

A Review of Forward, Futures, and Options From The Shariah Perspective. “From Complexity to Simplicity”¹.

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Abstract³

Forwards, Futures and Options are instruments that are widely used for hedging and speculating. The currently practices of futures and options derivatives are not in accordance to the shariah laws. Futures and Options are derivatives, which values derive from other financial products. On the other hand, options are yet too speculative, which involve gharar and maisir, which are not in accordance to the shariah laws. Forward and futures which are compliant to shariah law has been suggested with stringent shariah rules and regulations but still it creates confusions amongst scholars in finance industry due to its complexity and speculative nature. Attempt should be made to alter these derivatives from complexity to simplicity. Thus, this paper is an attempt to review and

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to simplify these derivatives from the shariah perspectives in order to materialized the practices of these derivatives from the Islamic perspectives. The study concluded that the use of Gold dinar would simplify the practices of these derivatives because in gold dinar economy the need for hedging and speculation is minimized mainly due to the reason of stable market prices.

Introduction

Islamic Finance has been emerging from the 70s and developed in accordance to the shariah laws to facilitate the needs of the Muslims governments, businesses, individuals in fulfilling their needs such as acquiring shelters, education and financing business to satisfying wants. The Islamic banking is getting recognition world-wide with institutions operating under the close supervision of the shariah advisors with varieties of products mostly duplicated from the conventional banks.

The Islamic financial market is also developed with the introduction of shariah compliance stocks and index as a basis of platform for Muslims to enter into the stock market and would not have to worry on the permissibility of the return. Despite the rapid growth of the Islamic banking and Islamic stock market, the derivatives markets seems gloomy because the complexity of the instruments itself shoving Muslim scholars away from it. Not only the Muslim scholars are having this problem but also CEO's, business individuals, financial managers and individuals that are closely involved in making financial decisions or "derivatiphobia" (Edwardes, 1997). Lacking of information on

derivatives, its speculative and complexity nature, and cost pricing are some of the reasons that hinder Muslims from using the instruments for hedging purposes.

In this paper we will highlight forward and two types of derivatives for review, which are future and options. Forward contract is an agreement where the buyer agrees to buy from the seller an underlying asset for a fixed price during a future period of time. Conventional future is a *commitment* to deliver a certain amount of some specified item at some specified date in the future.

The transaction will not be completed until some agreed-upon date in the future and the delivery date and quantity are all set when the future is created. The seller has a legal obligation to make delivery on specified date and the buyer is obliged to take delivery on specified date and make payments. In contrast to futures, options by definition is the right to buy or sell a certain amount of an underlying financial asset at a specified price for a given period of time.

Forward and derivatives could be used to hedge from financial losses due to transaction, currency and accounting exposures. For example a forward contract could reduce the risk of foreign currency fluctuations when entering into export or import agreement by locking the exchange rate at a future date.

The cost of imported products or the proceeds of exported products are certain even though the exchange rate fluctuates. Options could also become hedging instruments but it is more complex than forward and futures.

This paper would attempt to review the forward, futures and options instruments according to Islamic perspectives with no intention of issuing decrees as this role of ijtihad should be left to the Islamic scholars or ulama'.

Literature Review

Derivatives from Islamic perspective is an issue which many scholars have different opinions on its permissibility with different reasoning for approving and prohibiting such contracts. An extensive review was done by Obiyatullah Ismath Bacha in 1999 regarding the evolution of modern financial derivatives, the financial instruments from shariah perspective point of view, some of the Islamic instruments that are similar to derivatives and the objection of Islamic scholars regarding derivatives that might need some rethinking and evaluation (Obiyatullah, 1999). He explained the instruments in details by laying out critical issues on why the Islamic communities need these instruments in the market place as well as highlighting several consequences that would affect the Islamic business if these instruments are ignored.

In contrast, Mohammed Obaidullah (1999) has laid out that future and options are prohibited with emphasis on the definition of sarf from two different points of views. The first view stated that only gold and silver would be governed in the rules of bai as-sarf

while the fiat or paper currencies do not fall into bai-sarf category. He cited Ibnu Taymiyah definition of sarf, as gold and silver that could perform as a medium of exchange and the fiat money is not considered as sarf or currency. Therefore selling and buying fiat money with other fiat money with deferred delivery if the currencies are not made of gold and silver is acceptable because fiat money is not categorized as sarf.

