

A PWC PARTNER FOR NEARLY 20 YEARS AND HEAD OF ITS ISLAMIC FINANCE TEAM, MOHAMMED AMIN HAS ENJOYED A VARIED CAREER, BUT UNDERLYING IT ALL HAS BEEN A LOVE OF MATHEMATICS, AS HE TELLS **GRAHAM BUCK**.



Hooked on figures

PHOTOGRAPHER: ROGER HARRIS

The ACT's professional qualification courses can have few greater advocates than Mohammed Amin, a partner in PricewaterhouseCoopers who has specialised in taxation for three decades and, more recently, has headed PwC's Islamic finance network in the UK.

His association with the ACT dates back to 1993, when the Finance Act of that year included foreign exchange legislation to provide companies with much needed clarity on the taxation of forex gains and losses.

"One of my team asked if I'd give a talk on the topic for members of the ACT, an organisation whose existence I was aware of, but with which I'd had no real contact," Amin recalls.

He accepted the request and gave a presentation hosted by the Liverpool office of Littlewoods. After the talk, he socialised with members of the audience, which consisted of treasurers from major companies in the North West.

"I felt that I wanted to get closer to this group, which meant joining them in order to do so," he says. "So I found out about the entry qualifications and exams, and got the OK from PwC's management to become a registered student once again."

Deciding against using any influence afforded by PwC's connections with the ACT's leadership to seek "grandfathered" membership, Amin was adamant he actually wanted to sit the exam "although the first trial paper came as a real shock, as it was very tough". He persevered and passed both papers that he sat (his chartered accountant status exempting him from taking the full six) and has been an ACT member ever since.

He has consistently urged colleagues to take the exams too and confirms that the studies can transform understanding of a complex subject such as derivatives. "Individuals who are pure tax people but who haven't studied treasury really can't fully appreciate all of the issues involved," he adds. "This was perhaps best demonstrated when, after taking the exams, I sat in at a client seminar and a slide illustrating currency swaps went up on the screen. I instantly saw that the arrows on the slide were actually the wrong way around, as thanks to the exams I now understood the subject properly."

UNEMPLOYABLE His enthusiasm for professional life was, he admits, less evident in his early days as a student. "Although I studied mathematics at Cambridge, I was frankly unemployable as I had no particular aspirations regarding my career when I graduated. I put off doing anything about work for a further year by doing a diploma in education at Leeds University."

So his very first job on graduating was teaching general science, mathematics and physics to teenagers at an Oldham comprehensive. A clear message quickly came from his colleagues, though: to avoid being trapped in a teaching career with little prospect of advancement, he'd be well advised not to stay on beyond the first year.

A stroke of luck came during his first half-term at the local library, where he spotted the volume *Accounting: The Basis for Business Decisions*, by Meigs and Johnson, and started turning the pages. He borrowed the book, had read it by the end of the holiday and quickly devoured the intermediate and advanced volumes.

He was hooked and decided to make accountancy his profession. In July 1974 he began looking for a placement at a time when the profession attracted only a small number of graduates. Arthur Andersen, then one of what were the "Big Eight" accounting firms, made him an offer but only for the following year, so he joined a smaller firm instead to commence training for the exams.

When it came to Professional Examination 1, "I was convinced that I'd failed the accounting paper as my answers just didn't balance, so I

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was overcome with shock to discover that I had, in fact, achieved fifth place nationally. It taught me that in accountancy exams the answer doesn't necessarily need to balance, provided that you show clearly your workings."

At this early stage, he also began to take an interest in tax issues and was advised by a recruitment consultant that if this was an area he intended to pursue, at that time Andersen was really the only firm in the Manchester area that offered experience equivalent to London. "So my next move was to Andersen, where I served for six years as a full-time tax specialist."

But despite the prestigious name, the structure at Andersen imposed restrictions. Amin says that through his tax work he developed an interest in technology and wanted to review tax software for magazines. The idea was promptly vetoed by an overly risk management-conscious partner.

After six years he moved to a smaller tax firm based in Wigan, where he was made a partner 15 months after joining.

"However, by then I was starting to realise that the new position wasn't really me, which led to my joining what was then Price Waterhouse in August 1987," he says.

"I'd been at the firm just two weeks when I realised it was a completely different atmosphere. The people I was working with were actually happy and enjoyed their work, and I shared in this feeling. It was a very different atmosphere from Andersen, which was a good place to work from many aspects but just didn't have a happy workforce.

"So I can honestly say that I've been deliriously happy at PW/PwC ever since and have never regretted my chosen field of taxation."

