

# Would You Use Islamic Loans/Mortgages in New Zealand?

**The Federation of Islamic Associations of New Zealand (FIANZ) is undertaking limited research to determine if there is sufficient interest in New Zealand for Shariah based Loans and Mortgages.**

## Islamic Finance

Receiving or paying interest is forbidden under Shariah. Under Shariah, interest is neither paid nor received between a borrower and a lender.

Many western countries are now seeing the rapid introduction of successful Islamic loans and investment schemes whereby interest is neither paid nor received. These allow Muslims to utilise legitimate and effective ways to purchase homes, cars, businesses and to prosper while remaining within our faith.

### Here are some interesting statistics from around the world:

- There are now over 200 Islamic Financial Institutions (e.g. Banks).
- In some countries Islamic loans are in greater demand by non-Muslims.
- The estimated size of Islamic banking assets is USD\$250 billion.
- The estimated size of assets managed by Islamic windows is USD\$300 billion.
- Islamic banking growth is 15%-35% globally.
- Malaysia witnessed 35% profitability growth in its Islamic banking sector, which compares to 7% profitability growth of the conventional (non-Islamic) banking system.

## Progress in New Zealand

In New Zealand there are currently no Halal alternatives available for New Zealand Muslims who wish to borrow money to purchase homes, cars or businesses etc. Further, banks currently do not offer Halal investment and savings accounts.

This can cause hardship for those who wish to live according to Islamic ways but are closed out from the rising value of real estate.

FIANZ would like to change this but requires information from New Zealand Muslims so that the level of interest can be established. FIANZ requires interested people to complete the attached simple questionnaire.

While FIANZ requires just 200 responses, please ensure you share copies of this questionnaire with your friends and relatives to ensure good coverage.

## FIANZ and Deloitte – Islamic Finance Project

Over the last 18 months FIANZ and Deloitte, a professional services firm have been working together to raise the awareness of Islamic Finance in New Zealand (including Islamic banking and Islamic Insurance).

This has involved:

- New Zealand roadshows to prospective organisations, banks and regulatory bodies — using Islamic Banking experts.
- Public awareness through mainstream media.
- Establishing a list of interested parties willing to see the introduction of Islamic finance.
- An expression of interest issued to prospective investors.

We have reached a key milestone which now requires gathering some data that can demonstrate a sufficient market so that prospective investors can take the next steps in making Islamic finance a reality in New Zealand. Please complete the attached questionnaire to support this programme.

