

Artificial Intelligence and Buy Now Pay Later: New Tools or New Threats to Financial Shari'ah Compliance?

The Centre of Islamic and Middle Eastern Law (CIMEL) at SOAS, University of London in collaboration with the Qatar Financial Centre (QFC) presents:

SOAS-QFC Workshop on Islamic Finance Programme of Events



Thursday, 6 June 2024

9:00am - 5:00pm



Brunei Gallery (BG01-02)

SOAS University of London, 10 Thornhaugh Street,
London, WC1H 0XG

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Workshop on

Artificial Intelligence and Buy Now Pay Later: New tools or New threats to Financial Shari'ah Compliance?

Thursday, June 06, 2024
8:30a.m—5:00 p.m.

The Centre of Islamic and Middle Eastern Law (CIMEL)
School of African & Oriental Studies
Brunei Gallery (BG01-02)
10 Thornhaugh Street, Russell Square, London WC1H 0XG
Directions: <https://www.soas.ac.uk/soas-life/location/maps/>

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OVERVIEW

This year, the 19th (since 2006) annual workshop on Islamic finance, we are again proud to be back and to be hosted once again by the School of African & Oriental Studies (SOAS) at the University of London. This year at SOAS, being the 6th in the annual series at this university, we are very fortunate to be led by Dr. Mashhood Baderin, Professor of Law in Islamic Law, Human Rights and Islamic Law, and International Law at SOAS. Dr Mashhood Baderin brings a new added dimension to these workshop discussions. We welcome him onboard and for all his gracious support. We are also thankful for the continued interest of Dr. Jonathan Ercanbrack, Chair, Centre of Islamic and Middle Eastern Law, SOAS.

In the last workshop in 2023, participants discussed “Decentralized Assets, Bank Failures, and Green Finance – Time for a *Shari‘ah* Compliant Monetary System?”. To continue to enhance the ongoing discussions between Islamic economists, practitioners, lawyers and *Shari‘ah* experts and scholars, this year participants chose to focus the 2024 SOAS Workshop around the topic of “Artificial Intelligence and Buy Now Pay Later: New tools or New threats to Financial *Shari‘ah* Compliance?”, as the most preferred option selected by our participants.

Within this context, the focus of the workshop will be through use of an in-depth discussion, not so much on the new technologies which underline them but more on the positioning and the ethical considerations *Shari‘ah* is to play with use of these ‘new’ tools.

The purpose is to review and to reassess how Islamic finance and the *Shari‘ah* can steer and anchor its own path, rather than be steered by such developing technologies. Concerns about such technology still being in its nascent stage and unclear what impact it may have should not be reasons to withhold discussing Islamic finance’s future within them.

As with prior similar events, participants come to the Workshop having sent their comments on the topic in advance. This allows participants to start the Workshop at an advanced stage and to maximize the use of the workshop time. A detailed program of events is prepared from the participants’ comments. Therefore, participants are kindly requested to have read in advance all of the circulated papers and comments, as they become the basis of most of the day long discussions on the Workshop theme.

Running for 18 years now, this is a unique annual event with little parallel in the Islamic finance industry. This series of annual workshops along for a select group of established *Shari‘ah* scholars, economists, legal luminaries, bankers and top industry professionals gather for a day long close-door discussion on an important contemporary theme within the field of Islamic finance, as pre-selected by these top decision makers in the industry.

INTRODUCTION

This year, participants are encouraged to discuss and evaluate how Shari'ah compliant finance can position, and if needed, protect itself and its principles and its *Maqasid Sharī'ah*, within the exponential rise of artificial intelligence, as well as with the growth of new financing products such as Buy Now and Pay Later.

Below are the initial objectives and questions that this year's workshop aims to examine, providing structure and guidance on what can be construed as generally broad topics. While general definitions are provided and detailed technological discussions are to be avoided (unless necessary for context), each session assumes a basic understanding of the material by participants. This approach is intentionally designed to address the core concerns and issues identified by participants based on their submitted comments.

