

Islamic Finance news talks to leading players in the industry



Name: Zainal Izlan Zainal Abidin
Position: CEO
Company: i-VCAP Management
Based: Malaysia
Age: 42
Nationality: Malaysian

Asia. As it is, there are not that many Shariah ETFs in the world. And we are also proud that MyETF is currently the largest ETF in the world, with an asset value of about US\$140 million. We also received honorable mention in the Islamic Finance *news* Deals of the Year for 2008 Awards the Equity Deal of the Year and the Malaysia Deal of the Year.

Could you provide a brief journey of how you arrived where you are today?

I obtained a Bachelor of Science in Economics degree, majoring in accounting and finance, from the Wharton School of the University of Pennsylvania, US. I began my career with Citibank Malaysia, where I was in the risk management department of the institutional banking division for about three years.

In 1994, I was seconded to Schroder Investment Management in London to be part of the team managing Southeast Asian equity portfolios for Schroder's North American and European clients. I returned to Kuala Lumpur two years later and managed portfolios on behalf of Malaysian institutional clients. My last posting was as CEO of MIDF Amanah SSCM Asset Management before joining i-VCAP in December 2007.

What does your role involve?

In a nutshell, it is basically the management of the company. My role was to set up the office for a new organization. Since we are a fund management company, there are a number of guidelines and regulations that we need to adhere to. At the same time we were also entrusted with the launch of the first national exchange-traded fund (ETF).

Moving forward, the role would be to grow the business, which essentially means to have more funds and a larger asset size under our management. My role is also to ensure that the company achieves its performance objectives and the investment objectives of our clients.

What is your greatest achievement to date?

I would have to say it is creating history with the launch of the national Shariah ETF within fairly a short period. It was only a matter of months from the first meeting of the working group to the launch of the product. This is a considerably high profile project that was mooted by the prime minister while the second finance minister headed the steering committee. As a lot of work was put into it within a short timeline, I would consider that as the greatest achievement.

Which of your products/services deliver the best results?

The national Shariah ETF, the MyETF Dow Jones Islamic Market Malaysia Titans 25 (MyETF) is the first Shariah ETF to be launched in

What are the strengths of your business?

I believe our main strength is our sole focus on Shariah compliant business objectives. We will only launch and manage Shariah compliant products. Secondly, it is our competent and highly committed personnel. As I have mentioned, we are a relatively new company established only in October 2007. We have since come a long way in terms of putting in place the infrastructure and the policies. All this was only possible due to the commitment and ability of our staff.

What are the factors contributing to the success of your company?

At this stage I am hesitant to say that we have achieved success, as we are only about a year old. But I believe that the same strengths of the business that I mentioned earlier would be contributing factors to the future success of the company. The ability of the company to offer a range of Shariah compliant investment products and services that fulfill the demand and requirements of the target investors will be another factor that should contribute to the future success of the company.

What are the obstacles faced in running your business today?

One of the obstacles we face, similar to that of other new companies, is in setting up the infrastructure, which to a large extent we have already overcome. As a fund management company moving forward, the challenge is really to convince investors that we are a firm that should be considered.

The other obstacle would be managing the growing competition from this particular segment of the market. We do need to compete with other fund management firms, both new and established.

Where do you see the Islamic finance industry in, say, the next five years?

I think it goes without saying that it would be a lot bigger than what it is at present. As I have been mostly involved in the fund management part of the finance industry, I shall limit my comments to that segment of the market only. I think there will be a wider range of Shariah compliant products with more innovations that would be introduced in the next five years.

Name one thing you would like to see change in the world of Islamic finance.

This may sound cliché, but I would like to see greater harmonization in Shariah interpretation. As you know, there are a few areas where Shariah scholars do not share similar views on whether certain aspects or certain features are deemed Shariah compliant. I would definitely like to see greater harmonization so as to facilitate the growth of the Islamic finance industry globally rather than segmented growth in line with the separate interpretations.⁽²⁾