

# IFN FORUM

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2014

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17<sup>th</sup> November 2014

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King & Spalding is an international law firm with more than 30 years experience advising clients globally on Islamic finance. Consistently ranked among the best in the world by *Chambers Global* and *The Legal 500*, the firm's Global Islamic Finance and Investment practice includes over 30 lawyers and professionals in offices across Europe, the United States, and the Middle East. With nearly three decades of experience in this highly specialized and growing area, the firm is considered to be the only law firm with the expertise and depth to structure and implement sophisticated *Shari'ah*-compliant investment and financing transactions in Europe, the United States, the Middle East and Asia. In Europe, the firm is recognized as a leader in structuring and advising on *Shari'ah*-compliant real estate financing and investments as well as advising various international investment banks in their capacities as arrangers in debt capital market transactions, particularly *Sukuk* issuances. In the United States, the firm is widely acknowledged as the firm of choice for *Shari'ah*-compliant investment and financing transactions in the United States. In the Middle East, the firm leads in the formation of investment funds across a range of asset sectors, and the innovative fund structures it has developed to deal with local ownership and financing restrictions are now precedents followed by the industry. The firm maintains a leading role in handling debt capital markets work, in particular *Sukuk* issuances for issuers and lead arrangers across the Middle East and Turkey.

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## FEEDBACK FORM

Please spare a minute to provide valuable feedback.

### 1. Overall Evaluation

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

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

- Opening Panel Session: Advancing Saudi Arabia's Progress in the Islamic Investment Landscape: A Global View
- Global Real Estate Roundtable: Opportunities for Saudi Investors
- Sukuk, Infrastructure and Project Finance In the GCC
- Transaction Roundtable: Emirates NBD Capital SAR800 million Real Estate Fund
- The Investment Landscape for Islamic Investors in Saudi Arabia and the Gulf: Trends and Strategies for 2015

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### 3. Speakers Evaluation

#### Keynote Address

- Sheikh Dr Mohamed Ali Elgari, King Abdul Aziz University

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#### Opening Panel Session: Advancing Saudi Arabia's Progress in the Islamic Investment Landscape: A Global View

- Professor Azmi Omar, Islamic Development Bank Group
- Badlisyah Abdul Ghani, CIMB Islamic
- Dawood Y Taylor, Prudential Corporation Asia
- Sheikh Dr Mohamed Ali Elgari, King Abdul Aziz University

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#### Global Real Estate Roundtable: Opportunities for Saudi Investors

- Jawad Ali, King & Spalding, United Arab Emirates (*Moderator*)
- Jamil Ghaznawi, Jones Lang LaSalle, Saudi Arabia
- Jean Philippe Besse, Parisian Real Estate Advisor
- Robin Williamson, Deloitte Middle East

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#### Sukuk, Infrastructure and Project Finance In the GCC

- Qasim Aslam, Dentons (*Moderator*)
- Hani Ibrahim, QInvest, Qatar
- Muhammad Farhan, HSBC Saudi Arabia
- Rizwan Kanji, King & Spalding, UAE
- Tayeb Al Rais, Awqaf & Minors Affairs Foundation
- Tom Guest, Eiger Trading

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(More speakers on next page)

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**Transaction Roundtable: Emirates NBD Capital SAR 800 million Real Estate Fund**

- Nabil Issa, King & Spalding
- Qais Qureshi, Emirates NBD Saudi Arabia
- Salah Allaf, Emirates NBD

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**The Investment Landscape for Islamic Investors in Saudi Arabia and the Gulf: Trends and Strategies for 2015**

- Lawrence Oliver, DDCAP Group, United Kingdom (*Moderator*)
- Alain Verbeken, Deloitte Tax & Consulting, Luxembourg
- Asim Khan, Khalij Islamic
- Faizal Bhana, Trowers & Hamlin
- Monem Salam, Saturna Malaysia
- Omar Bassal, MASIC

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

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Would you be interested to subscribe to IFN Weekly?

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Would you be interested in attending training courses in Saudi Arabia?

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What would you like to see covered in future events?

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

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Please provide a testimonial about this forum

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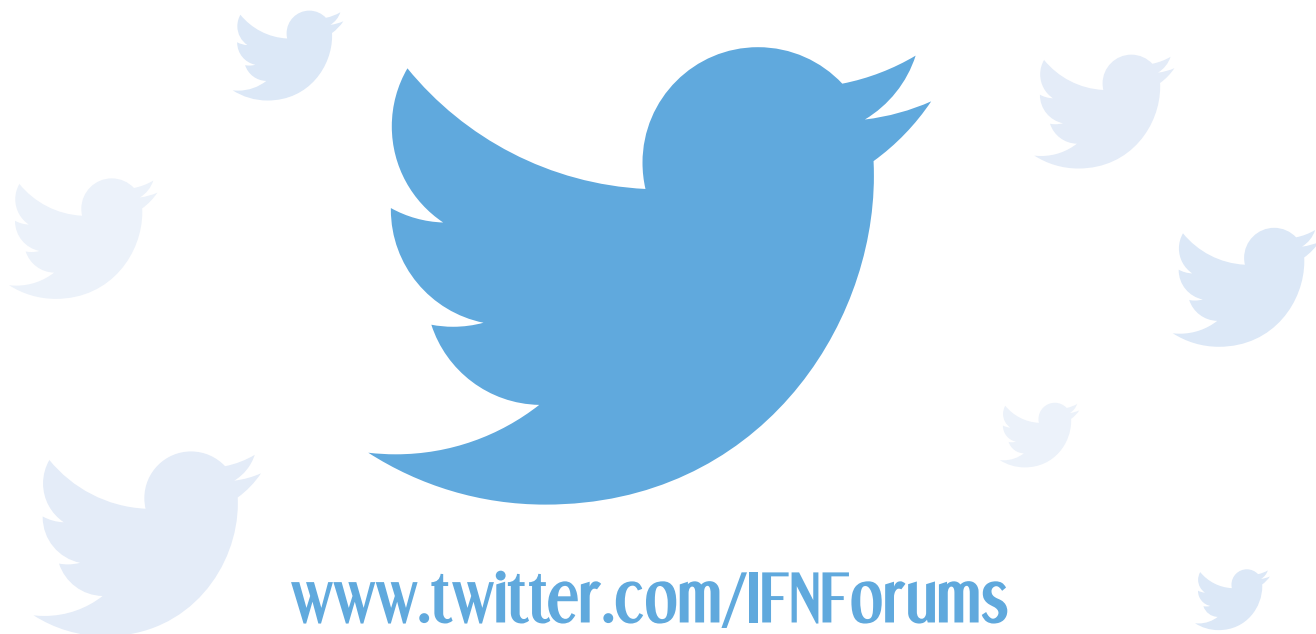
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**Thank you and we wish you a pleasant return journey. See you next year!**

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In yet another move to increase the interaction between delegates and panelists, we have introduced a live Twitter feed to the moderators. Delegates are invited to send 'Tweets' to the exclusive IFNForums feed at any time prior to or during a session, allowing you the opportunity to ask pertinent and timely questions rather than waiting until the end.



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## Welcome to the 2014 IFN Saudi Arabia Forum

Acknowledged as one of the most developed Islamic markets, Saudi Arabia is a destination that should not be overlooked. The kingdom holds 18% of global Islamic banking assets and 14% of Islamic fund assets. It is home to 10 of the 20 largest Islamic funds and over 160 Islamic funds in total. Whilst the country aims to diversify its revenue generating markets, currently approximately 90% of government revenues and 85% of exports stem directly from the hydrocarbons sector.

This highly liquid market is also one of the most active local currency Sukuk issuers in the world, commanding a healthy percentage of the global issuance market. Despite a predicted demand for Sukuk in the GCC, syndicated finance remains a larger market for Islamic finance within the region, rising by 13.4% in 2013. However many industry players believe that with the entry of foreign investors to the Saudi stock market next year, a boom in the currently relatively restricted local currency Sukuk market will not be far behind, potentially creating a huge new market for Sukuk in the region.

In August 2014, the country's Capital Market Authority announced that Saudi Arabian stock market, Tadawul, worth US\$530 million would be opening to direct foreign investment for the first time in 2015. The potential opening of the Saudi stock market to foreign investors in 2015 has incited a rise of over 10% on the exchange since the announcement on the 21<sup>st</sup> July and is being heralded as a step that could encourage up to US\$35 billion of incremental foreign inflows once the market is open, welcoming a new surge of growth for Saudi's financial system.

Running for the third time in 2014, the IFN Saudi Arabia Forum will place you at the forefront of the most interesting developments in the kingdom. Covering all aspects of the industry and opportunities available in Saudi Arabia, we wish you a fruitful and productive forum.

**REDmoney** is the foremost global provider of specialized Islamic financial media services across three core divisions of events, publishing and training. Established in 2004, the firm has offices in Dubai and Kuala Lumpur: offering an unrivalled multi-channel service across the full spectrum of the global financial markets. The outward-facing arms of the REDmoney publishing and events portfolio are supported by REDmoney Training, which provides access to industry-leading expertise from the best in the field. REDmoney Group covers the full range of global markets: from emerging Islamic economies across Africa and Asia to industry leaders such as Malaysia and the GCC along with developed nations in Europe and the Americas seeking to enter the sector. The company offers unequalled access to the elite of the industry: with relationships built up over a decade of trusted communication with market leaders to provide a detailed network covering every aspect of Islamic financial services.

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08:00 – 09:15 Registration

09:15 – 09:30 Keynote Address

**Sheikh Dr Mohamed Ali Elgari** — Professor of Islamic Economics, King Abdul Aziz University, Saudi Arabia & Jury Member of the Royal Award for Islamic Finance

## Opening Panel Session: Advancing Saudi Arabia's Progress in the Islamic Investment Landscape: A Global View

- 09:30 – 10:30
- Reviewing recent regulatory updates and central bank guidelines affecting Islamic finance transactions in Saudi Arabia
  - Discussing an industry-wide strategy required to encourage cross border participation in the kingdom's Islamic capital market
  - What role will Saudi Arabia play in the global Islamic finance landscape and what needs to be done to advance this vision?
  - What growth is expected in the Takaful industry and how will the industry continue to develop in Saudi Arabia?
  - How will other leading Islamic finance markets impact further growth of Islamic finance activities in the kingdom?