We rely on you, the participants, to help us to develop these ideas and to consider ones which we have not addressed. We also encourage participants to look deeper into the meaning of compliance and certification. Is *Sharī'ah* compliance a matter not only of adhering to the basic rules of *fiqh* on contractual structure, but also a matter of adhering to principles such as those of the *maqāṣid al-Sharī'ah* as defined by consensus of the public and current public sentiments and values? Islamic finance is frequently required to choose between the application and enforcement of *Sharī'ah* legal principles (as currently understood and applied), or, to justify new exceptions, all in order to overcome contemporary regulatory, compliance, credit risks, investor appetite, and market financial challenges. So how can *Sharī'ah* scholars have the freedom to amend or revoke their advice with new developments/thinking, without subjecting their prior decisions to critical review?

This workshop is not meant to be a review of all forms of contemporary *Sharī'ah* compliant products and processes, but rather focused on the *Sharī'ah* challenges Islamic finance must address to ensure their compliance. Therefore, the main purpose of this workshop is to go back to the original unresolved debate on whether to use and apply the *aḥkām fiqhiyya*, and/or, *hiyal*, *makharij* or other exception based Islamic principles, to achieve a specific *maṣlahah* or *maṣalih*, within a contemporary financial strategy.

This day long roundtable workshop also aims to foster dialogue among the diverse professions represented by the participants, and to initiate collaborative efforts in solving some of the most urgent unresolved challenges in enhancing Islamic finance.

In order to maximize the benefit of this workshop for all participants, workshop attendees are kindly requested to avoid some of the repetitive discussions tackled in previous workshops, but rather to focus more on specifics to enhance the level of discussions above, and to hopefully bring out new or non-discussed sub-issues, and/or to agree on a realistic way forward.

OBJECTIVES

In this workshop, we would like to examine the workshop theme from the following angles:

- *Sharī‘ah Social Ideals* – How can the *Sharī‘ah* remain rooted to its idealistic economic goals (of social justice, fairness, wealth distribution, profit & loss sharing focus, etc.), whilst being able to adapt and remain relevant in a highly competitive modern financial world.
- *Maslahah Determination* – As with all of our workshops, continue to discuss how can we continue to apply *maqāṣid al-Sharī‘ah* and agree on the ‘ideal’ *maslahah* for new Islamic financial products, especially those that challenge existing structures and methods? How to determine and deal with disagreements on *maslahah*? Should a “*maqāṣidic* or ethical index” be developed for Islamic financial products?
- *Sharī‘ah Compliance* - Should *Sharī‘ah*-compliance mean a financial product is compliant with the principles of the *Sharī‘ah*, or rather, compliant with the strict interpretation of the rules (*aḥkām*) and of the *fiqh*. In other words, should it be more principle based, or rather, factual rule based, or other?
- *Challenging Certification* - To understand on what basis and when can fatwa be ‘enhanced’, amended or disregarded by ‘globally accepted standards’ such as SDGs and green finance / green *sukuk*, once issued on Islamic financial products. How we can create certainty in the market if such opinions can be challenged, amended or recalled? Should there be different levels, standards or forms of compliance?
- *Sharī‘ah Authenticity* – How do we maintain the authenticity of Islamic financial products if they are prone to non-standardization and frequent or unexpected change due to varied opinions?
- *Value Proposition and Distinctiveness* - What is the value proposition of *Sharī‘ah* Compliant financial products, especially if they are open to new variant views and interpretation? What is fixed and what principles are open to interpretation? How can the industry maintain the distinctiveness of Islamic finance?
- *Qualification* - Who is qualified to challenge and on what basis can such objections be raised. Should it be left to specific, learned individuals, or rather, open to the public to challenge, or both. Is a proper method to make such a challenge (i.e., open public criticism, review board, escalation, or other?)

