

IFN FORUM

ASIA

2014

Kuala Lumpur Convention Centre (KLCC)

26th & 27th May 2014

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Our quest for innovation, together with a wealth of knowledge and experience helps us continue delivering award-winning customised solutions to our customers and clients.



The Banker Magazine
Bank of the Year in Malaysia 2013



RAM League Awards 2014

- RAM Award of Distinction 2013: Lead Manager Award Islamic 2013, By Number of Issues - Third
- Blueprint Award 2013: Market Maker of the Year (Up to RM500 million Commercial Papers/Medium Term Notes Programme by ORIX Leasing Malaysia Berhad)



Islamic Finance News Deals of the Year Awards 2013

Malaysia Deal of the Year (DanalInfra Nasional RM300 million Exchange Traded Sukuk)



7th Alpha Southeast Asia Best Deal & Solution Awards 2013

- Best Islamic Finance Deal of the Year in Southeast Asia
- Best Bond for Retail Investors in Southeast Asia (both for DanalInfra Nasional RM300 million Exchange Traded Sukuk)



Fourth OIC World Biz 2013

Jewels of the Muslim World Award - Awarded to Tan Sri Azman Hashim, Chairman, AmBank Group in recognition of his contributions to the development of the Islamic economy



KLIFF Islamic Finance Awards 2013
Most Outstanding Islamic Investment Bank



7th Annual Alpha Southeast Asia Best Financial Institution Awards 2013
AmBank Group - Best FX Bank for Corporates & Financial Institutions (Second Consecutive Year)



The Asset Triple A Islamic Finance Awards 2013

- Best Local Currency Sukuk (DanalInfra Nasional RM2.4 billion Sukuk)
- Best Islamic Finance Deal, By Country - Kazakhstan (Development Bank of Kazakhstan RM240 million Sukuk)

Retail Banking | Commercial Banking | Capital Markets | Stockbroking | Markets Business | Family Takaful



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FEEDBACK FORM - ISSUERS DAY

Please spare a minute to provide valuable feedback.

1. Overall Evaluation

- Pre-event contact
- Venue & facilities
- Overall evaluation of the event
- Overall evaluation of the speakers

Excellent	Good	Average	Poor
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2. Which Sessions Were of Interest to You?

- Industry Titans Roundtable: Islamic Finance 2015
- Asian Regulatory Roundtable: Driving Growth through Effective Regulatory Environments
- Presentation: Will Innovation in Islamic Finance Require a New Business Model?
- Launch of Islamic Banking Intelligence: The First Comprehensive Global Islamic Banking Data Base and Analytical Dashboard
- Sukuk and the Asian Islamic Capital Market: The Challenge to Innovate
- IFN Asia Issuers Roundtable
- Enabling Growth: Resolving Key Regulatory, Risk and Shariah Issues Facing the Industry

Excellent	Good	Average	Poor
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3. Speakers Evaluation

Opening Keynote Address

- Professor Rifaat Ahmed Abdel Karim, International Islamic Liquidity Management Corporation

Excellent	Good	Average	Poor
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Industry Titans Roundtable: Islamic Finance 2015

- Mohammad Faiz Azmi, PwC Malaysia (*Moderator*)
- Mohammad Kamran Wajid, Emirates Financial Services & Emirates NBD Capital, United Arab Emirates
- Rafe Haneef, HSBC Amanah, Malaysia
- Wasim Akhtar Saifi, Standard Chartered Saadiq, Malaysia

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Keynote Address

- Khaled Mohammed Al-Aboodi, Islamic Corporation for the Development of the Private Sector, IDB Group

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Asian Regulatory Roundtable: Driving Growth through Effective Regulatory Environments

- Abdulkader Thomas, SHAPE Financial (*Moderator*)
- Basheer Ahmad, Markets, Dubai Financial Services Authority (DFSA), United Arab Emirates
- Daryl Ho, Hong Kong Monetary Authority
- Nik Norzrul Thani, Chairman and Senior Partner, Zaid Ibrahim & Co., Malaysia
- Zainal Izlan Zainal Abidin, Securities Commission Malaysia

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Presentation: Will Innovation in Islamic Finance Require a New Business Model?

- Jawad Ali, Managing Partner, Middle East Offices, King & Spalding, United Arab Emirates

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Sukuk and the Asian Islamic Capital Market: The Challenge to Innovate

- Abdulkader Thomas, SHAPE Financial (*Moderator*)
- Alhami Mohd Abdan, OCBC Al-Amin Bank, Malaysia
- Issam Al Tawari, Rasameel Structured Finance Company, Kuwait
- Khalid Howladar, Moody's Investor Service, United Arab Emirates
- Madzlan Hussain, Zaid Ibrahim & Co., Malaysia
- Mohd Effendi Abdullah, AmlInvestment Bank, Malaysia

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IFN Asia Issuers Roundtable

- Abdulkader Thomas, SHAPE Financial (*Moderator*)
- Mohd Izani Ghani, Khazanah Nasional, Malaysia
- Rafiza Ghazali, Cagamas, Malaysia
- Sohail Jaffer, FWU Global Takaful Solutions, United Arab Emirates

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Enabling Growth: Resolving Key Regulatory, Risk and Shariah Issues Facing the Industry

- Abdulkader Thomas, SHAPE Financial (*Moderator*)
- Ahsan Ali, Standard Chartered, United Arab Emirates
- Andri Aidham Badri, Kadir Andri & Partners, Malaysia
- Mohd Nazri Chik, Bank Islam Malaysia
- Nicholas Edmondes, Trowers & Hamblins, United Kingdom
- Uzma Ashraf, Ministry of Finance, Pakistan

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Would you be interested in attending next year's IFN Asia Forum?

Yes No

Would you be interested to subscribe IFN Weekly?

Yes No

Would you be interested in attending training courses in Malaysia

Yes No

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What can we, as organisers, do to improve this event for the future?

Please provide a testimonial about this forum

Submitted by:

Name:

Email:

Company:

Thank you and we wish you a pleasant return journey. See you next year!

Please tear apart and return to REDMoneygroup

FEEDBACK FORM - INVESTORS DAY

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2. Which Sessions Were of Interest to You?

- Investment Titans: The Islamic Investment Strategy: A Five Year Plan
- Investors Roundtable: Shifting Trends and Winning Strategies
- Presentation — What Initiatives Exist to Develop Talent and Human Capital in the Islamic Finance Services
- Islamic Investments and Funds in Asia: Developing Growth in Key Sectors and New Asset Classes
- Advancing Asia's Takaful Industry
- Developments in the Islamic Interbank and Wholesale Lending Market

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3. Speakers Evaluation

Keynote Address

- Isa Rachmatarwata, Ministry of Finance, Indonesia

Excellent	Good	Average	Poor
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Investment Titans: The Islamic Investment Strategy: A Five Year Plan

- Abdulkader Thomas, SHAPE Financial (*Moderator*)
- Maznah Mahbob, AmInvest, Malaysia
- Mohamed Azahari Kamil, Asian Finance Bank, Malaysia
- Nicholas Kaiser, Saturna Capital, USA
- Nor Rejina Rahim, Nomura Asset Management, Malaysia
- Sandeep Singh, Franklin Templeton GSC Asset Management, Malaysia

Excellent	Good	Average	Poor
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Investors Roundtable: Shifting Trends and Winning Strategies

- Noripah Kamso, CIMB Islamic (*Moderator*)
- Ahmad Nazim Abdul Rahman, Pelaburan Mara, Malaysia
- Alka Banerjee, S&P Dow Jones Indices, USA
- Mahdzir Othman, i-VCap Management, Malaysia
- Mushthaq Ahmad Ibrahim, KFH Asset Management, Malaysia
- Ritjana Cevoli, Ridge Capital, United Arab Emirates

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Presentation — What Initiatives Exist to Develop Talent and Human Capital in the Islamic Finance Services

- Dr Amat Taap Manshor, Finance Accreditation Agency, Malaysia

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Islamic Investments and Funds in Asia: Developing Growth in Key Sectors and New Asset Classes

- Abdulkader Thomas, SHAPE Financial (*Moderator*)
- Angelia Chin-Sharpe, BNP Paribas Investment Partners, Malaysia
- Bishr Shiblaq, Arendt & Medernach, United Arab Emirates
- Jamaluddin Nor Mohamad, Bursa Malaysia
- Lim Say Cheong, Al Hilal Bank, United Arab Emirates
- Richard Thomas, Gatehouse Bank, Malaysia

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Onstage Interview: Advancing Asia's Takaful Industry

- Sohail Jaffer, FWU Global Takaful Solutions, United Arab Emirates (*Moderator*)
- Albert Wiseman Paterson, Sun Life Financial Indonesia
- Azim Mithani, Prudential BSN Takaful, Malaysia
- Zainudin Ishak, HSBC Amanah Takaful, Malaysia

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Developments in the Islamic Interbank and Wholesale Lending Market

- Abdulkader Thomas, SHAPE Financial (*Moderator*)
- Cassim Docrat, Director, DDCAP (DIFC), United Arab Emirates
- Idham Sabki, Hong Leong Islamic Bank, Malaysia
- Tom Guest, Eiger Trading Advisors, United Kingdom

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Welcome to the 2014 IFN Asia Forum

As one of the industry's most anticipated events of the year, Islamic Finance *news*, is proud to welcome you to our ninth IFN Asia Forum.

Over the past decade, the Islamic finance industry has enjoyed a compound average growth rate of 44%. However, in 2013, fears of quantitative easing measures of the US Federal Reserve significantly affected the flow of capital into emerging markets. This year however, spirits have evidently been renewed with increased issuances over the first quarter. Global Sukuk offerings reportedly reached US\$31.1 billion in the first quarter, exceeding the average quarterly volume of US\$31 billion since the first quarter of 2012.

The announcement of Hong Kong's commitment to debut its sovereign Sukuk issuance in September has also revived market sentiments; potentially attracting a new class of investor into the Islamic finance space. Under its government bond program, the administration looks to auction an estimated US\$500 million to US\$1 billion, with a tenor of five years.

Thus far, Malaysia has retained its place as the dominant market player, accounting for about two-thirds (US\$168 billion) of all outstanding Sukuk issued. Although mostly denominated in Malaysian ringgit, analysts have projected that the country's market share will further expand this year. Jurisdictions such as Indonesia and Singapore have also announced Sukuk in the pipeline for issuances in 2014.

Furthermore, we have seen East Asian countries such as Japan, showing significant interest in the industry. Sumitomo Mitsui Banking Corporation recently commenced its Shariah compliant operations in Malaysia, joining Mizuho Bank, Bank of Tokyo-Mitsubishi UFJ (BTMU) and Nomura Islamic Asset Management who offer Shariah compliant products.

The Islamic finance industry across Asia appears to be aggressively growing with new entrants eager to participate in this multi trillion dollar industry. On the back of strong sentiments, the IFN Asia Forum 2014 will bring you the best of the best in the industry. A mix of highly experienced practitioners from all areas of the industry will participate to give you an all-round perspective of the issues and achievements surrounding the industry's growth.

The event is set to facilitate discussions on how to maximize the vast opportunities in Asia and how you can be at the forefront of the region's commendable Islamic finance developments. We wish you a fruitful and productive forum.



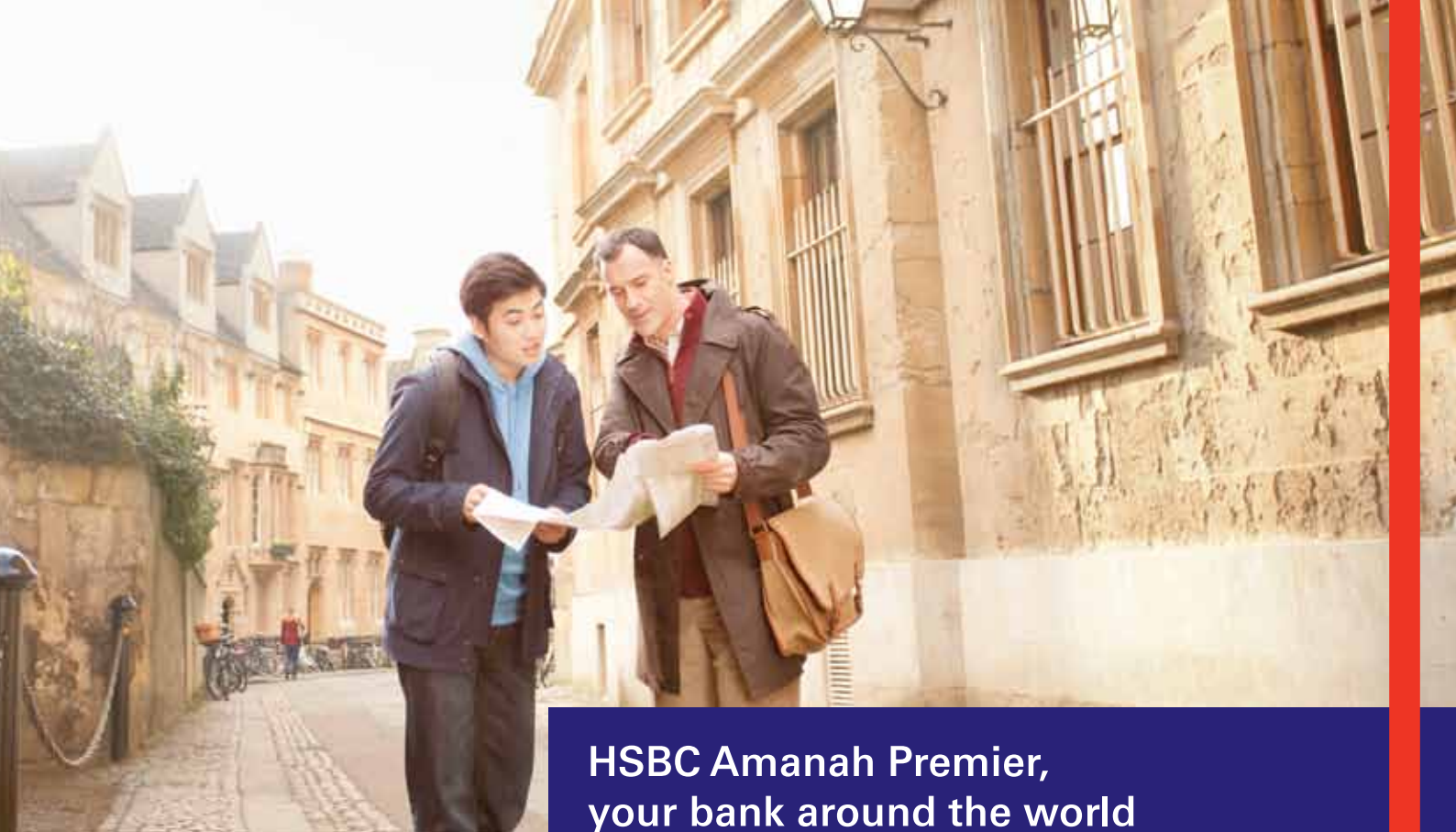
is a publishing and events company focusing purely on the global Islamic finance market. The company was established in mid 2004 in Kuala Lumpur and initially rolled out two products: Islamic Finance *training* and Islamic Finance *news*. Since then, a range of other products have been introduced including conferences, print media and consulting. Since 2004 REDmoney has been the world's leading specialized Islamic finance publishing, information and event company. The company aims to grow with this exciting industry and provide the products the industry requires to evolve and become the mainstream financing alternative it deserves to be recognized as.

Islamic Finance news
www.islamicfinancenews.com

Islamic Finance training
www.islamicfinancetraining.com

REDmoney events
www.REDmoneyevents.com

REDmoney training
www.REDmoneytraining.com



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¹ Only applicable to certain transactions as the receipt of funds in your intended account of transfer is dependent on various factors including the type of currency, the processing hours, weekends and public holidays in the sending and/or receiving country. HSBC Amanah shall not in any way be held liable for any delay or rejection of any application for transfer of funds.

² Refer to the Profit Rates/ Tariff and Charges for HSBC Amanah Products and Services on www.hsbcamanah.com.my

MONDAY, 26TH MAY 2014

- 08:00 - 09:00 Registration
- 09:00 - 09:05 Prayer Recital
- 09:05 - 09:20 **Opening Keynote Address**
Professor Datuk Dr Rifaat Ahmed Abdel Karim — Chief Executive Officer, International Islamic Liquidity Management Corporation
- 09:20 - 09:30 **Chairperson's Opening Remarks**
Abdulkader Thomas — Chief Executive Officer, SHAPE Financial

Industry Titans Roundtable: Islamic Finance 2015

- 09:30 – 10:30 **We ask global Islamic finance thought leaders to share their vision of what the Islamic finance landscape will look like in 2015. Which markets are likely to lead and which sectors will flourish. What challenges lie ahead for Asia to stay in the game and what needs to happen now to achieve this vision?**

Moderator: **Mohammad Faiz Azmi** — Executive Chairman, PricewaterhouseCoopers, Malaysia

Panelists: **Badliyah Abdul Ghani** — Chief Executive Officer, CIMB Islamic
Mohammad Kamran Wajid — Chief Executive Officer, Emirates Financial Services & Emirates NBD Capital, United Arab Emirates
Rafe Haneef — Chief Executive Officer, HSBC Amanah, Malaysia
Wasim Akhtar Saifi — Global Head of Islamic Banking, Consumer Banking & Chief Executive Officer, Standard Chartered Saadiq, Malaysia

- 10:30 – 10:45 **Keynote Address**
Khaled Mohammed Al-Aboodi — Chief Executive Officer, Islamic Corporation for the Development of the Private Sector, IDB Group
- 10:45 – 11:15 Coffee & Networking

Asian Regulatory Roundtable: Driving Growth through Effective Regulatory Environments

- 11:15 – 12:00 **Central to the success of Asia's Sukuk markets are the tireless efforts made by Asian regulators in building enabling regulatory frameworks and promoting governance. As the Islamic finance marketplace evolves so must the standards that govern the industry.**

- What strides have regulators of aspiring Islamic investment destinations made in promoting Islamic finance transactions?
- What synergies exist between the various Asian Islamic economies and what can be done to strengthen ties?
- Anticipated impact of regulatory changes in the coming year in the Asian Islamic finance landscape
- Assessing the introduction of Shariah standards frameworks in Malaysia and the likely impact on capital markets issues
- Is the setting up of a global Shariah board a viable solution to solving Shariah issues? Is it necessary?

Panelists: **Basheer Ahmad** — Senior Manager, Markets, Dubai Financial Services Authority (DFSA), United Arab Emirates
Daryl Ho — Head of Market Development Division, Hong Kong Monetary Authority
Nik Norzrul Thani — Chairman, Zaid Ibrahim & Co, Malaysia
Zainal Izlan Zainal Abidin — Executive Director, Islamic Capital Market, Securities Commission Malaysia

AGENDA

12:00 – 12:15 **Presentation: Will Innovation in Islamic Finance Require a New Business Model?**
Jawad Ali — Managing Partner, Middle East Offices, King & Spalding, United Arab Emirates

12:15 – 12:30 **Launch of Islamic Banking Intelligence: The First Comprehensive Global Islamic Banking Database and Analytical Business Intelligence Dashboard**

Omid Torabi — Managing Director, Innovation & Development Corp

Marjan Naseri — Senior Islamic Banking Expert, Innovation & Development Corp

12:30 – 14:00 Luncheon

Sukuk and the Asian Islamic Capital Market: The Challenge to Innovate

14:00 – 15:00 **The call to innovate has been consistently echoed by industry players with the lack of market depth and breadth and its reliance on replicating conventional products often blamed for the innovation deficiency.**

- Is it time for the Islamic finance industry to transform its business model?
- Is there truly customer demand for innovative Islamic finance products?
- Addressing the over-reliance on Sukuk: What else is out there?
- Connecting Shariah compliance with real innovation
- Will Basel III requirements drive innovative structuring?
- Building the infrastructure to support large scale, cross border and multi-jurisdictional deals
- New and innovative offerings and asset classes in the pipeline

Panelists: **Alhami Mohd Abdan** — Head, International Finance & Capital Market, OCBC Al-Amin Bank, Malaysia
Issam Al Tawari — Chairman & Managing Director, Rasameel Structured Finance Company, Kuwait
Khalid Howlader — Global Head, Islamic Finance, Moody's Investor Service, United Arab Emirates
Madzlan Hussain — Partner and Head, Islamic Financial Services Practice, Zaid Ibrahim & Co, Malaysia
Mohd Effendi Abdullah — Director/Head, Islamic Markets, AmlInvestment Bank, Malaysia

IFN Asia Issuers Roundtable

15:00 – 15:45 **We invite the region's most successful issuers to discuss key trends, features and success factors of their most prominent deals. Why did they choose to raise funds Islamically? What drove the success of the issuances and what made these deals unique? In hindsight, what would these issuers have done differently?**

- Cagamas RM4.2 billion Sukuk Commodity Murabahah
- Khazanah Nasional SG\$600 million convertible Sukuk
- FWU Group US\$100 million Sukuk Wakalah

Panelists: **Mohd Izani Ghani** — Executive Director & Chief Financial Officer, Khazanah Nasional, Malaysia
Rafiza Ghazali — Chief Financial Officer, Cagamas, Malaysia
Sohail Jaffer — Deputy CEO, FWU Global Takaful Solutions, United Arab Emirates

15:45 – 16:15 Coffee Break

Enabling Growth: Resolving Key Regulatory, Risk and Shariah Issues Facing the Industry

- 16:15 – 17:00
- Can new regulations actually address the higher cost of Islamic finance transactions?
 - Tradability of Sukuk: The question of Shariah compliance
 - Addressing the management of risks and provision of liquidity to Islamic finance institutions
 - Evolving from a risk transfer to a risk sharing model in the Basel III environment: Are current products staying true to the risk sharing model?
 - Raising capital in accordance with Basel III and other regulations: The challenge for financial institutions
 - The pan Asian Sukuk debate: Discussing opposing viewpoints on Shariah compliance
 - Legal and tax considerations in advancing Islamic finance — what emerging concerns must be addressed today

Panelists: **Andri Aidham Badri** — Partner, Kadir Andri & Partners, Malaysia
Ahsan Ali — Managing Director & Head of Islamic Origination, Standard Chartered, United Arab Emirates
Mohd Nazri Chik — General Manager & Head of Shariah, Bank Islam Malaysia
Nicholas Edmond — Partner, Trowers & Hamlin, United Kingdom
Uzma Ashraf — Deputy Commissioner, Federal Board of Revenue, Ministry of Finance, Pakistan & Fellow, Asian Institute of International Financial Law, Hong Kong

17:00 – 17:10 Chairperson's Closing Remarks

TUESDAY, 27TH MAY 2014

08:00 - 09:00 Registration

09:00 - 09:10 **Keynote Address**

Isa Rachmatarwata — Senior Advisor, Financial Regulation and Capital Market, Ministry of Finance, Indonesia

09:10 - 09:25 **Opening Remarks from the Chair**

Abdulkader Thomas — Chief Executive Officer, SHAPE Financial

Investment Titans: The Islamic Investment Strategy: A Five-Year Plan

09:25 – 10:25 **Global Islamic investment leaders are asked to share their views on what Asian investors can expect from the Islamic investment environment in the next five years. Which investment vehicles are expected to thrive and which would have run their course? Are forays into emerging markets worth the risk and how should these be assessed? How are fund managers adapting their strategy to prevailing political and economic conditions in Asia?**

Panelists: **Maznah Mahbob** — Chief Executive Officer, AmInvest, Malaysia
Mohamed Azahari Kamil — Chief Executive Officer, Asian Finance Bank
Nicholas Kaiser — Chairman and Chief Investment Officer, Saturna Capital, USA
Nor Rejina Rahim — Country Head - Malaysia, Nomura Asset Management
Sandeep Singh — Country Head - Malaysia & Chief Executive Officer, Franklin Templeton GSC Asset Management

10:25 – 11:00 Coffee & Networking

Investors Roundtable: Shifting Trends and Winning Strategies

- 11:00 – 12:00
- Outlook for offshore Sukuk and offshore Islamic funds: New markets, new players
 - The case for government-linked investments and infrastructure funds: Outlook for Asian PPPs
 - Islamic private equity and venture capital funds: What infrastructure is necessary for Asia to catch up to the Middle East?
 - What is inhibiting the growth of Islamic ETFs and index-linked investments?

Moderator: **Noripah Kamso** — Former Advisor, CIMB Islamic, Malaysia

Panelists: **Ahmad Nazim Abdul Rahman** — Group Chief Executive Officer, Pelaburan Mara, Malaysia
Alka Banerjee — Managing Director of Global Equity & Strategy, S&P Dow Jones Indices, USA
Mahdzir Othman — Chief Executive Officer, i-VCap Management, Malaysia
Mushthaq Ahmad Ibrahim — Chief Executive Officer, KFH Asset Management, Malaysia
Ritjana Cevoli — Managing Director of Asset Management & Advisory, Ridge Capital, United Arab Emirates

12:00 – 12:20 **Presentation — What Initiatives Exist to Develop Talent and Human Capital in the Islamic Finance Services**

Dr Amat Taap Manshor — Chief Executive Officer, Finance Accreditation Agency, Malaysia

12:20 – 13:35 Luncheon

Islamic Investments and Funds in Asia: Developing Growth in Key Sectors and New Asset Classes

- 13:35 – 14:35 **Investment experts and advisors offer their perspectives on potential growth sectors in the Islamic investment universe. Which classes and sectors will deliver and what is hindering the development of others?**
- How will Asia compete with the UK and the GCC in the Shariah compliant real estate space?
 - Closing the gap between high demand and low supply of Islamic wealth management products
 - Can the development of Waqf serve as a catalyst for driving growth in Islamic wealth management?
 - Is the Islamic investment industry going into regulatory overdrive or is more regulation actually necessary?
 - Improving the distribution of Islamic funds by using passporting options
 - Which elements are crucial when choosing the right fund domicile or investment vehicle?

