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#### **FEEDBACK FORM**

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#### **1. Overall Evaluation**

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

#### 2. Which Sessions Were of Interest to You?

- Regulators Roundtable: Promoting an Islamic Economy in Indonesia as a National Agenda
- CEO Session: Addressing Challenges through Innovation: Emerging Trends and Opportunities
- Keynote Address: Opportunities for Islamic Finance in Indonesia's Investment Landscape
- Session 3: Addressing the Challenges Posed by Legal and Taxation Issues
- Session 4: Advancing Indonesia's Growth in Islamic Finance: A View from Established Markets in Asia and the Middle East
- Deal Roundtable: Discussing Key Success Factors of Indonesia's Top Deals in 2013
- Presentation: What Initiatives Exist to Develop Talent and Human Capital in the Islamic Finance Services
- Session 5: The Islamic Investment Lanscape: Market Trends and Strategies for 2014 to Support Growth

#### 3. Speakers Evaluation

#### Keynote Address

Dr Mulya E Siregar

#### Keynote Address

Robert Pakpahan

#### Regulators Roundtable: Promoting an Islamic Economy in Indonesia as a National Agenda

- Meitra Ninanda Sari, Bank Muamalat Indonesia (Moderator)
- Anggito Abimanyu, Ministry of Religious Affairs
- Edy Setiadi, Otoritas Jasa Keuangan (OJK)
- Friderica Widyasari Dewi, Indonesia Stock Exchange
- Wien Irwanto, Ministry of Finance, Indonesia

### CEO Session: Addressing Challenges through Innovation: Emerging Trends and Opportunities

- Albert Wiseman Paterson, Sun Life Financial, Indonesia (Moderator)
- Beny Witjaksono, Bank Mega Syariah
- Hendiarto Yogiono, Bank Muamalat Indonesia
- Najmul Hassan, Islamic Corporation for the Development of the Private Sector, IDB Group
- Norfadelizan Abdul Rahman, Maybank Syariah Indonesia

#### Keynote Address: Opportunities for Islamic Finance in Indonesia's Investment Landscape

 Dr Himawan Hariyoga, Indonesia Investment Coordinating Board (BKPM)

### Session 3: Assessing the Challenges Posed by Legal and Taxation Issues

- Ariff Sultan, IdealRatings, Singapore (Moderator)
- Alain Verbeken, Deloitte Tax & Consulting, Luxembourg
- Hanim Hamzah, Roosdiono & Partners
- Margie Margaret, PwC Indonesia

Excellent	Good	Average	Poor

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Excellent	Good	Average	Poor

#### Session 4: Advancing Indonesia's Growth in Islamic Finance: A View from Established Markets in Asia and the Middle East

- Lawrence Oliver, DDCap Group, United Kingdom (Moderator)
- Ahmad Nazim Abdul Rahman, Pelaburan Mara, Malaysia
- · Alhami Mohd Abdan, OCBC Al-Amin Bank, Malaysia
- Dr Aznan Hassan, Association of Shariah Advisors in Islamic Finance, Malavsia
- Hitesh Asarpota, Emirates NBD Capital, United Arab Emirates
- Ritjana Ceveli, Ridge Capital, United Arab Emirates

#### Deal Roundtable: Discussing Key Success Factors of Indonesia's Top Deals in 2013

- Amran Mohamad, Chief Executive Officer, SBI Brunei
- Ariff Sultan, IdealRatings, Singapore (Moderator)
- Norfarasha Abdullah, RHB Investment Bank, Malaysia
- Rehan A Ahmed, HSBC Amanah
- Yeo Wico, Allen & Gledhill, Singapore

#### Presentation: What Initiatives Exist to Develop Talent and Human **Capital in the Islamic Finance Services**

• Dr Amat Taap Manshor, Finance Accreditation Agency, Malaysia

#### Session 5: The Islamic Investment Landscape: Market Trends and Strategies for 2014

- Salman Ahmed, Trowers & Hamlins, Bahrain (Moderator)
- Agus B Yanuar, Samuel Aset Manajemen
- Alvin Pattisahusiwa, Manulife Asset Management Indonesia
- Fajar Rachman Hidajat, CIMB Principal Asset Management, Indonesia
- Farouk Abdullah Alwyni, Alwyni International Capital
- Paul Wouters, Senturiyon Global

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Excellent	Good	Average	Poor

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#### **WELCOME NOTE**

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Managing Director and Publisher andrew.morgan@REDmoneygroup.com Tel: +603 2162 7801

#### Welcome to the 2014 IFN Indonesia Forum

The Indonesian Islamic finance industry has demonstrated consistent growth over 2013. Although progressing at a slightly slower pace compared to 2012 due to external factors, the country maintains its robust potential of becoming a major player in the industry. With a Muslim population of over 244 million, it has been suggested that Islamic banking and finance in Indonesia is society-driven; and although awareness remains relatively low the industry is certainly taking significant steps forward across all segments: including the recent launch of the long-awaited new Financial Services Authority.

The country's strong economic fundamentals and robust government measures have made it the top ASEAN performer so far this year, with markets up by over 7% last month alone; and Islamic performance is following this trend, with the Jakarta Islamic Index up by 5.17% already this year.

On the Sukuk front, Indonesia has faced several battles in terms of currency depreciation and current-account deficits which has resulted in low participation for some of its sovereign issuances. Although there is a lack of tax exemptions in the Indonesian Islamic finance market, the country is still in the process of amending its legislation. Methods of creating favorable tax conditions are continuously explored in order to facilitate domestic corporate issuances.

As part of its efforts to increase liquidity in the Indonesian financial market and stimulate more private and retail investment in government Sukuk, the Indonesian Finance Ministry recently allocated part of the country's Hajj fund to buy the country's sovereign Sukuk. This is in line with the government's strategy to reduce its exposure to foreign investors (who currently own approximately a third of the country's sovereign debt) and diversify funding away from global bonds.

The Indonesia Shariah Insurance Association has projected that 2014 will see the industry's peak growth in Indonesia. The country's new Takaful legislation pertaining to minimum capital requirements and conversion of Takaful operations into standalone businesses is currently underway. This has prompted operators to expand their product suites and increase the number of agents to ease their transformation.

In support of the industry's growth, Bank Indonesia has also rolled out several initiatives to drive performance. These initiatives include allowing Islamic subsidiary banks to open outlets within their parents' conventional network, to assist fully-fledged Islamic banks with the high cost of opening their own branches as a result of capital-charged regulation.

This year our forum will as usual, cover the pertinent aspects of this highly anticipated emerging market. Discussions will include: the impact of an Indonesian Islamic megabank, opportunities in Islamic multi finance companies, the Islamic investment landscape and the outlook for corporate Sukuk issuances.

With a mix of key practitioners from all areas of the industry, we hope that you will find the event productive, and discover new ways to harness advancements in the Islamic finance sphere.

(E) **REDMONEV** 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.

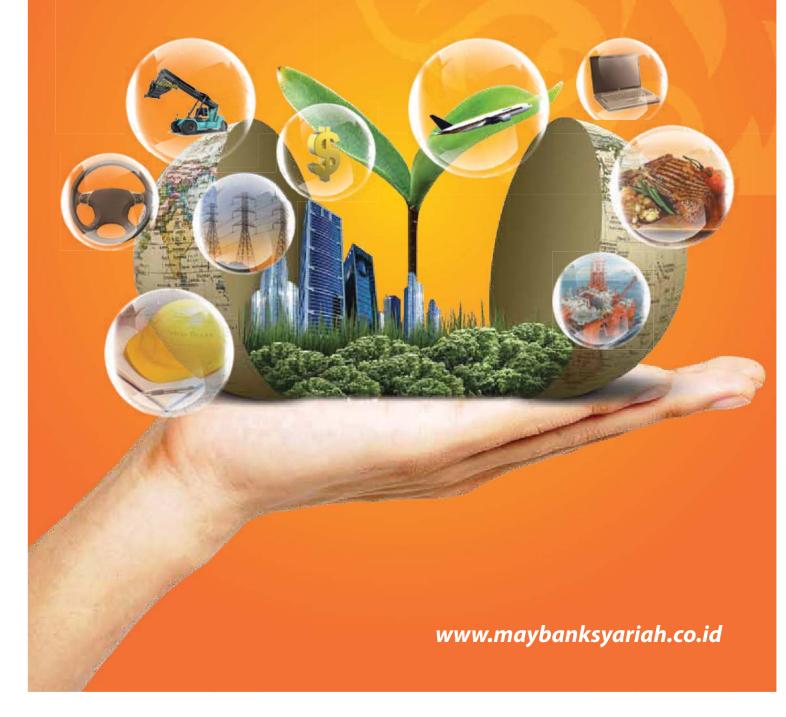
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#### AGENDA

08:00 - 09:00	Registration	
09:00 - 09:15	<b>Keynote Add</b> <b>Dr Mulya E S</b> Keuangan (O	Siregar — Deputy Commissioner for Banking Supervision, Otoritas Jasa
09:15 - 09:30	Keynote Ado Robert Pakp Indonesia	dress Nahan — Director General, Debt Management Office, Ministry of Finance,
		Regulators Roundtable
09:30 – 10:15	<ul> <li>Regulator governing</li> <li>Discussing in Indones Islamic me</li> <li>Regulating</li> <li>Going bey</li> </ul>	an Islamic Economy in Indonesia as a National Agenda y enablement: The specific roles of Indonesia's regulatory bodies in and promoting Islamic finance g an industry-wide strategy required to take Islamic finance mainstream sia: Establishment of state-owned Islamic banks, impact of an Indonesian egabank, linkage program and a strategy of financial inclusion g the transfer and management of Hajj funds by Indonesia's Islamic banks yond the rhetoric: Anticipated regulatory changes to support Indonesia's as a dominant Islamic investment destination
	Moderator:	Meitra Ninanda Sari — Corporate Secretary, Bank Muamalat Indonesia
	Panelists:	<ul> <li>Anggito Abimanyu – Director General of Hajj and Umrah, Ministry of Religious Affairs</li> <li>Edy Setiadi – Head of Shariah Banking, Otoritas Jasa Keuangan (OJK)</li> <li>Friderica Widyasari Dewi – Market Development Director, Indonesia Stock Exchange</li> <li>Wien Irwanto – Deputy Director of Transaction Management, Directorate of Islamic Financing, Ministry of Finance, Indonesia</li> </ul>
10:15 – 10:45	Networking E	Break
10:45 – 11:00	Maybank Sy	ariah Launch
		CEO Session
11:00 – 11:40	<ul> <li>Opportuniti</li> <li>How can level</li> <li>Outlook for achieving</li> <li>Growth preserved</li> <li>Future of the second seco</li></ul>	Indonesia's Islamic banks continue to grow or the micro, small and medium enterprise (MSME) sector: Is Islamic finance its goal of increasing financial access to MSMEs rospects for syndicated finance, trade and infrastructure finance multifinance companies in the Islamic finance landscape f Hajj funds to Indonesia's Shariah banks: Opportunities ahead and impact

#### AGENDA

11:40 – 11:55	Keynote Address: Opportunities for Islamic Finance in Indonesia's Investment Landscape Dr Himawan Hariyoga — Deputy Chairman for Investment Promotion, Indonesia Investment Coordinating Board (BKPM)
	Session Three
11:55 – 12:35	<ul> <li>Addressing the Challenges Posed by Legal and Taxation Issues</li> <li>Revisiting tax issues: Finding solutions to current restrictions affecting Islamic finance transactions</li> <li>Is a cohesive legislative and tax framework in the pipeline and what does its absence mean for potential issuers?</li> <li>Can issuers expect tax incentives and exemptions in 2014</li> <li>Overcoming civil law challenges: What can issuers do to sidestep issues related to beneficial ownership?</li> <li>Pricing issues: Impact of taxation complexities on how Sukuk is priced</li> <li>Taxation aspects in an international context: Pitfalls and opportunities</li> </ul>
	Moderator:Ariff Sultan — Regional Director (Asia), IdealRatings, SingaporePanelists:Alain Verbeken — Director, Cross-Border Tax, Deloitte Tax & Consulting, Luxembourg Hanim Hamzah — Partner, Roosdiono & Partners Margie Margaret — Partner & Financial Services Tax Leader, PwC