DEFINITIONS

Definitions of Artificial Intelligence and Buy Now Pay Later as defined by artificial intelligence itself (Source: ChatGBT-4o dated 30 May 2024):

ARTIFICIAL INTELLIGENCE (AI)

"Artificial Intelligence (AI) refers to the field of computer science and engineering focused on creating machines and software capable of performing tasks that typically require human intelligence. These tasks include learning from experience, understanding natural language, recognizing patterns, solving problems, and making decisions.

A complete definition of AI can be framed as follows:

Artificial Intelligence (AI) is the simulation of human intelligence processes by machines, especially computer systems. These processes include learning (the acquisition of information and rules for using the information), reasoning (using rules to reach approximate or definite conclusions), self-correction, and problem-solving. AI systems are designed to mimic cognitive functions such as visual perception, speech recognition, decision-making, and language translation, enabling machines to perform tasks that traditionally require human intelligence.

Key components of AI include:

- 1. Machine Learning: A subset of AI involving algorithms that enable computers to learn from and make predictions or decisions based on data. This involves techniques like supervised learning, unsupervised learning, and reinforcement learning.*
- 2. Natural Language Processing (NLP): The ability of machines to understand and interpret human language as it is spoken or written. NLP is used in applications like language translation, sentiment analysis, and chatbots.*
- 3. Computer Vision: Enabling machines to interpret and understand visual information from the world, similar to human vision. This involves tasks like image recognition, object detection, and image generation.*
- 4. Robotics: The design and creation of robots that can perform tasks autonomously or semi-autonomously. Robotics combines AI with physical machinery to execute complex actions in the real world.*
- 5. Expert Systems: AI programs that mimic the decision-making abilities of a human expert. They use rule-based systems to analyze data and provide solutions or recommendations.*
- 6. Neural Networks: Computing systems inspired by the human brain's network of neurons. Neural networks are used in deep learning to model complex patterns and relationships in data.*

AI can be categorized into two types:

- 1. Narrow AI (Weak AI): AI systems designed to perform a specific task, such as facial recognition or internet search engines. These systems are limited to their predefined functions and cannot perform tasks outside their scope.*
- 2. General AI (Strong AI): Hypothetical AI systems that possess the ability to perform any intellectual task that a human can do. General AI remains largely theoretical and is the subject of ongoing research and development.*

Overall, AI aims to enhance the capabilities of machines, making them more intelligent and enabling them to perform tasks that traditionally require human cognition and reasoning."

BUY NOW, PAY LATER (BNPL)

"Buy Now, Pay Later (BNPL) is a financial service that allows consumers to make purchases and pay for them over time, typically through a series of profit-free installments. This service is often provided by third-party companies that partner with retailers to offer consumers a flexible payment option at the point of sale, both online and in physical stores.

A complete definition of BNPL can be framed as follows:

Buy Now, Pay Later (BNPL) is a short-term financing arrangement that enables consumers to purchase goods and services immediately and defer payment over a specified period, usually through profit-free installment payments. This consumer credit model is facilitated by financial technology (fintech) companies that collaborate with merchants to integrate BNPL options into the checkout process, offering an alternative to traditional credit cards and personal loans.

Key features and components of BNPL include:

