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# ISLAMIC FINANCIAL **CRIMINOLOGY**

## The Game **CHANGER**



by Nur Hamizah Mohd Radzi  
Research Impact and Ethics Unit  
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## Professor Dr. Normah Omar,

Director of the Accounting Research Institute (ARI HICoE), Universiti Teknologi MARA (UiTM) is the recipient of the Game Changer Award 2016 by the UK online business magazine, Acquisition Finance (ACQ).

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Professor Normah, who has more than 30 years of experience in the research field received the Game Changer Award 2016 due to her efforts of introducing ARI HICoE's research niche in Islamic Financial Criminology as a new knowledge corpus globally.

Islamic Financial Criminology is premised on two generic concepts: Islamic Finance and Financial Criminology. She hopes that Islamic Financial Criminology will supports Malaysia's aspiration to become a global Islamic Finance hub by 2020.





# CIMB ISLAMIC

365 FAST  
BANKING

“When it comes to Islamic Finance, people will relate it to Islamic Banking. Actually, it is more than that. Islamic Finance encompasses other important non-banking sectors such as Waqaf, sukuk, Zakat, Islamic microfinance and Islamic social enterprise”. she said.

Furthermore, one should not just focus on the revenue component of Islamic finance. Equally important is the governance and risk management components of Islamic finance that could assure long term sustainability of the industry,” she added.



To build a sustainable Islamic Finance industry, Islamic Financial Criminology propagates the need to focus on three elements. Researches in Islamic Financial Criminology therefore are premised on these three elements.

# 3 ISLAMIC FINANCIAL CRIMINOLOGY ELEMENTS



## element 1

the need to introduce new Islamic finance products or innovating existing ones

## element 2

the need to enhance governance of the Islamic finance sector

## element 3

the need to mitigate financial leakages – from fraud, corruption, money laundering etc

# ISLAMIC microfinance model

Professor Normah believes that an innovative Islamic microfinance model must link the entrepreneurs to a complete supply chain – both a supplier and a marketer. At the same time, the microfinance entrepreneurs must be adequately trained in financial management, business strategy, risk management, business integrity, governance and productivity.

To date, ARI has helped many microfinance entrepreneurs in Tanjong Karang Selangor, Paka & Kuala Terengganu in Terengganu to propel their businesses to greater height. Many have evolved their businesses from micro to medium levels.





The innovative Islamic microfinance business has been made possible through strategic collaborations between the entrepreneurs, financiers, a hypermarket and ARI. Two exploratory microfinance projects in Selangor are respectively financed by Amanah Ikhtiar Malaysia (AIM) and Pusat Zakat Selangor (under the Asnaf program).

Similarly, in Terengganu, two microfinance locations respectively in Paka and Kuala Terengganu were chosen and financed by the Sultan Mizan Royal Foundation or Yayasan DiRaja Sultan Mizan (YDSM).



# entrepreneurs

Under the innovative Islamic microfinance model, the micro entrepreneurs, who are involved in the Baju Kurung tailoring business work in a group of between fifteen to twenty persons (Sahabat). The group receives financing from the respective financiers. Financing would also include the purchase of sewing machines, cutting machines and provision working premises. Mydin Holding Berhad acts both as a supplier of tailoring materials and a buyer of finished goods (baju kurung).



# Supplier

Mydin Holding Berhad acts both as a supplier of tailoring materials and a buyer of finished goods (baju kurung). As a buyer, Mydin sets a business target of 500 pairs of baju kurung per week. In collaboration with the financiers and Mydin, ARI coordinates various business trainings for the entrepreneurs. Important data such as efficiency and productivity levels; revenue, expenditure and saving patterns, product quality management of entrepreneurs are documented and analysed by ARI postgraduate students.



DILARANG MASUK  
NO ENTRY  
KELUAR  
EXIT

# ARI, UiTM beri nasihat kewangan mikro

Penerima dana AIM diberi panduan jana pendapatan dari rumah

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Kuala Lumpur

INSTITUT Penyelidikan Perakaunan (ARI) dan Fakulti Perakaunan Universiti Teknologi MARA (UiTM), menjalin kerjasama dengan syarikat peruncitan perkemuka Mydin Mohamed Holdings Bhd dan agensi penyediaan kredit mikro Amanah Ikhtiar Malaysia (AIM) dalam usahanya meningkatkan ekonomi masyarakat.

Pengarah ARI, Prof Dr Normah Omar, berkata program kerjasama kewangan mikro berasaskan am bertujuan memberi panduan dan khidmat pengurusan wang kepada penerima dana AIM mengendalikannya perniagaan masing-masing.

Khidmat nasihat itu kata beliau, penting supaya apa yang usahakan dapat dipasar dan silanya boleh digunakan untuk membayar balik dana pinjaman. Yang lebih penting katanya, program itu dapat menjamin kestabilan perniagaan penerima dana untuk tempoh jangka panjang.

