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Board of Taxation

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Please find following a copy of the submission I wish to lodge in response to the discussion paper reviewing the taxation treatment of Islamic Finance.

Given the worldwide phenomena of terrorism, the funding of groups like Hamas and Hizbollah from Islamic finance and the conviction of people like Al Qaradawi who was cited as a 'zakat expert' on the HSBC's Amana website, what safeguards will the Australian Government offer that sharia advisors will not be party to Islamist agendas? These thoughts are not alarmist but very real concerns. One of the leading sharia finance scholars, Mohammed Taqi Usmani, had this to say:

For a non-Muslim state to have more pomp and glory than a Muslim state itself is an obstacle, therefore to shatter this grandeur is among the greater objectives of jihad.

This is also the objective of the Muslim Brotherhood who define sharia finance as a 'financial jihad against the West'. This seems a strange and treasonous thing to support.

I look forward to your response and a revision of the government's intent to pursue Islamic colonialism.

Kind regards



Vickie Janson

Discussion Paper: Review of the Taxation Treatment of Islamic Finance
Board of Taxation

1.1 This review is based on the premise that 'Islamic finance, banking, and insurance products *should not be inhibited* and there should be
1.2 *no impediments* to the development of Islamic finance in this country, to allow market forces to operate freely... in line with our commitment to foster an open and competitive financial system, and a socially inclusive environment for all Australians.

It is very concerning that a discussion paper concerning the introduction and propagation of a foreign, religious and inherently discriminatory law in Australia would be based on this premise. It appears that in the name of 'social inclusion' Australia is willing to cater to a minority group who actually foster *exclusion* (in food, finance, education and so forth). I would like to suggest if social inclusion is really the goal of government that a few of the real impediments to achieving this be seriously considered.

If Australia was really concerned to foster social inclusion perhaps we would be better encouraging Muslim citizens to utilise conventional banks, *just as the majority do in Islamic countries*, rather than supporting the minority teaching heard in Islamic lectures in Australia, which presents 'infidel money' as haram. (forbidden) Tacitly supporting this theology that 'infidel food and finance is unclean' is not conducive to real notions of social inclusion. When theology dictates that people, food and finance are all unclean, fostering these attitudes can only breed further contempt and segregation; and the ultimate development of parallel societies.

The discussion paper claims that sharia finance, an Islamist minority teaching, is driven by four factors. One of these is the '*ethical character and financial stability of Islamic financial products*'. However the original and primary 'driver' is noticeably absent. That is, the historical and theological promotion of Muslim separatism through the establishment of an Islamic economic system, in support of the Islamists ideal of an Islamic State. This is undoubtedly the driving force behind sharia finance.

Founder of the militant Pakistani Islamist movement Jama'at-i Islami, Abdul A'la Mawdudi promoted Islamic economics as a vehicle to help establish Islamic rule and law in society. The Muslim Brotherhood later adopted this concept. A 1991 document by the Muslim Brotherhood describes their settlement process as 'civilization jihad'. This outlines the elimination and destruction of western civilisation from within through mosques, Islamic centres, coalitions, absorption and civic cooperation, building parallel social, political and cultural organisations. Referring to 'financial jihad', Yusuf Qardawi, Qatar-based spiritual leader of the Muslim Brotherhood, said in 2006 '*I like to call it jihad with money, because God has ordered us to fight enemies with our lives and our money*'.¹ Dr Rachael Ehrenfeld, Director of the American Centre for Democracy, notes the 'role of sharia and the Muslim Brotherhood in developing a global ideological

¹ Rachael Ehrenfeld, *A Recession In Terrorism Finance?* www.acdemocracy.org

and political movement supported by a parallel 'Islamic' financial system to *exploit and undermine Western economies and markets*.² And Dr Patrick Sookhdeo notes that 'the concept of Islamic economy was integrated into the discourse of the Islamist struggle to weaken the West in preparation for the ultimate phase of establishing Muslim political hegemony in the world'.³ Now why would Australia want to support that?

On the face of it, the claim for this finance to be 'ethical' is based upon Islamic understanding of what is ethical and not ethical which is somewhat at odds with Australian understanding. Given that 2:3 in this discussion paper notes Malaysia and Iran in particular as primary locations of this ethical sharia, one could question this assessment noting their human rights abuses under sharia law which are widely documented. Sharia sanctions the death penalty for apostasy, blasphemy and homosexuality; it sanctions amputation of limbs, charitable donations to jihadist causes, child brides, public flogging for drinking alcohol and much more.

Additionally, these ethical claims noted in the government's book *Islamic Finance* undermine both Australian people and legitimate Australian industries, viz., the hospitality and pork industries, which are listed in the 'unethical' category and understood theologically to be 'unclean'. The government's endorsement of this discriminatory position is essentially defamation of legitimate industries.

The case study of AIG (American International Group) is worth noting. Dr Ehrenfeld notes that AIG's sharia advisory board is unlikely to invest in Jewish, Israeli or Christian businesses, which are considered forbidden (haram) according to sharia law. Elsewhere it is stated that investment in western weapons and defence is forbidden whereas investment in Muslim weapons and defence is not. Clearly this is not only inherently discriminatory, supporting separatism, but also hazardous to national defence, security and interests. This is clearly *unethical* to be forbidden from investing in one's own country's defence.

