

The Next Generation of Islamic Finance Leaders

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“A Tunisian perspective on talent, regulation, and the future of a global industry”

A Quiet Transformation in Tunis

On any given morning in Tunis, inside a university lecture hall or a bank’s compliance department, a subtle transformation is unfolding. Students discuss sukuk structures alongside balance sheets. Young professionals navigate between Shariah guidelines and regulatory circulars issued by the “Banque Centrale de Tunisie”. A new language is emerging, one that blends ethics, finance, and increasingly, technology.

And yet, beneath this movement lies a fundamental question: **Is Tunisia producing the kind of talent that Islamic finance now requires?**

An Emerging Industry

Islamic finance in Tunisia is not new. Its roots go back to the early 1980s with the creation of the first Islamic banking institution, **Al Baraka Bank Tunisia**, originally established in 1983 under the name **BEST Bank (Banque d’Épargne et de Services de Tunisie)**. This pioneering institution introduced Shariah-compliant banking to the Tunisian market at a time when the regulatory framework was largely conventional, setting the stage for a gradually emerging ecosystem. Since then, the sector has evolved, but the development has been gradual and often experimental, marked by bursts of innovation rather than a continuous, strategic expansion.

Today, the Islamic financial ecosystem in Tunisia has expanded beyond banking to include a broader range of Shariah-compliant financial services. The banking segment now comprises **Banque Zitouna**, **Al Baraka Bank Tunisia**, and **Wifak Bank**, which together represent a modest but growing share of the national banking system, still below 10% of total banking assets,

but with strong growth potential. Islamic banking products have experienced periods of rapid expansion, with annual growth rates exceeding 20% during earlier phases, signaling a clear appetite among consumers for Shariah-compliant financial solutions.

The sector has also matured to include **Islamic insurance**, or Takaful, with companies such as **Zitouna Takaful**, **Assurances At-Takafulia**, and **El Amana Takaful** providing both general and life insurance products in line with Shariah principles. These companies, though smaller than the banking institutions, play a vital role in diversifying the Islamic finance ecosystem, offering protection products for individuals, families, and businesses, and slowly cultivating a market for risk-sharing instruments in Tunisia. Supporting this segment, **Tunis Retakaful** provides Islamic reinsurance services, enabling risk distribution among Takaful operators and reinforcing the resilience of Shariah-compliant insurance offerings.

Equally important is the **emerging Islamic microfinance sector**, exemplified by institutions like **Zitouna Tamkeen** and **Taysir Microfinance**, which focus on extending Shariah-compliant microcredit to underserved populations and small entrepreneurs. These organizations play a dual role: promoting financial inclusion and fostering social and economic development while adhering to Islamic finance principles. By providing small-scale credit and economic empowerment programs, these institutions address the financing gap for low-income and rural communities, complementing the traditional banking and insurance sectors.

Despite this expansion into banking, insurance, and microfinance, Islamic finance in Tunisia remains a secondary pillar of the financial system. While growth has been encouraging, particularly in the early stages of banking and microfinance, the sector is still developing and has yet to achieve full integration into the broader financial landscape. Legal recognition, institutional presence, and early regulatory alignment provide a solid foundation, but the ecosystem's full potential can only be realized through the development of skilled human capital, innovative product offerings, and market infrastructure capable of supporting a modern, diversified Islamic financial sector.

Islamic Financial Institutions in Tunisia

Category	Institution	Year Established	Status / Role	Key Activities
Islamic Bank	Banque Zitouna	2010	Largest Islamic bank in Tunisia	Retail banking, corporate finance, investment services
Islamic Bank	Al Baraka Bank Tunisia	1983 (as BEST Bank)	First Islamic bank in Tunisia	Retail & corporate banking, trade finance
Islamic Bank	Wifak Bank	2015 (conversion from leasing)	Specialized Islamic bank	SME financing, retail products
Takaful Insurance	Zitouna Takaful	2011	Multibranch Islamic insurer	Takaful (general & family) insurance
Takaful Insurance	Assurances AtTakafulia	2013 (operating from 2014)	Licensed Islamic insurer	Takaful general & family products
Takaful Insurance	El Amana Takaful	2013	Islamic insurance provider	Life & nonlife Takaful solutions
Retakaful	Tunis Retakaful	2011	Islamic reinsurance entity	Shariahcompliant risk sharing services
Islamic Microfinance	Zitouna Tamkeen	2016	Islamic microfinance institution in Tunisia	Shariahcompliant microcredit and economic inclusion financing
Islamic Microfinance	Taysir Microfinance	2013	Licensed microfinance institution (focus on inclusion)	Microcredit, microinsurance, training & support
Regulator	Banque Centrale de Tunisie	—	Central regulator	Supervises Islamic and conventional banks
Capital Markets Regulator	Conseil du Marché Financier	—	Regulates capital markets	Oversees investment and sukuk markets

