



**ISLAMIC ECONOMY RESEARCH AND
INNOVATION FUND (IERIF)**
*Accelerating An Inclusive, Sustainable, and
Innovative Islamic Economic Growth*

IERIF APPLICATION GUIDELINE

Islamic Economy Department
ISRA Research Management Centre
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INCEIF
UNIVERSITY

ISRA
RESEARCH
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ISLAMIC FINANCIAL CENTRE

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APPENDIX 1

SECTION 1: ABOUT THE ISLAMIC ECONOMY RESEARCH AND INNOVATION FUND

1.1 Introduction

- 1.1.1 The Islamic Economy Research and Innovation Fund (IERIF) is a funding grant meant to stimulate creativity and innovative research in Islamic economy focusing on the research areas identified herein.
- 1.1.2 The Ministry of Finance has appointed INCEIF to lead the implementation and management of IERIF in collaboration with MIFC and the industry. INCEIF is duly established by the Bank Negara Malaysia and registered under the Companies Act 2016. It operates INCEIF University, a duly registered institution under the Private Higher Educational Institutions Act 1996.
- 1.1.3 The Islamic Economy Department under the ISRA Research Management Centre of INCEIF University is coordinating the implementation of IERIF. As a coordinator, its tasks include ensuring research proposals submitted by applicants are aligned with the IERIF requirements, monitoring the progress and completion of the research projects within the agreed terms, guiding research teams in the research implementation whenever required and taking necessary measures in the event of delay in the research delivery progress.

1.2 Objective

The objectives of IERIF are to:

- 1.2.1. spur creativity and innovative research in Islamic economy in areas that are aligned with the aspiration of the Ekonomi MADANI.
- 1.2.2. produce practical and innovative solutions to address the emerging socio-economic issues in Malaysia through values and impacts that are in line with the objective of Shariah (Maqasid Shariah) and the Tayyib principle.
- 1.2.3. promote a balanced distribution of wealth, eradicate poverty, foster collaboration, and encourage sustainable development for the betterment of the nation.

1.3 Research Focus Areas

1.3.1. The research projects funded under IERIF must align with any of the following national aspiration and national strategies/policies as listed in Diagram 1 below.

Diagram 1: National aspiration and strategies/policies.

Aspiration	
<ul style="list-style-type: none"> • Ekonomi MADANI: Memperkasa Rakyat • Mid-Term Review of the Twelfth Malaysia Plan 2021-2025 Sustainable, Prosperous, High-income Nation 	
Supporting National Strategies / Policies	
<ul style="list-style-type: none"> • The National Energy Policy 2022-2040 (DTN) • National Energy Transition Roadmap (NETR) • New Industrial Master Plan 2030 (NIMP 2030) • New Investment Policy (NIP) • Capital Market Masterplan 2021 – 2025 • Financial Sector Blueprint 2022 – 2026 • Climate Change and Principle-based Taxonomy (CCPT) 	<ul style="list-style-type: none"> • Sustainable and Responsible Investment (SRI) guidelines • Value-based Intermediation (VBI) • Value Based Intermediation Financing and Investment Impact Assessment Framework (VBIAF) • VBIAF Sectoral Guides • Value-based Intermediation for Takaful (VBIT) • 2030 Agenda for Sustainable Development

1.3.2 In addition to Para 1.3.1 above, the research must meet any of the following focused research clusters as tabulated in Diagram 2 below:

Diagram 2: Focused research clusters

Focused Research Clusters		
Islamic Economy & Sustainability	Shared prosperity	Innovation and advancement of knowledge
Islamic finance, Islamic social finance, Green economy, Halal economy, Circular economy, Food security, High impact/quality investments, Sustainable fiscal conditions	Sustainable and inclusive entrepreneurship, Value-added employment creation, Rakyat's quality well-being	Breakthrough research, Innovative and inclusive technology and digital economy

1.4 Duration of Project

1.4.1 The duration of the research project shall not be more than twenty-four (24) months and it shall commence from the date of the Letter of Agreement (LOA).

