural banks) and 92 by Dec. 2005. Rapid expansion of Islamic financial cooperatives started after 1996, as a result of promotion by PINBUK, an NGO, and continued throughout the financial crisis, but stagnated after 1999 at around 3000 and declined to less than 2,900 as of 2003 (out of a total of some 40,000 financial cooperatives).

Table 1: Growth of Islamic banking, 1991-2005.

TYPE OF ISLAMIC BANK	1991	1992	1999	2000	2001	2002	2003	2004	2005
Commercial banks (CB)	0	1	2	2	2	2	2	3	3
CB units	0	0	1	3	3	6	8	15	19
Total CB offices	0	1	40	62	96	127	299	401	504
Rural banks	4	9	78	78	81	83	84	86	92
Total number of banks	*4*	*10*	*81*	*83*	*86*	*91*	*94*	*104*	*114*
Total number of offices	*4*	*10*	*118*	*140*	*177*	*210*	*383*	*487*	*596*

Islamic commercial banks

The market leaders in Islamic finance in Indonesia are the commercial banks. During the reporting period, 1991-2003, they focused on medium- and large-scale finance. As of 2003, they accounted for a mere 0.74% of total assets of the banking sector. However,

[4]Based on field research in Indonesia between May 24 and June 5, 2004, supported by GTZ. For a full report see Working Paper 2006-2, *www.uni-koeln.de/ew-fak/aef.*

during 2001-2003 their share had increased from 0.17% to 0.74% and stood at 2.19% in Dec 2005.

Table 2: Islamic vs. conventional commercial banks, Dec. 2003.

	ISLAMIC	CONVENTIONAL	TOTAL
Date of origin of first bank	1992	1895	
Total number of banks/banking units	10	136	138 + 8 units
Total number of banking offices	255	7,475	7,730
Including BRI units:		11,524	11,779
Total banking assets	0.74%	99.36%	100.0%
Total loans outstanding	1.16%	88.84%	100.0%
Total deposits	0.64%	99.36%	100.0%
Loans-to-deposits ratio (LDR, FDR)	97%	53%	54%
Improvement in NPLR 2000-2003	13.0% to 2.3%	26.8% to 8.2%	26.8% to 8.2%
Return on assets	0.65%	2.1%	2.1%

There is remarkable difference in performance between conventional and Islamic commercial banks. In relative terms,

- the Islamic banks lend more of the funds deposited (97%, compared with 54% of the total commercial banking sector);
- their non-performing loan ratio (NPLR) is persistently lower and has improved faster (from 13.0% in 2000 to 2.3% in 2003) than that of conventional banks (from 26.8% to 8.2%).

Yet, despite the Islamic banks' better performance in terms of portfolio quality, their return on average assets of 0.65% is less than a third of that of the total commercial banking sector at 2.12%. This difference is attributed to the rapid increase in the number of Islamic banking units, which have only recently started to lend.

However, the growth of Islamic finance is mainly due to an expansion of supply, gladly accepted, rather than broad popular demand. When Bank Indonesia, the central bank, commissioned surveys in provinces with an average Muslim population of 97%, it found that only 11% understood products and benefits of Shariah banking. It concluded that,

> *"There is still a gap between needs and knowledge of shariah financial products and services. The gap could delay the success to mobilise potential public fund to investment because of low switching rate from potential demand to real demand. Furthermore, the gap will also make marketing and selling effort for shariah banking products and services more difficult."*[5]

Islamic rural banks (BPRS)

Rural banks (BPR) are part of the formal financial sector, based on the law of October 1988. The initial minimum capital requirement was only USD 29,000. During the 15-year period 1989-2003, the total BPR sector had grown to 2,134, comprising 2,050 conventional BPR and 84 BPR-Shariah (BPRS). After a promising start in the early 1990s, the development of Islamic rural banks has almost come to a standstill. During the six-year period, 1991-1996, the BPRS grew at an overall average of 12 per year. During the two years when the Asian financial crisis hit Indonesia, 1997 and 1998, their growth slowed down to less than four per year. During the following five years, 1999-2003, their net growth almost stagnated, averaging one per year: seven were newly established, two were closed at the beginning of 2004.

