

**Updates on Islamic Infrastructure Investment Platform (I3P)  
under Agenda Item 4 of the Advisory Group on  
APEC Financial System Capacity Building  
On July 25, 2017\* 8am-9.30am.**

**1<sup>st</sup> part by Dr. JC Parrenas** – on the outcomes of ABAC’s participation in the infrastructure workshop hosted by Vietnam in Ninh Binh, and followed by a discussion on the I3P at Senior Finance Officials SFOM in Ninh Binh, May 18-19

**2<sup>nd</sup> part by Tan Sri Rastam Mohd Isa:**

Islamic finance has significant potential to meet long-term funding needs for infrastructure projects, which are suitable for its asset-based and risk-sharing nature. Greater attention needs to be given to facilitating the mobilisation of capital in Islamic institutions to fund infrastructure projects across APEC economies.

As mentioned by Dr. JC, we have made progress in garnering the attention of APEC Senior Finance Officials on the proposal to establish the I3P during their recent meeting in Ninh Binh, Vietnam.

Further efforts are however needed to obtain more APEC economies to recognise the benefits of Islamic financing to fund infrastructure projects in the region. This would require ABAC to firmly establish its plan of action and carry out further consultation with finance authorities in order to meaningfully advance this initiative under APEC.

**Next steps:**

As part of next steps to set up the I3P work streams and to develop the related work program which will be shared with APEC Finance Ministers in October 2017 we look forward to ABAC’s support on the following:

a) ABAC Malaysia is organising an I3P conference in Kuala Lumpur in September 2017. This conference will discuss how the following priority issues could be addressed in concrete terms, and develop a proposed initial work program for the I3P for submission to the APEC Finance Ministers meeting in October 2017:

- development of **common definitions** of Sharia-compliant infrastructure projects and financial instruments acceptable in all pathfinder economies;
- development of Islamic **hedging instruments**;
- development of **financial instruments suitable for infrastructure investment** from Islamic pension funds and takaful;
- identification of discriminatory **tax policies** in pathfinder economies and actions to address them; and
- development of **project preparation tools** for participating economies and possible pilot projects.

We look forward to support from ABAC members in sharing relevant contacts of organisations that wish to participate in the Conference.

b) Collaborate with your respective APEC senior finance officials to obtain the endorsement of I3P by APEC Finance Ministers in their Joint Finance Ministerial Statement to be finalized at their meeting in Quang Nam in October 2017.

c) Support for convening of a conference to formally launch I3P in the 4th quarter of 2017 or 1st quarter of 2018

To date Malaysia, Brunei and Thailand have been actively advancing the I3P in their respective economies. We look forward to more ABAC members participating in the initiative.