#### 12:35 - 13:45 Luncheon

		Session Four	
13:45 – 14:45	Advancing	Indonesia's Growth in Islamic Finance: A View from Established	
	Markets in	Asia and the Middle East	
		gn market players and potential investors view Indonesia as an Islamic nt destination	
	<ul> <li>Sovereign are lookin</li> </ul>	a, quasi-sovereign and corporate Sukuk issuances — what foreign investors	
	<ul> <li>Does Indonesia need to transform its business model in order to succeed?</li> <li>What sectors should market players and regulators focus on</li> </ul>		
		need to invest in marketing the Islamic finance concept and educating the essons learnt from Malaysia and the Gulf	
		onsiderations: Addressing the crucial issues of developing Shariah scholars g up Shariah boards	
	Moderator:	<i>Lawrence Oliver</i> — Deputy Chief Executive Officer, DDCap Group, United Kingdom	
	Panelists:	Ahmad Nazim Abdul Rahman — Group Chief Executive Officer, Pelaburan Mara, Malaysia	
		Alhami Mohd Abdan — Head, International Finance & Capital Market, OCBC Al-Amin Bank, Malaysia	
		<b>Dr Aznan Hassan</b> — President , Association of Shariah Advisors in Islamic Finance, Malaysia	
		Hitesh Asarpota — Director, Capital Markets & Structured Finance, Emirates NBD Capital, United Arab Emirates	
		<b>Ritjana Ceveli</b> — Managing Director of Asset Management & Advisory, Ridge Capital, United Arab Emirates	

#### AGENDA

		Deal Roundtable
14:45 – 15:30	<ul><li>PT Astra S</li><li>Golden Ag</li></ul>	Key Success Factors of Indonesia's Top Deals in 2013 Sedaya Finance US\$50 million Wakalah Syndicated Financing gri Resources US\$1.52 billion Sukuk ic Fund/Pandu Logistics US\$9 million convertible Musharakah
	Moderator:	Ariff Sultan — Regional Director (Asia), IdealRatings, Singapore
	Panelists:	Amran Mohamad — Chief Executive Officer, SBI Brunei Norfarasha Abdullah — Director, Debt Capital Markets, RHB Investment Bank, Malaysia Rehan A Ahmed — Vice President, Origination, HSBC Amanah, Malaysia Yeo Wico — Partner, Allen & Gledhill, Singapore
15:30 – 15:45	Islamic Fina	n: What Initiatives Exist to Develop Talent and Human Capital in the nce Services of <i>Manshor</i> — Chief Executive Officer, Finance Accreditation Agency,
		Session Five
15:45 – 16:45	<ul> <li>What will</li> <li>Which ass</li> <li>Risk vs. C managem</li> <li>The chang strategies</li> <li>Capitalizir</li> </ul>	<b>c Investment Landscape: Market Trends and Strategies for 2014</b> 2014 hold for Islamic investors and fund managers set classes are expected to outperform and why Opportunity: Understanding the risks and impact on the Islamic asset then industry ging face of the institutional investment market: Discussing investment and product trends for 2014 ng on key advantages in the real estate and property sector or i-ETFs, Shariah compliant mutual funds
	Moderator:	<b>Salman Ahmed</b> — Partner & Head of Islamic Finance MENA, Trowers & Hamlins, Bahrain
	Panelists:	<ul> <li>Agus B Yanuar — President Director, Samuel Aset Manajemen</li> <li>Alvin Pattisahusiwa — Director of Investment, Manulife Asset Management</li> <li>Fajar Rachman Hidajat — President Director, CIMB Principal Asset</li> <li>Management</li> <li>Farouk Abdullah Alwyni — Chief Executive Officer, Alwyni International</li> <li>Capital</li> <li>Paul Wouters — Chief Executive Officer, Senturiyon Global</li> </ul>

16:45 – 16:55 Event Ends

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Farouk Abdullah Alwyni CEO, Alwyni International Capital



**Norfadelizan Abdul Rahman** President Director, Maybank Syariah Indonesia



Hanim Hamzah Partner, Roosdiono & Partners



**Dr Rifki Ismal** Assistant Director, Department of Macroprudential Policy Bank Indonesia



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#### **OVERVIEW**

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 (FSI), including learning programmes and institutional accreditation, recognition of prior learning and promotion of future learning practices in the FSI. Through these initiatives, FAA aims to contribute towards promoting the highest standards in the development of talent for the FSI.

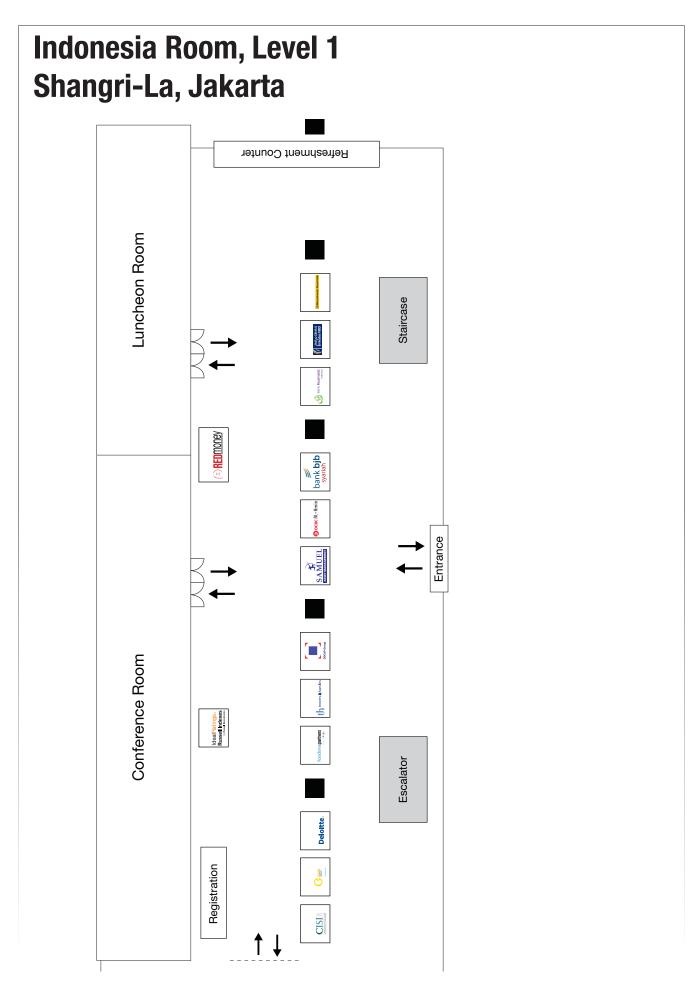
#### **FAA AGENDA**

FAA provides accreditation services to local and international training providers with opportunities for learning recognition through accreditation, which amongst others provide the assurance that the accredited learning programmes have met international best practices and benchmarks.

### The key functions of FAA are to:

- Ensure high quality assurance and accreditation practices in accordance with global standards and practices.
- Provide collaborations and affiliations for mutual and global recognition in quality learning.
- Promote and maintain the quality of human capital in the FSI.
- Leverage on the expertise and experience of industry practitioners from global leading financial institutions to provide assessment, review and recommendations towards enhancing the quality of training and learning programmes.

#### **FLOOR PLAN**



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### The Indonesian Financial Service Authority (FSA): A new hope to boost the performance of Islamic finance

The 3<sup>rd</sup> December 2013 marked the last day that the supervision of banks (including Islamic banks) in Indonesia remained under the central bank, Bank Indonesia (BI). Effective from the 2<sup>nd</sup> January 2014, banks and other financial institutions are now supervized and regulated under a new institution, the Financial Service Authority (FSA). DR SUTAN EMIR HIDAYAT and DR RADITYA SUKMANA discuss the implications of this move for the Islamic finance industry in the country.

The discussion to establish the FSA has been underway for almost a decade, as the need for the new institution was debated. Among the issues was whether the FSA would be truly effective given that all its intended functions were already conducted by various institutions.

Another issue at that time was the financing or funding to establish FSA as an establishment requiring new human resources as well as office buildings in the capital, Jakarta, as well as in various other locations all over Indonesia. Certainly, a significant government budget had to be allocated at the initial stage. Later, when the FSA had already started its operations, it had to find its own financial sources through various means such as membership fees charged to its members (which are financial institutions such as banks and insurance companies).

Another reason for the postponement was due to the unreadiness of the banks. At the beginning of the 21<sup>st</sup> century, banks in Indonesia had not fully recovered from the financial crisis. Hence, the regulator preferred to focus on creating a conducive banking climate. To cut the story short, eventually the FSA only officially started its operations at the beginning of 2014.

2014 is a new year with a new mega regulator for the financial industry in Indonesia. Many Indonesians have big expectations for this, particularly on the impact of effective coordination between the related institutions. Previously, BI only catered to the supervision of banks. The supervision of other financial institutions and the capital market was done by the Ministry of Finance through a board called BAPEPAM. In addition, ministry of cooperatives only handled the cooperative institutions. The existence of various regulators raised questions on the issued policies from regulators, which may not always have been in line with the policy made by others. For example, an Islamic bank attempted to create more facilities to its customers by accomodating Islamic insurance (Takaful) services by joining with an Islamic insurance operator in forming bancaTakaful service. The aim of bancaTakaful is to make the customers comfortable. Instead of visiting separately Islamic bank and Islamic insurance operator to get the two services, through bancaTakaful, both services are available in one place. The issue was then raised — when there is a dispute, to which party can the customer send his complaint. If he complained to BI as he assumed that the Islamic insurance product was offered by an Islamic bank, the central bank would not accept the complaint as the product is insurance and not originally a banking product. Meanwhile, if he wanted to complain to the Ministry of Finance as he thought that Islamic insurance was under this ministry, they would also not serve him as the product was offered by a bank which is by law under the central bank's supervision. Under such condition, it is clear that the customer was at a disadvantage as no institution was clearly responsible for his complaint. This has led to the clear need for the FSA, as an institution that could compehensively manage all financial institutions.

Another hopeful facet of the FSA could be the development of the micro, small and medium industries (MSMEs). Data shows that MSMEs contribute significantly to the Indonesian GDP.

Table 1 looks into three important things with regard to the MSME sector. First is the number of the institutions within the sector. Second is the number of workers, while the last is the contributions of MSME to the GDP. In terms of the number of the institutions, it is revealed that MSMEs contribute about 99.99% of the total enterprises in the country. The remaining percentage is the number of big enterprises. Within the MSME sector itself, it shows that the number of units for micro firms is dominant, comprising up to 98.85% of

No	Indicator	Unit	2010	
	Numbers of units	Unit	Numbers	Share
1	MSMEs	Unit	53.82 million	99.99
2	Micro	Unit	53.20 million	98.85
3	Small	Unit	573,601	1.07
4	Medium	Unit	42,631	0.08
	Number of labor	Person (unit)	Numbers	Share
1	MSMEs	Person	99,401,775	97.22
2	Micro	Person	93,014,759	90.98
3	Small	Person	3,627,164	3.55
4	Medium	Person	2,759,852	2.7
	Contribution to GDP	IDR billion (unit)	Numbers	Share
1	MSMEs	IDR billion	3.46 million	57.12
2	Micro	IDR billion	2.05 million	33.81
3	Small	IDR billion	597,770.2	9.85
4	Medium	IDR billion	826,745.1	13.46

Source: Ministry of Cooperation www.depkop.go.id, retrieved February 2012

total MSMEs, while the remaining small and medium businesses represent only about 1.07% and 0.08% of the total MSMEs in the country respectively.

With regard to the amount of labor absorbed by MSMEs, the data implies that MSMEs absorb a much bigger chunk compared to the big enterprises. Labor in the MSME sector contributes about 97.22% of the total labor market in Indonesia. Again, labor in micro enterprises is the biggest contributor. Labor in small and medium enterprises stood only at around 3% or 2% respectively. The last part of Table 1 is about the contribution of MSMEs to GDP. MSMEs contribute more than 57.12% of Indonesian GDP, with the contributions of micro, small and medium standing at 33.81%, 9.85% and 13.46% respectively.

