

## **LEGAL, DOCUMENTATION AND SHARIAH RISK IN ISLAMIC BANKING AND FINANCE**



**13<sup>th</sup> April 2017, InterContinental Hotel, KUALA LUMPUR**  
*SIDC CPE - accredited: 10 CPE Points*

Operational risk in conventional banking is relatively easy to define, identify and measure. Trying to undertake a similar exercise within an Islamic financial institution is significantly more challenging. Heightened documentation risk – the risk of the wrong documentation being used, or being misused, or applied incorrectly is a significant risk for an Islamic bank, and one that regulators are taking notice of. Through the very nature of their structure, composition, philosophy and business activities – the avoidance of uncertainty and the adherence to risk-sharing principles – exposure to legal risk is very real for Islamic financial institutions, including that of cross-border legal risk. Shariah risk is unique to Islamic banking and has been documented extensively, but as regulation develops this remains a challenge for banks to measure and manage. Collectively, these risks represent a very genuine challenge for Islamic banking operations, customers and stakeholders and require careful identification, mitigation and management.

### **KEY LEARNING OUTCOMES**

- A reminder of the unique operational risks facing Islamic banking and finance: legal and Shariah in particular
- Defining and managing cross-border legal risk in the context of Islamic finance
- Assessing instances of legal risk in Islamic banking and finance and taking steps to mitigate such risk
- Identifying and discussing common instances of documentation risk in Islamic finance and how it can be managed
- Examining the latest permutations of local regulation and requirements relevant to legal risk: Islamic Financial Services Act 2013 and Bank Negara Malaysia policy documents, guidelines and Shariah standards
- Managing Shariah risk: reiterating where Shariah risk occurs and manifests in an Islamic financial institution
- Building a robust and effective legal and Shariah risk management capability within an Islamic financial institution

# AGENDA

## 9.00am – 9.45am

### Session One: Overview – Understanding Legal, Documentation and Shariah Risk in Islamic Banking and Finance

- Reminding ourselves of the unique operational risks facing Islamic banking and finance: legal and Shariah in particular
- Examining recent significant cases of legal and Shariah risk in Islamic finance and what they teach us
- Discussing the intricacies of cross-border and multi-jurisdictional transactions
- An overview of global initiatives and regulatory developments to strengthen and develop Shariah governance and manage Shariah risk
- Building a robust and effective legal and Shariah risk management capability within an Islamic financial institution

**Mian Muhammad Nazir** — CEO, Dar Al Sharia

## 9.45am - 10.45am

### Session Two: Effectively Recognizing and Managing Cross-Border Legal Risk in Islamic Banking and Finance

- Defining exactly what is cross-border legal risk in the context of Islamic finance
- Identifying where cross-border legal risk typically arises in Islamic banking and finance activities
- Evaluating and managing multi-jurisdictional transactions and the associated legal complexities
- Analyzing where and how Shariah comes into the assessment of cross-border legal risk
- Discussing cross-border legal risk as a form of operational risk and how it can be managed

**Mian Muhammad Nazir** — CEO, Dar Al Sharia

## 10.45am – 11.15am Coffee

## 11.15am – 12.45pm

### Session Three: Understanding and Managing Legal and Documentation Risk in Islamic Banking (Part 1)

- What is and where does legal and documentation risk occur considering the products and activities local banks are involved with?
- Defining exactly what is legal risk in the context of Islamic banking: defective transactions; failure to protect assets; misrepresentation as examples

- Identifying and discussing common instances of documentation risk: incorrect selection of documents and contracts; misuse or poor drafting of documentation; incorrect application of documentation and/or legal principles
- The potential challenges of interpreting Shariah clauses and the enforceability of contracts in Islamic banking and finance
- Examining the latest permutations of local regulation and requirements: Islamic Financial Services Act 2013 and others
- Assessing the significant role of Bank Negara Malaysia policy documents, guidelines and Shariah standards
- Discussing the management of legal and documentation risk in conjunction with Shariah risk

**Mohd Johan Lee** — Managing Partner, J Lee & Associates

## 12.45pm – 2.00pm Luncheon

## 2.00pm - 3.30pm

### Session Three: Understanding and Managing Legal and Documentation Risk in Islamic Banking (Part 2)

**Mohd Johan Lee** — Managing Partner, J Lee & Associates

## 3.30pm – 4.00pm Coffee

## 4.00 pm – 5.00 pm

### Session Four: Recognizing and Managing Shariah Risk in Islamic Banking & Finance: Latest Issues and Challenges

- What Shariah risk is: reiterating where Shariah risk occurs and manifests in an Islamic financial institution
- Appraising the Shariah Governance Framework (SGF) and its workings and objectives in Malaysia
- Discussing the workings and objectives of Shariah audit and compliance functions: latest developments and regulation
- Assessing the importance of Shariah non-compliance reporting: recent developments and regulation
- Planning, developing and implementing an effective, robust and all-encompassing Shariah risk management program within an Islamic financial institution

**Reizal Amiruddin** — Head, Shariah Research and Advisory, AmBank Islamic

## 5.00pm Coffee and Networking

## Who Will Benefit?

The seminar will be highly beneficial to anyone in a bank or financial institution involved in the structuring, development, marketing and risk management of Islamic financial products, and in particular, functions such as legal, compliance and audit.