In 2001, Amin became PwC's national leader for finance and treasury tax and led the network for a period of four years. During this time he "consistently banged on about the need to undertake the ACT exams, and I believe that I did have some influence. Even if you aren't a practising treasurer, you still need to do the exams to understand treasury properly – a point that I also emphasised to those who I dealt with at various client companies in the North West."

THE HAJJ EXPERIENCE A new chapter began a year later when he undertook the pilgrimage to Mecca. "I was teamed up with a guy who had a PhD in biochemistry yet chose to rent his house as his beliefs ruled against taking out a mortgage on the basis that payment of interest was wrong."

It triggered an interest in Islamic finance, and on his return to the UK he began to research the subject and study Islamic texts. Initially this was to satisfy a personal interest but the issue of the Finance Act 2005 sparked a professional interest as it represented the first UK legislation to enable the operation of Islamic banks.

Amin had by then achieved a reputation as a writer. His fellowship thesis for the Chartered Institute of Taxation on the new UK tax rules on corporate debt had won the CIOT medal for the best fellowship thesis submitted in 1999 and he had written a number of articles for *The Treasurer*.

He was asked by publisher Butterworths to contribute a short piece

on Islamic finance for its Finance Act 2005 Handbook. Then, at the end of that year, "I suggested to the editor of The Treasurer that the magazine could run a feature explaining Islamic finance to treasurers."

The literature on the Islamic finance market in the UK has grown rapidly since then as has the market itself. The number of entities in the UK offering Islamic finance services has risen over the period, with the Islamic Bank of Britain the first to establish itself in the UK in 2005. Four more, all investment banks, have since been added, as well as Principle Insurance, which began selling Islamic insurance policies last year.

In the meantime, Amin's Islamic finance blog has been running for four years. He launched it while still finance and treasury leader at PwC at the suggestion of the partner responsible for tax technology.

"I hadn't considered it before," says Amin. "It was an experiment for PwC and I was the first blogger within any UK Big Four firm. I was given a fairly broad remit on what I wrote about.

"Initially, I aimed to add a new posting to the blog once a fortnight, but maintaining this frequency proved a bit too demanding. I've also since split it into two topics: finance and treasury tax, and Islamic finance."

The blog has sparked a number of inquiries from many countries, such as an item on hybrid capital that aroused interest in Buenos Aires. There has also been a regular stream of speaking invitations. In the past year, these have included engagements as far afield as São Paulo at the behest of the financial system regulation department of the Central Bank of Brazil (the country's equivalent of the FSA), which mounted a conference on Islamic finance, as well as a Russian conference in Kazan.

Amin adds that a couple of years ago he realised that PwC needed better co-ordination on Islamic finance issues as it was "punching beneath its weight" on the subject. He suggested to management that he relocate from Manchester to the group's London office, to be based there as PwC's Islamic finance leader.

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"The areas of Islamic finance that need thinking about continue to grow; for example, there are now a number of shariah-compliant asset managers," he says. The sector has not been immune to problems, not because of any dealings in toxic products such as credit default swaps, but due to the sharp downturn in the Gulf's property market.

Among the topics on which Amin has spoken is the issue of whether strict adherence to the tenets of Islamic finance could have prevented the global financial crisis. He stresses that while it is an oversimplification to regard Islamic finance as systematically less risky than conventional finance, his short answer is yes, basically because many Islamic financial contracts distribute risk in a completely different way to Western financial institutions

"For Islamic banks based in the Gulf, current account liabilities are repayable in full, but profit-sharing investment account liabilities expose investors to potential losses if the bank as a whole makes losses. As losses are shared with customers, rather than only falling on bank equity it makes the system rather more resilient than conventional banking."

After an active career, Amin plans to step down from PwC at the end of the year but looks forward to a pretty active retirement.

DISCIPLINE IN RETIREMENT

"There is no point in focusing on earning money in retirement," he says. However, he does not want to lose the discipline of going to work each day. "Instead, I will force myself to go to the gym every day for 9am."

Amin's primary aim is to devote most of his free time to Muslim community affairs in this country as he believes many benefits could be achieved through a greater degree of integration.

He also intends to become more involved in politics, where his affinity is with the Conservative party, and step up his involvement with Muslim/Jewish interfaith activities in London.

And he will continue to take an interest in and be involved with the activities of the ACT.

"I have always been a great advocate for the ACT and proselytised for it. Neil Edwards, PwC's current finance and treasury network leader, has maintained my message to junior members on the importance of the ACT exams. I'm pleased to see that PwC has more ACT members than any other accounting firm. Indeed, we have more ACT members than anyone except RBS."

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