1.5 Grant Amount

1.5.1. The grant amount shall depend on the type and scope of the each

research project. Subject to the guidelines herein, the amount may be up to Ringgit Malaysia Five Hundred Thousand (RM500,000).

1.6 Matching Grant/Additional Fund

1.6.1 Researchers can source matching grants/additional funds from their universities or other funding bodies/agencies for the expenses not covered by IERIF.

SECTION 2: APPLICATION PROCESS AND PROCEDURES

2.1 Eligibility Criteria

2.1.1. The grant is open to researchers and academicians from private and public institutions based in Malaysia.

2.1.2. The research team must comprise of at least three (3) researchers - a Lead Researcher and two co-researchers.

2.1.3. Each researcher is allowed to participate up to two (2) research projects at one time.

2.1.4. It is highly recommended for the research team to collaborate with strategic partners from the industry or other stakeholders. The team must indicate the existence of agreement with the collaborating entity(ies) for each project by sharing a collaborative agreement or letter of intent of the said collaboration with Islamic Economy Department for safekeeping.

Each team member and collaborating partner must never been convicted of fraudulent activities or declared bankrupt, in dissolution, or under receivership.

2.1.5. The project team must consist of qualified and competent members for the entire project. Each team member must provide a clear resume (curriculum vitae) detailing their research field, experience, and achievements.

2.1.6. The applicant is allowed to submit multiple applications for different projects at the same time under the condition that the applicant has strong human and financial resource capabilities.

2.1.7. The project must be implemented in Malaysia.

2.2 Research Proposal

- 2.2.1. The research proposal shall be presented clearly and be submitted in English together with the following:
- i. Curriculum vitae of the Lead Researcher and team member(s) involved;
 - ii. The highest academic certificates for all research team members; and
 - iii. Other relevant materials to support the proposal.
- 2.2.2 The proposal must be prepared in accordance with the template provided by the Islamic Economy Department via IERIF portal (website: <https://ierif.inceif.edu.my/>).
- 2.2.3 The proposal must also consider and include a contingency plan for disruptions to mitigate such risks. Any requests for extension of project deadlines are discouraged, and all reasonable attempts must be made to preserve the timely completion of deliverables.

2.3 Expenditure Details

- 2.3.1. Allowance for Research Assistant (RA)
Allowance for Research Assistant (RA) must be made based on their academic qualifications which are as follows:
- i. PhD's holder: RM2,500
 - ii. PhD student: RM2,300
 - iii. Master's holder: RM2,000
 - iv. Master's student: RM1,800
 - v. Bachelor's holder: RM1,500
- 2.3.2. Honorarium for Researchers
For a research project, the honorarium for each researcher will be in a sum of not more than RM500 per month and Lead Researcher, a sum of not more than RM750. Salaries, bonus payments, overtime pay, insurance coverage for the researchers are not claimable.
- 2.3.3. Travel and Transportation
Only travel expenses directly related to the project are claimable.
- 2.3.4. Conference
- i. Specifically, to defray conference costs for researchers to acquire related knowledge on research or disseminate research findings. Limited to not more than 5% of the total grant amount.
 - ii. Conference must be related to research project organised by professional bodies or universities to present research paper

physically or virtually.

- iii. Costs for organising conference, symposium, exhibition or innovation competition and similar are not allowed;

2.3.5. Rental

Only rental expenses for building space, equipment, transportation and any other item(s) directly related to the project are claimable by providing clear justification and quotations for the item.

2.3.6. Research materials and supplies

Only extends to expenses for research materials and supplies directly related to the project, such as books, magazines, computer software/apps, photocopying, printing, binding, filming, consumables (stationeries, etc.), charges from postage, telephone, fax and other expenses necessary to complete the project. The purchase of mobile phones, laptops, computer devices are not claimable. Quotations from online selling platforms such as Shopee, Lazada and others are not allowed.

2.3.7. Special Services

Payment for translation cost, incentives for data collection, data gathering and processing costs are claimable.

2.3.8. Proofreading and editorial services

Payment made specifically for qualified proofreading services for the research report and project manuscript. This expenditure is not to be used as payment to research members.

