



PRESS RELEASE (August 2021)

AFA facilitates sharing on the benefits of Islamic social finance for SMEs

Regional experts recognise ample of opportunities for social finance in ASEAN

JAKARTA, August 4, 2021 – Recognising the importance of supporting SMEs in ASEAN, AFA together with the Malaysian Institute of Accountants (MIA) and *Ikatan Akuntan Indonesia* (IAI) facilitated a discussion on how Islamic social finance can serve as an alternative financing solution for ASEAN SMEs. Experts from Malaysia and Indonesia shared their perspectives on how Islamic social finance can help ASEAN SMEs and insights into successful initiatives introduced in the region such as iTEKAD and Mikrotakaful Jariyah in Malaysia, Bank Wakaf Mikro in Indonesia, and Phillip Bank and KIVA in Cambodia.

With more than 90% of enterprises in Malaysia and Indonesia being SMEs that contribute more than 35% of each country's GDP, the experts emphasised on the importance for stakeholders to pay closer attention to this sector. The pandemic in particular has further highlighted several salient needs of the SMEs, such as the need to accelerate digitalisation of business functions to build business agility, affordable liquidity to recover and rebuild wealth, and relief for those in debt distress.

Moderated by Associate Professor Dr. Mohamed Eskandar Shah Mohammad Rasid, a panel consisted of Mohammad Muazzam Mohamed (Chief Executive Officer, Bank Islam Malaysia Berhad), Muhammad Syarizal Abdul Rahim (Partner and Head of Islamic Financial Services | Assurance, Ernst & Young Malaysia, Associate Professor Dr. Murniati Mukhlisin (Member of the IAI Sharia Accountants Compartment and Rector, Tazkia Islamic University College, Indonesia), and Gunawan Yasni (Member, IAI Sharia Accounting Standards Board) agreed that there are ample of opportunities for social finance, including Islamic social finance in ASEAN. ASEAN stakeholders need to leverage the growing momentum in particularly social impact investing to help ASEAN SMEs and ASEAN's economy in general to rebuild post-pandemic.

"Islamic social finance, itself built on the principles of fairness and justice, can open pathways to stimulate economic activity and promote social welfare and financial inclusion" said AFA Executive Director, Aucky Pratama in his remarks.

The 2-hour webinar was attended by 335 participants.



About AFA (ASEAN Federation of Accountants)

AFA (www.afa-accountants.org) was organised on March 12, 1977, to serve as the umbrella organisation for the recognised national Professional Accountancy Organisations (PAOs) of the Association of Southeast Asian Nations (ASEAN) Member States. Through its ten Primary Members, AFA has a regional network of more than 200,000 accountants in the ASEAN region, supported by a global network of Associate Members with close to 3 million members worldwide. AFA is an accredited Civil Society Organisation of the ASEAN recognised under the ASEAN Charter and an IFAC Network Partner.

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