Foreword

If you have yet to delve into the world of blockchain and fintech and how they are connected to Islamic finance recently, this book is the most comprehensive and practical book ever written on the topic. It looks deep inside the working protocols of both blockchain and fintech. Interestingly, this book covers all the relevant and interconnected topics, making it a must-read book on the subject of blockchain and fintech.

When I was asked to write a few words reflecting on my thoughts about this book that was sent to me, I immediately felt the vibrancy of this book, even by merely looking at the table of contents. The content coverage and selected issues and sub-topics reflect well the intensity of the authors’ knowledge and exposure, as well as their intuition. As everyone has been looking for a master key for this most timely knowledge, I am confident this book will prove to be useful and timely.

It may surprise you to know that this book’s algorithm fits perfectly well with the issues presented in it. This makes this book special, as everything and anything mentioned in this book is essentially framed by cutting-edge knowledge of blockchain, fintech and, to a considerable extent, the digital economy. This is not an easy task to accomplish, unless the authors are exceptionally articulate in explaining these concepts. They have proven themselves to be masters in this field of knowledge and practice.

This book is equally informative with regard to Islamic finance, covering aspects of the Islamic capital markets, Islamic investment, retail banking, takaful, trade financing and sukuk. I would like to believe that this is the most striking contribution of this book toward the further development of Islamic finance via smart technology. It appears to me that Islamic finance has no other option but to embrace this up-and-coming way of doing banking, insurance, investment and fundraising. If Islamic finance does not choose to be agile and scalable, as well as innovative, Islamic finance is obviously destined to face constraints and obsolescence, due to stiff competition on many fronts. As the saying goes, life is not the art of avoiding, but is the art of adapting and improving.

The era of digitalization and platform has finally arrived. Nevertheless, this brings less benefits and credence to Islamic finance if Islamic finance refuses to embark on further refinement, enhancement and perfection via blockchain and fintech. This is one of many insights that the authors of this book are trying to impress upon the readers. You will find all these aspects of this book both challenging and yet promising.

How will your knowledge be transformed after reading this book? I have taken the liberty to pose this question in your early journey embarked upon with this book. I have a gut feeling that any reader—of course with an inquisitive

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mind—will unlock not only the real potential of Islamic finance in the fourth Industrial Revolution era, but also, more importantly, discover the logic and power of smart technology to accomplish more things smarter, quicker and safer than an average man is capable of, given the same time allocation and complexity of the tasks at hand.

For all intents and purposes, we can't compete with technology, more so smart technology. We have to come to terms to these new technologies. It is reasonable and logical for humankind to embrace these developments and use all sorts of technologies to increase production and efficiency. At some point in time, we need to believe in technology as the savior for some of the complex, compelling problems and crises faced by humanity, even in the space of human sciences.

In all honesty, I could be a bit biased in my future outlook about smart technology, and that includes blockchain, fintech and artificial intelligence—given the fact that I am also a hardcore practitioner of smart technology in some of my initiatives—but of course, I did not conjure up this sentiment out of thin air. The world has long been moving toward perfection and precision—at least in some areas of life. Any and every evolution in this world started from humble beginnings but it will strike hard when it is the right time. The only problem is that we don't know when is the best time for everything. A quote from Martin Luther King may shed some hope. He once said, “There is always the right time to do what is right.”

Obviously, I am not in a position to say for sure when is the right time for this new and smart technology. However, I am confident that this book has emerged at the right time for the readers to be enlightened with comprehensive, trendy and impactful insights about almost everything that is connected with the themes of blockchain, fintech, digital economy and Islamic finance.

Finally, I am extremely pleased and delighted to introduce this book to you and I hope you will enjoy reading it as I did.

—Datuk Dr. Mohd Daud Bakar,
Chairman of the Shariah Advisory Council at the Central Bank of Malaysia and the Securities Commission of Malaysia