Panelists: **Angelia Chin-Sharpe** — Chief Executive Officer, BNP Paribas Investment Partners, Malaysia
Bishr Shibliq — Head, Dubai Representative Office, Arendt & Medernach, United Arab Emirates
Jamaluddin Nor Mohamad — Director of Islamic and Alternative Markets, Bursa Malaysia
Lim Say Cheong — Executive Vice President and Head, Investment Banking, Al Hilal Bank, United Arab Emirates
Richard Thomas — Chief Representative-Malaysia, Gatehouse Bank

Advancing Asia's Takaful Industry

- 14:35 – 15:20 **We invite CEOs of leading Takaful companies to share their strategies and views on growth opportunities and challenges that exist in the Asian Takaful market. What regulatory impediments must be overcome to achieve further expansion? What investment options are available to Takaful players? What is the outlook for sustainable growth in an increasingly competitive landscape?**

Moderator: **Sohail Jaffer** — Deputy CEO, FWU Global Takaful Solutions, Dubai
Panelists: **Albert Wiseman Paterson** — President Director, Sun Life Financial Indonesia
Azim Mithani — Chief Executive Officer, Prudential BSN Takaful
Zainudin Ishak — Chief Executive Officer, HSBC Amanah Takaful

15:20 – 15:50 Coffee and Networking

Developments in the Islamic Interbank and Wholesale Lending Market

- 15:50 – 16:35 **Treasury heads and advisors offer their perspectives on what's driving growth in the interbank market. What is the outlook for Islamic treasury and liquidity management products? Can other Shariah compliant structures challenge the dominance of commodity Murabahah and how will this affect interbank market transactions? What needs to be done to meet Basel III standards on liquidity management?**

Panelists: **Cassim Docrat** — Director, DDCAP (DIFC), United Arab Emirates
Idham Sabki — Head of Global Islamic Markets, Hong Leong Islamic Bank, Malaysia
Tom Guest — Associate Director, Eiger Trading Advisors, United Kingdom

16:35 – 16:45 Chairperson's Closing Remarks



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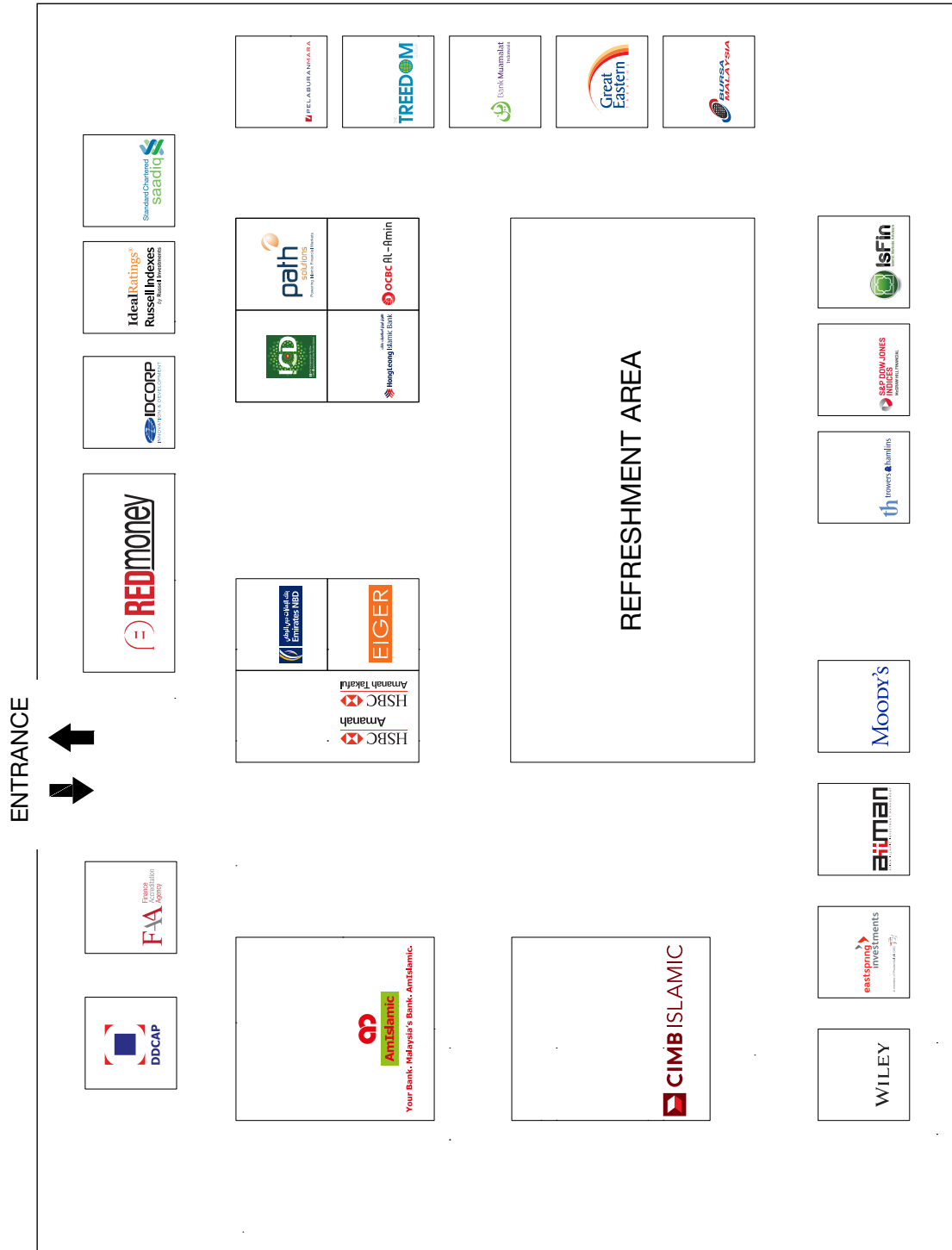
¹ Business JustOne Account-i is eligible for protection by PIDM.

² The waiver is only applicable to transactions which are performed via Straight2Bank (S2B). This includes Interbank GIRO fund transfers, overseas telegraphic transfer (OTT), RENTAS and payroll. Customers will need to meet the average balance of RM100,000 and above. Average balance less than RM100,000, will be charged a flat monthly fee RM100.

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OVERVIEW

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Islamic wealth management: Are trends in global wealth management leaving Muslims behind?

As global banks cut their commercial activities and focus shifts towards asset management for both private and institutional clients, JOHN A SANDWICK takes a look at what this move represents for the Islamic finance industry — and what needs to be done to ensure the opportunities are not missed.

Investment banking

In the past few years some of the biggest names in banking announced a major shift in their global banking priorities. For the big Swiss universal banks it's now all about radical cutbacks in investment banking and private equity, and a shift toward wealth and asset management. For other big global banks it's almost the same, although not to the same degree of the Swiss giants. Spotting this trend is important. Just three of the biggest names in global banking — JPMorgan, UBS and Credit Suisse — alone manage around US\$6 trillion in private client and institutional wealth, 7% of the US\$87 trillion in professionally managed assets worldwide.

The global financial crisis taught these banks an expensive lesson: they failed to break into or expand investment banking and private equity. Competition, the high cost of pampering investment bankers and the mean streets of global capital markets led some of the most famous names in banking to suffer enormous losses from their investment banking and sister private equity business lines.

As a result, more and more banks are asking whether investment banking is worth it, especially compared to the calmer waters of wealth and asset management. While investment banking can be highly profitable, it also requires gigantic commitments of shareholder capital for volatile, unpredictable returns. In comparison wealth and asset management do not require anywhere near the capital commitments or risk taking to be competitive.

We can peek at what's going on by looking at JPMorgan annual reports, 2008 through 2013 (see Table 1). This gives us a glimpse of actual returns on shareholder capital by business line. We focus on investment banking, corporate/private equity and asset management. While this examination looks at only one bank, we know the experience at other universal banks was similar. Think of

RBS, Barclays, Bank of America and other global money-center banks.

Returns on capital over the last six years indicate a clear trend. Investment banking and corporate/private equity consume massive amounts of bank capital, yet suffer highly volatile or meaningless returns for JPMorgan shareholders. Asset management consumes a paltry amount of capital, yet enjoys consistent returns above 20%.

“ The global financial crisis taught these banks an expensive lesson: they failed to break into or expand investment banking and private equity ”

Shareholders who care about these issues must have made their voices heard: the big banks have pulled back considerably on high-risk investment banking and private equity that produces very little in the way of consistent profits on gigantic sums of committed capital. They are all reallocating toward low-risk wealth and asset management, which by nature is based on trifling sums of capital yet produce highly reliable profits.

A cynic (or a rationalist) might conclude investment banking and private equity are a waste of shareholder capital and should be shuttered, with all bank resources instead put into wealth and asset management. No doubt the financial media has been pointing out this trend for the last few years, confirmed now by a discrete look at returns on shareholder capital by business line.



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Table 1: JPMorgan annual results 2008-13 (US dollars)

	2008			2010			2013		
Business segment	Investment Banking	Corporate & Private Equity	Asset Management	Investment Banking	Corporate & Private Equity	Asset Management	Investment Banking	Corporate & Private Equity	Asset Management
Dedicated capital (in billions)	26	53	5.6	40	58	6.5	46	77	7
Return on capital	-5%	0%	24%	17%	0%	26%	23%	0%	24%

The implications for Islamic finance

The same can't be said of banks working in the Islamic finance arena. Still to date not a single bank anywhere has a dedicated Islamic wealth and asset management unit. In fact, we anecdotally confirm the majority of action in Islamic banking resolves around deals, deals and more deals. Transaction-based banking — where commissions are high and success rates are low — still consumes the large majority of time, effort and capital resources of the Islamic banking industry.

“Transaction-based banking — where commissions are high and success rates are low — still consumes the large majority of time, effort and capital resources of the Islamic banking industry”

How can one quantify these conclusions? The sheer absence of an Islamic asset management industry speaks for itself. If there are no Islamic asset managers, then what exactly are all these Islamic bankers doing other than transaction-based business?

Outside retail banking, the majority of Islamic banking enterprises are focused on transaction-based banking, meaning structuring and executing deals, which of course is the definition of investment banking and private equity. Scan the well-known brand names of the Islamic banking universe and search for a bank that has an Islamic wealth and asset management unit of substance and meaning. One would be hard-pressed to find one. Abu Dhabi Islamic Bank, Dubai Islamic Bank, Bank of London and The Middle East, Gatehouse Bank, Al Rajhi Capital, Aljazira Capital, Noor Bank, and virtually all

other Shariah compliant banking institutions have no or only insignificant wealth and asset management businesses. In a few places there are units called 'wealth and asset management', but none that offer the kind of global portfolio allocation services that big conventional banks do.

There is at least one exception. Jadwa Investment Co in Riyadh has slowly but surely been building its asset management business. Today almost two thirds of its assets under management is in true liquid, managed assets (as opposed to transaction-based assets like private equity), and since 2012 its asset management unit has produced the majority of Jadwa's annual profits.

The Investor for Securities Co in Riyadh is on the path toward this exceptional status. While still much of its business is transaction-based, The Investor recently partnered with Safa Investment Services in Geneva to deliver global wealth and asset management throughout Saudi Arabia and the Arabian Gulf region.

Where is this all going? It's hard to tell. Islamic banking generally is alive and well, growing by double digits annually in terms of assets in Sukuk, bank deposits and short-term Murabahah contracts. This can't be said for Shariah compliant assets under management (AUM), a reflection of which is the global Islamic mutual funds business. That sector hasn't seen double-digit growth in quite a long time, with AUM stuck in the US\$100 billion range for several years now.

It remains to be seen if the global Islamic banking community will take a cue from their conventional banking brothers and refocus resources toward wealth and asset management. One suspects this change will occur, but only with time. Let's hope we don't have to wait too long. ☺

John A Sandwick is the general manager of Safa Investment Services at Islamic Wealth & Asset Management. He can be contacted at John@safainvest.com.



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Pushing pensions: The year of the Silver Revolution

The Shariah dollar may be gaining traction but with one in five of the world's population set to be over 60 by 2050, the silver dollar is more powerful still. Join the two together and what you have is a movement that could sweep the Islamic asset management industry and revolutionize Islamic institutional investment. Islamic Finance *news* explores the power of institutional aging.

An aging population

The longevity issue is becoming a worldwide problem. And although more developed countries have the oldest population profiles at the present time, the most rapidly aging populations are in less developed countries and emerging markets. According to the World Health Organization (WHO), between 2010 and 2050, the number of older people in less developed countries is projected to increase more than 250%, compared with a 71% increase in developed countries.

Sheikh Faizal Ahmed Manjoo, a specialist in Islamic and conventional commercial and pensions law and the CEO of UK-based Minarah Multi Consulting, warns that: "Not only are Muslim communities beginning to follow the same longevity risk pattern found in OECD countries, but the demographic change is happening faster than in the West, giving societies little time to adapt."

A growing problem

According to population projections from Pew Research the global Muslim population is expected to increase by about 35% in the next 20 years to 2.2 billion by 2030, growing at a rate of around 1.5% per year — twice the rate of the non-Muslim population — to make up 26.4% of a projected 8.3 billion in 2030. Concurrently, Pew predicts in a report on The Future of the Global Muslim Population (2011) that between 1999 and 2030 the number of Muslims under 30 in Muslim-majority countries will have dropped from 68.4% to 49.6%.

"The forecast is alarming. If Muslim countries don't start planning to avoid the aging population problems that OECD countries now face, the effects could be disastrous," believes Manjoo. "The Muslim world does not have a pensions culture or industry, let alone a discussion about longevity risk."

A vital component

With longevity a worldwide trend, the issue of a decline in the elderly dependency ratio (the ratio

between the elderly and the working age population) is becoming acute. To tackle this problem, the United Nations in its 2010 report on Rethinking Poverty recommended a three-pillar proposal:

1. State pensions;
2. Occupational pensions with the employer contributing towards the pension plan; and
3. Private income sources.

In the conventional industry, global pension assets amounted to around US\$29.7 trillion in 2012, according to the Towers Watson Global Pension Assets Study 2013. This was an 8.9% increase over 2011, and accounted to 78% of total GDP. The largest pensions markets (the US, Japan and the UK) accounted for 56.6%, 12.5% and 9.2% of total pensions assets, respectively; and saw 2012 growth of 10%, 0.5% and 9.9%.

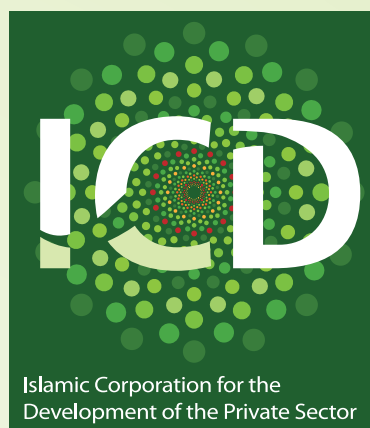
And as the global population ages, these figures are consistently increasing. Between 2002-12, global pensions assets grew at an average compound rate of 8.3%, with the fastest growth in Hong Kong followed by Brazil and South Africa.

Retirement potential

This highlights not only the vital importance of a sturdy pensions sector to cater to the increasing numbers nearing retirement age, but the invaluable role the institutional pensions industry plays in supporting the global asset management sector.

For example, according to the Towers Watson survey, assets under management of the top 300 conventional pension funds represent 46.7% of total global pensions assets, with the top 20 accounting for 18.5% or around US\$5.4 trillion. In the US, the top 10 pension funds represent 9.1% of the market's total assets under management, while in the UK they represent 16.4%. In Japan, where the Government Pension Investment Fund holds over a third of pension assets, this figure reaches 55.9%. The opportunities for the Islamic asset management industry backed by a state-

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led Shariah compliant pension fund and supported by the private sector are clear.

Trailing behind

But as yet, the Shariah compliant industry has signally failed to step up to the challenge. According to data from the Malaysia International Islamic Financial Center, global assets under management for Islamic funds are estimated to have reached US\$73.7 billion as at the 9th December 2013, a growth of 10.2% over the previous year. While this represents a four-fold increase over the past five years, with 78 new funds introduced in 2013 alone, the total figure represents a miniscule fraction compared to the conventional industry.

The Thomson Reuters Global Islamic Asset Management Report 2014 highlighted that: “The entrance of pension funds could double the size of the industry,” while EY has confirmed that pent-up demand for Islamic pension programs could add US\$160-190 billion to the Islamic asset management sector — almost tripling its current size.

“This would be a major ‘shot in the arm’ for the Islamic asset management industry, which suffers from lack of scale,” explained Ashar Nazim, a partner at the EY global Islamic banking center in Bahrain, to *Islamic Finance news*. “Most of the 700+ Islamic asset managers today have less than US\$100 million in assets under management, which is not sustainable. In comparison, the pension fund segment is a major and active player in conventional capital markets.”

State-led revolution

The Islamic asset management industry has long been constrained by a dearth of institutional investment, which has led to a shortage of firms able to hold such large inflows. “The trend is positive but the size of the Islamic fund management industry is miniscule compared to the requirements of the pension industry. This is the primary challenge,” confirmed Ashar.

However, if some of the big country players in Islamic finance launched state-backed Shariah compliant pensions, this would result in a massive wave of institutional funds looking for Islamic investments. Once these state-backed pension funds pushed the market to critical mass, the private pension funds sector would be likely to follow. As Islamic institutions themselves came to recognize the opportunities for Islamic institutional investment on the private side this created they too would

Table 1: Estimated Percentage of the Youth Cohort in the Muslim World

COUNTRY	2000	2020	2030
Egypt	55.7	32.5	28.1
Turkey	50.4	39.2	35.7
Iran	59.3	42.4	38.9
Pakistan	61	56.2	51.4
Saudi Arabia	62.3	56.1	52.1
Iraq	61.7	53.9	47.2
Yemen	65.3	68.4	65.7
Algeria	56.5	40.9	37.4
Indonesia	50.7	39.5	36.4
Morocco	55.1	43.4	38.4

Source: United Nations Population Statistics, 2008

then be more likely enter the market, and this could revolutionize the asset management industry.

The road to retirement

Progress is being made, with Islamic pensions becoming a priority in several Muslim-majority countries across the world. “With the maturity of the Sukuk market and Shariah compliant equity indices, as well as technology available to screen conventional indices to carve out Islamic sub-indices, there appears to be sufficient assets available for many of the pension funds to take the first step towards Shariah compliant propositions,” noted Ashar. In several officially secular countries this is being driven by the private sector rather than government-led. “Several fast-growth emerging markets including Malaysia, Saudi Arabia and UAE are seeing strong demand for retirement plans that are Shariah compliant,” confirmed EY in a recent report.

In Turkey, recent government reforms including a 25% government contribution to private pension premium payments have pushed private pension contributors up to almost 3.8 million from 3.1 million in December last year. According to the capital markets board, Islamic pension assets reached US\$175 million in September last year (around 1.5% of the industry). Asya Emeklilik, the Islamic pension unit of Bank Asya, now has over 100,000 clients and its fund size is TRY111.6 million (US\$55 million). New players are now joining the 17-strong Turkish pension providers, including Katilim Emeklilik ve Haya, an Islamic venture between Al Baraka Turk and Kuveyt Turk announced in March 2013 which received the required approval from the Turkish Treasury in December last year.

Pakistan, in comparisons, launched a state-run Voluntary Pension Scheme (VPS) in 2005 which now holds PKR3.4 billion (US\$32.4 million) in Islamic assets — around 60% of total VPS assets. The largest of the seven VPS managers, Meezan Bank, has seen its Islamic assets under management double in the last year and its Islamic pension fund

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is almost three times the size of its conventional equivalent. Developments are also occurring in the UAE, where the drive towards creating an Islamic economic center has been much-publicized. Dubai recently proposed a scheme to create a Shariah compliant retirement savings scheme for expatriates, which it hopes would boost the domestic Islamic funds industry.

Industry champion

However, the absence of a robust regulatory framework, the small number of Islamic asset managers and the absence of an 'industry champion' has thus far restrained the industry from realizing its full potential.

Despite private sector developments, it must be the state which drives the industry forward to reach an economy of scale. Ashar explained that: "For a nascent industry like this, you need an industry champion to 'pilot' the program. The only practical option is for government-linked pension funds to take the lead; possibly with support from multilateral institutions. The private sector's contribution would be material only in the longer-term."

Malaysia is at the head of the pack in this regard. The country launched its Private Retirement Scheme last year, in which 13 out of 36 funds are now Islamic. According to Ranjit Singh, the chairman of the Securities Commission, the scheme had 30,500 accountholders as of June 2013 with total assets of around RM97.5 million (US\$29.5 million), which it expects to grow to around RM30 billion (US\$9.1 billion) in the next decade. Ashar agreed that: "Malaysia is well-positioned to provide leadership to this segment."

A driving force

The government also is reportedly considering the channeling of RM7 billion (US\$2.1 billion) from

the state's Employees' Provident Fund to Islamic fund managers. EPF already invests around a third of its US\$160 billion portfolio in Islamic assets, and in December 2013 the fund reportedly hired consultants including EY and ZICO Law to study the possibility of establishing one of the world's first state-backed pension funds — which could be the revolutionary kickstarter that the industry needs, providing a model for other countries to follow.

Vive la revolucion!

And the demand may already be there: "There is a clear preference by individuals in these markets to manage their financial affairs in a Shariah compliant manner. This segment represents anywhere between 10-70% of the overall market, which is sizeable," explained Ashar. All the sector needs is a new driving force to lead the way.

"Traditionally, the focus has been on switching their banking relationship from conventional to Islamic. Only now are we beginning to see a greater awareness regarding wealth management and retirement planning, which in turn is encouraging public pension funds to consider offering Shariah compliant alternatives."

Although Ashar warned that "regulatory support will be critical to help sustain the momentum," it seems as if with Malaysia leading the way and momentum building in Muslim markets across the globe, 2014 could be the year that the Islamic pensions industry finally takes off. And if this happens, the knock-on effects on the Islamic asset management market and institutional investment trends will ripple throughout the industry — driving what could be a very real revolution. (2)

Table 2: Global Pension Assets 2013

	Total assets 2012 (US\$ billion)	% GDP (Local currency)
Australia	1,555	101%
Brazil	340	14%
Canada	1,483	84%
France	168	7%
Germany	498	15%
Hong Kong	104	40%
Ireland	113	55%
Japan	3,721	62%
Netherlands	1,199	156%
South Africa	252	64%
Switzerland	732	118%
UK	2,736	112%
US	16,851	108%
Total	29,754	78%*

*Assets/GDP ratio for the world is calculated in USD and assets were estimated as of the 31st December 2012

Source: Towers Watson

East and Partners Asia (Singapore) and REDmoney Group (Kuala Lumpur), are delighted to have launched a first ever demand-side research program, regularly monitoring and forecasting the Shariah compliant business banking markets of Indonesia and Malaysia.

With the Malaysian market alone estimated at US\$130 billion and representing around one fifth of total banking assets in the country, growth has been phenomenal. Bank Negara Malaysia has publicized an expectation of this growing to 40% of total market balances and is attracting an ever accelerating number of players, both specialist Islamic financial services providers and the rapidly growing Shariah compliant subsidiaries of conventional commercial banking groups. This explosion in demand has seen many players racing to keep up, including even the Japanese banks, and respond to what is now a major component of the region's banking landscape.



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Bringing efficiency, transparency and choice to the Islamic funds market

The Islamic funds market already has an abundance of quality products covering all major asset classes. The problem is that most of these funds are domiciled in markets which make it difficult for non-residents to participate; and there are simply not enough local retail investors for these funds to gain traction and achieve economies of scale. THOM POLSON introduces a new range of products which he believes will make the market more efficient.

Institutional investors require management efficiency and market liquidity. Aside from a small number of European domiciled products, the fragmented Islamic funds market has not been able to offer institutions a superior alternative to managing their money internally or through discretionary accounts with external managers.

The lack of simple, efficient products that are attractive to both retail and institutional investors has delayed the widely expected growth of Islamic investment. We believe there is a tremendous unfilled demand which, when met, will catalyze the emergence of Islamic investment worldwide, improve access and returns for all Islamic investors, and establish the Islamic investment sector as a first class citizen among the global financial markets.

Global products for a global market

Falah Capital is developing a family of index-based exchange traded funds (ETFs) which are screened for Shariah compliance and traded on globally recognized exchanges.

A proven approach

As of November 2012, total net assets in US-domiciled ETFs reached nearly US\$1.3 trillion according to the Investment Company Institute (ICI) and are expected to exceed US\$2 trillion by the end of 2015, according to BNY Mellon. Investor interest in ETFs has grown rapidly. From the end of 2002 through November 2012, ETFs issued US\$1 trillion in net new shares.

Demand for ETFs has accelerated as institutional investors have found ETFs a convenient vehicle for participating in, or hedging against, broad movements in the stock and bond markets. Retail investors and their financial advisers have also increased their usage of these investment vehicles. An estimated 3.4 million, or 3%, of US households owned ETFs in 2012, according to ICI.

Likewise, foreign investment into US-domiciled assets and securities has continued to grow based on the US market's reputation for strength. Foreign retail and institutional investors have gained both security and diversification by participating in the US ETF market.

“The lack of simple, efficient products that are attractive to both retail and institutional investors has delayed the widely expected growth of Islamic investment”

Index management: Building blocks for a solid foundation

Falah Capital will base its products on the Russell-IdealRatings Islamic Indexes — the leading Islamic index methodology. These indexes deliver an unmatched combination of standards adherence, screening transparency, clarity on purification requirements, and performance versus the associated unscreened broad-market indexes. This simple approach unlocks the potential for intelligent index segmentation and portfolio composition to satisfy investor demands for weighting by sector, geographic region, capitalization, style, and other criteria.

Compliant investment through intelligent indexes

Investing in a Shariah compliant manner does not necessarily mean compromising on return. As one example, since it began tracking in July 2006, the Russell-IdealRatings US Large Cap Index

cumulative return has significantly exceeded the Russell 1000 Index. Avoiding the risk associated with non-compliant businesses along with restricting investment to companies carrying limited debt produces less return volatility, typically higher risk adjusted rates of return, and often higher total returns. This broad strategy can be attractive for investors whether or not compliance with Islamic principles is important to them.

The Russell-IdealRatings Islamic Indexes will help us connect Islamic investors with the global capital markets. Index-based products tracking them, should serve the growing demands of the American Muslim community and as well socially responsible investors. An index-based approach may also be helpful for asset managers, Family Takaful providers, pension and Hajj funds, and the growing number of cash-based Waqf (endowments). Regardless of where they reside — Africa, Arabia, Asia, or the US — Islamic investors will have the opportunity to align their assets with their faith without compromising on cost, choice, or convenience.

Partnerships and teamwork

Falah Capital is working to develop these new products with global leaders including some of the most trusted names in Islamic finance.

Russell Investments is a leading global asset manager and the largest manager of institutional outsourced assets in the US. Russell Indexes now capture 73% of the market share for all US institutional equity products reporting a benchmark. With US\$5.2 trillion in assets benchmarked, more US institutional funds track Russell Indexes than all other US equity indexes combined.

IdealRatings is the most trusted provider of accurate, and timely, Islamic finance information. IdealRatings' Shariah screening, purification, fund and index management services identify and manage Shariah compliant equities, funds and Sukuk globally. Most Islamic index providers and financial institutions in 12 countries rely on IdealRatings to create and manage their Islamic products.

“Regardless of where they reside — Africa, Arabia, Asia, or the US — Islamic investors will have the opportunity to align their assets with their faith without compromising on cost, choice, or convenience”

Shariyah Review Bureau is the corporate world's leading Shariah advisor with scholarly presence in more than seven countries in the Middle East, North Africa, Asia, Europe, and North America. The SRB maintains a close working relationship with AAOIFI and CIBAFI. (📍)

Thom Polson is the CEO of Falah Capital. He can be contacted at thom@polson.com.

The global Sukuk market is set to expand again in 2014

Despite some headwinds, the long-term prospects for Sukuk remain promising as regulators continue to build and strengthen their frameworks to minimize barriers in the market and deepen liquidity. SAMIRA MENSAH looks at what we can expect over the coming year.

Malaysia already benefits from a broad Sukuk investor base and liquid debt market. So the increased interest from issuers, notably in the Middle East and Asia, in tapping the Malaysian ringgit and US dollar market should continue over the next few years as Malaysia cements its leading position in the industry.

Changing market characteristics

Global Sukuk issuance declined by 13% in 2013 (see Figure 1). This slowdown coincided with the US Federal Reserve's announcement that it would taper its quantitative easing program. As the dominant Sukuk issuer, Malaysia experienced a 25% decline in 2013, in the context of slower investment growth.

Over the past decade, a large public investment program has spurred issuance in Malaysia. Now that the country is adopting private sector investment, non-sovereign issuance could accelerate in 2014-15, continuing the trend witnessed in 2013 at a global level.

There are two main regions for Sukuk issuance globally. The first is Asia, particularly Malaysia. The second is the GCC countries (comprising Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the UAE). Of the latter, we see the UAE and Saudi Arabia continuing to lead Sukuk issuance owing to our projections that the relatively strong investment

and GDP growth in these countries should be maintained in 2014.

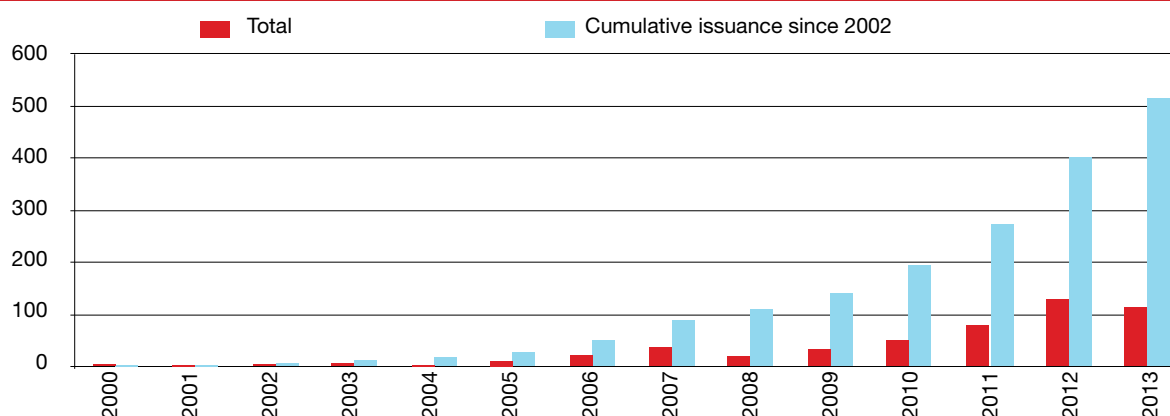
Economic conditions remain favorable, although some risks remain

We expect relatively strong economic growth in key Sukuk issuing countries including Malaysia, Saudi Arabia, and the UAE in 2014. That said, we expect Malaysia's public investment program to continue to drive Sukuk issuance throughout the year.

