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Belgium eyes Brunei for Islamic VC

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BELGIUM is looking into the possibility of getting Brunei Darussalam to be a partner in its quest to establish a niche market in the Islamic finance sector through an Islamic venture capital.

Marc Deschamps, a senior international expert from Wallonia, yesterday said Brunei will be Belgium and Wallonia's appropriate partner for Southeast Asia. Deschamps is in the Sultanate as a member of the Belgian and Wallonia Foreign Trade and Investment Mission. Wallonia consists of the five French speaking provinces bordering Brussels and France.

In an interview with The Brunei Times, he said that places like London and Paris are already ahead in the sector and Luxemborg was clever enough to venture into sukuk issuance.

"Belgium will have to find a niche in the industry and we think that its private equity or more specifically, Islamic venture capital," Deschamps said. "Venture capital is part of conventional finance which is closest to Islamic and Syariah principles. In that context, Islamic venture capital should be a kind of product to launch through Belgium."

Belgium is "a kind of paradise" for venture capitalists because when "the fiscal legislation in Belgium is very proverbial to venture capital and when you make added value on shares, you have no taxation there", he explained.

Deschamps said he believes that if they want to develop, they need partners in the Muslim world and with partnership already forged with Middle Eastern countries near Belgium, they are looking to an Asian country. "We are aware of the development in Malaysia, Singapore and Indonesia itself is trying to develop Islamic finance. But on a specific niche like Islamic venture capital, Brunei might take a place on the map with us," he said.

Deschamps explained that his initial ambition was focused on Islamic finance, to support exporters by putting them in contact with service providers in the industry.

"We don't intend to develop the expertise within the agency but just to be a matchmaker for Belgian exporters who need syariah-compliant financing and service providers in the industry. We also welcome foreign investors who want to invest in a region like Europe that want to do it in a syariah-compliant way," he added.

Belgium is a producer of goods, consumable and non-consumable and it is interested in halal

certification, he said, because Belgian producers want to export to Muslim markets. Deschamps stated that it would be a big challenge because every country has its own regulations on halal compliance.

"For exporters, it's a real challenge and that's the reason why we are very interested in the initiative of Brunei to train us at a very high level of halal standards that could be adopted hopefully, throughout the world. That would help foreign investors to make their products compatible with local needs. In that regard, I am very eager to meet with the Bruneian counterparts," he said. Like Brunei, Belgium is a small market. "We think it's the same for Brunei in the Asean region. Belgium and Brunei can cooperate... Who knows with big fishes around them, that's probably the best way to cooperate," he said.

The trade mission was received by the Brunei Economic Development Board at the Sheraton Hotel yesterday.

The Brunei Times