This shows the importance of the MSME sector to the Indonesian market. The sector has also been relatively unaffected by the recent global turmoil - largely due to the nature of the business. One characteristic of MSMEs in Indonesia is that majority of MSMEs are domestic players. This means they get their raw materials from local suppliers and manufacture their products locally and sell their products to local buyers. As a result, they are not much affected by the international environment or the fluctuations in the exchange rate. For example, the recent European crisis has resulted in a significant decline in export volume of many countries in Asia to the European market. As a consequence, the exporters in those countries (mainly big corporations) are at a disadvantage as their sales are falling. Fortunately, this is not the case for majority of Indonesian MSMEs.

However, although the MSME sector proved to be a buffer during the economic crisis, it does not mean that this sector is free from any risk. In fact, the risk in the MSME may be even higher than the risk in the big enterprise sector. This is because MSMEs, in many cases, cannot provide collateral for loans, which is very important for the financiers. Secondly, the owners of MSMEs are normally also at the same time the sole runners of the business. That is why his absence from the company at any day normally results in the closing of the business on that day. As a result the family cannot earn money for that day.

From the MSME profile above, it is expected that microTakaful could offer an opportunity to assist them. Not falling into the same hole as in its past experience, the regulatory body on the Islamic banks which provide financing to MSMEs must be under one roof with that for the microTakaful operator. Therefore, the newly established FSA is mandated for that purpose. If the FSA is able to conduct better supervision as compared to the two separate regulatory bodies in the past, then it is expected that the future of Indonesian MSME industry and also the Islamic finance industry as a whole will be very bright.<sup>(a)</sup>

Dr Sutan Emir Hidayat is the assistant professor and academic advisor for Islamic finance at University College of Bahrain and Dr Raditya Sukmana is the head of Magister Science in Islamic Economics at Airlangga University Indonesia. They can be contacted at sutan@ucb.edu.bh and momyadit@ gmail.com, respectively.



## **GLOBAL INDUSTRY ONE PUBLICATION**

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# Indonesia 2014: Poised to grow with a strong domestic market

Indonesia is not only home to the world's biggest majority Muslim population; but it has recently gained a reputation as one of the world's most dynamic economies as well as its third-largest democracy with a long tradition of political stability. The GDP growth hovering around 6% since 2009 has been translated into a more than double per capita income growth and has enabled Indonesia to transform itself into one of the most desired place for international investment. INTAN SYAH ICHSAN takes us through the potential for growth in this exciting market.

Amid the economic turmoil that afflicted many emerging markets in 2013, Indonesia managed to post 5.7% growth in 2013. Approximately 65% of the nation's exports are commodityrelated products, but recent policies passed during 2013 strongly support the development of the downstream industrial sector. Domestic consumption accounts for over half of Indonesia's GDP. This robust figure is a magnet for investment in local production of commonly imported goods.

With relatively easy access to capital and a weak basic machineries industry, a surge in demand for imported capital goods and rising consumption caused a reversal of the balance of trade starting in 2011, from a surplus of US\$26 billion to a deficit of US\$1.7 billion in 2012 and further deteriorating to a deficit of US\$4 billion despite the surplus of US\$1.52 billion in December 2013. This deficit figure however is expected to slow down and narrow further in 2014.

Indonesia's rupiah also slumped more than 20% last year as investors reacted to concerns over the country's high current account deficit and further impact of the Fed tapering policy. However, improving figures in the trade balance and the central bank policy to increase interest rates has supported the rupiah's value and seen it steadily gain against the US dollar. Furthermore, the robust economic growth has also helped Indonesia to record a sharp decline in its unemployment figures, from 8.4% in 2008 to 6.3% in 2012.

The strong per capita income growth has led to a rising number of middle income consuming classes and pushed demand for loans for automobiles and houses. This new trend has changed the landscape and architecture of the Indonesian banking sector. The loans expansion, which traditionally aimed at big corporates located in big cities, is now directed at the small and medium enterprises scattered in urban and rural areas. This positive development begets the opportunity for Islamic banks to enlarge their share of the market for banking products. Unlike their counterparts in the Middle East, Indonesian Islamic banks extend their loans more to the micro, retail and SME sectors.

**G G Due to its economic** and political stability and relative scarcity of access to equity financing, Indonesia has become an attractive destination for private equity investors

By October 2012 there were some 24 conventional banks operating Shariah banking windows in Indonesia, alongside 11 fully-fledged Shariah banks and 156 rural banks operating as Shariah compliant units. The huge potential for the Islamic banks is likely to prompt banks operating Shariah banking windows to be spun off into new subsidiaries.

Foreign investment holdings in the Indonesian capital markets remain significant with most domestic investors tending to buy and hold their shares, thus reducing market liquidity. However, local investor interest in mutual funds in recent years has surged and pushed the assets under management of the mutual fund industry from US\$7.4 billion in 2008 to US\$25.8 billion in June 2013. Of this figure some 3.65% (US\$940 million) are in the form of Shariah mutual funds.

**G G** The government's effort to develop the market for Islamic bonds has helped the market to advance from US\$103 million in 2008 to US\$1.9 billion in March 2013

The government's effort to develop the market for Islamic bonds has helped the market to advance from US\$103 million in 2008 to US\$1.9 billion in March 2013. Both the government and corporations are taking advantage of positive ratings to issue debt offshore. The government issued some US\$250 million of Sukuk from January to March 2013.

Due to its economic and political stability and relative scarcity of access to equity financing,

Indonesia has become an attractive destination for private equity investors. However, there are challenges for global PE funds to enter the market as finding the right sized deal has never been an easy task. Larger corporations can raise funds via alternative channels that do not compromise equity, thus PE firms have to prioritize their targets on medium size companies in the US\$50-100 million range.

In the insurance industry, penetration remains low amid rapid premium growth. Motor and property insurance have until now dominated premium payments. With GDP per capita expected to keep on rising and the middle class growing rapidly, the customer base for this type of insurance will grow strongly. For Islamic finance operators both the PE and insurance markets are key potential markets in which to expand.

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### **Impressive turnaround for Indonesia**

Following a worrying economic decline, falling rupiah and widening current account deficit; Indonesia has taken urgent steps to diversify its investor base and attract more domestic customers as well as opening up trade to foreign firms. Foreign fund flows into Indonesia turned negative for the first time in July 2013, prompting the authorities to take serious action to boost trade and stabilize domestic investment. LAUREN MCAUGHTRY explores.

The government has over the past six months taken specific steps to stabilize its economic and financial pivots, in which it has been significantly more successful than comparable Islamic finance economies such as Turkey or even Malaysia. As such, and despite the concerning trends of the past few months, the country is now seeing increased foreign investment and fund flows and better performance data ironically, based on exactly the factors that drove it to take these steps in the first place.

#### **Current account deficit**

In the second quarter of 2013 the current account deficit topped a record US\$10 billion, or 4.4% of GDP. In an attempt to reduce this deficit the new central bank governor, Agus Martovardojo, launched the most aggressive growth-tightening plan in almost a decade. "We need to continue to slow down the economy until this target is achieved," said Chatib Basri, the finance minister. "Then the next government has room for fostering faster growth."

#### **Protectionist policies**

This slowing growth stimulated a mass exodus of foreign funds — with July 2013 seeing negative trade flows for the first time. In conjunction with the Federal Reserve tapering, concerns rose that capital would continue to flow out of the country, while several new pieces of protectionist legislation have not helped matters. A recent law enforcing the processing of mineral ores within Indonesia could result in the loss of up to US\$5 billion annually in foreign exchange receipts, and has been highly unpopular with both international firms and banks. On the 11<sup>th</sup> February the nation's first trade bill was also passed, giving the government the ability to restrict imports and exports in order to protect local industry. "This law underlines Indonesia's stance of not adopting a free market," said the deputy trade minister Bayu Krisnamurthi. "The government has been given the right to intervene to protect its people."

#### **Diversification**

These moves have been primarily directed towards stabilizing and solidifying domestic demand in

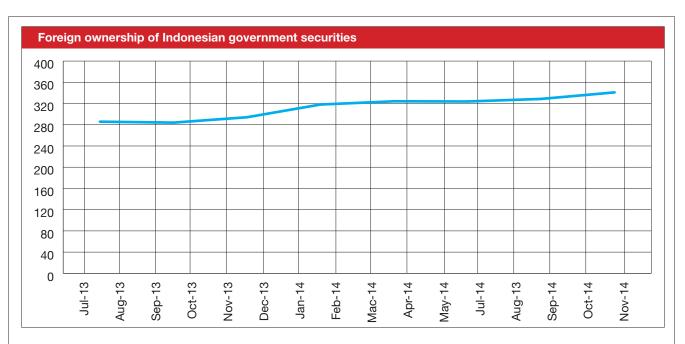
order to reduce over-reliance on foreign investment. This is also evident in its own strategy to reduce sovereign exposure to foreign investors, which owned 33% of total government debt as of the 20<sup>th</sup> February, according to data from the Debt Management Office.

The finance ministry has recently begun to use its US\$5.4 billion Hajj fund to purchase increasing quantities of sovereign Sukuk, in an attempt not only to reduce foreign exposure but to stimulate private investment into government Sukuk by injecting liquidity into the country's Islamic finance market. "We rely on foreign bondholders and that makes us vulnerable," said Basri. "Now we're trying to diversify the source of funding away from global bonds."

**G G** Things could improve this year, as more mutual fund companies enter into the Islamic retail market, attracting domestic clients with investments as low as IDR1 million **D D** (US\$85)

#### **Equity performance**

The poor performance of 2013 also impacted the equity market in Indonesia, with a knock-on effect on the asset management space. Farouk Alwyni of Jakarta-based Alwyni Capital explained to Islamic Finance *news* that: "The performance in 2013 was not very good due to the general decline of shares in the Indonesian stock exchange." However, he suggests that things could improve this year, as more mutual fund companies enter into the Islamic retail market, attracting domestic clients with investments as low as IDR1 million (US\$85). "The need to diversify more into domestic investors in



general is needed... since it will create a more stable capital market investment environment, and reduce reliance on foreign funds."

#### Widening the net

Following government steps to stimulate the economy, growth has certainly improved. In August the central bank allowed the rupiah to float, leading to a depreciation of around 20% — or about 14% in trade-weighted terms. This had the consequence of making Indonesian exports cheaper to buy and imports more expensive to purchase, thus reducing the current account deficit to a reported US\$4 billion (2% of GDP) by the end of 2013. In December the country also saw a trade surplus of around US\$1.5 billion, the highest in two years, and at a G20 meeting in Australia this month Basri predicted that GDP could continue to expand by 5.5-5.8% in 2014, continuing the 5.8% growth trajectory of last year.

And in conjunction with attempts to expand domestic demand, as economic data improves the country has also taken steps to counter the exodus of foreign funds, including offering incentives to foreign firms to reinvest earnings in Indonesia rather than sending them back out of the country. In December the government announced that it would increase the caps on foreign investment via an amendment to its 'negative investment list' of restricted areas for foreign investors.

Under the new rules, the maximum foreign investment in pharmaceutical companies has been increased to 85% from 75%, in advertising to 51% from 49% and in public-private partnerships for power plant projects to 100% from 95%. However, proposals to let foreign investors fully own and operate airports and ports were dropped.

#### Market turnaround

The country's strong economic fundamentals and robust government measures have boosted its performance this year and the trend looks to be turning already. The stock market has recovered well, and the Jakarta Composite Exchange is up 8.65% year-to-date, hitting 4,664.29 on the 24<sup>th</sup> February — its highest point since September and a recovery of 18% from its low point in August 2013. Foreign funds have surged back into the market this year, reportedly buying IDR8.4 trillion (US\$718.2 million) more than they sold on the Indonesian Stock Exchange as of the 20<sup>th</sup> February.

Islamic performance has followed this trend, and as at the 21<sup>st</sup> February the Jakarta Islamic Index was up by 5.17% since the beginning of 2014, and up by 11.36% since August 2013, making a good recovery following a poor third quarter performance that saw volumes decline by almost 25% as investors left the market. "We can expect 2014 to recover some of the losses from last year," confirmed Farouk.

While no one can know what the future holds, it looks as if the swift action and firm stance taken by Indonesia to counter its economic concerns could act as an impressive example for other emerging Islamic economies.<sup>(c)</sup>

This was first published in IFN Volume 11 Issue 8 on the  $26^{th}$  February 2014.