The latter view states that fiat or paper currencies fall into bai as-sarf category therefore deferring delivery is riba as stated by a hadith that the sale of sarf of different types must be hand-to-hand or immediate (Obaidullah, 1999). This is also supported by the decree issued by the OIC Fiqh academy regarding bai-as-sarf. Another prominent Islamic scholar, Monzer Kahf also prohibits the sale of currency with deferred delivery based on the same hadith.

An urge to reconsider derivatives to be accepted in the light for the maslahah of ummah was evidenced from the work of Ali Salehabadi and Mohamad Aram especially for the Iranian export of oil and commodities (Salehabadi and Mohamad Aram, 2002). All scholars discussing the extensive details of the permissibility and prohibition of derivatives analyze the instruments based in the current capitalist monetary system, which uses the fiat money as currency.

None of the scholars discuss the instruments viability and applications of the Dinar and Dirham except for Mohammed Obaidullah who touches on the differing opinions of the categorical of fiat or paper currencies as al-sarf as laid out in the hadith when he stressed

on the existence of riba in currency forward, future and options (Mohammed Obaidullah, 2001).

If we revisit the derivative instruments in the light of the bimetallic currencies, consensus there is likely to be more agreement among scholars on the rulings. Application of bimetallic currencies will eliminate deviation of interpretation of sarf and rules regarding sarf itself. This is because the regulation of sarf is clearly stated in Al-Quran and hadith.

This is in accordance with Islam where the source of jurisprudence are the Al-Quran and hadith. Therefore, the implementation of gold dinar would probably be the catalyst for the reformation of the complexity of derivatives to the simplicity of derivatives. The next section will touch upon the instruments evolution from complexity to simplicity with the usage of gold dinar as currency.

The Establishment of Dinar Economy

A decree was issued in Granada by Umar Ibrahim Vadillo stating that uses of fiat money is injustice provoking the Muslim community to reevaluate the existing financial system in upholding the Syariah economy. Furthermore he mentioned that the Islamic banking is fraudulent since the Islamic banking fraternity uses the fiat money duplicating the conventional system (1991,2002).

However the majority Islamic scholars or ulama approve the usages of fiat money or paper money therefore his decree did not get as many attentions from the Muslims. However, the 1997 Asian financial crisis has open a new spectrum of rethinking on the

existing monetary system in order to find a stable and justice monetary system. The revisit of gold Dinar has come into picture and attracted many attentions of economists, politicians, business leader and the former Malaysian Prime Minister Mahathir Mohamed. He urged the OIC countries to adapt the gold Dinar mechanism as the international trade payment settlement before giving way to Abdullah Badawi.

The idea was supported by academicians and practitioners from all around the world including Ahmad Kamel Meera Mydin (2002,2004) who also urges the OIC countries to start using gold Dinar for International trade settlement. In this mechanism, the participation of central banks and commercial banks are vital using the letter of credit as its vehicles. This mechanism is not intended to replace the usage of the domestic currency for local transactions because it will be used only for international trade settlement.

However, scholars also were rethinking to look at the Gold Standard system as one of the alternative. In promoting the interest free economy, Tarek el-Diwany introduces the 100 percent gold backed banking system and explain on how the existing financial system could be transformed into an interest free economy (Tarek el-Diwany, 2002). Hifzur Rab (1995/1998) has shown that use of fiat money causes massive exploitation of the have nots and its use as unit of account generates massive fraud. He has discussed problems it creates and suggested some solutions (2002). Masudul Alam Chowdhury promotes that a monetary system Riba-free economy is to be a market driven and least policy-imposed phenomena of money-real economy transformation. He stressed out that money must be

fully utilized and not being kept by the commercial banks as reserve and must be returned to the central bank if not being used in the real economy (Masudul Alam Chowdhury, 1997).

This could reduce the multiple credit creation process goes back to the Central Bank it forms a 100 per cent reserve requirement and a zero excess reserve with the Commercial banks. The Central Bank will back up the residual amount that forms its 100 per cent reserve with gold/silver/other assets of long-term stable value as the numeraire choice. In this case, the central bank only need a small amount of gold to back up its residual amount that gets into 100 percent reserve requirement (Masudul Alam Chowdhury, 1997). In addition, it was pointed out by the researcher that consumers spending have a negative relationship with the amount of gold needed for backing up the monetary system.

Later on Mohamed Nor Yakcop, presented a paper on the mechanism of gold dinar which was an extension to the BPA into Multilateral Payment arrangement which involves more than two countries. (Mohamed Nor Yakcop, 2002). The MPA would resolve the problems of scarcity of gold because only a little amount of needed to be set-off for a big volume of transactions. This mechanism seems viable but it needs the will power of the OIC countries to implement the system.

