

IFN FORUM EUROPE

2016

#IFNEurope16

POST-FORUM ANALYSIS REPORT

21st APRIL 2016

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Islamic finance opportunities abound in Europe despite volatility

Global and regional market volatility may have hampered Islamic finance growth in Europe in 2015; however, the entrance of new players, convergence in regulations and rise in cross-border investment flows are setting the stage for optimistic development in the region in 2016, agreed market experts at Europe's premier Islamic finance event, the IFN Europe Forum.

Returning to Luxembourg for the third time, the event gathered over 200 industry leaders from across Europe, Asia and the Middle East, who engaged in high-level discussions about the Shariah compliant finance market in Europe covering a wide range of topics including Islamic funds, the European lending market, fintech as well as the contentious issue of rebranding Islamic finance in the region.

While some market observers noted 2015 as a subdued year for Islamic finance in Europe, however, the general sentiment points to a refreshed zeal for 2016 bolstered by encouraging developments in new markets for the industry which for the most part has been concentrated in the UK and Luxembourg within the European context.

An exciting new prospect is Germany: Although there has not been any proactive support from the government as far as a legal framework and taxation is concerned, Ugurlu Soylu, the former managing director of Frankfurt-based KT Bank – the eurozone's first Shariah bank – affirmed that Islamic finance can work within the existing framework as demonstrated by KT Bank. Noting a huge retail demand for Shariah compliant financial products, Dr Johannes Engels, a senior advisor at the Federal Financial Supervisory Authority of Germany, agreed adding that Islamic finance is an enrichment to the highly competitive German market. Italy is another compelling new market, with opportunities in the wholesale and investment banking segment. Although like Germany, Italy lacks a dedicated Islamic finance legal infrastructure, but Stefano Padovani, a partner at legal firm NCTM Studio which is working on introducing Islamic mini bonds to the country, highlighted that the government is currently studying potential changes to the existing taxation laws to accommodate Shariah compliant transactions – a promising development.

New markets aside, the current low oil price environment is a boon to the European Islamic finance landscape as GCC investors continue to inject funds into asset management and are increasingly looking to diversify their investments beyond domestic borders in search of yield, according to Ashraf Ammar, the director of PwC Luxembourg. Florence Stainer, a partner at Luxembourg's Arendt & Medernach, also underlined the convergence in regulations as seen in the case of fund passporting which is likely to boost the Islamic funds segment in the region.

IFN Europe 2016 was proud to host a stellar lineup of speakers including Robert Scharfe, CEO of Luxembourg Stock Exchange; Ammar Dabbour, the managing director and founder of Euris Group; Mark Smyth, the chief investment officer of UAE-based Tawreeq Holdings; Stuart Hutton, the chief investment officer of Simply Ethical in the UK; Rachid Ouaich, the founder and managing director of Eethiq Advisors; and Natalya Zotikova, an advisor for fintech development at Luxembourg for Finance, among many other elite market players. Building on the remarkable response and momentum of this invaluable event, REDmoney is pleased to announce that IFN Europe will return to Luxembourg again on the 9th and 10th May 2017.

POST-FORUM ANALYSIS REPORT

09:45 - 10:45 **Europe 2016: A Review of Markets on the Rise**

Key industry players representing developing Islamic finance markets provide an update on what significant progress has taken place in their respective jurisdictions and how these markets are being affected by geopolitics and economic conditions. What is the outlook for Sukuk issuances, establishment of Islamic banks and windows and alternative lending/investment platforms in these markets? Is the much-discussed rebranding of Islamic finance a necessity for further industry growth?

Moderator:

Stella Cox — Managing Director, DDCap, the UK

Panelists:

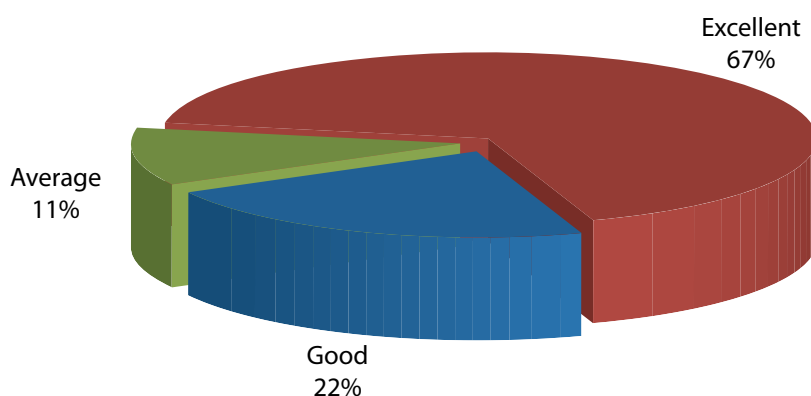
Dr Johannes Engels — Senior Advisor, Federal Financial Supervisory Authority, Germany (BaFin)