- 1. Payment Structure:** BNPL typically involves splitting the total purchase amount into several equal installments, often paid bi-weekly or monthly. The first installment is usually due at the time of purchase, with subsequent payments scheduled over the following weeks or months.
- 2. Profit and Fees:** Many BNPL services offer profit-free periods, meaning no additional cost is incurred if payments are made on time. However, some providers may charge profit or fees for late payments or if the installment plan extends beyond the profit-free period.
- 3. Accessibility:** BNPL is designed to be easily accessible and user-friendly, often requiring minimal credit checks and allowing quick approval. Consumers can apply for BNPL at the point of sale, with decisions typically made in real-time.
- 4. Merchant Partnerships:** BNPL providers partner with a wide range of merchants, integrating their payment options directly into the checkout process. This collaboration benefits merchants by potentially increasing sales and average order values.
- 5. Consumer Eligibility:** Eligibility criteria for BNPL vary by provider but generally include factors such as credit history, income, and purchase amount. Some providers may have more lenient requirements compared to traditional credit providers.
- 6. User Experience:** The BNPL process is designed to be seamless and convenient, often involving a straightforward application process and transparent terms. Consumers can manage their installment plans through the BNPL provider's app or website.
- 7. Impact on Credit Score:** The impact of BNPL on a consumer's credit score depends on the provider and the consumer's payment behavior. Timely payments may not affect credit scores, while missed or late payments could be reported to credit bureaus and negatively impact credit scores.
- 8. Types of BNPL Models:**
 - **Pay-in-Installments:** Consumers pay for their purchase in a set number of equal installments.
 - **Pay-in-30-Days:** Consumers pay the full amount within 30 days of purchase, often without any profit or fees if paid on time. Examples of popular BNPL providers include Afterpay, Klarna, Affirm, and Sezzle, among others. These companies have gained significant traction by offering flexible payment options that appeal to consumers seeking convenience and financial flexibility.

Overall, BNPL is a modern financing solution that provides consumers with an alternative to traditional credit options, facilitating immediate purchases with manageable payment plans."

WORKSHOP AGENDA

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| 8:30 a.m. | Reception and Coffee |
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9:00 a.m. Welcome Remarks by Dr Syed Nazim Ali

9:05 a.m. Opening Remarks on behalf of SOAS, Professor Mashood Baderin

9:10 a.m. Introduction by Workshop Moderator, Professor Frank Vogel

Part 1: Artificial Intelligence in *Shari‘ah* Compliance – *Uses and Limitations*

9:20 a.m. **Presentation:** A quick introduction and overview of artificial intelligence and buy Now Pay Later and how this relates to *Shari‘ah* Compliance by Husam El-Khatib.

9:30 a.m. **Participants’ Views – Open Floor Discussion**

Opportunity for each participant to explain briefly their views on the following. Do you agree/disagree with the following statements and questions?

Without delving into the underlying, ever-evolving AI technology, we must consider a significant aspect of Artificial Intelligence: it is not merely about automating and performing mindless data-driven tasks, AI now also "*makes predictions or decisions based on data*," engages in "*unsupervised learning*," "*interprets and understands visual information*," "*mimics the decision-making abilities of a human expert*," and "*models deep learning of complex patterns and relationships*"¹. Given these capabilities, can we genuinely trust AI to ensure *Shari‘ah* compliance, adhere to the *maqāṣid al-Shari‘ah*, always act in the *maṣlaḥah* of societal norms, and consistently make just and fair decisions—considering these are all essential human constructs required under Islamic finance?

- *By whose standards, definitions & data is AI using to make such predictions/ decisions?*
- *Should these AI tools and machines really be making ethical judgments and decisions that can have serious ethical, livelihood, and Shari‘ah consequences? For example, they might deny legitimate or approve illegitimate financing applications, create unintended or faulty Shari‘ah-linked decisions, devise new Shari‘ah-compliant structures or variants of existing ones with unintended social consequences (e.g., increased debt reliance), and generate new social problems such as over-reliance on AI for decision-making or even finding and exploiting shortcuts in Shari‘ah compliance.*
- *Will our own ignorance of AI in effect enshrine and replicate the existing problems facing Islamic finance (e.g., overuse of exceptional products like Tawarruq and double wa‘ad), and/or simply create &/or exacerbate new anomalies in applying Shari‘ah?*

¹ Source: OpenAI ChaptGBT4o

- How do we safeguard Shari‘ah and ethical principles in something that by design has no sense of what is really ethical or not?
- More fundamental - Can the Shari‘ah be processed and applied mechanically?