**Panelists:** **Professor Azmi Omar** — Director General, Islamic Research and Training Institute, Islamic Development Bank Group  
**Badlisyah Abdul Ghani** — Chief Executive Officer, CIMB Islamic  
**Dawood Y Taylor** — Senior Regional Executive-Takaful, Middle East, Prudential Corporation Asia  
**Sheikh Dr Mohamed Ali Elgari** — Professor of Islamic Economics, King Abdul Aziz University, Saudi Arabia & Jury Member of the Royal Award for Islamic Finance

10:30 – 10:45 **Signing Ceremony: Memorandum of Understanding between CIMB Islamic Bank and IRTI on the Islamic Finance Country Report for Malaysia**

10:45 – 11:15 Coffee and Networking

## Global Real Estate Roundtable: Opportunities for Saudi Investors

- 11:15 – 12:00 **Real estate projects currently underway in the GCC have been estimated to exceed US\$1 trillion with Gulf nations accounting for approximately 87% of the investments. Investors in the Middle East are expected to spend a further US\$180 billion in commercial real estate markets outside the Middle East over the next 10 years. As real estate continues to be a key driver for economies in the Middle East, Europe and other parts of the world, what trends are expected to unfold in Shariah compliant financing to capitalize on and support this growth?**
- Innovation in real estate financing structures and products
  - Which real estate markets are expected to outperform and why?
  - Investment trends, strategies and risks for the global real estate market

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

**Panelists:** **Jamil Ghaznawi** — Director & Country Head, Jones Lang LaSalle, Saudi Arabia  
**Jean Philippe Besse** — Founder, Parisian Real Estate Advisor  
**Robin Williamson** — Managing Director and Real Estate Industry Leader, Deloitte Middle East

11:15 – 12:45 **Breakout Session**

*KSA and Malaysia — Cross-Border Business Opportunities*

## Sukuk, Infrastructure and Project Finance In the GCC

12:00 – 13:00 **The drive by many Gulf countries to improve on infrastructure is set create opportunities for market players to fund infrastructure and power projects through Shariah compliant project financing. This session will cover the trends, structures and opportunities available**

- Infrastructure and project Sukuk in the Saudi Arabia and the rest of the GCC: What's in the pipeline?
- Opportunities in cross border Sukuk through project and infrastructure financing
- Utilizing Islamic infrastructure financing in public private partnership ventures
- Trends and outlook for syndicated financing of infrastructure projects
- Assessing the potential of alternative assets and its suitability to Shariah compliant financing: key considerations for issuers
- Outlook for tradability of Sukuk

**Moderator:** **Qasim Aslam** — Partner & Head of Islamic Finance — Middle East, Dentons  
**Panelists:** **Hani Ibrahim** — Managing Director, Investment Banking, QInvest, Qatar  
**Muhammad Farhan** — Director & Head of Islamic Banking, HSBC Saudi Arabia  
**Rizwan Kanji** — Partner, King & Spalding, UAE  
**Tayeb Al Rais** — Secretary General, Awqaf & Minors Affairs Foundation  
**Tom Guest** — Associate Director, Eiger Trading

13:00 – 14:30 Luncheon

## Transaction Roundtable: Emirates NBD Capital SAR800 million Real Estate Fund

14:30 – 15:00 **Panelists:** **Nabil Issa** — Partner, King & Spalding  
**Qais Qureshi** — Senior Director, Emirates NBD Saudi Arabia  
**Salah Allaf** — Managing Director, Head of Saudi Markets, Emirates NBD

## The Investment Landscape for Islamic Investors in Saudi Arabia and the Gulf: Trends and Strategies for 2015

- 15:00 – 16:00
- What will 2015 hold for Islamic investors and fund managers
  - Assessing key investment markets in Europe, Africa and the Gulf: What do emerging markets have to offer Islamic investors?
  - Which asset classes and markets 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 2015
  - Outlook for i-ETFs, Shariah compliant mutual funds

**Moderator:** **Lawrence Oliver** — Deputy Chief Executive Officer, DDCAP Group, United Kingdom  
**Panelists:** **Alain Verbeken** — Director, Cross-Border Tax, Deloitte Tax & Consulting, Luxembourg  
**Asim Khan** — Chief Executive Officer & Managing Director, Khalij Islamic  
**Faizal Bhana** — Senior Associate, Trowers & Hamlins  
**Monem Salam** — President, Saturna Malaysia  
**Omar Bassal** — Head of Asset Management, MASIC

16:00 – 16:30 Coffee and Networking

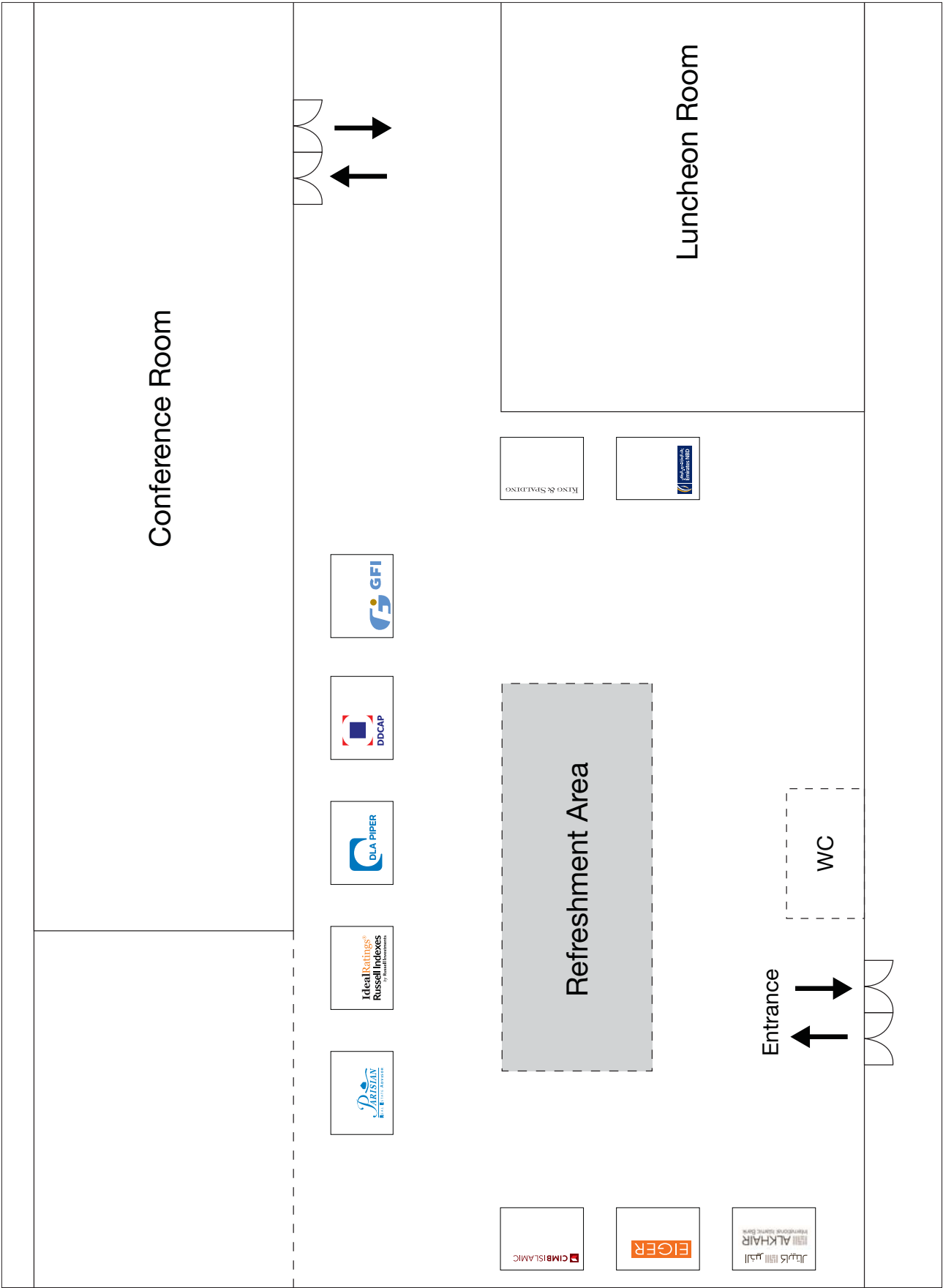
16:30 End of Forum



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# Developments in the finance sector in Saudi Arabia

It is an exciting period for financings in Saudi Arabia. Saudi banks continue to have high levels of liquidity and, buoyed by a strong economy, are actively competing against each other to secure mandates. This is reflected not only in the competitive financing terms customers are benefitting from, but also the number of deals that get derailed prior to closing as a result of third party banks swooping in and luring customers with even more favorable terms. **ZAID HADIR AL-FARISI** provides a high-level overview of an over-arching shift that has been developing in the Saudi finance market during the course of the past two decades, and certain notable developments that have taken place during the more recent past.

## Shariah compliant financing

Looking back over the past 20 years or so in the Saudi finance market, surely the most striking development is the proliferation of Shariah compliant financing. When the author of this note began practising in Riyadh in the '90s, aside from a handful of transactions, his active finance practice was fully taken up by conventional finance. Currently, not only is the inverse true, but it is also not uncommon for the limited conventional facilities that one may come across from time to time to include a Shariah compliant tranche.

Beyond the anecdotal, however, in taking a current snapshot of the banking and finance landscape in Saudi Arabia, one finds that four out of the 12 Saudi banks (including Al Rajhi Bank, the second-largest bank) are fully Shariah compliant, and roughly two-thirds of the financing extended by the eight Saudi conventional banks is Shariah compliant. Moreover, National Commercial Bank, the largest Saudi bank, has recently announced that it will convert to a fully Shariah compliant bank within the next five years. Looking ahead, it is fair to expect the continued growth of Shariah compliant finance in Saudi Arabia.

## More recent developments

### Financing CMA funds

Due to various advantages associated with investment funds in Saudi Arabia, including flexibility in corporate governance, tax and Zakat efficiency and regulation by a sophisticated regulator (the Saudi Arabian Capital Market Authority — the CMA), CMA funds have become popular investment vehicles in Saudi Arabia, and have mushroomed during the past few years. Saudi Arabia is currently home to the largest number of investment funds in the Middle East, with nearly 300 funds in operation. The efficiency of the investment funds, coupled with the promulgation

of mortgage, real estate finance and other finance regulations in 2012, and a booming real estate market, has led to the proliferation of private real estate-focussed CMA investment funds.