Khairul Nizam — COO, Finance Accreditation Agency

Robert Scharfe — CEO, Luxembourg Stock Exchange

Stefano Padovani — Partner, NCTM Studio, Italy

Ugurlu Soyulu — Former Managing Director, Germany, Kuveyt Turk Bank, Consultant, Soyulu Consuting



11:15 - 12:00 **What's Next for Shariah Compliant Funds in Europe?**

- Where is the funds industry headed in light of contracting emerging markets, plunging oil prices and general market volatility?
- Where are investors putting their money and where are funds from MENA and Asia flowing to?
- Where are European Shariah compliant funds being distributed?
- Funds distribution: How will Europe benefit from the implementation of the ASEAN-CIS, ARFP and China-MRF?
- New structures in real estate and private equity transactions

Moderator:

Kamal Ikherrazen — Advisor, Eethiq Advisors, Luxembourg

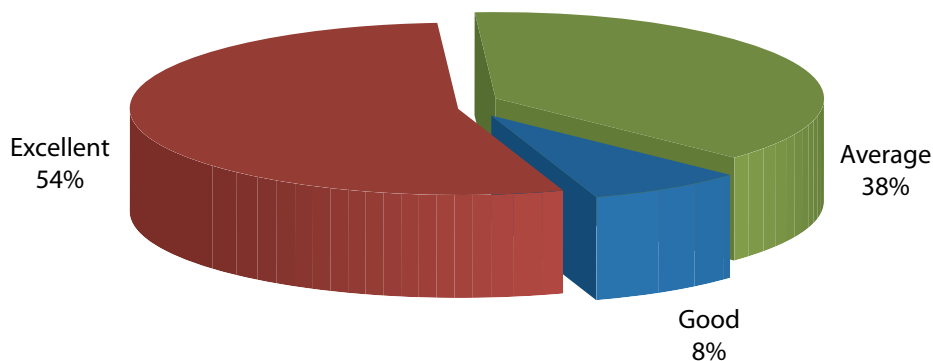
Panelists:

Annemarie Arens — General Manager, LUXFlag

Ashraf Ammar — Director, PwC Luxembourg

Florence Stainier — Partner, Arendt & Medernach, Luxembourg

Magdy Eissa — Vice-President, IdealRatings



POST-FORUM ANALYSIS REPORT

12:00 - 12:45 **Capital-Raising and Securitization: What is Driving Europe's Lending Market?**

A discussion on structures, regulations, recent innovations and risks

Moderator:

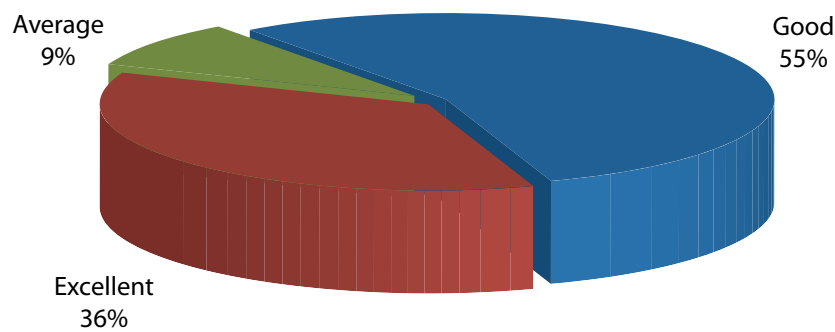
Paul Peporte — Counsel, Allen & Overy, Luxembourg

Panelists:

