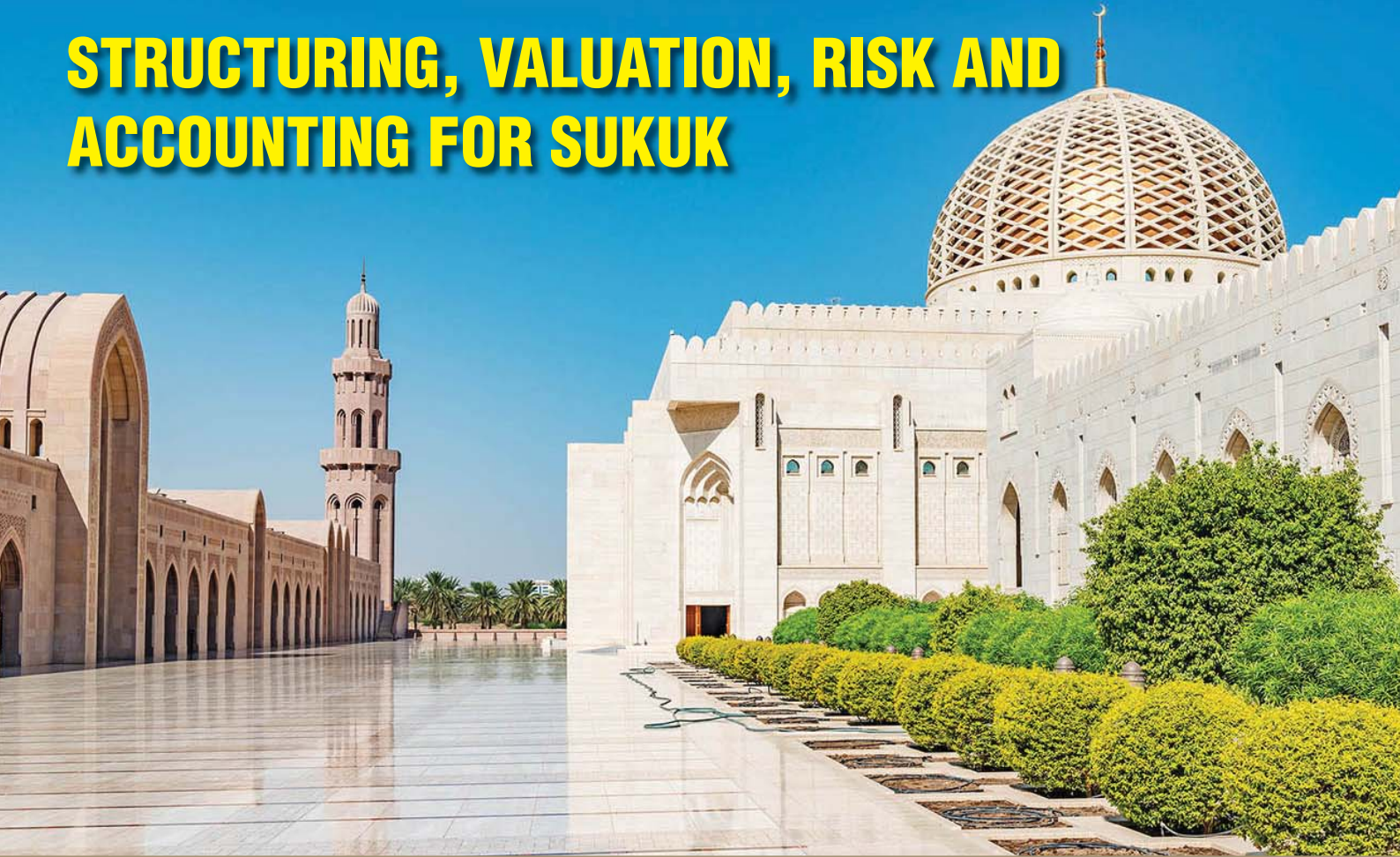


STRUCTURING, VALUATION, RISK AND ACCOUNTING FOR SUKUK



5th - 6th November 2018, Muscat, OMAN

The Sukuk market has evolved significantly in the last 20 years. New and exciting structures have emerged to address the economic and financial interests of both Sukuk originators as well as Sukuk investors. However, a tension exists between this objective, and conformity with Shariah principles. In order to satisfy market demand, many Sukuk are structured to provide cash returns resembling conventional products. Some financial obligations within these structures may not only compromise a stricter application of Shariah principles, but lead to important valuation, risk, and accounting outcomes that are less well understood.

This course provides delegates with an invaluable opportunity to understand Sukuk across a range of inter-related financial disciplines. By taking a multi-disciplinary approach to the course, delegates are given an opportunity to not only complement and expand upon their existing knowledge of Sukuk, but to achieve a wider appreciation of why, and how, Sukuk are viewed differently by other key stake holders in the Sukuk market, for example ratings analysts, investors, and origination teams.

The course will include a high level of interactive discussion, analysis of case studies, and thorough instruction in the treatment of Sukuk for structuring, valuation, risk management, and accounting purposes. Knowledge gained from the course is directly applicable in practice.