And it seems to be overlooked by the government that the same source from which fatwas concerning Islamic finance are issued, sharia legal sources, also issues fatwas calling for violent jihad against the West and sanctioning of human rights abuses. Contemporary author Syed Akbar Ali comments on the ethical nature of sharia laws; *'Predictably the Aceh sharia laws are mainly concerned with publicly whipping people who consumed alcohol and in some cases even men and women found working together in offices. Some women's groups in Indonesia are complaining that there are no sharia laws to arrest corruption. This is indeed a very good question. Many Islamic countries like Indonesia, the Arab countries and*

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http://www.acdemocracy.org/article/ShariaFinancing_Ehrenfeld_Lappan_060508.pdf

³ Patrick Sookhdeo, *Understanding Shari'a Finance*, Isaac Publishing, USA 2008, 13

even Malaysia are collapsing or have collapsed also because of widespread corruption. Yet there are no sharia enactments covering corruption'.⁴

The lack of transparency in sharia finance, the lack of support from moderate Muslim scholars and the lack of enactments covering corruption should be a deterrent to Australia's participation in this Islamist project. It is noteworthy that with one stroke Justice Abdul Wahab Patail ruled in the High Court of Malaya that the concept of Arabic banking is unlawful.⁵

And the governments commitment to foster religious law, which is essentially promoting religious observance, does appear to contravene, if not in actual deed certainly in spirit, Section 116 of the Constitution of Australia which:
Prohibits federal parliament from making laws for establishing any religion, imposing any religious observance, or prohibiting the free exercise of any religion.

Quite apart from these serious matters, is the gross irresponsibility in supporting a financial system that has proven links to jihadist groups through such groups fronting as charities, and in receipt of the required 'zakat' payment. Once again, one only has to contact the American Centre for Democracy to see the established links. It has been discovered that almost every Islamic organisation in America can be connected to the Muslim Brotherhood or other Islamist organisation.

Why should Australia be any different? The link below shows the connections between Jamal Badawi and the Muslim Brotherhood. The Australian Islamic organisation *Mercy Mission* hosted Mr Badawi at their annual Easter Conference in 2007 and consequent years. He is not an isolated visitor.

<http://atlasshrugs2000.typepad.com/.a/6a00d8341c60bf53ef0133f59c729a970b-pi>

While fighting terrorism on the hand should we be supporting it with the other? If we are to be honest, isn't doing so tantamount to treason? With the evidence of the money trail to terrorist organisations public knowledge, how can the Australian Government credibly promote this as 'ethical finance?' If nations like Egypt and the most populous Muslim nation of Indonesia do not insist on sharia finance, and have actively resisted it, perhaps we should consider why.

Islamist groups such as Hizb Ut-Tahrir are openly calling for the imposition of the Islamic State in Australia and around the world and support sharia finance as a means of realising this. Isn't it madness to support these Islamist agendas?

⁴ Syed Akbar Ali *Malaysia and the Club of Doom* Syed Akbar Ali, Malaysia 2006, 198

⁵ Syed Akbar Ali *Malaysia and the Club of Doom* Syed Akbar Ali, Malaysia 2006, 204-205

It is high time our government got a grip on Islamic theology and understood that according to the Noble Quran given to me in Melbourne, disbelievers in Allah and his Messenger, that's all other Australians, are '*najasun*'. This word is translated as 'unclean' and this uncleanness is clarified with a footnote in the Noble Quran. We are unclean spiritually because of our lack of belief and physically because we lack personal hygiene. Quote: 'filthy as regards urine, stools and blood'.⁶ These attitudes are a far cry from 'socially inclusive'. And this is the reason we continue to accommodate Muslim people with separate prayer rooms, toilets, swimming facilities and so forth.

I would like to point out that although Western money is perceived to be so unclean the strong supporters of Islamic finance do not suggest the faithful refuse financial assistance from interest bearing government accounts. (Centrelink) There does not appear to be any problem in receiving *this* unclean finance. The NCEIS (National Centre for Excellence in Islamic Studies) does not reject the government's money from conventional interest bearing accounts.

I would strongly recommend that the government reassess this commitment to sharia finance with its connections to Islamist groups, it's theological foundations and it's undermining of both western values and economy. This is no more than an exercise in Islamic colonialism. In fact, Islamic scholar Umar Ibrahim Vadillo, a most outspoken critic of Islamic banking, refers to the 'beginning of the financial neo-colonialism.'⁷ It appears support for sharia finance is support for Islamist ideologies rather than the moderates who utilise conventional banking.

The core principle of 'prohibition on interest' presented in this paper is not a core principle by the majority Muslim world at all who utilise conventional interest bearing banking. I trust our government will see past a momentary financial gain to the long term stability of the nation and an opportunity to promote genuine inclusion into the Australian way of life; including promoting conventional banking and integration.

My final question to the government is, will government officials be liable for treason if innocent Australian lives are lost by terrorist groups, funded by government approved sharia finance institutions?

Vickie Janson

⁶ The Noble Quran 9:28 Commentary page 248

⁷ Syed Akbar Ali, *Things in Common*, Syed Akbar Ali Malaysia 2008, 428