# **Islamic Finance** training

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### **Islamic finance in Indonesia**

Indonesia is home to the largest Muslim population in the world, but while its Islamic finance sector boasts double digit growth figures the acceptance of Islamic finance in country — and the role that Indonesia plays in the global Islamic finance industry — is not yet reflective of the promise held by its population statistics. REBECCA SIMMONDS investigates the issues posed by Indonesia's Islamic finance sector.

#### **Regulatory and legal**

Act No. 21 regarding Shariah compliant finance in Indonesia was enacted in 2008, providing a comprehensive regulatory framework for Shariah banking in Indonesia. Until the 31<sup>st</sup> December 2013, the regulation of Shariah compliant finance in Indonesia fell under the jurisdiction of Bank Indonesia, the country's central bank.

As of the 1<sup>st</sup> January 2014, all functions and duties as well as powers of regulation and banking supervision, licensing, inspection, investigation and consumer protection have been transferred by Bank Indonesia to the 35 (regional) offices of the Otoritas Jasa Keuangan (Financial Services Authority).

According to local reports, in 2013 Indonesian regulators submitted a draft law to parliament regarding the licensing, market conduct, corporate governance and consumer protection of both Takaful and conventional insurance firms that is predicted to be enacted in 2015. The proposed legislation will require insurers to create stand alone entities for their Shariah compliant business with a minimum capital requirement of IDR50 billion (US\$4.35 million).

#### **Banking and finance**

According to Bank Indonesia figures, there are 11 fully-fledged Islamic banks, 23 Islamic banking units, and 160 Islamic rural banks in Indonesia with increased growth in the number of bank offices, despite the slow increase in the number of Islamic banks, since the establishment of the country's first Islamic bank, Bank Muamulat, in 1992.

Following the introduction of the 2008 Shariah banking law, banking assets of Islamic financial institutions have grown at increased rates, with growth rate of 38.4% in 2013 according to Bank Indonesia figures, with total assets amounting to US\$22.4 billion. In spite of this, the Islamic banking sector accounts for only 4.9% of Indonesia's banking industry.

Other than the government-issued Sukuk market, Shariah finance in Indonesia is also prevalent in the microfinance industry with an increased interest by the government in extending the provision of Islamic finance to the country's micro, small, and medium enterprises (MSMEs) which represent 97% of all enterprises in Indonesia.

A recent report released by Bank Indonesia anticipates slower growth of the Islamic finance sector in 2014, at between 19-29% and at the end of 2013, the government announced focus on a number of areas including strengthening of banking structure to support development and transformation of national economy, coordination and collaboration of microprudence and macroprudence for financial system stability including a review regarding the introduction of a Shariah lender of last resort and a more integrated and massive education and promotion through the implementation of the government's Shariah Economic Movement.

#### **Foreign investment**

In December 2013, it was announced that Bank of Tokyo-Mitsubishi UFJ would become the first Japan-based bank to take part in providing services in the Indonesian Islamic financial sector with its participation in a US\$50 million financing deal to Indonesian Astra Sedaya Finance.

Other banks involved in the deal alongside Bank of Tokyo-Mitsubishi UFJ'S Malaysian arm include BNP Paribas, CIMB Bank, HSBC Amanah, and Standard Chartered Saadiq. The banks have each committed to providing US\$10 million to Astra Sedaya Finance to be used as operating funds, with a tenor of three and a half years. Bank of Tokyo-Mitsubishi UFJ has also expressed an interest in expanding its network in Southeast Asia to Indonesia.

As a major stakeholder of the IDB, the multilateral institution provides funding to Indonesia and in January 2013 the IDB and Indonesia signed a cooperation agreement to improve their existing cooperation and exchange expertise in a number of fields including establishment of a framework to introduce and develop Hajj Pilgrimage Savings trust using a Shariah compliant transaction structure in

cooperation with the IDB's private sector arm, the Islamic Corporation for Development of the Private Sector (ICD).

#### Challenges

According to World Bank 2011 financial inclusion data, only 20% of the population over the age of 15 holds an account at a formal financial institution. Industry experts believe that an issue contributing to the slow growth of the Islamic finance institutions is a lack of trust in organized banking on the part of the general population. This also extends to the legislative framework for Islamic finance in Indonesia, with uncertainty regarding the issue of taxation of Islamic structures such as Sukuk remaining untested.

#### **Opportunities**

Indonesia has the largest Muslim population in the world, with approximately 88% of Indonesia's population of 237 million identifying as Muslim. The need for Islamic banking services is present, as World Bank financial inclusion data shows that in 2011 around 42% of the population took a loan from family or friends within the previous year, compared to 9%, who took a loan from a financial institution.

There is interest in Asia as a market from Islamic investors — and as the largest Muslim market in the world, Indonesia has the opportunity to take advantage of the increased global interest in Sukuk and issue its first international dollar-denominated sovereign Sukuk.

#### Outlook

The outlook for Islamic finance in Indonesia is positive despite the growth of the market being slower than anticipated. With greater emphasis on education regarding Shariah compliant financing in both the retail and investment spheres and clearer guidelines, regulations and outcomes for Islamic investment in Indonesia, the sector possesses the elements to become one of the largest in the Islamic finance industry. (=)



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### Merge, surrender or transfer: Where next for Indonesian Takaful players?

There is considerable buzz in the Indonesian Takaful landscape presently as the market gears up in anticipation of the impending Islamic insurance regulation dictating the spin-off of Takaful windows into fully-fledged standalone entities. VINEETA TAN discusses the potential impact this may have to the republics's Islamic insurance sector.

Talks of potential company restructurings are circulating as the Takaful environment is expected to become less accommodating to smaller players due to higher capital requirements and projected upward operational costs, leaving these players with essentially three options: merging with another firm, surrendering their licenses or transferring their portfolio.

**G G Takaful is not the** only sector affected by the proposed regulation as this may prompt insurers to consider converting to Shariah compliant licenses, attracted by the lower capital requirements for Takaful operators

"We don't believe that the smaller Takaful players are ready yet [to be independent] because they may not have the infrastructure in place to run a fully-fledged Takaful operation," explained Edwin Noekman, the chief of the Takaful business unit of Jasindo Takaful, to Islamic Finance *news*."They might not have the distribution channels available or a separate IT system in place."

While there are many variables to take into consideration when deciding which restructuring strategy is the best for each unique company, Asuransi Tokio Marine Indonesia is one example of a firm which has taken the path of shuttering its Takaful operations.

In the past week, the insurer surrendered its Islamic insurance license to the local financial services

authority, Otoritas Jasa Keuangan. And several of the other 38 Takaful window operators (out of a total 43 Islamic insurers) may follow suit, as operating in an oversaturated market becomes less economically viable.

However, Takaful is not the only sector affected by the proposed regulation (which is not a separate Takaful legislation but governed by the general insurance act) and its conventional counterpart is also struggling to handle a new higher capital requirement of IDR100 billion (US\$8.58 million).

This may prompt insurers to consider converting to Shariah compliant licenses, attracted by the lower capital requirements of IDR50 billion (US\$4.29 million) for Takaful operators. Noekman revealed that at least one conventional insurer is seriously contemplating the switch, although no decisions have yet been made.

Undoubtedly, the Indonesian Islamic insurance terrain is set for a major facelift in the coming years, with some players bowing out, some growing stronger through strategic fusions and perhaps some previously overshadowed standalone operators emerging into the spotlight once again as the competitive nature of the Takaful environment takes a turn towards a healthier future. Regardless, exciting times are ahead.<sup>(2)</sup>

This article was first published in IFN Volume 11 Issue 9 on the 5<sup>th</sup> March 2014.

#### **NEWS BRIEFS**

#### Indonesia misses target

The Indonesian Ministry of Finance on the 11<sup>th</sup> March raised IDR1.27 trillion (US\$111.13 million) from its Sukuk auction, missing the indicative target of IDR1.5 trillion (US\$131.55 million). Six-month Shariah treasury bills were sold at a 6.12% yield, lower than 6.17% of the previous auction. Six and 13-year projectbased Sukuk had yields of 8.05% and 8.73% respectively while the yield for 29-year project-based Sukuk stood at 8.98%.

March 2014

#### BI seeks local primary dealer

Bank Indonesia, the republic's central bank, is hoping to attract a local Islamic bank to sign up as a primary dealer for IILM's shortterm Sukuk, in a bid to address the lack of secondary market trading activity for the facility. Bank Indonesia is one of the IILM's 10 shareholders.

March 2014

#### Indonesia meets Sukuk target

Following the failure of two of its Sukuk auctions in meeting their goals, the Indonesian finance ministry has exceeded its IDR18.5 trillion (US\$1.61 billion) target by concluding IDR19.3 trillion (US\$1.68 billion)-worth of three-year Sukuk sale to households. This record auction is said to have eased supply pressure and reduced borrowing costs for the government.

March 2014

#### Islamic banking in Indonesia

The Indonesian Islamic finance industry has great potential because it is being driven by society, according to Indonesian Islamic Banking Association member, Imam T Saptono. Despite this, however, Islamic banking has a smaller than expected market share for a Muslim majority country; at approximately 4.86% based on data from September 2013. *March 2014* 

### Affin looks to Islamic banking in Indonesia

Affin Holdings, which is in the process of purchasing holdings of Malaysia-based Hwang-DBS including a 49% stake in the investment bank's Islamic finance business, has announced that it is in talks to purchase a 24% share in Indonesia's Bank Panin Syariah. Analysts have predicted that Affin may pay less than RM100 million (US\$30.53 million) for the stake in the Indonesian bank.

March 2014

### Aberdeen acquires majority stake

Aberdeen Asset Management (of the Aberdeen Group, which includes Aberdeen Islamic Asset Management) will acquire an 80% stake in Indonesian firm, NISP Asset Management. The Indonesian firm currently manages approximately IDR3.5 trillion (US\$301 million) in funds and accounts. The companies have signed a conditional sale and purchase agreement for the purchase of the shares in an all cash transaction.

February 2014

### Indonesia misses target again

Indonesia on the 25<sup>th</sup> February raised IDR1 trillion (US\$86 million) at a Sukuk auction, below its IDR1.5 trillion (US\$129 million) indicative target through the sale of six-month Shariah Treasury bills at a 6.17% yield, against 6.49% in the previous auction on the 11<sup>th</sup> February. Total bids reached IDR5.69 trillion, up from IDR5.35 trillion previously. The six-year, 13-year and 29-year project-based Sukuk did not receive any winning bids.

February 2014

#### Indonesia remains stable

Despite a predicted decline in GDP growth to 5.4% this year

from 5.8% in 2013, which will exert pressure on asset quality, the Indonesian banking system remains stable as Moody's expect banks to continue reporting sound financial fundamentals including high profitability and capital levels. *February 2014* 

#### Indonesia plans to professionalize Hajj fund

Since 2013 the Indonesian Finance Ministry has used the IDR63 trillion (US\$5.22 billion) Hajj fund, accumulated from the IDR25 million (US\$2,075.00) down/payments made by each prospective pilgrim for their place on the 12-year waiting list to go on the Hajj, as funding to buy government-issued Sukuk. Government bonds now account for 2-3% of fund. The aim is to reduce the government's exposure to foreign investors who currently own approximately a third of the country's sovereign debt, and diversify funding away from global bonds.

February 2014

#### New Indonesian Takaful law

New Takaful legislation requiring operators offering Islamic insurance to convert their Takaful operations into standalone businesses is anticipated to come into effect this year, prompting operators to expand their product suites and increase the number of agents to ease their transformation, reported Reuters.

February 2014

#### Panin Bank Syariah to tap Hajj fund

Panin Bank Syariah is looking to tap into the republic's Hajj market by offering a Hajj-saving service. The bank recently developed an e-banking service connected to the Ministry of Religious Affairs' Integrated Hajj Computerized System in order to facilitate this endeavor.

