

THIS DAY 26 JUL 2023

BETWEEN

**DEVELOPING 8 ORGANIZATION FOR ECONOMIC COOPERATION
("D-8")**

AND

**AL-HIDAYAH GROUP SDN BHD
(Company Registration No: 200801017160 (818453-D))
("AHG")**

MEMORANDUM OF COOPERATION

THE SIGNING OF MEMORANDUM OF COOPERATION (MOC) BETWEEN D-8 AND AHG



THE EXCHANGE OF MEMORANDUM OF COOPERATION (MOC) BETWEEN SECRETARY-GENERAL D-8, AMBASSADOR ISIKA ABDULQADIR IMAM AND CHAIRMAN AHG, DATO' KU JAAFAR KU SHAARI



MEMORANDUM OF COOPERATION

This **MEMORANDUM OF COOPERATION** is made on this day of **26 JUL** 2023 (hereafter referred to as "Cooperation") **is to achieve one vision and mission to improve community D-8 in terms of to increase per Capita and Gross Domestic Product ("GDP") of the country, by way of implementation to GIFT economy principles model known under CEFC D-8 programs, within D-8 participating States.**

BETWEEN

DEVELOPING 8 ORGANIZATION FOR ECONOMIC COOPERATION whose address is at Darussafaka Caddesi Seba Center, No: 45, Kat: 3. Istinye 34460, Sariyer-Istanbul/Turkiye and shall include its lawful representatives and permitted assigns (hereinafter referred to as the "the **D-8**") of the First part;

AND

AL- HIDAYAH GROUP SDN BHD (Company Registration No. 200801017160 (818453-D)) a company incorporated in Malaysia and having its registered office at Level 11, Menara Hidayah, Jalan 3/27A, Seksyen 1, Bandar Baru Wangsa Maju, 53300 Kuala Lumpur, Malaysia (hereinafter referred to as "the **AHG**") of the Second part;

D-8 and AHG collectively are referred to as the "Parties" and individually as a "Party".

WHEREAS:

- A. D-8 is an inter-governmental organization consisting 8 developing countries namely, Bangladesh, Egypt, Indonesia, Iran, Malaysia, Nigeria, Pakistan, and Turkiye. Its principal focus is on economic co-operation to pursue the objective of improving each member state's position in the world economy, diversifying and creating new opportunities in trade relations and providing better standard of living for its people.

- B. AHG is a company which consists of various companies with diversified interest across various business sectors such as property development, construction, turnkey technical and vocational education, agro-based business and Islamic finance and corporate advisory.
- C. AHG has signed a Statement of Intent with the D-8 on 14th December 2018, to design and formulate a sustainable economic initiative and integrated approach for improving the standard of living, eradication of poverty through the implementation of development programs for participating D-8 member States and therefore, is responsible to deliver the various projects and programs under the Creative Economic and Financial Center initiative (hereinafter referred to as "CEFC") as mentioned above under the concept of public and private partnership ("PPP") and private funding initiative("PFI").
- D. AHG has established D-8 Malaysia Foundation ("D8MF") which is a trust foundation registered under and governed by Malaysian Law, Act 258, Trustees (Incorporation) Act 1952 to deliver D- 8 Sustainable Development Goals (hereinafter referred to as "SDG"), inter alia:
1. Provide assistance in terms of basic needs to the needy particularly to asnaf;
 2. Provide assistance in terms of education to the targeted groups;
 3. Provide assistance in terms of financial to the micro entrepreneurs;
 4. Provide humanity aids in relation to the natural disaster;
 5. Collaborate with various parties in the field of research to develop halal services and products; and
 6. Conducting several activities of the foundation such as conducting fund related programs to raise community awareness and educate the community to spend wisely.

- E. AHG and D8MF are desirous to contribute to a sustainable growth of the Gross Domestic Product ("GDP") which shall be implemented and guided by the principles of the Islamic Gift Economy in Malaysia and participating D-8 member States (hereinafter referred to as "Gift Economy"). The Principles of the Islamic Gift Economy is elaborated in **Appendix 1**.
- F. AHG together with D8MF are desirous to provide holistic solutions to the Muslim Ummah Economy within participating D-8 member States by delivering the SDG's programs and promoting creative Economic business model through Islamic and social finance instruments. The proposed business model will be initiated in Malaysia and thereafter based on recommendation by D-8, the same model shall be introduced to participating D-8 member States for implementation.
- G. In furtherance to the above, Parties are desirous of co-operating with each other and have agreed to set forth herein the basic principles of their mutual trust, co-operation and covenants in matters relating to the collaboration and to determine the rights and obligations of the Parties upon the terms and subject to the conditions in this MOC herein contained and set forth ("**Collaborations**") and as in **Appendix 2 (Agreed Way Forward for D-8 CEFC Malaysia & Statement of Intent between D-8 and AHG)** and **Appendix 3 (D-8 CEFC Eco-system)** and shall be substantiated in a definitive agreement accordingly.

1. DEFINITIONS

1.1 Definitions

In this Cooperation the following words and expressions have the following meanings unless inconsistent with the context.

"MOC"	means this memorandum of cooperation entered into between D-8 and AHG, as may be amended varied and/or modified from time to time;
"Confidential Information"	means any information whether prior to or hereinafter disclosed by a Party (the "disclosing Party") to the other Party (the "receiving Party") in the course of this MOC involving research, technical, business, marketing, policy, know-how, planning, project-management and other information, data and/or solutions, in written, oral, digital, magnetic, photographic and/or other forms, including but not limited to any information which is designated in writing to be confidential or by its nature intended to be for knowledge of the receiving Party or if orally given, is given in the circumstances of confidence;
"Collaboration"	means the collaboration as detailed in Recital G above; and
"Effective Date"	means 26 JUL 2023.

- 1.2 D-8 and AHG shall collectively be referred to as "Parties" and any one of them as "Party" as the context may require.

2. COLLABORATION

- 2.1 The Parties shall, after the execution of this Cooperation, continue to complement the Collaboration with their respective services, strengths and expertise.
- 2.2 The Parties agree that the objectives of the Collaboration shall include but not limited to as below: -
- (a) endorsement and approval on D-8 Creative Economic & Financial Centre (D-8 CEFC) Private Initiative Programs in Malaysia and participating D-8 member States;
 - (b) enforcing transparency and accountability on programs and activities process through digitalization (IT platform); and
 - (c) such other collaborative activities as may be mutually agreed between the parties from time to time.
- 2.3 The Parties agree that they will work together in good faith to affect the responsibilities contemplated by this MOC as promptly as possible. To this end, the Parties will seek to address all issues related to the proposal to set up CEFC in Malaysia.

3. SCOPE OF RESPONSIBILITIES

D-8

- 3.1 D-8 agrees to provide the works and facilities in relation to achieve the D-8 CEFC objectives and to its stakeholders which including but not limited to the

following:

- (a) To endorse D-8 CEFC as an economic program to be implemented within participating D-8 member States as in **Appendix 2 (Agreed Way Forward for D-8 CEFC Malaysia & Statement of Intent between D-8 and AHG)**;
- (b) To assist engagement with potential industry players for partnership programs;
- (c) To facilitate interactions with relevant authorities in the participating D-8 member States to ease the program activities; and
- (d) To recognize the D-8 digital platform under CEFC as the primary platform throughout all the programs.

AHG

- 3.2 AHG agree to provide the works and facilities in relation to achieve the D-8 CEFC objectives which including but not limited to the following:
- (a) To develop and implement D-8 digital IT platform in consolidating all D-8 CEFC programs and linking the eco-system components together. This IT platform will allow participating D-8 member States to have business relationship, data center and publications, and as well as Halal e-commerce cross-border transactions;
 - (b) To develop the D-8 CEFC Complex at Jalan Ampang, Kuala Lumpur and be regarded as a Headquarter for D-8 CEFC. This development will include offices and hotel tower, serviced residence, WICE facilities, retailed mall and Islamic center with parking facilities;
 - (c) Making available an interim office to D8MF with the working space up to 40,000 sq. ft. area in Menara Al-Hidayah, Kuala Lumpur for the operation and CEFC activities;
 - (d) AHG will propose to establish a Special Purpose Vehicle (SPV) company that is D-8 Alliance Sdn. Bhd. which shall develop the D-8 digital platform and shall invites potential business partners from each participating member states to participate in

this company; and

- (e) AHG will propose in the said D-8 Alliance Sdn. Bhd. a golden share for D-8 subject to the development and implementation of the above D-8 digital platform.

AHG TOGETHER WITH D8MF

3.3 AHG via D8MF agree to provide efforts in relation to achieve the D-8 CEFC objectives which including but not limited to the following:

- (a) To participate in the development of D-8 CEFC doctrine, manual and Standard of Procedure (SOP) to ensure common understanding and its successful implementation to achieve the mandate received by AHG;
- (b) To initiate and implement programs and activities under the D-8 SDG's United Nations. The programs will include Gift economy such as zakat, waqf, Hibah and also Islamic finance system such as banking, capital market, Ar-rahnu and takaful;
- (c) To promote and support the Islamic finance system from the success story of Malaysia's Halal economy, Malaysia's Islamic finance, Malaysia's Hajj Program and social finance;
- (d) To utilize the Islamic crowdfunding as a way to raise fund in order to finance the activities and its operations;
- (e) To act as a resource center where D8MF will focusing on research development activities in order to enhance the socio economy between all participating D-8 member States;
- (f) To allocate a certain amount of fund for the purpose of D-8's activities in relation to the SDG undertaken by D8MF;
- (g) To align the objectives and values of D-8 CEFC in line with the establishment of D-8 organization;

- (h) The development of CEFC Portal Website and IT Platform under the D-8 CEFC program which will allow the D-8's business intelligence, data center establishment and publication as well as Halal E-Commerce cross border transactions; and
- (i) To engage with marketing partner in order to prepare a marketing roadmap to achieve the D-8 CEFC and IT platform's objectives.

Where relevant, the Parties may enter into a definite agreement to formalize the terms and conditions of a specific Collaboration and Scope of Responsibilities.

4. DURATION AND TERMINATION

- 4.1 This MOC will remain valid from the Effective Date until the Parties decide to terminate this MOC by serving a 30 days prior written notice to the other Party of its intention to do so.

5. FINANCIAL ARRANGEMENT AND COSTS

- 5.1 This MOC will not give rise to any financial obligations by one Party to the other.
- 5.2 Any terms of funding or financing (if relevant) shall be agreed upon in writing by the Parties before the commencement of any Collaboration activity(ies).

6. CONFIDENTIALITY

- 6.1 Each Party shall undertake to observe the secrecy of Confidential Information of the Parties received from or supplied to the other Party in connection with this MOC or other agreements made pursuant to this MOC (if any).

7. EXCLUSIVITY

- 7.1 For the duration the validity of this MOC, D-8 shall not and shall ensure that none of its representatives will solicit, negotiate, accept, encourage, consider or

otherwise pursue any offer or inquiry from any other person or entity, or engage in discussions or other communications or furnish any information regarding any Confidential Information related to this collaboration especially information specified in **Appendix 2** and **Appendix 3** of this MOC.

- 7.2 Each Party agrees that for the Collaboration and such other collaboration projects or activities which are jointly developed by the Parties shall be on an exclusive basis and the Parties undertake to not engage in any discussions or negotiations or enter into business relationship with any third party without prior written consent of the other Party.
- 7.3 In the event a Party wishes to collaborate with any other third party on projects or activities similar to the Project, the Collaboration as **Appendix 2** and **Appendix 3** and such other collaboration projects or activities mentioned in **Clause 2**, such Party shall forthwith inform the other Party of its intention to do so.

8. DISPUTE RESOLUTION

- 8.1 Any dispute, controversy or claim between or among the Parties hereto arising out of or in relation to this MOC thereof shall be settled, in so far as it is possible, by mutual consultation and consent.

9. NON-CONTRACTUAL NATURE OF RELATIONSHIP

- 9.1 The Parties agree that this MOC represents the mutual cooperation of the Parties and is not intended nor will be deemed to be a contract and will not give rise to any rights and liabilities under a contract.
- 9.2 The provisions as set out in this MOC merely reflects and captures the mutual cooperation of the Parties in relation to the Collaboration and shall not be construed to be legally binding on the Parties nor enforceable in a court of law.

10. MODIFICATION

- 10.1 No modification, variation or amendment of this MOC shall form part of this MOC unless such modification, variation or amendment is in writing and executed by the Parties.
- 10.2 Any modification, variation or amendment shall not prejudice the implementation of any project, activity or co-operation arising from or based on this MOC before or up to the date of such modification, variation or amendment.

11. NOTICES

- 11.1 Every notice, request or any other communication required or permitted to be given pursuant to this MOC shall be in writing and delivered personally or sent by registered or certified post or via air mail or via courier or facsimile or by e-mail (which shall be acknowledged by the other Party) to the Parties at their address and facsimile number as stated below:

To: DEVELOPING 8 ORGANIZATION FOR ECONOMIC
COOPERATION

Address: Darussafaka Caddesi Seba Center, No: 45, Kat: 3.
Istinye 34460, Sariyer-Istanbul/Turkiye

Attn to: Muhammad Bilal Khan (Executive Assistant)

Tel no.: +90 212 356 18 23 / ext. 116

E-mail: bilal.khan@developing8.org

To: AL HIDAYAH GROUP SDN BHD
Address: Level 11, Menara Hidayah
Jalan 3/27A, Section 1, Wangsa Maju
53300 Kuala Lumpur.
Attn to: Muhammad Asyraf bin Baharin (Executive Director II)
Tel no.: +603 4142 4780 / +6019 324 4927
E-mail: asyraf961105@gmail.com

12. GOVERNING LAW

- 12.1 This MOC shall be governed by and construed in all respects in accordance with the Malaysia laws.

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IN WITNESS WHEREOF, the undersigned, being duly authorized by their respective company, sign this MOC on the date as above written.

Signed by
For and on behalf of
**DEVELOPING 8 ORGANIZATION FOR
ECONOMIC COOPERATION**



AMBASSADOR ISIAKA ABDULQADIR IMAM
Secretary-General

In the presence of



26.02.2023

Name: AUMAR ISMAIL
Designation: DIRECTOR, D8 Secretariat

Signed by
For and on behalf of
AL HIDAYAH GROUP SDN BHD
(Company No: 200801017160 (818453-D))



DATO' KU JAAFAR KU SHAARI
Chairman

In the presence of



26/7/2023

Name: BAHARIN AYOB
Designation: PRESIDENT

APPENDIX 1
(Principle of Islamic GIFT Economy)

ISLAMIC GIFT ECONOMY (IGE)	
Point	Explanation
Definition of Islamic Gift Economy	The IGE (al-iqtisadi al infaqi or al-iqtisad al ihsani) is defined as “the provisioning and sharing, by mutual giving and receiving, of resources for realizing material and spiritual wellbeing.”
Foundations of Gift Economy	<p>Gift economy is an integrative economic system that stands on three foundations:</p> <ol style="list-style-type: none"> 1. Operative Foundation: Ta’awun (co-operation), ‘antaradin (mutual consent) and musharakah (partnership). 2. Ethical Foundation: Rahma (mercy), shukr (gratitude), ihsan (generosity), tawazun (moderation) and amanah (integrity). 3. Psycho-cosmological Foundation: The belief that the resources of the world are abundant while the material needs, wants and desires of human beings are limited and should be limited. Why? First, Blessings and bounties of Allah are abundant and unlimited: “if you count the bounty of Allah, you will not exhaust it.” (Ibrahim: 34). Second, resources are gifts and favors from the realm of transcendence to which human’s ethico-cognitive response is shukr (gratitude) and kana’ah (contentment and fulfillment) and will take only according to his need, not to his tama’ (greed): “verily, if you give thanks, I will indeed give you more.” (Ibrahim: 7).

APPENDIX 2
(Agreed Way Forward for D-8 CEFC Malaysia)

Adopted by Delegations/Members of D-8 Organization for Economic Development during Virtual Meeting on 11 January 2023.

Title : Agreed Way Forward for D-8 CEFC Malaysia

Date : 11th January 2023

Venue : Virtual Meeting via Zoom

Attendees :

	Name	States
1	Tan Sri Dato' Seri Dr. Sulaiman bin Mahbob	Malaysia
2	Dato' Ku Jaafar bin Ku Shaari	Malaysia
3	Datuk Zainal Abidin bin Jaffar	Malaysia
4	Dato' Wira Jahya bin Mat	Malaysia
5	Hj. Baharin bin Ayob	Malaysia
6	Hj. Zahari bin Abu Yazid	Malaysia
7	Hj. Jamaludin bin Ibrahim	Malaysia
8	En. Dzulfadhli bin Zainal Abidin	Malaysia
9	Representative	Bangladesh
10	Representative	Indonesia
11	Representative	Iran
12	Representative	Nigeria
13	Representative	Turkiye

Bearing in mind, the D-8 Organization agreed to harness resources to advance the participating Member States' respective economic situation and to implement the sustainable development goals, a Virtual Meeting was jointly organized by the D-8 Organization and Al-Hidayah Group on 11 January 2023 in Kuala Lumpur, Malaysia.

The Virtual Meeting was attended by participants from the agencies of participating D-8 Member States. In addition, field experts from Malaysia presented selective Malaysian Success Stories for the possibility of adoptions by participating member states and D-8 CEFC Activities in Malaysia and their Progress to date.

Among the several recommendations from the Virtual Meeting was creating a Main Framework roadmap and a long-term action plan for the D-8 Member Countries to strengthen their commitment and involvement in the D-8 CEFC program, including a proposal for the establishment of a D-8 online Portal for representatives from each member state to meet regularly to identify challenges and proffer solutions to problems associated with the development of CEFC in Malaysia for the benefits of all member countries.

The meeting proclaimed the following Declaration on the development of D8 CEFC Programs to be adopted and implemented within and by the participating member states from the year 2023 onwards:

Article 1: Doctrine, Manual and SOP

To develop the D8 CEFC Doctrine, Manual & SOP to ensure common understanding and their successful implementation to complete their Mission and achieve their Vision. These shall be the guiding principles on activities undertaken by D8 CEFC.

Article 2: Information Technology and e-Commerce

1. To roll out the D8 IT Platforms (memberships and e-Commerce) which are to become one of the enablers for D8 CEFC Programs.
2. To develop D8 CEFC website with the objective to inform and update activities. It will also serve as an information center for members within the D8-CCI in each member states.

Article 3: Role of D8 CCI

D8 CEFC may coordinate with D8 CCI for the development, implementation and continuous updating of an e-Commerce platform.

Article 4: Periodic Scheduled Virtual Meeting

1. To create an online portal for communications and corresponding among the stakeholders and representatives of different agencies of member states on the D8 CEFC website at <http://www.d8cefc.org.my>
2. To set up scheduled virtual meetings with D8 Secretariat & Commissioner's/Representatives of member states where clarification, comment, suggestion, advise etc. from member states may be taken up to ensure the objectives of CEFC can be implemented successfully

Article 5: Partnership Economy

1. To commence engagement with partners with the support and collaboration of D8 CCI in reaching out to the targeted potential partners from the member states.