In the past 18 months, there has been a concomitant sizeable number of financings being extended to such funds, or entities related to such funds. These financings have been presenting novel and interesting issues for both the banking and legal community to address that primarily stem from the structure of the CMA investment funds, and the fact that CMA investment funds are contractual entities formed between their fund managers and investors, and do not have a separate legal personality or a commercial registration with the Saudi Ministry of Commerce and Industry.

For the sake of illustration, in practically every such financing, even the basic issue of who the borrower should be has been challenging and subject to extensive negotiation. This is because, on the one hand, some Saudi banks have not been comfortable with extending financing to a borrower that does not have a legal personality or a commercial registration certificate (which would be the case if the fund itself were to be the borrower) while, on the other hand, designating an entity that does have a commercial registration certificate and is related to the fund (owning, for example, real estate and other assets on behalf of the fund) as the borrower would be problematic since it undermines the tax and Zakat efficiency of the fund structure. The form and structuring of such financings is continuing to develop in the Saudi market.

## Security interests

In general, there are inherent limitations under Saudi law and practice on the ability of a lender to put in place and effectively implement the usual



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array of security interests that can be accessed in other jurisdictions. While there have been some positive developments in relation to the creation and perfection of security interests in Saudi Arabia during the past three years, limitations and uncertainties do persist.

Land continues to feature prominently in security packages in Saudi financings. The much-anticipated Registered Real Estate Mortgage Law was finally enacted in 2012, though the ability of banks to perfect a mortgage over land in Saudi Arabia is still limited due to the absence of the infrastructure required for the implementation of this law including, for example, notaries that do register such mortgages. Consequently, banks are monitoring developments in relation to the mortgage law and, until such time as it is possible for banks to record mortgages and there is clarity relating to the mortgage and mortgage-enforcement regime, banks will likely continue requiring that borrowers transfer title to the secured property in their name or that of a nominee, subject to an agreement that title to the property would be transferred back to the borrower upon repayment of the secured obligations.

There has also been a development relating to the perfection of pledges over moveable assets. It is now possible in Saudi Arabia to register pledges over moveable assets in connection with commercial debts in a central registry; the Unified Center for Lien Registration (UCLR), which operates under the aegis of the Saudi Arabian General Investment Authority. The UCLR was established in 2010, and became operational in 2011. It did not, however, become consistently and reliably operational until more recently this year. While there continue to be questions about the UCLR and the registration regime more generally including, fundamentally, what the effect of not registering a pledge with the center would be, the developments in relation to the UCLR are a step in the right direction.

#### **Order notes**

Order notes, instruments that are similar to promissory notes, have been a staple of Saudi financings for several decades. One of the primary reasons order notes have been popular is because they could be presented to a specialized committee, the Committee for the Settlement of Negotiable Instruments Disputes (NIC), and matters before the NIC would proceed more expeditiously than in courts or other Saudi adjudicatory authorities.

Since the passage of the Enforcement Law in 2012 as part of the reform of the courts and judiciary

in Saudi Arabia, it is now possible to enforce order notes directly through enforcement judges. While the transition from the NIC to enforcement judges may not have been seamless (there have, for example, been instances of beneficiaries of order notes that were issued prior to the date of the Enforcement Law that appear to have landed in an enforcement lacuna, as neither the NIC nor enforcement judges were willing to take jurisdiction in relation to such notes), it is expected that this development will streamline enforcement procedures in relation to order notes.

#### **SAMA Committee**

In 1987, in order to establish an adjudicatory authority in Saudi Arabia with a deeper and more specialized understanding of banking and finance transactions and, in turn, to foster a friendlier judicial landscape for banks, the Banking Disputes Settlement Committee was established at the Saudi Arabian Monetary Agency (SAMA Committee). The SAMA Committee was granted jurisdiction to review disputes between banks and their customers, and was empowered to issue decisions and propose settlements between the parties.

The SAMA Committee has also been included in the scope of the reform of the Saudi courts and judiciary. A royal order issued in 2012 has, among other things, provided that the SAMA Committee will be renamed the 'Committee for Banking Disputes', clarified and solidified this revamped committee's status and jurisdiction and codified its powers (such as freezing the accounts of a defaulting debtor and prohibiting such a debtor from travel), and established an appeals committee — the Banking Disputes and Violations Appeals Committee. This royal order contemplates that the existing SAMA Committee would continue to hear disputes falling within its jurisdiction until the issuance of further royal orders approving procedural rules governing the revamped committee and the appeals committee, and appointing the respective members of these committees. To date, however, no such further royal orders have been issued and it remains unclear at this point when these orders will be issued and the revamped committee will become active. (2)

*Zaid Hadir Al-Farisi is a partner at King & Spalding, and a member of the firm's Middle East and Islamic Finance Practice Group in Riyadh and Dubai. His practice is primarily focused on banking and finance including, in particular, in Saudi Arabia, where he began practicing in 1996. He can be contacted at zalfarisi@kslaw.com.*

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## Qatar, Saudi Arabia and UAE spearhead growth opportunities in the GCC

Supported by an improving operating environment following the 2008 financial crisis, the market share of Islamic banks in the GCC is expected to reach 30% of the overall banking system assets in the region over the next decade. NABILAH ANNULAR assesses the contributory factors to this promising growth.

As banks take advantage of the region's strong economic growth prospects, recovering corporate asset quality, and ample financing opportunities, Islamic banks are expected to demonstrate a higher growth rate over the next couple of years compared to their conventional peers.

S&P in a recent report predicts total credit stock in the GCC banking system to grow by approximately 10% annually, both this year and in 2015. Over the next five to six years, GCC Islamic banks' market share (which is currently just under 25%) is expected to expand on the back of: (1) more active balance sheet progress; (2) favorable economic conditions; (3) healthy credit growth; and (4) similar lending concentrations with conventional banks.

Following a slight lull this year, Qatar's credit growth is expected to speed up in 2015. In comparison to its neighboring countries, Qatar has seen an accelerated growth rate due to the government's high infrastructure investments. Islamic financial institutions in the country recorded a 28% growth in their balance sheets between 2009 and 2013 as they capitalized on the government's large investments. Moreover, the country's initiatives to ban conventional banks from engaging in Islamic finance activities and the establishment of Barwa Bank have assisted the Qatari Islamic banking sector to grow faster than their conventional peers.

*“ Asset bases of Islamic banks in the UAE witnessed a 16% accretion in spite of the deceleration in credit growth after the 2008 financial crisis ”*

In the same period, Islamic banks in Saudi Arabia managed to grow their balance sheets by an average of 17% while asset bases of Islamic banks in the UAE witnessed a 16% accretion in spite of the deceleration in credit growth after the 2008 financial crisis. S&P projects a credit growth of roughly 12% in Saudi Arabia and between 8-9% in the UAE for 2014 and 2015. Having one of the largest Islamic banking markets and driven by favorable economic conditions in the three countries, GCC is poised to enjoy healthy performance metrics. Profitability of Islamic banks across the GCC is likely to remain stable and continue to progressively converge with that of conventional banks. (3)

*This was first published on the 22<sup>nd</sup> October 2014 (IFN Vol 11 Issue 42).*



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# Saudi Arabia: An economy on the up

**Saudi Arabia continues to be a booming and stable economy that continues to be buoyed by high oil prices and a thriving private sector. While oil prices have fallen from record highs down to US\$95 a barrel, such price exceeds the amount required for another expected budget surplus. NABIL ISSA and JAMES STULL update us on the largest economy in the Middle East.**

**Saudi Arabian authorities have encouraged that the oil profit influx be reinvested in the Saudi domestic economy to promote more growth and sustainability. The 2014 budget of US\$228 billion is the largest in the history of the country and contains massive expenditures for education and healthcare, two areas of focus for the government and for investors into the country.**

The government has empowered forward-thinking regulators that have implemented relatively clear, stable and predictable funds and capital markets regimes. It is encouraging to many investors and commentators to see the Saudi Arabian markets opening up. As a result, it is widely expected that MSCI will add Saudi Arabia to its indices in 2015, in particular to the emerging market index, a move that would potentially foster more growth and lead to a greater influx of capital into the country's markets.

***“ Due to this heightened scrutiny, there has been a significant shift toward single asset funds, particularly single asset real estate funds with very limited numbers of investors ”***

The kingdom is also upgrading its infrastructure with the concurrent development of high speed rail and multiple metro projects in the major cities. Jeddah Economic Company has recently reaffirmed that it is proceeding with developing what is expected to be the world's tallest building at over one kilometer tall in the Jeddah area.

## Equity capital markets

The Saudi Arabian government is encouraging significant investment into the Saudi Arabian

economy, both from local investors and from foreign investors. The first half of 2014 witnessed four IPOs and a number of additional capital increases through rights issues. Some of the largest Saudi Arabian companies are preparing to go public during 2014: Saudi Arabian Basic Industries Corp (SABIC), the world's largest petrochemicals group; The National Commercial Bank (NCB), Saudi Arabia's largest bank; ACWA Power, a large developer of water and power projects; and Abdul Mohsen al-Hokair Group for Tourism and Development Co, a large owner, manager and operator of hospitality and entertainment assets in Saudi Arabia. The public offering of shares in NCB is expected to be the largest IPO in Saudi Arabia in the past dozen years.

In a long-expected and very welcome move, the Saudi Arabian government announced in July 2014 that it plans to open the Saudi Arabian Stock Exchange to direct investment by foreigners. This move is expected to result in up to US\$35 billion in foreign investment during 2015. In August, the CMA announced the initial draft of the Rules for Qualified Foreign Financial Institutions Investment in Listed Shares. As of the end of July 2014, the Saudi stock market was capitalized at approximately US\$531 billion. At the same time, the Saudi Arabian Capital Market Authority (CMA) has been encouraging many of the country's blue-chip companies to list.

## Debt capital markets:

Historically, the majority of debt issues from Saudi Arabia have been in the form of Sukuk, and it is expected that this trend will continue. There has been a tremendous growth in Sukuk, with US\$14.15 billion of Sukuk issued from Saudi Arabia in 2013, which accounts for 7.8% of global Sukuk issuances in 2013. Sukuk issuances are regulated by CMA.