February 2014

#### NEWS BRIEFS

#### **Golden prospects for banks**

Indonesian Islamic banks are planning to offer gold-backed loans in 2014 to capitalize on the 110% growth of Qard loans annually over the last five years, compared to the 40% growth for all Islamic lending according to central bank figures. Panin Bank Syariah plans to offer such financing as early as June while Bank Syariah Mandiri targets to grow its Qard financing portfolio by 17% to IDR5.2 trillion (US\$444.08 million). Both banks are also aiming to expand their network branch this year: Panin Syariah to 30 and Syariah Mandiri by another 15 to help achieve growth targets assigned to the introduction of goldbacked financing.

February 2014

#### Debut sovereign retail Sukuk

The Indonesian government is looking to diversify investor base by raising IDR18-20 trillion (US\$1.52-1.69 billion) via rupiah-denominated retail Sukuk to narrow a widening budget deficit, according to Robert Pakpahan, the director of the Finance Ministry's debt management office.

February 2014

#### Indonesia below target

The Indonesian government raised IDR1.26 trillion (US\$104.96 million) from the sale of six-month Shariah treasury bills and 29-year project-based Sukuk on the 11th February, falling short of its IDR1.5 trillion (US\$124.95 million) indicative target. The treasury bills carried a yield of 6.49% against the previous 6.68% rate; while the project-based Sukuk carried 9.93% as compared to 9.84% offered during the last auction on the 28th January. Total bids received amounted to IDR5.35 trillion (US\$445.66 million), lower than IDR5.82 trillion (US\$484.81 million) from the previous auction. There were no winning bids for the six and 13-year project-based Sukuk.

February 2014

#### Indonesia keen on Sukuk

The Indonesian government is set to raise up to IDR1.57 trillion (US\$130.31 million) through Sukuk this year to finance infrastructure projects including the construction of double tracks and renovation of the Hajj dormitories. The proposed 10-year Sukuk will carry a 9% yield.

February 2014

#### Highest yield since 2010

As households seek greater protection from escalating inflation amid a sell-off in emerging market assets, experts project that the Indonesian government will need to offer a higher coupon rate of approximately 8.6%, up from the 6% paid on a similar debt a year ago, on an upcoming three-year local currency retail Sukuk. The coupon rate is expected to be announced as early as next week before the two-week long offer period.

February 2014

#### New framework for IDB-Indonesia

The IDB and Indonesia have signed a cooperation framework agreement, which aims to update the existing cooperation between the two parties. The new agreement covers topics including a framework to utilize a Shariah compliant transaction structure for Indonesian Hajj pilgrims' savings, with the Islamic Corporation for Development of the Private Sector (ICD), IDB's private sector arm.

January 2014

#### International financing secured

Bank Muamalat Indonesia has secured a US\$90 million financing commitment from a commercial bank in Malaysia and a Washington-based international financial institution, according to local reports. The reported loan

has a five to seven-year tenor and will be used for new financing, expected to reach IDR41.7 trillion (US\$3.43 billion), according to finance director Hendiarto.

January 2014

#### **CMNP** looks to Sukuk

Toll concessionaire Citra Marga Nusaphala Persada (CMNP) is planning to raise up to IDR2.5 trillion (US\$208.75 million) through the issuance of subordinated Sukuk and conventional bonds to fund the expansion of toll roads. The first tranche, worth IDR1.75 trillion (US\$145.43 million), is expected to be offered in April. Ciptadana Securities, Indo Premier Securities. Trimegah Securities and Sucorinvest Central Gani have been appointed as underwriters. January 2014

#### **BTPN takeover plans**

Private financier Bank Tabungan Pensiunan Nasional (BTPN) will acquire a 70% interest in Bank Sahabat for IDR600 billion (US\$49.54 million) with an aim to convert the latter into an Islamic bank. The Shariah business unit of BTPN will also be merged with the new Islamic bank before the end of this year.

January 2014

#### Panin Bank Syariah listed

Panin Bank Syariah has gone public through an IPO on the Indonesia Stock Exchange. The bank intends to gain IDR475 billion (US\$39.6 million) via the sale of 4.75 billion shares, with the aim of increasing its core capital to reach between IDR1 trillion (US\$84.4 million) and IDR5 trillion (US\$422 million) in order to be classified as a BUKU 2 type bank. BUKU is a bank categorization system based on a bank's core capital implemented by the central bank.

January 2014

#### GLOSSARY

#### Α

Adadiyyah countable items measured in individual units rather than by volume, weight or length Ajr commission or fee charged for services Akhirah the hereafter Akhlag 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 Agd contract Agidah 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 Fagir poor person Fard al Kifayah socially obligatory duties Fasid unsound or unviable Faskh dissolution of contract Fatwa religious decree Figh Islamic jurisprudence Figh al-muamalat Islamic commercial jurisprudence Fuduli dealing with someone else's property without permission

#### G

Ghalat Mistake Gharar uncertainty Ghasb forfeiture

#### н

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

Ibra rebate Ihtikar hoarding ljab offer in a contract ljarah leasing Ijarah Mawsufah fi Dhimmah forward lease liarah Thumma Bai leasing to purchase ljarah wa lqtina buy-back leasing ljma consensus ljtihad 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 lqtisad 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

#### Κ

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

#### GLOSSARY

#### Μ

Maaliki Islamic school of law Madhhab way of going Makruh detested Mal Capital or wealth Mal-e-Mutagawam wealth that has commercial value Manfa'ah beneficial ownership Mansil Shariah compliant property mortgage in the UK Magasid 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 Musagah agricultural contract Musawwamah general sale Musharakah joint venture, profit and loss sharing Musharakah mutanagisah partnership Mutlaga unrestricted Muzara'ah share-cropping Muzara'a agricultural contract

#### Ν

Najash deception Nisab exemption limit

#### Q

Qabdh discount Qabul acceptance in a contract Qard Ioan Qard Hasan benevolent Ioan 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 Tawarrug reverse Murabahah

#### U

Ujrah fee

Ummah the Muslim community 'Umum balwa Common plight 'Uqud al-Isytirak Contracts of partnership 'Uqud al-Mu'awadhart 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

#### Ζ

Zakat religious tax

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#### **KEYNOTE ADDRESS**

#### 08:00 – 09:00 Registration

#### 09:00 - 09:15 Keynote Address



### **Dr Mulya E Siregar** — Deputy Commissioner for Banking Supervision, Otoritas Jasa Keuangan (OJK)

Dr Mulya Siregar was appointed as deputy commissioner of banking supervision in January 2014. In this role, he is responsible for several areas including banking research and regulation, banking licensing and information, and Shariah banking. He is one of Bank Indonesia's employees assigned to IFSA/OJK.

Prior to his assignment in IFSA/OJK, he was the assistant governor of the central bank. Before that, he headed the Department of Banking Research and Regulation as an executive director. Dr Mulya spent most of his central banking career in Shariah banking and his past position includes Director of Department

of Shariah Banking. He is a member of the Advisory Council to the Indonesian Waqf Board (BWI) from 2008-10, and a member of Postgraduate Board of Studies in International Center for Education in Islamic Finance (INCEIF) from 2006-09.

The IFSB Council Meeting appointed him as part of the Technical Committee representing Indonesia in 2005, the same year he started serving as chairman of Transparency & Market Discipline Working Group. The Council Meeting appointed him to serve as a vice-chairman of Technical Committee from 2006-09. From 2010-12, he become a member of Technical Committee for the second time.

Notes:



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#### **KEYNOTE ADDRESS**

#### 09:15 - 09:30 Keynote Address



**Robert Pakpahan** — Director General, Debt Management Office, Ministry of Finance, Indonesia

Robert Pakpahan is the director general of the Debt Management Office since the 27<sup>th</sup> November 2013. He is responsible for managing the public debt of the government of Indonesia, establishing strategies to finance the annual state budget deficit, and executing financing needs either through loans, or issuance of government securities.

Prior to his current duties, he was appointed as the minister's expert staff of government revenue.

Pakpahan obtained his bachelor degree from State College of Accountancy in 1987. He received a PhD in Economics from the University of North Carolina at Chapel Hill, US in 1997.

Notes:

### REGULATORS ROUNDTABLE 09:30-10:15

### **Promoting an Islamic Economy in Indonesia as a** National Agenda

- Regulatory enablement: The specific roles of Indonesia's regulatory bodies in governing and promoting Islamic finance
- Discussing an industry-wide strategy required to take Islamic finance mainstream in Indonesia: Establishment of state-owned Islamic banks, impact of an Indonesian Islamic megabank, linkage program and a strategy of financial inclusion
- Regulating the transfer and management of Hajj funds by Indonesia's Islamic banks
- Going beyond the rhetoric: Anticipated regulatory changes to support Indonesia's potential as a dominant Islamic investment destination

#### Moderator:



*Meitra Ninanda Sari* — Corporate Secretary, Bank Muamalat Indonesia

Meitra 'Nino' Sari is the corporate secretary of Bank Muamalat Indonesia, the first purely Shariah bank and currently the second-largest Islamic bank in Indonesia. In his role, Nino leads and manages the corporate secretariat of the bank ensuring the bank's and the board of directors' compliance with Indonesia's regulations. Nino acts as the bank's representative to third parties and the government, coordinating the smooth operations of the office of the board, and manages the bank's image and reputation through the supervision of the Corporate Communication Department under the Corporate Secretariat structure.

Prior to his role as corporate secretary, Nino was the head of corporate communications for Bank Muamalat Indonesia. Nino has held various positions with multilateral agencies, non-governmental organizations and corporations in Indonesia and abroad.

#### Panelist:



#### **Anggito Abimanyu** — Director General of Hajj and Umrah, Ministry of Religious Affairs

Anggito Abimanyu is currently the director general of Hajj and Umrah of Indonesia's Ministry of Religious Affairs. Previously he served as the head of the Fiscal Policy Office (BKF) of the Ministry of Finance.

Anggito previously served as a member of the Board of Commissioners of Bank Lippo and Bank International Indonesia and as a lecturer in the Faculty of Economics of Gadjah Mada University. Anggito holds a bachelor's and a master's degree in economics from Gadjah Mada University, a master's in science in International Development from the University of Pennsylvania and a PhD in Environmental Economics from the University of Pennsylvania.

### REGULATORS ROUNDTABLE 09:30-10:15

#### Panelists:



### **Edy Setiadi** — Head of Shariah Banking, Otoritas Jasa Keuangan (OJK)

Edy Setiadi officially started working for Bank Indonesia (BI) at the Credit Directorate/Department since 1984. From 1997–99, he was attached to BI representative office in Tokyo as an economic researcher. After that, he has held many positions across various departments in BI including human resource, rural bank, MSME and Islamic banking. He has been the executive director of the bank's Islamic banking department since March 2012. Presently Edy is the head of Islamic banking at Indonesia Financial Services Authority.

In addition to that, Edy has various training both in Indonesia and overseas. These trainings cover areas including emerging financial market, small and medium enterprise development, human resources, managerial skill and risk management of foreign exchange research.



#### **Friderica Widyasari Dewi** — Market Development Director, Indonesia Stock Exchange

Friderica Widyasari Dewi is the market development director of the Indonesia Stock Exchange (IDX). She is responsible for research, business development and marketing activities of the Indonesia Stock Exchange. She obtained her bachelor degree in Economics from University of Gadjah Mada, and her MBA majoring in Finance from California State University of Fresno, US. Her research in finance was published in the Journal Publication: Research of Finance, Volume 22, Fall 2005. She is also active in a number of professional associations including the Islamic Economic Society (MES), Indonesian Economist Association (ISEI) and

Indonesian Chamber of Commerce and Industry (KADIN), among others.



#### *Wien Irwanto* — Deputy Director of Transaction Management, Directorate of Islamic Financing, Ministry of Finance, Indonesia

Wien Irwanto is the deputy director of transaction management in the Directorate of Islamic Financing since 2012. In his capacity, Wien heads the Sukuk Negara issuance strategy, portfolio management, and underlying asset management. He is also in charge of planning, executing, and managing the Sukuk Negara transaction through various issuance methods. Prior to this, Wien was the deputy director of financial and market analysis in Directorate of Government Debt Securities from 2009-12. He has served over 16 years in Indonesia's Ministry of Finance.