We forecast that oil prices will remain close to US\$100 per barrel. Furthermore, we see good economic prospects in major Gulf countries, which should translate into lending and balance-sheet growth opportunities for the banks. This, in turn, should trigger some issuance in the debt capital markets. Issuance from Saudi Arabia, as well as key hydrocarbon exporters with large infrastructure needs such as the UAE and Qatar, should benefit from a robust economy in 2014.

Despite a sustained period of political and social unrest in some Middle Eastern and North African countries since 2011, we anticipate resilient economic growth in 2014. We also forecast that oil production will increase in Bahrain and Kuwait. In this context, Bahrain might resume a stronger level of Sukuk issuance.

Figure 1: Worldwide Sukuk issuance 2000-13



Note: Data shows Sukuk issued in a given year, including Sukuk that have already matured by year-end.
Sources: Standard & Poor's, Zawya Sukuk Monitor Database (as of Jan 27, 2014)



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Indeed, local currency Sukuk issuance across GCC states may continue to be used as a means of developing the local capital markets. On the downside, although not part of our base-case credit scenario, a significant drop in oil prices or an increase in geopolitical tensions could affect economic stability and adversely affect issuance in the region.

Sovereign issuers dominate, but will it last?

Sovereign and sovereign-related issuance, including corporate and infrastructure government-related entities, will continue to dominate the Sukuk market in 2014, as it has in past years. Sovereign and quasi-sovereign Sukuk, which accounted for 75% of the total in 2013, are primarily issued in Malaysia. External issuance out of Malaysia slowed in the second half of 2013, reflecting the country's investment cutbacks. That said, we expect Malaysia's public investment program, as illustrated by the US\$2 billion dual tranche in 2011, will continue to influence Sukuk issuance in 2014-15. Looking ahead, a favorable economic environment in Asia and GCC member states, embracing China's economic soft landing and the still-strong investment pipeline in Malaysia, provide good prospects in terms of Sukuk volumes.

From a sovereign perspective, Sukuk can give governments' access to a new investor base by diversifying their sources of fiscal funding. Sukuk issued to foreign investors can also help to cover external financing needs and support reserve building. This is important for countries with sizable external funding needs, such as those in North Africa, but less so for GCC countries. For investors looking to buy Islamic bonds outside of traditional markets like Asia and the GCC region, Africa may soon offer a fresh alternative. In recent years, Senegal and South Africa have indicated that they are looking to issue Sukuk, while North African

countries such as Tunisia, Egypt, and Morocco have finalized or are finalizing their legal frameworks to promote Sukuk issuance.

Domestic regulations and a push from multilateral institutions place Sukuk center stage

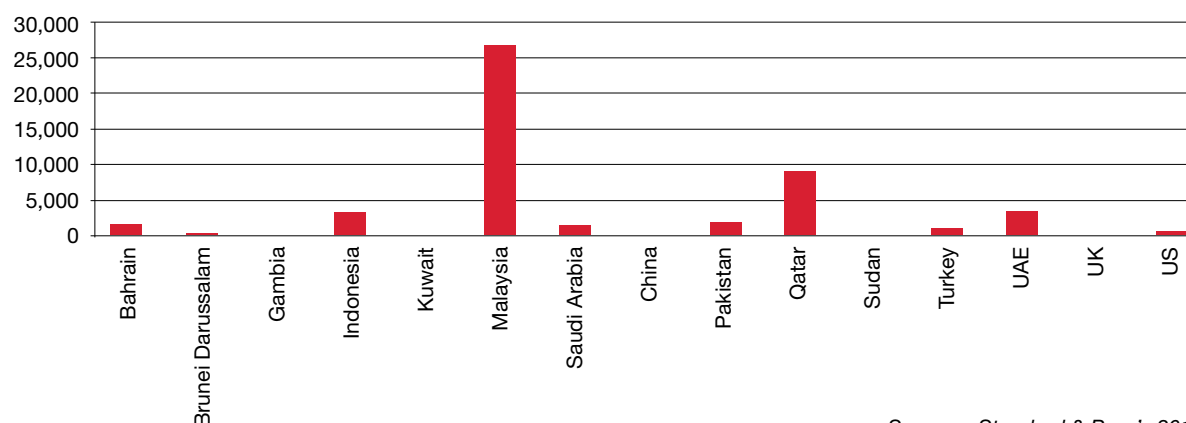
Regulation will remain center stage over the next few years. The huge demand for finance and the growing popularity of Sukuk as a mainstream asset class among fixed-income investors in Asia and the Gulf is pushing countries to establish or enhance their regulatory frameworks.

Malaysia is working to cement its position at the head of the Sukuk market by attracting global issuers and investors. It has built up a strong Islamic debt capital market over the years — alongside its conventional capital market — with well-defined regulation, standard Sukuk structures, and a large pool of liquidity. Its successful US\$2 billion dual-tranche issue in 2011 further contributed to increase supply in the market, deepening liquidity and broadening the acceptance of Sukuk structures, including to GCC-based investors. We expect more non-Malaysian issuers to issue in the Malaysian market in local currency and US dollars in 2014.

Elsewhere, we view positively moves to emulate the Malaysian model. Authorities in Dubai and Turkey, for instance, are sponsoring the definition of a clear Sukuk framework, to enable the gradual emergence of new Islamic finance 'hubs'. Similarly, we note that in July 2013 Hong Kong passed an ordinance to create a level playing field for Sukuk. This should, in turn, improve the supply-demand characteristics of the global Sukuk market. ☺

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Figure 2: Geographic breakdown of Sukuk maturing in 2014



Sources: Standard & Poor's 2014



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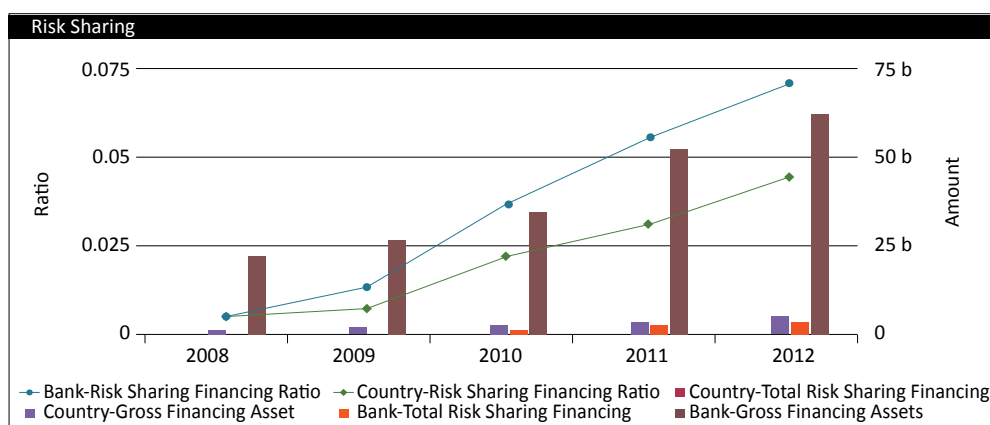
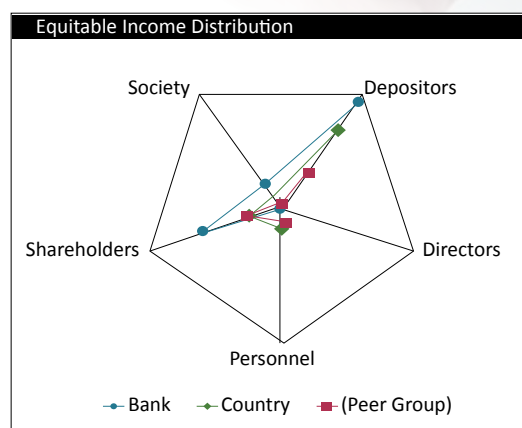
WHY?

- There is currently no such system that is as comprehensive and fully dedicated to Islamic banking data and information, enabling users to instantly analyze and compare the performance of Islamic banks globally through the use of charts and figures
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Innovation in Islamic finance: Is it crunch-time for creativity?

Building on the rapid growth and shift in global markets of the previous decade, Islamic banks now have a unique opportunity to capitalize on this momentum and develop into a realistic and meaningful alternative to the conventional market. Yet, in order to grasp the chance the industry must first address its own identity crisis. IFN asks if we are simply a repackaged wrapping of the conventional menu, or whether Islamic institutions have the drive and determination to develop a truly unique and usable portfolio of products and services that can offer a real ethical and structural alternative?

Building on the rapid growth and shift in global markets of the previous decade, Islamic banks now have a unique opportunity to capitalize on this momentum and develop into a realistic and meaningful alternative to the conventional market. Yet despite this vista of opportunity, in order to grasp the chance the industry must first address its own identity crisis. Are we simply a repackaged wrapping of the conventional menu, or do Islamic institutions have the drive and determination to develop a truly unique and usable portfolio of products and services that can offer a real ethical and structural alternative?

“Islamic banks are presented with a once-in-a-century opportunity with the world trade and capital flows decisively shifting in favor of emerging markets,” says Ashar Nazim, a partner at EY’s Islamic Banking Center. “Of the 25 rapid-growth emerging markets, 10 have a large Muslim population and therefore are a natural home for Islamic finance.”

Yet while the opportunity is obvious, Islamic institutions have hitherto adopted a relatively traditional approach when it comes to delivering financial services solutions. Although the industry claims to be an ‘alternative’ financial system based on foundations in the real economy, social responsibility, an ethical base and financial inclusion, in reality many of the products and services currently available are often simply restructured from conventional offerings.

And the issue is becoming increasingly important as the industry develops. In a speech last December Tayeb Al Rais, the secretary-general of the Awqaf and Minors Affairs Foundation of Dubai, highlighted that: “The Islamic economy was originally founded on innovation itself, when we needed to find a way to transact in an ethical manner and was built on foundations of sustainability. In the past few years, the economic changes that the world has

experienced have raised the demand for more ethical transactions which have resulted in the resurgence of Islamic banking. However, it isn’t just enough now to operate ethically to stay competitive. There is an imperative need for a diversity of products that can cover the same depth and comprehensiveness that conventional banking can deliver. Innovation must accelerate in the industry.”

A missed opportunity

“To deliver its promise,” suggests Ashar, “the demand on the industry is to think out of the box and incubate highly focused talent-communities that can drive the industry’s transition to the next phase of development.”

However there is as yet little hard evidence of this happening, despite the importance of innovation being a fashionably frequent drum to bang. And without it, the tantalizing opportunity of moving into the mainstream may always remain just out of reach. The recent EY Islamic Banking Competitiveness Report found that Islamic banks currently serve around 38-40 million customers worldwide. In comparison Paypal, a prime example of online innovation in financial services, currently holds around 137 million accounts: almost quadruple the number.

“Market size, both in terms of asset base and annual turnover, is still considered far below its true potential because the market is plagued by a lack of depth and breadth, which are characteristics of a market with a limited set of instruments,” explains Zamir Iqbal in his report on ‘Financial Engineering in Islamic Finance’ presented at the second Harvard University Forum on Islamic Finance.

Islamic banks are in general agile, flexible and responsive — they should be amply capable of developing their own solutions. “It is not unreasonable to expect that being small, nimble



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and without legacy issues, Islamic banks should have been at the forefront of driving, or at least, embracing innovation,” agrees Ashar. “This is even more important as the biggest beneficiaries of innovative finance will typically be the medium and small-sized businesses that are the backbone of most domestic economies, and drive job creation and economic activity.” So why is there such a disconnect between opportunity and offering?

“Despite the repeated calls for innovation and development, the vast majority of Islamic finance customers, just want reassurance that their funds are safe”

A call to arms

“One of the things we constantly hear about is that Islamic finance is mimicking the conventional. But if that is the criticism, what is the Islamic finance industry doing to address that concern?” asks Neil Miller, the head of Islamic finance at Linklaters.

Perhaps one of the reasons is the fundamental difficulty of connecting Shariah compliance with financial gain. Real innovation involves numerous complex issues ranging from technology and tax to people and processes; and all of these require their own solutions for Shariah permissibility. “The process of innovation is complex and sensitive, as it requires multi-disciplinary considerations involving a deep understanding of Islamic jurisprudence. All these factors make the process of innovation slow,” confirms Zamir.

Realistically, there are two possible approaches to the problem of Shariah compliant innovation. Either banks must re-evaluate their business model and take the decision to move away from the replication of conventional banking and towards a model more closely aligned with the real economy and with its basis in private equity and venture capital investment. Or alternatively, they must start to look at launching substantial research programs in order to come up with new forms of instruments and services that can provide banking services in a manner that is more closely and ethically aligned with the goals of Shariah.

“The trouble is that the scale of the challenge is so great,” admits Miller. “All forms of financial intermediation or engineering probably exist

somewhere in the world — is it realistic to argue that you ought to be able to invent something new?” To truly innovate requires an enormous investment in terms of time, commitment, confidence and funds — and this is understandably less attractive to profit-seeking institutions than the quick fix of simply rounding off the hard edges to make a product Shariah compliant.

An industry leader

To achieve a solution, institutions must be willing to engage with third party advisors; or the industry needs to establish a research function or capability that can approach these criticisms with a blank piece of paper and try to do the blue sky thinking that is required to create a new type of product. So is the onus on the authorities rather than the institutions themselves?

Currently there is no independent body whose purpose is to think in a practical and pragmatic way about the solutions that need to be developed in order to defend Islamic institutions from accusations of mimicking. “And if the industry is serious about meeting these criticisms, then they need one,” confirms Miller.

“Clearly, this requires serious thinking on the part of policymakers,” agrees Ashar. Some institutions are already working towards this — the International Islamic Financial Market (IIFM) for example is developing standardized Shariah compliant solutions to meet immediate institutional needs, and has achieved some success in areas such as collateralization and Islamic repos. However, again these replicate of key structures already used in the conventional banking industry, rather than developing truly unique alternatives.

Cost constraints

So perhaps the change does need to come from the ground upwards instead. A visionary banker with experience in what the industry actually needs, who decides he wants to create something new and puts his own institutional capital towards trying to do that might be more successful than a more prescriptive, top-down central government approach.

But a key issue inhibiting this development is inevitably cost. “You have to pick your battles and decide where you are going to focus your efforts,” says Miller. “There are opportunities to think about how to solve current problems, but in order to do that you need to bring to bear the intellectual, the academic resources to do the thinking — and that has a cost to it that I don’t think the industry is yet able to fund.”



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¹ Source: Data as at 31 December 2013

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High costs are certainly an impediment. For an institution to innovate it requires the services of multiple third party advisors — tax, legal, accounting and more. To pay hundreds of thousands of dollars for an end goal that has no guaranteed profit or success is a lot of money and a big ask — especially as many Islamic institutions are relatively small. “To bear costs like that, particularly if they’ve got no specific transaction on which they are going to use the product and are just trying to look at how the industry might shape itself in the future, that is a difficult cost for them to bear,” agrees Miller.

Competition is another cost concern. If banks share their knowledge then they don’t get a lead on the market, and they don’t make money, so the natural tendency is for institutions to protect their own development of new products and ideas — and this is less than conducive for driving innovation across such a new industry.

Talent shortage

So could in-house research and development perhaps be an option instead? The problem here is the lack of people with the right level of knowledge and skill sets. “The reality is that you can’t buy in that sort of wide-ranging ability very easily, especially with the current talent shortage in the industry,” says a Dubai-based banker. “You do need to go to specialist firms who have that wider knowledge and range of the whole industry around the world. If you are trying to create a new method of financing you might need to engage with tax advisors, lawyers, regulators — all of this takes time, effort and money.” And for any new product or service to be successful, its developer must also engage with the business community to establish the appetite. “As you move along that spectrum from debt to equity, then by implication there are cost variables. Equity becomes more expensive than debt — what will the market bear?”

A new attitude

“You always have to take this in progressive steps,” warns Miller. “If as an Islamic financier you genuinely think that the finance solutions currently being offered to clients do not meet the goals of Shariah because we are offering debt products, not profit and loss sharing products, then you have to think about what you can do to create products that protect your interests as a financier and also solve some of these concerns.” So how can this be addressed? “The easy answer is that Islamic banking is a misnomer,” he suggests. “What Islamic firms should really be doing is Islamic private equity and venture capital, with all the commensurate risks that entails. The Islamic profit and loss sharing approach to financing is what PE/VC is all about.”

The problem is that there is currently little incentive to do so. Islamic private equity and venture capital markets are small, opaque and attract little attention or investment. In a 2013 global survey sponsored by EY on the attractiveness of countries for venture capital, no Islamic market made the top 10. The best placed country was Malaysia at 17, followed by Saudi Arabia (26), Turkey (33) and the UAE (34). “The lack of a business-minded approach to research and development is a reflection of the absence of an innovative and entrepreneurial culture across OIC markets,” believes Ashar, and this is demonstrated in the absence of private equity and venture capital investment.

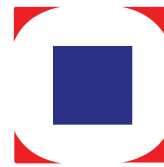
Customer demand

However it is not just a lack of investment that is inhibiting this, but an issue of consumer demand. The primary driver for customers is not necessarily Shariah compliance, but price, and they don’t necessarily want to pay the Shariah supplement that would have to be factored in to cover the cost of innovation. “The average man on the street does not want the risk element that truly Shariah-based products would bring,” says Miller.

In reality, despite the repeated calls for innovation and development, the vast majority of Islamic finance customers, like conventional consumers, just want reassurance that their funds are safe. “This is what banks like HSBC and Standard Chartered Saadiq have been wrestling with,” explains a UAE banker. “The typical Mudarabah deposit under Shariah is an at-risk deposit. For a lot of customers they don’t actually want their money at risk — they want to know their capital is protected. Yes they would like a return, but they have an extremely low risk exposure threshold.”

In addition, there is an argument against innovation for its own sake, which can lead to arrogance, excess and over-confident competition. Samer Hijazi, the head of the KPMG Global Islamic finance leadership team in the UK, warns caution. “I do not see a lack of innovation as a barrier to Islamic finance. Innovation contributed to the global credit crunch and I do not want this to happen to the Islamic finance industry. The banking industry can only offer truly Shariah compliant products if there is a customer demand for this. At the moment, I am not sure this exists.” The path is there but perhaps instead of a headlong rush, the industry should learn a lesson from conventional mistakes and tread carefully; to ensure it develops necessary products, rather than simply new ones.

“Let’s bear in mind the industry is only 40 years old,” Samer reminds us. “So there is everything to play for!” ☺



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Brunei Darussalam: A shift in emphasis towards product Shariah compliance

Brunei has a long history of Islamic banking, but recent regulatory and legislative steps have begun to push the industry towards the development of new products and structures that are driving it further towards the true goal of Shariah compliance. JAMES CHIEW investigates.

Islamic banking first began in Brunei Darussalam in the early 1990s with an emphasis on Shariah compliance for all its products, operations and management. This meant that Islamic financial institutions, such as, banks, quasi-banks and Takaful companies (which came at a later date), had to ensure that all their products and practices were in fact Shariah compliant and not just seen as compliant.

This was emphasized in the first Islamic Banking Act, 1992 which defined under Section 2, 'Islamic banking business' as meaning: "Banking business whose aims and operations do not involve any element which is not approved by the religion of Islam."

The newer Islamic Banking Order 2008 places a no less heavy burden by providing that 'Islamic banking business' means: "Business whose aims and operations are not contrary to Hukum Syara". Under both the Act and the Order, all Islamic banks must establish a Shariah advisory body.

An Islamic bank in Brunei Darussalam is required to have in its Articles of Association words to the effect that: "There shall be established a Shariah advisory body... to advise the company on the operations of its banking business in order to ensure that they do not involve any element which is repugnant to the doctrines of Islamic religion."

The use of the word "ensure" and "are not contrary to" raises the level of compliance with Islamic precepts and injunctions to the level of certainty, without any room for doubt, or reasoned argument in respect of any part or parts of the concept, detailed terms, documentation and implementation of an "Islamic banking product". Where there is argument, the level of certainty cannot be reached. This was and continues to be difficult since each Shariah advisory board may well reach different juristic conclusions on the same issue and, even within the same Shariah advisory board, views can differ.

Ensuring Shariah compliance was taken a step further by the enactment of the Syariah Financial

Supervisory Board Order 2006 which established the Syariah Financial Supervisory Board: whose function, among others, is to be: "The authority for the ascertainment of the Laws of Islam for the purposes of Islamic banking business, Takaful business, Islamic financial business, Islamic development financial business." (Section 3).

Another of the board's functions is to consider and approve or reject Islamic banking products submitted to it by the financial institutions (Section 14). To carry out this particular duty, that is, to make a decision whether to accept or to reject an application for approval, the board was made subject to stringent rules and procedure in its methodology to derive relevant Hukum (rules) for this purpose.

Section 12 required that the board must first conform to the Qaul Muktamad (accepted views) of any one of the four Madzhab belonging to Ahlis Sunnah Waljamaah. If the Qaul Muktamad was considered to be contrary to public interest or that there was an absence of guidance on a matter, the board is given wide latitude to decide an issue according to the doctrine of Maslahah.

Despite the establishment of the Syariah Financial Supervisory Board, it is by no means certain that an Islamic bank will achieve the absolute degree of certainty that is required by the Islamic Banking Order 2008 and the Articles of Association of the financial institution for its Islamic banking product at any one time.

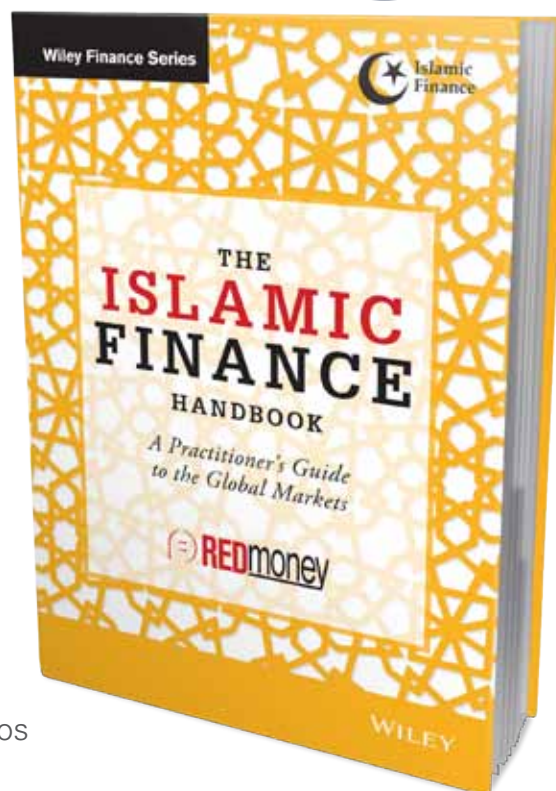
One way to overcome the difficulties would be to opt for more traditionally accepted modes of transaction. In this respect, over the past two years, Islamic financial institutions in Brunei Darussalam have shown an inclination to move away from more traditional forms of Islamic banking products such as, in the case of Brunei Darussalam, the common Al-Bai' Bithaman 'Ajil twin concepts of 'sell-buy' and 're-sell and buy-back'. That this particular product has generated many opponents and few

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proponents is well-documented. Indeed, it is only in Malaysia and Brunei Darussalam that this product is marketed and employed.

The main argument in favor of its use appears to be that the Madzhab Shafi'i considered this type of transaction valid under Shariah contract rules since the Imam Shafi'i held the view that in construing the validity or otherwise of a contract, one must only look at the form and not the substance of the transaction, meaning that the intention of the contracting parties is not an issue here on earth but is a matter for the Almighty One to judge at the end of time.

“The recent moves towards more traditionally accepted concepts have seen the introduction of new products such as Musharakah Mutanaqisah and Musharakah Mutaniqisah”

However, it is questionable whether the Imam Shafi'i ever intended his words to be taken to this end. In his book, Kitab Al-Umm, Imam Shafi'i stated that: "The basis for my position is that if a contract fulfils the Shariah's manifest criteria for validity I will not invalidate it on the basis of presumption or a customary practice between seller and buyer. I approve it by virtue of its apparent validity, but I "detest" that the two of them should have an intention which, if it were made manifest, would spoil the transaction."

A reading of the quote indicates that (i) the Imam Shafi'i would not care to make a guess as to what intention is harbored by a person in a commercial transaction; (ii) Imam Shafi'i would leave the judgment of a person's intention to the Almighty.

Nevertheless, the Imam Shafi'i went further to qualify his views by stating that where the 'intention' is or can be made clear, ie, "when [the intention] is made manifest" the Imam would "detest" it and would invalidate such a transaction, just as the Imam Shafi'i would invalidate a Mut'ah marriage

contract (a temporary marriage not recognized as valid in Sunni Islam) "when [the intention] is made manifest".

Therefore, although it is not possible to invalidate a contract for lack of proof or evidence of an evil intention, where the adverse intention can be proved by sufficient evidence, the Imam Shafi'i would declare the contract invalid.

For example, the OIC Islamic Fiqh Academy approved the concept of Tawarruq in 1998 but made a reversal of its own opinion in 2003 when it declared that the Tawarruq Masrafiyy (organized kind of Tawarruq undertaken by Islamic banks) was Haram but that the Tawarruq Haqiqi (ad hoc Tawarruq) was valid.

As mentioned earlier, the recent moves towards more traditionally accepted concepts have seen the introduction of new products such as Musharakah Mutanaqisah and Musharakah Mutaniqisah for under construction to cater for financing of completed and uncompleted houses respectively, and the use of the concept of Tawarruq for raising liquidity, although as seen above, the OIC Islamic Fiqh Academy has frowned upon the Tawarruq Masrafiyyah model.

If the trend to introduce more acceptable products continues in Brunei Darussalam, this will do well for the Abode of Peace, since the ability to introduce new products necessitates substantial research, establishment of research academies, a ready pool of scholars in relevant fields, importation of foreign expertise to give both scope and depth in knowledge and innovativeness, and last but not least, correct, supportive and proactive political will of the government of Brunei Darussalam.

In this respect, one green field area in urgent and substantive need of development is in the area of Islamic structured financing and derivatives transactions. This may present another chance for Brunei Darussalam to head towards achieving its vision of being a regional Islamic finance hub. Until it is achieved or practiced, these visions are praiseworthy ideas. ☺

Muhd Jamil Abas Abdul 'Ali @ James Chiew is a legal advisor with Abrahams, Davidson & Co. He can be contacted at jameschiew@adcobrunei.com.

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COMPANY PROFILE

WVB Number	OMN00030030
ISIN Number	OM000001418
Status	ACTIVE [PUBLIC]
Country of Incorporation	OMAN
Industry Classification	CEMENT, HYDRAULIC (3241)
Address	RAYSUT ,INDUSTRIAL AREA, PO BOX 1020 PC211, SALALAH
Tel	+968 23219122
Fax	+968 23219291
Website	WWW.RAYSUTCEMENT.COM.OM

Principal Activities

The Company is engaged in the manufacture and sale of Portland cement, sulfur resistant cement, oil well class 'G' cement and Pozzolana well cement.

DIRECTORS/EXECUTIVES

Chairman	AHMED ALAWI ABDULLAH AL IBRAHIM
Chief Executive Officer	MOHAMED AHMED AL DHEEB
Secretary	BABIKER MUSTAFA MOHAMED ELHAJ

ADVISORS

Auditor	KPMG
Law Firm	AHMED AWAD AL SHANFARI

SHARI'A RATING CRITERIA

Parent Activities	Halal
Associated and Subsidiaries Activities	Halal
Debt to Assets Ratio (30%)	31.86
Cash and Interest Bearing Items to Total Assets (30%)	5.87
Cash and Accounts Receivable to Total Assets (30%)	6.17
Non-Shari'a Compliant Revenues of The Company and Its Subsidiaries as % of Total Revenues	0
Non-Shari'a Compliant Revenues of The Company and Its Subsidiaries Plus Interest Income as % of Total Revenues	0.09

WVB CREDIT SCORE

WVB Score	2.73
US Bond Rating Equivalent	C2

Comment

The company indicates a current identifiable vulnerability to default and is dependent upon favorable business, financial and economic conditions to meet timely payment of interest and repayment of principal. In the event of adverse business, financial or economic conditions, it is probable the company will not likely have the capacity to pay interest and/or repay principally. Highly speculative.