Even though with the usage of gold Dinar in international trade could reduce speculative menace but it would not eliminate the speculative activities entirely since the price of

gold or currencies will fluctuate and therefore it will be open to such activities. However, the speculation activities could be reduced to its minimum level (Nuradli Mohd Dali, Abu Bakar Mohd Yusof, Norhayati Mat Husin, 2002). Consequent papers supporting Dinar stressed that the implementation of gold Dinar could be the platform of Islamic unity (Umar Azmon, 2003 & Abdelhamid Evans 2003).

The fiat money is also associated with seignorage as pointed out by Jaafar Ahmad which could reduce its purchasing power parity especially for developing countries in the OIC (Jaafar Ahmad, 2003) Comparison between the electronic payment system (E-Dinar) and the bilateral payment arrangement system were analyzed by Nuradli, Hanifah and Bakhtiar (2003,2004) to find out the most viable system that should be implemented and its market segmentation. The electronic payment system such as E-dinar is targeted for small businesses and individual whereas the BPA system is target to the exporters and importers and thus it will have impacts to domestic economies and balance of payment. It has been pointed out that the BPA system is more viable as compare to the electronic payment system due to the volume of trade that will involve and the amount of cooperation among the OIC countries that will involve in the implementation (Nuradli Mohd Dali, Hanifah Abdul Hamid, Bakhtiar AlRazi 2003, 2004).

Research was also conducted on the MSC companies to see whether the companies are willing to use the gold Dinar as payment settlement and more than 40 percent of the respondents interviewed agreed to use gold Dinar since it could reduce the exchange rate risk. (Nuradli Mohd Dali, Hanifah Abdul Hamid, Azwari Kamaruddin 2003).

Furthermore it could promote the economic social order and protect the consumers in consumerism with focus on reduction of debts, reducing the gaps between the have and the have not, and elimination of interest from mudharabah and musyarakah financing (Nuradli Mohd Dali and Norhayati Mat Husin 2004 a & b).

Theoretical paper using the flexible model with the usage of gold Dinar seeing the impacts of gold dinar in a full swing dinar economy making the monetary policy seems impotent. (Nuradli Mohd Dali, Fidlizan Muhammad & Mohd Firdaus Azizan 2004). The economy could not use the domestic monetary expansion policy unless new gold has been discovered or gold currency is being transferred from other countries through trading.

However, a previous paper on the same model was also developed by Nuradli Mohd Dali and Abdul Ghaffar Ismail using the Dinar system partially or side by side with the existing fiat money. It was noted that using this model the currency depreciation is lesser than the flexible model in the event of a domestic monetary expansion (Nuradli Mohd Dali & Abdul Ghaffar Ismail 2004).

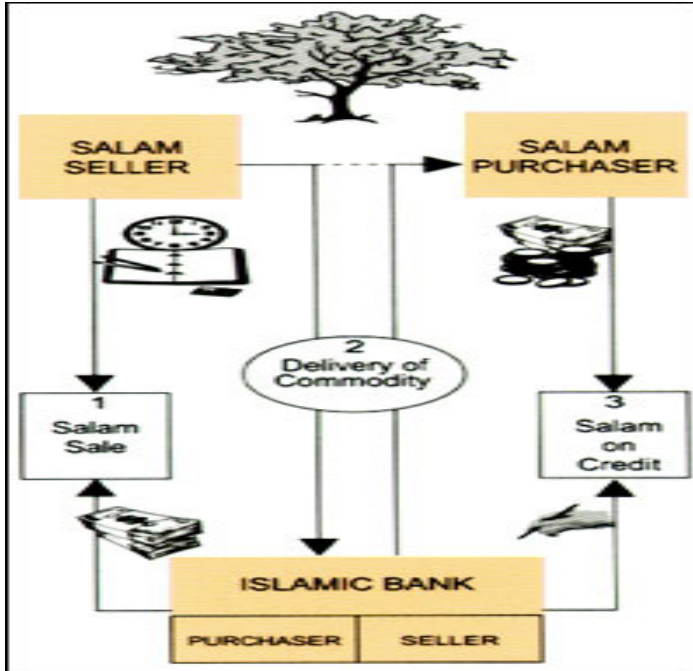
Even though there are many scholars who wanted for the gold Dinar comeback the IMF regulation prohibits for any countries to use gold as a medium of currency. The Second Amendment to the Articles of Agreement in April 1978 eliminated the use of gold as the common denominator of the post World War II exchange rate system and as the basis of the value of the Special Drawing Rights (IMF, 2004).