#### 10:15 – 10:45 Networking Break

#### 10:45 – 11:00 Maybank Syariah Launch

Notes:

#### CEO SESSION 11:00-11:40

### Addressing Challenges through Innovation: Emerging Trends and Opportunities

- How can Indonesia's Islamic banks continue to grow
- Outlook for the micro, small and medium enterprise (MSME) sector: Is Islamic finance achieving its goal of increasing financial access to MSMEs
- Growth prospects for syndicated finance, trade and infrastructure finance
- Future of multifinance companies in the Islamic finance landscape
- Transfer of Hajj funds to Indonesia's Shariah banks: Opportunities ahead and impact on the industry
- Future direction for Indonesia's Shariah compliance retail banking industry
- Financial inclusion: Role of market players and multilateral agencies in raising awareness of Islamic retail banking and microfinancing

#### Moderator:



#### 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 multichannel distribution, combines to give him expertise in strategy and leadership development.

Bert also has extensive Takaful experience having previously been CEO of a new Takaful Bancassurance joint venture in Bahrain as well successfully launching a Shariah unit in PT Sun Life Financial Indonesia.

Bert holds a degree in Mathematics from Heriot-Watt University, and a diploma and a post-graduate certificate education from Edinburgh University. He has been an Associate of the Chartered Insurance Institute for over twenty years.

#### Panelist:



#### Beny Witjaksono – President Director, Bank Mega Syariah

Beny Witjaksono is the president director of Bank Mega Syariah, a position he has held since 2007. Prior to that Beny was a director at Bank Mega and before that a director at PARA Multifinance. Beny began his career at Bank Ekspor Impor Indonesia where he served for six years. Beny attended the University of Jember and has a Master of Management in Marketing from STIE IPWI. He is currently a member of the Special Taskforce for the Chairman of Masyarakat Ekonomi Syariah (MES) as well as a member of PERBANAS.

### CEO SESSION 11:00-11:40

#### Panelists:



#### **Hendiarto Yogiono** — Chief Financial Officer, Bank Muamalat Indonesia

Hendiarto has been serving as the finance and operation director of Bank Muamalat Indonesia since the 28<sup>th</sup> June 2010, after accumulating over 20 years of experience in the banking industry in various fields including finance, treasury and wholesale banking. He is an alumna of Faculty of Economics, University of Indonesia (UI) majoring in economic development studies. Hendiarto started his career as a management trainee at Bank Perkembangan Asia in late 1989 and was exposed to several strategic roles including in the merger integration team for Bank Universal to Bank Permata, and played an active role in the implementation of core banking system at Bank ICB Bumiputera.



#### **Najmul Hassan** — Director, Remedial Asset Management, Islamic Corporation for the Development of the Private Sector, IDB Group

Najmul Hassan is the director of the Remedial Asset Management unit of ICD which is part of IDB. In addition he is the board chairman of Maldives Islamic Bank, and representing ICD on the boards of Tamweel Africa, Capitas Saudi Arabia and Pakistan's Burj Bank.

Prior to joining ICD he was chief executive officer of Gulf African Bank, the first Islamic bank in Kenya. Before joining Gulf African Bank, Najmul was the general manager for corporate and business development of Meezan Bank, the first and

largest Islamic commercial bank in Pakistan. He was one of the founder members of the bank and played an instrumental role in leading the bank in its successful conversion into a fully-fledged Shariah compliant commercial bank, upon the acquisition of Societe Generale in 2002.



#### **Norfadelizan Abdul Rahman** — President Director, Maybank Syariah Indonesia

Norfadelizan is currently the chief executive officer of Maybank Syariah Indonesia. Previously he was the global head of Islamic markets at Bursa Malaysia where he successfully established and developed the BSAS trading platform, the first of its kind, dedicated for Tawarruq/Murabahah business for the international market.

Norfadelizan has 23 years of investment banking, treasury and corporate experiences to support his strong market orientation. His vast experience in the financial markets were derived from his extensive involvement as a solution

structurer and trader in various markets ranging from the money market, forex, bonds/Sukuk, futures and OTC derivatives markets. Norfadelizan was also involved in structuring Shariah compliant wealth management (structured) products for funds and Takaful-linked instruments. He has advised several listed companies and Islamic banks in the areas of investment, treasury, market risk management and structured products.

Notes:





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#### 11:40 – 11:55 Keynote Address

### **Opportunities for Islamic Finance in Indonesia's Investment Landscape**



**Dr Himawan Hariyoga** — Deputy Chairman for Investment Promotion, Indonesia Investment Coordinating Board (BKPM)

Dr Himawan Hariyoga is the deputy chairman for investment promotion for The Investment Coordination Board of the Republic of Indonesia (BKPM). His expertise is in agricultural economics, economic development, industrial organization and economic cooperation. Prior to his appointment to his current position, Dr Himawan was the deputy chairman for investment planning, BKPM from May 2010 to March 2011.

Dr Himawan spent over two decades at Bappenas (Ministry of National Development Planning) before joining BKPM in a career that spanned various

divisions and sectors. He left Bappenas in 2010 as the director of regional autonomy.

Dr Himawan received his MSc and PhD in Agricultural and Resource Economics from the University of California, Davis.

Notes:

## SESSION THREE 11:55-12:35

# Addressing the Challenges Posed by Legal and Taxation Issues

- Revisiting tax issues: Finding solutions to current restrictions affecting Islamic finance transactions
- Is a cohesive legislative and tax framework in the pipeline and what does its absence mean for potential issuers?
- Can issuers expect tax incentives and exemptions in 2014
- Overcoming civil law challenges: What can issuers do to sidestep issues related to beneficial ownership?
- Pricing issues: Impact of taxation complexities on how Sukuk is priced
- Taxation aspects in an international context: Pitfalls and opportunities

#### Moderator:



Ariff Sultan — Regional Director (Asia), IdealRatings, Singapore

Ariff Sultan joined IdealRatings in 2012 as regional director- Asia Pacific and is responsible for the business in this region.

Prior to this, Ariff was the regional director for Russell Indexes and Dow Jones Indexes, for the past five years and was responsible for developing their businesses in the Asian market, both for the conventional and Shariah index sales.

He has 17 years of experience in financial and banking software sales, successfully selling into APAC and the Middle East financial institutions. He

has worked with the leading financial software providers including London Bridge Group, Fair Isaac and Callatay & Wouters and Misys. Prior to his sales career, Ariff started his career as a software developer and project manager for financial software applications with Deloitte and Touché and subsequently with OCBC Bank in Singapore.

#### Panelist:



## *Alain Verbeken* — Director, Cross-Border Tax, Deloitte Tax & Consulting, Luxembourg

Alain Verbeken joined Deloitte Belgium in August 2000 and Deloitte Luxembourg in January 2004. As a director within the tax/international — government furnished services and item (GFSI) department, he is specialized in tax advice towards financial services clients (funds, banks, insurance companies).

Before joining Deloitte, Alain built up experience in various areas, specific for the GFSI tax sector. As from the beginning of 2004, he is focusing on investment funds (in particular Shariah compliant investment funds), Islamic finance products and operational tax matters.

Alain is a lawyer, graduated in 1994 from the Free University of Brussels, with a specialization in tax law. He is also the vice-chairman of the Luxembourg Fund Association's Middle East and Islamic finance working group.

## SESSION THREE **11:55-12:35**

#### Panelists:



#### Hanim Hamzah – Partner, Roosdiono & Partners

Hanim has been the Jakarta resident partner of Zaid Ibrahim & Co for nearly a decade at its associated firm in Indonesia, Roosdiono & Partners, also a member firm of the ZICOlaw network with offices in ASEAN and Australia.

Head of the corporate and commercial practice group, Hanim specializes in M&A deals in aviation, banking, insurance, mining, oil and gas, plantations, and property. In Indonesia, she has been recognized as a 'Leading Lawyer' in four categories: Corporate, commercial, cross-border, M&A, and project infrastructure finance (Islamic Finance *news*, 2011).

Hanim was formerly based in Tokyo at leading Japanese law firm, Anderson Mori & Tomotsune, where she spent five years in the corporate and banking practice, working on various award-winning deals.



#### Margie Margaret - Partner & Financial Services Tax Leader, PwC

Margie is the financial services tax leader of PwC Jakarta and has over 21 years experience in tax advisory for multinational and local companies and is the leader for taxation aspects in Islamic finance in Indonesia. She has been invited to speak at events held by REDmoney as well as others including the 2011 Joint High Level Conference on Islamic Finance held by Bank Negara Malaysia and Bank Indonesia in Jakarta.

12:35 - 13:45 Luncheon

Notes:

## SESSION FOUR 13:45-14:45

### Advancing Indonesia's Growth in Islamic Finance: A View from Established Markets in Asia and the Middle East

- How foreign market players and potential investors view Indonesia as an Islamic investment destination
- Sovereign, quasi-sovereign and corporate Sukuk issuances what foreign investors are looking for
- Does Indonesia need to transform its business model in order to succeed?
- What sectors should market players and regulators focus on
- The vital need to invest in marketing the Islamic finance concept and educating the market: lessons learnt from Malaysia and the Gulf
- Shariah considerations: Addressing the crucial issues of developing Shariah scholars and setting up Shariah boards

#### Moderator:



## **Lawrence Oliver** — Director & Deputy Chief Executive Officer, DDCAP Group, United Kingdom

Lawrence Oliver is a director of DDCAP and its subsidiaries DD&Co and DDGI. DD&Co is a leading provider of asset facilitation services to the Islamic wholesale markets. DDGI has invested, for its own account, in a number of Islamic financial services initiatives.

Lawrence has worked in the Islamic finance market for more than 20 years. He joined DDCAP in April 1998. Previously he was an assistant manager at Dresdner Kleinwort Benson and a member of the team responsible for Islamic finance and investment activity. Lawrence has principal responsibility for the

company's trading and trade support desks and has extensive experience of arranging asset-based transactions that conform to Shariah stipulation. He focuses specifically on Shariah compliant structured finance and asset origination and has broad knowledge of the physical commodity sector which has enabled him to re-establish the traditional merchant trading capabilities of DD&Co for the benefit of institutional clients operating within the Islamic financial sector.

#### Panelist:



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

Nazim Rahman is the group CEO of Pelaburan Mara, a Malaysian governmentlinked investment fund. 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 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 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).

## SESSION FOUR 13:45-14:45

#### Panelists:



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

Alhami is presently the head of international finance and capital market at 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)'s investment banking division in April 2004 and his last posting was as head of Islamic finance, investment banking. 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.



**Dr Aznan Hassan** — President, Association of Shariah Advisors in Islamic Finance, Malaysia

Dr Aznan Hasan is an associate professor in Islamic law and the former head of Islamic law department at Ahmad Ibrahim Kulliyyah of Laws, International Islamic University Malaysia. He is currently the president of Association of Shariah Advisors in Islamic Finance (ASAS). He is also the deputy chairman of the Shariah Advisory Council of Securities Commission. He was a member of Bank Negara Malaysia's Shariah Advisory Council two terms (2006-08, 2010-13).

He is also the chairman of Barclays Capital's Shariah Advisory Board (DIFC); a member of the Shariah advisory boards of ABSA Islamic Bank, FNB Bank,

European International Islamic Bank (EIIB), London's Yasaar, Khalij Islamic, Amanahraya, Amanah Raya Investment Bank Labuan, Employee Provident Fund among others. He also serves as Shariah consultant to Maybank Investment Bank and Hong Leong Islamic Bank. He is a registered Shariah advisor for Islamic unit trust schemes and Islamic securities (Sukuk) with Securities Commission of Malaysia.

