## Sarkina Bt Mat Saad @ Shaari

**From:** Unit Komunikasi Korporat
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"UUM : UNIVERSITI PENGURUSAN TERKEMUKA"
*(THE EMINENT MANAGEMENT UNIVERSITY)*

Translated by Nur Ida Faradilla binti Aziz
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**ISLAMIC FINANCE MUST EMBRACE TECHNOLOGICAL ADVANCEMENT AND INNOVATION**

**UUM ONLINE:** The unprecedented surge of the Fourth Industrial Revolution (IR4.0) has brought many problems and challenges; nevertheless, it also brings unlimited potentials that can be utilised in the Islamic financial sector.

Thus, to further enlighten us on the technological advancement and innovation that can be utilised in the financial sector, particularly the Islamic finance, the Islamic Business School (IBS) has organised a talk by the Adjunct Professor of IBS, Datuk Prof. Dr. Mohd Daud Bakar, entitled “Islamic Finance Technology and Innovation". The event was held at the Seminar Hall, Islamic Centre UUM.

Datuk Prof. Dr. Mohd Daud explained that, the world is dealing with more advanced technology and innovation compared to the existing technology such as the email, fax or internet system.

"IR4.0 via smart communication, introduces us to a new asset known as “data”. Big Data, Internet of Things, Artificial Intelligence and robotics are the main components of IR4.0. These components should be applied in Islamic finance if we want to ensure that Islamic finance industry is not left in the dust and this will also help to us to produce cheaper, smarter, easier and faster products,” he added.

According to Datuk Prof. Dr. Mohd Daud, who is also the Chairman of Amanie Group and the Chairman of the Shariah Advisory Council, Bank Negara Malaysia (BNM), the evolution of technology in finance began with the digitization of customer data.

"When the financial sector transforms the customers’ data into the digital form, this act marks the beginning of technological advancement in the financial industry. The digitization of all things is crucial, given that we can set the algorithms to operate like small robots to verify data quickly, accurately and it is certainly inexpensive. This provides us with a solid basis to improve our risk management, check bankruptcy status of individuals and many more.

"Robotic technology will take over human labour in IR4.0 but human still play an important part in this development since we are the one who will develop and formulate the algorithms to be programmed into the robotic system," he said.

Datuk Prof. Dr. Mohd Daud also touched on the recent developments in financial industries including blockchain, cryptocurrency, smart contract, Initial Coin Offering (ICO) and fintech.

Also present during the talk were the Dean of IBS, Prof. Dr. Asmadi Mohamed Naim, lecturers and UUM students.