Article 6: Interim D8 CEFC Office

1. AHG as the initiator under a Private Initiative Scheme of the D8-CEFC and was given the task to develop the CEFC Program has proceeded with the following tasks: -
 - a. Making available an interim office space up to 50,000 sq. ft. area for the activities of D8-CEFC within the current Al-Hidayah Tower in Kuala Lumpur.
 - b. AHG is finalizing the technical and financial requirements for the development of its new building, aptly called World Islamic Centre of Excellence (WICE), complete with facilities for the activities of D8 CEFC, the D8 Foundation Malaysia, the D8 IT Platforms and its future business associates. The investment by AHG in WICE is around USD 270m and will be ready in year 2027/2028.

Article 7: The Way Forward

Moving forward, within the next second quarter of 2023,

1. Engagement with Partners under Partnership Economy concept.
2. Engagement with business strategic partners.
3. To organize a conference between representatives within the participating member states with objectives as follows: -
 - a. Official launching of D8 CEFC under D8 Organization as an economic program to achieve the goals under shared prosperity concept.
 - b. A brief presentation on D8-CEFC 5 years plan and how it will contribute to GDP of participating member states. Within this period, D8-CEFC will also pursue an initiative to establish an Islamic Capital Market under the D8 Organization.
 - c. Signing of agreements with partners that will become the strategic partners to rollout CEFC Program within each participating member states.

Article 8: States Support

1. Participating member States may provide support, at the national level, all necessary measures for the realization of the D8 CEFC programs and may ensure, inter alia, full supports for D8 CEFC programs, access to cross-border economic activities.
2. Participating States may encourage popular participation in all spheres as an important factor in the development of the D8 CEFC activities and in the full realization of its programs.

Article 9: Indivisible and Interdependent

1. All the aspects of the D8 CEFC programs set forth in the present Declaration are indivisible and interdependent and each of them should be considered in the context of the whole.
2. Nothing in the present document shall be construed as being contrary to the purposes and principles of the D8 Organization, or as implying that any State, group or person has a right to engage in any activity or to perform any act aimed at the violation of the agreed terms, rules and regulations of the D8 Organization.

Article 10: Halal Certification

On the issue of halal certification, participating states will work together through mutual recognition and understanding.

Article 11: Conclusion

Steps should be taken to ensure the full exercise and progressive enhancement of the D8 CEFC programs development, including the formulation, adoption and implementation of policy, legislative and other measures at the national level of each member state.

STATEMENT OF INTENT ("SOI")

between

Developing-8 Organization for Economic Cooperation ("Developing-8")

Maya Akar Center Buyukdere, Cadde 100-102 Kat:12, Daire.50, Esentepe 34394 Istanbul, Turkey

and

Al-Hidayah Group, ("AHG")

Al-Hidayah Group, 11th Floor, Menara Hidayah Jalan 3/27A, Section 1, Wangsa Maju,
53300 Kuala Lumpur, Malaysia

AHG and Developing-8 Organization for Economic Cooperation (Developing-8) establish this statement of Intent in order to design and formulate the economic mechanism and integrated approach for improving the standard of living, eradication of poverty and development of sustainable programme in the D-8 Member States.

Both parties will encourage the following activities to promote the sustainable economic development program:


- a) AHG will setup an International Foundation in Labuan, Malaysia which will facilitate the establishment of International Faith-Giving Organization (IFGO);
- b) AHG will also make the necessary arrangements to support the activities and operations of the IFGO, the development of a Center of Excellence project named as WICE and the establishment a Waqf Development Bank in Labuan, Malaysia;
- c) AHG will provide the premises facility called D-8 Creative Economic and Financial Center (D-8 CEFC) located at Jalan Ampang, Kuala Lumpur which can serve as a new avenue in creating a center of Finance and Trade Exchange among D-8 Citizens. In addition, AHG will also invite the D-8 Organization to participate in all events, programs and activities organized by D-8 CEFC.


Before implementing these proposals, the parties will discuss the opportunities and challenges presented and may thereafter enter into specific agreements based on the mutually agreed objectives and outcomes with the consent of D-8 Member States.

1 This statement of Intent forms the framework for cooperation between the parties to identify and achieve shared goals and objectives and to facilitate and develop a genuine and mutually beneficial partnership. This statement of Intent is nonbinding and does not impose any legal or financial obligations or liabilities on either party.

2 This statement of intent shall remain in effect for 6 (Six) Months, unless either party terminates sooner by notifying the other party in writing, or the parties may extend this statement of Intent beyond 6 (Six) Months by mutual agreement.

1



14/12/2018



14/12/2018

3 As agreed by both parties, all the above-mentioned proposals shall be confirmed through the signing of Memorandum of Understanding (MOU) at an appropriate time mutually agreed by both parties.


4 Each party shall designate a person or office to serve as liaison for implementing this statement of Intent. For D-8 Organization, the contact person will be (Muhammad Bilal Khan, +90 531 5839307, ea.bilal@developing8.org). For AHG the contact person will be (Mr. Ahmad Kamal Shahidin, +6016 355 6819, kamal@alhidayahbank.com).


Developing-8



By: 
Ambassador Dato' Ku Jaafar Ku Shaari
D-8 Secretary-General
14/12/2018

AHG



By: 
Muhammad Kamil Bin Baharin
Chief Executive Officer
14/12/2018

APPENDIX 3
(D8 CEFC Ecosystem)

D8 CEFC ECOSYSTEM

PRESENTATION TO 46TH COMMISSIONERS MEETING

by AL HIDAYAH GROUP in collaboration with YAYASAN D8 MALAYSIA

Supported by D8 ORGANIZATION

Date: 15/16 Feb 2023
Venue: Istanbul, Turkiye

The Islamic Gift Economy (IGE) partnership provides collaborative relationships, which can mobilize financial and human resources to confront social needs and advance strategic philanthropy.

The IGE definition is derived from the integrative revival of mechanisms of religion, social and commercial exchange as encapsulated in the traditional fiqh of ibadah and mu'amalah.

Thus, Al-Iqtisad defines the science of economic as the science of Kasib Iktisab (earnings) and Infaq (provisioning) of Al-Ma'ayish (livelihood) for Maslahah 'ammah (the common good); Al-Ghazali, 2013)

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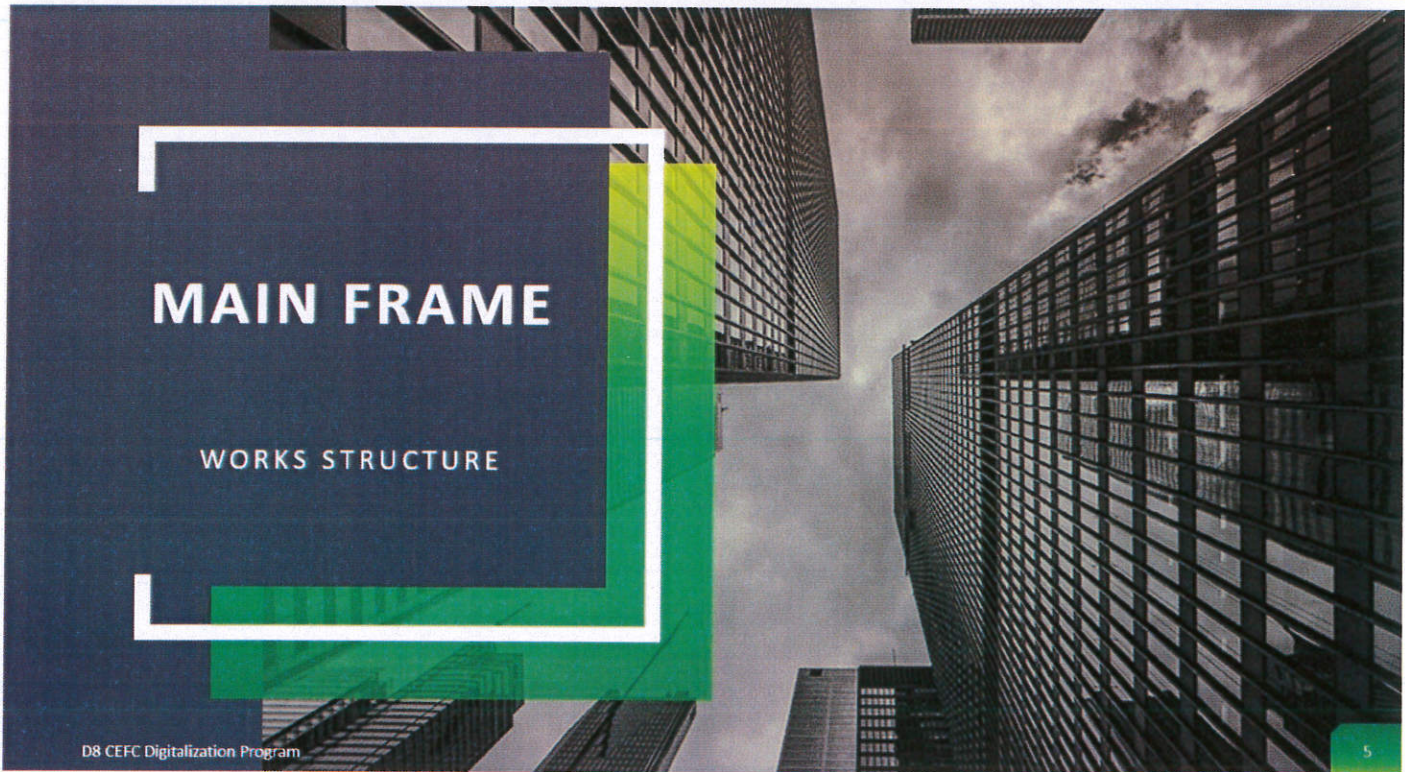
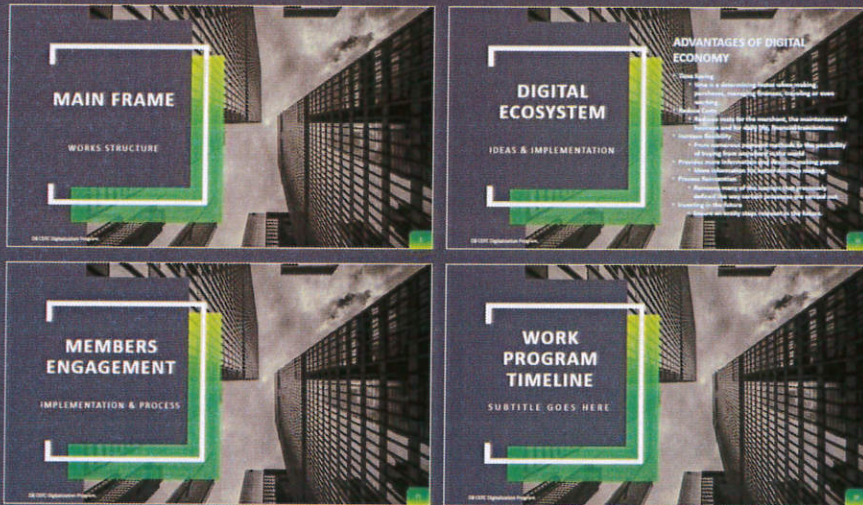
SECTIONS

- Mainframe
- Members Engagement
- Program Timeline

1. Objective
2. Mainframe
 1. Al Hidayah Group
 2. D8 Malaysia Foundation
 3. D8 Alliance Co. Ltd.
 4. CEFC Digital Economy Eco-system
 5. Gift Economy in D8 countries
3. Digital Ecosystem
 1. Malaysian Islamic Finance Ecosystem
 2. Digital Economy Ecosystem
 3. Islamic Digital Ecosystem
 4. CEFC Digital Ecosystem
4. Members Engagement
 1. Community Engagement
 2. D8 CEFC Partnership Economy model
 3. Financial Highlights
5. Program Timeline

OBJECTIVE

- TO SEEK FORMAL ENDORSEMENT ON THE AGREED WAY FORWARD FOR D8 CEFC MALAYSIA ONE VISION AND MISSION TOGETHER WITH D8 MEMBER COUNTRIES
- TO FORMALIZE MOA BETWEEN D8 ORGANIZATION, AHG AND D8 FOUNDATION MALAYSIA
- TO PROPOSE THE ESTABLISHMENT OF A PRIVATE INITIATIVE WING IN D8 ORGANIZATION



MAIN FRAMEWORK (CEFC ECOSYSTEM)

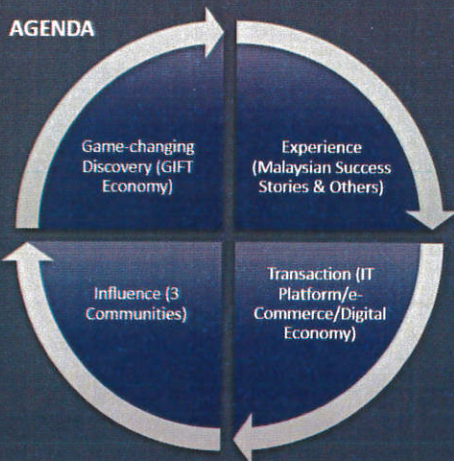
1. Secretariat gives mandate and continue support to Al-Hidayah Group (AHG) to carry out D-8 CEFC programs among member countries.
2. AHG to carry out D-8 CEFC programs in Malaysia as per Malaysian Success Stories and other country stories related to our GIFT economy model.
3. Al-Hidayah Property (AHP) to build the D-8 CEFC Headquarter in Kuala Lumpur (the WICE Complex)
4. D-8 Malaysia Foundation to establish Gift economy model and, carry out D-8 CEFC SDG Programs via crowd funding.
5. D-8 Alliance to provide IT platform or digital Gift economy ecosystem for all member countries.



D8 CEFC Digitalization Program

6

GIFT ECONOMY FOR D8 COMMUNITY PROCESS & IMPLEMENTATION



D8 CEFC Digitalization Program

PROCESS (Digital Economy)

- Community sees the brand on an impressive billboard
- Community googles the brand and checks the website
- Community reads the reviews on an influencer's blog and checks users comments
- Community member tells on WhatsApp and heard it's quite cool
- Community sees a posting and knows that got tons of likes
- Community watches the concept gift economy and links it to their lifestyle and culture using handphones and social media
- Community personalizes the concept in their IT network
- Community forwards the link to each other who orders the transaction from E-commerce App.
- A day later, community sees the ad on a Facebook related to the concept
- Community clicks to check the range of concept and adopt it.

GLOBAL ISLAMIC
FINANCIAL
TRANSFORMATION



13

BRAND IDENTITY

CEFC GIFT ECONOMY



D8 CEFC Digitalization Program

DIGITAL ECOSYSTEM

IDEAS & IMPLEMENTATION

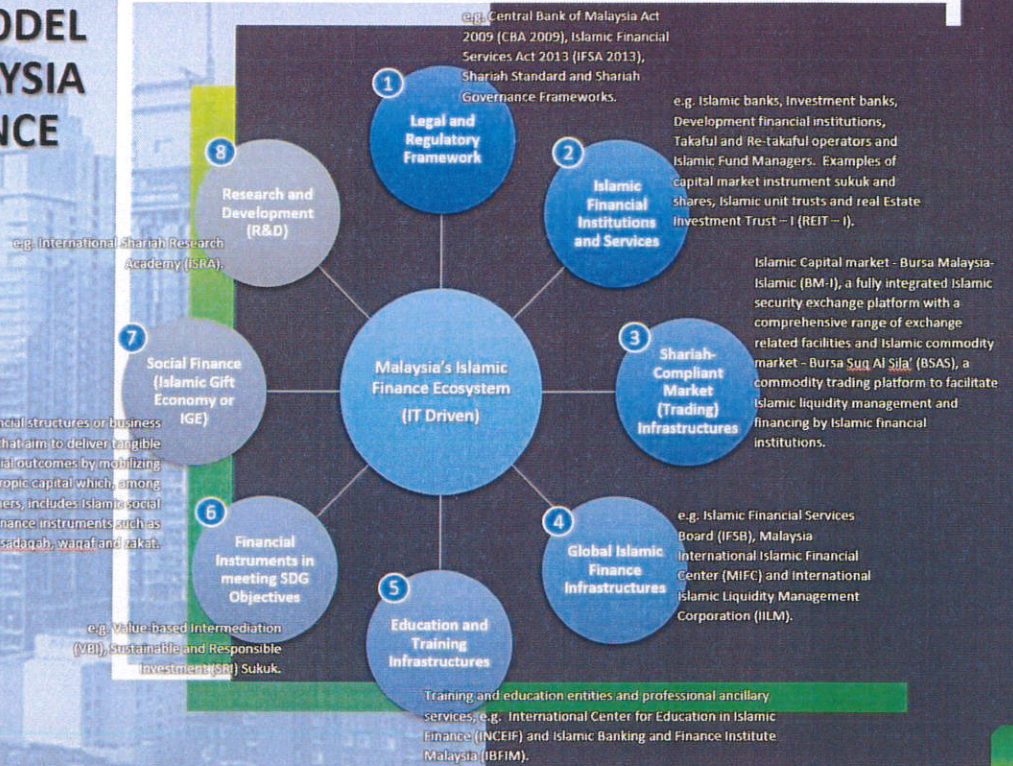
ADVANTAGES OF DIGITAL ECONOMY

- **Time Saving**
 - time is a determining factor when making purchases, managing finances, traveling or even working.
- **Reduce Costs**
 - Reduces costs for the merchant, the maintenance of business and for daily life, financial transactions
- **Increase flexibility**
 - From numerous payment methods to the possibility of buying from anywhere in the world
- **Provides more information and decision-making power**
 - More information for better decision making.
- **Process Reinvention**
 - Removes many of the barriers that previously defined the way certain processes are carried out
- **Investing in the future**
 - Ensure an entity stays relevant in the future.