In 2013, there were no direct sovereign issuances, although the General Aviation Civil Authority issued Sukuk with government support. Also, Sadara Petrochemical, which is owned by the Saudi Arabian Oil Company (Saudi Aramco) and Dow, also issued a multibillion riyal Sukuk. The Sukuk



كامي ريتا شربا  
مرشد محلي



## الدعم الأفضل لنجاحات أكبر

في مركز قطر للمال نعمل على تيسير النجاح من خلال تقديم التسهيلات اللازمة للتأسيس ومزاولة الأنشطة بفضل بيئة قانونية عالمية. كما نساعدكم على الوصول إلى الأسواق النامية ونحرص على توفير أفضل منصة أعمال في المنطقة. لمعرفة المزيد قوموا بزيارة موقعنا [qfc.qa](http://qfc.qa)

have been predominantly domestic, Saudi Arabian riyal-denominated, and privately-placed issuances in Saudi Arabia.

**“ It is expected that retail lenders will inevitably need to tap the international capital markets to meet the potential increased demand for retail borrowing ”**

The current population demographics of Saudi Arabia are significant in supporting the demand for property mortgages, auto loans, and general personal borrowing. It is expected that retail lenders will inevitably need to tap the international capital markets to meet the potential increased demand for retail borrowing. The growth of the domestic market should also encourage the expansion of business interests that may require access to debt capital markets to help finance them. A number of Saudi Arabian banks are considering Sukuk to meet required capital adequacy requirements.

### Investment funds

Saudi Arabia is home to the largest number of investment funds domiciled in the GCC. With the support of CMA and other Saudi government institutions, funds and asset managers are diversifying from real estate into other parts of the economy, with a particular focus on listed equities. Additionally, managers are being encouraged to reinvest capital and proceeds into Saudi Arabia rather than deploying funds into foreign investments.

CMA has increasingly scrutinized blind-pool investment funds and real estate development funds. Due to this heightened scrutiny, there has been a significant shift toward single asset funds, particularly single asset real estate funds with very limited numbers of investors. We note, however, a dramatic increase in the number of funds that are fully subscribed, particularly income-producing funds. We are also increasingly seeing the fund structure being utilized to invest in logistics, healthcare and education assets, as well as a renewed interest in venture capital funds.

In May 2013, CMA issued draft Investment Funds Regulations, which it was intended would replace the previous Funds Regulations issued in 2006. CMA hoped this would provide clarity and encourage more managers to launch funds. Such have not yet been adopted.

CMA has intended for years to revamp the Funds Regulations to address problems of investor protection, which arose during the financial downturn, and to cover the launches of a diverse range of new funds, many of which were not contemplated by the 2006 Regulations. Many, but not all, of the uncodified procedures and stances taken by CMA have found their way into the draft regulations.

### Finance

We continue to see a growth in financings in the kingdom. New regulations and procedures have improved the ability of lenders to enforce promissory notes and record pledges in regards to moveable property in addition to listed shares. The liquidity in the banking sector has resulted in lenders actively competing against each other for the largest energy, development, and real estate projects. We have witnessed a dramatic increase in Saudi Arabian lenders providing financing to CMA funds that are developing large-scale real estate projects. We have had the opportunity to work on financings in relation also to significant financings of ships, dredgers, ports and mega energy-related project financings in the kingdom. Most of such financings continue to be on a Shariah compliant basis.☺

*Some portions of this report will also appear in the upcoming Third Edition of “Asset Management Review”.*

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# The Shariah asset management puzzle: Is it all in the packaging?

Shariah compliant asset management shares values and principles with multiple other faith-based and ethical investment approaches. So why has its growth not matched that of other ethical paths to investment — and why have these various strategies not yet converged? REHAN PATHAN explores.

Faith-based investing is not a new concept. It began as a tool to support the investment requirements of Christian organizations looking for options compatible with their moral and religious convictions. As early as the late 18<sup>th</sup> century, the Methodist Church was advocating investing and creating wealth without harming one's neighbor. In the late 19<sup>th</sup> century there are examples of Quakers aligning their faith and investment choices by applying a sector-based exclusion strategy. Faith-based investing began to shift to what can be considered 'socially responsible' in the early 1900s. In 1928 the US Federal Council of Churches launched the Pioneer Fund, the first SRI fund, and since then many church groups in Europe and the US have followed suit. In 2011, the Pope praised the Islamic finance system as something that may have averted the financial crisis, highlighting that faith-based investments could be considered as a positive and viable option for investors of any belief system.

For the past 10 years I have been involved with the Shariah asset management industry, initially through sales and distribution of Shariah funds for a single asset manager and more recently for several international managers who offer Shariah and SRI/ESG funds. Whilst the appetite for the Shariah asset class has evolved considerably over these last 10 years and the sales landscape has matured, its growth has not matched that of SRI. There are many similarities between Shariah and SRI or similar investing. The differences are found in the screening applied to the underlying investment universe. For example, SRI would exclude industries and companies whose practices are not considered socially responsible or are unethical (although 'ethical' is relative and a matter of opinion and its parameters may differ from investor to investor). ESG filters would exclude a further level of stocks, and finally faith-based, in particular Shariah compliant, would exclude the most industries and companies.

The oft-asked question and the puzzle of the Shariah asset management industry is why has

the uptake been so slow and why have the AUM expectations not been realized? Muslims make up 25% of the world's population; however the Shariah asset management industry still struggles in the range of less than US\$100 billion (with only around half of that in the fund universe, the rest is a guess in discretionary money). Conversely, the estimated AUM of the SRI universe sits at US\$14.3 trillion.

*“ Does the snail's pace progress of the Shariah funds industry come down to packaging? ”*

Having been involved with making Shariah compliant investment solutions available to institutions, banks and distribution companies, I have seen the challenges that surround the uptake of these funds and products. In some cases, the investors and distribution hubs have embraced the asset class to investment management and tried to work with it, but in most cases investors and distribution hubs treat it as a trend, keep a majority of their investments with conventional managers, shy away from giving money to professional asset management firms in preference of doing it themselves, many times on a LIBOR-based system which itself is questionable; or do not distribute as a core evergreen product offering.

The main reasons for the slower institutional and distribution market uptake of the funds revolves around the size of Shariah fund managers' assets under management, the structural difference between domestic and cross border offerings, the brands, teams and track records and the various human resources involved.

The challenge on the distribution side is that most of the Islamic funds offered today are domestic

offerings in two major centers — Saudi Arabia and Malaysia — and available in those local currency and local fund structures, clearly not suited to cross-border sales. Also, they are distributed within a closed network, in many cases of just the direct clients of the asset manager itself, especially if the asset manager is owned by a bank.

**“ The challenge on the distribution side is that most of the Islamic funds offered today are from Saudi Arabia and Malaysia and are not suited to cross-border sales ”**

On the institutional side, the large global institutional investors are process-driven, always guided by consultants and asset allocation guidelines, run strict RFP processes and have little or no knowledge of anything branded Shariah compliant. Even the large sovereign wealth funds in the GCC region are not Shariah investors

In order to attract both channels, the industry has to improve its processes and transparency and begin to align itself to the structured investment requirements of institutional and global distribution houses.

Labelling of this industry as Shariah compliant has made it exclusionary, where investors would question its suitability for anyone other than Muslims. On the other hand, sustainable investments are flourishing globally and a convergence taking place between all asset classes deemed sustainable, including SRI, Ethical, ESG etc. It's almost an issue for investment managers if they are not signed up to the UN-PRI and the UN Global Compact. Shariah compliant asset management can take advantage of this convergence, as it is essentially the same thing with a set of extra filters suitable to Muslims.

It begs the question, does the snail's pace progress of the Shariah funds industry come down to packaging? If faith-based investing such as Christian and Shariah compliant investing as well as principles-based methods such as socially responsible investing, ethical investing and ESG investing are almost all the same thing, why haven't they converged already — and if they had, would faith-based investing such as Shariah compliant asset management also be a few trillion in AUM? Food for thought. ☺

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*This was first published on the 1<sup>st</sup> October 2014 (IFN Vol 11 Issue 39).*



# Saudi insurance market improves, but only for selected few

**When the Saudi Arabian Monetary Agency (SAMA) commissioned all insurers to undergo an actuarial review of the technical pricing of both medical and motor insurance last year, industry players, more particularly smaller operators, were wary of the implications (See IFN Report Vol. 11 Issue 04). VINEETA TAN takes a look at the impact of the regulatory action on the health of the world's largest Takaful market.**

## Big players boost market

Despite looking to increase the profitability of insurers, the new actuarial pricing model places underperforming companies at a loss, due to their lack of economies of scale in supporting their price competitiveness in an oversaturated and overly skewed market. However, the first half of 2014 has shown positive signs of recovery from the year before which was marred with severe losses.

"It is evident that the actions taken by the regulator to improve market-wide operating performance have had a positive effect on the first two quarters of 2014," noted AM Best Company in its latest special report on the Saudi insurance market.

Health and motor coverage continue to be main drivers for growth as price increases on these lines, contributing to a return to profitability in the first half of 2014 by the market. Gross written premiums for the first half grew 24% year-on-year and the industry registered a profit of SAR169 million (US\$45.05 million), largely due to Saudi's leading operators: Tawuniya, Bupa Arabia and Medgulf. Holding a 53% market share, all three insurers managed to enhance capital and surplus by 11%, 2% and 10% respectively. However these market leaders had the advantage of economies of scale which remain elusive to the majority of other players.

## Small players sit out

About half of the market participants were producing underwriting losses for the January-June period, with underwriting performance being distorted by differing timing of reserve strengthening by companies. The kingdom's low interest rate environment and conservative investment policy adhered to by insurers did not materialize in sufficient investment returns which led to many operators being unable to mitigate the shortfalls in underwriting performance. Despite market loss ratio improving significantly to 82% (first half of 2014) from 94% (full-year 2013), risk-adjusted capitalization for many market participants, AM Best opined, is likely to remain under pressure, as retained earnings are not sufficient to bolster

shareholders' equity in line with insurers' growing risk profiles.