Anouar Hassoune — Managing Director, Euris Group

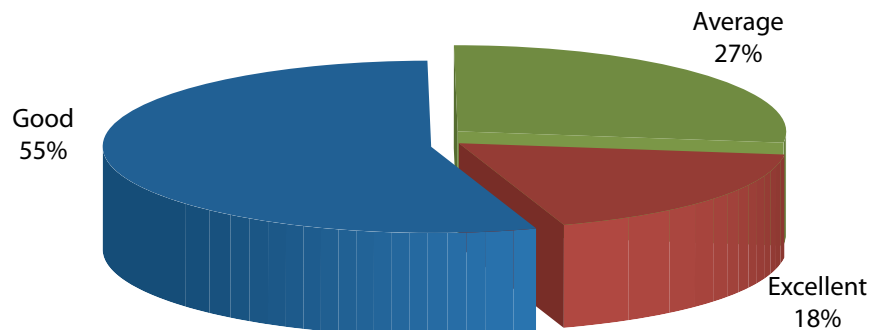
Farmida Bi — Partner and Head of Islamic Finance — Europe, Norton Rose Fulbright

Mark Smyth — Chief Investment Officer, Tawreeq Holdings, the UAE



13:45 - 14:05 **Presentation: Bringing Innovation and Technology to Islamic Finance**

Rachid Ouaich — Founder and Managing Director, Eethiq Advisors, Luxembourg



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14:05 - 14:50

Riding the Fintech Wave: Are Alternative Funding Platforms Continuing to Grow Sustainably?

- What is driving the continued growth of these platforms?
- What Shariah principles are companies like Beehive, Blossom Finance and Club Ethis basing their products on?
- How will peer-based capital-raising platforms overcome investor concerns relating to exit strategies and lengthy investment periods?
- Outlook for crowdlending for SMEs
- Is there potential for secondary market creation?
- What's next in the FinTech space?

Moderator:

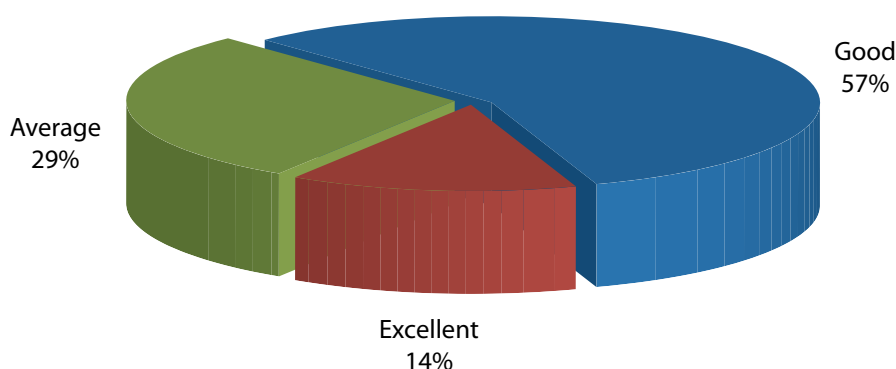
Stuart Hutton — Chief Investment Officer, Simply Ethical, the UK

Panelists:

Anass Patel — President, 570 Asset Management, France

Natalya Zotikova — Advisor, FinTech Development, Luxembourg for Finance

Rachid Ouaich — Founder and Managing Director, Eethiq Advisors, Luxembourg



14:50 - 15:50

The Debate: This House Believes: A Rebranding is the Catalyst for Creating Mass Appeal for Shariah Compliant Investments in Europe

With an increasingly tense geopolitical situation playing out in Europe, many have voiced a need to consider replacing 'Islamic finance' with a more culturally acceptable term such as alternative finance or SRI. Is the 'Islamic finance' brand preventing Europe's Shariah compliant funds industry from achieving its potential growth? Or are there other issues at play? Will the industry decide to take this controversial step and what will this mean for Islamic finance in Europe going forward?