- Compliance officers and in-house counsel
- Private practice lawyers
- Islamic bankers and management
- Shariah advisors, officers, control and review staff
- Risk managers
- Product development officers
- Operations managers
- Consultants and advisors
- Financial audit and review team members
- Regulators and supervisory bodies

## SPEAKERS

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**Mohd Johan Lee**  
**Managing Partner**  
*J Lee & Associates*

Johan is the managing partner of J. Lee & Associates, a legal firm in Malaysia. He graduated with LLB (Hons) degree from International Islamic University Malaysia. He also holds a Master of Comparative Laws degree, a post-graduate Diploma in Shariah and Legal Practice both of which from International Islamic University Malaysia and, an MA in Economics for Competition Law from King's Collage London. He is currently a qualified member of the Chartered Institute of Arbitrators, UK as well as a mediator of the Malaysian Bar. He is an advocate and solicitor of the High Court of Malaya. Proficient in English, Malay language, Mandarin, he is also the first Chinese origin Shariah practitioner ever admitted by the Shariah court. His current practice includes corporate and commercial law, competition law, compliance and Islamic corporate finance related matters. He is instrumental in developing Islamic banking, Takaful and Islamic corporate finance documents and exercises for several financial institutions as well as corporate and governmental entities in Malaysia. Johan lectured in the law faculty of International Islamic University Malaysia since 1999 for both undergraduate and postgraduate law programmes. He has taught for a special exclusive diploma programme in Islamic Banking, jointly offered by IIUM and the Bar Council. He also lectures occasionally in various other local universities, Bank Negara Malaysia (BNM), as well as Institute Latihan Kehakiman (ILKAP) and Jabatan Kehakiman Syariah Malaysia (JKSM) for both civil courts and Shariah courts judges concerning Islamic banking. In 2006, he was a visiting scholar to the Asian Law Centre of the University of Washington. He is currently a Shariah consultant to governmental agencies as well as government-funded banks. He is the author of the book 'Legal Documentation for Islamic Banking' published by the IBFIM, and co-author of an upcoming book 'Islamic Financial Services Act 2013: Commentaries' to be published and launched by the Current Law Journal. Johan is now a member of the Shariah Advisory Council (SAC) of the Association of Islamic Banks Malaysia (AIBIM) and is a consultant to new law practices in Malaysia, Brunei, Singapore, Indonesia and the UK.



**Mian Muhammad Nazir**  
**CEO**  
*Dar Al Sharia*

Mian Muhammad Nazir is an accomplished and prominent Shariah expert/lawyer in the field of Islamic banking and finance. He specializes in retail, corporate, syndications, project finance, Sukuk, securitizations, Islamic investment funds, Islamic trusts, swaps and derivatives, insurance and Islamic finance legislation and regulations. He has played a leading role in providing technical support to Islamic banking and finance industry through innovation in product development. Nazir holds LL.M in Commercial Law from the University of Cambridge, United Kingdom and LL.B (Hons) Sharia and Law (with distinction) from International Islamic University, Pakistan and B.A Social Sciences and Islamic Jurisprudence from International Islamic University, Pakistan. In addition to his qualifications he has received intensive training in international financial laws including securitization, swaps and derivatives. Nazir currently is Chief Executive Officer of Dar Al Sharia Islamic Finance Consultancy LLC, a subsidiary of Dubai Islamic Bank, United Arab Emirates. He also served as Legal Advisor to Dallah Al Baraka, Kingdom of Saudi Arabia, one of the largest Saudi conglomerates with operations in banking, finance, media and other businesses. He held the position of Director Law and Regulatory Affairs, Pakistan Telecommunication Authority where he advised on telecommunication regulations in addition to assisting Government of Pakistan in preparing the Electronic Transactions Ordinance, 2000. Nazir is Life Member, High Court Bar Association and Cambridge Commonwealth Society and various other professional associations. He is fluent in English, Arabic and Urdu.