2.3.9. Publication

Specifically, to defray costs for publications in relevant academic, indexed and/or peer-reviewed journals. It is limited to not more than RM3,000.

2.4 Proposal Submission

2.4.1. The research proposal and other supporting documents should be submitted to Islamic Economy Department, INCEIF via IERIF Portal (website: <https://ierif.inceif.edu.my/>) not later than the submission date announced in the IERIF Call for Proposals. **Submissions received after the deadline will not be considered.**

2.4.2. An acknowledgement receipt will be sent once Islamic Economy Department received the proposal. Those who have submitted the proposals but NOT received an email confirmation within seven (7) working days from the date of submission should contact the Islamic Economy Department.

2.4.3. All applicants are advised to adhere to the stipulated requirements. Submissions that do not follow the criteria will risk being disqualified from consideration.

2.5 Evaluation of Proposals

2.5.1. The proposals will be evaluated by the IERIF Steering Committee/Research Working Committee (IRWC) based on open competition and merit, and taking into consideration the criteria shown in the following Diagram 3.

Diagram 3: The criteria in assessing the potential research projects.

Technical i. Concept is proven / Functional prototype ii. Uniqueness / Innovative / Technology Inventiveness iii. Objective reliable / Suitable methodology iv. Strategic project partners / collaborators v. Following standard and regulation		Economic Impact i. Reduce cost ii. Using optimum source iii. Export potential iv. Increase productivity and quality product/services		
Commercial i. Competitive benefits ii. Potential and demanding iii. Marketable iv. Sustainable v. Cost effective vi. Practical market strategy / business model vii. Standards and certification (if applicable)	Social Impact i. Increase Ability / Capability ii. Increase Skilled and Knowledgeable labour/workers iii. Problem solving iv. Increased security v. Create Conducive work place and residence	Environmental Impact i. Ecology/ Carbon impact ii. Circular economy iii. Compliance to statutory requirements e.g. Environment Quality Act iv. Optimum source usage	Financial i. Potential for Return of investment ii. Value for money iii. Financial sustainability	Management i. Qualified and competent Lead Researcher & team members experience ii. Suitable milestone iii. Risk management

2.5.2. The Lead Researcher may be invited to present their proposal to the IERIF Steering Committee/IRWC as part of the evaluation process.