FINANCIAL STATEMENTS

Date	31-DEC-10	31-DEC-11	31-DEC-12
Currency	OMR ('000)	OMR ('000)	OMR ('000)
Report Type	C	C	C
INCOME STATEMENT			
Net Sales	64,978	83,813	92,802
Cost of Sales	-25,297	-47,036	-48,273
Selling, General and Administrative Costs	-12,563	-10,026	-9,530
Unusual/Exceptional Items	-109	-493	-437
Earnings Before Interest, Tax and Depreciation (EBITDA)	27,501	27,107	36,460
Earnings Before Interest and Tax (EBIT)	23,017	20,612	29,953
Net Interest	-9	-2,793	-2,189
Islamic Compliant Income			
Earnings Before Tax	23,533	17,041	26,997
Income Taxes	-2,811	-2,092	-2,464
Net Profit	20,722	14,949	24,533
ASSETS			
Cash and Equivalent	5,738	3,932	4,160

IFSA: Charting the future direction for Islamic finance

The new Islamic Financial Services Act 2013 charts a new direction for the Malaysian Islamic banking industry, as it attempts to bring the industry back in line with original goals of Shariah and move away from the mimicking of conventional products. M MAHBUBI ALI and DR SYAHIDA ABDULLAH take us through the details of the new regulations.

Islamic financial products have evolved and developed considerably from simple and straightforward structures to highly sophisticated and multifaceted instruments, particularly over the last decade. During the 1980s and 1990s, Islamic financial institution products and services were dominated by deposit and savings products, syndicated project financing, and Shariah compliant stock market indices and mutual funds.

The last decade has witnessed the unveiling of more complicated structures, including various Sukuk models, derivatives, Islamic structured products, Islamic hedge fund, and others. Most, though not all, of them are reverse-engineered replications of conventional products, splicing together nominated contracts from the Islamic Fiqh legacy with a few modifications to satisfy legal requirements and achieve 'Shariah compliance'.

“A complete overarching conformance to Shariah principles is critical for greater financial stability and sustainability”

The fact that almost all Islamic financial products merely mimic their conventional counterparts challenges the claims of Islamic banking proponents that Islamic finance offers a genuine alternative to conventional finance. As a result of the current prevalent trend, the prospects that Islamic financial institutions can offer solutions to the economic problems caused by conventional finance are dimming. In fact, it has the potential to pose similar

economic problems and provoke financial turmoil in the future.

Realizing that Shariah compliance is the backbone of the Islamic finance industry and that the industry should move forward from the current prevalent trend, the Islamic Financial Services Act 2013 (IFSA) was gazetted on the 22nd March 2013 and came into force by the 30th June 2013. The IFSA 2013 amalgamates the Banking and Financial Institutions Act 1989 (BAFIA), Islamic Banking Act 1983, Insurance Act 1996 (IA), Takaful Act 1984, Payment Systems Act 2003 and Exchange Control Act 1953.

The new act attempts to provide a comprehensive regulation and supervision for Islamic financial institutions under Bank Negara Malaysia's purview towards achieving greater Shariah compliance in a complete value chain. A complete overarching conformance to Shariah principles is critical for greater financial stability and sustainability.

The IFSA represented a significant milestone in the development of Islamic finance industry in Malaysia, where the Shariah aspect is viewed as the most important ingredient in Islamic financial institutions. Failure of an Islamic financial institution to adhere to the Shariah compliance requirements will subject it to criminal and civil penalties in the form of the imprisonment of its executives and financial penalties. This strong stand is understood since the regulators regarded Shariah compliance as the main device to attain a clear demarcation between Islamic finance and conventional finance.

Another important feature of IFSA is the clause for clear distinction and separation between Islamic deposit and Islamic investment product classification in the Islamic banks' liability side. Under the IFSA, all existing Islamic deposits under current account, savings account (CASA) and term deposits which use Mudarabah and Wakalah contracts should now be classified as investment

accounts, and no longer as normal deposit accounts.

This new classification will result in two implications for Islamic banks: Firstly, as the Mudarabah-based products are placed under investment accounts, they will no longer have the protection of the Malaysian Deposit Insurance Corporation (PIDM). Secondly, as the nature of investment, the customer shall bear the risk of losses; although at the same time they have the potential to get a higher return.

“ The IFSA clearly aims to seek the differentiation point between Islamic financial products and conventional products. It is also interesting to note that the IFSA has paved the Islamic finance industry towards the realization of ‘risk-sharing’ as the main tenet of Islamic finance ”

According to the Shariah, any investment activities must be accompanied by risk to justify profit. In this sense, the risk in Mudarabah has to be shared between the parties involved in the contract; capital cannot be guaranteed by the banks. In the present

scenario, prior to the introduction of IFSA, the Islamic banks indirectly guaranteed the capital so as to mitigate the customers’ risk besides investing in low risk instruments, practising profit equalization ratios, providing gifts or Hibah, and insuring the customers deposit via the PIDM. Therefore, in the available structure, the Mudarabah is categorized as a ‘deposit’, rather than an ‘investments’.

On the asset side, the act clearly draws a distinction between the features of Islamic contracts which are applicable for financing activities into sale-based financing (which include Murabahah and Ijarah), equity-based (which include Mudarabah and Musharakah) and fee-based contracts (which include Wakalah and Kafalah).

With the new categorization of Shariah contracts in the IFSA, the contracts can be applied based on their unique natures and features. The IFSA clearly aims to seek the differentiation point between Islamic financial products and conventional products. It is also interesting to note that the IFSA has paved the Islamic finance industry towards the realization of ‘risk-sharing’ as the main tenet of Islamic finance. The promotion of risk-sharing is hoped to be augmented with the dissemination of true Islamic finance principles through awareness campaigns to the customers.

The views and opinions expressed in this article are those of the authors and do not necessarily reflect the official policy or position of ISRA and should not be attributed to it. (2)

M Mahbubi Ali and Dr Syahidah Abdullah are researchers at International Shari’ah Research Academy for Islamic Finance (ISRA) Malaysia. They can be contacted at mahbubi@isra.my and syahidah@isra.my respectively.

Hong Kong: The next Sukuk destination?

Having passed its Sukuk bill in March 2014, Hong Kong has positioned itself among the various sovereigns looking to issue Sukuk this year. In light of the numerous announcements made, the administration seems to be the most efficient and steadfast in moving towards its inaugural Sukuk. With strong support from the Hong Kong Monetary Authority and a specific timeframe for its debut, Hong Kong appears to offer an attractive value proposition as a Sukuk hub. Could it be a leading player in the global Sukuk market? Islamic Finance *news* explores.

Over the past several months, Hong Kong has successfully demonstrated its commitment to a sovereign Sukuk issuance. Having first announced it in the second half of last year, the administration last month passed a bill allowing for the issuance to be made by the Hong Kong Monetary Authority (HKMA) under the territory's Government Bond Program. The Sukuk are expected to be issued in September this year at an estimated amount of between US\$500 million to US\$1 billion with a tenor of five years.

Exploring the significance of the issuance in the industry, Islamic Finance *news* spoke to Davide Barzilai, a partner at Norton Rose and Fulbright in Hong Kong, for a bigger picture. "I am confident that this is an achievable and realistic deadline and expected amount," commented Barzilai on the timeframe given to prepare for the Sukuk issuance. Should the issuance be launched on time, ahead of other countries on the same path, such as Ireland and the UK, Hong Kong will be the first non-Muslim country to issue a sovereign Islamic paper.

Hong Kong, as a 'AAA'-rated government, is well-placed to assist in addressing the shortage of highly rated Sukuk papers. Industry observers have indicated that the international debentures should be well-received by investors and will mark a significant milestone in the industry. Echoing the same sentiments, Barzilai pointed out that this will also be another step in the internationalization of Sukuk as a product type.

"With the tax framework for Sukuk in place, Hong Kong's financial platform is ready for a Sukuk issuance. We highly welcome local and overseas entities to make use of Hong Kong's platform to issue Sukuk," said Peter Pang, the deputy CEO of the HKMA, conveying his keenness and optimism on the issuance.

According to Barzilai, the administration's has a vibrant and strong debt capital market with a big growth story as China relaxes restrictions on Chinese companies accessing debt in the overseas

markets. "There is a potential for Hong Kong to become a vibrant international Sukuk market in Asia. Outside of the local Malaysia Sukuk market, there is no reason why Hong Kong could not develop a stronger base as a Sukuk issuance market," asserted Barzilai.

“ There is a potential for Hong Kong to become a vibrant international Sukuk market in Asia. Outside of the local Malaysia Sukuk market, there is no reason why Hong Kong could not develop a stronger base as a Sukuk issuance market ”

Some have indicated that the Sukuk issuance could possibly open the floodgates to China-based corporate renminbi Sukuk issuers seeking international investors. Having a differing stance, Barzilai opined: "I do not think there are floodgates waiting to be opened in the China market. Sukuk will be a niche product of interest to certain types of issuers and in relation to certain types of situations, such as a company wishing to raise its profile in the Islamic or Gulf markets."

Taking into account the positive reactions from the industry towards Hong Kong's sovereign Sukuk, it is safe to say that Hong Kong might just be the next favorite for Shariah compliant issuers. With eyes on Asia, the sovereign issuance may entice other leading companies to tap the liquidity of Islamic markets, creating a stable platform and growth story for Hong Kong to play a leading role as an Islamic capital markets center. (2)



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A new dawn for Islamic finance in South Korea?

Despite a slow start for the country's Islamic finance aspirations amid strong resistance from domestic religious groups, a new economic push and an ambitious vision from the ruling authorities suggest that a change could be coming to South Korea. Could this open the door for a greater investment in Islamic opportunities? YONG-JAE CHANG investigates the possibilities.

On the 25th February 2014, South Korean president Park Geun-hye announced a new push for the economy which aims to reduce the country's heavy reliance on manufacturing and exports as this old growth model would not provide a solution to the country's economic challenges. President Park said that South Korea had "no future" without a major re-engineering of the economy.

At the heart of the policy package was the Three-Year Plan, which includes deregulation aimed at cutting the red tape that has restrained five key service industries — healthcare, education, finance, tourism and software.

“Deregulation is certainly not an easy issue to tackle in South Korea. As in many countries, it usually involves not only rules but also long-held practices and interest groups”

"We have to make a fresh start," the president said in a nationally televised address. "I will boldly remove regulations that remain the biggest stumbling block to investment."

However, it still remains unclear as to whether the concept of Islamic finance would be revisited with a view to introducing a tax bill that would provide a preferred tax position for Sukuk issuances (such as a waiver of stamp duty).

Deregulation is certainly not an easy issue to tackle in South Korea. As in many countries, it usually involves not only rules but also long-held practices and interest groups.

About three years ago, a bill was re-introduced for the third time (in February 2011) to amend the Special Tax Treatment Control Act (STTCA) by the South Korean government and it contained provisions which would neutralize the existing unfavorable tax treatment on the transfer of underlying assets for Sukuk transactions.

Unfortunately, it was suspended indefinitely by the Korean National Assembly due to the strong opposition from Korean Christian groups who had lobbied strongly against the bill previously. Since then, no formal attempt has been made by the South Korean government — compared to Japan, Singapore, Hong Kong and Australia, who have all been trying to adopt and embrace Islamic finance.

Yet, there have been some positive developments from South Korea towards Islamic finance, as follows:

1. In January 2013, the South Korea Institute for International Economic Policy (KIEP), a government think-tank, established the Islamic finance forum and invited representatives from banking and financial institutions (including Standard Chartered and Korea Eximbank), accounting firms and law firms and other consulting firms and professors from various universities.
2. During the second half of 2013, a government official from the Ministry of Land, Infrastructure and Transport joined the Islamic finance forum. It has been meeting on a monthly basis to actively discuss various aspects of Islamic finance and relevant developments in the MENA region and Malaysia with great interest. In late November, it also held the inaugural seminar on Islamic finance which was also well attended. KIEP has also published a couple of research publications on Islamic finance with a particular focus on Islamic project finance and Sukuk.
3. In June 2013, the Korea Federation of Banks (KFB) organized a training course on Islamic

finance in collaboration with Qatar Central Bank (QCB). The course explained the principles and contracts of Islamic finance, the licensing systems and discussed case studies on Islamic financial products.

“ It was the first time that South Korean bankers had been given training in Islamic finance in the Middle East ”

4. Ten banking executives from six financial institutions in South Korea (that are members of KFB) participated in the training course in Doha, Qatar. It was the first time that South Korean bankers had been given training in Islamic finance in the Middle East. It was intended to enhance the understanding of Islamic finance and move closer to introducing Islamic finance so that it could be applied in South Korea.
5. The training was part of an agreement signed by QCB and the Middle East-Korea Financial

Co-operation delegation (of 50 people from financial supervisory authorities and banking and financial institutions from South Korea) led by Kim Jong-hoon, the head of the Korean National Action Plan Committee, in January 2013. The agreement stated that QCB would provide training on Islamic finance to South Korean bank officials. The trainees had a closer look at the financial industry in the Middle East, including Qatar, relevant licensing systems, the main principles of Islamic finance, basic contracts and case studies on Islamic financial products.

6. This training was timely as a couple of leading Korean banks, such as Korea Exchange Bank and Korea Development, have also opened offices in Abu Dhabi and Dubai in UAE in 2013.

It goes without saying that South Korea must continue to find ways to develop closer ties with Islamic banking and finance and this could become a new area of economic opportunities which the country could take advantage of. It is hoped that the efforts from KIEP and KFB will pave the way for another attempt to introduce a bill to amend STTCA in not too distant future. (2)

Yong-Jae Chang is a partner at Lee & Ko. He can be contacted at yongjae.chang@leeko.com.

Islamic finance development in China

China, with its fast economic boom and reforming policies, has attracted global attention especially since its accession to the World Trade Organization (WTO) in 2001. The country already plays a principal investment role in Asia for the international market, and with Middle East relations closely tied in with energy production, DR WANG YONGBAO @ AHMED MUSA explores how China is gradually becoming more involved in Islamic finance as well.

Hong Kong, with its special position as an international financial center, a bridge linking mainland China and a zone of freedom of religion and government support, has expedited the development of Islamic finance in China.

In 2007, the Hong Kong government proposed to establish itself as an Islamic financial center and in 2008-09 also proposed including Sukuk transactions in the traditional financial system. Other aspects discussed include reviewing tax issues and establishing an Islamic financial regulatory system and related facilities.

In 2008, Malaysia's Hong Leong Bank was officially permitted to establish windows for Islamic finance operations and became the first financial institution in Hong Kong to provide Islamic banking services to both Muslims and non-Muslims.

HSBC has also been approved to become the first financial institution to sell Sukuk in Hong Kong. The bank however lacks the domestic market, competitive industries and professionals who can manage Islamic finance.

Recently, the Hong Kong government decided to further the development of Islamic finance; as evidenced by its critical decision to amend related tax laws and regulations in order to provide a fair competitive environment to suit Islamic finance.

In July 2013, the Hong Kong Legislative Council passed the Bill to amend 'IRO' and 'stamp duty' for Sukuk trading. On the 10th January, the Hong Kong Borrowing (Amendment) Bill-2014 was gazetted and submitted to the council on the 22nd January for its first reading to further promote the development of the Sukuk market in Hong Kong.

In mainland China, a proposal to develop Islamic finance was made during the Political Consultative Conference in March 2009, to explore the relevant rules and regulations required to facilitate the development of Islamic finance. In the same year,

China became an associate member of the Islamic Financial Services Board (IFSB). Ningxia Hui (Muslim) Autonomous Region became the first area to field an Islamic finance pilot. However, due to variety of reasons, the Ningxia Islamic Banking pilot was stopped after three years.

“ In 2013, China's State Council approved Ningxia as an economic experimental zone for inland development, which was basically a green light to introduce Islamic finance in the zone ”

In 2012, the Ningxia government applied for the establishment of the 'Islamic financial center' and 'financial openness policy'. However, these were not approved by the State Council. Compared with the slow development of Islamic finance from the domestic side, foreign Islamic financial institutions have processed the related layouts in China mainland.

In 2006, the Malaysian subsidiary of Kuwait Finance House successfully issued the first Sukuk in mainland China, investing primarily in building Chinese power equipments. In 2007, Hong Leong Bank subscribed for 650 million new shares of Chengdu Commercial Bank and became the latter's foreign strategic partner.

In 2008, Malaysia's CIMB Bank purchased 19.99% of China Yingkou Bank shares and became its largest shareholder. Nevertheless, in 2013, China's State Council approved Ningxia as an economic experimental zone for inland development, which



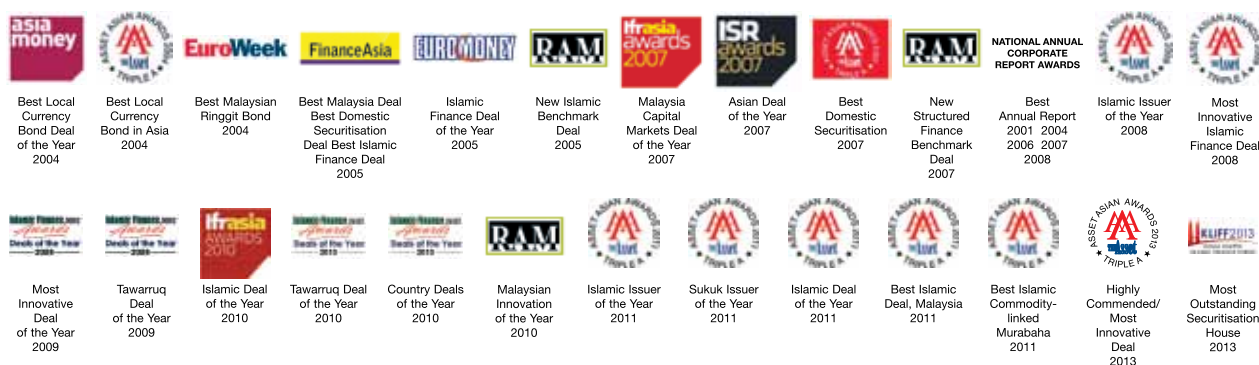
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was basically a green light to introduce Islamic finance in the zone.

“ China should learn from either Muslim or non-Muslim countries that have good experiences in developing Islamic finance, for example Malaysia and the UK, to facilitate the development of Islamic finance in China ”

To explore the feasibility of developing Islamic finance in mainland China, we must consider:

- (i) The demands of the market. China has a population of 1.3 billion of which 23 million are Muslims.
- (ii) China's strategies of 'opening to the west' and 'the Silk Road economic zone' becoming a new focus of China's cooperation with foreign nations including Muslim countries. This concept will turn the trend of Middle East countries to 'look East', mainly China, through multilateral cooperation in diversified form of a new world wealth zone.
- (iii) The complexity of the policy environment. In fact, the openness of the financial system in China is not enough in terms of market access, due to the nature of Islamic finance leaving certain sensitive regulatory issues to be handled slowly and carefully by China regulators. This is a reason

why there has not been an Islamic bank opened domestically or internationally by China until now. In terms of business access, the prohibition of Riba (interest) and the concept of risk-sharing in Islamic finance cannot be applied to China's current financial regulatory system and tax laws and financial system.

In order to successfully develop Islamic finance in China, it might be suggested that:

- (i) China has a vast domestic Islamic finance market; therefore opening up the domestic market should mainly be focused on provinces with Muslim-centralized distribution. Regarding the Muslim population in relatively smaller provinces, especially the economically developed financial development of the eastern region, the introduction of Islamic funds should be a long-term investment, or these will move towards Muslim countries, focusing on the establishment of external links with international Islamic financial institutions.
- (ii) China should learn from either Muslim or non-Muslim countries that have good experiences in developing Islamic finance, for example Malaysia and the UK, to facilitate the development of Islamic finance in China.
- (iii) China must enhance and strengthen the political, economic and cultural exchanges with Muslim countries, thus through the establishment of friendly relations and mutual trust, international Islamic funds will become a long-term investment possibility in China. ☺

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New global Sukuk issuances to reach up to US\$140 billion this year, says RAM

The deputy CEO of RAM, Promod Dass, speaking at a recent interview in Dubai, revealed projections that new global Sukuk issuances could reach US\$130-140 billion this year. Sharing his views on the global Sukuk market, Dass said: "We are likely to see more Sukuk being issued to support infrastructure development in Malaysia and the GCC, as well as issuances by sovereigns. Our estimate also takes into account the healthy growth of corporate Sukuk issuance in Malaysia."

He opined that on the back of Malaysia's strong Sukuk market and Dubai's vision of becoming an Islamic economy, both states should seize the opportunity to collaborate together in developing the Islamic finance industry on a global scale. "Dubai and Malaysia are gateways to the respective Middle East and North Africa and ASEAN regions, and there is vast potential for cross-border transactions," he highlighted.

May 2014

VCBank acquires Byrne Investment in a bid to diversify its portfolio

Bahrain-based Shariah compliant Venture Capital Bank (VCBank) together with Saudi Arabia's car rental and leasing company, Hanco, has successfully acquired Byrne Investment and its subsidiaries (Byrne Equipment Rental and Spacemaker) in a AED600 million (US\$163.32 million) deal.

According to Abdullatif Mohamed Janahi, board member and CEO of VCBank, the acquisition is in line with the bank's strategy and future direction. "This acquisition will surely add value to VCBank's investment portfolio which the bank seeks to diversify industrially

and geographically. It adheres to VCBank's strategy which is designed to generate consistent superior returns with reasonable risk from high-quality, rigorously-investigated, efficiently-structured and well-managed investment opportunities," he explained.

May 2014

Azerbaijan poised for growth

In response to the raised minimum capital level of banks to AZN50 million (US\$63.71 million) effective the 1st January 2015, Ayhan Baltaci, an attorney at law at Bereket & Baltaci, told Islamic Finance *news*: "It is clear that in addition to increasing the minimum capital level, the more effective changes in the enforcements laws and improvements in the regulations regarding bonds, checks and pledges will help strengthening the banking industry in Azerbaijan."

May 2014

Focus on Islamic money market

A specialized industry seminar on Islamic capital and money market was held on the sidelines of The International Islamic Financial Market (IIFM) 30th board of directors meeting in Indonesia, during which the IIFM Board made the decision to widen IIFM's scope towards standardization of trade finance and corporate finance contracts.

May 2014

DAB-Harakat collaboration

Da Afghanistan Bank (DAB) have signed an agreement with Harakat-Afghanistan Investment Climate Facility Organization through which the two entities will undertake a year-long project (funded by Harakat) to promote Islamic banking in the country. The US\$1.18 million initiative, known as the Shariah Compliant Project, will draft a legal base policy and

regulatory framework for Islamic banking as well as produce necessary guidance, auditing procedures and code of conducts among others.

May 2014

Turkey calls for liberalized trade

The OIC trade preferential system has been highlighted as a crucial step in liberalizing trade and mitigating barriers for customs among OIC member countries by Abdullah Gul, the president of Turkey in his opening statement to the 30th meeting of the OIC. Despite the increase in the number of preferential trade agreements to 253 in 2013, the system has not yet been implemented. Islamic finance was also emphasized as a tool for financial cooperation between OIC member states.

May 2014

Etika Sukuk in May?

Etika Takaful plans to issue its proposed maiden Sukuk program as early as this month to fund general business operations, working capital and other purposes, reported Reuters. The RM300 million (US\$92.08 million) Musharakah issue, rated 'AA1' by RAM, will be a one-off transaction categorized as a liability. It carries a 10-year tenor and a non-call provision in the first five years. Maybank Investment Bank is the transaction's advisor.

May 2014

New identities for AMMB and MetLife

Two insurance brand names have been launched as a culmination of the strategic partnership between AMMB Holdings and MetLife. The new brands: AmMetLife Takaful and AmMetLife, is a result of the RM812 million (US\$249.22 million) stock purchase agreement concluded last month.

May 2014

Our values stand on
established foundations

Because what matters to you,
is important to us



**“Sedikit-sedikit
lama-lama jadi bukit”**

Industry figures for Malaysia

The Malaysian Islamic capital market is worth RM1.5 trillion (US\$459.63 billion), following an 8.8% growth from 2013, according to Nik Ramlah Mahmood, the deputy CEO of Securities Commission Malaysia. Nik also said that 71% of companies listed on Bursa Malaysia are considered Shariah compliant. With regards to the country's RM97.5 billion (US\$29.88 billion) Islamic fund management industry, RM42 billion (US\$12.87 billion) is accounted for by Shariah compliant unit trust funds which registered a 21% growth last year.

May 2014

PIDM's Takaful funds grow

At the end of 2013, the Deposit Insurance Corporation Malaysia (PIDM) reported a 29% increase in Islamic deposit insurance funds (DIF) to RM107.4 million (US\$32.96 million) while conventional DIF were up 23.8% to RM660.9 million (US\$202.84 million). Total Takaful and Insurance Benefits Protection Funds as at the end of last year recorded a 6.2% increase to RM1.15 billion (US\$352.96 million) while the General Takaful Protection Fund and Family Solidarity Takaful Protection Fund grew by 58.5% and 55.8% respectively. The PIDM, which received approval from the minister of finance to gradually increase the premium rates assessed on member banks from 2013, is eyeing a 14.5% growth in total protection funds to RM2.2 billion (US\$675.22 million) by the end of 2014.

May 2014

Islamic banking moving towards ethical banking

Islamic banking is only a part of a larger move towards ethical banking, Tirad Mahmoud, CEO of Abu Dhabi Islamic Bank (ADIB), has said in an interview with CNBC. Tirad believes that the banking industry will see a convergence

between conventional and ethical banking driven by the needs of the consumer and the regulators.

May 2014

Sukuk sales surge in April

Global Sukuk sales in April almost doubled from the previous month to reach US\$6.1 billion, the most since September, according to Bloomberg data. The surge is said to set the precedence for a record year as Middle East issuers look to finance infrastructure project and Malaysian firms capitalize on falling borrowing costs to restructure debt.

Angus Salim Amran, the head of financial markets of RHB Investment Bank, predicts that issuances from Malaysia and the GCC will increase to US\$66 billion this year. The bank apparently has received strong interest from potential North Asian issuers in tapping the market very soon. Sukuk offerings have reached US\$17.2 billion so far this year, a 12% year-on-year improvement.

May 2014

New Modaraba guidelines to be circulated

The Securities and Exchange Commission of Pakistan (SECP) has finalized new risk management guidelines for Modarabas (known as Mudarabah in IFN pages) in Pakistan, with the aim of introducing the new guidelines later this year. The guidelines, which will be circulated soon for implementation, will broadly cover risks associated with Mudarabah, Musharakah, Murabahah, Salam and Istisnah contracts as well as risk associated with Shariah non-compliance.

May 2014

Special resolutions approved

Approval has been passed on the Special Circular Resolutions of the Al-'Aqar Capital RM1 billion (US\$307.73 million) Sukuk Ijarah

program, following agreement by all classes of Sukukholders. The resolutions passed include the approval to waive the required notice period for special resolutions, approval of an extension of six months for the partial early redemption of class C Sukuk Ijarah and approval for Maybank Investment Bank to implement the special resolutions without further reference to the Sukukholders.

May 2014

Significant Takaful signing

The signing of a partnership between Ambank and US insurer Metlife was witnessed by US president Barack Obama on his recent visit to Malaysia. Metlife has purchased shares in AmLife and AmTakaful, with its investment of almost US\$250 million, the first by a US company in the Malaysian Takaful market.

May 2014

ICD signs agreement

The Islamic Corporation for the Development of the Private Sector (ICD) has signed an agreement with Malaysia's PMB Tijari, a new subsidiary of Pelaburan MARA. Through the accord, ICD now controls about one-third of PMB Tijari's equities. PMB Tijari's primary focus is in the commercial sector of the Islamic financial services.

May 2014

Garuda chooses Islamic financing

Flag carrier Garuda Indonesia has procured a Musharakah financing facility from Bank Internasional Indonesia (BII) which is 97.4% owned by Malaysia's Maybank. The US\$100 million facility is said to be the largest bilateral Shariah compliant financing in Indonesia. It will be utilized to support Garuda's business expansion and operations.

