



**Keynote Address**  
**Dato' Seri Dr. Awang Adek Hussin**  
**Chairman, Securities Commission Malaysia**  
**11<sup>th</sup> MFPC Conference on Shariah Wealth Management and**  
**Financial Planning 2024**  
**'Shariah Estate Planning: Preserving Wealth Across Generations'**  
**16 May 2024**

---

**Key Highlights:**

In his Keynote Address, SC Chairman, Dato' Seri Dr. Awang Adek Hussin, commended MFPC on its commitment to promoting excellence and professionalism in the financial planning industry. He emphasised the Islamic wealth management's potential and urged stakeholders to collaborate for a more inclusive and equitable financial system.

Here are highlights from his Keynote Address:

1. The SC urges the industry to embrace the *Maqasid Al-Shariah Guidance* through Shariah pronouncements and transactional practices, for a sustainable, inclusive economy.
2. The SC's MoU with IsDB aims to widen the Islamic financial market ecosystem and enable collaborations in Islamic fintech, Islamic social finance and capacity building.
3. The Islamic assets under management compounded annual growth rate (CAGR) of 8.8% demonstrates that Islamic fund management industry has outpaced the conventional fund management industry since 2014.
4. There are more than 2,000 RFPs certified and registered under the MFPC, and more than 50 fund management companies registered with the SC, managing at least 400 Islamic Collective Investment Schemes (CIS) with AUM of almost RM150 billion.
5. There is a need to enhance financial literacy and awareness also when educating investors about Shariah-compliant investment products and services for broader acceptance of Islamic wealth management.

## **Full Speech:**

Encik Anuar Shuib, Pengerusi MFPC Jawatankuasa Pembangunan Antarabangsa,  
Mr. Phang Kar Yew, Deputy President MFPC  
Chairman MFPC Development Committee  
Council Members  
Ladies and gentlemen,

Assalamualaikum warramatullahi wabarakatuh dan salam sejahtera,

## **Introduction**

1. Firstly, I would like to thank the Malaysian Financial Planning Council (MFPC) for inviting me to deliver the keynote address at the 11th MFPC conference. Congratulations to MFPC on your 20th anniversary. This milestone is important as it signifies MFPC's consistent and unwavering commitment to promoting excellence and professionalism in the financial planning industry.
2. Since its inception in 2004, MFPC has played a pivotal role in elevating the standards of financial planning in the country and promoting capital market literacy. Through its various initiatives and programmes such as the Shariah Registered Financial Planner, Shariah RFP Capstone Programme and the Financial Adviser's Representative Programme, MFPC has provided financial planning industry professionals with the necessary knowledge and skills. These become handy in order to navigate the complexities of the ever-evolving financial landscape.
3. Over the past two decades, MFPC has also won prestigious awards for its achievements from renowned bodies, such as the Best Islamic Finance Qualification and Best Islamic Wealth Management Qualification by Global Islamic Finance Awards (GIFA), and the Honourable Commendation in the UNESCO Wen Hui Award for Educational Innovation.
4. I must also acknowledge MFPC's dedication to upholding strict Best Practice Standards and a robust Code of Ethics for Registered Financial Planners (RFP) and Shariah RFPs. This dedication is evident through its certification and continuous education programmes, to uplift financial planning standards, instilling trust and credibility in the financial planning profession.

Ladies and gentlemen,

5. The Malaysian economy remained resilient in 2023, supported by strong domestic private sector activity despite challenging global trade conditions. Our economy is projected to record a moderate growth of 4-5% in 2024, driven by firm consumer and investment spending and an expected recovery in external trade. We anticipate that this will attract more foreign flows and investors into the domestic capital market, giving financial planners the opportunity to expand its client base and help existing clients grow their wealth.
6. It is against this backdrop, I wish to share verse 47 of Surah Yusoff in our holy Al Quran, which says:

**“You will plant for seven years consecutively; and what you harvest leave in its bountiful spikes, except a little from which you will eat.”**

7. This verse is a lesson for all of us in financial management. It highlights the importance of planning for both times of abundance and scarcity, and saving during prosperous periods to prepare for difficult times ahead.
8. The theme of today's forum, '**Shariah Estate Planning: Preserving Wealth Across Generations**', is relevant to the objective of Shariah or *maqasid al-Shariah*, which entails not only preservation of wealth, but also the growth and just circulation of wealth.
9. As we forge ahead, it is essential for the Islamic finance community to transition towards an economic model that serves real-world needs, ensuring prosperity for future generations. The recently launched SC's *Maqasid al-Shariah Guidance for the Islamic Capital Market*, which outlines 6 Aspirations and 15 Principles, can be a useful guide in this transition.
10. Principle 13 and 14 of the *Guidance*, for instance, introduce a holistic approach to wealth, emphasising equitable circulation and the maximization of distribution through social finance. For instance, Islamic funds can offer diverse investment strategies to cater to various risk appetites. Additionally, innovative products incorporating waqf elements can be introduced, directing returns towards community projects such as education and

healthcare. This inclusive approach not only benefits individuals but also enriches society at large, fostering prosperity for the broader community.

11. We strongly encourage industry to adopt this Guidance through Shariah pronouncements and transactional practices, which can help in propelling us towards a sustainable, inclusive economy that benefits the entire society.