With the prohibition for the IMF members- therefore it seems impossible for any OIC countries to implement Dinar even for international trade settlement only. Despite of the hurdles, the demand for the return to the gold Dinar is seems high from the public. The impacts of the establishment of the Dinar economy to the existing derivatives instruments will be elaborated in the next section.

Forward In Dinar Economy

Forward contracts are acceptable according to the shariah principles if they adhere to the contract of salam. Salam in the definition of jurists is a sale of a commodity which delivery will be in a future date for a cash price, which means, it is a financial transaction in which price is agreed in advance and payment made in cash to the seller who abides the delivery of commodity of determined specification on a definite due date. The deferred is the commodity sold and described (on liability) and the immediate is the price (Al Baraka Islamic Bank).

A detailed operational salam contract as implemented by al Baraka Islamic Bank registered in Bahrain is presented in diagram 1. The salam seller will enter into a salam sale with the bank whereby the bank will pay cash and the commodities will be delivered by the salam seller in the future to the bank or purchaser. The bank will enter into a second salam agreement with a buyer of the commodities requiring the buyer to pay cash during the contract if the commodities are to be delivered in the future or by deferred payment if the commodities are with the bankers.



The salam contract is the same as forward contract because the goods will be delivered in the future. However the major difference between salam and conventional forward contract is that the price of the goods must be paid during the contract. For example, if a paddy rice manufacturer want to buy rice

from a farmer who could supply rice in three months time using salam contract stating the advance payment and quantity will be delivered. The payment would be settled today and delivery will be performed in three months time.



In addition, currency forward could not be done according to the salam contracts because currency or sarf must be exchanged immediately and could not be delayed. Therefore currency forward is unacceptable in Islam because the exchange of money for delivery in the future.

It is clear that the forward and salam contract could reduce the sellers and purchasers future price uncertainty by locking to an agreed price. In a matter of fact, it would also be the same as for a salam contract in a dinar economy because the operation would be the same using fiat or dinar. However a major difference could be seen from where the main objective of the forward salam contract in the dinar economy will no longer be to fix and reduce uncertainties in future price for the buyer and seller because gold price is constant and variation of price is minimum.

Unlike gold, the value of paper money fluctuates compounding the uncertainty in the future market price. Even though there will be a slight change in the price of goods denominated by gold but the differences are too small such that the fees of entering forward salam would be higher whereby it would be more effective to ignore the small fluctuations rather than locking the price. Therefore the objective of hedging price fluctuation is out from the picture. *The new objective of using forward salam in dinar economy would be getting interest free capital from advance payment in cash before the goods are delivered in the future instead of hedging.*

Futures In Dinar Economy

Future is not acceptable from the point of Islamic ulama' and scholars because of two main reasons (Salehabadi and Mohamad Aram, 2002). Mufti Taqi Usmani, a prominent Islamic scholar prohibited the use of futures in an interview with Ghazanfar Adil in 1999 (International Journal of Islamic Financial Service, 1999). The first reason is the delivery of commodities and money will be done in the future and not during the contract

agreement. Therefore it is not a contract of spot exchange, deferred payment or salam sale which are permissible in Islam. While the second reason is because the future transactions are merely speculative and delivery of commodities and in the seller possession is not intended. Mohammed Obaidullah also prohibits financial futures and currency forward because it involve Riba (Mohammed Obaidullah, 2001)

Future transactions are settled off and no actual delivery is made except for about 1 percent from the total volume of transactions (Gitman & Joehnk, 2003). This is not in agreement with shariah principles. Salehabadi and Mohamad Aram (2002) pointed out that future should not be considered as a sale and purchase contract or bay but fall into compromise (sulh) and (promise gift) ji'alah contract.

Sulh is an agreement to solve dispute or as defined by ulama' from Hambali's sect, sulh is an agreement or contract between two disputing parties (Wahbah al Zuhaili (a) pg 261, 1995). Even though it is not mentioned in details how future can be considered as sulh by Salehabadi and Mohammad Aram, the operational of future according to sulh would fall into compromise with agreement under sale and purchase order (reservation/intent to purchase) category.

However, if this is the case then, salam sale must be one of the contract in future to effect sale and purchase. When the delivery date of the goods is due the sulh contract could be used whenever the seller or buyer disputes the agreement. Then the party who could not

fulfill the contract has to offer a compromise to replace the agreed property that should be delivered with other properties such as money.