May 2014



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PMB Tijari (*Islamic financial services*)

PMB Assets (*real estate investment*)

PMB Consulting (*corporate advisory services*)

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SAC reviews Shariah standards

The Shariah Advisory Council of Bank Negara Malaysia (SAC), during its 146th meeting on the 29th April, discussed on issues relating to the Shariah Standard on Tawarruq, and concluded that the arrangement of 'dual agency' in Tawarruq must be supported by proper evidence of Murabahah transaction between the principal and the agent. According to the view of the SAC, Hiwalah Al Dayn (transfer of debt to third party) releases the buyer's obligation to settle the debt arising from Murabahah under the Tawarruq arrangement. The SAC also endorsed the Shariah Standard on Musharakah and revised certain provisions of the Shariah Standard on Mudarabah.

May 2014

HKMA to assist in Sukuk issue

The Hong Kong Monetary Authority (HKMA) reportedly affirmed its commitment to assist the Hong Kong government in issuing Sukuk, slated to be offered in the second half of the year. The issuance, planned to be in the size of US\$500 million to US\$1 billion, is expected by industry insiders to be tradable within five years at longest.

May 2014

International Islamic finance links

The finance element of the Al-Kindi program run by the British University in Dubai as part of a visit by 18 postgraduate students from Sri Dharmasthala Manjunatheshwara Institute for Management Development in Mysore, India, was praised for its clear introduction to the tenets of Islamic finance. The academic program ran from the 29th March to the 7th April and included talks from Islamic finance professionals and

a visit to the Dubai International Financial Center.

May 2014

Maybank Ageas eyes growth

The parent company of Etiqa Insurance and Takaful, Maybank Ageas, is looking to grow its total premium for 2014 to RM5.4 billion (US\$1.65 billion) from last year's RM4.8 billion (US\$1.47 billion), supported by operational and business expansion, according to CEO Kamaludin Ahmad.

The operator, which expanded to Singapore early this year, is looking to extend its market reach to include Indonesia and the Philippines where Maybank Group has established footing. Apart from growing its market share in the fire insurance segment, Maybank Ageas also plans to launch more investment-linked, retirement and endowment products this year.

April 2014

BNM issuance plan

Bank Negara Malaysia is planning six Islamic issuances for the first half of May with amounts ranging between RM200 million (US\$61.3 million) to RM3 billion (US\$919.54 million).

April 2014

MBSB in good position

Malaysia Building Society (MBSB), which offers Islamic financing, has achieved an 80% compliance of best industry practices and Bank Negara Malaysia guidelines, according to chief financial officer Tang Yow Sai. The exempt finance company targets to achieve the remaining 20% within the next year or two; and while the company has previously announced its intention to convert into a fully-fledged bank, Tang clarified that a full compliance with the central bank guidelines does not render it a fully-fledged bank unless a shareholder approval is obtained. MBSB president and

CEO has said that the firm does not need to be involved in any mergers and acquisitions in order to be a standalone bank and will seek a banking licence if the company decides to go forward with the plan.

April 2014

World Bank branch in Malaysia

World Bank has stated its intention of opening a branch in Malaysia in order to learn and gain experience in developing an Islamic financial system, according to Malaysian prime minister, Najib Abdul Razak.

Najib also said that Malaysia has maintained its position as the leader in the international Sukuk market, with 68.8% of global Sukuk issuances being made in the country in 2013, totaling more than RM266 billion (US\$82.04 billion). Transactions involving foreign exchange managed by international Islamic banks and Islamic bank assets have also grown, with foreign exchange transactions increasing to RM18.1 billion (US\$5.58 billion) and Islamic banking assets obtaining a 25.7% market share of total banking system assets in 2013, an increase of 16.5%.

April 2014

IFSB implements a new standard for IIFS

During its 24th Meeting in Brunei on the 27th March, the Council of the Islamic Financial Services Board (IFSB) passed two resolutions: the adoption of a new standard and the admission of Bank of Korea as an associate member. The new standard, known as IFSB-16, is the Revised Guidance on Key Elements in the Supervisory Review Process of Institutions Offering Islamic Financial Services, which excludes Takaful institutions and Islamic collective investment schemes.

April 2014

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IDB opens office in KL

The IDB, which received a license in February to open an office in Malaysia, has hired two traders and will act as an intermediary for business between Asia and the Middle East. In its effort to encourage trading in Islamic products, the multilateral financier will begin offering Shariah compliant investment products in Kuala Lumpur, with a particular focus on money market instruments, foreign exchange and Sukuk, reported Bloomberg.

April 2014

New agreements for the ICD

ICD, the private finance arm of the IDB, has announced the signing of an MoU with the Free Zone Authority of Nouadhibou, aimed at establishing a framework to continue the work begun by the two parties, in developing the private sector in Mauritania. The ICD also signed an MoU with the Bank of Tokyo Mitsubishi UFJ supporting the companies' commitment to work together to further the development of Islamic finance and support customers' needs in Malaysia, Asia and the Middle East.

April 2014

Thais need to study Islamic way of life

The people of Thailand need to familiarize themselves with the Muslim way of life in order to boost the kingdom's appeal to Islamic investors who are increasingly looking to the region for investment, Islamic Bank of Thailand's manager, Abidin Wunkwan, has been quoted saying. According to Abidin, Muslim investors have already poured investment into neighboring Cambodia, and Thailand, who is working to becoming a Halal medical hub amid stiff competition from Malaysia, could potentially act as a destination for such investments as well.

April 2014

Malaysia dominates Sukuk market

Over 40% of global Sukuk issuance in 2013 was short-term ringgit-denominated Sukuk issued by Malaysia's central bank, Bank Negara Malaysia, according to a recent report by S&P, with only 16% of international Sukuk issuances in 2013 issued in global currencies and listed on major exchanges. Since 2001 only approximately 20 international Sukuk from issuers domiciled outside the GCC or Malaysia have been recognized by the ratings agency, at a total of around US\$10 billion.

Malaysia's Sukuk market is the strongest and local currency issues continue to dominate the market, surpassing issuances made in global currencies, such as the US dollar. Interest in Sukuk has increased outside traditional markets however, and S&P have stated that it expects the cost of Sukuk issuance to decrease as documentation becomes more standardized and liquidity stronger.

April 2014

Affin looks to China

Affin Bank is still keen on a long standing proposal to establish an Islamic bank in China, in partnership with Hong Kong-listed Bank of East Asia (BEA) which is also Affin's second-largest shareholder with a 23.5% stake, according to Affin's deputy chairman Lodin Wok Kamaruddin. Previous reports indicate that Affin intended to penetrate the Muslim-majority areas of northwestern China, where BEA has a branch in Urumqi.

Affin Holdings recently announced its intention to tap institutional money from Malaysia's Employees Provident Fund and Kumpulan Wang Persaraan through its alliance with Japanese brokerage Daiwa Securities Group. The collaboration will see the co-branding between Affin Investment

Bank and Daiwa as well as the distribution of research reports produced by the Malaysian bank to Daiwa's international client base.

April 2014

PSE revises list

The Philippine Stock Exchange (PSE) has updated its list of Shariah compliant securities to 61 out of 259, an increase from 47 listed last December. A quarterly review by the exchange saw the exit of 12 companies and admission of another 25 entities to the list including ATN Holdings, which had its 'A' and 'B' shares counted as one in the previous list, separated in the updated list.

April 2014

Baby boom to boost Islamic finance

The next four years, until 2018, will see the customer base of the Islamic finance industry grow to over 70 million customers, from 38 million last year, and this will contribute to a doubling in Shariah compliant banking assets to US\$3.4 trillion, predicts EY. This expansion is attributed to a growing bankable population due to a global Muslim population growth rate which is anticipated to be more than twice the pace of non-Muslims through 2030, as indicated by 2011 figures by Pew Research Center.

April 2014

India to trade Sukuk

The Securities and Exchange Board of India (SEBI) has begun consultation with stakeholders on its plan to launch trading in a minimum of four new categories of debt including: Sukuk, municipal bonds, covered bonds and bonds issued by cooperative societies. Looking to execute its plan this financial year, SEBI is currently studying the framework for such bonds for the domestic market.

April 2014

A photograph of a silver laptop on a wooden desk. A black microphone on a stand is positioned to the left of the laptop. The laptop screen is black and displays white text. The background is blurred, showing people in a classroom or meeting setting.

Our comprehensive programs will equip you
with detailed knowledge of Islamic finance
and products, delivered by recognized
experts in their respective fields.

Kazakhstan and Bahrain join hands

The governments of Bahrain and Kazakhstan have expressed interest in cooperating to promote Islamic banking in Kazakhstan in addition to enhancing bilateral partnership in investment, trade, agriculture, education, culture and science.

April 2014

PNB and Inspire Corp launch Japan's first Halal fund

Japan's first Shariah compliant fund has been established by Malaysian state-owned fund manager Permodalan Nasional (PNB) and Japanese investment firm Inspire Corp. The fund, which has been instituted to aid small and medium companies in Japan to do business in Islamic countries, has an initial funding of JPY4.95 billion (US\$48.66 million) which is expected to grow to JPY6 billion (US\$59 million) by the end of the year.

April 2014

JBIC may tap ringgit Sukuk market

Japan Bank for International Cooperation (JBIC) is contemplating its entry into the Malaysian ringgit debt market this year, and may consider the sale of Sukuk to do so depending on market conditions and pricing, according to Tatsuhiko Takesada, the bank's executive officer for Asia Pacific.

April 2014

New ISF working group

Iyad Ameen Madani, the secretary-general of OIC, has called for the establishment of a work group formed of members of the Islamic Solidarity Fund (ISF) Council, the OIC General Secretariat and its affiliated bodies to identify projects for the ISF, which between 1974 and 2013 has built 2,418 projects in 130 countries at a cost of US\$207 million.

April 2014

D-8 to discuss Islamic finance

Islamic finance is an area of focus for the Developing Eight (D-8) Countries' Central Banks Experts Meeting, hosted by the State Bank of Pakistan on the 21st April. D-8 is an organization for cooperation among eight developing nations: Bangladesh, Egypt, Indonesia, Iran, Malaysia, Nigeria, Pakistan and Turkey. Other topics of discussions include financial inclusion and branchless banking.

April 2014

Harmonizing Halal products

A proposal has been submitted to the IDB and Muslim World League to reconcile Halal organizations under one umbrella in a bid to consolidate products and increase consumer confidence, confirmed Fahad Al Rashid, the Saudi envoy to Kuala Lumpur, during the World Halal Week 2014. The event also saw both Malaysia and Saudi Arabia calling for enhanced cooperation between the two nations in developing the Halal industry in light of increasing trade exchange between them, which currently stands at approximately SAR12 billion (US\$3.2 billion), as well as growing popularity for Saudi products among Malaysians.

April 2014

Islamic banking assets worth US\$1.3 trillion

The consolidated assets of Arab banks reached US\$3 trillion at the end of 2013, according to the Union of Arab Banks with Islamic banking accounting for US\$1.3 trillion of the total assets.

April 2014

Besraya Eastern Extension

The Besraya Eastern Extension, a 12.3km highway funded by Besraya's RM700 million (US\$215.33 million) Sukuk Mudarabah has been completed and opened for public use this month, with one month of toll-free

passage. The Sukuk was granted an 'AA3' rating by RAM Ratings, with the rating agency's focus now shifting to overall traffic usage and toll revenue as markers for the continued rating of the issuance.

April 2014

Bruneian village leaders covered

The Ministry of Home Affairs has signed an agreement with Takaful Brunei Am, which will see the provision of Takaful cluster self-accidents and financial coverage to local village chiefs as part of the ministry's initiative in safeguarding the welfare of local village and longhouse leaders.

April 2014

Bank Islam still keen on Indonesia

Despite failed attempts previously, Malaysia's Bank Islam has recently reaffirmed its interest in tapping the Indonesia Islamic banking market as the bank is keen on the potential of Shariah compliant banking in the Muslim nation, which is currently underserved, according to managing director Zukri Samat.

April 2014

Indonesia needs overhaul

The development strategy for Indonesia's Islamic finance sector is in need of a re-evaluation, according to Muliaman D Hadah, the board chief of the republic's financial authority, Otoritas Jasa Keuangan (Indonesia Financial Services Authority). According to Muliaman, the future of Halal financing in Indonesia lies in the non-bank sector, which requires greater synergy and a wider business scope from Islamic financial services. The CEO also called for greater investment in IT infrastructure to further the industry from its current market share which stands at below 5% of the total national financial industry, to 10%.

April 2014

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A large, detailed photograph of a snow-capped mountain peak, likely Mount Everest, under a clear blue sky. The mountain's rugged, rocky ridges are partially covered in white snow, and the base is shrouded in a light mist or haze.

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Arbitration efficiency needed

Emerging markets are in great need of enhancing their legal infrastructure, especially in regards to arbitration and rules, according to Louis Wells, a professor of international management at Harvard Business School. Some of the world's most ardent Islamic finance proponents including Malaysia, Indonesia and Turkey are categorized as emerging markets by MSCI, which is also upgrading the UAE and Qatar to emerging market status next month.

April 2014

OCBC targets SMEs

OCBC's Shariah compliant unit, OCBC Al-Amin, and Malaysia-based Credit Guarantee Corp (CGC), have agreed a five-year deal to launch a new product called Wholesale Guarantee. The new product is designed to improve the access of Malaysian SMEs to financing by allowing financial institutes to share the risk for existing funding with CGC, giving the financial institutions more leeway to subsequently provide finance for SMEs.

April 2014

Greater Islamic economic cooperation encouraged

The trade volume of Halal products worldwide has been estimated to be approximately US\$2 trillion, US\$700 billion of which is located in Islamic markets, Fahad Al Rabiah, the deputy chairman of the Council of Saudi Chambers has said. The comments were made on the sidelines of the 19th meeting of the board of directors of the Islamic Chamber of Commerce and Industry where Fahad stressed the importance of strengthening of economic cooperation between Islamic countries and doubling the volume of mutual trade exchange via the spread of greater trade and investment opportunities available in Islamic countries.

April 2014

DFM's reformed Sukuk standards address ambiguous areas of Sukuk listings

The Dubai Financial Market (DFM) on the 3rd April issued a reformed 'Standard for Issuing, Acquiring and Trading Sukuk' as part of its effort to further enhance the regulatory environment of Islamic finance and capital markets. According to a statement by DFM, the total value of Sukuk listed on Dubai capital markets increased 103% to AED68.6 billion (US\$18.6 billion) by the end of the first quarter, 2014 compared to AED33.8 billion (US\$9.2 billion) at the beginning of the 2013.

Seeking to address the ambiguities faced in listing and trading of Sukuk, the new amendment outlines the listing procedures, rules for trading and redemption as well as issuance guidelines and information required in a Sukuk prospectus. It emphasizes the independence of an SPV as a legal entity and its financial liability, from those of the Sukuk originator. The new rule also increases the allowable percentage of cash and debt from 70% to 90% of the total underlying Sukuk assets.

April 2014

Swift implementation of Basel III

Financial regulators for key ASEAN countries and India have made swift progress in the implementation of the Basel III capital framework according to Moody's Investor Service. The ratings agency believes that banks in the region will in the long run maintain higher amounts and better quality capital than many other banks globally. RAM Ratings has also commended Indonesian banks, which have maintained high Tier 1 and total capital ratios, at 18.3% and 19.9% respectively, as at the end of January 2014.

April 2014

Sukuk on the cards for Treedom

Amid the growing traction Islamic finance is gaining worldwide and following the favorable responses Treedom Group has received for its Shariah compliant Oud Asset Agreement, the international oud oil manufacturing company is considering expanding its Islamic portfolio to include Sukuk in the near future.

"We have had discussions regarding entering the Sukuk market and this may be something we could visit in the future, especially since the growth in this area is set to reach US\$900 billion by 2017," revealed Antony Bell, the firm's international business development manager, to Islamic Finance news.

April 2014

Islamic finance finds niche in funding educational projects

Education is an area of social development that the IDB has targeted with particular focus, with over US\$30 million in funding approved and allocated for educational projects since December.

The Hyderabad Institute of Excellence, an Indian school recently established with aid from the IDB, is an example of the education funding of the bank in practice, as government and commercial interest in the use of Islamic finance for education projects grows.

Since December, the IDB has approved over US\$1.5 billion in new financing. Of this, US\$32.3 million has been earmarked for use in educational development in countries such as Bosnia Herzegovina, Guyana, Thailand and the US.

March 2014

A

Adadiyyah countable items measured in individual units rather than by volume, weight or length
Ajr commission or fee charged for services
Akhirah the hereafter
Akhlaq virtue, morality and manners in Islamic theology
Al Ghunm bil Ghurm rationale of profit sharing
Al-wa'd bi al-bai' promise to sell
Al-wa'd bi al-syira' promise to buy
Amanah reliability, trustworthiness, loyalty, honesty
'Amil agent
Aqd contract
Aqidah set of beliefs
Arif expert
'Ariyah loan of small articles
'Ayn currency or ready money

B

Bai Ajil bi Ajil delayed-for-immediate sale
Bai al Arboon deposit-secured sale
Bai al Inah sale and buy-back
Bai al kali' bi al kali' sale of debt for a debt
Bai al Salam future delivery
Bai Bithaman Ajil deferred payment sale
Bai Dayn debt financing
Bai Istijrar supply sale
Bai Muajjal deferred payment sale
Bai Muzayadah open bidding trading
Bai Wafa sale and buy-back
Baitul Mal treasury
Batil null and void

D

Darurah necessity
Dayn debt
Dha 'wa ta 'ajjal Creditor's debt
Dhaman guarantee
Dhimmah liability
Dirham unit of currency

F

Falah to flourish
Faqih Shariah jurist
Faqir poor person
Fard al Kifayah socially obligatory duties
Fasid unsound or unviable
Faskh dissolution of contract
Fatwa religious decree
Fiqh Islamic jurisprudence
Fiqh al-muamalat Islamic commercial jurisprudence
Fuduli dealing with someone else's property without permission

G

Ghalat Mistake
Gharar uncertainty
Ghasb forfeiture

H

Hadith the Prophet's sayings and commentary on the Quran
Haji pilgrimage to Mecca
Hak Tamalluk ownership right
Halal lawful, permissible
Hamish jiddiyyah security deposit
Hanbali Islamic school of law
Hanifite Islamic school of law
Haq Maliy rights on the financial assets
Haqq truth, right
Haram unlawful, forbidden
Hawala bill of exchange, remittance
Hibah gift
Hibah al-'umra contingent hibah
Hibah al-ruqba conditional hibah
Hila forbidden structure
Hisbah regulatory duty
Hukm Islamic ruling

I

Ibra rebate
Ihtikar hoarding
Ijab offer in a contract
Ijarah leasing
Ijarah Mawsufah fi Dhimmah forward lease
Ijarah Thumma Bai leasing to purchase
Ijarah wa Iqtina buy-back leasing
Ijma consensus
Ijtihad effort, exertion, industry
Ikhtikar monopoly
Ikhtilaf divergence of opinion among jurists
Iktinaz hoarding wealth by not paying zakat on it
'Illah legal effective cause
Iman conviction, faith or belief
Inan financial partnership
Iqtisad moderation
Islah reform
Israf wastefulness
Istihsan guiding choice
Istijrar recurring sale
Istisnah advance purchase of goods or buildings
Ittifaq Dhimn pre-agreed contract

J

Jahiliyyah pre-Islamic period
Jahl ignorance (of morality or divinity)
Ji Alah pre-agreed contract
Ju'alah stipulated price for performing a service

K

Kafalah guarantee
Khalif or khalifa ruler, steward, custodian
Khilabah fraud
Khiyanah deception
Khiyar power to annul contract

M

Maaliki Islamic school of law
Madhhab way of going
Makruh detested
Mal Capital or wealth
Mal-e-Mutaqawam wealth that has commercial value
Manfa'ah beneficial ownership
Mansil Shariah compliant property mortgage in the UK
Maqasid general objectives of Islamic law
Maslahah public good or benefit
Maysir gambling
Mithli goods that can be returned in kind
Muamalat economic transaction
Mubah lawful objects
Mudarabah trust financing, profit sharing
Mudarib entrepreneur in a Mudarabah contract
Mufawadah equal, unlimited partnership
Mufti qualified professional who issues fatawa, usually in response to questions posed
Muqarada Sukuk for specific projects
Muqasah debt settlement by a contra transaction
Murabahah cost-plus financing
Musaqah agricultural contract
Musawwamah general sale
Musharakah joint venture, profit and loss sharing
Musharakah mutanaqisah partnership
Mutlaqa unrestricted
Muzara'ah share-cropping
Muzara'a agricultural contract

N

Najash deception
Nisab exemption limit

Q

Qabdh discount
Qabul acceptance in a contract
Qard loan
Qard Hasan benevolent loan
Qimar gambling
Qirad synonym for Mudarabah
Qiyas analogical deduction
Qu'ran the holy scriptures of Islam

R

Ra's al-mal capital
Rab al maal the investor in a Mudarabah contract
Rahn collateral
Riba interest
Riba al Buyu usury of trade
Riba al Diyun usury of debt
Ribawi goods subject to fiqh rules on riba
Rishwah bribery
Rukn pillar
Ruq'a payment order

S

Sadaqah voluntary charitable giving
Sahih sound, correct
Salaf loan for short, intermediate or long term
Salam advance purchase
Samad Shariah compliant property mortgage in the US
Sarf currency sale
Shafi'e Islamic school of law
Shariah Islamic jurisprudence
Shart stipulation in a contract
Shirkah partnership
Shuf'ah right of pre-emption
Sighah formal exchange
Suftajah bill of exchange
Sukuk Islamic bond (Plural. Also see Saak.)
Sunnah practice and traditions of the Prophet Muhammad

T

Ta'widh deliberate delay in payment
Tabarru' Takaful donation
Tabzir wasteful spending
Tadlis al' aib intentionally hiding the defects of goods
Takaful Islamic insurance
Tanajusy manipulation
Tawarruq reverse Murabahah

U

Ujrah fee
Ummah the Muslim community
'Ummum balwa Common plight
'Uqud al-Isytirak Contracts of partnership
'Uqud al-Mu'awadhah Contracts of exchange
'Uqud al-Tabarruat Charitable contracts
Urbun deposit

W

Wadiah Deposit
Wadiah Yad Dhamanah Savings or deposits with guarantee
Wakalah agency
Waqf charitable trust
Wasiyyah will or testament

Z

Zakat religious tax

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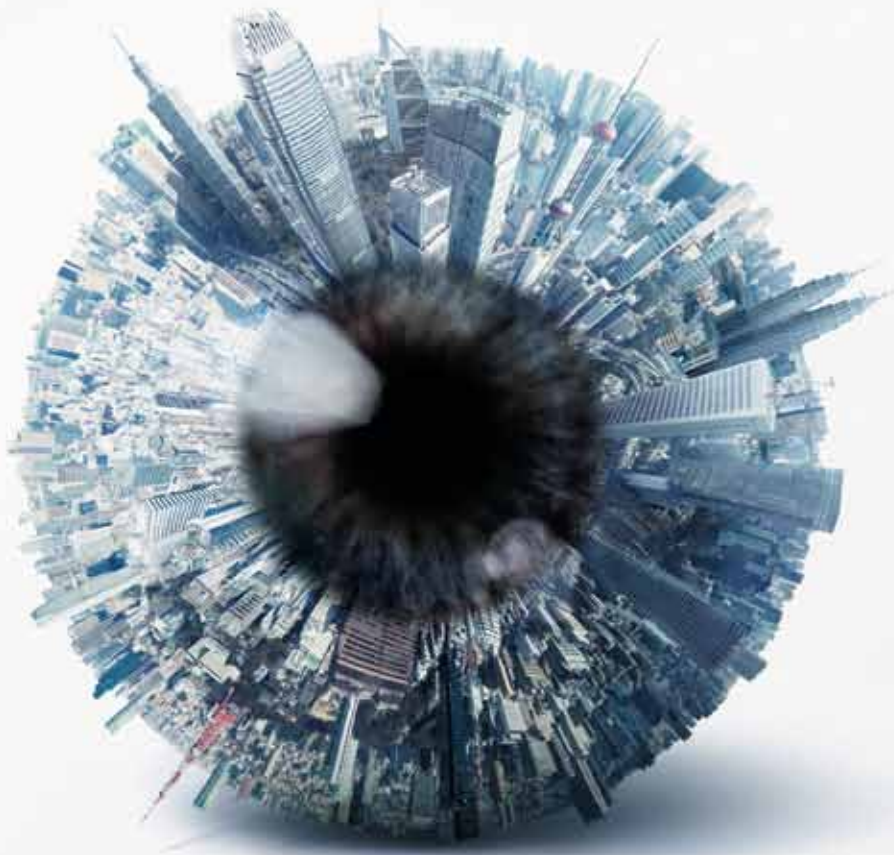
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Eastspring Investments Dinasti Equity Fund	Best Fund over 3 years, Equity Greater China	10.43%	7.34%	n/a
Eastspring Investments Small-cap Fund	Best Fund over 5 years, Equity Malaysia Small & Mid Caps	64.02%	66.36%	238.42%
Eastspring Investments Dana al-Ilham	Best Fund over 5 years, Equity Malaysia (Islamic)	23.29%	57.92%	172.22%
Eastspring Investments Berhad	Best Group in Equity			

Sources: Fund performance - Lipper for Investment Management as at 31 December 2013, The Fund awards - The Edge-Lipper Malaysia Fund Awards 2014.

eastspringinvestments.com.my

Investors are advised to read and understand the contents of the Eastspring Investments Master Prospectus dated 15 July 2013 ("MP") and the funds' Product Highlights Sheet ("PHS") before investing. The MP and PHS are available at the offices of Eastspring Investments Berhad or its authorised distributors and investors have the right to request for a copy of the MP and PHS. The MP has been registered with the Securities Commission Malaysia who takes no responsibility for its contents. Units will only be issued upon receipt of the application form accompanying the MP. Past performance of the funds is not an indication of the funds' future performance. Unit prices and distributions payable, if any, may go down as well as up.

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08:00 – 09:00 Registration

09:00 – 09:05 Prayer Recital

09:05 – 09:20 Opening Keynote Address



Professor Datuk Dr Rifaat Ahmed Abdel Karim — Chief Executive Officer, International Islamic Liquidity Management Corporation

Professor Datuk Dr Rifaat has an international reputation as a leader and authority in the Islamic financial services industry at both professional and academic levels. He has played a pioneering role in the development of Islamic finance. His leadership in the setting of accounting, auditing, governance, Shariah and regulatory standards, as well as in the development of high quality short-term financial instruments to facilitate liquidity management for Islamic financial institutions, has been highly instrumental in establishing the position of the Islamic financial services industry in the mainstream of global financial services.

Professor Rifaat has served as the inaugural secretary-general at both AAOIFI and the Islamic Financial Services Board (IFSB). During his terms in office at AAOIFI and IFSB, Professor Rifaat played a key role in the conception and development of standards and guidelines for the industry which have been a key catalyst in the establishment and integration of the Islamic financial services industry within mainstream global financial services.

In October 2012, Professor Rifaat assumed the position of chief executive officer of the International Islamic Liquidity Management Corporation (IILM).

Under his leadership, the IILM has successfully launched its inaugural landmark short-term US dollar-denominated Sukuk, which carry an 'A-1' rating by S&P.

Notes:

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09:20 – 09:30 Chairperson's Opening Remarks



Abdulkader Thomas — Chief Executive Officer, SHAPE Financial

Based in Kuwait, Abdulkader has over 25 years of diversified financial services experience in major markets including Bahrain, New York, London, Los Angeles and Washington DC. He began his career in trade finance at Citibank where he completed his credit training, and later built experience in real estate and project finance, securities, and alternative finance at various global and regional financial institutions.

As the general manager of a foreign bank branch in New York, he was responsible for securing the first US banking regulatory approvals of alternative financial instruments in the mortgage and installment credit/sale as banking instruments. Later as the founding member of a de novo bank project, he secured US regulatory approval for Islamic profit-sharing deposits. He is an authority on Islamic deal structures and securities. He has authored and edited several Islamic finance-related books.