| Types of Artificial Intelligence | Shari‘ah Specific Issues and Concerns |
|--|---|
| <p>1. Machine Learning: A subset of AI involving algorithms that enable computers to learn from and make predictions or decisions based on data. This involves techniques like supervised learning, unsupervised learning, and reinforcement learning.</p> | <p>Trust in AI decision-making: - Although AI is an ideal tool for various finance processes and procedures, its reliability in making critical compliance decisions can be questioned. Therefore, trust in AI systems needs to be established among stakeholders, particularly Shari‘ah scholars and regulators to effectively use such tools.</p> <p>Over-reliance on AI: - Could over-reliance on AI also diminish the personal interaction that is critical in advisory services, causing concerns about the use of AI in areas that require ethical and moral reasoning, which are central to Shari‘ah compliance. Also, How can you stop someone from generating and relying on a fatwa from an AI response?</p> <p>Understanding and applying Ethics - Can machines fully understand and apply ethics as defined by Shari‘ah? More important, if ethics is a human construct, should machines really be making ethical and Shari‘ah decisions?</p> <p>Do these benefits outweigh any of its negatives?</p> <ul style="list-style-type: none"> • Broader reach: - By automating processes & leveraging AI-driven insights, IFIs can attract a broader customer base, including prioritizing ethical banking, and provide them with accessible, Shari‘ah-compliant financial services. • Customization: - AI algorithms can be programmed to automatically identify and steer clear of transactions and investment opportunities that contravene Shari‘ah principles, ensuring ethical adherence in all operations. • Programming to identify risks or non-compliant investments: - AI can be customized to uphold the ethical guidelines of Islamic Finance, such as risk-sharing and the prohibition of usury. AI algorithms can be programmed to automatically identify and steer clear of transactions and investment opportunities that contravene Shari‘ah principles, ensuring ethical adherence in all operations. Do you agree? • Predictive Shari‘ah compliance – The use of AI not only can boost the scope of Shari‘ah compliance, but it can also predict potential compliance issues before they occur, enabling proactive principles measures to ensure adherence to Shari‘ah. <p>Automation and Efficiencies of Scale of Shari‘ah: - Ultimately, AI is all about automating and creating efficiencies of scale. Is Islamic finance and our use of Shari‘ah in finance mature enough for automation and scale?</p> <p>Diminish Role of Human Expertise - If everything is programming and algorithms, would this lead to over-dependence on AI for Shari‘ah compliance could diminish the role of human expertise and judgment?</p> <p>Ethics and Ethical boundaries: -</p> <ul style="list-style-type: none"> • Do you agree: The greatest challenge is the knowledge gap between Shari‘ah scholars and AI technologists? • How can you police something that cannot be policed? • If AI can rapidly identify the quirks and holes in Shari‘ah legal reasonings, can it therefore create chaos in the Shari‘ah? How do we therefore safeguard the Shari‘ah from such manipulation? |

11:05 a.m. **Summary** – Moderator may provide a summary of all the points of view and frame questions. (10 mins.)

11:15 a.m. - 11:30 a.m.

Tea/Coffee Break

Part 2: Islamic Finance and Artificial Intelligence - *Framing Ethics and Standardization?*

11:30 a.m. Participants' Views – Open Floor Discussion

Opportunity for each participant to briefly explain their views on the following considerations regarding Artificial Intelligence's applicability to Islamic finance and *Shari'ah* compliance. Do you agree or disagree with the following questions and statements?

Question 1: Should we establish a unified **ethical framework, a list of ethical concerns, or an agreed set of 'limits'** from a *Shari'ah* legal perspective for AI to use as its base—essentially a guideline or doctrine of ethics from a *Shari'ah* finance perspective?

Question 2: and/or rather, is now the time for us to push for more **standardization and standardize the *Shari'ah* principles**, from which AI can rely on, extrapolate and come to decisions from?