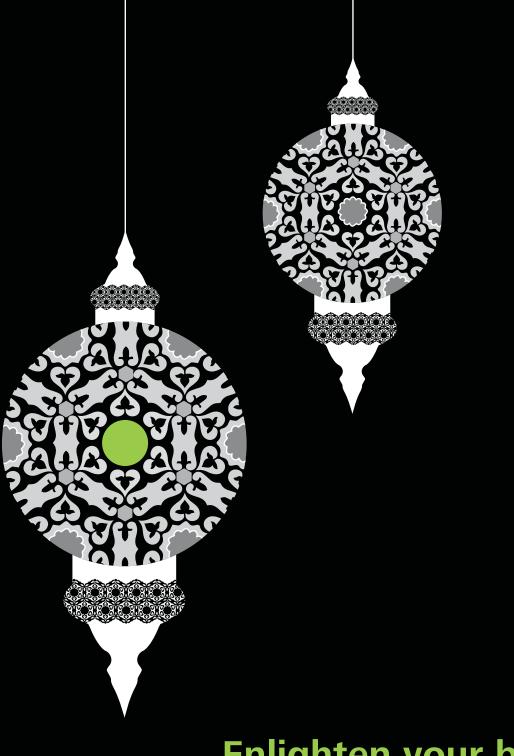


## *Hitesh Asarpota* — Director, Capital Markets & Structured Finance, Emirates NBD Capital, United Arab Emirates

Hitesh Asarpota heads the debt capital markets team at Emirates NBD Capital and has advised various government, blue chip and mid-cap clients on their financing strategies and access to debt markets. Prior to ENBD, he led the establishment of a dedicated debt capital market desk at the National Bank of Abu Dhabi.

Hitesh has successfully raised over US\$20 billion over the past eight years in the Middle East and has led/executed numerous landmark conventional and Islamic transactions. He holds a BCom in Accounting and Economics from the

Sydenham College, India. At a post graduate level, he specialized in finance and strategy at HEC Grande Ecole, France and Manchester Business School, UK.



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## SESSION FOUR 13:45-14:45

#### Panelist:



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

Ritjana Ceveli 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.

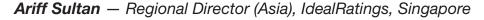
Notes:

## DEAL ROUNDTABLE 14:45-15:30

### Deal Roundtable: Discussing Key Success Factors of Indonesia's Top Deals in 2013

- PT Astra Sedaya Finance US\$50 million Wakalah Syndicated Financing
- Golden Agri Resources US\$1.52 billion Sukuk
- SBI Islamic Fund/Pandu Logistics US\$9 million convertible Musharakah

#### **Moderator:**



See page 36





#### Amran Mohamad — Chief Executive Officer, SBI Brunei

Amran Mohamad is currently chief executive officer of SBI (B), a fund management company which manages the first Islamic private equity fund in Brunei: the SBI Islamic Fund (Brunei). SBI (B) is jointly owned by the Ministry of Finance, Brunei and a Japanese financial group, SBI Holdings. The fund looks at investments actively in the Southeast Asia and Pacific region.

Amran started his career as a banker and then as a private equity fund manager in Singapore. He then migrated to Malaysia to pursue his interest in Islamic finance. He was involved in the setting up of Al Rajhi Bank, Malaysia being its founding board member. He was also the chief executive of Al-Hidayah

Investment Bank in Malaysia. He currently sits in the board of directors of Pandu Logistics, Indonesia and Stone Apple Solutions, Singapore.



#### **Norfarasha Abdullah** — Director, Debt Capital Markets, RHB Investment Bank, Malaysia

Norfarasha has over 17 years of experience in the capital markets industry spanning from advisory, credit analysis and evaluation, debt syndication, project finance private finance initiative (PFI) /public-private partnership (PPP) finance, and debt capital markets (both conventional and Islamic).

She is currently leading a team and has extensively been involved in various debt capital markets deals such as those from South Korea, the Middle East, Singapore and Indonesia. She has significant experiences in advising and

structuring deals in diverse industries such as infrastructure, power, water, shipping, telecommunications, plantation, financial services and property.

#### Panelists:



## **Rehan A Ahmed** — Vice President, Origination, HSBC Amanah, Malaysia

Rehan Ahmed is currently vice president of the Islamic capital market origination department of HSBC Amanah Malaysia having joined from HSBC London in June 2013. He also heads up HSBC Amanah Malaysia's International Currency Business Unit (ICBU).

During his time in London, Rehan developed the Islamic finance business in the global markets division of HSBC London with particular focus on Islamic treasury and syndicated finance transactions.

Prior to his experience in Islamic finance, Rehan worked in the legal profession in the UK for several London-based law firms. Rehan read law at the University of Leicester after which he completed his Postgraduate Diploma in Legal Practice. He is also a Chartered Islamic Finance Professional (CIFP).



#### Yeo Wico - Partner, Allen & Gledhill, Singapore

Wico, with two decades of experience in corporate finance, has been regularly cited in legal publications as a leading or highly recommended practitioner. In one publication, he was described as being "widely considered to be a very talented practitioner". More than once, he achieved the record of working on both the largest IPO and the largest bond offering in Singapore in the same year.

In the field of Islamic finance, he is one of a handful in Singapore cited by an Islamic finance publication as a leading lawyer. His track record of pioneering or largest Sukuk transactions in Singapore includes the first Sukuk issue, the first Sukuk program, the first statutory board issuer of Sukuk and the first Sukuk to

cross the SG\$1 billion (US\$800.83 million) value.

Wico's other notable transactions include working on the first ever IPO of a securities exchange worldwide, the record-breaking acquisition by a Singapore corporate exceeding US\$8 billion, the first publicly-rated synthetic securitization by a Singapore bank and the first rated and listed asset securitization program in Singapore.

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## PRESENTATION 15:30-15:45

### 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 is CEO 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 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.

Notes:

## SESSION FIVE 15:45-16:45

### The Islamic Investment Landscape: Market Trends and Strategies for 2014

- What will 2014 hold for Islamic investors and fund managers
- Which asset classes are expected to outperform and why
- Risk vs. Opportunity: Understanding the risks and impact on the Islamic asset management industry
- The changing face of the institutional investment market: Discussing investment strategies and product trends for 2014
- Capitalizing on key advantages in the real estate and property sector
- Outlook for i-ETFs, Shariah compliant mutual funds

#### Moderator:



#### **Salman Ahmed** — Partner, Head of Islamic Finance MENA, Trowers & Hamlins, Bahrain

Salman Ahmed is a partner in the Islamic finance group of legal firm Trowers & Hamlins and heads the firm's Islamic finance practice in the Middle East and Africa. Prior to joining Trowers & Hamlins, Salman was a senior associate in the global Islamic finance group at a magic circle law firm.

He has acted for many of the world's leading financial institutions and highend borrowers on a wide range of Islamic finance transactions covering a wide variety of asset classes, across several jurisdictions including Africa, Bahrain, Kuwait, Pakistan, Oman, Qatar, Saudi Arabia, and the UAE, utilising a wide

range of structures and he recently led the Trowers & Hamlins team on Oman's first ever Sukuk issuance.

Salman has advised several governments and regulatory bodies on the implementation of Islamic finance activities and on the conversion of conventional regimes to Shariah compliant regimes (both stand alone and hybrid).

#### Panelist:



#### Agus B Yanuar - President Director, Samuel Aset Manajemen

Agus has experience in the Indonesian capital market since 1990. He began his career as an auditor at PwC from 1988-90, then worked at WI Carr Indonesia for nine years, with his last position as the director of equity sales. Between 2002-06 he worked at BNI Securities as an equity fund manager.

Agus joined Samuel Asset Management (SAM) in November 2006. He manages and oversees the day-to-day operations of SAM while managing funds that have consistently produced superior returns in the Indonesia market, including Shariah compliant funds.

#### Panelists:



## *Alvin Pattisahusiwa* — Director of Investment, Manulife Aset Manajemen

Pattisahusiwa holds his Investment Manager Representative license as stated in the decree of the chairman of OJK (Indonesia Financial Services Authority) dated the 2<sup>nd</sup> March 2000. With over 17 years of experience in the industry, he is responsible for overseeing investment strategy and management of Manulife Aset Manajemen Indonesia products. His dedication to his career has been proven by 14 awards recognizing the distinguished performance of the mutual fund products he managed. Prior to joining Manulife Aset Manajemen Indonesia, Alvin worked for BNP Paribas Investment Partners with his last position as the

director-head of equity and Batavia Prosperindo Aset Manajemen. He obtained his MBA degree from IPMI Business School, Jakarta.



## **Fajar Rachman Hidajat** — President Director, CIMB Principal Asset Management

Fajar Rachman Hidajat joined CIMB-Principal Asset Management in September 2012 as director — chief investment officer and became the president director for the company on the 1<sup>st</sup> March 2014.

Prior to that, he was a director at Trimegah Asset Management, mainly responsible for the investment and marketing unit. He started his career as an equity analyst in 1995, and in 2000, he was appointed as the head of research for economics, fixed income and equity research for Trimegah Securities. In 2005, he was given a new task to lead the fund management division and in 2008,

was charged as head of the asset management division. Fajar has a Bachelor Degree in Accounting from Padjadjaran University.

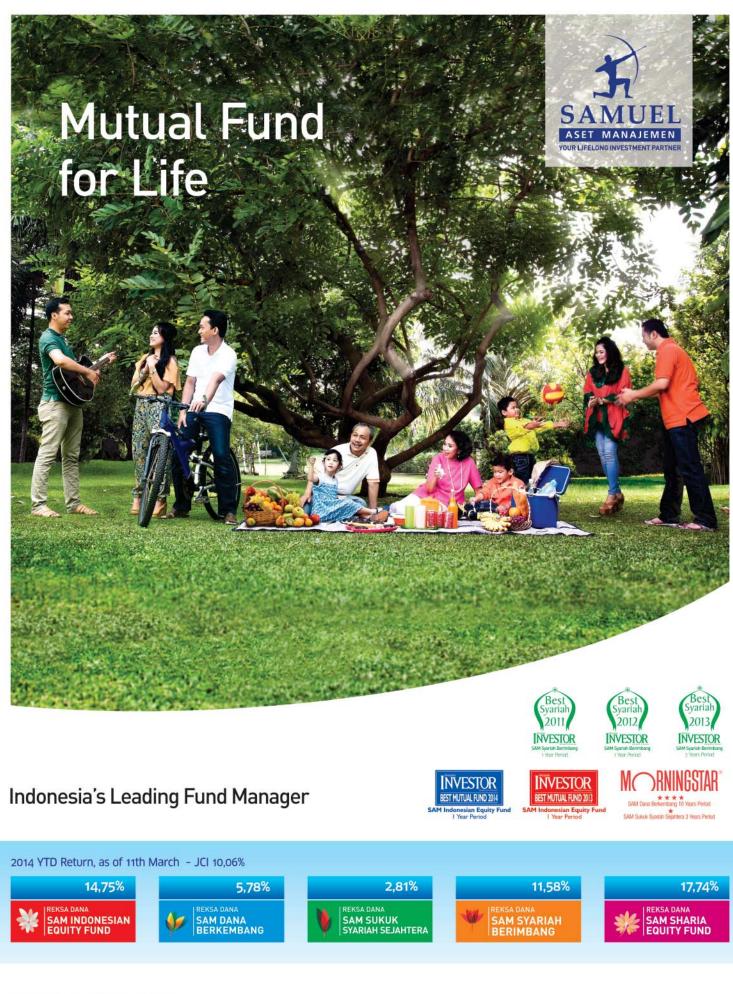


#### **Farouk Abdullah Alwyni** — Chief Executive Officer, Alwyni International Capital

Farouk is both an Islamic finance practitioner and a lecturer. He spent most of his Islamic finance career in Jeddah-based IDB handling IDB trade finance operations in many countries across Asia the CIS from 1998-2007. Prior to running Alwyni International Capital (AIC) in 2012, Farouk was a member of the executive management of Al-Ijarah Indonesia Finance (ALIF), the first Islamic leasing company in the country (owned jointly by Bank Muamalat Indonesia (BMI) and Gulf Islamic financial institutions) from 2007-09. From 2009-11, he was attached to BMI where he initiated and implemented a number of new initiatives. He is also the chairman and co-founder of Center for Islamic Studies

in Finance, Economics, and Development (CISFED), a Jakarta-based think tank whose objective is to develop an integrated paradigm in addressing Indonesian and global development issues.

Farouk obtained his Bachelor in Banking & Financial Management from Perbanas Institute, MA in Economics from New York University, and MBA in International Banking & Finance from the University of Birmingham. Farouk is also Islamic Finance *news*' correspondent for Indonesia.