## Capital woes

Pressure on risk-adjusted capitalization also meant that many of these Takaful players have not been able to meet regulatory capital requirements and have not been able to distribute dividends to shareholders; Arabian Shield was the only operator in 2014 which paid out dividends. The minimum capital requirements set by SAMA remains an ongoing concern for the Saudi insurance industry; as many as nine operators have reported capital and surplus below SAMA minimum capital requirements (SAR100 million (US\$26.66 million)) and reinsurance players (whose minimum regulatory capital requirements are twice as high as those of direct insurers) may seek to relinquish their reinsurance license in order to alleviate pressure. "Given the competitiveness of the market, it will be difficult for companies to rebuild capital through retention of earnings; they will need to seek capital injections from existing or new shareholders," said AM Best.

## New focus needed

So it seems that while the introduction of a new actuarial pricing model has evidently improved market conditions, only the leading insurers are benefiting from the change while other operators continue to struggle to gain profitability.

A significant number of insurers have resorted to boosting their capital in order to improve capital adequacy, however it is imperative for Saudi insurers to adopt prudent underwriting practices to bolster earnings instead of relying on capital injection which would only improve capital conditions over the short-term. Product diversification away from motor and medical lines is also needed; this is especially true for smaller operators whose capital adequacy and operating performance remain under strain despite improving market conditions buoyed by the new actuarial regulatory action. (2)

*This was first published on the 24<sup>th</sup> September 2014 (IFN Vol 11 Issue 38).*

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## Saudi Re for Cooperative Reinsurance Company

Saudi Re for Cooperative Reinsurance Company reported net profit of SAR1.21 million (US\$322,349) for the third quarter of the year, compared to a recorded loss of SAR22.96 million (US\$6.11 million) for the same period last year. The result for this quarter is also an improvement on that of the second quarter of the year, a reported loss of SAR7.21 million (US\$1.92 million). For the first nine months of the year, the company reported net profit before Zakat of SAR17.43 million (US\$4.64 million).

October 2014

## Bridge financing acquisition

The National Shipping Company of Saudi Arabia (Bahri) has announced that Alnasl Star, a product tanker in the Vela fleet, which is in the process of merging ships and operations with Bahri, has been transferred to the company's ownership on the 23<sup>rd</sup> October 2014, for a cash consideration of SAR108.26 million (US\$28.84 million), financed by a Murabahah bridge financing.

October 2014

## HSBC Saudi rebalances ETF

HSBC Saudi Arabia has announced the rebalancing of the HSBC Saudi 20 ETF which took place on the 19<sup>th</sup> October, in line with the index.

October 2014

## Financing options of ACWA

Saudi-based power and water project developer ACWA Power has confirmed that it is seeking financing for US\$15 billion-worth of projects, almost half of which are in renewable energy. The company, which has appointed Banque Saudi Fransi to arrange its upcoming IPO on the Saudi Stock Exchange has stated that it would consider Sukuk as a financing option, having

issued its first Shariah compliant revolving corporate facility worth up to SAR1.77 billion (US\$471.87 million) in December 2013.

October 2014

## Potential issuance for APC

Saudi-based Advanced Petrochemical Company (APC) has announced that it will begin meeting with potential investors regarding a new private placement of riyal-denominated Sukuk. The potential issuance has yet to be defined in terms of tenor, number and value but the resultant funds will be used for general corporate purposes. HSCB Saudi Arabia and Riyadh Capital have been appointed as managers for the potential deal.

October 2014

## GEMS offloads stake

Shariah compliant Fajr Capital has led a group including Bahraini sovereign wealth fund Mumtalakat and investment firm Blackstone in securing a significant minority stake in the world's largest provider of K-12 private education, GEMS Education. Money raised from the sale, which is Blackstone's first investment in the Middle East, will be used by GEMS to fund its expansion plans in the GCC markets (in particular Bahrain, Saudi Arabia and Qatar) as well as emerging economies of Southeast Asia.

October 2014

## NCB IPO woes

National Commercial Bank (NCB)'s plan to float a US\$6 billion IPO next week (the world's second-largest after Alibaba's) has ignited religious controversies among several scholars who argue that the bank's operations are not Shariah compliant. Analysts have however opined that the controversy is unlikely to affect demand for the offering; NCB has confirmed that eight banks had completed all

necessary procedures to receive subscriptions to the IPO.

The bank's Shariah board has released a statement concluding that the subscription to NCB's IPO is indeed permissible as conventional assets account for less than a third of the bank's asset and based on the appearance that the bank will convert to become a fully-fledged Islamic bank within five years. NCB will offer 300 million shares to the public at SAR45 (US\$11.99) apiece, for a value of US\$3.6 billion while another 200 million shares to be allocated to the state pension agency, bringing the total to US\$6 billion.

October 2014

## Saudi inclusion not so soon

Countering bullish predictions for foreign investor inflows into Saudi Arabia, MSCI Middle East has issued a reminder that the kingdom's stock market would not be included into its index until June 2017, at the earliest.

October 2014

## Bawan obtains Islamic funds

Industrial group Bawan Company has secured SAR550 million (US\$146.6 million) in Murabahah financing as well as letters of credits and guarantees from Saudi British Bank. Funding procured will be used to finance working capital and company's expansion.

October 2014

## Shariah audit for Al Alamiya

Al Alamiya for Cooperative Insurance Company has contracted a one-year agreement effective the 1<sup>st</sup> October 2014 with Shariyah Review Bureau (SRB) through which the latter will provide the operator with Shariah review and advisory services in relation to the firm's products, activities and investments.

October 2014





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## SMS secures financing

Saudi Hollandi Bank has provided a Murabahah and Ijarah financing scheme totalling SAR121.5 million (US\$32.38 million) to Specialized Marine Services (SMS), a joint venture between Ports Development Company and National Port Services. Ports Development Company is the owner and developer of King Abdullah Port at King Abdullah Economic City, the first port in the country to be managed in the private sector.

October 2014

## Bahrain Bourse to boost Islamic offerings

Bahrain Bourse is looking to introduce a range of Shariah compliant investment instruments, including an equity-based Murabahah platform (expected to be launched before the end of 2014) and Islamic real estate investment trusts, according to Reuters. This Islamic finance push is part of the country's strategy in luring funds amid tough competition from bigger markets such as Saudi Arabia, the UAE and Qatar.

October 2014

## NCB to float IPO

Saudi's National Commercial Bank (NCB) is looking to float an IPO this month to raise SAR22.5 billion (US\$6 billion). The bank will sell 300 million shares to individual investors and 200 million shares to state-run Public Pension Agency at a price of SAR45 (US\$11.99) per share.

October 2014

## Mobile solutions for the Hajj

The Saudi Project for Utilization of Hajj Meat, managed by the Islamic Development Bank (IDB), has introduced a mobile point of sale for the first time, confirming purchases via SMS, as well as allowing pilgrims to make

purchases online via the project's website.

October 2014

## Saudi KFH signs agreement

Saudi Kuwaiti Finance House has agreed to act as financial advisor to Telal Al-Baraka Holding Group to arrange Islamic funding, in addition to executing residential, administrative, industrial and commercial projects in Mekka, Medina and Jeddah.

October 2014

## Sedco's in-house managed fund

Sedco Capital has launched a new Gulf equities fund with an initial US\$30 million in assets. Domiciled in Luxembourg the fund forms the first fund to be managed internally. Yazen Abdeen, the firm's lead fund manager, expects the fund to capture US\$100 million in value in the short-term driven by increasing Shariah compliant investment appetite in the MENA region.

September 2014

## Islamic financing agreed

Abdullah AM Al-Khodari Sons Company has announced the renewal of its existing SAR425 million (US\$113.29 million) Shariah compliant credit facilities with Samba Financial Group. The credit facilities are comprised of 29% Murabahah financing and 71% multi bonds and will expire on the 30<sup>th</sup> November 2014.

September 2014

## Turnaround for Saudi Arabia

The International Monetary Fund (IMF) has stated in a recent report that the finances of Saudi Arabia could fall into the red in 2015, with the country running down its foreign reserves unless it reins in the continued growth of government spending. The IMF had previously predicted that the Saudi government would fall into debt in 2018 but the recent report

posits that the government could see a budget deficit of 1.4% of GDP in 2015 instead of the 4% surplus that had been forecast by the IMF as recently as April.

September 2014

## Funds agreed

Saudi Arabia-based retailer Fawaz Al Hokair Group has announced the signing of a US\$200 million Shariah compliant loan with French bank Société Générale. The five-year facility will be utilized for the acquisition of shops and general expansion.

September 2014

## Emaar Economic City secures financing

Emaar Economic City has procured a SAR2 billion (US\$533.17 million) Murabahah financing facility from Saudi British Bank, which will be used to fund residential and infrastructure projects in King Abdullah Economic City.

September 2014

## Beating standards

The combined capital adequacy ratio of commercial banks in Saudi Arabia was 17.8% at the end of the second quarter according to Fahad al-Mubarak, the governor of the country's central bank, beating the minimum Basel requirement of 8%.

September 2014

## Permission sought by APC

A bourse statement by Saudi Arabia's Advanced Petrochemical Co has highlighted the company's intention to seek shareholder approval for the issuance of Sukuk, at a general meeting to be held on the 15th September. The issue will be made to help widen its funding sources, although the size of the potential issuance was not stated.

September 2014

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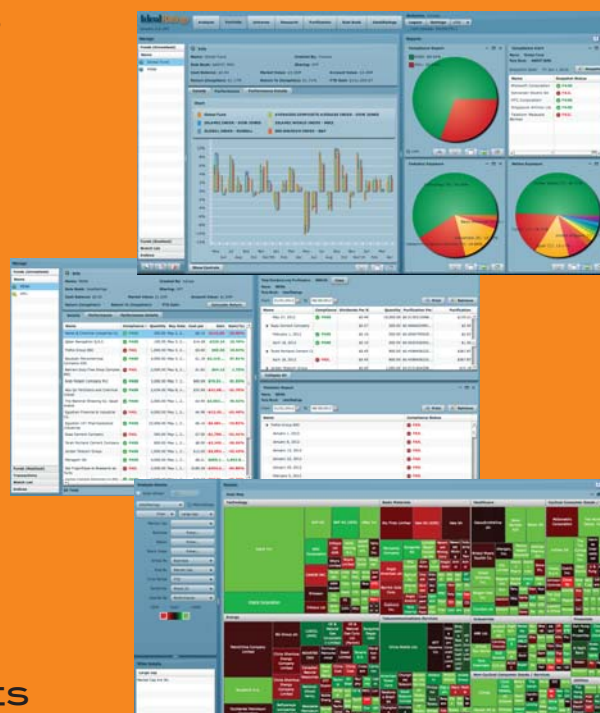
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## Growth for Islamic banks

Earnings in the Saudi banking sector are forecast to rise 9% in 2014 and 12% in 2015, with banks including Banque Saudi Fransi expected to see profit jump by a third this year. Alinma Bank and Bank AlJazira, have seen earning increase by 25% and 21% respectively in 2014. Shariah compliant Alinma Bank has the highest capital adequacy ratio among listed banks. According to Morgan Stanley Islamic deposits make up more than 60% Saudi banks' total deposits.