2.6 Rejection of Proposals

2.6.1. The various factors contributing to the rejection of submitted proposals include the following aspects:

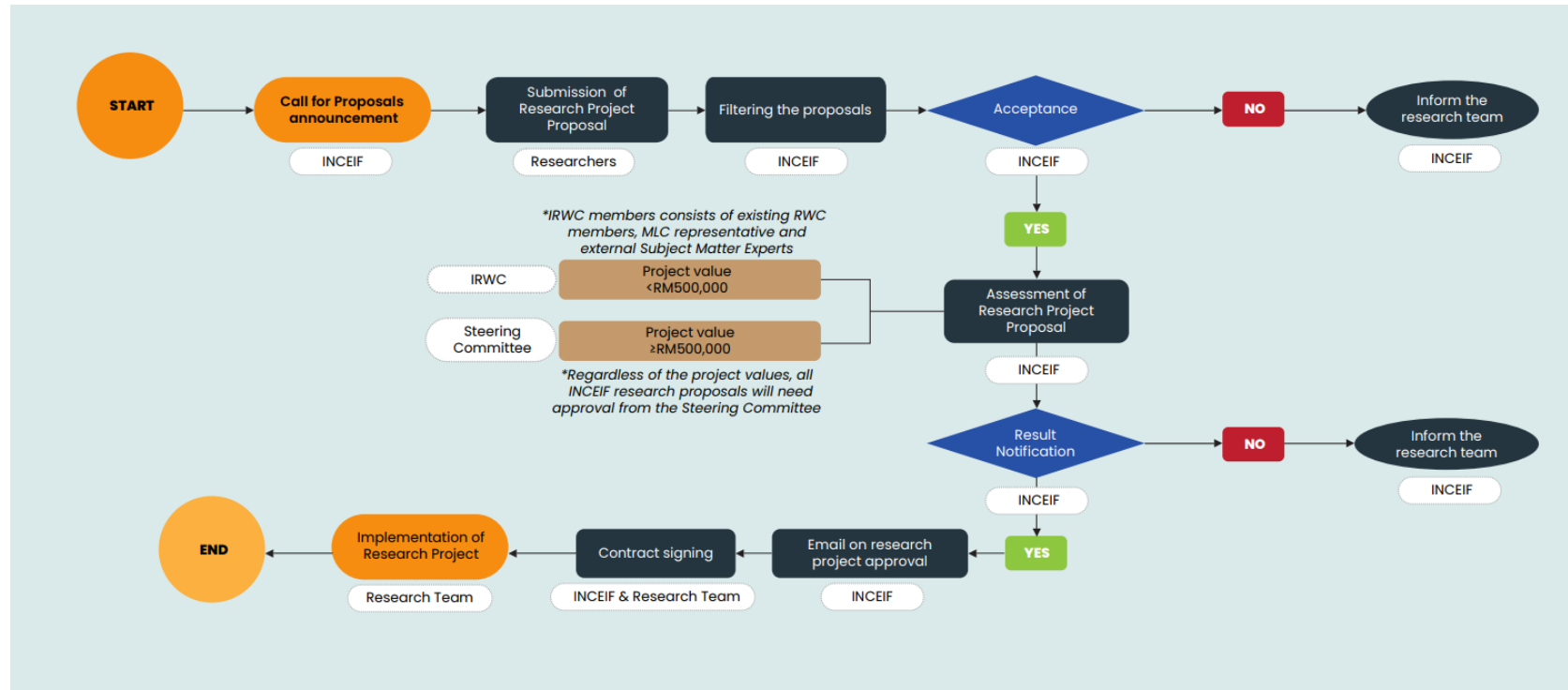
- i. The research proposal does not meet IERIF objective and criteria, thereby submitting proposals outside of IERIF requirements;
- ii. The proposed research is based on the study with existing research work and publications and does not provide any new insights, value or new knowledge;
- iii. Research scope may not be feasible given the grant amount and limited duration allowed for under the IERIF;
- iv. Researchers' expertise does not match the research field of the proposal and/or lacks past research experience in the proposed area of study;
- v. The literature review and/or conceptual frameworks underpinning a proposed study were not included.

- 2.6.2. The IERIF Steering Committee/IRWC reserves the right to consider any other factors it may deem relevant in the evaluation process. They also reserve the right to reject proposals that do not meet the submission and evaluation criteria. They may also suggest changes to the proposals, including cost/funding, scope, and research timelines.
- 2.6.3. Successful applicants will be informed via email. The successful applicant is required to revert and the acceptance of the grant and the terms and conditions thereof.
- 2.6.4. The submission, evaluation and award process of IERIF grant is shown in the Diagram 3 below.

2.7 Submission, Evaluation and Award Process Timeframe

2.7.1. Figure 1 below shows the flowchart for the submission, evaluation and award process of IERIF.

Figure 1 – Process Flow Chart for Submission, Evaluation and Award of IERIF.



SECTION 3: ROLE & RESPONSIBILITIES

3.1 Role and Responsibilities of Lead Researcher

- i- Each proposal must have a Lead Researcher.
- ii- Lead Researcher shall be responsible for the management and completion of the research.
- iii- Lead Researcher is encouraged to be a Malaysian citizen and holds a doctoral degree. However, if the lead researcher who is not a Malaysian citizen, he/she is still allowed to take the role of lead researcher subject to the following conditions:
 - a- Work permit is valid throughout the project implementation period; and
 - b- The other team members of his/her project are Malaysian citizens from the same institution of the Lead Researcher.
- iv- Lead Researcher must be in the employment of the same institution throughout the duration of the proposed research project.
- v- Lead Researcher can only lead up to two (2) research projects at the same time.
- vi- Lead researcher must inform Islamic Economy Department if the team have received matching grants/additional funds from their universities or other funding bodies/agencies for the expenses not covered by IERIF.
- vii- Ensure all information on research projects are correct and complete.
- viii- Participate and attend the project presentation.
- ix- Submit all reports as per agreed timeline to Islamic Economy Department.
- x- Ensure completion of research project according to the timeline.
- xi- Maintain confidentiality of information received from INCEIF/Islamic Economy Department and project collaborators by filling in Non-Disclosure Agreement.