### **Malaysia as a Global Islamic Wealth Management Hub**

Ladies and gentlemen,

12. Malaysia, given its strategic location in the heart of Asia, is a gateway to the global Islamic finance market. Our proactive approach to promoting Islamic finance, coupled with its strategic alliances and partnerships with other Islamic finance hubs, further enhances its status as a global Islamic wealth management hub. The SC recently signed a landmark MoU with the Islamic Development Bank (IsDB) in Riyadh. It paved the way for synergistic collaborations in areas such as Islamic fintech, Islamic social finance and capacity building. The MoU is an example of our continuous effort to widen the depth and breadth of the Islamic financial market ecosystem.
13. As an important part of this Islamic finance ecosystem, Malaysia's Islamic capital market (ICM) has proven to be one of the key pillars and enablers for Islamic wealth management. The ICM has witnessed steady growth in recent years, reflecting a robust expansion of 4.5% year-on-year. In 2023, total sukuk outstanding has reached RM1.27 trillion while Shariah-compliant equities accounted for RM1.16 trillion in market capitalisation in 2023.
14. In the Islamic fund management sector, we saw commendable growth in Islamic assets under management (AUM), which reached RM226 billion in 2023. This constituted 22.7% of the total industry AUM. Furthermore, the Compounded Annual Growth Rate (CAGR) of 8.8% demonstrates that the growth of Islamic fund management industry has outpaced the conventional fund management industry since 2014<sup>1</sup>. The number of fund

---

<sup>1</sup> AUM 10 Year-CAGR – Islamic: 8.8%, Conventional: 4.3%. Source: SC internal data, comparison between 2014 and 2023 data

management companies offering Shariah-compliant funds has also increased from 53 in 2018 to 59 in December 2023.

15. That success is underpinned by an ecosystem characterised by strong intermediation and innovative product offerings. The country's robust infrastructure, including Islamic banks, takaful companies and Shariah-compliant investment funds, provide investors with diverse investment opportunities and options, tailored to their financial needs and preferences.
16. Alongside the ICM, the Islamic banking and takaful industries continued to grow in 2023 with the Islamic banking industry's share of total financing in the financial system increased from 44.5% in 2022 to 45.6% in 2023, whilst the takaful industry's share of total net contribution increased from 23% in 2022 to 23.4% in 2023<sup>2</sup>.
17. In promoting the growth of Islamic wealth management in Malaysia, the Securities Commission Malaysia has spearheaded efforts to strengthen the regulatory framework and facilitate innovation. This includes the Islamic Wealth Management Blueprint in 2017, which outlines three strategic thrusts, namely, strengthening Malaysia's position as a global hub for Islamic funds, establishing the country as a regional centre for Shariah-compliant sustainable and responsible investment (SRI), and developing it as an international provider of Islamic wealth management services.
18. As a result, the Blueprint has led to the introduction of frameworks and regulatory efforts to support innovation and further strengthen the market infrastructure for Islamic wealth management. This includes the revision of key frameworks and guidelines such as the SRI Sukuk Framework (2019), the Shariah Adviser's Guideline (2020) and the Guidelines on Islamic Fund Management. Consequently, these efforts have broadened the scope and sophistication of Shariah-compliant investment products and services available in the market, significantly.
19. Additionally, in our efforts to promote the greater value proposition aligned to the tenets of *Maqasid al-Shariah*, the SC also introduced the Waqf-Featured Fund Framework in 2020. Under the Framework, returns from the investment can be channelled back to

---

<sup>2</sup> Based on BNM statement during BNM AR 2023 press conference. Link: <https://www.thestar.com.my/business/business-news/2024/03/20/bank-negara-priorities-to-build-strong-islamic-finance-ecosystem-in-2024-to-support-malaysian039s-economic-transformation>

charity in the form of cash waqf in various focus sectors including health, community empowerment, and education. In 2022, the framework was further expanded to include Islamic Real Estate Investment Trusts (REITs) and Islamic exchange traded funds (ETFs).

## **Advancing the Islamic Wealth Management Sector in Malaysia**

Ladies and gentlemen,

20. Moving forward, the Islamic wealth management industry is poised to continue to evolve in response to changing market needs and emerging trends. In order to remain competitive and relevant in today's environment, the industry must embrace innovation while adhering to highest standards in corporate governance and professionalism, guided by Islamic values such as good ethics, transparency and accountability.
21. Moreover, practitioners of Islamic wealth management can harness the power of technology to optimise their services. By embracing digital solutions, practitioners can stay ahead of the curve and deliver greater value to their clients. For instance, mobile apps and online portals developed by fintech firms can provide clients with convenient access to their investment portfolios, real-time market insights, and personalised financial advice.
22. Talent development is key for the industry's long-term growth. This entails attracting and retaining talent, providing continuous education and training, and instilling ethical conduct among industry professionals. To date, we have more than 2,000 RFPs certified and registered under the MFPC<sup>3</sup>, and more than 50 fund management companies registered with the SC, managing at least 400 Islamic Collective Investment Schemes (CIS) with AUM of almost RM150 billion<sup>4</sup>.

Ladies and gentlemen,

23. Equally important is the need to enhance financial literacy and awareness. Many investors, especially retail investors, may lack a full understanding of the principles and benefits of

---

<sup>3</sup> Data on MFPC website as at 2021, <https://www.mfpc.org.my/join-us/individual-members/>

<sup>4</sup> SC data as at Dec 2023.

Islamic finance. Educating investors about Shariah-compliant investment products and services is essential for broader adoption and acceptance of Islamic wealth management.

### **Closing**

Ladies and Gentlemen,

24. Islamic wealth management holds immense potential to impact communities in a positive way. However, realising this potential requires collaboration and cooperation between regulators, industry players, and other stakeholders. Together, we can unlock the full potential of Islamic wealth management for a more inclusive and equitable financial system for the benefit of all.
  
25. Once again, I would like to commend MFPC for its dedication to advancing the financial planning profession and promoting excellence in the industry. I wish everyone a productive and fruitful conference ahead.

Thank you.