September 2014

## Saudi insurance market improves, but only for selected few

When the Saudi Arabian Monetary Agency (SAMA) commissioned all insurers to undergo an actuarial review of the technical pricing of both medical and motor insurance last year, industry players, more particularly smaller operators, were wary of the implications (See IFN Report Vol. 11 Issue 04). Despite looking to increase the profitability of insurers, the new actuarial pricing model places underperforming companies at a loss, due to their lack of economies of scale in supporting their price competitiveness in an oversaturated and overly skewed market. However, the first half of 2014 has shown positive signs of recovery from the year before which was marred with severe losses.

September 2014

## Bahra obtains Islamic facility

Cable manufacturer Bahra Cables has procured US\$265 million in funding from Standard Chartered comprising of a US\$200 million short-term Musawamah financing for its inventory and sales as well as a US\$65 million five-year loan for its expansion.

September 2014

## New postgraduate program

Jeddah-based Effat University has launched an executive master's degree program for Islamic finance management. According to Prince Turki Al-Faisal, a member of the university's board of trustees, the program is the first of its kind in the kingdom and would help qualify national cadre to work in the areas of banking and Islamic finance management. The course would be conducted in association with Rotterdam School of Management in Erasmus University in the Netherlands and the Higher Institute for Business in Lebanon.

September 2014

## AlJazira product approved

AlJazira Takaful Taawuni has received final approval from the Saudi Arabian Monetary Agency for one of its product, the Rental Protection Plan.

September 2014

## Development plans for Itqan Capital

Islamic investment firm Itqan Capital has received regulatory approval to boost its capital by SAR100 million (US\$26.66 million) to SAR173.4 million (US\$46.23 million). The firm plans execute the capital increase by the end of October and aims to expand its investment and advisory activities in Saudi Arabia, according to reports. The firm signed its first mandate with Saudi Arabian Airlines, advising on the airlines' treasury and cash management in August.

September 2014

## New date to be set

The lawsuit filed against Saudi-based SABB Takaful by INMAIA Real Estate & Tourism has been adjourned by the Committee of Insurance Irregularities and Disputes Settlement to a later date, which has yet to be confirmed, according to a statement by SABB.

September 2014

## Saudi allocations shift away from property

Many Saudi investors are shifting portfolios out of real estate and into Saudi equities, according to Omar Bassal, the head of asset management at Mohammed Alsubeaei & Sons Investment Company. Speaking to IFN he confirmed that this should support a continued rally in the Saudi markets over the next few months.

September 2014

## Egypt seeks IDB funding

The Islamic Development Bank (IDB) executive board will meet next October to review Egypt's request for US\$223.2 million in funding to complete the second phase of upgrading Sharm El-Sheikh airport. Egypt has also submitted a request to the IDB for US\$160 million to finance Egypt's electricity interconnection project in partnership with Saudi Arabia.

September 2014

## SKFH advising Sukuk

Saudi Kuwait Finance House (SKFH) is reportedly advising on a Sukuk deal for a leading Saudi contractor and expects to sign the deal in October. The Shariah compliant bank is also involved in two IPOs, one of which may come to market by the end of the year.

September 2014

## New fund from Al Rajhi Capital

Saudi-based asset manager Al Rajhi Capital has announced the launch of the offering period for the firm's Al Rajhi Sukuk Fund. The open-ended Shariah compliant fund invests in global Sukuk and other Shariah compliant instruments. The fund is aimed at individual and institutional investors with a benchmark of three-month US dollar LIBOR + 75bps.

September 2014

## A

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

## B

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

## D

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

## F

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

## G

**Ghalat** Mistake  
**Gharar** uncertainty  
**Ghasb** forfeiture

## H

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

## I

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

## J

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

## K

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

## M

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

## N

**Najash** deception  
**Nisab** exemption limit

## Q

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

## R

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

## S

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

## T

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

## U

**Ujrah** fee  
**Ummah** the Muslim community  
**'Ummum balwa** Common plight  
**'Uqud al-Isytirak** Contracts of partnership  
**'Uqud al-Mu'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

## Z

**Zakat** religious tax

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**Emirates NBD**

08:00 – 09:15 Registration

09:15 – 09:30 Keynote Address



***Sheikh Dr Mohamed Ali Elgari*** — *Professor of Islamic Economics, King Abdul Aziz University, Saudi Arabia & Jury Member of the Royal Award for Islamic Finance*

Dr Mohamed Ali Elgari is a professor of Islamic Economics at King Abdul Aziz University, Saudi Arabia, and was formerly a director of the Center for Research in Islamic Economics at the University. He is an expert at the Islamic Jurisprudence Academy (OIC), Jeddah and has published several articles and books on Islamic finance. Dr Ali is also a Shariah advisor to several international and local financial institutions worldwide and he holds a PhD in Economics from the University of California.

Notes:

## Opening Panel Session: Advancing Saudi Arabia's Progress in the Islamic Investment Landscape: A Global View

- Reviewing recent regulatory updates and central bank guidelines affecting Islamic finance transactions in Saudi Arabia
- Discussing an industry-wide strategy required to encourage cross-border participation in the kingdom's Islamic capital market
- What role will Saudi Arabia play in the global Islamic finance landscape and what needs to be done to advance this vision?
- What growth is expected in the Takaful industry and how will the industry continue to develop in Saudi Arabia?
- How will other leading Islamic finance markets impact further growth of Islamic finance activities in the kingdom?

### Panelists:



**Professor Azmi Omar** — *Director General, Islamic Research and Training Institute, Islamic Development Bank Group*

Professor Dr Mohd Azmi Omar is the director general of Islamic Research and Training Institute (IRTI), IDB Group. Prior to joining IRTI, he was the deputy rector (academic affairs) and Professor of Islamic Finance at the Faculty of Economics & Management Sciences, International Islamic University Malaysia (IIUM). He obtained his Bachelor and Master degrees in Finance from Northern Illinois University, US and PhD from University of Wales, Bangor (UK). He is the author of many publications including a textbook on Fundamentals of Islamic Money and Capital Markets. Professor Azmi had advised a number of Islamic banks, software companies and universities in Malaysia and abroad on Islamic banking and finance. He was a member of the Shariah Advisory committee at Bank Kerjasama Rakyat Malaysia (an Islamic cooperative bank) and Amanah Ikhtiar Malaysia (an Islamic microfinance institution).



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

Badlisyah Abdul Ghani is the executive director and chief executive officer of CIMB Islamic, head of the group's Islamic banking business and the group's country head for the Middle East and Brunei.

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

He sits on the Islamic Capital Market Consultative Panel of Bursa Malaysia and both the Exchange Committee and the Licensing Committee of the Labuan International Financial Exchange.



**Panelists:**

***Dawood Y Taylor — Senior Regional Executive-Takaful, Middle East, Prudential Corporation Asia***

Dawood Taylor was appointed senior regional executive Takaful, Middle East for Prudential Corporation Asia in November 2008. In this capacity, Dawood is responsible for developing Life Takaful throughout the region.

During the previous 10 years, Dawood was the general manager of the Bank Aljazira Takaful Ta'awuni operation and has been at the forefront of Islamic life insurance development in Saudi Arabia and the Middle East. He and his team developed the Takaful Ta'awuni program, a hugely successful Islamic life insurance and savings program for Bank Aljazira. He conceived and developed the initial Wakalah-based Takaful Ta'awuni concept that is now the Islamic contract model of choice for most new Takaful operators.

Previously Dawood worked with the Arab National Bank as the head of investment for the western region and previous to that he headed up a life brokerage operation in the western region of Saudi Arabia for an offshore Isle of Man insurer.



***Sheikh Dr Mohamed Ali Elgari — Professor of Islamic Economics, King Abdul Aziz University, Saudi Arabia & Jury Member of the Royal Award for Islamic Finance***

*See page 29*

10:30 – 10:45    Signing Ceremony: Memorandum of Understanding between CIMB Islamic Bank and IRTI on the Islamic Finance Country Report for Malaysia

10:45 – 11:15    Coffee and Networking

Notes:



## Islamic Finance News Dialogue Series

IFN Dialogues are high level, invite-only roundtable events comprising senior regulators and market leaders representing the Islamic finance industry in a specific jurisdiction or sector. A select group of international representatives are also invited. These closed door meetings focus exclusively on predetermined topics and current issues affecting the industry. The number of participants invited to each dialogue is capped at 20 ensuring each individual's views are heard and issues are discussed in an in-depth manner during the 3-hour session.

The format of these exclusive closed door meetings is to allow each participant the opportunity to question and provide feedback on critical issues which will ultimately lead to concrete solutions that industry players implement for long term sustainable growth in Islamic finance in a particular market or sector.

To facilitate open and honest discussion media are not invited. A summary of discussions will however be made available to delegates attending the main forum where applicable in a Chatham House Rule format.

"Thank you and your colleagues for this very successful event. The way it was structured allowed a frank and progressive dialogue on a subject that the participants are anxious to see progress in Luxembourg, after a period of somewhat long stasis. It has enabled us to not only restart the dialogue among us and reconnect, but also hear what is done abroad, and the feelings and thinking of foreign practitioners. The presence of the Minister and his obvious involvement lent a sense of empowerment. Finally I found the Malaysian contribution invaluable useful. I look forward to the next conference in Luxembourg"

*Fouad E. Rathle, Senior Vice President  
Garanti Bank Luxembourg*







"It was a great pleasure to attend such an event (Luxembourg Dialogue). It was really a brilliant idea to put together local and foreign practitioners from inside and outside Luxembourg with the representatives from Luxembourg's regulatory bodies in one room to discuss the challenges facing the Islamic finance industry in Luxembourg. The way it was conducted was very constructive in a sense that the participants shared the challenges facing this industry and how Luxembourg can mitigate these to promote itself as a hub for Islamic Finance."