3.2 Role and Responsibilities for Researchers

- i- Ensure all information on research projects are correct and complete.
- ii- Participate and attend the project presentation.
- iii- Submit all reports as per agreed timeline to Islamic Economy Department.
- iv- Ensure completion of research project according to the timeline.
- v- Maintain confidentiality of information received from INCEIF/Islamic Economy Department and project collaborators by filling in Non-Disclosure Agreement.

3.3 Role and Responsibilities for Collaborators

- i- Ensure all information on research projects are correct and complete.

- ii- Give full commitment as agreed in the collaboration agreement.
- iii- Give related information to the researchers so they can submit the report following the approved schedule.
- iv- Give full cooperation for the progress of the project including access to the facilities, premise and important information related to project to the research team.
- v- Make sure project output is marketable.
- vi- Participate in any surveys held by Islamic Economy Department/INCEIF or relevant parties appointed for the purpose of data collection for research project.
- vii- Maintain confidentiality of information received from researchers and INCEIF/Islamic Economy Department by filling in Non-Disclosure Agreement.

SECTION 4: PROJECT IMPLEMENTATION AND MONITORING

4.1 Disbursement of IERIF Grant

4.1.1. The grant will be disbursed according to the schedule in Table 1 below.

Table 1 – IERIF Grant Disbursement Schedule

No.	Disbursement phase	Description	Quantum (%)
i.	First disbursement	Upon contract signing	30%
ii.	Second disbursement	Upon submission of the first draft Project Report	30%
iii.	Final disbursement	Upon submission of the final draft Project Report	40%

4.2 Submission of Reports

4.2.1 Interim Report (IR)

- i. The Lead Researcher is responsible for successful implementation of the project according to the agreed timelines and for the timely submission of the Interim Report (IR). It is required for the IR to be submitted promptly on quarterly basis;
- ii. The IR is to be submitted together with the financial status update as per the templates provided by Islamic Economy Department; and
- iii. The reports will be evaluated against the deliverables to determine whether the project is on track and whether the conditions for disbursement are met.

4.2.2 Project Report (PR)

- i. The Lead Researcher is responsible for the timely submission of the Project Report (PR). The PR shall include (but is not limited to) the following:
 - Abstract;
 - Introduction;
 - Research Objectives (ROs);
 - Literature Review;
 - Methodology;
 - Findings;
 - Direct outputs of the research;
 - Achievements based on the original ROs;
 - Implications and recommendations for regulatory and policy considerations; and
 - Recommendations for future research.

4.2.3 The final draft of the PR may be published in INCEIF's research publication.

4.2.4 Financial Report (FR)

The Lead Researcher is responsible for the timely submission of the Financial Report (FR). The FR is to be submitted within one (1) month after the completion of the research and submission of PR, with a verified financial statement from the INCEIF.

4.2.5 End Project Report

The Lead Researcher is responsible for the timely submission of the End Project Report (EPR). The EPR is to be submitted within two (2) months after the completion of the research and submission of PR, FR with a verified financial statement from the INCEIF.

4.3 Dissemination of Findings

4.3.1 The researcher(s) will be invited to present their findings at INCEIF meetings/seminars/symposiums. They may be invited to participate in media engagement activities arranged by INCEIF as a spokesperson for the research project.

4.4 Research Findings

4.4.1 The research project's outcome should be specific, measurable, attainable, relevant and time-bound.

4.4.2 The proposed outcome of the research project should be related to the project objectives by providing appropriate methods to track/measure project success.

