

# IFN DIALOGUE

## JORDAN



21<sup>st</sup> November 2017

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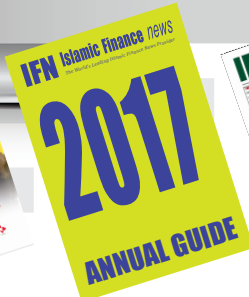
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# IFN DIALOGUES

## JORDAN

### WELCOME NOTE

Welcome to the IFN Jordan Dialogue!

REDmoney is pleased to welcome you to our dialogue series taking place in major Islamic investment centers globally.

IFN Dialogues offer an independent and impartial platform for the identification and resolution of specific issues, challenges and opportunities facing the industry through a high-level discussion designed to determine the potential development of a particular country, sector or asset class.

REDmoney will host the first IFN Jordan Dialogue with Jordan-based financial regulators and market players on the 21<sup>st</sup> November. The Jordan Dialogue is a high-level, invite-only roundtable event comprising senior regulators and market leaders representing the Islamic finance industry in Jordan.

This closed-door meeting will focus exclusively on Amman's bid to become an important Islamic investment destination. To facilitate an open and honest discussion, no media will be invited to cover the event. A summary of the discussion will, however, be transcribed and distributed only to participants and submitted to the relevant regulators in Jordan for their review.

We hope that the dialogue provides you with useful views and meaningful insights as you continue to work toward building a world-class Islamic finance hub here in Jordan.

# IFN DIALOGUES

JORDAN

## AGENDA

09:00 – 09:05 | *Welcome remarks*

09:05 – 09:15 | *Opening Keynote Address*

H.E. Mohammed Saleh Hourani — Executive Chairman, Jordan Securities Commission

09:15 – 09:25 | *Keynote Address*

H.E Dr. Jawad Al-Anani — Chairman, Amman Stock Exchange (ASE)

09:25 – 12:00 | IFN Jordan Dialogue

### Advancing the Industry

- Is there a talent problem in the Islamic finance industry in Jordan? In other words, can the industry find enough quantity and quality of employees to take the industry forward? If yes, is there a policy to improve talent development in Islamic finance and banking?
- Will we see new Islamic banking market entrants this year or next in Jordan?
- What reasonable growth can be expected from the Islamic banking sector in Jordan given stiff competition from conventional banks?
- How can we, as industry players, increase awareness and understanding of Islamic finance products and services in Jordan?
- Foreign Islamic banks have invested in the Jordanian market. What role can such investment play for the development of the Islamic banking sector, and will we see it?
- What role can conventional finance play in the development of Islamic finance in Jordan?

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### Sukuk and the Capital Markets

- The Jordanian government issued its first domestic Sukuk (JOD34 million (US\$47.8 million) Sukuk Ijarah) in 2016. When would the Jordanian government issue US dollar-denominated Sukuk? What size and structure would such an issue be?
- What affect would such an issue have on the Sukuk market in Jordan?
- NEPCO issued a JOD75 million (US\$105.43 million) Murabahah facility in 2016 and another facility in March 2017. However, since then corporate Sukuk issuance has not increased. What needs to be done to help initiate this?
- The Sukuk Law was passed in 2012. Is it effective, and does it go far enough to promote Sukuk issuance?
- What taxation amendments need to take place to make Sukuk issuance attractive in Jordan, particularly in comparison to conventional fixed income issuance?
- Should Jordan's financial regulators promote the standardization of Sukuk structures or leave it to the market?
- How else can Sukuk compete with conventional bond issuance?
- What is needed to drive more infrastructure transactions in Jordan and what needs to be done to increase foreign investment and participation?

### Asset Management

- What's happening in the Jordanian asset and investment management industry, and where can Islamic finance play a role?
- Private equity has been mentioned as an important component. What can we expect from Islamic private equity?
- Will we soon see more Shariah compliant pension options for savers in the Jordanian market? What will these products be?
- What about new fund structures in the market? Sukuk, private equity and real estate funds — will these products initiate growth and lead to more market innovation?
- How has the Jordanian Takaful sector developed and what needs to be done to encourage growth?