Pendekatan ini kata Dr Normah memberi peluang peserta yang diri daripada suri rumah sepenuh masa mengoptimalkan keupayaan mereka menjana pendapatan dari rumah menerusi berbagai aktiviti ekonomi.

"Sebagai permulaan, masing-masing akan memberi tumpuan pada usaha menjahit yang dilaksanakan dengan ker-



Dr Azni, lima dan kini beramah mesra bersama dengan wakil AIM, Mydin, University Merdeka Malang Indonesia dan Universiti Rangsit Thailand...

"Pihak Mydin sudah bersetuju menyediakan bahan asas menjahit pakaian dan semua barangan itu akan diberikan kepada peserta AIM untuk disiapkan mengikut jumlah tempahan dan sedia memasarkannya di semua pasar raya Mydin.

"Kerjasama ini membolehkan penerima dana AIM meneruskan usaha secara bersungguh-sungguh dan mewujudkan peluang pekerjaan kepada lebih ramai suri rumah di sesuatu penempatan," katanya ketika ditemui dalam majlis menandatangani perjanjian persefahaman di antara UiTM, Mydin dan AIM di Kuala Lumpur, baru-baru ini.

Mydin dan AIM diwakili Pengarah Urusannya, Datuk Wira...

**"Kerjasama ini membolehkan penerima dana AIM meneruskan usaha secara bersungguh-sungguh dan mewujudkan peluang pekerjaan kepada lebih ramai suri rumah di sesuatu penempatan"**

Prof Dr Normah Omar, Pengarah ARI

Zabidah Ismail manakala UiTM diwakili Timbalan Naib Canselor Akademik dan Antarabangsa Prof Dr Azni Zain Ahmed.

Pada majlis itu juga UiTM turut menjalin kerjasama pintar dengan dua universiti iaitu Rangsit University Thailand dan University Merdeka Malang, Indonesia.

MoU bersempena Persidangan Kewangan dan Perakaunan Islam Antarabangsa anjuran ARI dan fakulti berkenaan selama dua hari, berlangsung di Kuala Lumpur, baru-baru ini.

Dr Normah berkata, pihaknya akan melaksanakan penyelidikan mengenai program itu bagi memastikan aktiviti berasaskan ekonomi mikro dapat meningkatkan kualiti hidup masyarakat setempat.

Sebagai permulaan berkata, pihaknya akan laksanakan projek rintis me penerima dana AIM Selangor.

Perkhidmatan lain ditawarkan termasuk rundingan dan latihan kepada peserta bagai kan mereka membe wang peribadi dan...

Kedua-dua ka itu perlu diurus berhemah bagi mereka lebih cek kan pendapatan ini lebih baik sentiasa mencari mengembangkannya sekali gus menjad yang lebih kuku.

Through the signing of Memorandum of Understanding, it has been agreed by all parties that the project should "graduate" the entrepreneurs within a period of two years, after which a new group of entrepreneurs would be trained. It is anticipated that this innovative project would be able to enhance the economic wellbeing of the entrepreneurs in the long run. ARI hopes to duplicate the project to all states in Malaysia by the year 2020.



# IMPACT

The success of the microcredit business model is seen by the fact that the quantity of baju kurung produced by the entrepreneurs increased from 100 pairs a week in the first month to 500 pairs a week within a period of three to six months of the project. Personal and business savings of the entrepreneurs have increased and more importantly, their “quality of life” has tremendously improved.