4.4.3 Under IERIF, projects should yield:

- i. At least one (1) minimum viable product (MVP) or one (1) prototype or one (1) intellectual property registration or one (1) policy development that meets the approved project objectives.
- ii. Researchers shall produce at least one (1) publication in the local or international publication. Recognition to MoF should be clearly stated in each publication.

4.5 Statement of Expenditure and Unexpended Funds

- 4.5.1 Islamic Economy Department deserves the right to request researchers to submit expenditure statements at any time during the project period or to provide additional information to support interim or final expenditures.
- 4.5.2 Researchers shall return the unexpended amount to INCEIF within three (3) months from the project completion date. While for terminated projects, researchers must return the disbursed amount to INCEIF within one (1) month from the date of termination notice.

4.6 Malaysian Code of Responsible Conduct in Research

- 4.6.1 All involved in the research project must adhere to the procedures and practices outlined in the Malaysian Code of Responsible Conduct in Research.

4.7 Project Closure Notification

- 4.7.1 An acknowledgement receipt of project closure will be sent to the Lead Researcher once the requirement for proper project closure and conditions, such as satisfactory submissions of PR, FR and EPR, are met.

SECTION 5: INTELLECTUAL PROPERTY

5.1 Ownership and Management of Intellectual Property

- 5.1.1 The intellectual property produced from the IERIF grant is jointly owned by the Government of Malaysia and the Institution, in which INCEIF shall act on behalf of the Government of Malaysia.
- 5.1.2 The intellectual property developed under IERIF is encouraged to be registered under the law of intellectual property.
- 5.1.3 Management of the intellectual property is the responsibility of the Institution.
- 5.1.4 Researchers must inform INCEIF in writing through official letter or

email, about the existence of Project Intellectual Property not later than sixty (60) days from the project completion date.

5.1.5 Researchers must obtain the approval of INCEIF before proceeding with any licensing and commercialization activities before the expiration date of the LOA.

5.1.6 Researchers may apply to INCEIF to obtain ownership rights of Project Intellectual Property where INCEIF has full discretion to consider applications from researchers.

5.1.7 INCEIF reserves the right to reclaim Intellectual Property that has been acquired if it is found that the researchers fail to develop or improve the developed technology after 12 months from the project completion date.

5.2 Publishing Rights

5.2.1 INCEIF is entitled to publish the project reports in any form deemed fit for education or knowledge transfer. Notwithstanding, the Lead Researcher is required to contribute through publishing and presenting research findings in local or international events/media, subject to the prior approval of INCEIF. Copies of all publications are to be submitted to INCEIF.

5.2.2 The Lead Researcher shall denote and acknowledge the source of research funding and support for the project and the contribution of the various entities.

SECTION 6: AGREEMENT AND TERMINATION

6.1 Letter of Agreement

6.1.1 The IERIF Letter of Agreement (LOA) is between INCEIF and researcher's institution for the selected research project following terms and conditions contained therein.

6.1.2 The institution must ensure that the LOA is signed by either the Vice Chancellor, Rector, Executive Director, or their authorized representative. Two original copies of the LOA should be provided to Islamic Economy Department for further processing. The relevant letter of authorization must be included along with the LOA.

6.1.3 The institution is not allowed to make any amendment to the LOA.

6.2 Termination

6.2.1 INCEIF have the right to withdraw the fund in the event any of these incidents occur:

- i. Any false information provided by IERIF grant recipient;
- ii. Change of project scope without written approval from INCEIF;
- iii. Change of Lead Researcher without written approval from INCEIF;
- iv. Progress or milestone is not meeting requirements in the LOA;
- v. Any misuse of IERIF fund; and
- vi. Breach of LOA.

6.2.2 If the project is terminated by INCEIF, the researchers shall repay the disbursed amount.

6.2.3 INCEIF reserves the right, at any time, to review, suspend, or withdraw approval of any funds or payments if deemed necessary.

6.2.4 INCEIF has the right to make claims against the researchers for any losses arising from any failure of the researchers as stated in the LOA.

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Any enquiries or additional information can be directed to:

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