Abdulkader is a member of the Shariah boards of University Bank (US), Bank Muscat Meethaq (Oman), and Sterling Bank (Nigeria). He serves as a director of Al-Khabeer Capital in Jeddah and chairman of its affiliate Al-Khabeer International, Bahrain, as well as acting as a member of the international advisory board of the Securities Commission of Malaysia.

Notes:

Industry Titans Roundtable: Islamic Finance 2015

We ask global Islamic finance thought leaders to share their vision of what the Islamic finance landscape will look like in 2015. Which markets are likely to lead and which sectors will flourish. What challenges lie ahead for Asia to stay in the game and what needs to happen now to achieve this vision?

Moderator:



Mohammad Faiz Azmi — *Executive Chairman, PricewaterhouseCoopers, Malaysia*

Faiz is the executive chairman of PwC Malaysia and was the leader of PwC Global Islamic Finance Team practice from 2007 to September 2012. He was also previously the Financial Services Leader for Malaysia. He has over 29 years experience in the audit and business advisory services of financial institutions both in the UK and Malaysia and has also been involved in the audits of clients in the banking, healthcare, power and construction sectors.

Faiz serves as the chairman of the Malaysia Accounting Standards Board, a Fellow of the Institute of Chartered Accountants in England and Wales and Council Member of the Malaysian Institute of Certified Public Accountants. In addition, he is a member of The Association of Chartered Islamic Finance Professionals Malaysia and chairs the Asian-Oceanian Standard-Setters Group on Islamic Finance. He is also a member of the International Accounting Standards Board, Committee on Islamic Product/Finance.

Faiz was educated in Malaysia and UK and read law at the University of Durham before being called to the English Bar.

Panelist:



Badlisayah Abdul Ghani — *Chief Executive Officer, CIMB Islamic*

Badlisayah Abdul Ghani is the executive director and chief executive officer of CIMB Islamic, head of Group Islamic Banking and the country head of the Middle East and Brunei for CIMB Group.

Badlisayah oversees the overall Islamic banking and finance franchise of CIMB Group known as CIMB Islamic. His areas of responsibility cover Islamic wholesale and consumer banking and Islamic asset management cutting across all operating entities within the CIMB Group, covering more than 17 markets globally. As country head of the Middle East and Brunei he oversees the overall business of CIMB Group in those markets. He sits on various boards and is currently the alternate director to the chairman of CIMB Principal Islamic Asset Management; alternate director of CIMB-Principal Asset Management and CIMB Wealth Advisors; member of the Investment Committee of CIMB Principal Asset Management; director of CAPASIA Islamic Infrastructure Fund (General Partner); director of CIMB Middle East Bahrain; and director of Islamic Banking and Finance Institute Malaysia.

He sits on the Islamic Capital Market Consultative Panel of Bursa Malaysia and both the Exchange Committee and the Licensing Committee of the Labuan International Financial Exchange. Badlisayah is a council member of the Association of Islamic Banks in Malaysia and chairman of the Islamic Capital Market Committee of the Malaysian Investment Banking Association.

Panelists:

Mohammad Kamran Wajid — Chief Executive Officer, Emirates Financial Services & Emirates NBD Capital, United Arab Emirates

Kamran is the chief executive officer of Emirates Financial Services and Emirates NBD Capital, the investment banking arms of the largest bank in the UAE. Over the past few years, Kamran has been instrumental in transforming Emirates NBD's investment banking platform into an award-winning and market — leading regional institution. He was previously a general manager at Emirates NBD, heading the institutional and international banking and debt capital markets division. He was also entrusted with the responsibility to set up and lead a debt restructuring and financial advisory desk for Emirates NBD.

Kamran is a veteran Middle East banker with over 20 years of diversified financial services experience. He has led several high profile capital market and loan market deals for prestigious names including the governments of Dubai and Malaysia, Emirates Airlines, Emirates Islamic Bank, Saudi Oger, Turkiye Is Bankasi (Turkey), Akbank (Turkey), Sberbank (Russia), Turk Telecom (Turkey), Al Futtain etc. In 2014, Dubai-based investment bank SHUAA Capital appointed Kamran as a non-executive director on SHUAA's board.



Rafe Haneef — Chief Executive Officer, HSBC Amanah, Malaysia

Rafe Haneef is currently the chief executive officer of HSBC Amanah Malaysia and also the managing director of HSBC Amanah Global Markets in Asia Pacific. He has played a leadership role in developing Sukuk and Islamic structured and project finance since 1999 at HSBC, ABN AMRO and Citigroup. He has lead landmark Sukuk transactions for various sovereigns, supranationals and corporates such as Malaysia, Qatar, Indonesia, the IDB, the World Bank, Sime Darby, Axiata, and Emirates.

He was previously the head of Islamic banking for Citigroup Asia based in Kuala Lumpur. He was responsible for developing Malaysia as a regional Islamic finance hub for Citigroup and spread its Islamic business footprint across the region. Prior to joining Citigroup, he established the Global Islamic Finance Department at ABN AMRO based in Dubai and was in charge of the Islamic wholesale and retail businesses for the group. Prior to that he was with HSBC Amanah in London and Dubai focusing on Islamically-structured cross-border transactions and the Sukuk market. He was also a managing director at Fajr Capital, a Dubai-based Islamic investment company, looking at principal investments in the Islamic financial sector.



Wasim Akhtar Saifi — Global Head of Islamic Banking, Consumer Banking & Chief Executive Officer, Standard Chartered Saadiq, Malaysia

Wasim Saifi rejoined Standard Chartered Bank in January 2011 as global head of Islamic banking for consumer banking. In this role, Wasim is responsible for managing the growth of the bank's Islamic consumer banking business in key markets of Southeast Asia, South Asia and the Middle East. In July 2012, he was additionally appointed as chief executive of Standard Chartered Saadiq, the wholly-owned subsidiary of Standard Chartered Bank Malaysia.

He had previously worked for 17 years at Standard Chartered in numerous roles in Mumbai, Dubai and Colombo, the most recent being CEO for the bank in Sri Lanka. Prior to rejoining the bank, he was with Dubai Islamic Bank Group, initially as head of corporate banking, then as head of retail and business banking, and subsequently as CEO for Tamweel, the largest Islamic home finance company in UAE and an associate of Dubai Islamic Bank Group.

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10:30 – 10:45 Keynote Address



Khaled Mohammed Al Aboodi — *Chief Executive Officer, Islamic Corporation for the Development of the Private Sector, IDB Group*

Khaled Al Aboodi joined the Islamic Development Bank Group in November 2001 as deputy director-general of the Islamic Corporation for the Development of the Private Sector (ICD), the private sector arm of IDB. Since 2007 till now, Khaled has been the CEO of the ICD.

Khaled has over 20 years of experience serving towards the development of the finance industry in the Middle East and the US. He started his tenure with the Ministry of Finance & National Economy of Saudi Arabia in 1982 as an economic researcher; served as the director of the Environment Unit, and as acting director of the International Financial Institutions Department. In 1995 he moved to Washington DC to serve as the assistant to the Saudi executive director of the World Bank; and was later appointed as alternate executive director for Saudi Arabia of the World Bank Board until 2000. Later in 2000, he joined the Saudi Public Investment Fund (Ministry of Finance) as a senior economist where he was in charge of several privatization operations.

10:45 – 11:15 Coffee & Networking

Notes:

Asian Regulatory Roundtable: Driving Growth through Effective Regulatory Environments

Central to the success of Asia's Sukuk markets are the tireless efforts made by Asian regulators in building enabling regulatory frameworks and promoting governance. As the Islamic finance marketplace evolves so must the standards that govern the industry.

- What strides have regulators of aspiring Islamic investment destinations made in promoting Islamic finance transactions?
- What synergies exist between the various Asian Islamic economies and what can be done to strengthen ties?
- Anticipated impact of regulatory changes in the coming year in the Asian Islamic finance landscape
- Assessing the introduction of Shariah standards frameworks in Malaysia and the likely impact on capital markets issues
- Is the setting up of a global Shariah board a viable solution to solving Shariah issues? Is it necessary?

Moderator:



Abdulkader Thomas — Chief Executive Officer, SHAPE Financial

See page 67

Panelist:



Basheer Ahmad — Senior Manager, Markets, Dubai Financial Services Authority (DFSA), United Arab Emirates

Basheer Ahmad is a senior manager in the Markets Division and joined the DFSA in May 2008. He is part of a team that is responsible for the regulation of primary market operations. He was previously with Securities Commission of Malaysia where he was responsible for primary market regulation and policy developments.

Prior to joining the Securities Commission, he held positions as trust officer in Labuan offshore and as a federal counsel with the International Advisory Division of the Attorney General's Chambers, in Malaysia.

Basheer holds a LLB (Business Law) Degree and he is Barrister-at-Law with the Lincoln's Inn, UK. He also holds an ICA International Diploma in Anti-Money Laundering and an Islamic Finance Qualification Certificate.

Panelists:

Daryl Ho — Head of Market Development Division, Hong Kong Monetary Authority

An economist by training, Daryl joined the Economic Research Division of Hong Kong Monetary Authority (HKMA) as a senior manager in 2001, covering international economies and monetary policy issues. He was posted to the Market Operations Division in 2006 and was given the responsibilities of operating and developing the Exchange Fund Bills and Notes Program, as well as conducting internal policy studies relevant to market operations.

In 2009, he was appointed to his present position of head of the Market Development Division, which essentially is a policy unit for promoting the development of Hong Kong's financial industry. The policy areas of his division include the government bond program, OTC derivatives market reform, Islamic finance, and development of the asset management industry, treasury markets as well as the offshore Renminbi market. Before joining the HKMA, Daryl served at Jardine Fleming Securities as an economist between 1993 and 2000, covering China, Hong Kong and Taiwan.



Nik Norzrul Thani — Chairman, Zaid Ibrahim & Co, Malaysia

Dr Nik Norzrul Thani is the chairman of ZICOLaw and senior partner of Zaid Ibrahim & Co (Malaysia's largest law firm) and a member of ZICOLaw — ASEAN's first legal and professional services network with offices in Singapore, Bangkok, Ho Chi Minh City, Melbourne and Sydney as well as associate offices in Jakarta, Yangon and Phnom Penh.

Nik holds a PhD in Law from the School of Oriental and African Studies (SOAS), University of London and is a Barrister of Lincoln's Inn. He was a Visiting Fulbright Scholar at Harvard Law School and a Chevening Fellow at the Oxford Center of Islamic Studies. Formerly an academician and dean at the International Islamic University Malaysia, he is also a Fellow of the Financial Services Institute of Australasia (FINSIA). Prior to joining Zaid Ibrahim & Co he was practicing with the international law firm, Baker & McKenzie.

Nik is the author of "Legal Aspects of The Malaysian Financial System" and co-author of "The Law and Practice of Islamic Banking & Finance" as well as "An Introduction to Islamic and Conventional Corporate Finance".



Zainal Izlan Zainal Abidin — Executive Director, Islamic Capital Market, Securities Commission Malaysia

Zainal Izlan Zainal Abidin joined Securities Commission Malaysia (SC) as executive director of Islamic capital market in January 2011. He has over 20 years of experience and international exposure in the capital market, mainly in fund management. Previously, he was the chief executive officer of i-VCAP Management and the chief executive officer/director of MIDF Amanah Asset Management.

He has held a number of senior positions in professional bodies and associations. He is presently a member of the Technical Committee of the Islamic Financial Services Board. He was the president of CFA Malaysia from 2001-05, and vice-chairman of the Malaysian Association of Asset Managers (MAAM) and chairman of MAAM Islamic Fund Management Sub-Committee in 2010. He is also the member of the Malaysian Institute of Accountant's Islamic Finance Committee.



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12:00 – 12:15 Presentation

Will Innovation in Islamic Finance Require a New Business Model?



Jawad Ali — *Managing Partner, Middle East Offices, King & Spalding, United Arab Emirates*

Jawad Ali is the managing partner of King & Spalding's Middle East offices, global deputy leader of the firm's award-winning Islamic finance practice group and is based in its Dubai office. His practice covers a broad range of Shariah compliant and conventional finance and investment transactions.

He is especially recognized for his knowledge of Shariah issues and his skills in developing innovative Shariah compliant investment and financing structures. His practice has involved investment and financing transactions throughout the Middle East, Europe, the US, Southeast Asia and Africa.

Jawad is a frequent speaker on the topic of Islamic finance and investment through the Middle East, Europe, the US and Africa. He is ranked a leading lawyer for Islamic finance in independent directories and client-based surveys.

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Omid Torabi — *Managing Director, Innovation & Development Corp*

Omid Torabi is currently the managing director of IDCORP; an IT company specialized in the provision of banking software solutions for financial, banking and payment industries. He was formerly the chief executive of Tosan Intelligent Data Miners (TIDM), a specialist company in knowledge discovery and financial business intelligence solutions. He has worked also for around 15 years in the field of banking software in Tosan (one of the largest banking software companies in Iran) as a product manager for Islamic core banking solutions, banking dashboards, trade finance solutions and etc.

Omid graduated with a computer engineering degree from Polytechnic of Tehran, and holds an MBA in Information Technology from IMI of Iran. He is currently pursuing a PhD in Islamic finance at INCEIF, Malaysia.



Marjan Naseri — *Senior Islamic Banking Expert, Innovation & Development Corp*

Marjan Naseri is currently a senior Islamic banking expert at Innovation & Development Corp (IDCORP), an IT company specialized in the provision of banking software solutions for organizations in the financial, banking and payment industries.

She has been involved in the development of Islamic Banking Intelligence, the first comprehensive global Islamic banking database and analytical business intelligence dashboard. Marjan graduated with a computer engineering degree from Kashan University, Iran and holds an MBA in strategic management from

UTM, Malaysia. Also she is a Chartered Islamic Finance Professional (CIFP) from INCEIF, Malaysia. She is currently pursuing a PhD in Islamic finance at INCEIF, Malaysia.

12:30 – 14:00 Luncheon

Notes:

Sukuk and the Asian Islamic Capital Market: The Challenge to Innovate

The call to innovate has been consistently echoed by industry players with the lack of market depth and breadth and its reliance on replicating conventional products often blamed for the innovation deficiency.

- Is it time for the Islamic finance industry to transform its business model?
- Is there truly customer demand for innovative Islamic finance products?
- Addressing the over-reliance on Sukuk: What else is out there?
- Connecting Shariah compliance with real innovation
- Will Basel III requirements drive innovative structuring?
- Building the infrastructure to support large scale, cross border and multi-jurisdictional deals
- New and innovative offerings and asset classes in the pipeline

Moderator:



Abdulkader Thomas — Chief Executive Officer, SHAPE Financial

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Panelist:



Alhami Mohd Abdan — Head, International Finance & Capital Market, OCBC Al-Amin Bank, Malaysia

Alhami is presently the head of international finance and capital market of OCBC Al-Amin Bank, primarily responsible for the development of the bank's foreign currency Islamic finance business in regional markets. He also continues to be responsible for spearheading the development of Islamic capital market activities for both domestic and regional markets. He joined OCBC Bank (Malaysia) investment banking division in April 2004 and his last posting was as head of Islamic finance, investment banking of OCBC Bank Malaysia. To date, OCBC has concluded numerous landmark Islamic securities and syndicated financing facilities for a diverse range of clients spanning numerous economic

sectors and across borders, of which several notable transactions have garnered accolades from several rating agencies and industry media houses.

Prior to OCBC, he was with several other investment banks serving in the respective bank's capital markets department, responsible for origination, structuring and execution functions for various funds raising exercises.

Panelists:

Issam Al Tawari — Chairman & Managing Director, Rasameel Structured Finance Company, Kuwait

Issam Z Al Tawari is currently the chairman and managing director of Rasameel Structured Finance Company, a capital markets-focused investment company, and chairman of Rasameel Investment Bank, a Dubai-based, Dubai International Financial Center-regulated bank. He started his career with Bahrain's Arab Banking Corporation (ABC) and ABC Islamic Bank. He joined the structured finance team of The International Investor (TII), Kuwait in 1998. His last position with TII was as chief operating officer and partner for the structured finance group.

He has served on the board of directors of a number of companies and funds. He is a member of Young Arab Leaders (YAL) and the Kuwaiti Economics Societies. In addition he is both a Harvard University and Henley Management College alumnus and also received his MBA from University of Hull (Dist.), England in 1998 and his BA in Economics and Business Administration from Kuwait University in 1987.



Khalid Howladar — Global Head, Islamic Finance, Moody's Investor Service, United Arab Emirates

Khalid Howladar is the global head of Moody's Islamic Finance Group and also leads the GCC banking team in Dubai. He is a leading figure in the fields of Sukuk finance and Islamic banking as well as in conventional GCC credit and securitization markets.

Currently based in Dubai, he joined Moody's in London in 2001 and was initially an analyst responsible for rating cash, synthetic, high yield, structured and project finance CDOs. Subsequently he took lead roles in the MENA business development team with responsibility for new markets and client outreach before taking leadership of the Dubai-based banking team in 2010. Khalid provides extensive commentary on both Islamic and regional credit markets and is a well-respected speaker at conferences. In addition to providing various educational workshops for market participants, he has also enjoyed lecturing at the Paris-Sorbonne University (Abu Dhabi) as well as at universities in Dubai and Beirut.



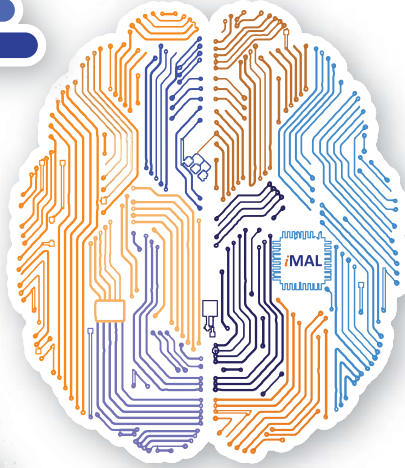
Madzlan Hussain — Partner and Head, Islamic Financial Services Practice, Zaid Ibrahim & Co, Malaysia

Madzlan Mohamad Hussain is a partner and the head of the Islamic Financial Services Practice Group for Zaid Ibrahim & Co (ZICOlaw), a regional law firm with presence in Australia, Indonesia, Malaysia, Singapore, Thailand, Vietnam and the UAE.

He started his career with the firm in 1998 as a trainee associate. Madzlan's engagements include advising government authorities on Islamic finance prudential framework and advising financial institutions on the legal and regulatory compliances for their Islamic finance operations; standardization of Islamic finance documentation; structuring and designing Shariah compliant financial products; handling Islamic corporate financing transactions; and issuance of Islamic securities/Sukuk. Between 2004-10, Madzlan served the Islamic Financial Services Board (IFSB). At the IFSB, he was particularly responsible in overseeing the development of prudential framework for corporate governance practices for all segments of Islamic financial services and was instrumental in spearheading its initiatives in addressing legal issues in Islamic finance. He returned to ZICOlaw as a partner in February 2010.



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Panelist:

Mohd Effendi Abdullah — Director/Head, Islamic Markets, AmlInvestment Bank, Malaysia

Mohd Effendi Abdullah is the director/head of Islamic Markets at AmlInvestment Bank, and is responsible for Islamic investment banking and finance opportunities within AmlInvestment Bank. Having joined the bank in 1985, he has held management positions in corporate banking, syndication, structured finance and debt capital markets. Mohd Effendi is one of the pioneers at the initial set-up of the bank's Islamic investment banking business in 1993 and is part of the team established to streamline AmBank Group's Islamic banking and finance activities across the group in 2001. Over the past 20 years, he has committed his expertise to Islamic investment banking/finance product structuring, origination, marketing and execution with a strong focus on the Islamic capital markets. To date, he has overseen and was involved in arranging deals worth about RM100 billion (US\$30.6 billion).

Mohd Effendi has been an active committee member of the Islamic Capital Market Committee, the Malaysian Investment Banking Association (MIBA) and also sits on various working groups/committees at Bank Negara Malaysia, Securities Commission, Malaysia Accounting Standards Board and Association of Islamic Banking Institutions Malaysia.

Notes:

IFN Asia Issuers Roundtable

We invite the region's most successful issuers to discuss key trends, features and success factors of their most prominent deals. Why did they choose to raise funds Islamically? What drove the success of the issuances and what made these deals unique? In hindsight, what would these issuers have done differently?

- Cagamas RM4.2 billion Sukuk Commodity Murabahah
- Khazanah Nasional SG\$600 million convertible Sukuk
- FWU Group US\$100 million Sukuk Wakalah

Moderator:



Abdulkader Thomas — Chief Executive Officer, SHAPE Financial

See page 67

Panelist:



Mohd Izani Ghani — Executive Director & Chief Financial Officer, Khazanah Nasional, Malaysia

Mohd Izani Ghani is currently the chief financial officer/executive director of Khazanah Nasional. On the funding front, he has been instrumental in establishing ringgit Sukuk programs and landmark exchangeable Sukuk in various currencies for Khazanah Nasional. The world's first exchangeable Sukuk into Telekom Malaysia shares of US\$750 million was successfully launched in September 2006. This was followed by another blow-out success of exchangeable Sukuk into PLUS Expressways shares of US\$850 million in June 2007. In March 2008, the company issued exchangeable Sukuk into a Hong Kong-listed stock of Parkson Retail Group for US\$550 million.

In August 2010, he was involved in Khazanah's inaugural Singapore dollar-denominated Sukuk of SG\$1.5 billion (US\$1.2 billion), being the largest and longest-tenured SG\$ Sukuk with an overwhelming investor demand. Khazanah created another landmark by issuing world's first offshore RMB Sukuk for CNY500 million (US\$81.11 million) in October 2011. In March 2012, Khazanah issued the first ever negative yield exchangeable Sukuk into Parkson Retail Group for US\$358 million. Most recent cross-border deal executed was that of SG\$600 million (US\$478.46 million) exchangeable Sukuk into IHH shares in October 2013.

Panelists:**Rafiza Ghazali** — *Chief Financial Officer, Cagamas, Malaysia*

Rafiza is currently the chief financial officer and senior vice-president of finance and corporate strategy for Cagamas. She joined Cagamas in July 2012 after spending more than 16 years in the financial and accounting industry.

Prior to joining Cagamas, Rafiza was Thomson Reuters' head of Islamic finance, Asia where she was responsible for developing and implementing Islamic finance sales and product strategy for Asia and providing support to global initiatives.

Other senior roles of her career include finance director at the Central Bank of Malaysia, chief financial officer at RHB Investment Bank and associate director at a corporate advisory firm. She also spent over three years working for a top tier accounting firm in Melbourne Australia from 1995 where she obtained her professional accounting qualification.

**Sohail Jaffer** — *Deputy CEO, FWU Global Takaful Solutions, United Arab Emirates*

Sohail Jaffer is a partner and the head of international business development for 'private label' bancassurance with FWU Group based in Dubai. FWU is an international financial services group focusing on innovative and customized product design in the field of unit-linked investments and Family Takaful savings plans for several emerging markets. Sohail has successfully originated, negotiated and won several major bancassurance deals in the GCC region, Pakistan and Malaysia.

He has written extensively on alternative investments and has edited several publications on hedge funds, multi-manager strategies, investing in the MENA region as well as Islamic finance books including in the areas of retail banking, asset management, Takaful, wealth management, investment banking, Sukuk, and on investing in the GCC markets.

Sohail is a speaker at several international industry events and is currently leading the activities of the Alternative Investment Management Association (AIMA) in the Middle East and is also a participant member of the Gulf Bond and Sukuk Association.

15:45 – 16:15 Coffee Break

Notes:

Enabling Growth: Resolving Key Regulatory, Risk and Shariah Issues Facing the Industry

- Can new regulations actually address the higher cost of Islamic finance transactions?
- Tradability of Sukuk: The question of Shariah compliance
- Addressing the management of risks and provision of liquidity to Islamic finance institutions
- Evolving from a risk transfer to a risk sharing model in the Basel III environment: Are current products staying true to the risk sharing model?
- Raising capital in accordance with Basel III and other regulations: The challenge for financial institutions
- The pan Asian Sukuk debate: Discussing opposing viewpoints on Shariah compliance
- Legal and tax considerations in advancing Islamic finance — what emerging concerns must be addressed today

Moderator:



Abdulkader Thomas — Chief Executive Officer, SHAPE Financial

See page 67

Panelist:



Ahsan Ali — Managing Director & Head of Islamic Origination, Standard Chartered, United Arab Emirates

Ahsan Ali is responsible for the global Islamic origination business at Standard Chartered Bank (SCB) Saadiq which comprises all the Islamic structured transactions (including Sukuk, syndications, project and export finance, shipping and aviation, structured trade finance, corporate advisory and financial markets). Since joining Standard Chartered Bank in March 2004, Ahsan has built this business from inception and has led several award-winning and industry-defining deals. Ahsan has over 20 years of experience in corporate and investment banking. Prior to joining SCB, he worked with Citigroup in Dubai.

Ahsan holds an MBA from the Indian Institute of Management, Calcutta and a degree in mechanical engineering from Indian Institute of Technology, Delhi, in addition to a CFA designation.

Panelists:***Andri Aidham Badri — Partner, Kadir Andri & Partners, Malaysia***

Andri Aidham is a founder partner of the firm Kadir, Andri & Partners.

His practice area at present covers mainly banking and finance (Islamic and conventional) and corporate matters including construction and privatization. Andri was a member of the Law Revision Committee on Islamic Banking and Finance of Bank Negara Malaysia including the sub-committee on Review of Contracts Act and the sub-committees of the Islamic capital market working group of Securities Commission Malaysia.

He is a member of the Board of Studies for the post graduate degree of Master of Science in Islamic Banking and Finance as well as a member of the Board of Studies for the post graduate degree of Master in Islamic Capital Market at the International Islamic University Malaysia. Andri is also a registered arbitrator on the Islamic banking and finance of arbitrators at the Kuala Lumpur Regional Center for Arbitration and is also a registered adjudicator.

***Mohd Nazri Chik — General Manager & Head of Shariah, Bank Islam Malaysia***

Mohd Nazri Chik is the general manager and head of the Shariah division of Bank Islam Malaysia. He holds a Master Degree in Shariah from University of Malaya and started his career as a tutor in the university until he joined Bank Islam in June 2004. He left the bank to join Noor Investment Group, Dubai in September 2009 as its Shariah audit manager. During this time, he was appointed as a member of Bank Islam's Shariah Supervisory Council until he rejoined the bank as its head of Shariah in January 2011.

He is also the deputy chairman of the Shariah Supervisory Council of Amana Bank, Sri Lanka; accredited panel of Finance Accreditation Agency; member of Professional Practices Bureau, Association of Shariah Advisors and an accredited trainer for Islamic Banking and Finance Institute of Malaysia.

***Nicholas Edmondson — Partner, Trowers & Hamlin, United Kingdom***

Nicholas Edmondson's experience includes project development and finance, privatization and corporate structuring as well as inward investment for Asian and Middle East investors, into the UK and Europe, particularly for Islamic banks.

At Trowers & Hamlin for over 25 years, Nicholas has worked in London and overseas, including as the resident managing partner of the firm's Oman office between 1994 and 2000.







Nicholas is the co-head of the firm's well regarded Islamic finance group which acts for Islamic institutions from across the Middle East and Asia in relation to a wide range of activities. He also heads up the firm's inward investment group that specializes in advising foreign investors into the UK and Europe. He divides his time between London, the Middle East and Asia. Nicholas is UKTI's special representative for financial services to the Sultanate of Oman. He is the GCC chairman of the UKTI special representatives and also chairs TheCityUK's GCC focus group.

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Dubai



Kuala Lumpur



Karachi

Panelist:

Uzma Ashraf — *Deputy Commissioner, Federal Board of Revenue, Ministry of Finance, Pakistan & Fellow, Asian Institute of International Financial Law, Hong Kong*

Uzma Ashraf as a civil servant and as an academic has been working for over 13 years in the legal and public policy domains of national and international financial organizations (the IMF/World Bank/Asian Development Bank) and research.

Her research includes ADB's projects on: microfinance, Asian financial integration, international financial center development, and Islamic finance.

Uzma has been published in international journals, national newspapers, book chapters, and a book on operational risk in 2012. She has established an annual series of inter-faith conferences in Hong Kong through the 'Bridging Gaps' since 2011.