Moderator:

Lauren McAughtry — Group Managing Editor, REDmoney Group

Panelists:

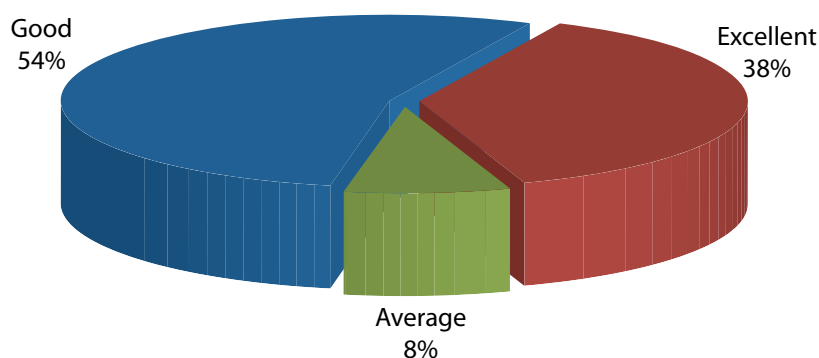
Ammar Dabbour — Managing Director and Founder, Euris Group

Anouar Hassoune — Managing Director, Euris Group

Farmida Bi — Partner and Head of Islamic Finance – Europe, Norton Rose Fulbright

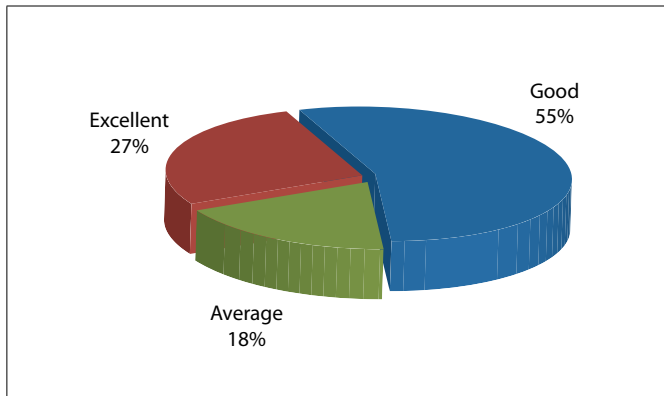
Lawrence Oliver — Deputy CEO, DDCap, the UK

Volker Nienhaus — Professor, University of Bochum, Germany

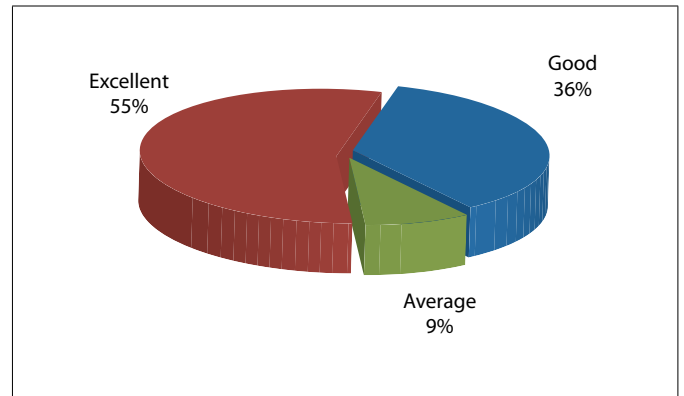


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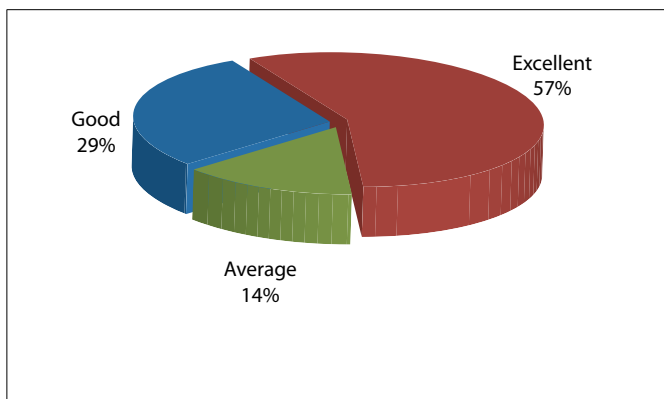
Pre-event Contact