*Ashraf Ammar - Senior Manager, Deloitte*

"The Luxembourg Dialogue was a refreshing change from the distractions of a large conference, giving participants an opportunity to discuss the key market issues directly with the key players. Perhaps the most focused way to benefit from a conference."

*Harris Irfan - Managing Director, European Islamic Investment Bank*

"I was delighted to attend the Luxembourg Dialogue in connection with the IFN Forum in Luxembourg. The Luxembourg Dialogue provided a unique forum for key market participants to discuss recent developments and trends for the purpose to advance Islamic finance in Luxembourg and to foster Luxembourg's position as a hub for Islamic finance in Europe."

*Andreas Heinzmann - Partner, Bonn & Schmitt*



"I was delighted to be asked to moderate IFN's first Dialogue taking place as a precursor to the European Forum in Luxembourg. The format led to a free-ranging and interesting discussion on the chosen topics, amongst people with a genuine interest in the outcome. If some of the conclusions and takeaways are adopted, there is every prospect they will assist the further development of the industry in Luxembourg."

*Neil Miller - Global Head of Islamic Finance, Linklaters*



"The IFN team put together a high profile event and program with speakers and participants from across the Islamic finance industry. Stimulating, inter-active and above all networking par excellence."

*Jonathan Grosvenor - General Manager, Global Financial Markets, KBL European Private Bankers*



"The Luxembourg Dialogue" – an innovative way to bring together a large variety of practitioners involved in Islamic Finance activities in Luxembourg. Inspiring debate about the best opportunities to promote and develop Islamic Finance business in Luxembourg.

*Carlo Oly - Head of Issuers and Clients, Luxembourg Stock Exchange*





## Global Real Estate Roundtable: Opportunities for Saudi Investors

Real estate projects currently underway in the GCC have been estimated to exceed US\$1 trillion with Gulf nations accounting for approximately 87% of the investments. Investors in the Middle East are expected to spend a further US\$180 billion in commercial real estate markets outside the Middle East over the next 10 years. As real estate continues to be a key driver for economies in the Middle East, Europe and other parts of the world, what trends are expected to unfold in Shariah compliant financing to capitalize on and support this growth?

- Innovation in real estate financing structures and products
- Which real estate markets are expected to outperform and why?
- Investment trends, strategies and risks for the global real estate market

### Moderator:



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

Jawad Ali is the managing partner of King & Spalding's Middle East offices, global deputy leader of the firm's award-winning Islamic finance practice group and is based in its Dubai office. His practice covers a broad range of Shariah compliant and conventional finance and investment transactions. He is especially recognized for his knowledge of Shariah issues and his skills in developing innovative, Shariah compliant investment and financing structures. His practice has involved investment and financing transactions throughout the Middle East, Europe, the US, Southeast Asia and Africa.

Jawad is a frequent speaker on the topic of Islamic finance and investment through the Middle East, Europe, the US and Africa. He is ranked a leading lawyer for Islamic finance in independent directories and client-based surveys. Chambers Global 2014 states: "Jawad Ali advises on a variety of Shariah compliant structures in the areas of private equity, M&A and real estate. He has had significant activity of late representing regional clients with respect to their overseas investments."

### Panelist:



**Jamil Ghaznawi** — *Director & Country Head, Jones Lang LaSalle, Saudi Arabia*

Jamil has over 10 years of experience in Saudi Arabia's market with an emphasis in real estate business development and investment as well as audit and assurance services. Previously, he held senior executive positions with Ewaan Global Residential Company looking after strategy and business development as well as real estate finance. Jamil has worked on Alfareeda & Almayaar residential communities, among other projects, and setting up development companies. Recently Jamil was instrumental in the identification and negotiation for large land purchase and sale for Ewaan Global project in the kingdom.

A Saudi national, Jamil holds BSc in Business Administration from the American Intercontinental University in Los Angeles and a MSC in Accountancy from California State University Fullerton. He is a Certified Public Accountant (CPA) from the state of California.

**Panelists:****Jean Philippe Besse — Founder, Parisian Real Estate Advisor**

Jean-Philippe has 20 years of professional experience, including at Axa Group in Paris and New York and the co-founding of La Française des Placements — which subsequently became a leading French boutique in asset management.

In 2007, he became head of international business development of La Française des Placements, which then merged to become La Française AM. From 2011, Jean-Philippe's focus has been on Middle Eastern business development, leading La Française to create the first Shariah compliant French OPCl dedicated to a Kuwaiti bank.

Jean-Philippe founded Parisian Real Estate Advisor in 2013, with the ambition to be the leading French real estate advisor for GCC investors.

**Robin Williamson — Managing Director and Real Estate Industry Leader, Deloitte Middle East**

Robin is the managing director the Real Estate Industry Leader for Deloitte in the Middle East and currently lives in Riyadh, Saudi Arabia.

He came to the Middle East in 1995 having previously worked in the City of London within the office agency and development sectors and thereafter across the UK, in the industrial and logistics development sectors.

Previously the managing director for DTZ's Middle East Operations, during his time there he opened offices in Abu Dhabi, Bahrain, Dubai, Kuwait, Qatar and Saudi Arabia. During his time in the region Robin advised many high net worth individuals to acquire real estate investments in London, the US and Far East, totalling almost US\$1 billion in value.

At Deloitte, Robin leads a team of chartered surveyors, economists and financial consultants who provide a broad range of valuation, feasibility, hospitality and capital markets advice across the MENA region.

11:15 – 12:45 Breakout Session: KSA and Malaysia – Cross-Border Business Opportunities

Notes:

# Sukuk, Infrastructure and Project Finance In the GCC

The drive by many Gulf countries to improve on infrastructure is set create opportunities for market players to fund infrastructure and power projects through Shariah compliant project financing. This session will cover the trends, structures and opportunities available

- Infrastructure and project Sukuk in the Saudi Arabia and the rest of the GCC: What's in the pipeline?
- Opportunities in cross-border Sukuk through project and infrastructure financing
- Utilizing Islamic infrastructure financing in public private partnership ventures
- Trends and outlook for syndicated financing of infrastructure projects
- Assessing the potential of alternative assets and its suitability to Shariah compliant financing: key considerations for issuers
- Outlook for tradability of Sukuk

## Moderator:



**Qasim Aslam** — Partner & Head of Islamic Finance - Middle East, Dentons

Qasim is a partner in the banking and finance practice and is also the head of Islamic finance – Middle East at Dentons.

Qasim has international Islamic finance, project finance and structured finance experience, including transactions in the Middle East, Asia and Africa. He has acted for regional, international and Islamic financiers as well as multilateral agencies and corporates. He is consistently recognized for his leading Islamic finance expertise and has been described as “one of the outstanding practitioners in Islamic finance”.

## Panelist:



**Hani Ibrahim** — Managing Director, Investment Banking, QInvest, Qatar

Hani is the head of debt capital markets at QInvest responsible for the syndication and Islamic capital markets business. He has advised on a number of prominent Sukuk transactions whilst at QInvest.

Prior to QInvest, Hani was at Emirates NBD Capital (formerly NBD Investment Bank) with a focus on the M&A and debt advisory businesses. Hani has been involved in a variety of financing and advisory transactions.

Prior to that, Hani was part of the investment banking team at Dubai Bank where he worked on equity capital market transactions as well as fund structuring. Hani also worked in London for DTZ Corporate Finance. During his time at DTZ he was involved in and managed a variety of real estate financing, structuring and advisory transactions.

Hani started his career at KPMG London and is a qualified Chartered Accountant (Institute of Chartered Accountants in England & Wales) and holds a BSc Honours and MSc from University College London.



**Panelists:**
**Muhammad Farhan** — *Director & Head of Islamic Banking, HSBC Saudi Arabia*

Muhammad Farhan has 13 years of experience in corporate and investment banking working in multiple geographies. Farhan currently heads HSBC Saudi Arabia's Islamic finance function responsible for Shariah compliant debt capital markets, syndicated finance and asset-backed solution structuring, new product development and managing key client relationships.

Farhan has been involved in numerous landmark financing transactions in the region, spanning the banking/finance, petrochemicals, power/water, transportation, telecommunication, and real estate, oil/gas sectors. Farhan has advised several clients with industry defining transaction involving many of first-of-its-kind transactions and advised on Sukuk structures that have become industry standards and are widely used by industry and financial sectors issuers.

Farhan is an industry reputed Islamic banking professional conducting multiple seminars and courses in Islamic finance and has a strong understanding of Shariah aspects relating to the financial services industry.


**Rizwan Kanji** — *Partner, King & Spalding, UAE*

Rizwan Kanji is a partner with international law firm King & Spalding specializing in debt capital markets and Islamic finance.

As one of the world's leading Islamic finance and debt capital markets lawyer, Rizwan frequently advises a variety of global investment banks, sovereign states and multinational regional corporates. He has advised on the first and second Turkish Sukuk by Kuveyt Turk in 2010 and 2011, respectively, and more recently the first subordinated Tier 2 Sukuk out of Europe by Bank Asya.


**Tayeb Al Rais** — *Secretary General, Awqaf & Minors Affairs Foundation*

Tayeb Abdulrahman Al Rais has been serving as the secretary-general to the AMAF since 2009. Following an illustrious career spanning 24 years in the private sector, he welcomed the hugely gratifying opportunity to help people through management of AWQAF funds and dealing with empowerment of minors.

From very early on his life, Tayeb has believed in dedicating a strong commitment to family values and has always upheld the pillars of honesty and respect for others. Having widely travelled and lived in countries outside of the

Middle East like the US and London enabled him to generate the true vision to guide the foundation in extending a helping hand to all UAE citizens.

The last private sector position he held was as the CEO of Samah Holdings, Dubai Holdings. Tayeb secured a bachelor's degree in car engineering in 1986, from the US. Following this, he had also undergone over six months of rigorous training in a UAE-based police academy.