D8 CEFC Digitalization Program

PROPOSED MODEL FOR D-8 MALAYSIA ISLAMIC FINANCE ECOSYSTEM

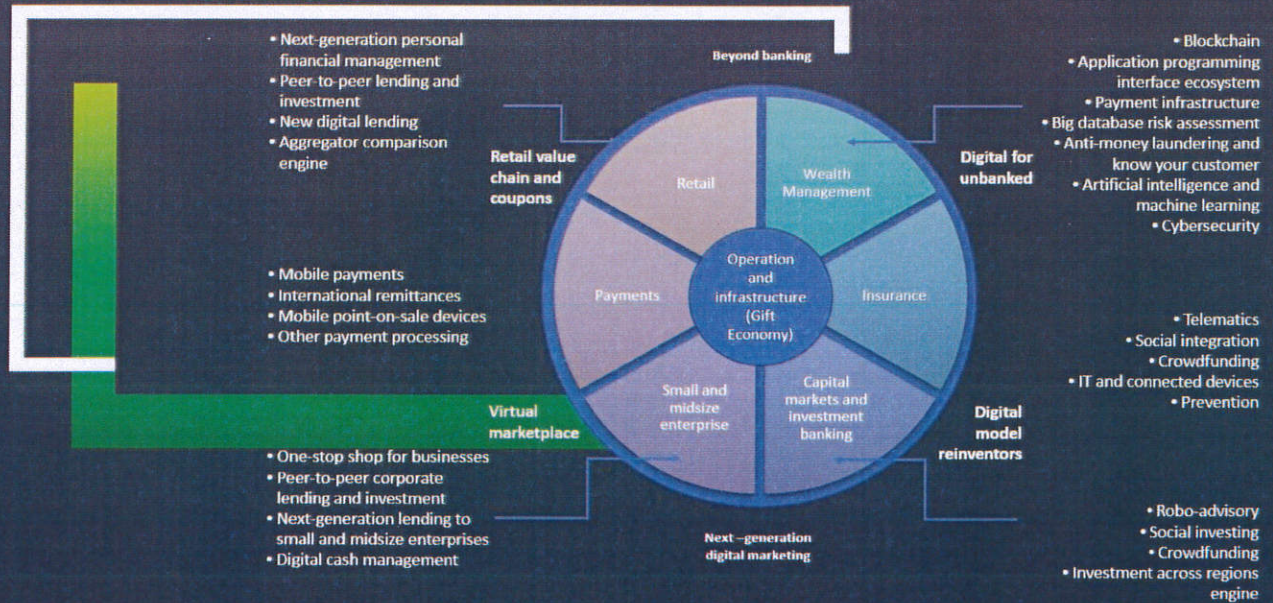
Focus Areas



D8 CEFC Digitalization Program

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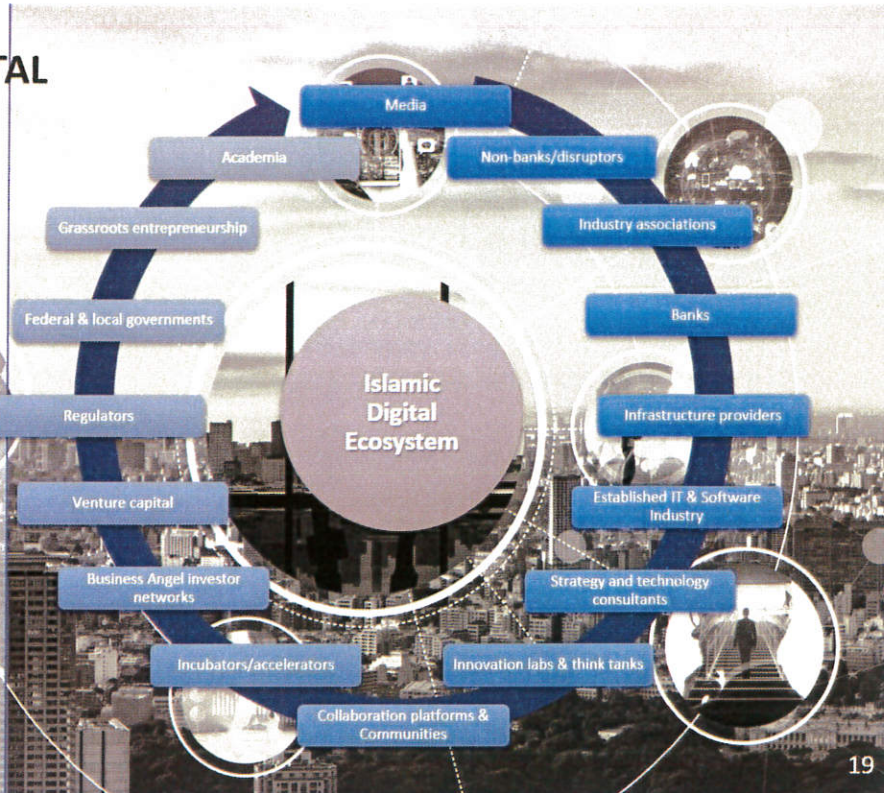
DIGITAL ECONOMY ECOSYSTEM



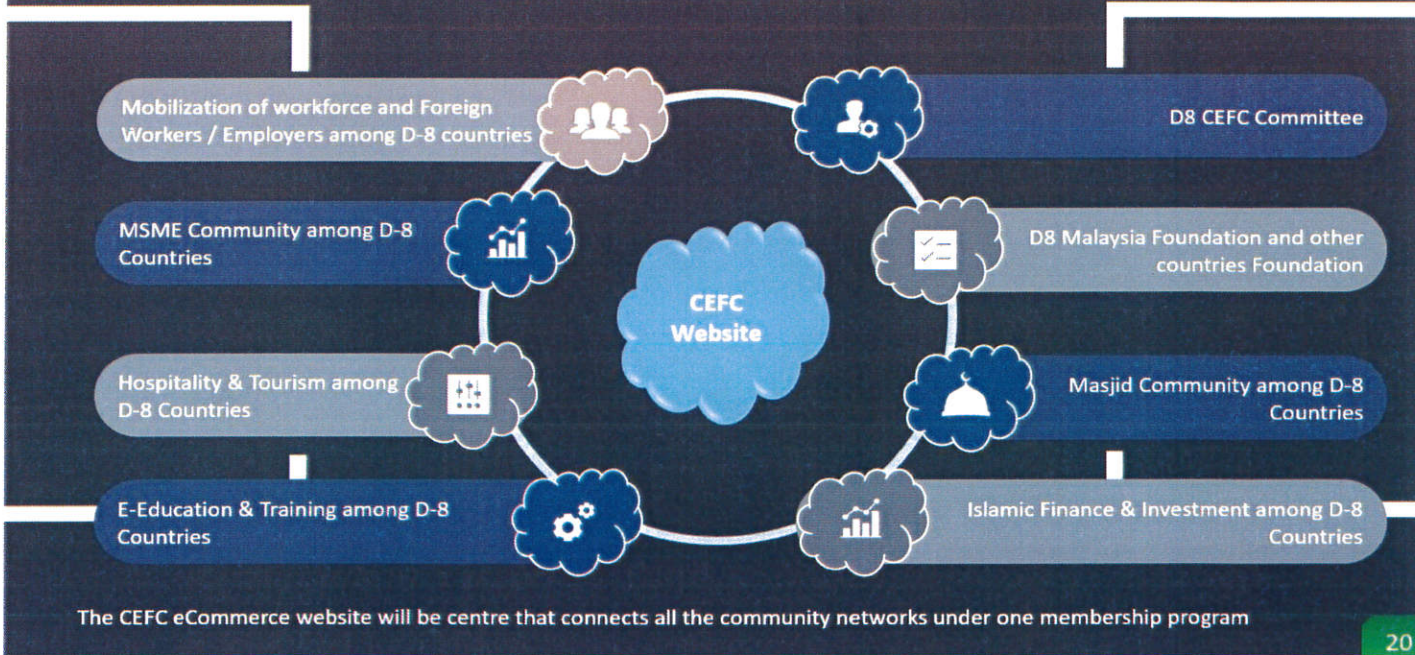
18

PROPOSED ISLAMIC DIGITAL ECO-SYSTEM (PROCESS IMPLEMENTATION)

1. A partnership between all member states in digital eco-system to promote Islamic economy.
2. Developing partnerships with a range of actors in the Islamic digital ecosystem
3. Adds strengths to the community
4. Strategic ways to add value to existing efforts and to minimize own shortcomings or deficiencies
5. Cloud services, analytics, node architecture and servers, cybersecurity and talents.



CEFC Digital Eco-System : A Fully Integrated & Inter-connected System



MEMBERS ENGAGEMENT

IMPLEMENTATION & PROCESS

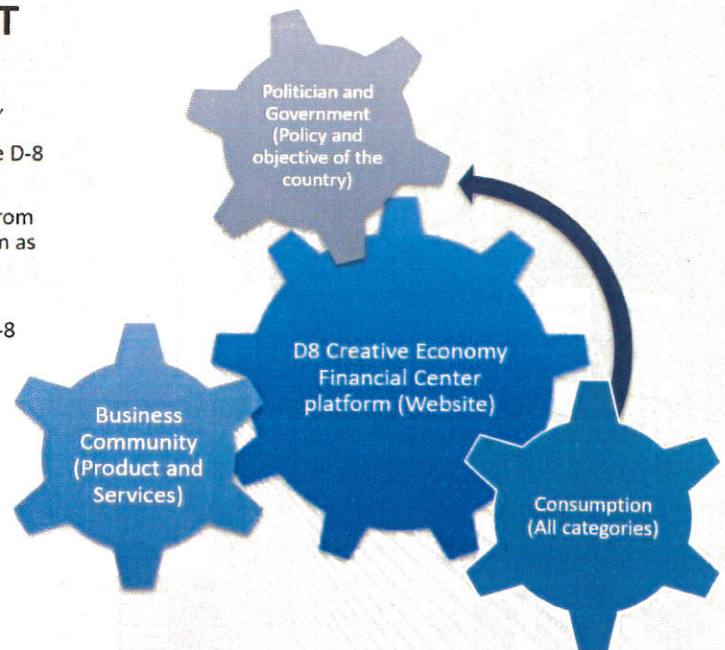
D8 CEFC Digitalization Program

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COMMUNITY ENGAGEMENT

D8 CEFC IT PLATFORM (Digital Economy)

1. The participation and engagement of government, business community and consumers are vital in ensuring the achievement of intended goals of the D-8 program.
2. Active involvements in the process are expected from all parties through the specially created IT platform as the process enabler.
3. To engage the community (1. Government, 2. Consumption & 3. Business Community) among D-8 member of countries (Cross border engagement)



D8 CEFC Digitalization Program

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D8 CEFC PARTNERSHIP ECONOMY MODEL

1. Active involvements (Partner Economy) PE and PDP (PE & PDP) from each member states
2. PE and PDP is selected from prominent industry players from each member state
3. Signing of agreement between platform owners and PE & PDP as sub-agreement with member countries.
4. Invitation to member states to own part of the shares in the platform owner entity.
5. Secretariat office hold the "Golden Share" in the D8 CEFC Platform.



D8 CEFC Digitalization Program

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ASSUMPTIONS:

1. Based on Nominal GDP of D-8 Members of USD5.05 trillion (Year 2022) minus Government Expenditure and Export-Import.
2. GDP growth of over 3.5% - 4.25% per year on average.
3. Expected Gift economy will generate additional 40% to the annual GDP.
4. D-8 CEFC Economy accounted for 5.0% of the total adjusted GDP.
5. Estimated Operational costs is 65% of total revenue (including capex recovery).

PROJECTIONS:

1. E-Economy transacted amount of over **USD9.4 billion** in the next 10 years in all member countries.
2. Gross Profit of around **USD3.3 billion** in the next 10 years from all member countries.

FINANCIAL HIGHLIGHTS

Projected Financial Effects on Revenue of Parties Involves in the Works

D8 CEFC Digitalization Program

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TO BEGIN TURKIYE AS THE STRATEGIC INITIATOR PARTNER AMONG THE D-8 COUNTRY

1. To benefit from technology advancement of Turkiye
2. To adopt Turkiye economic success
3. Reasonable size population among member countries
4. Easy for the Secretary General to communicate and liaise with PE and PDP

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WORK PROGRAM TIMELINE

SUBTITLE GOES HERE

D8 CEFC Digitalization Program

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WORK PROGRAM TIMELINE

YEAR 2023 DEVELOPMENT PLAN



2018
INFO MEMO D-8 CEFC MALAYSIA PROGRESS
REPORT
NO. 1 / 2023
DATE: 31 JAN 2023
INFO MEMO D-8 CEFC REPORT

CONCLUSION

Highlights

- D8 Organization objectives being implemented via private initiative programs (CEFC).
- Strengthening of collaborative efforts among stakeholders (Government, Corporates, Consumers)
- A source of fund for D8 Secretariat from CEFC activities.
- Foster closer relationships between D8 member countries and the ummah.

THANK YOU
&
ASSALAMUALAIKUM

MEMORANDUM OF COOPERATION

DATED 26 JULY 2023

DEVELOPING 8 ORGANIZATION FOR ECONOMIC COOPERATION

("D-8")

and

AL-HIDAYAH GROUP SDN BHD

(Company Registration No: 200801017160 (818453-D))

("AHG")

LIST OF ANNEXURES

1. ISLAMIC GIFT ECONOMY (IGE) DOCTRINE

ISLAMIC GIFT ECONOMY (IGE) DOCTRINE		
No.	Point	Explanation
1.	Definition of Islamic Gift Economy	The IGE (al-iqtisadi al infaqi or al-iqtisad al ihsani) is defined as "the provisioning and sharing, by mutual giving and receiving, of resources for realizing material and spiritual wellbeing."
2.	Foundations of Gift Economy	<p>Gift economy is an integrative economic system that stands on three foundations:</p> <ol style="list-style-type: none"> 1. Operative Foundation: Ta'awun (co-operation), `antaradin (mutual consent) and musharakah (partnership). 2. Ethical Foundation: Rahma (mercy), shukr (gratitude), ihsan (generosity), tawazun (moderation) and amanah (integrity). 3. Psycho-cosmological Foundation: The belief that the resources of the world are abundant while the material needs, wants and desires of human beings are limited and should be limited. Why? First, Blessings and bounties of Allah are abundant and unlimited: "if you count the bounty of Allah, you will not exhaust it." (Ibrahim: 34). Second, resources are gifts and favors from the realm of transcendence to which human's ethico-cognitive response is shukr (gratitude) and kana'ah (contentment and fulfillment) and will take only according to his need, not to his tama' (greed): "verily, if you give thanks, I will indeed give you more." (Ibrahim: 7).

3.	Economics of Abundance vs Economics of Scarcity	<p>The secular economics asserts itself as the study of "the allocation of scarce resources to fulfill unlimited wants." This is due to mistaken dogmatic assumptions, namely:</p> <p>Cosmological Assumption: Implicit in the phrase "scarce resources" is the thought that nature is purely material without transcendent source of being, renewal and regeneration and hence finite, limited. Hence, the assertion that "resources are scarce."</p> <p>Psychological Assumption: Implicit in the phrase "unlimited wants" is the notion that what man cares is just the satisfaction of his physical self and materialistic ambition without spiritual substance and transcendental aspiration. He lives only to realize his immediate sensual, bodily desires and to create new desires, hence, the notion that "wants are unlimited."</p> <p>In contrast, Islamic economics asserts that resources, cosmologically, have a transcendent source of being, regeneration and renewal and hence, are not limited, but rather abundant: "and He gives you of all that you ask of Him." (Ibrahim: 34). Hence, the notion that "the resources of the world are unlimited."</p> <p>Islam asserts that man's self is both physical and spiritual in which the physical is</p>
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		<p>embedded in and serves the spiritual. Hence, psychologically, man voluntarily limits his material desires through cultivating zuhd (self-discipline) in order that he might better realize his higher and truer spiritual aspirations. Thus, man's material needs and wants are limited by virtue of his own innate impulse toward self-realization of his higher spiritual calling which transcends the temporal, sensual life of the body and the world: "indeed you prefer the life of the world but the afterlife is better and more lasting." (Al-A'la: 16-17). Hence, the notion that "the material needs, wants and desires of human beings are limited and should be limited."</p>
4.	<p>Fulfillment of Gift Economy in Societies</p>	<p>Enabler: A systematic and integrative ethico-legal mechanisms of religious, social and commercial exchange as embodied in the traditional adab and fiqh of ibadah and muamalah.</p> <p>Forms of Gifts in Religious, Social and Commercial Exchange: Which, inter alia, include zakat (obligatory charity), waqf (charitable endowment), sadaqah (voluntary charity), hiba (gift-giving), fara'id (estate division), wasiyyah (bequest), qard hasan (benevolent loan), 'ariyyah (lending something for use), ijarah (leasing), ja'alah (job wages), mudharabah (profit sharing venture) and musharakah (business partnership).</p> <p>The focus in on Giving: Gift economy has less to do with taking than with giving, hence ultimately, it is more about serving wider public rather than narrow private interest. In fact, in Islam, maslahah 'ammah (public interest) always takes precedence over manfa'ah nafsyyah (private interest).</p> <p>Virtuous Circulative Exchange between Rich and Poor: Gift economy is an economics of inter-dependent between rich and poor in which "the surplus of the rich is to be returned (radd, ruju') to the poor and destitute in order to maintain order, peace and balance in society. So, gift economy is circulative economy in which the circulation of wealth is from the rich to the poor and not from the rich to the rich so that "it does not become something which circulates among the wealthy in your midst." (al- Hashr: 7).</p>
5.	<p>Examples of Gift Economy in Practice</p>	<p>The Institution of Zakat: This institution exists in all Islamic countries. It ensures that the urgent material needs of the most vulnerable members of the community (asnaf) are immediately taken care of through a system of obligatory giving by is relatively well-off members.</p> <p>Musharakah (partnership) and Mudharabah (venture capital): Many Islamic countries practice these. These are two examples of formal structures of commercial exchange. Here, the basic, underlying governing notion is that of giving i.e. mutual giving of the capital by the investor on the one hand and of skill by the entrepreneur on the other hand, to a common business enterprise and the mutual sharing of risks and rewards inherent in that common enterprise. Hence, we have here an economics of giving and receiving based on reciprocal partnership.</p>

	The Institution of Waqf (Charitable Endowment or Trust): Currently being practice in many Islamic countries. In the waqf system, private wealth is voluntarily retained and dedicated for the perpetual, free provision of public goods and services in order to serve the larger public interest in hope of generating perpetual spiritual reward to the waqif (endower): "you will not attain to goodness unless you spend from that which you love." (Ali Imran: 92)
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Notes: The points briefly elaborated above were sourced from "What is the Islamic Gift Economy – A Brief Conceptual Outline" by Dr. Adi Setia. As the brief points do not do justice to the author, we attached herewith, as an **Appendix**, Dr. Adi Setia's full article for reference. Thanks.

LEAD BY DR. ROSLI BIN YAAKOP
SENIOR ADVISOR FOR AL HIDAYAH GROUP
COOPERATION WITH INTERNATIONAL ISLAMIC UNIVERSITY MALAYSIA (IIUM)
IIUM Entrepreneurship & Consultancies Sdn. Bhd. (www.iiumconsultants.com.my)

EXPERTS IN IGE (GIFT)

Prof. Asad Zaman (Pakistan)

Vice Chancellor, Pakistan Institute of Development Economics, Islamabad, Pakistan. Taught economics and econometrics at Columbia, University of Pennsylvania, Johns Hopkins, California Institute of Technology, and Bilkent University, Ankara. His textbook Statistical Foundations of Econometric Techniques (Academic Press 1996) is widely used as a reference in advanced graduate courses. He is managing editor of International Econometric Review and Pakistan Development Review. His research on Islamic economics has been influential in shaping the field. His publications in top-ranked journals like Annals of Statistics, Journal of Econometrics, Econometric Theory, and the Journal of Labor Economics have more than a thousand citations as per Google Scholar. Email: asad.zaman@alumni.stanford.edu. [Search for more papers by this author](#)

Dr. Adi Setia (Malaysia)

adisetiawangsa@gmail.com

From 2014-2016 Dr. 'Adi Setia taught Islamic Science, History & Philosophy of Science, and Islamic Economics at the postgraduate Center for Advanced Studies on Islam, Science & Civilization (CASIS), Malaysia (<https://www.utm.my/casis>)

He was previously a postgraduate student and then a Research Fellow at ISTAC, Malaysia, receiving his MA and PhD in the field of Islamic Science there under the overall guidance of Professor Dr. Syed Muhammad Naquib al-Attas. He has also studied for some years at traditional Malay-Islamic madrasahs in Kedah, Kelantan and Patani.