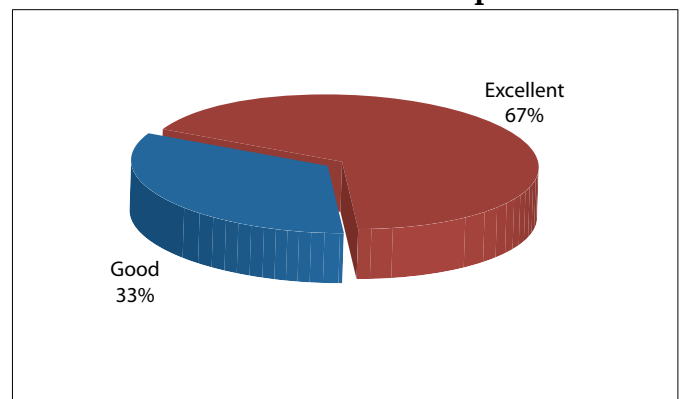
Overall Evaluation of the Event



Venue and Facilities

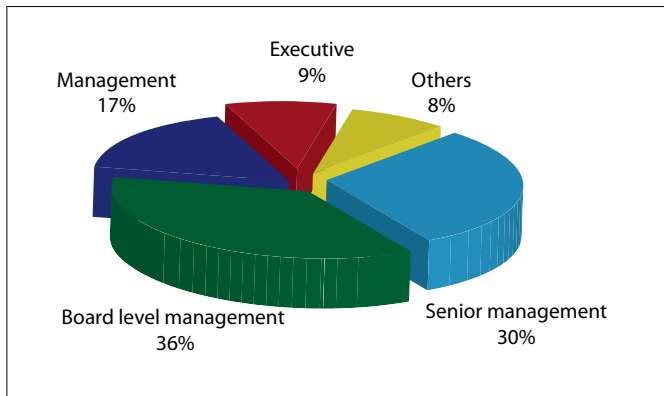


Overall Evaluation of the Speakers



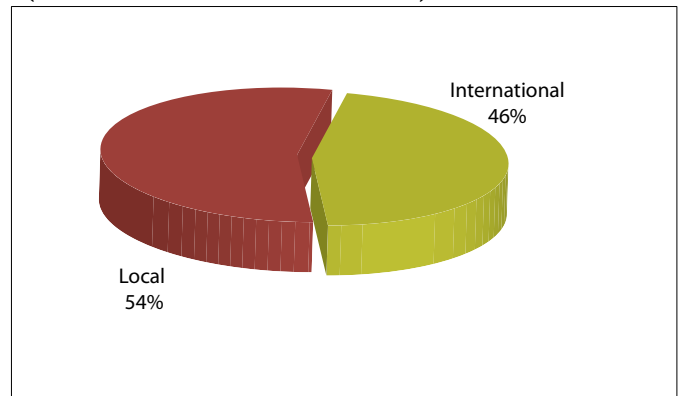
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Delegate Job Title Breakdown



Board level management	73
Senior management	60
Management	35
Executive	18
Others	16
Total	202

Delegate Breakdown (International and local)



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To view what it was like on the day of our event, view the photo gallery on our website:
<http://redmoneyevents.com/main/event.asp?IFN=Europe2016>

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SPEAKERS

COMPANY	NAME	JOB TITLE
570 Asset Management	Anass Patel	President
Allen & Overy	Paul Peporte	Counsel
Arendt & Medernach	Florence Stainier	Partner
Arendt & Medernach	Bishr Shiblaq	Partner
BaFin	Dr Johannes Engels	Senior Advisor
DDCap	Stella Cox	Managing Director
DDCAP, the UK	Lawrence Oliver	Deputy CEO
Deloitte Tax & Consulting	Alain Verbeken	Director, Cross Border Tax – GFSI
eethiq Advisors	Kamal Ikherrazen	Advisor
eethiq Advisors	Rachid Ouaich	Founder & Managing Director
Euris Group	Ammar Dabbour	Managing Director & Founder
Euris Group	Anouar Hassoune	Managing Director
FAA	Khairul Nizam	COO
IdealRatings	Magdy Eissa	VP, Business Development
Luxembourg for Finance	Natalya Zotikova	Advisor, FinTech Development
Luxembourg for Finance	Nicholas Mackel	CEO
Luxembourg for Finance	Eleanor de Rosmorduc	Senior Advisor
Luxembourg Stock Exchange	Robert Scharfe	CEO
LUXFlag	Annemarie Arens	General Manager
NCTM Studio	Stefano Padovani	Partner
Norton Rose Fulbright	Farmida Bi	Partner
PwC Luxembourg	Ashraf Ammar	Director
REDmoney Group	Lauren McAughtry	Group Managing Editor
Simply Ethical	Stuart Hutton	Chief Investment Officer
Soylu Consuting	Ugurlu Soylu	Consultant
Tawreeq Holdings	Mark Smyth	Chief Investment Officer
Tejara Capital	Mansur Mannan	Director
University of Bochum	Volker Nienhaus	Professor

POST-FORUM ANALYSIS REPORT

TESTIMONIAL

It's been refreshing to see the diversity of developments in Islamic finance products and markets in Europe as well as globally. IFN managed again to gather experts with very diverse backgrounds with the aim of confronting views and opinions in an open and constructive dialogue.