Apart from an LLB, LLM and MBA, she is defending her doctorate in financial regulation and law from this summer. Previously, she served as assistant commissioner, deputy commissioner and as second secretary including a special posting with the prime minister of Pakistan.

Uzma is a Fellow at AIIFL Hong Kong and Visiting Researcher at Georgetown School of Law, DC.

17:00 – 17:10 Chairperson's Closing Remarks

Notes:



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Investment Titans: The Islamic Investment Strategy: A Five-Year Plan

Global Islamic investment leaders are asked to share their views on what Asian investors can expect from the Islamic investment environment in the next five years. Which investment vehicles are expected to thrive and which would have run their course? Are forays into emerging markets worth the risk and how should these be assessed? How are fund managers adapting their strategy to prevailing political and economic conditions in Asia?

Moderator:



Abdulkader Thomas — Chief Executive Officer, SHAPE Financial

See page 67

Panelist:



Maznah Mahbob — Chief Executive Officer, AmlInvest, Malaysia

Maznah Mahbob is the chief executive officer of AmlInvest, a multiple award-winning fund management house from Malaysia with global Shariah compliant fund management capabilities and a 30-year track record. AmlInvest has approximately US\$10.92 billion in assets under management, of which US\$1.79 billion is Shariah compliant.

With 27 years of experience in the funds management industry, 13 of which as CEO, Maznah has steered AmlInvest into developing capabilities across equities and fixed income asset classes worldwide. Maznah regularly speaks at domestic and international investment conferences covering both Shariah compliant and conventional investment strategies. The subjects she has covered include intelligent investment solutions and products, and distribution strategies of funds globally.

Panelists:

Mohamed Azahari Kamil — *Chief Executive Officer, Asian Finance Bank*

Mohamed Azahari started his career with the Malaysian French Bank in 1984 after which he joined Malaysian Industrial Development Finance in 1985. Azahari gained extensive experience through his stints with MIDF Corporate Consultancy Services, Bapema Corporation, Island & Peninsular, Kimara Equities and PB Securities. In 1994, Azahari established JMF Asset Management assuming the role of managing director.

In 2005, Amanah Raya acquired 70% of JMF-Asset Management and Azahari was appointed the managing director of the newly-formed entity Amanah Raya-JMF Asset Management. Azahari took on the role of managing director and chief executive officer of Amanah Raya Investment Bank, Labuan in 2008 and later that year was appointed as the chief executive officer of Asian Finance Bank, the third foreign-owned Middle Eastern Islamic bank in Malaysia.



Nicholas Kaiser — *Chairman and Chief Investment Officer, Saturna Capital, USA*

Nicholas Kaiser is the chief investment officer and controlling shareowner of Saturna Capital Corporation, US. Schooled in Canada, he has bachelors (economics, Yale) and masters (business, Chicago) degrees. Nicholas is the portfolio manager for the Islamic retail funds of Amana Mutual Funds Trust. Following a value style and technologically strong, Saturna Capital is the investment manager and administrator to US\$4 billion. Saturna's Kuala Lumpur subsidiary recently launched an Islamic ASEAN Equity Fund.



Nor Rejina Rahim — *Country Head - Malaysia, Nomura Asset Management*

Rejina started off her career as a legal officer with a local stock broking house before joining a Malaysian fund management outfit in 1998. Rejina has actively contributed towards the development of the Malaysian unit trust and asset management industry through close work with the industries' associations and the Securities Commission. She is responsible for the running of Nomura Asset Management Malaysia (NAM Malaysia) which she helped set up in December 2006. Under Rejina, NAM Malaysia has grown to be the largest foreign fund management house in Malaysia. She is Nomura Asset Management's first woman and non-Japanese national to head their overseas branch.

Rejina holds a legal degree (LLB Hons) from the University of Kent at Canterbury, UK and has been called to the Bar of England and Wales. Rejina holds a fund manager's representative license as well as recently obtained an Islamic Finance Qualification from the Chartered Institute for Securities and Investment, UK.

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Panelist:

Sandeep Singh — *Country Head - Malaysia & Chief Executive Officer, Franklin Templeton GSC Asset Management*

Sandeep Singh is the country head of Malaysia responsible for executing Franklin Templeton's business strategy and oversees the sales and marketing of all Franklin Templeton products (conventional and Shariah) in Malaysia.

Sandeep joined Franklin Templeton Investments in 1998 as the regional sales manager of Franklin Templeton Asset Management (India) in Kolkata, India. Prior to his current appointment, he was the senior vice-president and national sales director based in Mumbai, responsible for managing both retail and institutional business spread across 33 offices in India. Sandeep worked as senior manager — marketing with Cholamandalam Cazenove AMC in Chennai, India prior to joining Franklin Templeton. With over 18 years of experience in the asset management industry, Singh has a proven track-record of working in a start-up environment.

Sandeep graduated with a bachelor of engineering (mechanical) from the Punjab Engineering College in Chandigarh, India, and received his MBA from The University of Western Australia, Perth, Australia.

10:25 – 11:00 Coffee & Networking

Notes:

Investors Roundtable: Shifting Trends and Winning Strategies

- Outlook for offshore Sukuk and offshore Islamic funds: New markets, new players
- The case for government-linked investments and infrastructure funds: Outlook for Asian PPPs
- Islamic private equity and venture capital funds: What infrastructure is necessary for Asia to catch up to the Middle East?
- What is inhibiting the growth of Islamic ETFs and index-linked investments?

Moderator:



Noripah Kamso — *Former Advisor, CIMB Islamic, Malaysia*

Noripah Kamso was the former advisor to CIMB Islamic and founding chief executive of CIMB-Principal Islamic Asset Management. Since 2008, she has successfully established a global platform for the firm to extend its reach to the UK, Europe, GCC, Asia, USA and Australia. The firm acts as a global partner to global institutional investors, providing a range of Shariah investment portfolios. Under her stewardship as the CEO of CIMB-Principal Asset Management since 2004, it evolved from a Malaysian company to a regional asset management house. She pioneered the listing of the world's first regional ASEAN exchange-traded fund — CIMB ASEAN 40 ETF – listed in Singapore in 2007.

Noripah has successfully led CIMB-Principal Islamic's further expansion into global markets and continuous to share her thoughts and research via contributions in global publications and at international Islamic finance conferences. Her second book "Investing in Islamic Funds. A Practitioner's Perspective" published by Wiley & Sons in 2013 has also obtained global praise and readership.

Panelist:



Ahmad Nazim Abdul Rahman — *Group Chief Executive Officer, Pelaburan Mara, Malaysia*

Nazim Rahman is the group CEO of Pelaburan Mara, a Malaysian government-linked investment fund, overseeing the group's direct investment, fund management and operational activities. He has been involved in investments and fund-raising activities across various industries and has undertaken acquisitions of both listed and unlisted commercial entities and real estate assets and projects across the region. He was previously the CEO of a regional telecommunication group and had served as president director of its Indonesian subsidiary, responsible for the group's telecommunication infrastructure business in the region.

He currently sits on the board of directors of National Bank of Abu Dhabi (M) and serves as its chairman of the risk management committee and the remuneration committee. He is also a member of the board of UDA Holdings, a government-owned urban development company, and fund management companies, ASM Investment Services and Singapore-based Basil Partners and Al-Masah Capital (Asia).

Panelists:

Alka Banerjee — Managing Director of Global Equity & Strategy, S&P Dow Jones Indices, USA

Alka Banerjee is the managing director of Global Equity Indices at S&P Dow Jones Indices. Banerjee is responsible for the design and methodology governing global equity indices, focusing on creating new benchmarks for global equity markets and promoting their use among global clients.

Alka has extensive experience in global benchmarks, emerging market indices, Islamic equity investing and sustainable investing. More recently she has been closely involved with developing S&P Dow Jones Indices' latest strategy indices providing alternate benchmarks to global investors. Prior to joining S&P in 2000,

Alka worked for The Bank of New York where she was responsible for The Bank of New York ADR Index. Before moving to the US, she worked in India for the State Bank of India.



Mahdzir Othman — Chief Executive Officer, i-VCap Management, Malaysia

Mahdzir is the chief executive officer/director of i-VCAP Management (i-VCAP), a licensed Islamic fund management company. He joined i-VCAP in December 2010 and currently also assumes the role of chief investment officer (CIO). i-VCAP is the manager of MyETF-DJIM25 and MyETF-MMID, the only Shariah compliant exchange-traded funds listed on Bursa Securities Malaysia. As a licensed fund management company, i-VCAP also provides other Shariah compliant investment products and services that can meet investors' various risk appetite and target returns.

Mahdzir was previously the chief investment officer of Valuecap, the parent company of i-VCAP which he joined in 2003. Together with the stint in Valuecap, Mahdzir commands more than 20 years of working experience in the financial and capital market services institutions that include SBB Asset Management, Utama Merchant Bank, BBMB Unit Trust Management and Kassim Chan & Co.



Mushthaq Ahmad Ibrahim — Chief Executive Officer, KFH Asset Management, Malaysia

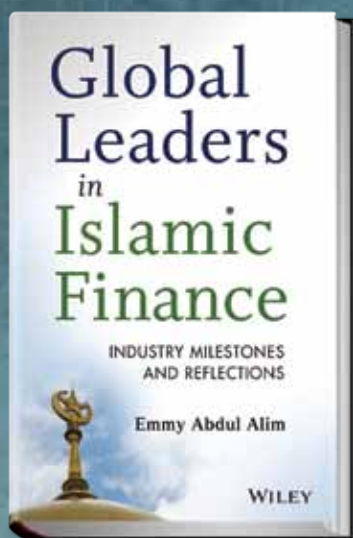
Prior to joining KFHAM as the chief executive officer, Mushthaq Ahmad Ibrahim was the CEO of Riyadh-based Wasatah Capital, a company specializing in private equity, advisory and asset management services.

Prior to leaving for the Middle East he held several senior management positions including: being the chief investment officer/director at MIDF — Amanah Asset Management, CEO at Asia Unit Trusts, general manager of special projects at Amanah Capital Partners, general manager of Singapore Unit Trusts, and senior

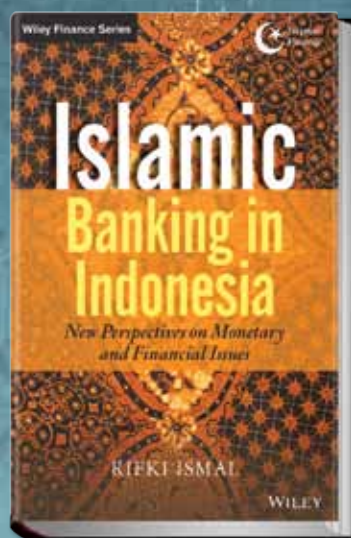
fund manager at Amanah Asset Managers and Bumiputra Merchant Bankers. He is also currently a board member and the investment committee member of the Al-Faiz Fund I, a private equity fund that was set up in 2008 specializing in mid- cap investments in the ASIAN region.

With over 20 years of experience in private equity, asset management and advisory, among others, he had also successfully managed regional and global investments.

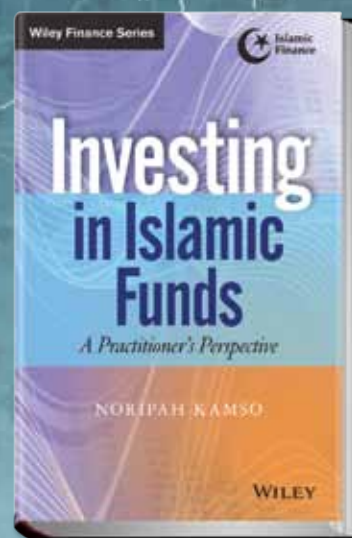
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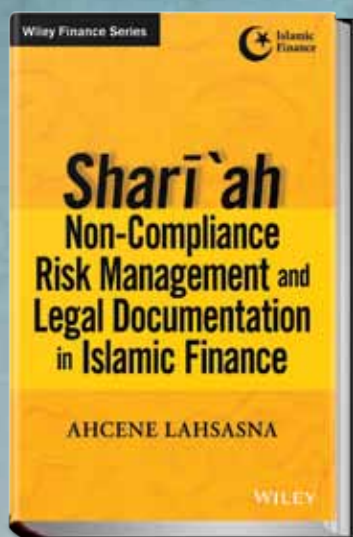
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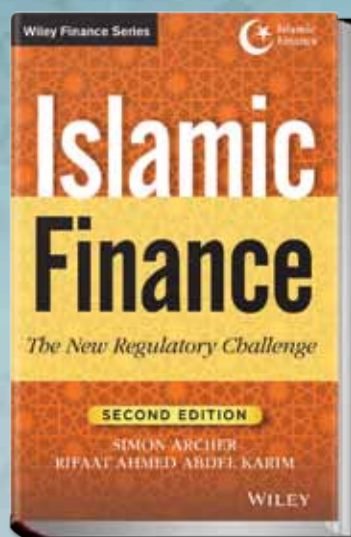
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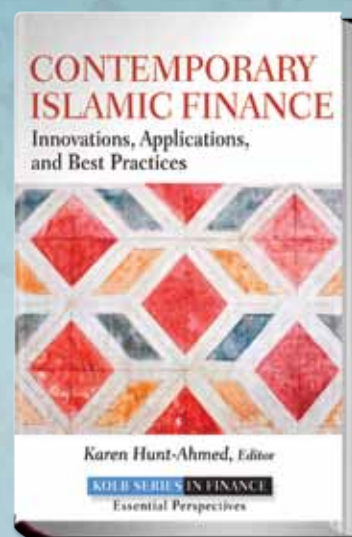
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Panelist:

Ritjana Cevoli — *Managing Director of Asset Management & Advisory, Ridge Capital, United Arab Emirates*

Ritjana Cevoli has more than 11 years of experience in fund management and Islamic finance covering global emerging markets and GCC equities. She worked on the origination, structuring, execution and distribution of equity and equity-linked offerings in emerging markets across a wide range of sectors. She has a strong track record of investments in GEM products, IPOs, fund investments and private equity in her previous companies.

Ritjana has been involved in big ticket global transactions and also has sat on boards of private companies managing over US\$500 million in assets and leading restructuring process and merger and acquisition events. She has worked in London, the UAE and Asia and started her career as a fund manager for Aberdeen Asset Management in London and Singapore and later on worked for sovereign wealth funds in Dubai and Abu Dhabi for the bulk part of her GCC work experience.

Notes:

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12:00 – 12:20 Presentation

What Initiatives Exist to Develop Talent and Human Capital in the Islamic Finance Services



Dr Amat Taap Manshor — *Chief Executive Officer, Finance Accreditation Agency, Malaysia*

Dr Amat Taap Manshor was appointed chief executive officer of the Finance Accreditation Agency (FAA) since its inception in August 2012.

Prior to joining FAA, Dr Amat served the positions of chief accreditation officer and senior director at the Asian Institute of Finance (AIF), held senior positions in institutions of higher learning and multinational companies where his portfolios included strategic leadership, professional training and learning, and human capital development. His experience in these areas spans more than 20 years.

As CEO, Dr Amat led FAA's growth and set the agency on a solid path towards achieving its targets in developing standards in quality learning and development for the financial services industry. In the process, he put in place the different qualification structures into one single framework by which attributes of quality learning are translated, understood and accurately measured. The completion of the structure is essential as it provides an agreed set of content standards against which training providers can benchmark their training programs, and will lead to the fulfillment of the key technical competencies required by the industry.

12:20 – 13:35 Luncheon

Notes:

Islamic Investments and Funds in Asia: Developing Growth in Key Sectors and New Asset Classes

Investment experts and advisors offer their perspectives on potential growth sectors in the Islamic investment universe. Which classes and sectors will deliver and what is hindering the development of others?

- How will Asia compete with the UK and the GCC in the Shariah compliant real estate space?
- Closing the gap between high demand and low supply of Islamic wealth management products
- Can the development of Waqf serve as a catalyst for driving growth in Islamic wealth management?
- Is the Islamic investment industry going into regulatory overdrive or is more regulation actually necessary?
- Improving the distribution of Islamic funds by using passporting options
- Which elements are crucial when choosing the right fund domicile or investment vehicle?

Moderator:



Abdulkader Thomas — Chief Executive Officer, SHAPE Financial

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Panelist:



Angelia Chin-Sharpe — Chief Executive Officer, BNP Paribas Investment Partners, Malaysia

Angelia Chin-Sharpe is the chief executive officer of BNP Paribas Investment Partners Malaysia and global head of the Islamic segment for BNP Paribas Investment Partners. She has over 16 years of experience in banking, capital markets and asset management. Chin-Sharpe joined BNP Paribas Investment Partners in 2007 and was responsible for the successful set up of the businesses in Malaysia and Brunei. She was also responsible for the institutional business development of frontier markets in Asia before moving back to Malaysia in 2012 as CEO.

As the global head of the Islamic segment, she is also responsible for driving BNP Paribas Investment Partners' Islamic business development opportunities globally, working with their global network.

Panelists:

Bishr Shiblaq — Head, Dubai Representative Office, Arendt & Medernach, United Arab Emirates

Bishr Shiblaq is the head of the Dubai office of Arendt & Medernach, where he advises MENA-based clients on Luxembourg regulatory matters. He advises on the structuring and setting-up of investment structures and also specializes in banking and finance, in particular structured finance and Islamic finance.

He is a regular author on Islamic finance and is regularly invited to speak on Luxembourg-related topics at conferences in the region. He has been recognized in the 2013 MENA Fund Manager Service Provider Power 30 list as among the 30 most influential service providers for the MENA funds industry. He

is also a member of the Middle East Working Group of the Association of the Luxembourg Fund Industry (ALFI), as well as a member of the GCC Chapter of the International Fiscal Association.

He holds a master's degree in law from the University of Cologne, as well as a Master of Laws (LLM) in International Economic Law from the University of Warwick (UK).



Jamaluddin Nor Mohamad — Director of Islamic and Alternative Markets, Bursa Malaysia

Jamaluddin Nor Mohamad is the director of Islamic and alternative markets at Bursa Malaysia. He is spearheading the expansion and development of the products and services of the Islamic and bond markets and the Labuan Financial Exchange. Prior to joining Bursa Malaysia, Jamaluddin was the chief operating officer of Bank Pembangunan Malaysia. Jamaluddin brings with him over 25 years of experience in the banking industry in various capacities in Malaysia and abroad, including senior positions in Bumiputra Commerce Bank and Bank Simpanan Nasional.

He holds a Masters in Business Administration from University Putra Malaysia and a Bachelor's Degree in Business Administration from Ohio University as well as a Certificate in Investment Management from Securities Institute, UK.



Lim Say Cheong — Executive Vice President and Head, Investment Banking, Al Hilal Bank, United Arab Emirates

Lim Say Cheong is currently an executive vice-president of the investment banking group of Al Hilal Bank. As a founding member of Al Hilal Bank, Lim is responsible for the development and growth of the investment banking and asset management business of the bank. He sits in the various management committees of the bank. He has more than 20 years of banking experience of which about eight years has been in Islamic finance and banking. His banking experience includes treasury, risk management, asset management and investment banking. During this time he has worked in Singapore, Kuala Lumpur, Dubai and Abu Dhabi and has been in the UAE since 2007.

Lim holds BSc in mathematics and economics from the University Sydney, Master in Financial Planning from the University of Sunshine Coast and a Certified Financial Planner (CFP). He also has Diploma in Islamic Finance from CIMA, UK.



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Panelist:***Richard Thomas — Chief Representative-Malaysia, Gatehouse Bank***

Richard Thomas is the chief representative of Gatehouse Bank Kuala Lumpur Representative Office and senior advisor to the board, Gatehouse Bank. Thomas recently relinquished his role as chief executive officer of Gatehouse Bank to focus on expanding Gatehouse Bank's business model in Southeast Asia and linking the third Islamic financial hub to the UK and the GCC.

In his career spanning almost 35 years in Merchant and Investment Banking in the City of London, the last 30 years have been entirely in Islamic financial services. Richard has previously worked for Saudi International Bank, United

Bank of Kuwait and Arab Banking Corporation (ABC), helping set up the Islamic asset management units in each one. He left ABC in 2007 to follow the vision of Ayman Boodai, set up GSH (UK) and joined the foundation committee to set up Gatehouse Bank from start up.

Richard is a Fellow of the Chartered Institute for Securities & Investment. He is the chairman of the working groups UK Islamic Finance Secretariat and a member of INCIEF Governing Council.

Notes:

Advancing Asia's Takaful Industry

We invite CEOs of leading Takaful companies to share their strategies and views on growth opportunities and challenges that exist in the Asian Takaful market. What regulatory impediments must be overcome to achieve further expansion? What investment options are available to Takaful players? What is the outlook for sustainable growth in an increasingly competitive landscape?

Moderator:



Sohail Jaffer — Deputy CEO, FWU Global Takaful Solutions, Dubai

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Panelists:



Albert Wiseman Paterson — President Director, Sun Life Financial Indonesia

Bert Paterson has served as the country manager of Sun Life Financial in Indonesia since June 2010. He is responsible for setting the strategic direction of the business and for managing the growth and profitability of Sun Life Financial Group in Indonesia.

Bert is from Scotland and has more than 27 years' experience in the insurance industry. He has worked with several global insurers in many different parts of the world including: the Middle East, India, Sri Lanka, Turkey, Italy, Spain and Central and Eastern Europe. His industry experience, covering life and non-life

insurance as well as multi-channel distribution, combines to give him expertise in strategy and leadership development.

Bert also has extensive Takaful experience having previously been chief executive officer of a new Takaful bancassurance joint venture in Bahrain as well successfully launching a Shariah unit for Sun Life Financial Indonesia.



Azim Mithani — Chief Executive Officer, Prudential BSN Takaful, Malaysia

As chief executive officer, Azim has overhauled the company's strategic approach and focus areas, driving professionalism in distribution and forging ahead with strong customer propositions. He is a member of the Management Committee of the Malaysian Takaful Association and the Takaful Examination Board, where he has played a central role in improving the quality and consistency of the examination process, for new agents and other distributors. Azim has with him more than 23 years experience in the Takaful and insurance industries. He has worked in various roles in the UK and Asia and been proven in both global and country roles.

Panelist:
Zainudin Ishak — *Chief Executive Officer, HSBC Amanah Takaful, Malaysia*

Zainudin Ishak is among the leading experts in the world of Takaful. With more than 22 years of experience, he has accumulated extensive knowledge and experience in managing the insurance and Takaful business and has spoken at conferences locally and globally on his experience with the development of Takaful.

He was instrumental in developing a sound bancaTakaful operation, frameworks and documentation, automation of claims and underwriting processes, turning around and stabilizing the underwriting position of a local insurance provider, as well as structuring the treaty arrangement. He is also responsible to lead the company he is currently attached, in delivering impressive business results and strategic positioning in the industry.

With the benefit of a long and diverse career in the insurance and Takaful industry, he currently serves as executive director and chief executive officer of HSBC Amanah Takaful (Malaysia), Board of Director of SAAB Takaful and Board of Director of HSBC Insurance (Asia-Pacific) Holdings.

He is also the chairman of Malaysian Takaful Association, Board of Directors of Islamic Banking & Financial Institute in Malaysia and Insurance Services Malaysia.

15:20 – 15:50 Coffee and Networking

Notes:

Developments in the Islamic Interbank and Wholesale Lending Market

Treasury heads and advisors offer their perspectives on what's driving growth in the interbank market. What is the outlook for Islamic treasury and liquidity management products? Can other Shariah compliant structures challenge the dominance of commodity Murabahah and how will this affect interbank market transactions? What needs to be done to meet Basel III standards on liquidity management?

Moderator:



Abdulkader Thomas — Chief Executive Officer, SHAPE Financial

See page 67

Panelists:



Cassim Docrat — Director, DDCAP(DIFC), United Arab Emirates

Cassim Docrat is the director of DDCAP (DIFC), the company's representative office in the Middle East. Cassim has over 30 years of international banking experience in Canada, the UK, Europe, Asia, the Middle East and Africa.

He started his banking career in 1981 with Citibank in South Africa before moving to Canada in 1983, where he went on to hold senior positions at Citibank, Bank of Montreal and the Bank of Nova Scotia. He has worked in the Middle East since 1991, holding senior executive positions with banks including Kuwait Finance House, Al Rajhi Bank and National Bank of Abu Dhabi.

Cassim has built strong relationships with major institutions and government entities in the region and beyond. He has experience across commercial, investment and Islamic bank offerings focused at institutional investors particularly in the structured trade and syndication markets.



Idham Sabki — Head of Global Islamic Markets, Hong Leong Islamic Bank, Malaysia

Idham Baharum is the head of global Islamic markets at Hong Leong Islamic Bank, having joined the bank in February 2014. Previously, Idham was part of the management team that set up the first Islamic bank in Mauritius called Century Banking Corporation. His experiences included employment with Elaf Bank (Bahrain), Deutsche Bank (Malaysia), Bank Muamalat Labuan Offshore Branch and Bank Negara Malaysia.

Idham has a MSc in Wealth Management from Singapore Management University and a BSc (Honors) in Economics from the University of Warwick.

Panelist:

Tom Guest — *Associate Director, Eiger Trading Advisors, United Kingdom*

Tom Guest joined Eiger Trading's London office in 2010, after studying Classics and Arabic at Corpus Christi College, Oxford, where he graduated with first class honors.

He started on Eiger's Islamic products trading desk and was part of the team that developed Eiger's industry-leading web-based commodity Murabahah platform, that is being used by over 100 financial institutions from London to Southeast Asia. More recently, Tom has excelled in Eiger's business development and customer relations, and was promoted to associate director in 2013. He now spends most of his time travelling in the GCC.

16:35 – 16:45 Chairperson's Closing Remarks

Notes:

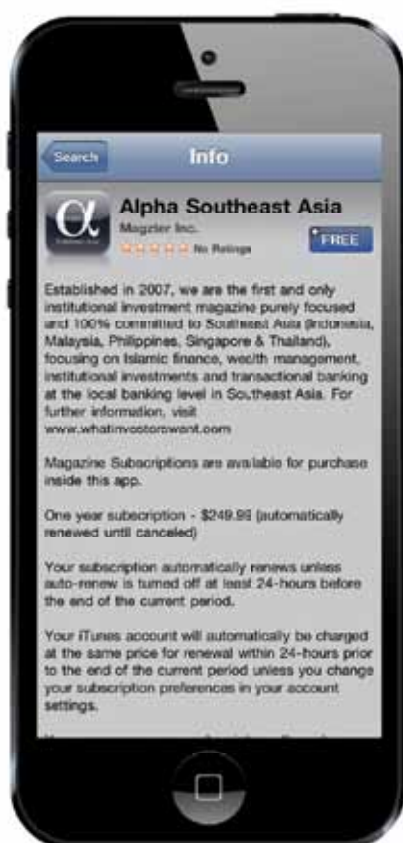


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AAOIFI
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AAOIFI is the international organization responsible for development and issuance of standards on Shariah, accounting, auditing, governance and ethics for the global Islamic finance industry. AAOIFI is supported by around 200 institutional members from 40 countries. Members include central banks, regulatory authorities, financial institutions, accounting and auditing firms and legal firms.

AAOIFI's standards reflect the concept and essence of Islamic finance transactions and bring about harmonization of Islamic finance practices. Expertise for technical application of standards is supported by AAOIFI's professional development qualification programs: Certified Shariah Adviser and Auditor (CSAA), and Certified Islamic Professional Accountant (CIPA). AAOIFI has also launched the Contract Certification Program to certify that financial contracts between Islamic financial institutions and their clients are compliant with AAOIFI standards and Shariah rules and principles.

AAOIFI accounting standards have been made part of mandatory regulatory requirement and have been used as basis of national accounting standards in a number of jurisdictions. In other jurisdictions AAOIFI accounting standards have been used voluntarily as basis of internal guidelines by leading Islamic financial institutions.



The Association of the Luxembourg Fund Industry (ALFI) is the representative body of the Luxembourg investment fund community. Created in 1988, the Luxembourg fund industry is the largest fund domicile in Europe and a worldwide leader in cross-border distribution of funds. Luxembourg-domiciled investment structures are distributed on a global basis in more than 70 countries with a particular focus on Europe, Asia, Latin America and the Middle East.