A Regulatory Framework in Construction

What makes Tunisia particularly interesting is not only its market, but its **legal and regulatory trajectory**.

The turning point came in **2013–2016**, when Tunisia introduced key legislative reforms that laid the foundations of Islamic finance:

- **Law No. 2013-30** established a legal framework for **sukuk**, defining them as Shariah-compliant, asset-backed securities based on profit-and-loss sharing.
- **Law No. 2013-48** introduced **Islamic investment funds**, expanding the ecosystem beyond banking.
- **Joint Note No. 28-2016** formalized core Islamic financial contracts such as Murabaha, Ijara, and Istisna'a, aligning them with taxation rules and conventional financial treatment.
- **Law No. 2016-48 (Banking Law)** officially recognized Islamic finance activities within the broader banking framework, introducing supervision and licensing standards.

These reforms were critical. For the first time, Islamic finance in Tunisia was no longer operating in a legal grey zone, it was **institutionally acknowledged and regulated**.

However, the framework remains **hybrid**.

Islamic finance is still largely governed under the same regulatory umbrella as conventional banking, rather than through a fully dedicated system.

Between Regulation and Reality

Tunisia's Islamic finance sector illustrates a familiar paradox: the country has laid down a legal and institutional framework that is, on paper, well-aligned with international standards, yet its practical implementation lags behind. The **Banque Centrale de Tunisie** has established supervision protocols for Islamic banks, and the **Conseil du Marché Financier** has set up the legal scaffolding for sukuk issuance and Shariah-compliant investment funds. Tunisia has also engaged with international standard-setting bodies such as **AAOIFI** and **IFSB**, translating Shariah standards into French and aligning regulatory norms to facilitate regional integration.

Yet the reality on the ground tells a different story. Sukuk frameworks remain underutilized, secondary markets are shallow, fintech adoption is slow, and regulatory clarity continues to evolve. Even Takaful operators and microfinance institutions, while growing, operate in relatively narrow market

niches, often lacking the infrastructure to scale rapidly. This gap between regulatory design and market reality highlights a critical factor: human capital. Regulations provide the blueprint, institutions provide the vehicles, but **talent drives the journey**. Without professionals capable of navigating Shariah, finance, and technology simultaneously, even the most robust frameworks risk remaining underutilized potential.

Talent in the Tunisian Context

The human capital challenge in Tunisia is nuanced. On one hand, universities produce graduates in economics, finance, and law, offering a strong theoretical foundation. On the other hand, **Islamic finance remains a niche specialization**, frequently treated as an elective rather than a core discipline.

The consequences are clear: conventional finance graduates often lack Shariah expertise, Shariah scholars have limited exposure to financial engineering, and both groups frequently lack technological skills necessary for modern fintech solutions. Microfinance and Takaful sectors also require professionals capable of designing compliant, scalable products while addressing social and economic inclusion objectives.

This fragmented talent pool limits innovation and slows the practical expansion of the sector. In a market where Shariah compliance, financial performance, and digital capabilities must converge, Tunisia faces a pressing need for **multi-disciplinary experts** who can translate between systems, bridge knowledge gaps, and drive market development.

Tunisia Needs a New Type of Experts

The future of Islamic finance in Tunisia will not be determined solely by the strength of its regulatory framework or the expansion of its institutions. It will depend, above all, on the emergence of a new professional profile capable of navigating complexity rather than operating within silos.

This profile goes beyond the traditional categories that have historically defined the industry. It is not sufficient to be a banker with technical expertise, nor a jurist with deep knowledge of Shariah. What is required is a **translator between systems**, someone who can understand the language of jurisprudence, the logic of financial markets, and the tools of modern technology, and bring them together in a coherent and functional way.