His current research interests are mainly in History and Philosophy of Science, Islamic Science, Islamic Gift Economy (IGE), and Islamization of Knowledge, systemically pursued according to the integrative conceptual framework of Professor al-Attas. His papers in these areas are mostly published in the Canadian Journal of Islamic Sciences - <https://www.cis-ca.org/islamscience1.php>.

He holds a Permaculture Design Certificate (PDC, taught by Mustafa Bakir of the Permaculture Research Institute of Turkiye), and is actively engaged in various community-rooted initiatives among Muslims and non-Muslims in Malaysia and elsewhere relating to Permaculture, Agro-Ecology, Human Rights, Right Livelihood and the Gift Economy. He is a life member of the Malaysian Agroecological Society <https://www.sri-mas.com>, and most recently, in 2019, he helped found the Natural Farming Association of Malaysia (NFAM, <https://naturalfarmingassociationmalaysia.business.site>, and is currently its elected Vice Chairman.

He is also a founding director of IGE Advisory <https://www.islamicgifteconomy.org>, which is dedicated to consulting, teaching and researching in the Islamic Gift Economy framework. Most recently, he co-founded the Program for Ethical & Appropriate Regenerative Livelihoods (PEARL) in partnership with Mr. Rhamis Kent and Mrs. Atika Akram, with a vision to formally establish the Institute for Regenerative Livelihoods (IRL) in mid 2022, āmīn!

Saim Kayadibi (Turkiye)

Karabuk University

Prof. Dr. Saim Kayadibi, Ph.D., currently the Chairman of European Union Halal Standards Committee, teaches in the Department of Economics, Kulliyah of Economics and Management Sciences. He is a Research Fellow in International Council of Islamic Finance Educators (ICIFE) and Centre for Islamic Economics (CIE) International Islamic University Malaysia (IIUM). Born in Turkiye, he studied at Al-Azhar University, the University of Jordan, and obtained his MPhil and Ph.D. from Durham University, United Kingdom. Attended more than 100 international symposiums, published more than 300 articles in numerous journals, newspapers and magazines, published 11 books. He is on the Editorial Board of many academic journals. He has taught Islamic banking and finance, A Muamalat, Islamic law, A Usul Fiqh, constitutional law, and Shariah-oriented public policy in various countries like England, Turkiye and Malaysia.

Prof. Dr. Mohd Nazari Bin Ismail (Malaysia)

Prof Mohd Nazari Ismail is currently the chairman of BDS Malaysia. He is also a professor at the Faculty of Business and Accounting, University of Malaya, Kuala Lumpur.

He was the dean of the faculty until 30 June 2015 and was also the head of the university's strategic planning unit from 1996 to 1998 and from 2006 to 2009.

He has written four books, the latest entitled ' The Globalization Debate: A Case of Barking up the Wrong Tree' and presently completing his fifth book on the danger of the lending-for-profit industry (i.e. the banking and finance industry)

He has also consulted as well as provided training programs to a number of public and private sector organizations including The Prime Minister's Department of Malaysia, Proton, Matsushita, The Royal Malaysian Police, and the Malaysian Institute of Chartered Secretaries and Administrators.

He was the 1999 Fulbright Foundation Malaysian Scholar at the University of Michigan, Ann Arbor, USA and also the Fulbright Visiting Specialist at Pfeiffer University, North Carolina, USA in 2005. In June 2005, he was a visiting fellow at Oxford Center for Islamic Studies, Oxford, United Kingdom.

Prof. Mohd Nazari Ismail obtained his B.Sc. Economics (Hon.) from the University of Wales, U. Kingdom, followed by an MBA from the State University of New York, USA and a PhD from the Manchester Business School, University of Manchester, United Kingdom.

Subang Jaya, Saturday, 4 February 2023

2. MYMASJID

MyMasjid

Global Platform for People all over the world to donate/infaq for good causes and helping asnaf via masjid organisations.

Modernising Masjid and Surau operation by use of Digitalisation and ICT automation.



MyMasjid

Major Objective

- Platform to receive donation/infaq from people all over the world.
- Digital method for people to fund the masjid/surau operation and causes.



MyMasjid

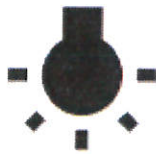
Other Objectives

- Integrating ICT and online accounting system for all masjid/surau operations all over the world.
- Integrating online database management system for members and contacts for the masjid.



Why masjid / surau need
MyMasjid?

- 1** MyMasjid provides global platform to receive donation/infaq
- 2** Committee member have no skill to use traditional **accounting system. Mostly using manual method**
- 3** Managing the Account consume a big amount of **time by committee members.**
- 4** Managing fees and donation collection need a **lot of manual management by the committee members.**



The Uniqueness of **MyMasjid**

- 1** Connecting people all over the world to the same cause.
- 2** Easy to use – no need accounting skill. Ready configured account system. **Integrated system**
- 3** Automated generation of various reports - revenue & expenses, cash, donation collection reports
- 4** Integrated with payment Gateway for the Masjid/surau
- 5** Qariah members can get access via Qariah Portal

Core Modules



Global Donation.
Integrated
Payment
Gateway



Members
management



Integrated
Accounting



Qariah Portal

Other Modules



Khairat
Kematian



Qurban
Module



Seminar and
Events



Product Portal

Cemetery
Management

How Do We Collaborate?

1. Become MyMasjid partner for the country
2. Do marketing activities to increase donation/infaq to masjid organisations in the country.
3. Help raise fund for infaq for the masjid/organisation.
4. Help raise fund for waqaf for the organisation (for countries that allow)
5. Help collect Zakat for the organisation from members worldwide (for countries that allows)

How Do We Cover Cost?

1. Modules like accounting, members management, qariah portal are provided under corporate sponsors.
2. Donation modules are provided for free.
3. MyMasjid will charge 5% of donation value to cover cost. Include platform servers, development, marketing cost and services provided.

System Print screen - Dashboard

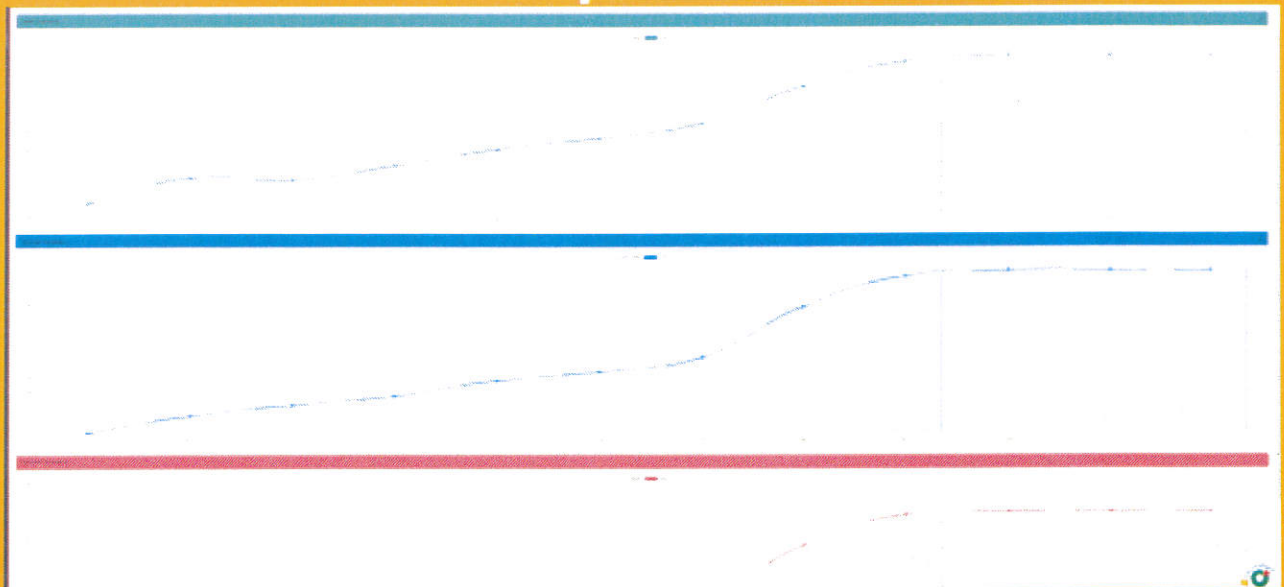


System Print screen - Financial Summary

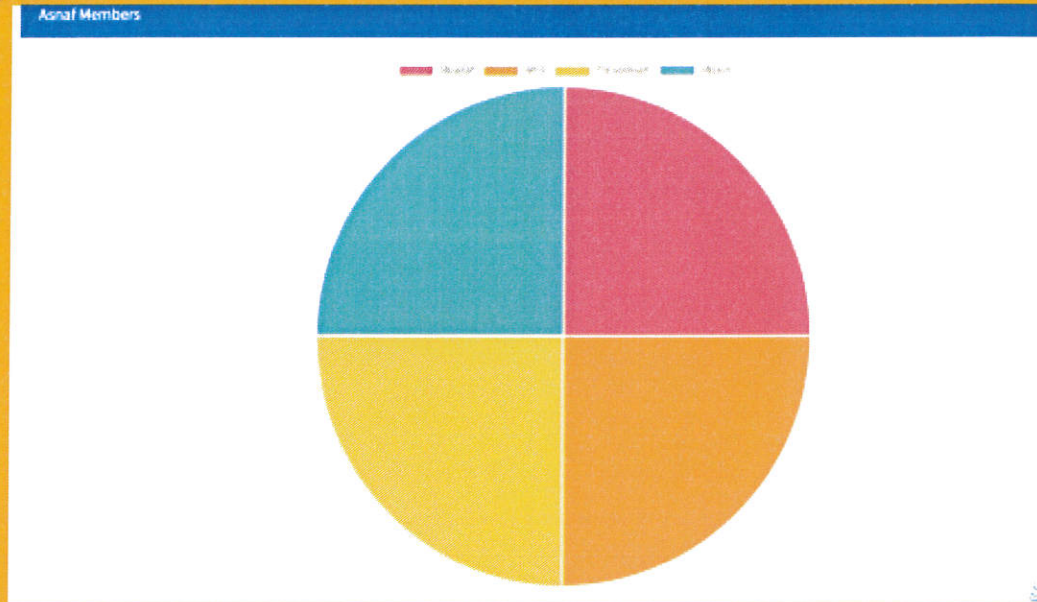
Summary by Collection Category Print

Category	January	February	March	April	May	June	July	August	September	October	November	December	Total
Member dues	500.00	1.00	200.00	1.00	0.00	0.00	0.00	0.00	2,000.00	40.00	0.00	0.00	1,700.00
Special activities	17,400.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	17,400.00
Association members	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00
Complex rent	0.00	100.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	200.00
Association dues	1,000.00	0.00	200.00	200.00	0.00	200.00	0.00	0.00	20,000.00	2,000.00	0.00	0.00	11,500.00
Special projects - donations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8,500.00	0.00	0.00	0.00	8,500.00
Event cost	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8,000.00	1,000.00	0.00	0.00	9,000.00
Sp. Nat	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Book purchase	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Insurance (Wakeland)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Equipment (equipment)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Revenue	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,000.00	0.00	0.00	0.00	2,000.00
Total	30,420.00	1,000.00	1,240.00	211.00	0.00	200.00	0.00	40.00	11,987.00	34,885.00	0.00	0.00	117,000.00

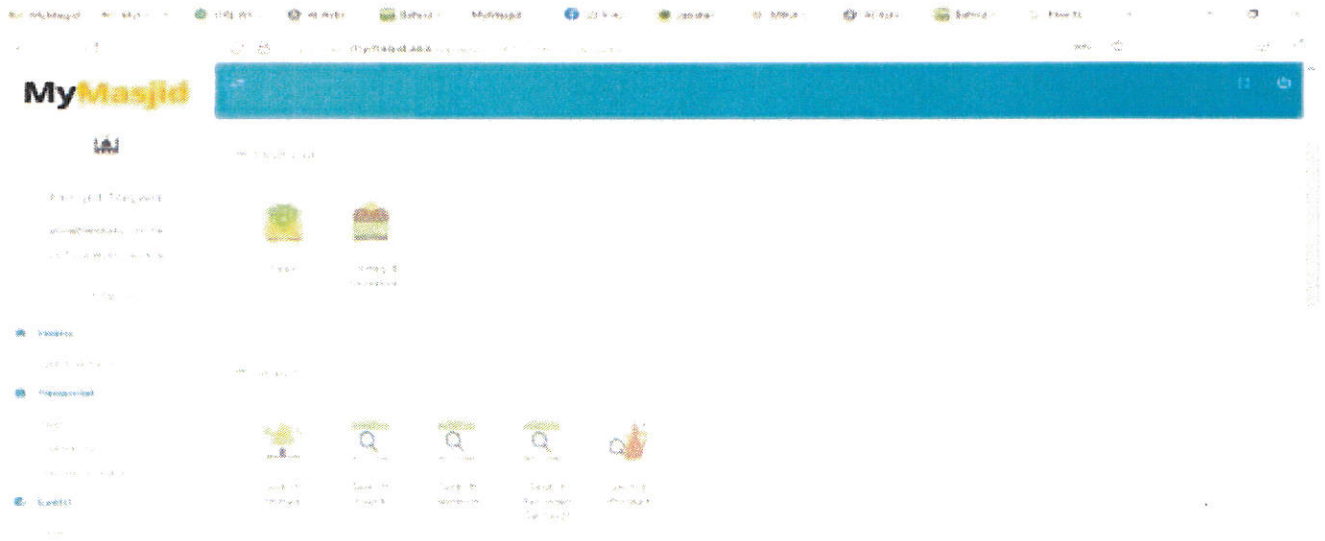
System Print screen - Cumulative Revenue & Expenses



System Print screen – members - asnaf



System Print screen - Qariah Portal



System Print screen - Qariah Portal

The screenshot shows the 'MyMasjid' web portal interface. The main content area displays a table titled 'Infog & Donations'. The table lists various donation categories with their respective target and current amounts in RM. Each row includes an 'Action' button labeled 'Pilih Now'.

Description	Target (RM)	Total Current Donation (RM)	Action
General Donation	1,000.00	1,000.00	Pilih Now
Siswa/Alumni	1,000.00	1,000.00	Pilih Now
Others	1,000.00	1,000.00	Pilih Now
Wakil-tanah (wakil tanah)	1,000.00	1,000.00	Pilih Now
Siswa/Alumni (Siswa/Alumni)	1,000.00	1,000.00	Pilih Now
Others (Others)	1,000.00	1,000.00	Pilih Now
Wakil-tanah (wakil tanah)	1,000.00	1,000.00	Pilih Now

System Print screen - Qariah Portal

The screenshot shows the payment confirmation screen on the MyMasjid portal. It displays a total amount of RM 11.00 and a list of selected items. Below the list is a 'Proceed' button. A disclaimer at the bottom states: 'By clicking on the "Proceed" button, you agree to FPX's Terms & Conditions'.

Total Payment: RM 11.00

Selected Item(s):

- General Donation (RM 11.00)
- Siswa/Alumni (RM 11.00)
- Others (RM 11.00)
- Wakil-tanah (wakil tanah) (RM 11.00)
- Siswa/Alumni (Siswa/Alumni) (RM 11.00)
- Others (Others) (RM 11.00)
- Wakil-tanah (wakil tanah) (RM 11.00)

Proceed

By clicking on the "Proceed" button, you agree to FPX's Terms & Conditions

3. INSURANCE TAKAFUL

1

INVESTMENT IN CAPTIVE INSURANCE PROGRAM IN MALAYSIA

Proposed By :
PMPCC Limited (Labuan) and Al Hidayah Group of Companies

Owned by PMPCC Limited Labuan and Al Hidayah Group Of Companies

2

CAPTIVE INSURANCE

The captive insurance industry may well be at a turning point and efforts should be undertaken to develop it, says the Governor of Bank Negara Malaysia, Datuk Muhammad Ibrahim.

The Star Online , 16 Ogos 2017

Owned by PMPCC Limited Labuan and Al Hidayah Group Of Companies

3

Captive insurance market still underexplored

The captive insurance industry is significantly under-penetrated despite lower risk burden, said Labuan IBFC Inc chief executive officer Danial Mah Abdullah.

The Asian market for captive is relatively unexplored and the potential for growth is immense. The penetration level is low at the moment with only 2.3 per cent out of the total number of 6,939 captives established worldwide (according to Business Insurance 2016) and we believe the Asian captive market will continue to grow at a steady pace,' Danial said.

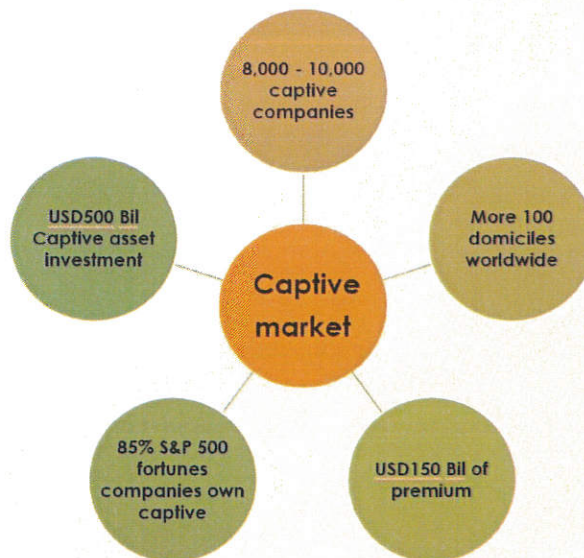
Currently, 75 per cent of the world's Fortune 500 companies are parent owners of captive insurance companies and total captive premium income is exceeding US\$14 billion with more than 5,000 captives established worldwide.

New Straits Times ,17 May 2017

Owned by PM PCC Limited Labuan and Al Hidayah Group Of Companies

4

CAPTIVE INSURANCE MARKET



Owned by PM PCC Limited Labuan and Al Hidayah Group Of Companies

5

DEVELOPMENT OF CAPTIVE IN THE WORLD



Gateway Rivers Insurance Company



Exchange Indemnity Company



The American Road Insurance Company



Catamount Indemnity Limited



KPMG Cayman Islands



AMEXCO Insurance company



Noble Assurance Company



Ancon Insurance Company Inc



CVV Reinsurance Company



Tall Tree Insurance company



Coca-Cola Reinsurance Services Limited



Middlesex Assurance Company Ltd



Toyota Motor Insurance Company



Hilton Insurance Incorporation

Owned by PM PCC Limited Labuan and Al Hidayah Group Of Companies

6

DEVELOPMENT OF CAPTIVE IN MALAYSIA



TAN CHONG MOTOR HOLDINGS BERHAD

Warisan Captive Incorporated (M)
Plants & Facilities



Air Asia Corporate Services Ltd (M)

Aviation, Hull, Liabilities



QSR Captive Insurance Limited (M)

Employees' Benefits & Food Outlets



GENTING

Genting (Labuan) Limited (M)
International & Local Properties



Delima Insurance (L) Ltd.