Despite the fact that they had only two years less than conventional BPR, they have attained a mere 4% of the number and 1.5% of the assets of the rural banking sector. The average growth rate of the conventional BPR during the 15-year period was 137 institutions per year – compared to only 6.5 BPRS p.a. during a 13-year period.

[5] Bank Indonesia, *The Blueprint of Islamic Banking Development in Indonesia*, Jakarta 2002, p. 10.

Conventional rural banks have thus grown more than twenty times faster than Islamic rural banks per year. Moreover, they are much smaller, and their growth is slower: their average assets amount to only 38% of those of conventional BPR; during 2001-2003, total assets of the BPRS grew (nominally) by 70%, compared with 173% of the total BPR sector.

Table 3: Islamic (BPRS) vs. conventional rural banks (BPR), Dec. 2003

	ISLAMIC		TOTAL
Date of origin of first rural bank	1991	1989	
Total number of rural banks as of Dec. 2003 *Percent of BPR sector*	84 *4%*	2050 *96%*	2134 *100%*
Of these newly established: *Percent:*	83 *6%*	1283 *94%*	1365 *100%*
Av. number of rural banks p.a. since origin	6.5	136.7	
Total rural banking assets	1.5%	98.5%	100%
Size of BPRS in % of average BPR	38%		
Asset growth during 2000-2003	70%	175%	173%
Total loans outstanding	1.5%	98.5%	100.0%
Total deposits	1.2%	98.8%	100.0%
Loans-to-deposits ratio (LDR, FDR)	126%	103%	103%
Total outreach: Rural banking sector Microfinance sector	1.5% 0.14%	98.5% 99.86%	100.0% 100.0%

There are several reasons for the poor performance of Islamic microbanks in Indonesia:

- Governance and management problems: many have been established by absentee owners for moral reasons, with an emphasis on social banking, and are managed by retired conventional bankers, who lack dynamism and Islamic banking expertise – with dire consequences on performance;
- inadequate internal control, mostly by absentee commissioners, and a lack of external auditing, due to small size below the limit where auditing is required
- lack of popular demand for Islamic banking products;
- emphasis on the informal sector, to the neglect of more profitable market segments
- lack of mastery of overly complex Islamic banking practices.

Islamic financial cooperatives

The development of Islamic banking has been paralleled by that of Islamic financial cooperatives. They evolved in several stages. The first Islamic cooperative was established in 1990. After 1995 PINBUK, an NGO, started promoting Islamic cooperatives. There were big jumps in numbers during the crisis years 1997 and 1998, followed by a slowing-down, stagnation and decline.

Table 4: The evolution of Islamic cooperatives

NO.	PHASE	PERIOD	NUMBER OF BMT
1	Initial growth	1990-1995	300
2	Rapid growth promoted by PINBUK	1996 1997 6/1998	700 1501 2470
3	Slowing-down of growth	2000	2,938
4	Stagnation and decline	2001 2003	3,037 2,856

In contrast to the rural banks, there is not much difference between conventional and Islamic financial cooperatives: both suffer from the same regulatory and supervisory neglect. At most one-fifth of Islamic cooperatives is in reasonably good health. The majority are dormant or non-performing; most of the remaining ones exist for the purpose of receiving funds from the government. The Ministry of Cooperatives does not register cooperatives as Islamic or conventional and provides no information on, or special assistance to, Islamic cooperatives. But this is no cause for distress: the first step to cooperative reform in Indonesia, as in many other developing countries, would be closing the Ministry of Cooperatives and eliminating government influence.

Table 5: Islamic vs. conventional cooperatives

	ISLAMIC	CONVENTIONAL	TOTAL
Total number of financial cooperatives *Percent of fin. cooperative sector*	2900 7.2%	37,627 92.8%	40,527 100.0%
Total assets	n.a.	n.a.	n.a.
Total loans outstanding	1.1%	98.9%	100.0%
Total deposits	2.9%	97.1	100.0%
Loans-to-deposits ratio (LDR, FDR)	90%	34%	35%
Non-performing loans ratio (NPLR)	n.a.	n.a.	n.a.
Return on assets	n.a.	n.a.	n.a.
Total outreach: credit accounts	0.7%	99.3%	100.0

In sum, the outreach of Islamic cooperatives is negligible, their overall performance poor:

