



# Islamic finance should be interesting to non-Muslims



**Kurt Lieberman** is the CEO of Magni Global Asset Management. He can be contacted at [kliberman@magniglobal.com](mailto:kliberman@magniglobal.com).

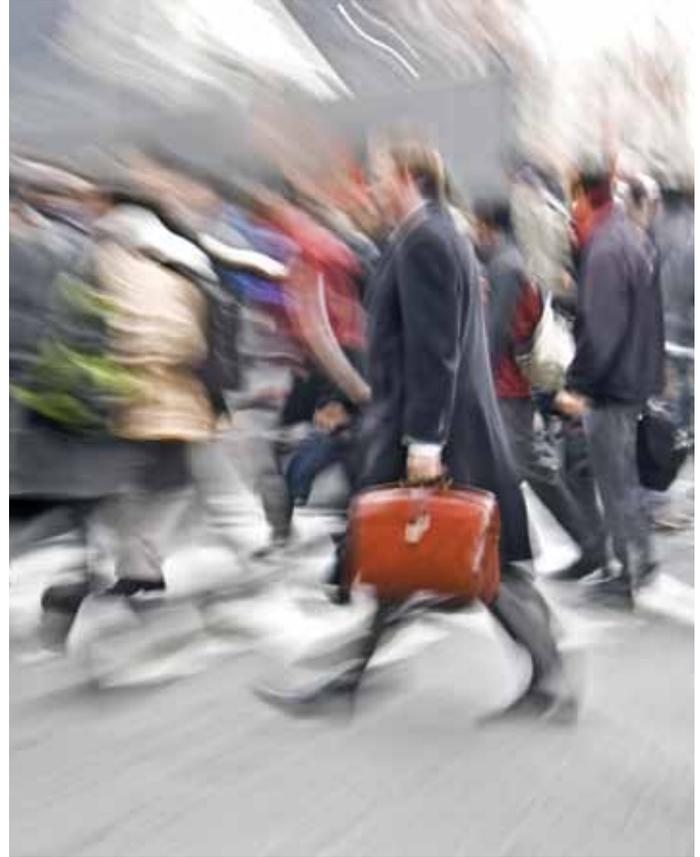
When I was asked to contribute to the 15<sup>th</sup> anniversary edition of IFN, I was deeply honored. In the monthly columns I have written, I have expressed my passion for the importance of good governance, as well as what I believe is needed to make the world a better place. Choosing a topic for this important milestone issue required some deliberation. Ultimately, I came back to what I hope you will see as a unique and different perspective on Islamic finance and the IFN anniversary.

A some of you may know, I am not a Muslim. I was raised a Unitarian. This religion is a very small one. However, some famous people were Unitarians. For example, Thomas Jefferson, the third president of the US and author of the Declaration of Independence, was a Unitarian. A core Unitarian belief is that understanding other faiths makes our own faith, regardless of an individual's faith, stronger. As an adolescent, I studied the major religions of the world. Unfortunately, Islam was not given adequate time. I grew up knowing very little about the religion.

Around the time that IFN was launched, I was helping my employer at the time explore the potential for a company to introduce an online tool to help with Islamic legal research. It was my first real exposure to Islam. I found it interesting, yet I looked at the opportunity from a western perspective – seeing the things that Muslims can't or shouldn't do. Muslims don't eat pork or consume alcohol. Muslims should neither pay nor receive interest. Candidly, it felt limiting. I say that sheepishly as I now have a different and much deeper understanding.

About five years ago, my company began addressing the market for Islamic finance products. Along the way, I made wonderful friends whom I treasure dearly. I learned from Shariah scholars and other very learned people the whole of Islam; of the heartfelt commitment to hospitality in both Islam and in the culture of countries with large Muslim populations. This had a great impact on me and my personal beliefs.

Now I would like to help you see Islam through my eyes. What I previously viewed as limitations is really guidance for better ways to do things. Instead of Riba, transactions should be based on shared risk and return. The transactions should be in the real economy. Further, transactions should not involve Gharar where one of the parties unfairly withholds knowledge, thereby increasing unnecessary risk or uncertainty. Similar concepts exist in other religions; however, Islam has the clearest and broadest



guidance on these topics. Anyone who looks back at the Great Financial Crisis should understand the value and importance of shared risk and fairness. The Maqasid provides beautiful guidance for what we should be striving to achieve.

Western finance now seeks to incorporate values into transactions. These efforts go by many names, including responsible investing, sustainable investing, environmental, social and corporate governance and impact investing. By contrast, Islam has always required that these values be integrated from the start.

Over the last 15 years, Islamic finance has grown tremendously. Along the way, IFN was launched and became very successful. This participant in the world of Islamic finance and culture is glad he has been and will continue to be part of the ride. I am a better person for the experience. As part of my duty of care, I try to help non-Muslims understand Islam. I am grateful for my many friends and look forward to continuing to help. Inshallah. ☺



***Very best wishes to you all. A great achievement. The promoters behind the Maqasid Al Shariah all those centuries ago would be very proud of all those at IFN past and present who made this possible.***

*Tim Travers, Consultant, Travers Consulting*