Aviation, Hull, Liabilities



PETRONAS

Energas Insurance (L) Limited (M)

Refineries & Facilities; Onshore, Offshore



Sime Darby Insurance Pte. Ltd. (M)

International & Local Properties



SUNWAY

Sunway Captive Insurance Ltd. (M)
International & Local Properties

Owned by PM PCC Limited Labuan and Al Hidayah Group Of Companies

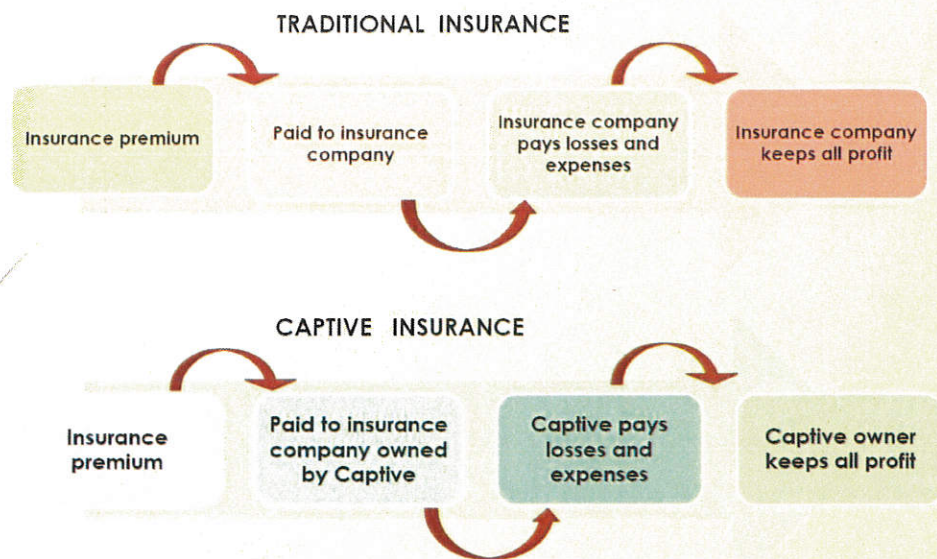
THE ADVANTAGES OF CAPTIVE INSURANCE

7



Owned by PM PCC Limited Labuan and Al Hidayah Group Of Companies

8



Owned by PM PCC Limited Labuan and Al Hidayah Group Of Companies

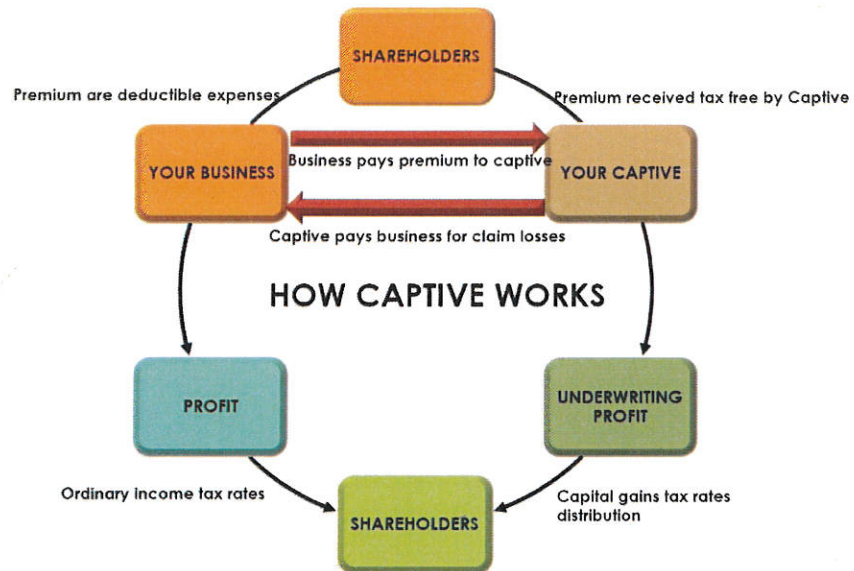
Keys Benefits of Captive Compared To Self insurance and Commercial Insurance

9

Feature of compare	Retail insurance	Self insurance	Captive insurance
Risk Protection	Yes	No	Yes
Tax deduction premium	Yes	No	Yes
Income Tax benefits	Yes	No	Yes
Asset Protection	Yes	No	Yes
Can Lower Insurance Cost	No	Yes	Yes
Policy Design control	No	N/A	Yes
Claim Control	No	Yes	Yes
Underwriting Income	No	No	Yes
Investment income	No	No	Yes
Competitive Advantage possible	No	Yes	Yes
Estate planning benefits	No	No	Yes
Access insurance market	No	No	Yes
New revenue stream option	No	No	Yes

Owned by PAM PCC Limited Labuan and Al Hidayah Group Of Companies

10



Owned by PAM PCC Limited Labuan and Al Hidayah Group Of Companies

11

ILLUSTRATION OF CAPTIVE AGAINST INSURANCE

1. Traditional Insurance/Takaful



Direct local policy

Price : 0.50% of TSI (RM3.5 bil)

Client pays = RM17,500,000. (No saving)

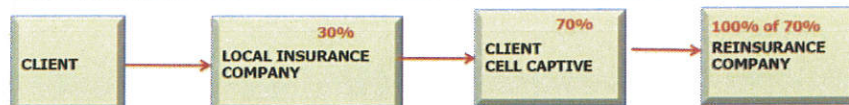
TSI = Total sum insured

Owned by PM PCC Limited Labuan and Al Hidayah Group Of Companies

12

ILLUSTRATION OF CAPTIVE AGAINST INSURANCE

2. Captive



Direct local policy (30%)

Price : 0.50% of TSI (RM3.5 bil) x 30%

= RM17,500,000 (a) @ 30%

= RM5,250,000 (b)

Reinsurance (70%)

Price : 0.3% of TSI (RM3.5 bil) x 70%

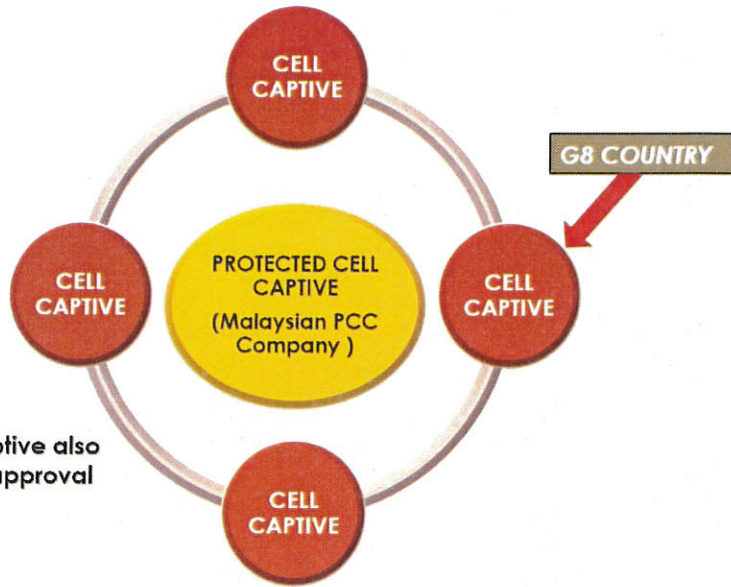
= RM10,500,000 @ 70%

= RM7,350,000 (c)

- Client pays RM17,500,000 to the local insurance company as premium (a)
- Client instructs local insurance company to cede 70% to their cell captive
- Cell captive reinsures 100% of 70% i.e. buys reinsurance for 70% at lower premium of RM7,350,000 (C)
- Client's total premium (insurance cost) is RM5,250,000 + RM7,350,000 or (b + c) = RM12,600,000
- **Client's premium saving retained at the client's cell captive is RM17,500,000 – (RM5,250,000 + RM7,350,000) or (a – (b + c)) = RM4,900,000 (saving)**

Owned by PM PCC Limited Labuan and Al Hidayah Group Of Companies

BUSINESS STRUCTURE



Individual Cell captive also to set up and get approval in Labuan

Owned by PM PCC Limited Labuan and Al Hidayah Group Of Companies

CAPTIVE INSURANCE/TAKAFUL MANAGEMENT



FINANCE

- Financial Report ,Annual Budget ,Financial Forecasts, Statutory Audit
- Cash Management, Tax Payment, Regulatory reporting ,Investment Strategy

INSURANCE/TAKAFUL

- Re Insurance/ReTakaful renewal support, Underwriting Reporting, Actuarial Review, Policies Review, RI Agreement, Premium Collection
- Claims payment ,Re insurance/Re Takaful recovery

RISK CONSULTING

- Compliance officer, Money Laundering, Compliance reporting, Corporate Governance
- Liaison with Labuan Authority, Regulation and Regulatory guidelines updates,

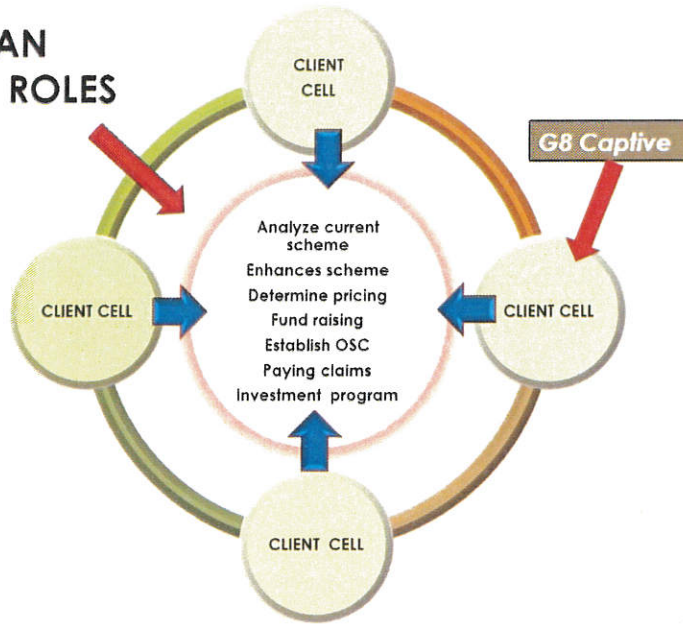
COMPLIANCE

- Actuarial and analytical , Statement of Actuarial Opinion ,Solvency procedures, Loss Forecasting, Reserving ,premium allocation, Claim Advisory,
- Enterprise Risk Management, Risk Control and Engineering, Run Off and Finality Solution

Owned by PM PCC Limited Labuan and Al Hidayah Group Of Companies



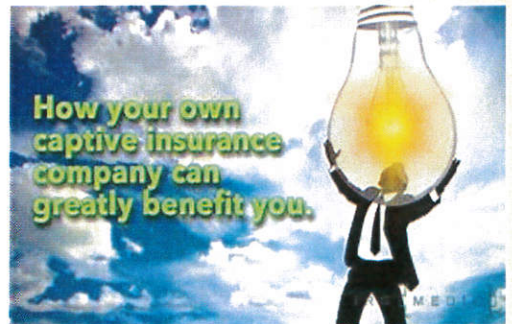
MALAYSIAN PMPCC'S ROLES



Owned by PM PCC Limited Labuan and Al Hidayah Group Of Companies



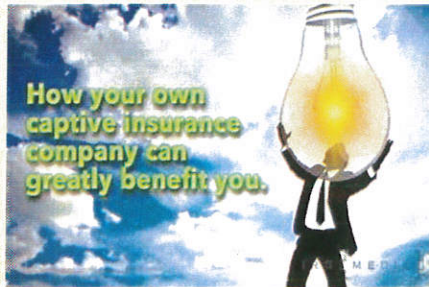
CAPTIVE'S POTENTIAL PRODUCTS



Owned by PM PCC Limited Labuan and Al Hidayah Group Of Companies

17

PROTECTED CELL COMPANY (CORE) ROLES



- Develops plan and provide risk management team for clients (Cell captive) by engaging professional and reputable experts
- Develops and establish claim management SOP for clients (Cell captive)
- Provide Re Insurance program and module for Re Insurance package
- Develops customer made products (Cell captive) by appointing prudent actuary
- Manage the PCC according to guidelines and related law as per authority requirement and proper accounting method
- Plans and provide investment program for client (Cell Captive) when needed.

Owned by PM PCC Limited Labuan and Al Hidayah Group Of Companies

18

THE ADVANTAGES OF CELL CAPTIVE (OWNER) UNDER MALAYSIAN PCC



Registration and management cost covered by PCC (core)

Operating costs such as office, system and employees borne by PCC

No requirement of diligent experts and employees including actuarial service

No direct monitoring under authority in any accounting and internal compliances

The Cell is allowed to propose the investment program and investment structure and portfolio .

The right to monitor and control the financial activity

The surplus/dividend with 100% tax exemption due to Cell Captive .

Owned by PM PCC Limited Labuan and Al Hidayah Group Of Companies



19

6 distinctive advantages of Labuan captive insurance

- Lower insurance costs
- Total control over the group's insurance program
- Able to customize coverage to meet specific needs and "uninsured" risks
- Full control over risk management
- Able to ensure with Syariah compliant option
- Permissible to underwrite third party insurance

Owned by PIM FCC Limited Labuan and Al Hidayah Group Of Companies



20

6 major tax advantages of a Labuan captive insurance:

1. 3% of chargeable profits
2. No withholding tax on dividends/interest/royalty payments
3. No stamp duties on Labuan shares transfer and all other instruments
4. Access Malaysia wide treaty network of over 70 double taxation agreements
5. Access of Direct Re Insurance market worldwide
6. Dividends are non-taxable



Owned by PIM FCC Limited Labuan and Al Hidayah Group Of Companies

THE CONDITIONS OF CAPTIVE INSURANCE IN LABUAN

► The paid-up capital and annual license fee of the Labuan captive insurance varies according to the type of set up you apply for:

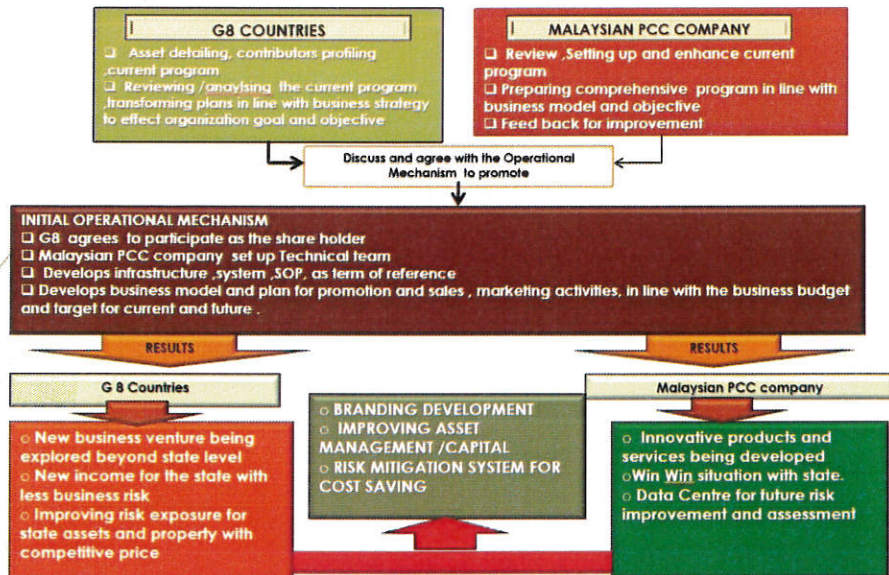
Labuan Captive	Paid Up Capital	Annual License Fee
Pure/single captive	RM300,000	RM10,000
Group/associate captive	RM300,000	RM10,000
Multi owner captive	RM300,000	RM10,000
Master Rent A Captive	RM500,000	RM13,000
Captive PCC (Core)	RM500,000	RM30,000

21

Owned by PM PCC Limited Labuan and Al Hidayah Group Of Companies

22

MECHANISM FOR CAPTIVE COMPANY



Owned by PM PCC Limited Labuan and Al Hidayah Group Of Companies

23

**THE EXPERTISE OF
MALAYSIAN PCC
COMPANY/AL
HIDAYAH GROUP
OF COMPANIES**

We have experienced and qualified expertise mastering in developing the process of setting up captive company as well as prospering captive activities in Malaysia

Our Expertise understand the captive market in local and global beside having close contact with International players

We have the ability and expert to develop products that yet to be explored In local market such as agriculture, financial and employees' scheme .

We have engaged vendors for Re insurance/Re Takaful companies as well as brokers companies as our strategic partners.

Owned by PM PCC Limited Labuan and Al Hidayah Group Of Companies

24

END

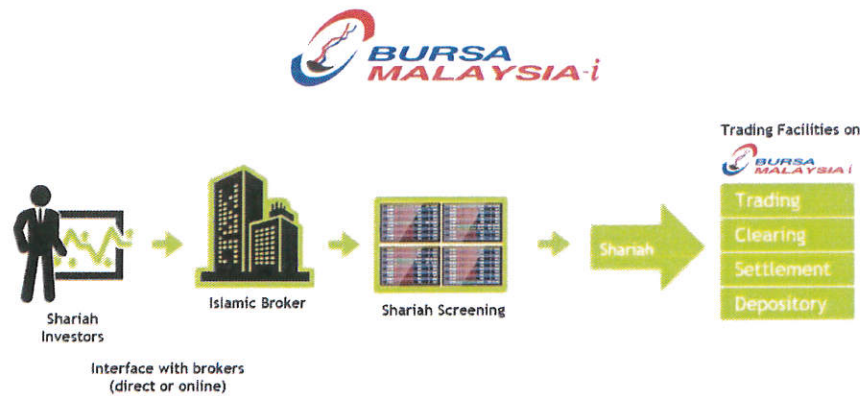
Owned by PM PCC Limited Labuan and Al Hidayah Group Of Companies

4. ISLAMIC CAPITAL MARKET

PROPOSAL FOR FORMATION OF SHARIAH-COMPLIANT STOCK EXCHANGE

Item	Description
Proposal	Formation shariah-compliant stock market in Turkiye along the successful model of Malaysia’s fully integrated Islamic securities exchange known as “Bursa Malaysia-i”(Islamic Bourse Malaysia).