The other suggestion is to use Ji'alah which is not permissible from the Hanafi sect but is permissible from the point of view of Shafie, Maliki and Hambali sects based on Al-Quran, Surah Yusuf: 72 (Wahbah al Zuhaili (b), pg 788, 1995). In this case, the buyer will announce that if the seller could deliver the commodities then he will be paid for a certain amount of money. This is merely a promise from the buyer of commodities in future contract that he will pay the seller a gift. In this case it is not a bay contract therefore the buyer and seller in future contract will enter as seller and purchaser but as promiser (buyer) and doer (seller).

However, if the economy is using the Dinar monetary system, it is again stressed out that the gold is synonym with its constant value due to its nature. Therefore price fluctuation is minimal and the need for hedging with future is removed.

Options In Dinar Economy

Options is a more complex financial derivative instrument, which give the buyer and seller the option to withdraw from the agreement of sale and purchase. Mufti Taqi Usmani prohibits options on the basis of the fee charge for the promise and not because of the promise (International Journal of Islamic Financial Service, 1999). The promise is permissible according to shariah perspective for call and put options.

It is a promise from a party to another party to buy or sell his/her property in a future date. The problem in options is the premium fee that is imposed on the promise, which make the contract invalid. Furthermore Salehabadi and Mohammad Aram (2002) did not suggest any alternative contract to options.

Arboun or deposit is also suggested as a shariah compliance alternative to the premium fee call options. The buyer will pay a deposit for the call option and in the case of withdrawal; the deposit will be forfeited as a gift to the seller. If the buyer continue on the purchase then the deposit will treated as the purchase price. For the seller, there will be no option for not to sell. However arboun is a fasid according to Hanafi and void according to Shafie and Maliki because it is a form of deception, welcoming danger, and getting properties without replacement (Wahbah al-Zuhaili,(a) pg. 462, 1995). Kamali however approved the usage of arboun sale or charging fee in options based on hadiths and views of contemporary scholars such as Yusuf Qardawi and Mustafa al-Zarqa who has authenticated arboun.

Only Ahmad Bin Hambal approved the sale of arboun based on the hadith narrated by Zaid Ibnu Aslam. Ibnu Qudamah states that arboun must have time period in the contract to prevent gharar, conflict and uncertainty but Ahmad himself approved arboun without any time period stipulating that both parties agreed to it in the contract.

In a discussion forum published in the International Journal of Islamic Financial Service, Muhammed Shahid Ebrahim and Tariqullah Khan approve the usage of option while

Mahmoud El-Gamal has an opposite view on its permissibility (International Journal of Islamic Financial Service, 1999). Wahbah in his opinion states that arboun is permissible on the basis that it has been a customary and the hadiths from both oppositions are weak (Wahbah al-Zuhaili,(a) pg. 462, 1995).

Muhammad Ayub states that modern options could not be found in any Islamic fiqh law since the modern financial transactions did not exist during the classical theory of fiqh. Furthermore khiyar could only take place for exchange transactions, which has taken place not as options, where payment and delivery will take place in the future (Muhammad Ayub, 2003).

Just as Takaful is an acceptable Islamic form of insurance, Edwardes suggested that options for delivery of commodities by a producer of such a commodity should also be accepted (Edwardes, 2002). The idea is getting the people to understand that derivatives are also a kind of insurance or hedging. However, takaful is a different concept from options and it is based from contribution from the members to others who are having difficult times. Takaful concept is not the same as options and forward however research should be conducted in this area to see the concept suitability from the Shariah perspectives.

Indifference with future, options in Dinar economy is undesirable due to the same reason that there is no need for withdrawal from the sale and purchase agreement when the market price today is almost the same as the market price 3 months, 6 months or 1 year in

the future. When the price is stable then the need for capitalizing and reduction of loss from the market price difference due to time horizon is eliminated.

Conclusion

Futures and options are being urged to be reconsidered by the ulama' for hedging purposes and still unresolved. Forward contract are permissible using salam contract whereby the price will be paid in advance while the delivery of commodities will be deferred. However the sale of currency in forward is not permissible because the sale of currency could not be deferred. Future contract is to be reconsidered by using sulh or ji'alah contract and options have no clear direction of any possibility tying it to any permissible shariah contract. However, Arboun could be used as the alternative contract for options because it has become a customary of the society.