| Types of Artificial Intelligence | <i>Shari'ah</i> Specific Issues and Concerns |
|---|---|
| 2. Expert Systems: <i>AI programs that mimic the decision-making abilities of a human expert. They use rule-based systems to analyze data and provide solutions or recommendations.</i> | Sources of <i>Shari'ah</i> Information for AI: - Algorithms and machine learning are based on sources of information from where these AI tools themselves can access and extrapolate. In relation to Islamic finance, this is limited to sources AI has access to, namely what people and programmers have inputted, and what can be found in its servers which can be defined as the ' <i>Shari'ah</i> '. But not all <i>Shari'ah</i> is standardized and not all <i>Shari'ah</i> is widely accessible, comprehensive, complete, or necessarily widely agreed upon in the cloud. The cloud also contains a lot of incorrect, erroneous, or even misleading sources. So, if the input is not correct or fully agreed upon, the output may also be wrong or not agreed upon. Given the absence of a unified singular source of <i>Shari'ah</i> , how do we control what ' <i>Shari'ah</i> ' is being used as the 'input' into these machines? |
| 3. Natural Language Processing (NLP): <i>The ability of machines to understand and interpret human language as it is spoken or written. NLP is used in applications like language translation, sentiment analysis, and chatbots.</i> | Nuances of <i>Shari'ah</i> and language construct: - Can such machines really process, understand and properly apply Arabic language, <i>fiqh</i> , and detailed concepts and tools of <i>Ijma'</i> , <i>Qiyas</i> , <i>Istihsan</i> , <i>Malahah</i> , <i>Urf</i> , <i>Istislah</i> , <i>Istishab</i> , <i>Darura</i> , <i>Maqasid al-Shari'ah</i> , <i>Fatwa</i> , Companions' opinions and practices? Lack of Deep <i>Shari'ah</i> Understanding: - Moreover, it is important for all the stakeholders to understand that <i>Shari'ah</i> compliance is nuanced and context-specific. AI tools should not be seen as a replacement for the deep understanding and judgment of qualified <i>Shari'ah</i> scholars. |

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| | <p>Effective Decisions or ineffective errors - Again, if the corpus of <i>Shari‘ah</i> and how it is applied are composed of the interaction between textual and non-textual factors, how can these machines really replicate effective decision making of the <i>Shari‘ah</i> and experts of <i>Shari‘ah</i>? - Would not automatization be simply replicating the same problems and issues that Islamic finance has been plagued with over the last forty years?</p> <p>Replication and Stagnation of old issues: - Given AI uses historical data and inform to formulate its decision making, will AI simply exacerbate, replicate, and stagnate human thinking of the same problems we have been tackling over the last 20 years of these workshops (e.g., more debt vs less risk sharing, just replicate lending primarily on tawarruq and double waad structures, etc. and not enhance our discussions?)</p> <p>Biases and Prejudices - AI may adopt algorithmic and programmed biases and prejudices. How can we ensure IF does not get sidetracked by these predispositions?</p> <p>Steering AI: - Can we steer AI or rather, can Islamic finance steer AI development, to take less divergent or unagreed views of <i>Shari‘ah</i> principles and <i>Maqasid</i>?</p> <p>Standardization to avoid Unintended Consequences: - Should we be pushing for more standardization of Islamic finance to ensure AI's outcomes reflect a more grounded body of <i>Shari‘ah</i> and avoid creating unintended consequences from divergent <i>Shari‘ah</i> rules. Does this mean we need to rush to standardize the <i>Shari‘ah</i>, to avoid major issues?</p> |
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12:50 p.m. Summary - Moderator may provide a summary of all the main points of view.

1:00 p.m. – 1:45 p.m.

Lunch

Part 3: *Buy Now Pay Later and Islamic Finance: Goals and Ambitions*

1:45 p.m. Participants' Views - Open floor Discussion

Unless they have an alternative view, opportunity for each participant to explain briefly their views on which of the following two statements they agree/disagree with, and why or why not?