SHARIAH INVESTING LANDSCAPE ON



<p>A brief success story of BM-i</p>	<p>Bursa Malaysia-<i>i</i> is a fully integrated Islamic securities exchange platform with comprehensive range of exchange related facilities including listing, trading, clearing, settlement and depository services, leveraging on the existing Bursa Malaysia infrastructure with enhancements to incorporate Shariah-compliant features.</p> <p>Investors who wish to experience comprehensive end-to-end Shariah Investing are able to choose to invest in Shariah-compliant securities listed on the Main, ACE and LEAP Market of the Exchange through the Bursa Malaysia-<i>i</i> platform by interfacing with Islamic Brokers.</p> <p>In Malaysia, the Securities Commission (SC) assumes a vital and leading role for formulating screening guidelines which are applied to all listing companies to determine their halal status. The SC is the only securities regulator that has its own Shari’ah Advisory Council (SAC). The council comprises renowned shari’ah scholars mandated by the law to advise the SC on Islamic capital market (ICM) issues including the Shari’ah screening process.</p> <p>In 2021, there were 750 shariah-compliant public limited companies (PLC) listed in Bursa Malaysia, an increase from 742 in 2020. From 2016 to 2021, additional 79 shariah-compliant companies have been publicly listed in Bursa Malaysia.</p>
<p>Role of AHG</p>	<p>Assist stock market authorities in Turkiye to link themselves to Malaysia securities market regulators and to Malaysian expert group who can provide advise on the formation of Shari’ah-compliant securities market.</p>

5. D-8 CEFC MALAYSIA PROGRESS REPORT

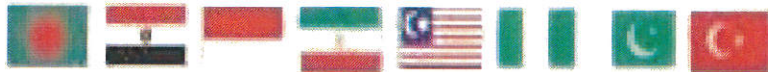
INFO MEMO
D-8 CEFC MALAYSIA
PROGRESS REPORT

NO. 1/2023
DATE 31 JAN 2023

INTRODUCTION TO D-8 CEFC PROGRAM
*CREATIVE ECONOMY & FINANCIAL CENTRE INITIATIVES FOR
A SHARED PROSPERITY*



تمت بحسن النية بالتعاون مع وزارة الاقتصاد والتخطيط في ماليزيا



1. OBJECTIVE

This report is prepared for the following objectives as follows:

1.1 To update the progress of Creative Economy and Financial Center (CEFC) that is implemented by Al Hidayah Group (AHG)

1.2 To recommend various actions for enhancing CEFC programme to D-8 Secretariat

2.BACKGROUND

AHG GROUP CHAIRMAN & TOP MANAGEMENT

Background



- Established since early 1980's
- A conglomerate with multi-diversified business segments: Construction, Property Development, Contracting, Complex Management Services
- Group of companies accumulated paid-up capital : RM151 million
- Group of companies land-banks and assets; exceeds RM5 billion

Top Management



Dato' Ku Jaafar Ku Shaari
Group Chairman



Tuan Haji Bahariz Agob
Group President



Muhammad Kasri Baharin
Executive Director



Muhammad Anwar Bahari
Executive Director

Professional Advisors



From Left (top)

1. Tan Sri Chao: Sen Dr. Susuman Mahanti
2. To. Ng. Shambudin Ahmad Talif
3. Dato' Wira Jetya Mah
4. Dato' Azmi Masnor
5. Dr. Ross Yusoff

From Left (bottom)

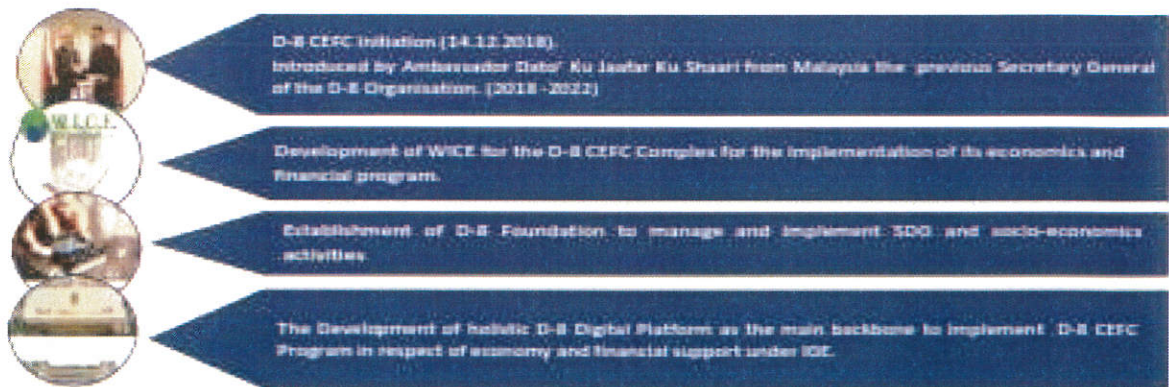
1. Prof. Dato' Dr. Azu Abdullah
2. Dato' Lamin Saibon
3. Dato' Zainal Abidin Jaafar
4. Dr. Zamanudin Abdul Rahman
5. Prof. Madya Dr. Siti Masnah Mahmood

D-8 CEFC INTRODUCTION

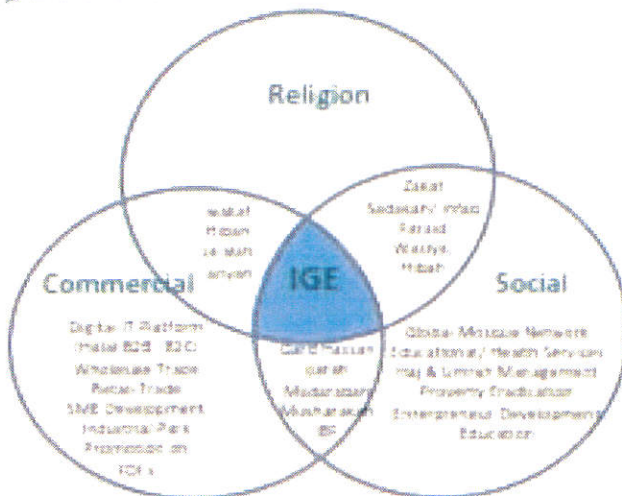
In December 2016, a strategic economic collaboration between D-8 and Al-Hidayah Group was formed through the official signing of a Statement of Intent (S.O.I.). It is known as D-8 Creative Economic & Financial Centre (D-8 CEFC). The collaboration was intended to initiate D-8 common plan in establishing more socio-economic sustainable development activities to achieve creative, innovative, harmonious, friendly and trustworthy sphere of life. The focus areas under the collaboration framework include Zakat, Waqf, Sadaqah, Hbah, Islamic Finance (particularly ArRahn, i.e. Islamic pawn-broking, Takaful and Islamic Banking), Halal Hub, and Global Mosque Network through E-Commerce (remittance, e-recruitment, Halal Trading & Halal Certification, Payment Gateway), HAJ Management, etc. whereby IT platform and Big-Data are the enablers. Subsequent to the S.O.I., D-8 CEFC strategic action plan was further deliberated during D-8's 42nd and 43rd Commission meetings.

OBJECTIVES	➔	<ul style="list-style-type: none"> • Initiate and promoting sustainable economy through international cooperation and trade as well as enhancing domestic initiatives for equitable economic development. • Endeavour to assist and cooperate among members in the sharing of expertise and experiences in human capital development and institutional delivery mechanism. • Explore & enhance trade and investment opportunities between and among them and to support the same by a common digital platform. • Promote cooperation between members in advancing Islamic elements in economic and business activities.
VISION	➔	Contribution of creative economic models for D-8 Member States high-income position.
MISSION	➔	To design and formulate a sustainable economic mechanism and integrated approach for improving the standard of living, eradication of poverty and development of sustainable programmes in the D-8 Member States.

D-8 CEFC SUMMARY



Adoption of Islamic Gift Economy (IGE) principle under D-8 CEFC Initiatives



Source: Zakat & Social Finance Development (2019). A.C. Arbab, S.M. & S.F. Lathief.

The Islamic Gift Economy (IGE) partnership provides collaborative relationships, which can mobilize financial and human resources to confront social needs and advance strategic philanthropy.

The IGE definition is derived from the integrative revival of the mechanisms of religion, social and commercial exchange as encapsulated in the traditional fiqh of ibadah and mu'amalah, such as zakat (obligatory charity), wakaf (endowment), sadaqah (voluntary charity), hibah (gift giving), faraid (estate division), wasyyah (bequest), qard hasan (goodly personal loans), 'amyyah (lending something for use), ijarah (renting and hiring), ja'alalah (job wages), madarabah (venture capital or financing a profit sharing venture) and musharakah/ sharikah (business partnership) according to Setia (2011).

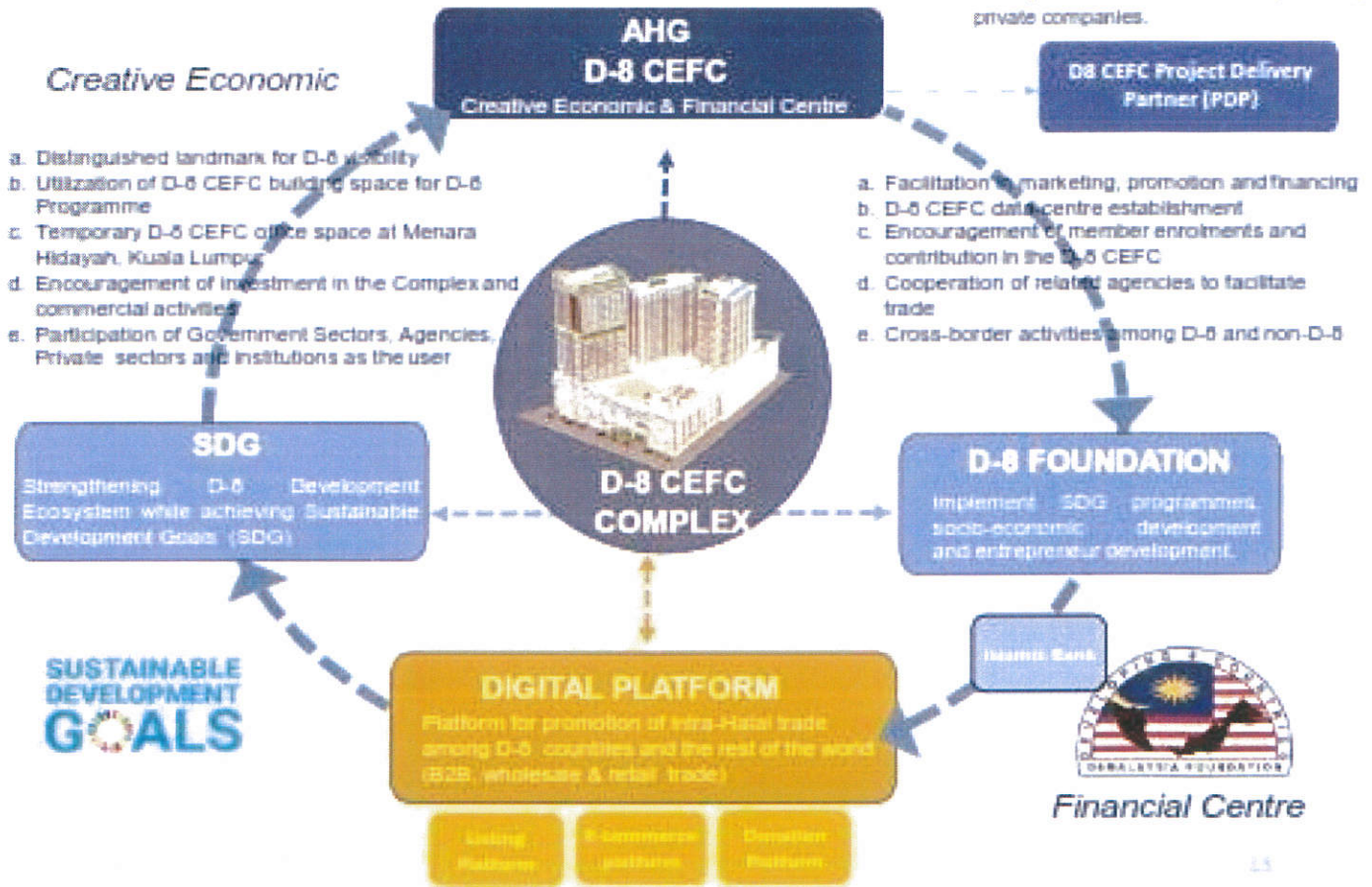
Thus, *al-iktisad al-inafaq* (IGE) redefines the science of economics as the science of *kasb iktisab* (earnings) and *inafaq* (provisioning) of *al-ma'ayish* (livelihoods) for *maslahah 'ammah* (the common good) (al-Ghazali, 2013).

UNHCR unveils the Refugee Zakat Fund, a global Islamic finance structure to help displaced populations worldwide

Taking philanthropy to a new level, UNHCR restructures its existing Zakat program into the Refugee Zakat Fund to help individuals and Islamic financial institutions realize their social responsibility with global impact.

D-8 CEFC ECOSYSTEM

AHG under D-8 CEFC private initiative programmes has progressed to D-8 Secretariat to form D-8 CEFC which mainly focus on membership among private companies.



AHG KEY ROLES / CORE ACTIVITIES



STAKEHOLDERS IN COLLABORATION UNDER D-B CEFC

Facilitate, Administer,
Finance,
Contribute, Sponsor,
Exchange skill



AHG
D-B CEFC

D-B CEFC

- The Federation of Bangladesh Chambers of Commerce and Industry (FBCCI)
- Federation of Egyptian Chambers of Commerce (FEDCO)
- Indonesian Chamber of Commerce and Industry (ADBI)
- Iran Chamber of Commerce, Industrial, Mine and Agriculture (ICCIMA)
- National Chamber of Commerce and Industry of Malaysia (NACCI)
- Nigeria Association of Chambers of Commerce, Industry, Mines and Agriculture (NACCIMA)
- The Federation of Russian Chambers of Commerce and Industry (FRCCI)
- The Union of Chambers and Commodity Exchanges of Turkey (TCCBB)

D-B Country Leaders

Through relevant Ministries authorities and agencies

Embassies Consulates & Trade Offices



Ulama/ Scholars (Academicians/ Intellectual/thinkers)

MAIWP

D-B -AHG ISLAMIC GROUP OF THINKERS

Huffaz Qura

Awareness program on the Islamic social business for the participation of individuals/Co-operatives, etc

Successful high net-worth Muslim Individuals

Industry Players

Members of Chamber of Commerce

Cooperatives & Mosque Communities

Entrepreneurs

Corporate Institutions

Consultants/Professionals & Experts

NGO's & other Global Foundation

Charity Organizations

- 1. Orphanage
- 2. Darul Amman
- 3. Orphanage
- 4. Association of Islamic Center for Orphan & the Poor

**Note
• These stakeholders will also be the beneficiary from the D-B CEFC Programme
• Benefit of D-B CEFC for the stakeholders as highlight in the next slide

Communities

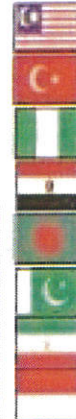


STRATEGIC PARTNERING WITHIN THE D-8 MEMBER STATE



Strategic Partnering under SPV with each partner from D-8 member states as the country's CEFC Project Delivery Partner (PDP)

D8 CEFC Project Delivery Partner (PDP)



AHQ shall be seeking advice and support from D8 CCI members in nominating few candidates in each country that has the aspiration and experience to jointly undertake the implementation of the D8 CEFC Program in their country.

Creative Economy (CE)

- The Development of D8 CEFC Complex in KL that will provide the facilities for the CEFC Program.
- The Development of Digital Platform for the D-8 CEFC initiatives such as:
 - e-Listing Platform
 - e-Commerce Platform
 - e-Philanthropy Platform
 - FinTech Platform
 - Reward & Loyalty Program for members
 - Data Centre
 - My Masjid
 - CEFC Program, Info, Promo, etc.
- Establishment of CEFC membership to pursue CEFC Program nationwide

Financial Centre (FC)

To ensure a sustainability of CEFC ecosystem funding is crucial and under CEFC initiatives, we will focus on SDG principles and make available Islamic financial instrument to support the business initiatives.

- Establishment of Foundation in order to deliver the SDG
- Creation of Islamic Fund for the SDG & economic activities
- Partnering with Wakaf Bank, Islamic Bank, Islamic Fund institution including Micro Finance Institution
- Each SPV which is the PDP in each country will establish a Foundation to undertake the above roles

CONNECT MEMBERS TO D-8 EXISTING PROGRAMMES

D-8 CEFC



D-8 Health & Social Protection Programme (Algeria)



D-8 Network of Pioneers For Research & Innovation



D-8 Research Centre For Agriculture & Food Security

D-8 Designated Airport



D-8 Chamber of Commerce & Industries (D-8 CCI)

D-8 International University



D-8 Technology Transfer & Exchange Network (D-8 TTEEN)

D-8 Payment Card



D-8 Special Economic Zones



COLLABORATION ROLE

In order to successfully implement the proposed CEFC Islamic Economic models as proposed, all parties shall work closely & consistently to spearhead the development of D-8 CEFC. The roles to be proposed as per below:

AHG Role

1. Promotion & marketing
2. Seminars, Forum & Discussion with relevant stakeholders
3. Organize successful participation and engagement of **target groups** in awareness outreach programmes within and among D-8 member states
4. Collaborative SDQ programmes between government agencies and institutions among D-8 member states
5. Organize knowledge & technology sharing among D-8 member states
6. Publications and creation of comprehensive database
7. Funding of the programmes
8. Engagement with industry player through the IT Platform

D-8 Secretariat

1. Provide support to AHG on the Promotion & Marketing
2. To provide support & assistance on D-8 CEFC programmes
3. To support & assist on Seminars, Forum & Discussion with relevant stakeholders conducted by D-8 CEFC
4. Participate and engage with **target groups** in awareness outreach programmes within and among D-8 member states
5. Collaborative SDQ programmes between government agencies and institutions among D-8 member states
6. To participate in knowledge & technology sharing among D-8 member states
7. To assist & support D-8 CEFC to facilitate & mediate within D-8 Member states.

Project Delivery Partner (PDP)

1. To review, facilitate and cooperate the D-8 CEFC business model initiative within their local culture
2. To promote & market the D-8 CEFC Business model
3. Collaborative SDQ programmes between government agencies and institutions undertaken by foundation
4. The Foundation will also provide its Progress Report in respect of its Income & Expenditure
5. To foster and share creativity, innovation, knowledge & technology transfer among D-8 member states

Government

1. To support the D-8 CEFC Programme development among each D-8 state
2. To reduce Trade Barrier
3. To enhance the policy-making for D-8 bilateral trade

D-8 CEFC BENEFITS

GENERAL

- 1 Stimulate economic growth through D-8-AHGC Collaboration
- 2 Enhancement of trades within Member States
- 3 Development of new platform for cohesive private and government sector initiatives
- 4 Creation of comprehensive database for all business activities
- 5 Improvement in retail trading through centralized E-Commerce system
- 6 Accelerate Socio-Economic Sustainable Development Programmes
- 7 Catalyst to boost tourism industries for the Member State through D-8-AHGC Collaboration events
- 8 Creation of more sustainable development and poverty eradication programmes in the D-8 Member States
- 9 Increased SME business activities in each Member States via Events and Business Forums
- 10 Human Capital Development & Capacity Building (Insan Kami Attainment)
- 11 Emergency Humanitarian Aids To Help The Needy (e.g. refugees, war-torn countries)
- 12 Harnessing a strong economic bloc as the emerging D-8 high income nations

SPECIFIC

- 1 Contributing to the development & growth of SME within the member countries through B2B & B2C platform of which CEFC is providing both virtual and physical market place. Benefit to PDP
- 2 Mobilization of resources such as capital, manpower, technology & knowhow, marketing within D8 members, so as to be competitive and economically viable for the benefits of all under a shared prosperity concept.
- 3 Creation of business network between association chamber of commerce within D8 member states.
- 4 The same ecosystem and business implementation strategy & model will be replicated in each member states and will be managed by the PDP.
- 5 Encouraging Programs Through Various Channels & Supportive for SMEs
- 6 Monetary contribution will be provided to D8 secretariat & Local Partner (Which will be discuss at later stage). Benefit to PDP

3. CURRENT ACTIVITIES UNDER CEFC

A.

