

Contributed by: Ms. Renata Leka

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Since years, Islamic Finance is experiencing an increasing popularity far outside the Muslim World's frontiers. The growing importance of Islamic Finance in the global financial system is considered as an upcoming opportunity directly linked with the business community worldwide. Through the interview with Ms. Renata Leka on behalf of Boga & Associates, we are pleased to present their views on the current and future development of Islamic finance in Albania.

Ms. Renata Leka is Partner at Boga & Associates, which she joined in 1998. Ms. Leka's practice is focused on corporate, advising numerous foreign investors in acquisitions and implementation of corporate governance structures, general business law matters, project finance, intellectual property, employment, procurement and concession law. Ms. Leka is continually ranked as "**Top Tier Lawyer**" on "**Financial and Corporate**", by **IFLR 1000** and "**Leading Individual**" in "**Intellectual Property Law**" by **Chambers Europe** (Chambers and Partners).

1. Q: Islamic finance is one of the fastest and growing sectors in international financial system. For many, the meaning of "Islamic Finance is unclear; Ms. Leka what exactly is all about?

1. A: (RL) In this last decade, Islamic Finance has evolved to become a complete and competitive form of financial intermediation that serves both Muslim and non-Muslims consumers and businesses counting its presence in more than 75 countries and total assets currently estimated to exceed US\$ 1 trillion. More and more countries around the world seek to further develop Islamic finance within their jurisdictions, and Albania is one of the testimonials as recent emerging country where this occurrence is starting to be structured and further developed.

2. Q: Ms. Leka during years of experience, you and all professionals of Boga & Associates in Albania and Kosovo, have already built a reputation as a leading firm with extensive industry experience providing constantly full range of services. Effectively and efficiently involved in most important projects of Albania and the region, can you help us to describe how does the Islamic Finance work and how does it affect the financial system?

2. A: (RL) Yes. Currently the financial system is more and more experiencing changes as a consequence of Islamic principles. The development of the Islamic financial system is guided by *Shariah* principles that form the very foundation which contributes to its overall stability and resilience. *Shariah* embodies Islamic law with rules and regulations derived from the *Quran* and *Sunnah* (e.g. making money from money, such as charging interest, is usury and therefore not permitted, investment in companies involved with alcohol, gambling, tobacco and pornography is strictly off limits etc). The fundamental value propositions embedded in Islamic finance are universal and subscribe to the values of ethical finance and socially responsible investment. I would like here to emphasize that, the experience of Islamic Finance indicates that the application of *Shariah* need not to lead to extremism, rejection of Western values, or the empowerment of social groups.

3. Q: Since December 2011, Boga & Associates became the sole member for both Albania and Kosovo jurisdictions of the Islamic Finance Lawyers (IsFin) -“*The world’s leading network of Islamic Finance Law specialists*”. This can be perceived as a further step done by the firm directly linked with the upgrade in legal, tax and accounting spheres of expertise.

Being at the forefront as initiator to the important process of Islamic finance system, can you explain us which is your point of view regarding the advantages which can be benefiting from the Islamic Finance industry?

3. A: (RL) The unprecedented economic confusion of the past years has in many ways created a significant ‘coming of age’ opportunity for the Islamic finance industry. As the global financial crisis has worsened and economies around the world have suffered from its catastrophic effects, it is envisaged a renewed focus on Islamic finance more specifically on the inherent advantages of a conservative, asset-backed banking model. While the Islamic finance industry has been in the spotlight for many years now, the fundamental strengths and intrinsic benefits of the Islamic banking model are now becoming widely acknowledged and accepted.

As for Albania, which is entering into a gradual economic stabilization and integration, policymakers are now faced with the challenge to find an enduring solution to ensure the stability of financial systems. Islamic finance has now become an upcoming and important opportunity in shaping the future of the global financial system and reinforcing ethical and moral values that are inherent in Islamic finance principles and fundamental towards promoting the stability of the global financial system.

I am pleased to acknowledge that Boga & Associates is the law firm of choice for clients who recognize the value of comprehensive representation, and we remain committed to positively contributing to their businesses and thereby if there would be the situation, continuing the growth and substantive development of Islamic finance.

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