Option 1 (Positives of BNPL) – *Shari‘ah compliant Buy Now, Pay Later (“BNPL”) products offer increased financial inclusion and accessibility, providing an alternative to traditional credit and enabling consumers to manage their budgets by spreading the cost of purchases over time. Many BNPL options are profit-free, aligning with Islamic finance principles that prohibit riba (interest). These products stimulate economic activity by encouraging spending and supporting small businesses, while also enhancing the shopping experience and customer loyalty. They should not lead to harmful consumer practices or contribute to unsustainable debt levels as some may argue BNPL can be structured to promote risk-sharing, transparency, and ethical financing, adhering to the Maqasid of Shari‘ah. They provide financial flexibility for lower-income consumers, reduce financial stress, and promote digital inclusion and technological innovation. Businesses benefit from higher sales conversion rates and increased customer*

acquisition. When designed ethically, BNPL encourages responsible spending, aligns with broader ethical standards, and promotes fairness and justice in financial transactions. BNPL will also enhance future financial products to a wider audience, especially when combined with new fintech technologies.

Option 2 (Negatives of BNPL) - *Sharī'ah compliant BNPL products in Islamic finance are not only suspect in their Sharī'ah compliance but face several negatives and challenges, including the potential for hidden or indirect riba charges, gharar, maysir, and/or deceptive practices that conflict with Sharī'ah principles. They are essentially continuation of Murabaha and Tawarruq debt products, which can lead to over-indebtedness, hidden fees, and credit risks, as well as operational issues like default risk and even system failures. Socially, BNPL might exacerbate economic inequality, provide inadequate consumer protection, and contribute to job displacement, all of which are contrary to the Maqasid of Sharī'ah. Ensuring Sharī'ah compliance and ethical alignment in BNPL contracts is challenging, and regulatory gaps can create oversight issues. Strategically, BNPL can contribute to market instability and systemic risks, while technologically, they raise data privacy concerns and dependence on technology. Additionally, BNPL can encourage excessive consumerism, impulsive spending, increased and uncontrolled personal debt, and obscure the long-term financial impact on consumers, leading to financial imprudence, exploitation, and mismanagement.*

3:05 p.m. Summary - Moderator to provide a summary of all the main points of view.

Part 4: *Islamic Finance and Buy Now, Pay Later: Tools and Techniques to Ensure Adherence to the Maqasid of Islamic Finance?*

3:15 p.m. Open Floor Discussion

Opportunity for each participant to explain briefly their views on which of the following questions or statements they agree/disagree with, and why or why not?

- Given the increasing adoption of Buy Now, Pay Later products alongside the rise of alternative banking products such as other fintech, private credit, crowdfunding, and cryptocurrencies, how can the Islamic finance industry ensure that the various concerns and vulnerabilities discussed and associated with BNPL are adequately addressed, if further adoption of these products is envisaged?
- Are there other alternative structures or financial products not mentioned here that could be relevant to addressing such concerns?
- What measures need to be taken to bridge the gap and address the issues raised?

Part 5: Concluding Remarks: AI and BNPL New Tools or New Threats to Financial Shari'ah Compliance

4:00 p.m. Summary and Open Floor Discussion

Participants to discuss—and, where possible, reach consensus on—points or issues within areas to be raised by the Moderator.

- What should the Islamic finance industry do today to ensure better adoption and control of *Sharī'ah* compliant content for use with artificial intelligence?
- What should the Islamic finance industry do today to ensure the concerns and vulnerabilities of Buy Now, Pay Later are adequately addressed, if greater adoption of these types of products are envisaged in the future?

4:30 p.m. Discussion on Future Workshop and Action Plan – Participants to assist the Moderator in drafting the workshop summary including suggested solutions.

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| 5:00 p.m. | End of Workshop |
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CIMEL Centre of Islamic and Middle Eastern Law

The Centre of Islamic and Middle Eastern Law was established in 1990 at the School of Oriental and African Studies in recognition of the growing importance of law in both its Islamic and Middle Eastern dimensions. The analysis of the various systems of law at work in the Islamic and Middle Eastern world, as well as an active interaction with Middle Eastern and Muslim lawmakers and scholars, are crucial for the future of stability and for the rule of law in its various forms inside each jurisdiction. The rule of law will also determine the parameters of the relationship with Europe and the West generally. In an increasingly small and interdependent world, CIMEL operates as a scholarly legal bridge for research and practice at the crossroad of Islam, the Middle East and the West.