PROJECT: Meeting with Ministry of Foreign Affairs Malaysia (MOFA).

ECONOMIC IMPACT: AHG develops a permanent working relationship with Organisation of Islamic Cooperation (OIC) and Regional Cooperation Division MOFA on matters related to CEFC.

CURRENT STATUS: A meeting between AHG and OIC Division was held on 9th Jan 2023.

B.

PROJECT: Virtual Meeting with D-8 Secretariat and CCI from 8 members of state.

ECONOMIC IMPACT: AHG, D-8 Secretariat and Representative for 8 State Members develops a working relationship in introducing and developing the D-8 Creative Economy Financial Centre (CEFC) and Islamic Gift Economy (IGE) Activities.

CURRENT STATUS: AHG, D-8 Secretariat and Representative for 8 members of state had a virtual meeting on 11 Jan 2023. As a result, all the parties agreed for The Way Forward Statement on CEFC to be recommended for The Commissioner Meeting on 15th & 16th Feb 2023.

C.

PROJECT: 46th Commissioner Meeting on 15th & 16th Feb 2023 in Istanbul, Turkiye.

ECONOMIC IMPACT:

1. AHG will be presenting The Way Forward Statement and proposed activities on CEFC to the Commissioner Meeting on 15th & 16th Feb 2023.
2. AHG will propose a memorandum of agreement to be signed with D-8 Secretariat upon approval from the Commissioner Meeting.

CURRENT STATUS: AHG has prepared The Way Forward Statement and proposed activities on D-8 CEFC with the memorandum of agreement.

D.

PROJECT: Meeting Turkiye Business Association.

ECONOMIC IMPACT:

AHG with the support from D-8 Secretariat will be meeting 2 business association *to secure* the potential partner from Turkiye which is suitable based on CEFC criteria.

1. Union of Chambers and Commodity Exchanges of Turkiye (Tobb)
2. Independent Industrialists and Businessmen Association (Musiad)

CURRENT STATUS:

TOBB meeting on 15th Feb 2023

MUSIAD meeting on 16th Feb 2023

E.

PROJECT: CEFC And Gift Economy Doctrines.

ECONOMIC IMPACT:

AHG to introduce **Creative Economy Financial Center (CEFC)**, a new economic model for developing 8 members of state (D-8) to improve the standard of living, eradication of poverty and development of sustainable programmes in D-8 Members of state. This CEFC model is developed under the Public-Private Partnership (PPP) framework by D-8 Organization and Al Hidayah Group (AHG) from Malaysia. In addition, CEFC model will be based on Islamic principles, emphasizing on equity and fairness in capital accumulation through 'Islamic GIFT Economy' (IGE) approach, in which Islamic Economic Model in co-existence with the conventional Economic System and will facilitate the mobilization of economic factors of production for socio-economic development and Gross Domestic Product (GDP).

CURRENT STATUS:

AHG had appointed International Islamic University Consultancy (IIUM) to prepare the CEFC and GIFT Economy Doctrines study in Sept 2022. The report is expected to be completed by end of March 2023.

F.

PROJECT: Launching of D-8 Edu City in Taboh Naning, Alor Gajah District, State of Malacca, Malaysia

ECONOMIC IMPACT:

AHG have launched D-8 Edu City to enhance development and cooperation of D-8 members of state education sector especially in Islamic technical education through virtual learning.

It was launched by Chief Minister of State of Malacca, Malaysia on 18th Dec 2022. Project cost estimates at RM 100 million (USD 23.7 million) in 5-year period.

CURRENT STATUS:

AHG has appointed a technical and education consultant for preparation of the project design and education syllabus.

G.

PROJECT: Launching MyMasjid IT Platform for Malacca Religious Council in Malaysia

ECONOMIC IMPACT:

AHG has launched MyMasjid IT Platform for Malacca Religious Council on 18th Dec 2023. This IT platform is designed to assist 200 mosques to better manage their organisation and members. Project cost estimates at RM 100 thousand (USD 23.7 thousand). Overall cost is about RM 500 thousand (USD 118.5 thousand) which includes software, equipment and training.

CURRENT STATUS:

AHG to submit full technical and financial proposal on 7th Feb 2023 to Malacca Religious Council.

H.

PROJECT: D-8 Malaysia Foundation (D-8MF).

ECONOMIC IMPACT:

Launching of SDG programme on education in Taboh Naning, Alor Gajah District, State of Malacca, Malaysia
D-8MF have received 7 units of 2-storey shophouses and 21 units of commercial lots at Taboh Naning, Alor Gajah District, State of Malacca, Malaysia worth RM 10 million (USD 2.4 million) and RM 50 thousand (USD 20,661) from AHG for SDG on education on 18th Dec 2023

D-8MF with Huffaz Care has developed SDG education through a project called Huffaz Language Center (HLC). This center will focus of Quranic, Arabic and International language study

D-8MF with local university, MICET UniKL have undertaken 120 poor students to be given Islamic education and cost of living assistance. Estimated budget is about RM 120 thousand a year (USD 28.4 thousand) for 5 years.

D-8MF have started a crowdfunding programme since 2020 to finance all the 6 SDG programme. For 2023 D-8MF will be organising the crowdfunding activities through various efforts from public, corporate and government sectors.

CURRENT STATUS:

D-8FM has undertaken the upgrade of this facility in 3 years at estimated cost of RM 30 million (USD 7.1 million)

100 students have enrolled since 2022.

120 students have enrolled from 2023.

D-8FM have collected contributions more than RM 11 million (USD 4.5 million)

I.

PROJECT: D-8 IT Platform.

ECONOMIC IMPACT:

AHG has developed an ICT application and support for trade and investment for D-8 Members of State which include

1. Membership program
2. E-Commerce (B2B/B2C)
3. Trade supports system
4. Partnership Economy
5. Portal
6. Website
7. Membership platform
8. Payment Gateway System

Estimated cost per each individual of the D-8 State is about RM 3 million (USD 1.25 million) subjected to final specification

CURRENT STATUS:

AHG will be presenting ICT application for preview on 15th & 16th Feb 2023

J.

PROJECT: WORLD ISLAMIC CENTER EXCELLENT (WICE) AT Jalan Ampang Kuala Lumpur Malaysia.

ECONOMIC IMPACT:

AHG to build the D-8 CEFC Headquarter in Kuala Lumpur (the WICE) and to establish D-8 Malaysia Foundation to carry out D-8 SDG programs.

Development Components:

1. Tower 1 - Hotel and Office
2. Tower 2 - Service Apartment (Retirement Village)
3. Tower 3 - Retail area
4. Parking Area
5. Administration Centre
6. Training Centre
7. Entrepreneurs Development
8. Islamic financing centre
9. Islamic Centre

Total gross area – 2.2 million sqft

Estimated cost is about RM 1.3 billion (USD 538 million)

CURRENT STATUS:

Projects were given Development Order and Building Plan approval in 2019. AHG is looking suitable investor to build the WICE.

4.CONCLUSION

AHG would like to thank D-8 Secretariat office for the warm assistance and cooperation to the Creative Economy and Financial Centre (CEFC) that is implemented by Al Hidayah Group (AHG).

ANNEXTURE

**ASNAF
DONATION
DISTRIBUTION
CEREMONY IN
MELAKA**

**27th
JANUARY
2023**



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MELAKA**

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**D-8 MALAYSIA
FOUNDATION
THANKSGIVING
CEREMONY**

**18th
DECEMBER
2022**



**D-8 MALAYSIA
FOUNDATION
THANKSGIVING
CEREMONY**

**18th
DECEMBER
2022**

**SITE OPENING
CEREMONY OF
D-8 EDU CITY,
VENDOR TOWN
TABOH NANING,
MELAKA**

**18th
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2022**



**SITE OPENING
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**ASNAF
DONATION
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MELAKA**

2ND
DECEMBER
2022



**SITE OPENING
CEREMONY OF
D-8 EDU CITY,
VENDOR TOWN
TABOH NANING,
MELAKA**

18th
DECEMBER
2022



**ASNAF
DONATION
DISTRIBUTION
CEREMONY IN
MELAKA**

2ND
DECEMBER
2022



**SITE OPENING
CEREMONY OF D-8
EDU CITY, VENDOR
TOWN TABOH
NANING, MELAKA**

18th DECEMBER
2022

**ASNAF
DONATION
DISTRIBUTION
CEREMONY IN
MELAKA**

2ND
DECEMBER
2022



**ASNAF
DONATION
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CEREMONY IN
MELAKA**

2ND
DECEMBER
2022



**SUSTAINABLE
DEVELOPMENT
PROGRAM
UNDER D-8 CEFC
2020-2022**



**SUSTAINABLE
DEVELOPMENT
PROGRAM
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SUSTAINABLE DEVELOPMENT PROGRAM UNDER D-8 CEFC 2020-2022



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SUSTAINABLE DEVELOPMENT PROGRAM UNDER D-8 CEFC 2020-2022



HUFFAZ CARE DONATION DISTRIBUTION CEREMONY IN MELAKA



SUSTAINABLE DEVELOPMENT PROGRAM UNDER D-8 CEFC 2020-2022



HUFFAZ CARE DONATION DISTRIBUTION CEREMONY IN MELAKA

PROGRAM GERBANG REZEKI 2021

7 juta 500,000 ringgit untuk Program Gerbang Rezeki 2021 yang membolehkan aktiviti-aktiviti pembangunan infrastruktur dan pengangkutan bertapak dengan berkesan.



HUFFAZ CARE DONATION DISTRIBUTION CEREMONY IN MELAKA



**SUSTAINABLE
DEVELOPMENT
PROGRAM
UNDER D-8 CEFC
2020-2022**



**SUSTAINABLE
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**SUSTAINABLE
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2020-2022**

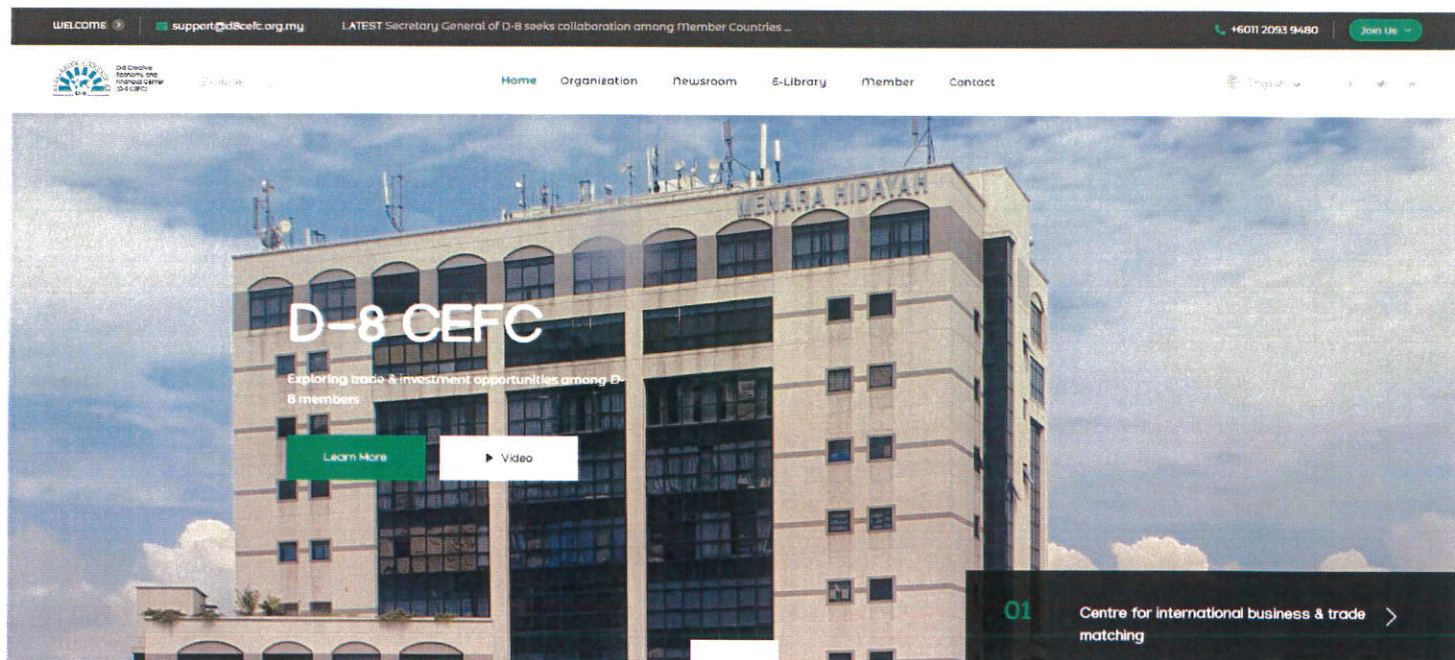


**SUSTAINABLE
DEVELOPMENT
PROGRAM
UNDER D-8 CEFC
2020-2022**



**SUSTAINABLE
DEVELOPMENT
PROGRAM
UNDER D-8 CEFC
2020-2022**

6. CEFC WEBSITE AND DIGITAL ECONOMIC PLATFORM



7. D-8 FOUNDATION

3. D-8 FOUNDATION

RESPOND
& COMBON
AFFORD



RESPONSIBLE



10

THE FOUNDATION - AN INTERNATIONAL FAITH GIVING ORGANISATION (IFGO)



The Proposed establishment of D-8 Foundation

UMMAH INTERNATIONAL CHARITABLE (L) FOUNDATION

- FOUNDATION not only aspires to be a world-class organization, but more importantly its main focus is to transform the Ummah from Poverty to Economic Independence.
- To design and formulate the economic mechanism and integrated approach for improving the standard of living, eradication of poverty and development of sustainable programs within the D-8 Member States through private initiatives.
- To contribute to the UN 17 Sustainable Development Goals.



FOUNDATION – CHARTER & ARTICLES, FUNCTIONS (The Salient Terms)



1. Proposed Foundation Name : UMMAH INTERNATIONAL CHARITABLE (L) FOUNDATION
2. Domicile : Labuan Offshore, Federal Territory, Malaysia
2. Type Of Foundation : Charitable Foundation
3. Governing Acts :
 - Labuan Foundation Act 2010 ("LFA")
 - Labuan Islamic Financial Services Act 2010 ("LIFSSA")
 - Anti-Money Laundering, Anti Terrorism Financing and Proceeds of Unlawful Activities Act 2001
 - Income Tax Act. 1967
4. Philosophy : Fostering CSR through value-added commercial driven activities
5. Charter & Articles : Sustainable socio-economic development, inclusiveness and alleviation of poverty for the Muslim Ummah
 - Exclusively for charitable, religious, literary, scientific and educational purposes.
 - To give financial assistance to the recognized Islamic Institutions of organization and support activities in various sectors : education, health, community, public utilities, commercial, sport, recreation, hospitality, agriculture, environmental,
 - To provide assistance to deserving other privilege parties and education sponsorship to beneficiaries.
 - To provide financing for R&D, education, socio-economic activities and SDG development projects and humanitarian act.
 - Discharging duties in Zakat, Waqf, Sadaqah, Infaq & Hibah in accordance to the provision of law



6. Eligibility : Open to any world citizen
7. Type of Asset To Be Endowed :
 - Asset of every kind whether corporeal or incorporeal, movable or immovable, tangible or intangible, however acquired
 - Legal document of any form evidencing title or interest in such asset (including banker's cheque, money orders, securities, bonds, bank drafts and letter of credits
 - Foreign properties are allowable
8. Founder : D-8 Organization of Economic Cooperation
9. Organization Structure : Consists of Founder, Council, Supervisory Officer(s), Sharia Committee, Secretary and Auditor
10. Special Purpose Vehicle :
 - To manage, monitor and execute all foundation programmes
 - To carry out commercial and profit driven activities (I.T. Infa, agency in Zakat, waqf and sadaqah/infaq, arranger in SDG programmes, E-Commerce & Halal hub.
11. Other Foundation Programmes (R&D) :
 - Collaboration with Universities for R&D for the purpose of D-8 CEFC Initiatives
 - Joint research and knowledge exchange programmes with D-8 member states
 - Academic projects and activities in Islamic Economics, Muamalat, Entrepreneurship, Techno-preneurship, Socio and Cultural fields

FOUNDATION – CHARTER & ARTICLES, FUNCTIONS (The Salient Terms)

(cont.)