# ARI, UiTM Wins Global Islamic Finance Award for Fourth Consecutive Year

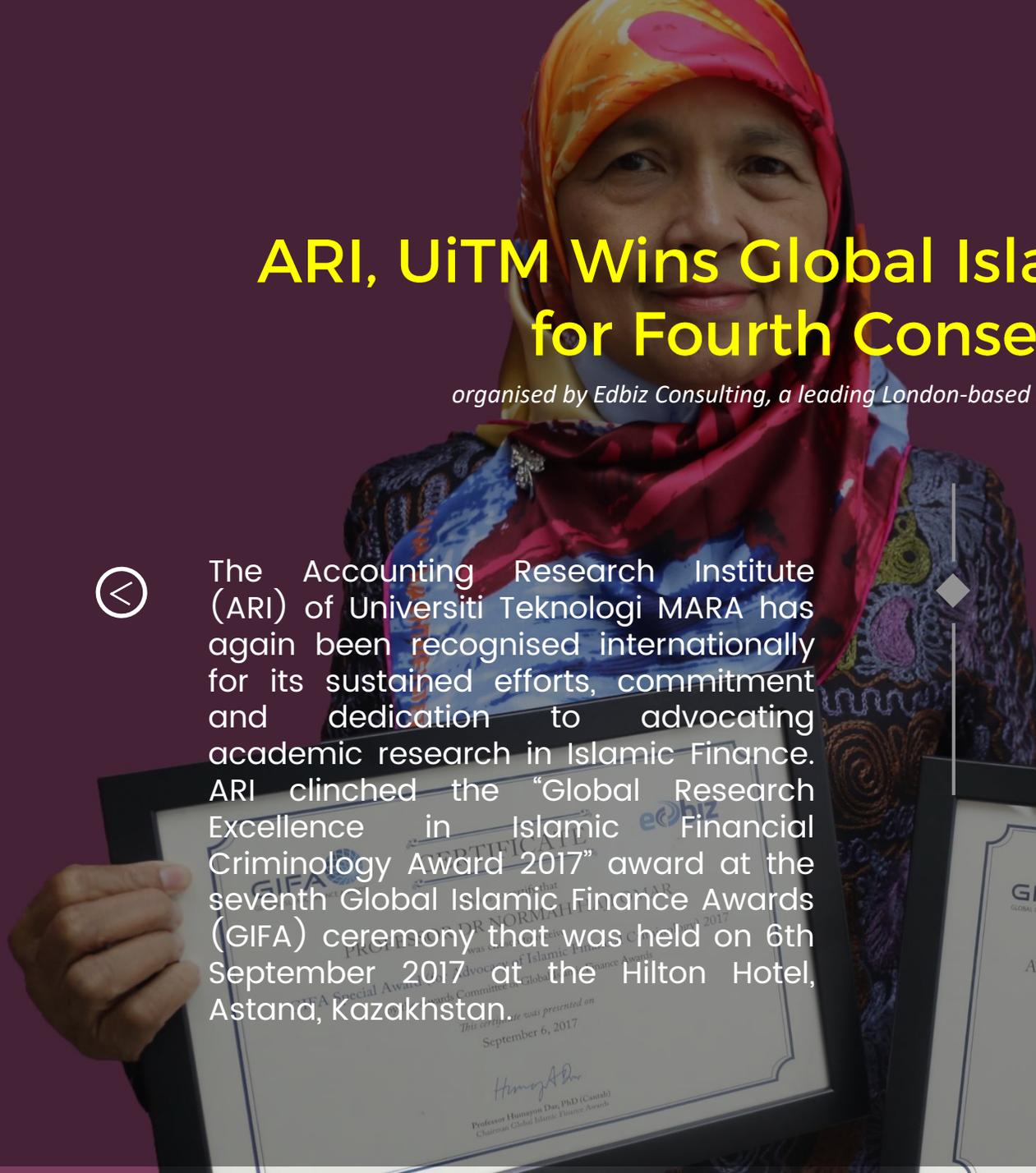
*organised by Edbiz Consulting, a leading London-based Islamic financial consultancy since 2011*



The Accounting Research Institute (ARI) of Universiti Teknologi MARA has again been recognised internationally for its sustained efforts, commitment and dedication to advocating academic research in Islamic Finance. ARI clinched the “Global Research Excellence in Islamic Financial Criminology Award 2017” award at the seventh Global Islamic Finance Awards (GIFA) ceremony that was held on 6th September 2017 at the Hilton Hotel, Astana, Kazakhstan.



ARI Director, Professor Normah was conferred the “Advocacy of Islamic Financial Criminology GIFA Special Award” in recognition of her tireless efforts in advancing research in the area of Islamic Financial Criminology as well as engaging with various organisations to combat financial crime.



It's a distinct honour for ARI HICoE UiTM to receive the GIFA Awards for the fourth consecutive year. UiTM is pleased to be acknowledged with the "Global Research Excellence in Islamic Financial Criminology Award 2017" as well as the "Advocacy of Islamic Financial Criminology GIFA Special Award" which recognises the Director of ARI, Professor Dr Normah Omar, for her extraordinary leadership in spearheading research in Islamic Financial Criminology. This achievement is yet another testimony of ARI's continuous commitment to excellence in the Islamic Financial Criminology Research Agenda."

*Professor Emeritus Dato' Dr Hassan Said, Vice Chancellor, UiTM*





# Accounting Research Institute

*To become a renowned global research centre in Islamic Financial Criminology that optimizes values to society while maximizing our talent potentials*



## **ABOUT US**

The Accounting Research Institute (ARI) was first formed in 2002 as a special interest group, then as a research centre and finally as a research institute in 2005. Effective November 2009, ARI has been recognised by the Ministry of Higher Education as one of the Higher Institutions' Centres of Excellence (HiCoE). ARI focuses its current fundamental research in the niche area of forensic accounting and Islamic Financial Criminology. In addition, ARI also focus in the areas of corporate governance, management accounting, financial reporting, public sector accounting, taxation, auditing and accounting information system.

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