The urgency of this need is amplified by the pace of global financial innovation. Islamic finance is increasingly intersecting with areas such as fintech, digital banking, and data-driven compliance. Smart contracts,

blockchain-based sukuk, and AI-assisted Shariah auditing are no longer theoretical concepts; they are emerging realities that are redefining how financial services are designed and delivered.

Tunisia, despite its solid legal base, risks lagging behind in these domains if it does not invest in the human capital required to engage with them. Regulatory frameworks can enable innovation, but they cannot substitute for the expertise needed to design, implement, and scale new solutions.

Without professionals who can operate at this intersection, the existing framework risks becoming **underutilized potential**, a system capable of more than it currently delivers, but constrained by the absence of the right skills.

From National Market to Regional Talent Hub

It is precisely within these constraints that Tunisia's opportunity begins to take shape. Unlike larger and more established Islamic finance markets, Tunisia is not bound by the inertia of scale. It has the flexibility to position itself strategically, not as the largest market, but as a **center of excellence in human capital**.

Such a transformation would require a deliberate shift in perspective. Instead of focusing primarily on expanding market share, Tunisia could invest in becoming a regional hub for knowledge, training, and expertise. This would involve rethinking the role of universities, financial institutions, and regulatory bodies as components of a unified ecosystem dedicated to talent development.

In such a model, academic programs would move beyond disciplinary boundaries, integrating Shariah, finance, and data science into cohesive curricula. Partnerships with institutions such as CIBAFI or AAOIFI would provide pathways to internationally recognized certifications, enhancing the global mobility and credibility of Tunisian professionals.

At the same time, stronger collaboration between banks, fintech startups, and educational institutions would create environments where learning is grounded in practice. Students would not only study Islamic finance, but they would participate in its application, contributing to real projects and gaining exposure to challenges.

A national institute dedicated to Islamic finance and fintech could serve as the cornerstone of this ecosystem, attracting students and professionals from across North and Sub-Saharan Africa. In doing so, Tunisia would position itself

not merely as a participant in the industry, but as a **producer of the talent that drives it**.

This vision is ambitious, but it is not unrealistic. It is, fundamentally, a matter of strategic choice.

A Leadership Opportunity

To transform potential into performance, Tunisia must cultivate a **new professional profile**, one that is part banker, part Shariah jurist, and part technologist. This requires action across several fronts:

1. **Education & Certification:** Universities could introduce integrated programs combining finance, Shariah, and technology, supplemented by **CIBAFI**, **AAOIFI**, and **IFSB** certifications to ensure internationally recognized expertise.
2. **Practical Training Ecosystems:** Collaboration between banks, Takaful operators, and microfinance institutions can provide hands-on training, internships, and real-world project experience for students and young professionals.
3. **National Center of Excellence:** A dedicated institute for Islamic finance and fintech could consolidate resources, attract regional talent, and serve as a hub for research, innovation, and policy development.
4. **Regulatory & Policy Support:** Policymakers should continue refining the Sukuk framework, support digital banking infrastructure, and encourage Shariah-compliant fintech startups, creating both market opportunity and learning environments.
5. **Regional Integration:** By aligning curricula, standards, and certifications with international best practices, Tunisia can become a talent hub for North and Sub-Saharan Africa, rather than competing solely on market size.

The ultimate goal is not only to expand the Islamic financial market in Tunisia but to position the country as a producer of talent and expertise, capable of supporting a dynamic, innovative, and fully integrated ecosystem that spans banking, Takaful, and microfinance.

Closing Reflection

“In Tunisia, the future of Islamic finance will not be decided in laws alone, but in classrooms, training centers, and the minds of those who can bridge Shariah, finance, and technology.”

The evolution of Islamic finance in Tunisia demonstrates that legal recognition and institutional presence, while necessary, are not sufficient. The real determinant of success will be the ability to cultivate a generation of professionals capable of bridging Shariah, finance, and technology, professionals who can turn regulations into products, institutions into markets, and potential into growth.

In Tunisia, the next generation of Islamic finance leaders is already emerging. The question is whether the ecosystem such as universities, banks, insurers, regulators, and policymakers will evolve in parallel and quickly enough to support them. Because in the next phase of Islamic finance, **leadership will be defined not by assets alone, but by the people who can make those assets meaningful.**