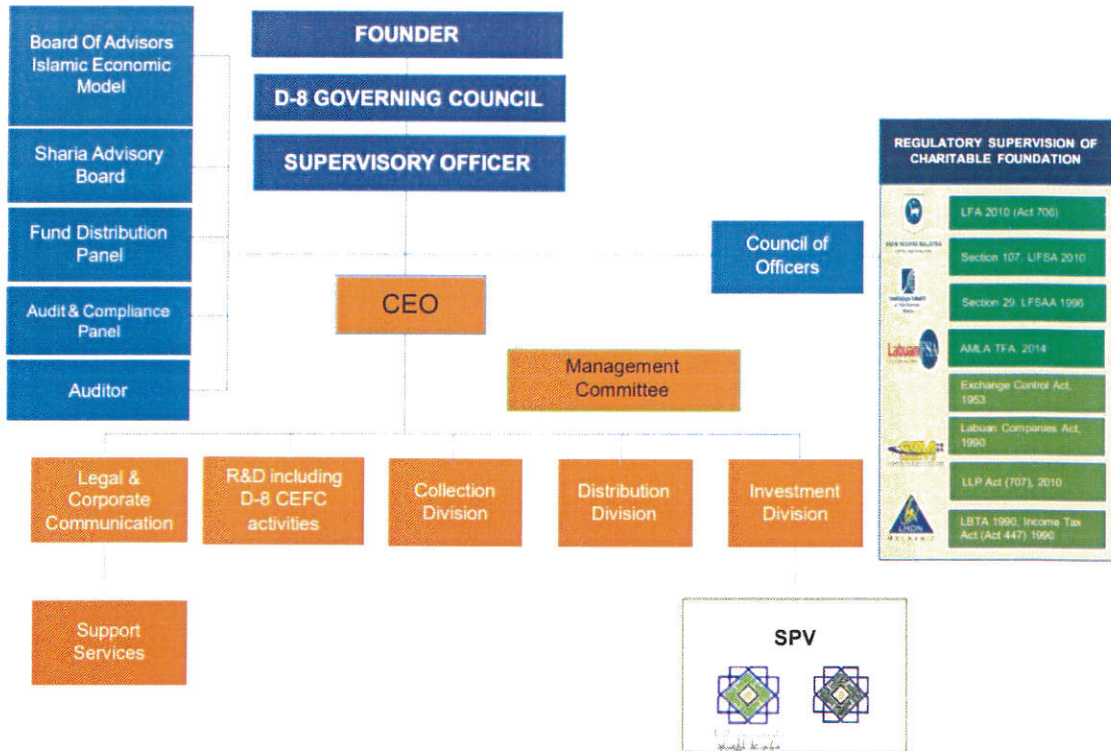


- 12. Beneficiaries : General Public

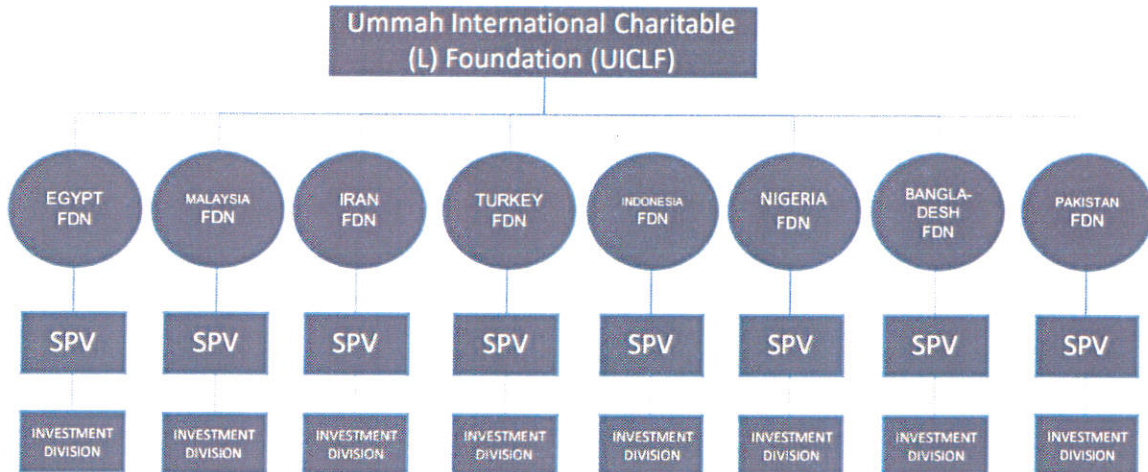
- 13. Benefits to "individual" member :
 - Receives good deeds from Allah s.w.t.
 - Tax relief (subject to individual country tax policy)
 - Next of kin and future generation (in need of aid or assistance)
 - Business Opportunities within the D-8 marketplace and connecting with world Muslim networks
 - Business Matching Opportunities among members
 - Participation in the outlined programmes organized by the Foundation in affiliation with the World Islamic Centre Of Excellence and D-8 CEFC

- 14. Benefits to "organization" member :
 - Receive good deeds from Allah s.w.t.
 - Tax relief (subject to country tax policy)
 - Business Opportunities within the D-8 market place and world Muslim networks
 - Business Matching Opportunities among members
 - Participation in the outlined programmes organized by the Foundation in affiliation with the World Islamic Centre Of Excellence and D-8 CEFC

The Proposed Foundation Structure



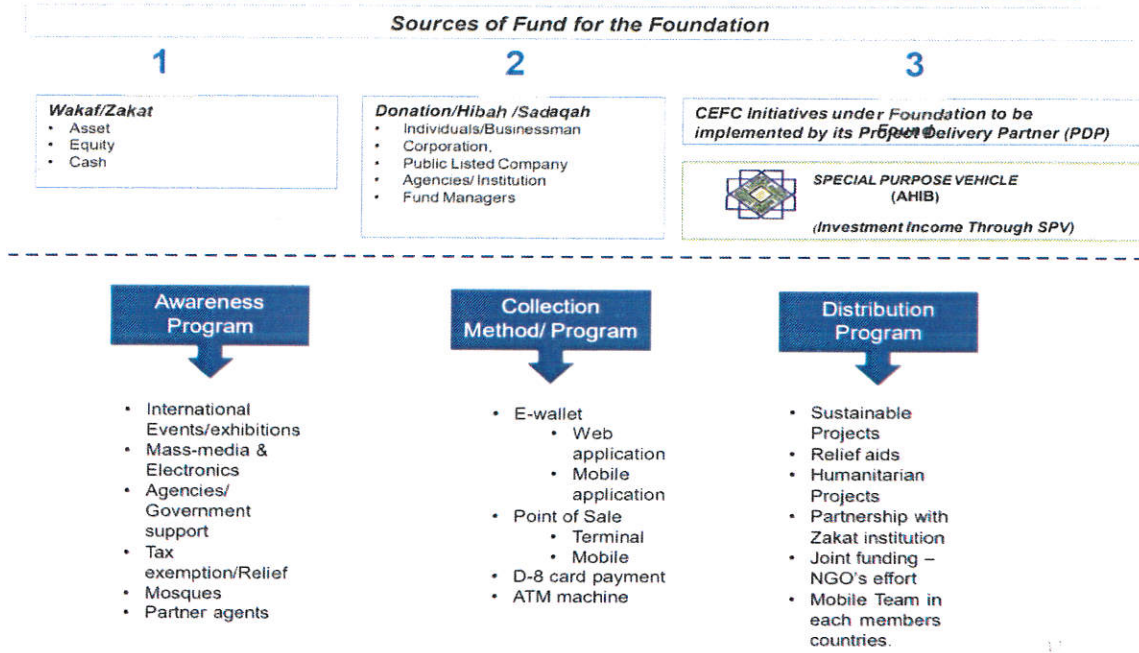
FOUNDATION – AFFILIATE FOUNDATION



NOTE:

Structure for affiliate foundations shall mirror the main foundation structure (with some modifications subject to country specific laws and policies)

SOURCES & UTILIZATION OF FUNDS



Note : More details as illustrated in Appendix Section

CONVENTIONAL AND ISLAMIC CROWDFUNDING



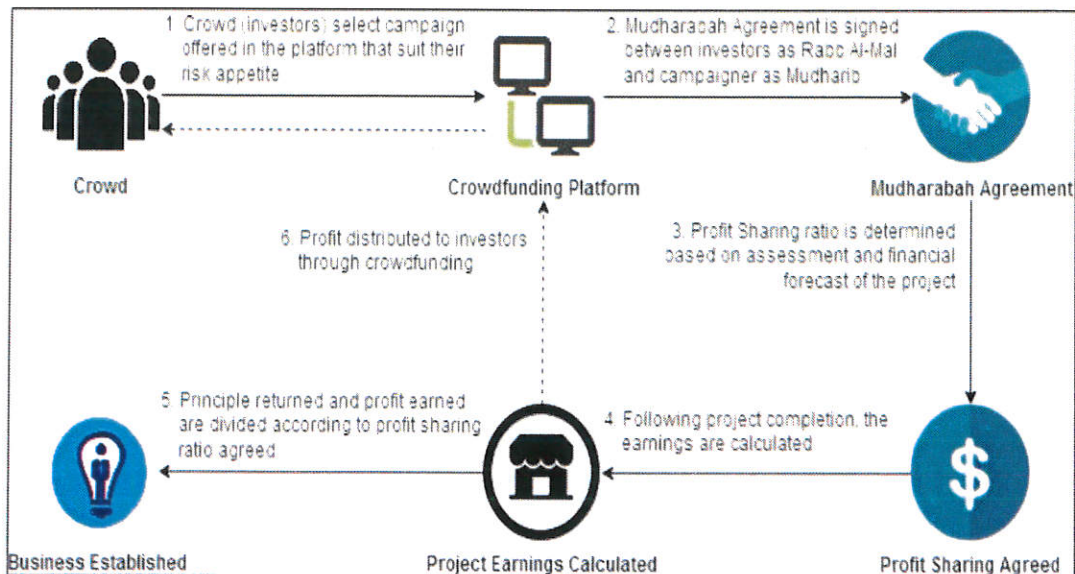
Definitions of the various types of crowdfunding

Type	Definition
Rewards-based crowdfunding	The crowd investors contribute typically small amounts of money in exchange for a reward such as a watch, an album or a film.
Donation-based crowdfunding	The donors generally donate small amounts.
Equity crowdfunding	The investors invest more significant amounts of money. The investors have a small piece of equity in the company by giving money. As a result, equity crowdfunding is typically used to raise money to fund the launch or growth of a company.
Debt crowdfunding	As the name indicated, the investors lend money to companies.

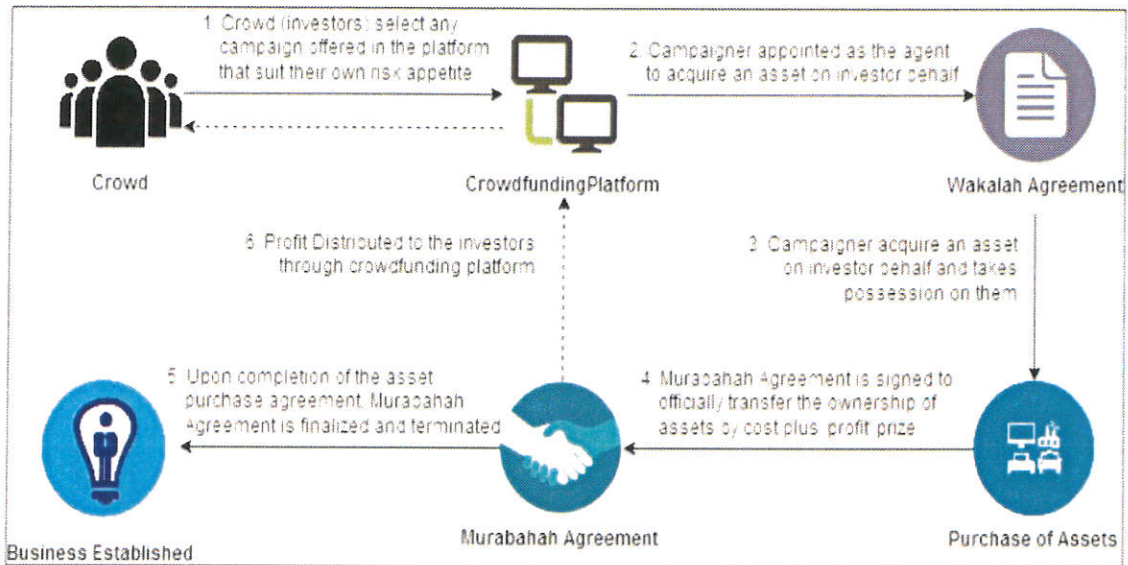
The differences between conventional and Islamic crowdfunding

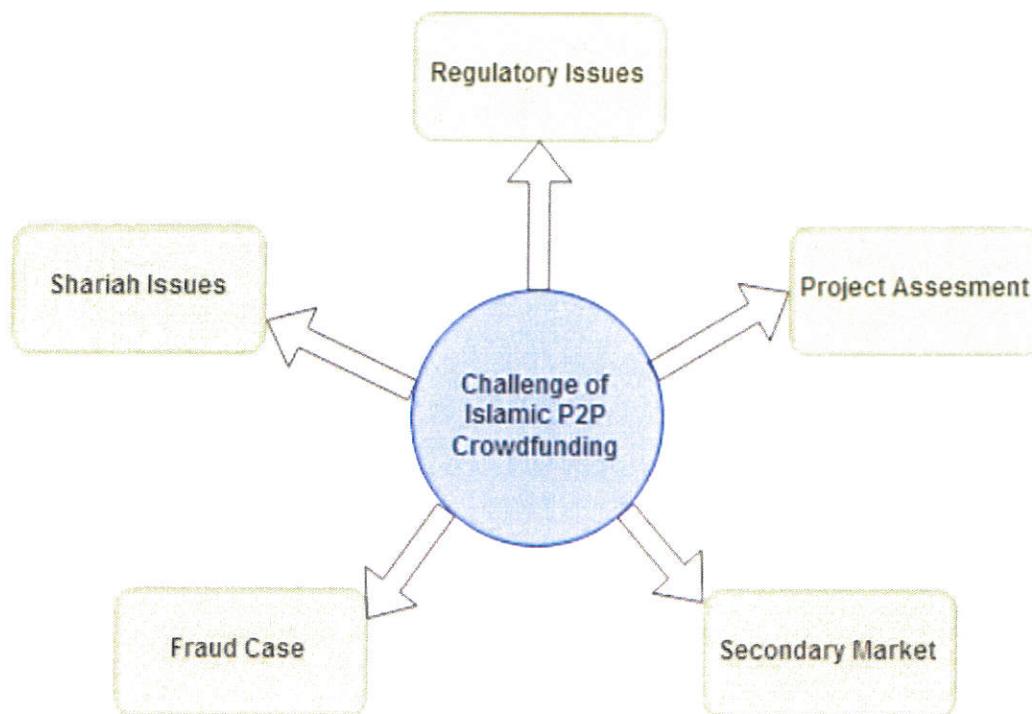
Type	Conventional crowdfunding	Islamic crowdfunding
Rewards-based crowdfunding	Materialism	Materialism, it may also include the element of al-Falah.
Donation-based crowdfunding	Humanitarianism	Based on religious belief such as Waqf, Zakah, Sadaqah, etc. The ultimate objective is al-Falah.
Equity crowdfunding	Angel investors, Venture capitalists	Based on <i>Mudā'arah</i> , <i>Mushārah</i> . The <i>Mushārah</i> based crowdfunding is may similar to equity-based crowdfunding. However, the beauty of <i>Mudā'arah</i> -based crowdfunding is that the crowd provides the entire capital and the company is responsible for the business operations. In the case of profit, the crowd and company share the profit based on the pre-determined ratio. However, in the case of loss, the crowd is responsible for all losses.
Debt crowdfunding	Lending based on interest; also called P2P crowdfunding	Sale based contracts - <i>Murābahah</i> , <i>Tawarruq</i> , <i>Ijarah</i> .

PARTNERSHIP THROUGH MUḌĀRABAH



P2P LENDING THROUGH MURĀBAḤAH





FOUNDATION – MARKET & REVENUE PROJECTION



ITEM	SECTOR	MARKET SHARE (USD)	CONTRIBUTION BY AGENT (SPV)			OTHER REVENUE	
			GROSS OPERATING PROFIT FOR SPV – AHIB (USD)	CONTRIBUTION OF SECTOR REVENUE TO SPV	PROFIT SHARING WITH FOUNDATION TO FOUNDATION (USD)	*CONTRIBUTION TO FOUNDATION (USD)	CONTRIBUTION FROM OTHER SOURCES TO FOUNDATION (USD)
1	IT	98,612,640,000	29,745,282,184	45.40%	25%	7,436,320,546	
2	SDG	65,602,785,225	21,814,674	0.03%	50%	10,907,337	
3	IBF	1,267,579,726,783	20,890,103,384	31.88%	50%	10,445,051,692	Assuming 10%
4	Zakat/Waqf/ Sadaqah	149,284,643,308	79,137,486	0.12%	50%	39,568,743	
5	E-Trade Halal	1,135,221,469,541	14,787,070,562	22.57%	50%	7,393,535,281	
TOTAL FOR 5 YEARS		2,716,301,264,857	65,523,408,290	100%		25,325,383,599	2,532,538,360
TOTAL Contribution for Foundation (USD)						27,857,921,959	
Average Foundation Contribution Per Country (USD)						3,482,240,245	

Note:

- This summary reflects the total market contribution from Islamic Economy Model at a total amount of USD 2.716 Trillion- for 5 years. This amount is equivalent between of 0.86% to 1% increase to the current GDP of each country.
- Within 5 years' SPV operation, the foundation is projected to receive USD 25.32 Billion with some additional income from other sources which makes the total amount to become USD 27.85 Billion. On average, each D-8 member state foundation is projected to receive USD 3.48 Billion to carry out their individual country's respective SDG programmes.
- Other foundation source of income includes Worldwide Hibah, Worldwide Sadaqah, Worldwide Infaq, Government Grant and other Islamic financing instruments.
- Gross Operating Profit before tax for SPV, i.e. AHIB shall be shared 50% -50% with the foundation.

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FOUNDATION – ACTIVITIES



- Development & Financial Assistance**
- Research
 - Education
 - Technology Advancement Programmes



- Development & Financial Assistance**
- Entrepreneur Advancement
 - Techno-preneur Advancement
 - Tvet programmes
 - Talent Capacity Building



- Financing of infrastructure development projects**
- Infrastructure
 - Industry Developments
 - Halal Products & Services



- International Humanitarian Aids & Relief projects/ missions**
- Food-security programmes
 - War-torn countries
 - Environment protection
 - Animal welfare




- Recommendation on Structural & Policy Reforms
- Fatwa recommendations & consensus
- Islamic economic policy reforms
- Islamic standard, procedures & certifications



- Exclusive Programmes for members
- World Events/ Programmes
- Cooperation/Affiliations between institutions & countries

FOUNDATION – AWARENESS PROGRAMMES



ACTIVITIES	LOCATION (D-8 MEMBER STATES)
<ul style="list-style-type: none"> ▪ Membership Programme ▪ Collection, Distribution: Zakat ▪ Collection, Distribution, Re-investment: Waqf, Sadaqah, Hibah ▪ Financing through :Islamic Banking Products (Takaful, Ar-Rahnu, Micro-finance) ▪ Financing of big scale projects: Sukuk, Waqf (Am & Khas) ▪ Research & Development (Islamic Economics, Muamalat, Business & Finance, S&T, I.T., etc.) ▪ Ummah Empowerment & Inclusive Programmes ▪ Exclusive Programmes for members 	
CO-PROMOTION	VALUE PROPOSITION
<ul style="list-style-type: none"> ▪ Joint promotion with D-8 Secretariat ▪ Joint awareness programmes with religious scholars, intellectuals and institutions ▪ Joint research with Universities and learning institutions ▪ Partnership with local government agencies and authorities ▪ Partnerships with other foundations worldwide ▪ Partnerships with local and D-8 Industry Players ▪ Partnerships with D-8 mosque network ▪ Partnerships with (operators, merchants, banks, Telco's, TV stations / broadcasting companies, Search Engine Optimization (SEO) – Google, Bing, slide share, etc.) ▪ Other promotional activities 	<ul style="list-style-type: none"> ▪ For the benefits of Ummah in line with Maqasid As-Sharia ▪ Deeds for worldly and hereafter ▪ Donate as you spend ▪ Involvements in SDG & CSR programmes worldwide ▪ Knowledge Exchange ▪ Philanthropic Expertise & Mentoring ▪ Harnessing Government relations (Economy, Business, Trade, Finance, Politics, Social development, S&T, R&D) ▪ Sector issues & guides ▪ Legal Consultation ▪ Networking & connecting ▪ Professional development ▪ Leadership development

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