Robert Scharfe — CEO, Luxembourg Stock Exchange

The IFN Europe Forum was an exceptional opportunity for gathering the most brilliant players in the European Islamic finance space. This was my third participation at the Forum, which I think has been one of the best events in recent years for discussing the development of the industry across Europe. I enjoyed very much debating where Islamic finance is heading to in the region and globally with my fellow panelists and the questions from the floor as well and found the level of attendees impressive.

Stefano Padovani — Partner, NCTM, Italy

First, I would like to thank Redmoney for its continuous efforts to promote and to support the Islamic finance industry all over the world. I was honored to participate in the annual IFN Europe Forum 2016 which took place in Luxembourg for the third consecutive year. As always, there were good quality speakers from different countries and regions with different business backgrounds, flying in to Luxembourg to share with the attendees their knowledge, experiences and best practices.

Ashraf Ammar — Director, PwC Luxembourg

The IFN Forum provides a great platform to foster the proximity between Islamic finance and more traditional financial sectors in Europe. The wide diversity of national and international attendees proves the growing interest for the wider sphere of ethical and responsible investments and its growth potential. The truly disciplined criteria of Shariah funds have a lot of similarities with the ESG criteria applicable to the LuxFLAG label, hence it was a great pleasure for me to participate as a panelist. For Luxembourg, as the European center of expertise in Islamic finance, it was an honor to host the conference for the third time.

Annemarie Arens — General Manager, LuxFLAG



IFN Europe Forum 2016 sessions would be broadcast on IFN-TV. For more info, visit <http://ifn-tv.com/> to know more. IFN-TV Channel is a fresh new media platform video content. All IFN Forums are filmed session by session and uploaded to IFN-TV, allowing you to revisit your favourites, catch up on sessions you missed or share clips of interest with others — and offering those unable to attend a vital alternative to access invaluable industry insights. The channel will also host exclusive interviews with industry leaders, along with discussions, roundtables, seminars and much more.

COMPANY LISTING

570 Asset Management | AIB Luxembourg | AIF Management Services | Alken Luxembourg | Allen & Overy | Arendt & Medernach | BaFin | Bank of China | Banque Degroof Petercam Lux | Barclays | BDO Luxembourg | BesixRED | BNP Paribas Securities Service | Bryan Cafe | Carey Group | Centre General D'Expertises Comptables Sarl | CIOIE | Clearstream | Credit Suisse Fund Services | Dauphine | DDCap | Delcroix | Deloitte Tax and Consulting | Deutsche Bank Luxembourg | Diamond Immobiliere | DMS Europe | Eethiq Advisors | EFG Bank Luxembourg | Euris Group | Experta | Fair Finance Fund | Federal Assurance | Finance Accreditation Agency | Finnolux | FONDACO | Forex and Treasury Trader | GENI & KEBE | Globalco | Great Mosque of Metz | Hauxwell Partners | Hedgefonds Ratings | Hong Leong Islamic Bank | House of Training | HSBC Bank | ICHEC Business School | Ideal Ratings | Interlycees | Intertrust Luxembourg | ISFIN | K&L Gates | Kamyar Arfa Zanganeh | KPMG Luxembourg | Legal Services | LOLC Finance | Luxembourg for Finance | Luxembourg Stock Exchange | LUXFlag | MARIMON | Maximpact | MKRG | MKNS | MYMCE Consulting | NCTM Studio | Nicanor IC | Norton Rose Fulbright | P3B Avocats | Parmenion | Petal Corp | Prime Investrade | Prosquare | Puhlinger Corporation Finance | PWC Luxembourg | QBE Secura Branch | REYL | Simmons & Simmons | Simply Ethical | Societe Generale Bank & Trust | Soylu Consulting | Takaful Outsource | Tawreeq Holdings | Tejara Capital | TFS Structured Products | TMH Corporation | UACM Association | Valentinian | VAT Compliance Europe | Vistra(Luxembourg) | Vitis Life