KEY LEARNING OUTCOMES

- Understand the essentials of Sukuk structuring principles
- Apply analytic methodologies for the pricing and valuation of Sukuk based on the actual risks embedded within Sukuk structures
- Understand how risks arise in Sukuk and how they are mitigated in practice
- Know the financial accounting and capital adequacy treatment of Sukuk

AGENDA

Day 1: Structuring and Origination

Overview of Sukuk

- What Sukuk are, and what Sukuk are not
- How are Sukuk different to conventional bonds?
- Can Sukuk be traded? If so, what are the Shariah requirements?
- Are Sukuk on- or off-balance sheet?
 - Asset-backed Sukuk
 - Asset-based Sukuk

Sukuk Origination

- Securitization process based on type of underlying financial instrument
- Fair valuation of Sukuk in the context of market demand and supply
- Portfolio selection: how to choose underlying assets
 - Investor demand
 - De-risking the originator's balance sheet
 - Tradability requirements

Sukuk Structuring

- Performance undertakings
 - Commitment to repurchase at maturity
 - Liquidity facility
 - Third party guarantees
- Embedded optionality
 - Call options versus Put options
 - Break clauses
- Credit enhancement features
 - Excess Spread
 - Over-collateralization
 - Role of Takaful
- Pre-funding of Sukuk coupons

Case Study:

The structure of the ADIB Tier 1 Sukuk

Day 2: Valuation, Risk and Accounting

Valuation of Sukuk

- Why Sukuk valuations are not aligned to risks which underlie Sukuk instruments
- What steps are required to derive an accurate valuation of Sukuk?
 - Valuing cash flows generated by underlying assets
 - Incorporating risk substitution resulting from Sukuk structure

Case Study:

Pricing Sukuk Ijarah with real estate underlying assets and a repurchase undertaking

Risk management of Sukuk

- Risks arising in Sukuk: Investor
 - Murabahah Sukuk
 - Salam Sukuk
 - Ijarah Sukuk
 - Istisnah Sukuk
 - Mudarabah Sukuk
 - Musharakah Sukuk
- Risks arising in Sukuk: Originator
 - Market liquidity risk in traded Sukuk
 - Funding liquidity risk and MTN programs which use Sukuk for Balance Sheet funding
 - Liquidity facility: is it necessary?
- Other types of risks in Sukuk
 - Shariah non-compliance risk
 - Accounting and de-recognition risks
 - Project completion risk
- Capital charges for Sukuk instruments

Accounting for Sukuk

- What are the accounting standards applicable to Sukuk?
- How to account for Sukuk
- What are the main issues in accounting for Sukuk?

SPEAKERS



Dr Ken Baldwin
Former Director
*Financial Policies &
Planning, Islamic
Development Bank*

Dr. Ken Baldwin has worked as a practitioner in banking and finance for over 25 years in senior positions spanning the front and middle offices. Having graduated from Oxford University with a first-class honors degree in Physics in 1989, he qualified as a Chartered Accountant with PWC, before joining UBS, and then later Credit Suisse, in derivatives risk and control functions based in London. He gained a PhD in the microeconomic theory of risk sharing in Islamic contracts, and worked in the GCC for 15 years in Islamic retail and Islamic investment banks. Whilst at Abu Dhabi Islamic Bank, Dr. Ken built an ALM analytic technology platform capable of capturing liquidity and interest rate risks inherent in the many varied Islamic financing products used at retail and corporate levels. He then moved to take up the position of MENA Regional Head of Quantitative Analysis for Citigroup. At Citicorp, Dr. Ken worked on structuring complex products used by Gulf-regional corporations to hedge FX and interest risks. Still residing in Bahrain, Dr. Ken then joined Investcorp, where he worked on the risk due diligence of corporate private equity and real estate private equity transactions and portfolio management. After leaving Investcorp, he set up the risk management department for venture capital bank, providing Basel III compliance and deal analysis for the bank. He then operationalized a new Islamic investment bank as its Chief Operating Officer for 3 years, before his most recent industry role at the Islamic Development Bank, where he set up and ran a new department tasked with developing Financial Policies and Planning underpinned by robust financial analytic tools and methodologies designed specifically for the IDB. Dr. Ken is currently a senior university lecturer in finance in the UK. He has published quantitative finance articles in peer-reviewed academic journals including the Journal of Risk, and during his earlier career, taught CFA and FRM professional certifications as a pastime for the Bahrain Institute of Banking and Finance.

Who Will Benefit?

- Chief financial officers, heads of finance, and finance officers
- Chief risk officers, risk managers, and risk analysts
- Treasurers and treasury managers
- Capital market transaction origination and structuring teams
- Fixed income portfolio and other fund managers
- Ratings agency analysts
- Regulators

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Associate Partner:

US\$ 6,000

- 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:

US\$ 3,000

- 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 US\$ _____ exclusive of all taxes to REDmoney, within 14 days of invoice or before the event taking place (whichever is sooner).

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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.

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BOOKING DETAILS

I am booking:	Price per Delegate	Total Price	Early Bird (10% Discount)
<input type="checkbox"/> 1 delegate	US\$1,200	US\$1,200	US\$1,080
<input type="checkbox"/> 2 delegates (5% Discount)	US\$1,140	US\$2,280	US\$2,052
<input type="checkbox"/> 3 delegates (15% Discount)	US\$1,020	US\$3,060	US\$2,754
<input type="checkbox"/> 4 delegates (25% Discount)	US\$960	US\$3,840	US\$3,456
<input type="checkbox"/> 5 delegates (30% Discount)	US\$840	US\$4,200	US\$3,780

* 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 28th September 2018, will receive a 10% 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 10% discount. Please tick here

Loyalty Program: 25% discount on other seminars attended within a 6-month period and non-transferrable. Please tick here

DELEGATE DETAILS

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

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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: _____
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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

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

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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 within 14 days of invoice 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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