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### Retail and Commercial Banking

- Jordan has seen growth in the banking market but Islamic banking still accounts for a very small proportion of the retail market. What's hindering growth? What other practical problems are banks facing when they execute Islamic banking that the government could perhaps take steps to alleviate?
- What banking products do customers want that Islamic banks could feasibly offer?
- What can be done to drive growth in Islamic banking in the retail and SME financing sectors?

### Tax, Legal and Regulatory issues

- Islamic banking was formally introduced in Jordan in 1979 via Jordan Islamic Bank under a special temporary Act (the Jordan Islamic Bank for Finance and Investment Act) which became permanent in 1985. What notable regulatory developments have taken place since then, relevant to Islamic banking?
- Similar to conventional banks, Shariah banking activities fall under the jurisdiction of the Banking Law 2000. Is this regulatory model effective? What can Islamic banking regulation learn from the regulation of conventional banking?
- In September 2016, new corporate governance instructions for Islamic banks were enforced by the Central Bank of Jordan and beginning the 1st January 2017, income tax on banks were increased by five percentage points to 35%. What's the latest view on the effectiveness of such guidelines?
- The government also proposed an amendment to the Deposit Insurance Act to include deposits in Islamic banks. Has this been effective?
- What more is needed from a regulatory perspective to support the growth of stand-alone Islamic banks?
- Will we see any significant Tier 1, regulatory-driven issuance from the local Islamic banks?
- Are tax amendments sufficient to drive corporate Sukuk issuance?
- What else needs to be done to make taxation clearer for institutions potentially issuing Sukuk?



### KEYNOTE ADDRESS



#### HE DR. JAWAD AL-ANANI

Chairman, Amman Stock Exchange (ASE)

After graduating with a PhD in economics from the University of Georgia in the US, Dr Jawad Anani assumed high-level positions in the government. From the position of head of economic research, he became the deputy minister of labor where he was very instrumental in changing labor laws, introducing and successfully defending the creation of the Social Security Corporation and helping in promoting the apprenticeship training corporation in Jordan. In 1979, he became a cabinet minister of supply, and assumed many positions including in the Ministry of National Economy and Labor.

In 1993, Dr Jawad became the minister of information and the coordinator of the peace process with Israel. He was later appointed as a Senate member, a position which he kept until 2001. In 1997, he became the deputy prime minister for economic affairs and the foreign minister.

Dr Jawad championed and led the privatization drive in Jordan and personally supervised the privatization of Royal Jordanian Airlines, the Jordan Telecommunications Company and the Jordan Cement Factories Company.

Dr Jawad was the driving force behind governance in both private and public corporations in Jordan. He was commissioned by the UNDP to do a study on Bangladesh. He also co-authored a book with Dr Reema Khalaf on privatization and governance. While consulting in the Gulf region, he conducted several studies for private clients on the corporatization of family businesses and ensuring the adoption of governance principles in such firms.

Dr Jawad was appointed the chairman of the Economic and Social Council in Jordan from 2012-13. He was the deputy prime minister in 2016 and was a senator in the Senate in 2013. Dr Jawad is the current chairman of the Amman Stock Exchange since August 2017.

# IFN DIALOGUES

JORDAN

## PARTICIPANTS

Chairperson:

**Ammar Dabbour** — Managing Partner, Euris Group, Luxembourg

Panelists:

**Bashar Amad** — Deputy CEO & Head of Capital Markets, Capital Investments

**H.E Dr. Jawad Al-Anani** — Chairman, Amman Stock Exchange (ASE)

**Khaled Saqqaf** — Partner, Al Tamimi & Co

**Kobayashi Tsutomu** — Chief Representative, Japan International Cooperation Agency (Jordan Office)

**Rasha Laswi** — Partner, Zalloum and Laswi Law Firm

**Ziad Al Refai** — CEO, Ethmar for Microfinance

Observers:

**Goto Takahiro** — Representative/JICA Jordan Office

**Iio Akitoshi** — Project Formulation Advisor/JICA Jordan Office

**H.E Dr. Jawad Al-Anani** — Chairman, Amman Stock Exchange (ASE)

**Masugi Noriharu** — Senior Representative/JICA Jordan Office

**H.E. Mazen Wathaifi** — Commissioner, Jordan Securities Commission

**Rabah Al-Shanti** — Advisor for Economic and Financial Affairs/JICA Jordan Office

**Saleh Al-Raghad** — Director of Issuance Department, Jordan Securities Commission



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## **AMMAR DABBOUR** (Chairperson)

Managing Partner, Euris Group, Luxembourg

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Ammar Dabbour, the managing partner and founder of Euris Group, held different positions as a senior private banker, associate director and the head of the Middle East North Africa desk with different top banks. He has many years of experience in portfolio and client relationship management in leading financial institutions in Luxembourg and MENA countries.

With a strong relationship in the MENA countries, he has been involved in private equity activities where he acted as a private advisor offering a broad range of services to private clients, institutions and corporations. He built his career on his expertise in finance, Islamic finance and knowledge of the MENA market.

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JORDAN



## **BASHAR AMAD**

Deputy CEO & Head of Capital Markets, Capital Investments

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Bashar Amad joined Capital Investments in 2016 as deputy CEO and the head of markets. He has over 22 years of experience in investment and asset management in regional as well as international markets. He is currently acting CEO of the company.

Prior to joining Capital Investments, Bashar was deputy CEO at United Financial Investments. He also served as the vice-president at Jordan Dubai Capital, a private investment company with over US\$1.5 billion in assets under management. He also headed the Capital Markets Department at a host of local prominent investment companies, including Amwal Invest, Jordinvest and Capital Bank. He is currently a member of the board of directors at Century Investment Group. He is also a board member of the CFA Society — Jordan.

Bashar holds a Bachelor's degree of commerce in finance and management of information systems from McGill University (Canada). He is also a CFA charterholder since 2001.

# IFN DIALOGUES

## JORDAN



### **HE DR. JAWAD AL-ANANI**

Chairman, Amman Stock Exchange (ASE)

After graduating with a PhD in economics from the University of Georgia in the US, Dr Jawad Anani assumed high-level positions in the government. From the position of head of economic research, he became the deputy minister of labor where he was very instrumental in changing labor laws, introducing and successfully defending the creation of the Social Security Corporation and helping in promoting the apprenticeship training corporation in Jordan. In 1979, he became a cabinet minister of supply, and assumed many positions including in the Ministry of National Economy and Labor.

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## JORDAN



### **KHALED SAQQAF**

Partner, Al Tamimi & Co

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Khaled Saqqaf is a partner and head of the Jordan and Iraq offices of Al Tamimi & Company. A highly experienced banking and finance lawyer, Khaled regularly advises a multitude of local and international banks, financial institutions and institutional investors on banking incorporation and regulation, the underwriting and syndication of loans, the restructuring of conventional and Islamic debt, debt recovery, equipment leasing and secured commercial lending.

Khaled's specific experience further extends to corporate/commercial matters where he practices in capital markets, mergers and acquisitions and due diligence transactions, the drafting and reviewing of all types of commercial contracts, including agency, franchising and distributorship agreements, the structuring and restructuring of businesses, as well as advising on regulatory, labor, e-commerce and IT-related issues.

As part of the committees responsible for drafting the laws and amendments to the newly privatized telecommunications and postal sectors, Khaled has a deep understanding of the legal and judiciary systems of Jordan, including in particular its public-private partnership framework.

In addition to his professional experience, Khaled was a commercial law lecturer at the Faculty of Law at Al-Zaytoonah University of Jordan, as well as being a certified mediator and arbitrator.

Some of his recent deals include, among others, assisting on a weapons contract dispute between the Iraqi Ministry of Defense and an Italian firm, valued at US\$1.6 billion and working on the due diligence and restructuring of the operations of two Governmental Entities and their Subsidiaries in Jordan, among others.