In the dinar economy, complexity of the financial system would be eliminated since there is no need for future and options except for forward or salam sale. Even the forward contract main objective is capital acquisition from the price paid by the buyer in advance. This is due to the certainty in the future price of commodities and goods using gold as currency when the gold price is constant. This is true because the value of gold will be measured from its weight not from token value as fiat money. In view of the revisit of the gold Dinar, classical fiqh rulings in the area of business dealings and transactions could be fully referred to because the transactions really occurred during their period.

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8	Financial Accounting II	Sem 1 2004-2005	Foundation
9		Sem 2 2004-2005	Foundation
10	(ACCD123)	Sem 1 2005-2006	Diploma
11		Sem 1 2005-2006	Degree
12	Principles of Finance (FINB013)	Sem 1 2005-2006	Foundation
13		Sem 2 2005-2006	Foundation
14	Investment.(FINB333)	Sem 2 2005-2006	Degree
15		Sem 2 2005-2006	Degree
16	Financial Management (FIND123)	Sem 1 2006-2007	Degree
	Principles of Finance (FINF013)		
	Principles of Finance (FINF013)		
	Financial Management (FIND123)		
	Sec. Analysis and Portfolio Mgt		
	(FNCB233)		
	Principles of Finance (FINF013)		
	Introduction to Business		
	Management		
	Entrepreneurship		
	Risk Management		
	Statistics		

Project/Account Officer, Corporate Sector, Project Rehabilitation Department, Development and Infrastructure Bank of Malaysia, April 2000 - April 2001.

Responsibilities: To turnaround a portfolio non-performing corporate companies by proposing project rehabilitation programmes such as capital restructuring, loan rescheduling, and loan conversion and also to maintain the department accounts operations.

Internal Auditor, Internal Audit Department, Perwira Affin Bank, 1997-1999.

Responsibilities: To ensure that the Bank's branches adhere to the Bank's policies and procedures. In addition, I am also responsible to ensure that the Malaysian Central Bank guidelines are strictly adhered to by the Bank's. Audited in the area of banking operation, credit and bills sections.

PUBLICATION

Book

The Mechanism of Gold Dinar. AS Nordeen Publication. 2004 Malaysia

Monograph

Principles of Finance. Under KUIM's publication (In progress)

Papers in International Journal

Islamic Money Market Instruments in Malaysia. The Journal of American Academy of Business, Cambridge, September 2006. ISSN: 1540 - 1200

“A Review of Forward, Futures and Options From the Islamic Perspective. From Complexity To Simplicity” with Dr Sanep Ahmad. Journal of ISEFED. Volume 3 2006.

“Gold Dinar. The Revisted Currency. Its Mechanism” Journal of International Diversity. California. Jun 2004.

"The Implementation of Gold Dinar. Is It The End of Speculative Measures?" With Dr Abu Bakar Yusuf, Nurhayati Mat Husin. Published by Journal of Economic Cooperation, Statistical, Economic and Social Research and Training Centre for Islamic Countries. Jul 2002, Vol 23 (3). Ankara, Turkey.

Local and International Conference Papers

Urbun Call Options: A Proposal for an Islamic Risk Management Tool. With Abdullaah Bin Jalil. Proceeding of National Seminar Islamic Banking and Finance Conference (IBAF 2006) 29th-30th August 2006 at The Golden Palace Horses Hotel.

Islamic Money Market Instruments in Malaysia. Global Business and Finance Research Conference, London, Finance Forum. 13-15 July 2006 at London Hilton Park Royal Hotel. United Kingdom.

Factors Influencing The Islamic Banking And Conventional Banking Users. An Online Study. With Aznam Mohd Zahar. National Seminar on Sience Technology and Social Science 2006. “Globalizing Knowledge and Information” 30-31 May 2006 at Swiss Garden Resort and Spa Kuantan Pahang

The University’s Vision, Mision and Goals. Attaining Academia Perception. With hanifah Abdul Hamid. Proceeding of National Symposium of Business Management. Organized by Universiti Tenaga Nasional, Kampus Sultan Haji Ahmad Shah. 12th April 2006.

Successful Knowledge Sharing Among the Staffs of Economics and Business Management Faculties in Higher Institutions Education. With Salina Daud , and Hanifah Abdul Hamid. Proceeding of National Symposium of Business Management. Organized by Universiti Tenaga Nasional, Kampus Sultan Haji Ahmad Shah. 12th April 2005.

