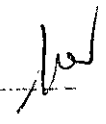


14 JAN 28 P 4 :20

SENATE  
P.S. Res 469

RECEIVED BY: 

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Introduced by Senator Poe

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**RESOLUTION**

**URGING A REVIEW, IN AID OF LEGISLATION, OF STATE POLICIES AND EXISTING LAWS RELATING TO ISLAMIC BANKING, TOWARD THE INSTITUTIONALIZATION OF 'ISLAMIC WINDOWS' THUS MAXIMIZING THE SECTOR'S FULL POTENTIAL, OFFERING MORE INVESTMENT AND EMPLOYMENT OPPORTUNITIES AND HELPING SPEED UP THE ACHIEVEMENT OF THE PEACE FRAMEWORK OF THE BANGSAMORO**

Whereas, it is declared a policy of the Philippine government to spur development in Mindanao, especially in economically depressed provinces, and uplift the lives of our Muslim brothers and sisters;

Whereas, the Philippine government had introduced Islamic banking, which refers to a system of banking or banking activity that is consistent with the principles of the Shari'ah (Islamic rulings) and its practical application through the development of Islamic economics<sup>1</sup>, as early as 1973;

Whereas, Al Amanah Islamic Bank of the Philippines was first established as Philippine Amanah Bank by virtue of Presidential Decree (PD) No. 264 issued by former President Ferdinand Marcos;

Whereas, in 1974, PD No. 542 was issued directing Al Amanah to implement the concept of Islamic banking, following the "no interest principle," but such directive was not fully carried out because conventional banking still dominated the bank's operations;

Whereas, the bank became a primarily Islamic bank with the signing of Republic Act No. 6848 or the Charter of Al Amanah in 1990, but failed to upgrade for Islamic commercial activity;

Whereas, the Philippine government, however, is preparing to divest its 99.88 percent stake in Al Amanah, a subsidiary of state-run Development Bank of the Philippines and the country's first and only bank authorized to offer Islamic banking;

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<sup>1</sup> [http://www.islamic-banking.com/what\\_is\\_ibanking.aspx](http://www.islamic-banking.com/what_is_ibanking.aspx)

Whereas, Al Amanah's properties were also being sold in compliance with the Department of Finance's move to privatize the bank;

Whereas, consistent with the intentions of the signing of a framework agreement on the Bangsamoro between the Government of the Republic of the Philippines and the Moro Islamic Liberation Front to speed up economic development in Mindanao, the presence of Islamic finance regulatory infrastructure would attract both Muslim and non-Muslim investors to enable local enterprises to widen their business perspectives;

Whereas, the potentials of Islamic finance can be realized with comprehensive laws that would spur its development, with Philippines having a sizeable Muslim population;

Whereas, the stability of Islamic financial system will have effects to attract foreign Islamic funds, including petro-dollar investments from Muslim and non-Muslim countries;

Whereas, Shari'ah-compliant assets reached about \$400 billion throughout the world in 2009, according to Standard & Poor's Ratings Services, and the potential market is \$4 trillion, with Iran, Saudi Arabia and Malaysia having the biggest Shari'ah-compliant assets<sup>2</sup>;

Whereas, the United States, Canada, Germany, Turkey, Japan, Australia, Indonesia, Singapore, Thailand, China, and several other nations had adopted Islamic finance;

Whereas, the country can maximize the benefits of Islamic finance through Islamic Windows, a department of a conventional bank that offers Islamic financial services;

Whereas, Islamic finance is a promising financial system guided by Islamic stipulations where depositors and investors are protected under the Shari'ah system, regardless of nationality or faith;

**NOW, THEREFORE BE IT RESOLVED**, as it is hereby resolved by the Philippine Senate, that a review, in aid of legislation, of state policies and existing laws relating to Islamic Finance is in order, toward the institutionalization of "Islamic Windows" to maximize the sector's full potential, offer more investment and employment opportunities and finally, helping speed up the achievement of the peace framework of the Bangsamoro agreement.

Adopted,

  
GRACE POE

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<sup>2</sup> [http://en.wikipedia.org/wiki/Islamic\\_banking](http://en.wikipedia.org/wiki/Islamic_banking)