- There is a lack of regulation, supervision and reliable reporting;
- the large majority of Islamic cooperatives is dormant or technically bankrupt;
- their outreach is negligible, accounting for 7.2% of all financial cooperatives, but less than 1% of borrower outreach of the sector;
- their loan portfolio (much of it overdue) accounts for 1,1% of the financial cooperative sector and 0.19% of the microfinance sector;
- the savings of the depositors are at great risk;
- overall there is little difference in performance between conventional and Islamic cooperatives, the latter having inherited most of their problems from the former;
- no remedy is in sight, except in the framework of a total overhaul of the cooperative system;
- fresh money pumped into the sector without effective regulation and supervision will further aggravate their downfall, as has been historically the case of state-supported cooperative sectors.

Islamic financial products

Islamic financial products are complicated, unfamiliar to most, and poorly understood by many banking staff. Most of the lending is trade financing at a fixed margin (murabahah), which is felt to be little different from conventional banking, except that it requires two contracts by the bank: one with the seller and one with the borrower to whom the bank sells the commodity.

The strength of Islamic finance lies in its conservative character: only real transactions with sufficient collateral, but no speculative investments, are financed. This, however, has substantially reduced financings to start-ups and microentrepreneurs without collateral; a a major section of a potential microfinance market.

Table 6: Financial products of Islamic banks (commercial and rural), in percent, 2000 and 2005.

	2000	2005
Financings:		
Musyarakah	2.6	12.5
Mudarabah	30.5	20.5
Murabahah	62.6	62.3
Istishna	6.0	1.8
Qardh	0.0	0.8
Other	0.8	2.1
Total financings in %	100.0	100.0
Amount in million Rupiah	1,239,423	15,231,942
Deposits:		
Wadiah	21.5	13.1
Mudarabah Savings	32.7	28.0
Mudarabah fixed deposits	45.8	58.8
Total deposits in %	100.0	100.0
Amount in million Rupiah	1,028,923	15,582,329
Financing-to-Deposit Ratio, %	123.5	97.8

Islamic microfinance in Aceh, a special area[6]

Nanggroeh Aceh Darussalam (NAD) is a province with a special status in Indonesia. It has been given autonomy in choosing its own legal framework (*Qanun*) and has introduced Islamic law. In the context of massive international aid after the tsunami and earthquake and a lasting peace accord after 29 years of secessionist unrest, various Indonesian and international agencies, in close cooperation with the reconstruction agency BRR and Bank Indonesia, are now focusing on the reconstruction and reform of the microbanking and cooperative sectors in Aceh.

In microbanking, the emphasis is on restructuring existing privately owned and local government-owned rural banks. In the cooperative sector, a new approach to reform is being taken through Islamic cooperatives and Islamic cooperative rural banks, with a strong emphasis on self-reliance and effective supervision. Of 1,052 government-directed financial cooperatives in the province, registered but not effectively regulated nor supervised, only 3% were found to be performing reasonably well, while 64% were non-performing. In this situation, instead of attempting to reform an ailing conventional cooperative sector, it has been decided to establish new savings and credit cooperatives and to be strict on the legally required minimum share capital as proof of effective ownership. To prevent the failures of the past, GTZ, together with local authorities, PNM and other donors, has adopted a comprehensive financial systems approach:

- In an Islamic province given autonomy in choosing its own legal framework and in direct response to popular demand, it was decided to set up *Baitul Qirad* (BQ), بيت الإقراض , a uniquely Acehnese term for Islamic financial cooperatives;
- simultaneously, a support structure of secondary cooperatives (*BQ Centers*) for effective regulation and supervision of the adherence of the primary cooperatives to cooperative law, Islamic principles and internal by-laws is being established;

[6]Based on various reports to GTZ, 2005 to 2006.

- Islamic cooperative rural banks (BPRS) will be established for liquidity exchange, refinancing and larger financings;
- the establishment of an independent financial authority for cooperative supervision, as well as the establishment of a microfinance apex bank, are under discussion.

Islamic cooperative banking software and packages of staff training are provided by PNM. GTZ's support is focused on 15 BQs and two BQ Center at the east coast (in addition to support to privately owned rural banks), serving as a model for expansion over a province with four million inhabitants, and perhaps in other provinces. There is a vast potential for expansion. However, donor inputs in Aceh are limited in time to post-tsunami emergency aid. There is thus no certainty that a sustainable house of finance (this is the literal meaning of Baitul Qirad) will be built on the foundation that is presently being laid.