Khaled has a Bachelor's degree from the University of Jordan, a Master of Laws degree from the University of Kent and was admitted to the Jordan Bar Association in 2002.

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### RASHA LASWI

Partner, Zalloum and Laswi Law Firm

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Rasha Laswi leads Zalloum and Laswi Law Firm's Corporate and Commercial Department. She has extensive experience in the areas of intellectual property, banking, finance, company law, joint ventures and contract law, to name a few. Rasha has enjoyed success as an in-house legal advisor to some of the most prominent Jordanian companies such as Orange Telecom and Jordan Dubai Capital. She participated in the IPO for the largest Jordanian pharmaceutical company, Hikma Pharmaceuticals, on the London Stock Exchange. She also participated in various financing deals over the past decade with local and international banks, ranging between US\$20-120 million.

Zalloum and Laswi Law Firm has earned numerous awards from leading international publications and is also listed as one of the leading law firms in Jordan in the prestigious Legal 500 as one of the top 20 law firms and listed in IFLR1000 rankings as one of the top 10 law firms in Jordan.

In the Legal 500, Rasha was the only female leading lawyer under the 'Commercial, Corporate and M&A' practice category in 2015 and 2016 which recognized her as one of 10 leading lawyers in Jordan. In the IFLR1000 rankings, Rasha was recognized as one of 15 leading lawyers in Jordan.

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## ZIAD AL REFAI

CEO, Ethmar for Microfinance

Ziad Al Refai joined Ethmar for Islamic Microfinance with over 25 years of experience in the area of human development and microfinance. Since 2015, Ziad has been a board member and CEO of Ethmar for Islamic Microfinance, a newly established Islamic microfinance company owned by King Hussein Foundation. Ziad has been CEO of Jordan Micro Credit Company (Tamweelcom) for 10 years.

Ziad holds a Bachelor of Arts degree in accounting and an MBA in microfinance and he is a Harvard Business School Executive Education graduate. He is also an accredited microfinance trainer by the Microfinance Network of Arab Countries (Sanabel), a board member of Social Performance Task Force, an advisory board member of Youth Financial Services and a member of Partners for a New Beginning. He is also an ILO-certified trainer, an EFQM certified evaluator for excellency of management and a social entrepreneur at the World Economic Forum. Ziad was also a vice-chairman of the board of Sanabel.

Prior to joining Ethmar, Ziad targeted transparency, best industry practice and social community and environmental corporate responsibility and pioneered the Educational Grants Initiative to benefit clients' school-age children at Tamweelcom. Finally, he is a member of the Royal Society for Conservation of Nature and a recipient of the Social Entrepreneurship Award.



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Notes

# IFN EVENTS

## 2018

November  
**IFN FORUM**  
**INVESTORS**  
• Takaful & ReTakaful Symposium  
Kuala Lumpur

11<sup>th</sup> March  
**IFN**  
*Awards*  
Dubai

November

**IFN FORUM**

**SAUDI ARABIA**

• IFN Real Estate Forum

Riyadh

November  
**IFN FORUM**  
**KUWAIT**  
Kuwait City

October  
**IFN FORUM**  
**AMERICAS**  
New York

October  
**IFN FORUM**  
**AFRICA**  
TBC

September  
**IFN FORUM**  
INDONESIA  
Jakarta

September  
**IFN FORUM**  
TURKEY  
İstanbul

**September**

 **UK**  
Islamic Finance Week  
2018

- IFN Asset Management Forum
- IFN Education & Human Capital

**London**

7<sup>th</sup> May

**IFN FORUM**

**ASIA**

- IFN Education & Human Capital
- IFN FinTech Huddle

**Kuala Lumpur**

13<sup>th</sup> March

**IFN FORUM**

OMAN

Muscat

19<sup>th</sup> March  
**IFN**  
*Awards*  
Kuala Lumpur

March  
**IFN FORUM**  
**AUSTRALIA**  
Sydney

April  
**IFN FORUM**  
CIS  
Kazakhstan

April  
**IFN FORUM**  
**MOROCCO**  
 Casablanca



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