“A Review of Forward, Futures and Options From the Islamic Perspective. From Complexity To Simplicity” with Dr Sanep Ahmad Seminar Ekonomi & Kewangan Islam (SEKI) conference, August 29-30, 2005.

“Public Perceptions Towards Gold Dinar Application: An Online Survey.” With Hanifah Bte Abdul Hamid, Hifzur Rab And Muhammad Rubini Kertapati. Incomt 2005 International Conference Of Management Technology “Managing Future Workplace Issues And Challenges In The Borderless World”. Sunway Lagoon Malaysia 13-13 July 2005.

Islamic Investment from Islamic Perspective and Mitigating Currency Risk with the Implementation of Gold Dinar. With Hanifah Abdul Hamid. Proceedings of Malaysian Finance Association 7th Annual Conference, 9th – 10th May 2005 Primula Beach Hotel & Resort, Kuala Terengganu Malaysia

“Evaluating Company Performance using Multiple Discriminant Analysis” with Muhammad Rubini Kertapati and Abdul Hadi. Proceedings of UIBMC 2004. Presented at UIBMC 2004 Conference at Hyatt Hotel 6-7 Dec 2004.

“Full Fledge Gold Dinar. The Impacts to the Flexible Model”. Proceedings of UIBMC 2004. with Fidlizan Bin Muhammad (UKM) and Mohd Firdaus Bin Azizan (UKM) Presented at UIBMC 2004 Conference at Hyatt Hotel 6-7 Dec 2004.

“An Exploratory Analysis of Ribawiah Commodities According To Islamic Economics Perspectives” With Rahana Abdul Rahman. Seminar Kebangsaan Sosio Ekonomi & IT Holliday Villa, Alor Setar 11 Ogos 2004

“Gold Dinar. The Impacts On Consumerism Towards Creating A New Islamic Economy.” With Norhayati Mat Husin. Presented at Second Economics Colloquium Organized by Department of Economics University of Technology Mara, Johor Branch on 24 Mei 2004 at Golden Legacy Hotel, Malacca

“Establishing Networking With The South East Asian Muasasah”. Organized by Tabung Haji and Aroma Spices Ent Sdn Bhd. 2004, Holiday Inn Jeddah, Saudi Arabia

“The Flexible Model, Gold Dinar and Exchange Rate Determination. An Exploratory Study” with Prof Dr Abdul Ghaffar Ismail. Presented at the COBM Academic Discourse organized by College of Business Management, Universiti Tenaga Nasional

“Gold Dinar. The Impacts on the Economic Social Order”. With Norhayati Mat Husin. Paper presented at “The Colloquium on Economic and Business Issues” organized by Faculty of Business Management University Technology Mara on 18th May 2004, Annexe Dewan Sri Budiman University Technology Mara, Shah Alam, Malaysia.

"E-Commerce in Islamic Perspectives. The Theoretical Framework, Key Success Factor And Challenges For Islamic E-Commerce Business.". With Faizah Khalid, Mohd Zainal, and Abdul Hamid, Hanifah. Presented by Mohd Zainal Munshid Bin Haron. Proceeding of Knowledge Management International Conference 2004 (KMICE) Organized by UUM at Evergreen Hotel, Pulau Pinang. 13th to 15th February 2004.

"Gold Dinar. Using Bilateral Payment Arrangement or Electronic Payment System?" with Abdul Hamid, Hanifah and Ar Razi, Bakhtiar. Proceeding of Student Conference on Research and Development (SCOReD) Conference UNITEN, 4th and 5th December 2003. Universiti Tenaga Nasional.

"Islamic Businesses and E-Commerce" Challenges and Opportunities". With Faizah Khalid, Mohd Zainal, and Abdul Hamid, Hanifah. Proceeding of Student Conference on Research and Development (SCOReD) Conference UNITEN, 4th and 5th December 2003. Universiti Tenaga Nasional.

"The Level of Acceptance on the Implementation of Gold Dinar Within MSC Companies." With Abdul Hamid, Hanifah and Kamaruddin, Azwari. Proceeding of Student Conference on Research and Development (SCORED)Conference UNITEN, 4th and 5th December 2003. Universiti Tenaga Nasional.

"Entrepreneurship among Orang Asli (Jakun & Semelai) in Rompin Pahang". With Abu Bakar Sedek Bin Abdul Jamak, Syed Zamberi Ahmad. Proceeding The 1st International Asian Academy of Applied Business Conference 9-12 July 2003. Sutera Harbour Resort. Kota Kinabalu, Sabah. 2003.