**Reizal Amiruddin**  
**Head, Shariah Research & Advisory**  
*AmBank Islamic Berhad*

Reizal Amiruddin has been spearheading the Shariah Department at AmBank Islamic Berhad for the last decade. He commenced his career in the public sector as Assistant Director in the Ministry of Domestic Trade & Consumer Affairs before embarking in banking. He brings with him a total of 15 years' experience in the banking industry in the areas of industrial relations, internal control, and Shariah. He was instrumental in the development of the Shariah Governance Structure in AmBank Group pursuant to Bank Negara Malaysia's Shariah Governance Framework. His other contributions include as curriculum panel member for Shariah Governance and Compliance for Islamic Financial Institutions Learning Programme by Asian Institute of Finance (AIF), as Bank Negara Malaysia's review panel for Shariah Standards, and part of Industry Workshop on the Development of Bachelor in Islamic Finance Programme by ISRA Consultancy. He is an associate of the Association of Shariah Advisor in Islamic Finance Malaysia (ASAS), associate of the Asian Institute of Chartered Bankers (AICB), member of Shariah Governance Committee of Association of Islamic Banking Institutions Malaysia (AIBIM) and life member of Old Putera Association (OPA). Reizal holds a Bachelor's degree in Business Administration from Washington State University (WSU), an MBA from International Islamic University Malaysia (IIUM), Shariah Studies from University of Malaya (UM), Executive Banker from Asian Institute of Chartered Bankers (AICB), and is pursuing Professional Banker from Asian Banking School (ABS).

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### Associate Partner:

RM 17,500

- Logo on all promotional activities
- 5 invitations for your colleagues and clients
- 25% discount on any additional delegate places
- Full coverage on the Seminar website including biography and hyperlinked logo
- Branding throughout the Seminar: Seminar Guide Cover, Buntings,
- Table-top space in the breakout area during the Seminar
- Guaranteed prime session participation
- One exclusive seat-drop during the Seminar
- Full delegate list within one week post Seminar
- Post-Seminar questionnaire results

### Partner:

RM 12,500

- Logo on all promotional activities
- 2 invitations for your colleagues and clients
- Coverage on the Seminar website including biography and hyperlinked logo
- Guaranteed session participation
- Branding throughout the Seminar: Seminar Guide Cover, Buntings,
- Table-top space in the breakout area during the Seminar
- Delegate list within one week post Seminar
- Post-Seminar questionnaire results

The sponsor / Delegate will arrange for the payment in one installation of RM \_\_\_\_\_ exclusive of all taxes to REDmoney, within 30 days of invoice or before the event taking place (whichever is sooner).

<b>Company Name:</b>			
<b>Name:</b>		<b>Signature for Sponsor:</b>	
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**One Sponsor One Logo Policy:** Each sponsor is only entitled to one logo. Permission from the organizer is required to display additional corporate brands and to disseminate alternatively branded marketing materials.

By signing this contract you are bound by our cancellation policy of no refunds. Your account will be credited for future events in the same calendar year. However, for cancellations of less than one month prior to the event taking place, no refund or credit will be offered. If you so wish to cancel your sponsorship (howsoever arising), the entire amount due will be payable to **REDmoney Sdn Bhd / REDmoney Limited**.

### REDmoney Group

REDmoney Group's latest offering, IFN Seminars, takes Islamic finance to new and developing markets and tackles the industry's most innovative and imperative topics. These high-level, practitioner-led events offer practical insights on technical and strategic aspects of Islamic finance to dealmakers, regulators and intermediaries in core and developing Shariah-compliant markets. Leveraging on our highly regarded Forums and Training courses, these seminars offer the same exceptional quality of speakers in a small-group setting allowing delegates the opportunity to interact with our panel of highly experienced industry leaders in an event format that is intended to provide comprehensive knowledge on the very latest issues and trends.

REDmoney Group is the foremost global provider of specialized Islamic financial media services across three core divisions of events, publishing and training. Established in 2004, the firm has offices in Dubai and Kuala Lumpur: offering an unrivalled multi-channel service across the full spectrum of the global financial markets. The outward-facing arms of the REDmoney publishing and events portfolio are supported by REDmoney Training, which provides access to industry-leading expertise from the best in the field.

REDmoney Group covers the full range of global markets: from emerging Islamic economies across Africa and Asia to industry leaders such as Malaysia and the GCC along with developed nations in Europe and the Americas seeking to enter the sector. The company offers unequalled access to the elite of the industry: with relationships built up over a decade of trusted communication with market leaders to provide a detailed network covering every aspect of Islamic financial services.