Luxembourg Fund Center aims to be a global center of excellence for the asset management industry, thereby creating opportunities for investors, fund professionals and the global community as a whole.

ALFI actively promotes the Luxembourg investment fund industry, its products and its services. It represents the sector in financial and economic missions organised by the Luxembourg government around the world and takes an active part in meetings of the global fund industry.

For more information, visit our website at www.alfi.lu.



IIFM is the Islamic Financial Services Industry's standard setting organization focused on the Islamic Capital & Money Market (ICMM) segment of the industry. Its primary focus lies in the standardization of Islamic financial products, documentation and related processes at the global level.

IIFM also organizes specialized industry seminars, workshops and consultative meetings for the development of the ICMM. IIFM was founded as a neutral and non-profit organization with the collective efforts of the Central Bank of Bahrain, Islamic Development Bank, Autoriti Monetari (i.e. Monetary Authority) Brunei Darussalam, Bank Indonesia, Central Bank of Sudan and Bank Negara Malaysia (delegated to Labuan Financial Services Authority).

Besides the founding members, IIFM is supported by other jurisdictional members such as State Bank of Pakistan, Dubai International Financial Centre as well as a number of regional and international financial institutions and other market participants.



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In Support Of



Since its inception more than 30 years ago, Islamic finance in Malaysia has developed into a comprehensive and sophisticated Islamic finance marketplace. Our marketplace is characterized by a robust regulatory, supervisory, Shariah and legal framework, a deep primary market and active secondary Sukuk market, a diverse players and talent base with global capabilities and connectivity for business deals anywhere in the world, product innovation, breadth and depth and an efficient system for multi-currency clearing and settlement. Malaysia's Islamic finance marketplace is open to global industry players and market participants to collaborate with and mutually benefit from a highly conducive business environment of innovation, expertise and deal flow.

Malaysia's Islamic finance marketplace is served by the Malaysia International Islamic Financial Center (MIFC) Community, founded on the launch of the MIFC initiative in 2006. The MIFC Community is a network of the country's financial sector regulators, including Bank Negara Malaysia (Central Bank of Malaysia), Securities Commission Malaysia, Labuan Financial Services Authority and Bursa Malaysia (Kuala Lumpur Stock Exchange), government ministries and agencies, industry players from the Islamic banking, Takaful, re-Takaful and Islamic capital market industries, human capital development institutions as well as professional ancillary services companies ranging from legal firms and Shariah advisories to tax and audit firms and research companies.

For more information on Malaysia's Islamic finance marketplace, please visit www.mifc.com.

Lead Partners



Your Bank. Malaysia's Bank. AmIslamic.

AmIslamic is a solutions provider in Islamic investment banking, retail banking, wholesale banking, funds management, Family Takaful and related products and services from the AmBank Group, backed by a strong tradition of innovation and customization from across the group's subsidiaries and divisions including AmIslamic Capital Markets, AmIslamic Bank, AmInvest (the funds management arm) and

AmFamily Takaful. As a one-stop powerhouse in Islamic finance, AmIslamic continues to deliver award-winning results and excellent client service to institutions, corporates, government agencies, SMEs and individuals.

Recent awards include Bank of the Year in Malaysia 2013 (The Banker Magazine), Best Islamic Finance Deal of the Year in Southeast Asia and Best Bond for Retail Investors in Southeast Asia (7th Alpha Southeast Asia Best Deal & Solution Awards 2013, both for DanaInfra Nasional RM300 million Exchange Traded Sukuk), Most Outstanding Islamic Investment Bank (KLIF Islamic Finance Awards 2013), Best Sukuk House (Asia Asset Management 2013 Best of the Best Awards), Best Islamic Fund Manager 2013 (Global Islamic Finance Awards 2013), Best Asset Management Company, Malaysia (fourth consecutive year, The Asset Triple A Asset Servicing, Fund Management and Investor Awards 2013), Fund House of the Year, Malaysia (AsianInvestor Investment Performance Awards 2013) and Best FX Bank for Corporates & Financial Institutions (second consecutive year, 7th Alpha Southeast Asia Best Financial Institution Awards 2013).



CIMB Islamic is CIMB Group's global Islamic banking and finance franchise, anchored by CIMB Islamic Bank, a licensed bank under Malaysia's Islamic Banking Act 1983. It operates in parallel with the

group's universal banking platform. Headquartered in Kuala Lumpur, CIMB Islamic provides innovative and comprehensive Shariah compliant financial solutions in investment banking, consumer banking, asset management, Takaful, private banking and wealth management, to personal, commercial and large corporate as well as institutional customers across ASEAN, the Middle East, South Asia, North Asia, Australia and major international financial centers, serving all customers under the group, Muslim and non-Muslim alike. CIMB Islamic products and operations are managed in strict compliance with Shariah principles under the guidance of the CIMB Islamic Shariah Committee, which comprises some of the world's leading Islamic scholars.

CIMB Islamic is recognized as a pioneer in Islamic financial markets, having advised on the world's first Shariah compliant exchangeable Sukuk and the largest sovereign Sukuk issue.

Lead Partner



HSBC has been offering Islamic financial services in Malaysia since 1994. HSBC introduced Islamic banking globally in 1998. In 2004, the HSBC Amanah brand was launched globally with the aim of making HSBC the leading provider of Islamic banking services worldwide.

In 2007, HSBC Bank Malaysia was the first locally incorporated foreign bank to be awarded an Islamic banking subsidiary license in Malaysia, and HSBC Amanah Malaysia, a fully-fledged Islamic bank wholly-owned by HSBC Bank Malaysia, commenced operations in August 2008.

HSBC in Malaysia has a network of 68 branches nationwide, of which 26 are HSBC Amanah Malaysia branches. HSBC Amanah Malaysia also has offsite ATMs established in 25 locations nationwide. All HSBC branches in Malaysia offer HSBC Amanah products.

HSBC Amanah Malaysia complements HSBC Bank Malaysia's comprehensive banking and financing solutions, available to all its customers, by providing a full suite of innovative Islamic products and services to retail and corporate customers.



HSBC Amanah Takaful (Malaysia) is a joint venture between HSBC Insurance (Asia Pacific) Holdings (49% shareholding), JAB Capital (formerly known as Jerneh Asia Berhad) (31% shareholding) and Employees Provident Fund Board of Malaysia (20% shareholding). The company is capitalized at RM100 million (US\$30.83 million).

HSBC Amanah Takaful envisions bringing together people that make a difference to create and introduce Shariah compliant financial protection solutions to all Malaysians. It has a Bank Negara Malaysia-approved Shariah Committee, comprised of renowned Shariah scholars and Islamic economists.

In developing and offering Takaful solutions to Malaysian consumers, the operator leverages on the group's international experience and expertise in Islamic finance.

Multilateral Strategic Partner



The Islamic Corporation for the Development of the Private Sector (ICD) is a multilateral financial institution. It is the private sector arm of the Islamic Development Bank Group (IDB). It was established by the IDB Board of Governors in its 24th annual meeting held in Rajab 1420H (November 1999) in Jeddah, Kingdom of Saudi Arabia. The authorized capital stock of the Corporation is US\$2 billion while the capital available for subscription is US\$1 billion. Its shareholders are the IDB, 52 Islamic member countries, and five public financial institutions from member countries.

The mandate of ICD is to play a complementary role to the IDB's activities and national financing institutions in member countries through the provision of financing and financial services to private sector projects in accordance with principles of the Shariah. ICD also provides consultancy services to governments and private sector institutions in order to encourage the establishment, expansion and modernization of private sector enterprises, the development of capital markets, the adoption of best management practices and enhancement of its role in the market economy.

The ICD focuses on financing developmental projects which contribute to the creation of employment opportunities and the encouragement of exports. To achieve these objectives, ICD creates and develops relations of cooperation and partnership to arrange co-financing and syndicated financing services.

Associate Partners



Finance Accreditation Agency (FAA) is an international and independent quality assurance and accreditation body supported by central bank of Malaysia and Securities Commission Malaysia. FAA is responsible for quality assurance and promotion of learning initiatives within the financial services industry, including learning programs and institutional accreditation, recognition of prior learning and promotion of future learning practices in the financial services industry. Through these initiatives, FAA aims to contribute towards promoting the highest standards in the development of talent for the financial services industry.



Moody's is an essential component of the global capital markets, providing credit ratings, research, tools and analysis that contribute to transparent and integrated financial markets. Moody's Corporation (NYSE: MCO) is the parent company of Moody's Investors Service, which provides credit ratings and research covering debt instruments and securities, and Moody's Analytics, which offers leading-edge software, advisory services and research for credit and economic analysis and financial risk management. The corporation, which reported revenue of US\$2.7 billion in 2012, employs approximately 8,300 people worldwide and maintains a presence in 31 countries. Further information is available at www.moody.com.



OCBC Bank (Malaysia) (OCBC Bank) launched its Islamic banking business through the 'window' concept on the 5th June 1995 and became the 19th of 22 commercial banks to operate Islamic banking business. After 14 years of operating under the Islamic window business, OCBC Al-Amin Bank commenced its operations on the 1st December 2008.

OCBC Al-Amin is an Islamic bank that serves across communities, in keeping with the purpose statement of OCBC Bank. This means the bank will strive to make OCBC Al-Amin relevant and attractive to both Muslims and non-Muslims; both businesses and individuals while adhering to the tenets of Islam.

OCBC Al-Amin offers a broad array of specialist financial services, ranging from consumer, corporate, treasury, investment, private and transaction banking.

OCBC Al-Amin now has 10 branches and its products and services may also be accessed via all 31 OCBC Bank branches.



As a major international bank with a longstanding heritage and a global network that covers much of the Muslim world, Standard Chartered is ideally placed for a prominent role in this ever-expanding market.

Staying close to the bank's core values, its global Islamic banking brand, Standard Chartered Saadiq, was launched in early 2007 to create a distinct identity and to reiterate the bank's commitment to providing innovative banking solutions based on Islamic values. The word 'Saadiq' ('truthful' in Arabic) was carefully selected for this Islamic banking offering.

At Standard Chartered Saadiq, the dedicated Islamic banking team combines Shariah expertise with strong business acumen to offer customers the best of both worlds' comprehensive international banking services with a wide range of Shariah compliant financial products.

Standard Chartered Saadiq offers a complete suite encompassing transactional and corporate banking; financial market solutions such as capital markets, treasury risk management and corporate finance solutions such as project and export finance, structured trade finance and structured finance to cater for the broad spectrum of corporates and institutions.

Since 2006, Standard Chartered Saadiq has won more than 100 industry awards in recognition of the market leadership position of the business.

Exclusive Exchange Partner



Bursa Malaysia is an approved exchange holding company under Section 15 of the Capital Markets and Services Act 2007. A public company limited by shares under the Companies Act 1965, Bursa Malaysia operates a fully-integrated exchange, offering equities, derivatives, offshore, bonds as well as Islamic products, and provides a diverse range of investment choices globally.

Bursa Malaysia Securities regulates and operates the securities trading activities in Malaysia, a stock market with more than 900 companies across 60 economic activities. Companies from the economic sectors are listed either on the Main Market for large-cap established companies, or on the ACE Market for emerging companies of all sizes. The exchange adopts the FTSE Bursa Malaysia KLCI values as its main index.

For more information on Bursa Malaysia, visit www.bursamalaysia.com.

Executive Partners



Asian Islamic Investment Management (AIIMAN), one of the first foreign-owned global Islamic asset management companies, was launched in November 2008 under the Malaysia International Islamic Financial Center (MIFC) initiatives licensed by the Securities Commission Malaysia to carry out Islamic investment management activities. AIIMAN's asset size has grown to a respectable RM6.6 billion (US\$1.98 billion) as at the 31st December 2013.

AIIMAN is a joint venture between two prominent Asian financial entities: Singapore-based specialist asset manager, Nikko Asset Management Asia; and a pioneer in Malaysia's merchant banking business, Affin Investment Bank.

One of the firm's key strengths is its ability to offer in-depth investment management services, innovative investment ideas and expertise in research by leveraging on the group's extensive network and infrastructure across the Asian region. As such, AIIMAN is well-positioned to provide investors access to different capital markets and a wide offering of Shariah compliant products across different asset classes.



Bank Muamalat is the oldest Islamic bank in Indonesia. Founded in 1991, it started operations in May 1992. Bank Muamalat has been expanding its service with more than 450 offices across Indonesia. To improve customer accessibility, it now has 1,271 ATM machines giving it the largest ATM network of any Islamic bank in Indonesia.

In 2009, Bank Muamalat entered the regional market with the launch of an international office in Kuala Lumpur, Malaysia. It remains the only full branch operated by an Indonesian bank in Malaysia and the first foreign Islamic bank operating a branch under an international Islamic banking license.

In the last four years, Bank Muamalat has been undertaking a business transformation through the development of its products to match market needs and through the improvement of service levels. Bank Muamalat continues to launch innovative products: including Shar-e Gold which was recognized by Museum Rekor Indonesia as the first Islamic debit card with chip technology in Indonesia. The card can be used for no-cost transactions in 170 countries worldwide.

Executive Partners



Founded in 1998 and headquartered in London, with presence in Dubai and Saudi Arabia, DDCAP is majority owned by IPGL, the most significant shareholder in ICAP, the world's largest interdealer broker. DDCAP positions itself as an intermediary in the Islamic financial services industry, providing structuring support, trade execution and value-added services to its global clients. DDCAP holds a unique market position as facilitator across a diverse range of Shariah compliant products, asset classes and instruments in both the primary and secondary markets, through its trading subsidiaries DD&Co and DDGI.

DDCAP is multi-award winning, regularly receiving industry recognition including "Best Interbroker for Islamic Transactions" (IFN Best Service Providers Poll).

To ensure its ongoing commitment to the integrity of the markets in which it operates and to client stipulation, DDCAP has an appointed Shariah Supervisory Board comprising the following members:

Sheikh Abdullah Suleiman Almaneea (Chairman)

Sheikh Dr Abdullah Almutlag

Sheikh Dr Mohamed Ali Elgari



A member of Prudential plc (UK)

Established in 2000 and based in Kuala Lumpur, Eastspring Investments is part of Prudential Corporation Asia, the Asia business of Prudential of the UK. The Prudential Group has been investing in Asia since 1863. Eastspring Investments is one of the largest asset management companies in Malaysia in both institutional and retail, with about RM24 billion (US\$7.2 billion) in assets under management in the country as at the 31st December 2013. The firm manages unit trust funds,

wholesale funds as well as private mandates for individuals and institutions.



Eiger Trading Advisors is an independent investment management and advisory firm specializing in commodities markets. Based in London, the company has a wealth of knowledge and experience and generates value through its network of relationships within physical commodities markets.

Our dedicated team provides Islamic financial institutions with custom bespoke products in a range of commodities, including:

- Liquidity management/asset facilitation via our proprietary electronic trading platform;
- Structured products;
- Commodity trade finance and risk mitigation;
- Shariah compliant trade finance funds (advisory and under management); and
- Bespoke IT solutions to clients based on our proprietary software and systems architecture expertise.

Our proprietary web-based trading platform is currently being used or tested by over 170 institutions across Europe, the GCC and Asia. The platform automates the structuring and execution of Islamic treasury and capital markets products for wholesale and retail commodity-backed transactions and is one of the most advanced and efficient delivery mechanisms available.

Eiger is authorized and regulated by the UK's Financial Conduct Authority and is a member of the London Metal Exchange.

Executive Partners**Emirates NBD Group**

Emirates NBD is a leading banking group in the region. As at the 31st December 2013, total assets were AED342.1 billion (US\$93.12 billion). The group has a leading retail banking franchise in the UAE, with more than 215 branches and 927 ATMs and CDMs in the UAE and overseas. It is a major player in the UAE corporate and retail banking arena and has strong Islamic banking, global markets and treasury, investment banking, private banking, asset management and brokerage operations.

The group has operations in the UAE, Saudi Arabia, Qatar, Egypt, Singapore, the UK and representative offices in India, China and Indonesia.

The group is an active participant and supporter of the UAE's main development initiatives and of the various educational, environmental, cultural, charity and community welfare establishments.

Emirates NBD Capital

Emirates NBD Capital (EmCap) is the investment banking subsidiary of the Emirates NBD Group, licensed to operate in the Dubai International Financial Center. EmCap comprises an experienced team of professionals combining an international perspective with in-depth regional knowledge spanning debt capital markets (including Shariah compliant structuring), syndicated/club loans, financial advisory, equity capital markets and project finance.



FWU Group is an international financial services group, active in bancassurance, asset management and individual pension plans. The group is also recognized for global leadership and expertise in Shariah compliant investments and insurance (Takaful). FWU Group specializes in white label Family Takaful investment-linked plans; offering Takaful operators a customized innovative product family – encompassing savings, education, marriage and pension plans.

Today, FWU Group is the largest global producer of bancaTakaful in Saudi Arabia, the UAE, Kuwait, Pakistan and Malaysia.

In November 2012, FWU Group pioneered the first EU Sukuk issuance by a German corporate and largest within Europe. The EUR55 million (US\$76.01 million) Sukuk Ijarah is another innovation by FWU Group, as it was the first Sukuk with underlying asset being intellectual property (proprietary software, developed in-house, used by FWU Group distribution partners).

In recognition of its global expertise in Takaful, FWU Group has won 12 prestigious awards including several from Islamic Finance *news*.

Executive Partners



Gatehouse Bank is a UK wholesale Shariah compliant investment bank based in the City of London, authorized by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Gatehouse Bank was founded in 2008 and has banking operations with divisions in real estate, treasury, wealth management and Shariah advisory.

What we do

Combining international financial market expertise with excellence in Shariah principals, Gatehouse Bank is in a unique position to engage with an international client base from Europe, the GCC and Southeast Asia, seeking safe haven assets and diversification for their portfolios.

London not only provides a strong regulatory foundation, it offers a robust and transparent legal system for financial services.

In addition to its other services, Gatehouse Bank provides solutions for clients' wealth preservation needs through income-producing real estate products. The bank has maintained a successful track record in real estate acquisitions and has profitably realized a number of investments. To date, Gatehouse Bank manages over US\$2 billion assets in the US, UK and Europe.

Gatehouse Bank in Kuala Lumpur

The Gatehouse Bank Kuala Lumpur Representative Office opened in 2013 as a footprint for Asian markets. The office provides client contact and services for the bank's Asian clients, regional research and development, and economic data.



Great Eastern Takaful (GETB), a joint venture company between I Great Capital Holding (i-Great), a subsidiary of Great Eastern Holdings, and Koperasi Angkatan Tentera was officially launched on the 10th December 2010. GETB changed its status from a private to public company effective the 10th December 2013. This is in line with the requirement of the Islamic Financial Services Act 2013, requiring all Takaful operators to be a public company.

This young and charismatic company was also awarded the Best New Takaful Operator (Asia) in 2011 and 2013, and Best New Institution in 2012 by a Dubai-based publication.



هونغ ليونغ اسلاميك بنك

Hong Leong Islamic Bank (HLISB) is a wholly-owned subsidiary of Hong Leong Bank (HLB), which in turn forms an integral part of the larger Hong Leong Financial Group. Operating through eight full-

fledged Islamic branches, in addition to a shared network of about 270 HLB branches and more than 1,400 self-service terminals nationwide, it naturally benefits from a strong distribution network in offering Islamic banking products and services as a Shariah compliant alternative to conventional banking.

Strategically focused on the provision of holistic solutions based on the tenets and principles of Shariah law, HLISB offers its customers a wide range of innovative solutions which amongst others include structured finance, capital markets, personal financial services and wealth management. In addition to these, HLISB also pursues the development of its own business niche in fee-based income and investment banking model to further solidify its position as a leading Islamic bank in Malaysia.

Executive Partners

IdealRatings® IdealRatings was incorporated in 2006 in San Francisco with a mission to help Shariah compliant and ethical investors identify instruments across different asset classes in more than 160 markets. IdealRatings serves clients in over 20 countries with a range of capital market solutions including:

- Equities – A web-based platform covering over 40,000 stocks, where fund managers can screen equities using different Shariah rulebook or guidelines. This solution caters for different purification calculation methodologies;
- REITs – Global coverage of all listed REITs that could be screened in accordance with different standard Shariah rulebook or guidelines;
- Indexes – Co-branded and jointly marketed by Russell Indexes and a separate series with Thomson Reuters for the Global Markets, designed for fund management and investment benchmarking. In addition, IdealRatings is able to provide custom-built indexes;
- Sukuk – A unique, pioneering global Sukuk screening solution that enables fund managers to customize their Sukuk selection in accordance to their Shariah rulebook or guidelines; and
- Brokerage – The solution provides broking houses the ability to screen global equity markets, technical analysis of the markets and equities, buy/sell/hold recommendations and purification amount.



IDCORP Innovation & Development (IDCORP) headquartered in Kuala Lumpur is specialized in the provision of end-to-end software solutions for the financial and large-scale industries. IDCORP offers a diverse range of solutions encompassing all major components of the banking and payment process systems. The products include Islamic and conventional core banking systems, cards and payment solutions along with Islamic credit card system, virtual banking and business intelligence systems.

We have a capable team with extensive banking and finance knowledge, ICT development skills and specialists empowered by a management team along with market leading technological partners globally.

Backed by our corporate vision to stay at the forefront of our industry, we continue to invest in human capital and research and development so that we can consistently offer relevant solutions to power the conventional and Islamic banking sector into the new economy era.



IsFin ISFIN lawyers, auditors and accountants have extensive experience advising on Islamic markets and Islamic finance real estate investments and transactions. The organization's professionals have advised both Islamic and conventional financial institutions, as well as corporate and governmental bodies, on a wide range of structures.

ISFIN is the world's leading supplier of advisory services to the Islamic economy and the Halal industry including Islamic finance. ISFIN is a global player with first class independent firms in all key countries across the world. With a coverage in more than 60 countries, ISFIN provides companies with fully-coordinated, yet locally-specific, global advice in all aspects of Islamic finance (Shariah compliant and conventional transactions). Geographic spread includes inbound and outbound investment markets as well as tax-friendly jurisdictions.

More informations on : www.isfin.net

Executive Partners



Path Solutions is at the forefront of the Islamic financial software industry, providing a broad, deep spectrum of Shariah compliant integrated solutions and services that cover core banking, customer service management, investment banking, risk management, treasury and trading in the GCC and global capital markets.

Designed to meet the needs of modern Islamic banking, Path Solutions' turnkey solutions are based on an open, flexible architecture and an established deployment methodology. They have been tested and implemented at some of the world's most sophisticated Islamic banks, Islamic banking windows as well as conventional banks converting into Islamic banking operations.

Path Solutions' flagship product, iMAL is a powerful core banking solution specifically built from the ground-up to support Shariah banking operations. It is geared to address region-specific Islamic banking requirements. Moreover, the flexibility and intuitive design of iMAL enables financial institutions to quickly launch competitive Shariah compliant products and services while reducing IT dependency and cost.

Founded in 1992 and building on over 20 years of experience, Path Solutions is well positioned to be the trusted IT partner of forward-thinking Islamic banks willing to capitalize on best-of-breed technologies. The company goes a step beyond traditional software vendors by delivering solutions designed to mitigate Shariah risk, optimize output, minimize costs and which can be easily extended to support geographical and business expansion.

Further details are available here www.path-solutions.com



Pelaburan MARA is a strategic investment and asset management company wholly-owned by Majlis Amanah Rakyat (MARA), a statutory agency of the government of Malaysia. Established in 1967, the group is principally involved in private equity investments, portfolio fund management, unit trust management, financial services and corporate advisory.

Pelaburan MARA strives to create lasting values to its investors, investee companies and society at large. To this end, the firm becomes an active investor transforming its investee companies into lasting and sustainable entities, and provides superior asset management and financial services to its investors and customers. Pelaburan MARA's investment portfolio covers a broad spectrum of businesses within the energy, infrastructure, real estate and technology sectors.

Driven by its vision to become a leading investment and financial group in Malaysia, its endeavor is guided by a set of principles that define its character and culture; sustainability, accountability, integrity and entrepreneurship.



Rasameel Structured Finance Company (Rasameel) was established in January 2006 as a Kuwaiti shareholding company (closed) with an authorized and paid-up capital of KWD30 million (US\$106.51 million).

Operating out of Kuwait and Dubai, Rasameel is focused primarily on capital markets which are the core of today's financial system, providing funding sources and investment opportunities to participants on an increasingly interconnected global scale. The constant evolution of the capital markets provides dynamic opportunities to those seeking funding and those seeking investments for a wide range of risk and return preferences. The GCC economies are part of the global capital markets but a significant and growing percentage of GCC companies and investors are insisting that their participation in the capital markets must be Shariah compliant.

The areas in which Rasameel can assist clients include general Sukuk (Ijarah, Mudarabah, Murabahah, Musharakah), asset securitization, infrastructure financing, principal and secondary market trading, asset origination procedures, asset due diligence analyses, asset pricing, asset repackaging, asset management, investment advisory, direct investment, private equity, proprietary trading, merger and acquisition, and capital structure advisory.

Executive Partners

Russell Indexes by Russell Investments

Russell Indexes offers a comprehensive family of global equity indexes that give investors and fund managers a more precise view of the markets, provides a basis for investments, benchmarks and track performance of distinct segments consistently. The resulting index methodology produced the broad-market Russell 3000® Index for the US market and a series for the global markets.

Russell Indexes also pioneered the value, style, growth, stability and theme-based indexes. Russell Indexes has partnered with IdealRatings to co-brand the Islamic Index series for the global markets. The Islamic indexes are supervised and audited by the Shariah Supervisory Board.

Russell Indexes calculates more than 700,000 benchmarks daily, covering 98% of the investable market globally, 83 countries and more than 10,000 securities. Approximately US\$4.1 trillion in assets is benchmarked to the Russell Indexes.



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The Cagamas model is well regarded by the World Bank as the most successful secondary mortgage liquidity facility. Cagamas is the second-largest issuer of debt instruments after the government of Malaysia and the largest issuer of 'AAA' debt securities in the market. Since incorporation in 1986, Cagamas has cumulatively issued RM275.7 billion (US\$83.09 billion)-worth of conventional bonds and Sukuk.

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www.businessislamica.com



Launched in October 2005, Capital Business Magazine is a 100% B2B English monthly publication, established and accredited by the Dubai International Financial Center (DIFC), featuring articles by certified financial and business experts on a broad spectrum of topics including banking, technology, best business and management practices, corporate finance, accounting and financial reporting, real estate, investments, capital markets and energy.

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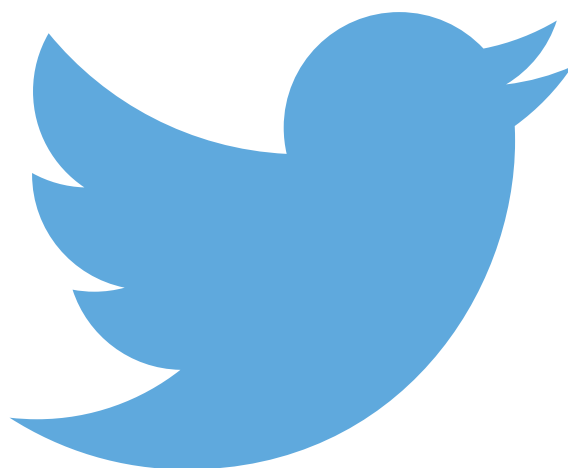


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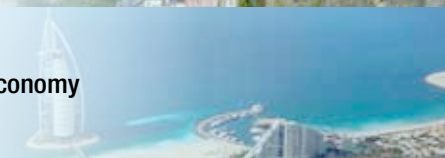
26th June, LUXEMBOURG

Islamic Finance in Europe: Regulatory Advancements, Growth Potential and Investment Opportunities



15th - 16th September, DUBAI

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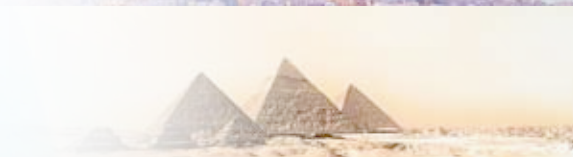
17th November, RIYADH

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IFN FORUMS 2015



22nd April 2015, JAKARTA



25th - 26th May 2015, KUALA LUMPUR



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Hadith narrated by Bukhari

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