PT SAMUEL ASSET MANAGEMENT Menara Imperium 25<sup>th</sup> Floor JI. H.R. Rasuna Said Kav. 1 Jakarta 12980 Phone : 021 - 28548 800/169 Fax. : 021 - 8370 3278 / 8317 315 e-Mail : marketing@sam.co.id



MUTUAL FUND INVESTMENTS CONTAIN RISK. PROSPECTIVE INVESTORS MUST READ AND COMPREHEND THE PROSPECTUS PRIOR TO INVESTING INMUTUAL FUND PAST PERFORMANCE DOES NOT REPRESENT FUTURE PERFORMANCE.





#### Panelist:



#### Paul Wouters – Chief Executive Officer, Senturiyon Global

Paul Wouters graduated in 1983 from the University of Antwerp (Belgium), Master of Law with Honors. He has practiced law from 1983 until today with a focus on financial regulations, stock exchange and corporate consulting.

Residing in Istanbul for nearly a decade, where he was senior foreign counsel at Bener Law Office (until 2009), Wouters was exposed to cross-cultural legal challenges. Rapidly he got immersed in the techniques of contemporary Islamic finance and the underlying foundations of Islamic law.

Paul holds Islamic Finance Qualification (IFQ) obtained at the Ecole Supérieure des Affaires ESA in Beirut-Lebanon (2006) and he is a member of the Advisory Board of Kuala Lumpurbased Islamic Finance *news* (2006-present).

He is CEO of Senturiyon Global in Jakarta and his work is centered on Islamic finance and business structuring, both for Muslim and non-Muslim parties. Paul is among others senior vice-president of marketing and business development to Aprisma Indonesia, counsel for Islamic finance to IjaraUSA.com and international counsel for Mortimer Blake in Bishkek, Kyrgyzstan

Notes:



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AAOIFI is the international organization responsible for development and issuance of standards on shari'a, 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 Shari'a 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 Shari'a 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 Centre aims to be a global centre 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 the standardization

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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Bank BJB Syariah was established on the 6<sup>th</sup> May 2010, after 10 years as the Shariah division of Bank BJB. As the first Islamic commercial bank in Indonesia, Bank BJB Syariah continues to grow and continues to strive to create innovative products to facilitate the needs of its customers. The Islamic bank offers superior products aiming to provide convenience to its clients, including the 'Layanan 3 in 1 Maslahah' (3 in 1

Maslahah Services) consisting of Jemput Maslahah, Maslahah Card, and Mobile Maslahah. The Islamic financier is based in Bandung and has branches spread across three provinces in Indonesia: West Java, Banten, and Jakarta, with an eye on continued expansion.



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, use giving it the largest ATM network of any Islamic bank in Indonesia.

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.

#### 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 are the IDB, 52 Islamic member countries, and five public financial institutions from member

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.

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#### **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.

> Finance Accreditation Agency (FAA) is an international and independent quality Accreditation 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 FSI.

#### **Maybank Syariah**

Finance

Agency

Maybank's involvement in Indonesia started in January 1995 with the establishment of Bank Maybank Indocorp

(BMI), the first Malaysian joint venture bank in Indonesia. On the 23rd September 2010, BMI was granted an approval by the central bank, Bank Indonesia to convert into a Shariah bank and renamed PT Bank Maybank Syariah Indonesia (MSI). MSI now operates as a fully fledged licensed Shariah bank.







### Financial Advisory I Human Capital Development

### **OPENING OPPORTUNITIES, DEVELOPING TALENTS**

AIC offers insights for foreign institutions interested to penetrate into Indonesian market and/or local institutions to access foreign *Shariah*-compliant capital. AIC also offers a preparation and review course (including exam registration) for professionals wishing to prepare themselves to obtain Islamic Finance Qualification (IFQ), an internationally recognized qualification awarded jointly by the Chartered Institute for Securities & Investment (CISI), recognized by Ofqual, the UK government education regulator.



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### **SPONSORS**

#### **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 Bin Suleiman Almaneea (Chairman) Sheikh Dr Abdullah Almutlag Sheikh Dr Mohamed Ali Elgari



FWU Group is an international financial services group. Its core activities include life insurance and long-term savings, education and pension plans for both individual consumers and corporates (group pension plans). Distribution channels include banks, brokers, independent financial advisers and other financial intermediaries.

The group is also recognized for its international leadership and expertise in Shariah compliant investments and life insurance (Family Takaful solutions). FWU Group specializes in white label Family Takaful investment-linked plans and partners with the relevant local Takaful operator in the selected market to offer customized innovative customer solutions which include savings, education, marriage and pension plans.

FWU Group has successfully pioneered new Sukuk structures and raised financing for its fast-growing business activities in several growth markets. It has won many international Sukuk and Takaful awards in recognition of its market accomplishments. FWU Group is an observer member of the Islamic Financial Services Board and an active member of their Takaful working group. FWU Group is also an affiliate member of the Gulf Bond and Sukuk Association in Dubai, DIFC.

**IdealRatings**<sup>®</sup> 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.



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Halal

Halal

31.86

5.87

6.17

0

0.09

2.73

C2

RAYSUT CEMENT COMPANY (SAOG)



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SHARI'A RATING CRITERIA

Associated and Subsidiaries Activities

Cash and Interest Bearing Items to Total Assets (30%)

Cash and Accounts Receivable to Total Assets (30%)

Non-Shari'a Compliant Revenues of The Company and Its Subsidiaries as % of Total Revenues

Non-Shari'a Compliant Revenues of The Company and Its Subsidiaries Plus Interest Income as % of

The company indicates a current identifiable vulnerability to

The dompaty handless a contraction between the second seco

will not likely have the capacity to pay interest and/or repay

Debt to Assets Ratio (30%)

WVB CREDIT SCORE

US Bond Rating Equivalent

principally. Highly speculative

Parent Activities

Total Revenues

WVB Score

Comment

#### COMPANY PROFILE

WVB Number	OMIN000030030			
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	

#### DVISC Auditor

AHMED AWAD AL SHANFARI Law Firm

KPMG

#### FINANCIAL STATEMENTS

Date	31-DEC-10	31-DEC-11	31-DEC-12
Currency	OMR ('000)	OMR ('000)	OMR ('000)
Report Type	С	С	с
INCOME STATEMENT			
Net Sales	64,978	83,813	92,802
Cost of Sales	-25,297	-47,036	-48,273
Selling, General and Admininistrative 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

#### **Executive Partners**

OCBC Bank (Malaysia) (OCBC Bank) launched its Islamic banking (IB) **OCBC BARK** (Walaysia) (OCBC Bark) launched its islamic barking (D) business through the 'window' concept on the 5<sup>th</sup> June 1995 and became the 19th of 22 commercial banks to operate IB 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 AI-Amin offers a broad array of specialist financial services, ranging from consumer, corporate, treasury, investment, private and transaction banking.

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

Roosdiono& Partners is a full-service corporate law little location of the firm senior partner Anangga Wardhana Roosdiono. Based in Jakarta, the firm assists leading corporate clients in diverse fields of industry and commerce.

a member of ZICOlaw Roosdiono & Partners' commitment is to help clients improve business performance and achieve a competitive advantage through effective legal strategy.

In 2005 the firm joined ZICOlaw, an integrated network of independent legal and related professional service providers in the ASEAN region with offices in Indonesia, Malaysia, Singapore, Thailand, Vietnam, Cambodia, Myanmar, Laos as well as Australia, to improve its network and the quality of its services. Roosdiono & Partners is one of the front runners in Islamic finance in Indonesia. The firm advised on the first ever Islamic debt syndication in Indonesia, acted for onshore and offshore lenders for facilities extended to a national oil company. The company has access to skills that have created multi-billion dollar Islamic financial deals with award-winning recognition.

Russell Indexes Russell Indexes offers a comprehensive family of global equity indexes that give by Russell Investments 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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Founded in 1997, Samuel Aset Manajemen (SAM) provides a complete range of asset management services for domestic and international investors.

The company is managed by a highly professional and experienced asset management team with a proven track record of delivering consistently above average returns in the Indonesian market, having weathered two of the worst financial crisis in history: the Asian financial crisis of 1997/98 and the more recent 2008 global financial meltdown.

As of January 2014, SAM manages over US\$300 million-worth of assets for its local, foreign institutional and high net worth client base. SAM has consistently provided superior performance and achievement and has had some of its funds recognized locally as the Best Equity Fund of 2012 and 2013, and Best Islamic Balanced Fund from 2011 to 2013 by several publications.

Trowers & Hamlins is a UK City-led, international and national law firm. The trowers & hamlins firm has offices throughout the UK, Middle East and a representative Regional Office in Kuala Lumpur, where we provide a full-service integrated offering.

With specialist lawyers in the UK, the Middle East and ASEAN, Trowers & Hamlins has been a market leader in the field of Islamic finance for over 15 years. Ranked in the top ten UK law firms for Islamic finance, our clients include finance institutions as well as public and private sector organizations.

The ASEAN region is an area of continuing growth for the firm and in response to our expanding client base we opened a representative Regional Office in Kuala Lumpur in July 2012.

Our defining characteristics are that we are a friendly, accessible firm which has a commitment to excellence, and which provides a supportive working environment for a wide diversity of individuals.

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World Vest Base provides a broad range of informational products directed at institutional investors, universities, bankers, analysts, tax and audit practitioners, government agencies and asset managers, M&A, private capital, equity and

fixed income markets. The company's latest offering includes the WVB Shariah Compliance Ratings which is a relational database of financial, statistical and market information on active and inactive global companies.

The database covers 153 countries with over 44,600 active listed companies and 30,000 inactive companies. This covers approximately 99% of all listed companies and a global market capitalization of almost 100%. WVB data is based on the country of incorporation. It describes a company as a legal entity, not individual issues or listings and offers complete documents with indexed financial transparency to the data.

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Alpha Southeast Asia is celebrating its eight anniversary this year as a purely Southeast Asian focused institutional investment and transactional banking magazine. The magazine has remained steadfast in its coverage of Southeast Asia (Indonesia, Malaysia, Philippines, Singapore and Thailand).

As a result, the magazine has firmly established itself as the only magazine of choice among institutional investors interested in understanding the region further. Corporate treasurers and chief financial officers in the region have found Alpha Southeast Asia useful given similarities in the ASEAN region. High net worth individuals and white-collar professionals have also found our articles a good alternative as opposed to what is widely available in the mainstream regional press. The magazine remains the only Hong Kong-based regional financial magazine with a dedicated monthly section on Islamic finance.



VOICES OF LEADERS

Voices of Leaders is a dynamic corporate network that fosters business opportunities on a local and international level as well as brands and matching companies worldwide. We provide our users a cost effective solution to their business needs enabling them to research new markets, network with companies across nations, partner and expand. Voices of Leaders offers an innovative online

business profile that strategically markets company brands, products and services and provides companies with the international leverage they need to grow their business. Ultimately, Voices of Leaders aims to highlight the investment potential of promising companies in emerging countries through their unknown success stories, offering a bridge of communication across continents.

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**26<sup>th</sup> - 27<sup>th</sup> May, KUALA LUMPUR** Innovation & the Future Direction of Islamic Finance in Asia



**17<sup>th</sup> June, TEHRAN** Islamic Finance Opportunities and Challenges in an Evolving Economic Landscape



**26<sup>th</sup> June, LUXEMBOURG** Islamic Finance in Europe: Regulatory Advancements, Growth Potential and Investment Opportunities



15<sup>th</sup> - 16<sup>th</sup> September, DUBAI Advancing the Sustainable Development of a World Class Islamic Economy



**29<sup>th</sup> September, KUWAIT CITY** Exploring Islamic Investment Opportunities for the Kuwaiti Market



**13<sup>th</sup> October, COLOMBO** Opportunities for Further Growth of Sri Lanka's Islamic Banking and Islamic Capital Market



20<sup>th</sup> October, DHAKA Potential Opportunities and Challenges in Developing the Bangladeshi Islamic Banking and Finance Market



**4<sup>th</sup> November, ABUJA** Developments and Investment Opportunities in Islamic Finance in Key African Markets



6<sup>th</sup> November, ISTANBUL Trends and Developments in Turkey's Exploding Participation Finance Market



**17<sup>th</sup> November, RIYADH** Capitalizing on Investment Opportunities in the Kingdom's Rapidly Developing Islamic Capital Market



**1**<sup>st</sup> **December, CAIRO** Trends, Developments and Challenges in Egypt's Evolving Economic Landscape

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