Conclusion

Islamic microfinance, lacking broad popular demand and Islamic banking expertise, so far has been more a political than an economic project in Indonesia. Experience differs substantially by sub-sector. Only commercial banks appear to be able of quickly acquiring the art of Islamic banking by training young and dynamic people; but most of the commercial banks lack experience in microfinance as a specialised field. This may change with the recent entry of BRI units and some other banks into Islamic banking. Islamic, unlike conventional, rural banks, have failed to prove themselves as efficient and dynamic providers of microfinance services. Unsupervised Islamic, like conventional, cooperatives are an outright menace to their member-shareholders and depositors, who risk loosing their money.

On the basis of the existing experience with Islamic finance in Indonesia, decision-makers in favor of promoting Islamic financial services are now confronted with two major options, which are not necessarily alternatives:

- Focusing on Islamic commercial banks in Indonesia and assisting them to establish branches and units with Islamic microfinance products, following the lead of BRI;
- re-assessing in a participatory process the challenges and realistic opportunities of Islamic rural banks and cooperatives, with a focus on effective internal control, external supervision, delegated or auxiliary, and the establishment of associations of respective microbanks and cooperatives with apex services to their member institutions.

We recommend to decision-makers in Islamic organisations, government agencies and donor organisations to cautiously examine the following opportunities for the development of a healthy Islamic financial sector in Indonesia:

(1) **COMMERCIAL BANKS**, in setting up branch networks of Islamic MFIs, may learn, with good prospects, from the rich experience of successful microfinance strategies and institutions within Indonesia, particularly the Microbanking Division of Bank Rakyat Indonesia, one of the most successful microfinance programs in the developing world, which has recently started to set up Islamic units.

(2) **ISLAMIC RURAL BANKS** need to be revamped if they are to play a more than marginal role in Indonesia. This will require an overall development plan mutually agreed upon by all stakeholders. Some of the more successful Islamic rural banks may serve as exposure training sites to future managers. Auditing should be mandatory regardless of size.

(3) **ISLAMIC COOPERATIVES** suffer from much the same set of problems as the whole cooperative sector. There is little chance for any intervention to be successful in the short run, except in limited areas (such as Aceh). They need a system of prudential regulation, mandatory auditing, and effective supervision by an appropriate financial authority, which is definitely not the Ministry of Cooperatives and SMEs. They should be fully financed through equity and savings deposits of members; only healthy and well-supervised cooperatives should be permitted to collect deposits from non-members. They need strong associations and federations to provide a full range of support services to their members.

(4) **PERMODALAN NASIONAL MADANI (PNM)** is a government-owned corporation with independent management, carved out of the central bank after the financial crisis of 1997-1998, with the mandate of restructuring and strengthening rural banks and cooperatives serving micro and small enterprises. With a strong focus on Islamic microfinance. It has recapitalised a number of Islamic rural banks and cooperatives; it has also provided Islamic banking software and training to them. PNM is now facing the challenge of fully commercialising its services with national outreach, after the government withdrew its regular budgetary allocations and turned PNM into a profit-making company relying on its own resources. Given its central bank origin, it may be instrumental in promoting mandatory auditing and setting up a financial authority for cooperative supervision. PNM needs financial and institutional strengthening.

(5) **IN THE RECONSTRUCTION OF TSUNAMI-STRICKEN ACEH**, a pilot project of establishing a properly supervised system of Islamic cooperatives, to be backed up by Islamic cooperative rural banks, is being carried out. Donor support will expire in 2009, the official end of the reconstruction period. The reconstruction agency BRR estimates that there is a potential for up to 1000 Baitul Quirad in 335 subdistricts. Support is needed for (i) a self-sustaining structure of continued inputs beyond 2009; (ii) expansion over all subdistricts with economic potential; (iii) action research in support of the process of building a comprehensive and sustainable Islamic cooperative sector in Aceh as a prime example of decentralising regulation and supervision of non-bank microfinance institutions.

If you would like more information on ICMIF and its services to the takaful sector, please contact Sabbir Patel (*sabbir@icmif.org*), or visit *www.takaful.coop*.