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## BOOKING DETAILS

I am booking:	Price per Delegate	Total Price	Early Bird 15% Discount
<input type="checkbox"/> 1 delegate	RM 2,150	<b>RM 2,150</b>	<b>RM 1,827</b>
<input type="checkbox"/> 2 delegates	RM 1,935 (10%)	<b>RM 3,870</b>	<b>RM 3,289</b>
<input type="checkbox"/> 3 delegates	RM 1,720 (20%)	<b>RM 5,160</b>	<b>RM 4,386</b>
<input type="checkbox"/> 4 delegates	RM 1,505 (30%)	<b>RM 6,020</b>	<b>RM 5,117</b>
<input type="checkbox"/> 5 delegates	RM 1,290 (40%)	<b>RM 6,450</b>	<b>RM 5,482</b>

\* Further attractive packages are available for groups of more than five. Please contact us directly.

**Online training option:** I would like to also enrol for the online course, **Shariah Risk & Governance Framework for Islamic Financial Institutions** for the special price of RM200 per user. Please tick here

### Available Discounts

**Early Bird:** Registrations received on or before 13<sup>th</sup> March 2017, will receive a 15% discount. No discount shall be given to registrations received after this cut-off date.

**Discount for Active Subscribers of Islamic Finance news:** If you are a current IFN subscriber, you shall receive a flat 20% discount. Please tick here

**Loyalty Program:** 25% discount on other seminars attended within a 12-month period and non-transferrable. Please tick here

## DELEGATE DETAILS

Name	Job Title	Email address	Telephone
1 _____ / _____ / _____ / _____			
2 _____ / _____ / _____ / _____			
3 _____ / _____ / _____ / _____			
4 _____ / _____ / _____ / _____			
5 _____ / _____ / _____ / _____			

## WHO TO INVOICE AND CONTACT?

Please tell us who we should invoice. It is also helpful for us to have the name of an administrator with whom we can liaise directly.

Contact person for invoicing: \_\_\_\_\_ Job Title: \_\_\_\_\_  
Email: \_\_\_\_\_ Tel: \_\_\_\_\_ Fax: \_\_\_\_\_  
Contact person to send administration details: \_\_\_\_\_  
Job Title: \_\_\_\_\_ Email: \_\_\_\_\_ Tel: \_\_\_\_\_

Payment can be made by cheque or bank transfer. A notification will be sent to you once payment has been received.

I wish to pay by: Cheque/bankers draft  Telegraphic transfer  Credit Card

Please note **prices do not include GST** and that all telegraphic transfer fees, taxes and levies (domestic or otherwise) shall be borne by the sponsoring organization. Payment made by foreign cheque will be charged additional bank fees of 1% of the invoice amount.

## APPROVING MANAGER

To process your registration we require the name and signature of a manager who is authorized by your organization to approve training expenditure.

Name: \_\_\_\_\_ Job Title: \_\_\_\_\_  
Organization name: \_\_\_\_\_ Email: \_\_\_\_\_ Tel: \_\_\_\_\_

Authorizing signature \_\_\_\_\_ (mandatory)

Yes, I have read and understood the booking and cancellation policy below.

## SEND US YOUR REGISTRATION!

By email: [seminars@redmoneygroup.com](mailto:seminars@redmoneygroup.com) By fax: +603 2162 7810

You may also book online at <http://www.REDmoneyevents.com>

Please call us on: +603 2162 7800 or +603 2162 7802 if you require assistance.

Our address is: REDmoney, Suite 22-06, 22<sup>nd</sup> Floor, Menara Tan & Tan, 207, Jalan Tun Razak, 50400 Kuala Lumpur

### Booking, Payment and Cancellation Policy – important, please read carefully

By completing, signing and sending us this registration form you are confirming delegate places on the seminar. You are also confirming your understanding of our Booking, Payment and Cancellation Policy.

**Cancellation:** If delegates cannot attend the seminar replacement participants are always welcome. Otherwise delegates must request in writing (letter, fax or email) to cancel registration/s or transfer to a different seminar at least 21 days before the seminar start date to be eligible for a refund, less a 5% administration fee. Delegates who cancel within 21 days of the seminar start date, or who do not attend, are liable to pay the full seminar fee and no refunds will be given. Instead fees will be converted to a IFN Seminars voucher equivalent to the original fee, less a 15% administration charge. This voucher is transferable within your organization and must be redeemed within one year of issue or become void. If a seminar is postponed for whatever reason delegate bookings will be automatically transferred to the new seminar date. Delegates who wish to transfer to a different seminar will be subject to the same terms as above and charged the difference in seminar fees. No refunds or seminar vouchers will be issued for a no-show.

**Payment Terms:** All seminars fees are to be received before the seminar start date. REDmoney shall receive the full seminar fee with no deductions of any description. All telegraphic transfer fees, taxes and levies (domestic or otherwise) shall be borne by the sponsoring organization.

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Seminar Venue: Full details of the venue will be sent to you upon registration.

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