

Islamic finance, fintech and ESG



QATAR

By Amjad Hussain

A partnership has been launched between Qatar Islamic Bank (QIB) and PayLater, a fintech company founded in Qatar that is known to be a key provider of Buy Now Pay Later (BNPL) services in the country. The parties signed an MoU with an aim to enhance Shariah compliant BNPL solutions to customers and merchants in Qatar.

BNPL solutions are a form of short-term, interest-free financing that has gained momentum in the fintech sector in Qatar, particularly after the recent issuance of the BNPL regulations by the Qatar Central Bank (QCB). PayLater was one of the first service providers to enter QCB's BNPL sandbox. This joint initiative between QIB and PayLater has the potential to transform the role of Islamic finance in the fintech sector.

According to Group CEO of QIB, Bassel Gamal, the partnership with PayLater "represents a strategic milestone in QIB's mission to revolutionize financial services by integrating innovation and accessibility, in line with Qatar Central Bank's strategy to support the collaboration between banks and fintech companies. We are proud to be among the first banks to extend our support to Qatari start-ups specialized in technology in line with the Qatar National Vision 2030."

Last month, Masraf Al Rayan announced its intention to acquire a 1.66% stake

of the share capital of Al Rayan Bank (ARB), its subsidiary in the UK. Despite the recommendation of ARB's independent board members that the minority shareholders should vote in favor of the acquisition, Masraf Al Rayan announced that the transaction will be called off as it did not "obtain the required percentage of minority shareholders' votes to pass the sale decision".

Qatar International Islamic Bank (QIIB) has entered into an MoU with the Gulf Organisation for Research & Development (GORD) with the purpose of fostering sustainable development in Qatar, for which QIIB will use its Shariah compliant financial capabilities to increase its support of green initiatives and sustainable investments. The MoU highlights key areas of cooperation, where the two parties will join forces to establish capacity-building programs designed to enhance understanding of sustainability practices.

Additionally, QIIB and GORD will partner on research, development and innovation efforts, with a focus on best ESG practices within the financial and business sectors. This partnership is aligned with the Qatar National Vision 2030 and the UN SDGs. ☺

Amjad Hussain is a partner at K&L Gates. He can be contacted at Amjad.Hussain@klgates.com.



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AFGHANISTAN: Manezha Sukhanyar former head of Islamic banking, Maiwand Bank
ALGERIA: Ghezal Mohamed, banker, Al Salam Bank Algeria
AUSTRALIA: Nazley Khan principal solicitor, Blackstone Legal
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