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ABSTRACT BOOK

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ISLAMIC ECONOMICS FOR SUSTAINABLE DEVELOPMENT

A CONSIDERATION ON REFUGEES' FINANCIAL ASSISTANCES: WHY HUMANITARIAN SUKUK IS IMPORTANT?

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ABSTRACT

As the year 2023 approaches, the contemporary world is witnessing the biggest refugee crisis since World War II. As a result of the vast migration of migrants caused by war and genocide, these refugees face famine and loss of human rights which is beyond comprehension. Malaysia is one of the countries that host the largest number of refugees. It has an honourable reputation for allowing them to access the territory of the country and live with a comfortable condition. Europe also gives refugees several privileges. Lately, however, these privileges have gradually diminished during the recent European financial crisis. Nowadays, there are many researchers discovered and written very deeply regarding humanitarian aid instruments inspiring their principles from the conventional economy. However, there is a wide gap in literature review and a few sources regarding humanitarian Sukuk. The aim of this research is to list a different category of humanitarian instruments that aim to assist refugees and meet their needs in the long-term period and provide an overview regarding Sukuk and its strength in mitigating the refugees' crisis in the short and long-run period and also its critical role to boost the economy of Malaysia through refugees' side. This research explores the potentials of humanitarian Sukuk in overcoming the refugee crisis in Malaysia. The researchers found that the Sukuk has high potentials to be used as alternative financing in overcoming refugee crisis. It is also a practical instrument in eliminating the refugee crisis. In this study, the researchers proposed certain structures of Sukuk that can be adopted in financing humanitarian aids to overcome the refugee crisis within the Malaysia borders.

Keywords: *Refugees, Financial Assistance, Sukuk, Humanitarian Sukuk, Malaysia*

THE FUNCTION OF MACROPRUDENTIAL POLICY ON LOAN GROWTH AND RISK-TAKING IN ISLAMIC BANKING AND FINANCIAL INSTITUTIONS: EVIDENCE FROM ISLAMIC COUNTRIES

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ABSTRACT

The recent Global Financial Crisis (GFC) has emphasized the importance of the implementation of Macroprudential Policy (MPP) to promote financial stability in the banking and financial institutions. The main objective of this paper is to evaluate loan growth and bank risk-taking tendency by Islamic banks during crisis and normal periods and how MPP moderate the relationship between loan growth and risk-taking to promote financial stability in the Islamic financial institutions. This paper will use a dynamic panel dataset to regress the analysis from the year 2005-2020. The paper will apply Z-score to measure bank risk and the Generalized Method of Moments (GMM) will be used to measure the impact of MPP on the relationship between loan growth and bank risk-taking. However, the empirical findings will suggest which particular MPP are more suitable and effective in controlling abnormal loan growth and risk-taking appetite to enhance financial stability in the Islamic banking and financial institutions. Though, Islamic banking and financial institutions are still in the infancy stage of implementing macroprudential policy, hence, it is important to investigate how macroprudential tools are effective in Islamic financial institutions as compared to conventional financial system.

Keywords: *Macroprudential policy, Islamic bank, Loan growth, Risk-taking, Financial stability*