"Entrepreneurship among Proto Malays Orang Asli in Rompin Pahang. Are they progressing in Entrepreneurship". With Abu Bakar Sedek Bin Abdul Jamak, Syed Zamberi Ahmad. Proceeding The 6th Annual Asia Pacific Forum for Small Business: Small and Medium Enterprise Linkages Networking and Clustering. 16 to 18 October. Corrus Hotel. KL. 2002.

"Universiti Swasta - Halatuju, Tindakan Dan Perlaksanaan Ke Arah Pembentukan Universiti Bertaraf Dunia" with Rusinah Siron, Abu Bakar Sedek B. Abdul Jamak, Mohd Amin Hj Tasripan. Seminar Kebangsaan Sains, Teknologi Dan Sains Sosial. 27-28hb. Mei, 2002, Hotel Vistana Kuantan,

"Entrepreneurship among Orang Asli (Jakun) in Rompin Pahang". With Abu Bakar Sedek Bin Abdul Jamak, Syed Zamberi Ahmad. Uniten Business Management Conference (UBMC), 2002.

"Are You An Entrepreneur? A Study of Fresh-man and senior Level Students at a Private University." Rusinah Siron, Abu Bakar Sedek B. Abdul Jamak, Nuradli Ridzwan Shah Mohd Dali, Anna Azriati Che Azmi. Proceeding of Uniten Business Management Conference, 2002.

Work In Review

"The Gold Dinar Wipe Out; The Impacts To The Flexible Model". In review Journal of Technology Management

"Gold Dinar. The Impacts On Consumerism Towards Creating A New Islamic Economy". With Norhayati Mat Husin. In review Journal of Technology Management.

Research in Progress

The Accounting Profession on Trial. What is The Public Verdict. With Norhayati Mat Husin, Rapih Mat Zin and Rosmawati Mahfar.

Identifying The Problems of The SMI's Using Factoring Analysis. With Azwan Abdul Rashid and See Kok Fong

Short Course

Online Survey Development. With Hanifah Abdul Hamid, Salina Daud and P. Saravanan. Conducted on 22th June 2005 Uniten KSHAH

Projects

“Key Performance Indicator” worksheet development for Universiti Tenaga Nasional lecturers (2004)

"Tenaga Nasional Bhd Vendors Financial Performance Analysis" Dr. Abu Bakar Bin Mohd Yusof, Ishak Bin Mohamad Ibrahim, Baharuddin Husin, Nuradli Ridzwan Shah, et al. 2002.

Accounting Project: UiTM (2000)- Worked in a group of three and analyse MOX Bhd 5 years financial performance.

Financial Institution Project (1997): TU - Researched Islamic Banking products and procedures, analysed the differences between U.S. and Islamic Banking practices, prepared and presented a PowerPoint presentation explaining individual products and differences in banking practices.

International Finance - Australia Country Group Project (1997): TU - Researched Australian economic conditions from 1993 to present with emphasis on foreign exchange fluctuation and trends. Analysed the balance of payment and forecast interest rates, foreign exchange rates and inflation rates for 1998.

ACADEMIC ADMINISTRATION SERVICES

- Secretary, Malaysian Islamic Finance Association
- Disciplinary Committee of University Tenaga Nasional. (2002-2005)
- Secretary, COBM IT Committee, UNITEN, (2003 – 2004).
- Academic Advisor for students of Bachelor of Finance, COBM, UNITEN.
- Invigilator for COBM Final Examination (Every Semester).
- Chairman of University of Tenaga Nasional Soccer Club (2002-2004)
- Founder and moderator of IBG_Malaysia e-group
- Vice President, Malaysian Student Union –Tulsa University Alumni Association 2005-2007
- Member of American Finance Association 2004-2005
- Member of Asian Applied Academy of Business
- Reviewer for Journal of International Diversity California
- Reviewer for Journal of Technology Management KUTKM

SPECIAL EVENT EXPERIENCE

- Sponsor Committee of IBAF 2006– assisted the secretariat in obtaining sponsorship to organize a national conference at Palace of Golden Horses Hotel from 29-30 August 2006.
- Technical Committee of UIBMC Conference 2004 – assisted the secretariat in organizing an international business conference at Hyatt Regency on 6-7 December 2004.
- Facilitator of Kursus Motivasi dan Kecemerlangan Pelajar PMR , SMK Muadzam Shah on 26-27 Mac 2003.

- Was selected as one of 847 potential astronouts and participated in the astronouts run held at Kuantan AirForce Airport on 27th August 2005.