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**Panelist:**



**Tom Guest** — *Associate Director, Eiger Trading*

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

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

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13:00 – 14:30    Luncheon

Notes:



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## Transaction Roundtable: Emirates NBD Capital SAR800 million Real Estate Fund

### Panelist:



### ***Nabil Issa*** — *Partner, King & Spalding*

Nabil Issa is a partner in the Middle East and Islamic Finance Group of King & Spalding, working from the Dubai and affiliated Riyadh offices. Nabil's experience includes work in the areas of banking and finance, Shariah compliant funds, private equity and international investments.

Following graduation from the University of Pennsylvania, Nabil was awarded a Fulbright Fellowship to the UAE University to study the effects of membership in the World Trade Organization on the financial laws of the UAE.

Nabil received his Juris Doctor from the University of Pennsylvania Law School and a Graduate Certificate in Islamic & Middle Eastern Law from the University of Pennsylvania.

### Notes:

# The Investment Landscape for Islamic Investors in Saudi Arabia and the Gulf: Trends and Strategies for 2015

- What will 2015 hold for Islamic investors and fund managers
- Assessing key investment markets in Europe, Africa and the Gulf: What do emerging markets have to offer Islamic investors?
- Which asset classes and markets 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 2015
- Outlook for i-ETFs, Shariah compliant mutual funds

## Moderator:



**Lawrence Oliver** — 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.

Oliver 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. Oliver 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:



**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.



**Panelists:**

**Asim Khan** — *Chief Executive Officer & Managing Director, Khalij Islamic*

Asim Khan is a chartered accountant with more than 16 years experience in financial services (including conventional and Islamic financial institution) and the oil and gas industries across the Asian sub-continent, Middle East and Europe, while working with top tier organizations such as PwC, KPMG and Deutsche Bank.

Asim specializes in developing and monitoring Islamic financial products and has structured various Islamic finance transactions; developed various Shariah compliant investment funds; established monitoring process for on-going Shariah compliance for various Islamic products, converted various conventional products into Shariah compliant products and advised on purification strategies for non-Shariah compliant income.

Asim has also been involved in developing a suite of retail banking products for major financial institutions in the GCC. Asim also leads operational review engagements for Shariah compliance, both corporate as well as individual product level and has devised procedures that were implemented by client management to mitigate risks for non-Shariah compliance. Currently, among other projects, he is involved in a Sukuk for a major international investment bank and setting up for an Islamic issuance platform.



**Faizal Bhana** — *Senior Associate, Trowers & Hamblins*

Faizal is a senior associate in Trowers & Hamblins' international banking and finance department, specializing in Islamic finance. Faizal holds a Masters in Islamic Finance and advises on a number of the major forms of Islamic finance structures and Shariah compliant investments, including combinations of Wakalah, Istisnah, Ijarah, Mudarabah and Musharakah for purposes such as trade finance, asset finance, project finance and raising finance through a Sukuk issue or program.

Faizal is part of Trowers & Hamblins' Africa Group. He has worked for clients that are based in Africa, those clients that have investments in Africa or looking to invest in Africa. Additionally, Faizal has a particular focus and responsibility for clients and prospects based in Saudi Arabia.



**Monem Salam** — *President, Saturna Malaysia*

Monem Salam is the director at Saturna Capital and president of Saturna, a wholly-owned Malaysian subsidiary of Saturna Capital. He received his degrees from the University of Texas: BA (Austin) and MBA (Dallas).

He worked as the chief investment officer for ITG & Associates (Dallas) until 1999; then as a representative with Morgan Stanley (suburban Dallas) until joining Saturna Capital in June 2003. He served as the director of Islamic investing and deputy portfolio manager to the Amana Mutual Funds Trust until when he moved to Kuala Lumpur in 2012 to oversee Saturna.

Monem speaks at Islamic finance/investment conferences worldwide and he is the co-author of 'A Muslim's Guide to Investing and Personal Finance'. Monem also authored the chapter on Islamic investing in the new book 'Contemporary Islamic Finance' and contributes articles to leading Islamic financial magazines.



Khalij Islamic ("KI"), established in 2008, is an Islamic finance investment and advisory boutique with a presence in the United Kingdom, the United Arab Emirates and the Kingdom of Bahrain.

KI specialises in bringing new asset classes and high quality Islamic investment products to Islamic investors. This not only gives Islamic investors increased opportunities to invest in high quality investment products but also helps them to diversify their portfolios from the traditional asset classes.

#### **Khalij Islamic offers end to end Shari'a advisory services including:**

- Strategic Consulting
- Islamic Structuring & Consulting
- Deal Sourcing & Placement
- Islamic Liquidity

#### **Khalij Islamic adds value by providing a broad range of professional and reliable world class Shari'a services by harnessing:**

- A seasoned management team that boasts over 100 years of collective investment banking and consulting experience;
- Connectivity with highly respected and world-renowned Shari'a scholars; and
- Affiliation and collaboration with influential industry bodies in the Islamic finance space

**Panelist:*****Omar Bassal — Head of Asset Management, MASIC***

Omar Bassal is the head of asset management at MASIC — an institutional family office based in Saudi Arabia — where he oversees investments covering traditional and alternative assets globally that are consistent with Shariah principles.

Omar views the world differently than most, convinced that government and central banks' actions over several decades have contributed to a less stable world — prone to dislocations — and that their collective actions following the global financial crisis exasperated rather than cured this sad state of affairs. He believes the significant accumulation of debt by governments, the corporate

sector and household sector as major threats to economic prosperity — not to mention inconsistent with Shariah principles.

Omar holds an MBA with honors in finance, management and statistics from the Wharton School of Business at the University of Pennsylvania. He graduated summa cum laude with a Bachelor's of Science degree in Economics, also from the Wharton School. He holds the CFA charter and is the author of the book, *Swing Trading for Dummies*.

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16:00 – 16:30    Coffee and Networking

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16:30                End of Forum

Notes:



# Islamic Banking Intelligence

The First Comprehensive Global Islamic Banking Database and Analytical Dashboard

## WHAT?

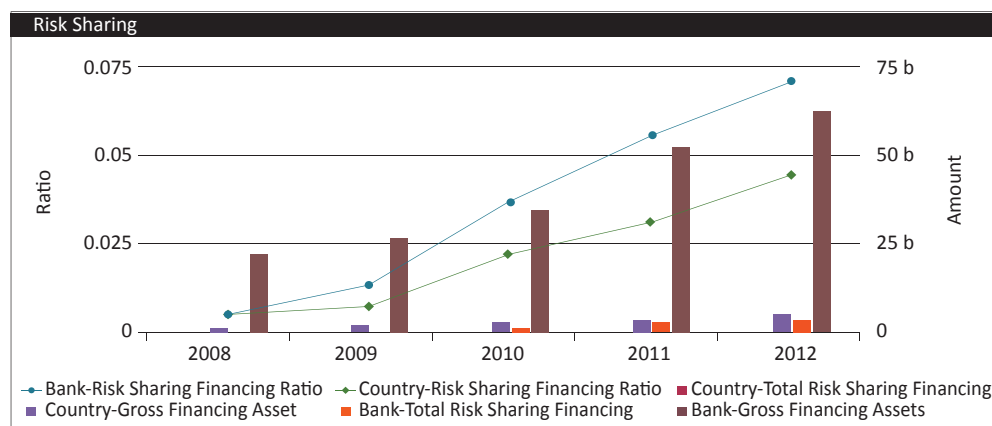
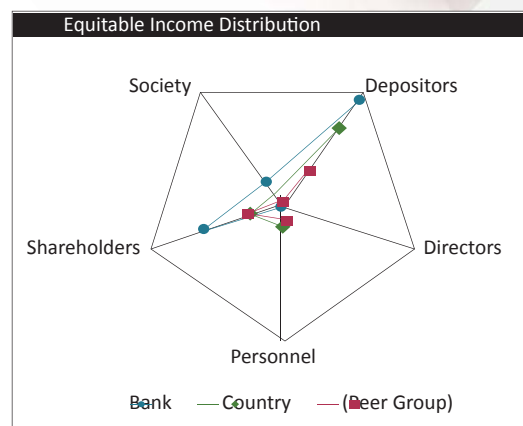
- Islamic Banking Intelligence (IBI), a new joint product between IDCORP and REDmoney, is a flexible, user friendly and multilingual web-based software that is a one-stop source of data and information developed on a data warehouse utilizing detailed financial information of Islamic banks globally
- IBI is a cloud-based system and connectable from your PC or smart device, using hardware/browser independency at any time and includes facilities such as charts, KPIs, graphs, gauges, etc
- Accessible through an annual subscription, IBI is useful for bankers, economists, researchers, scholars, financial investors, issuers and anyone who is looking for complete financial information of Islamic banks

## WHY?

- There is currently no such system that is as comprehensive and fully dedicated to Islamic banking data and information, enabling users to instantly analyze and compare the performance of Islamic banks globally through the use of charts and figures
- IBI provides not only a complete historical set of data through a uniform format for consolidated financial positions and income statements of Islamic banks, but also details of their financial notes
- As a truly innovative and analytical platform in the Islamic financial market, IBI ensures that data of global Islamic banks is homogenous, comparable, and analyzable
- IBI users have access to detailed information on Islamic contracts applied by Islamic banks including Murabahah, Mudarabah, Musharakah, Ijarah and Wakalah, and so on, as well as information pertaining to Maqasid Al Shariah, risk-sharing and Zakat
- Islamic banking data that users can access include financial and Shariah ratios, bank profiles, horizontal and vertical analysis, historical and analytical data and comparative indicators
- IBI enables banks to evaluate their own performance, comparing themselves with peer groups both a nationally and globally

## UNIQUE FEATURES

- More than 50 KPIs for performance measurement based on:
  - o Profitability
  - o Liquidity and funding
  - o Efficiency
  - o Risk management
  - o Asset quality
  - o Deployment & growth
  - o Islamic contracts
  - o Maqasid Al Shariah
- 160+ Islamic banks from 36+ countries
- 250+ information fields in 28+ categories
- 5+ years of data of all Islamic banks
- Online help and tool tips features for the user interface



## In Association With



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

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

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



IIFM is the Islamic financial services industry's standard-setting organization focused on the Islamic capital and money market (ICMM) segment of the industry. Its primary focus lies in the standardization of Islamic financial products, documentation and related processes at the global level.

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

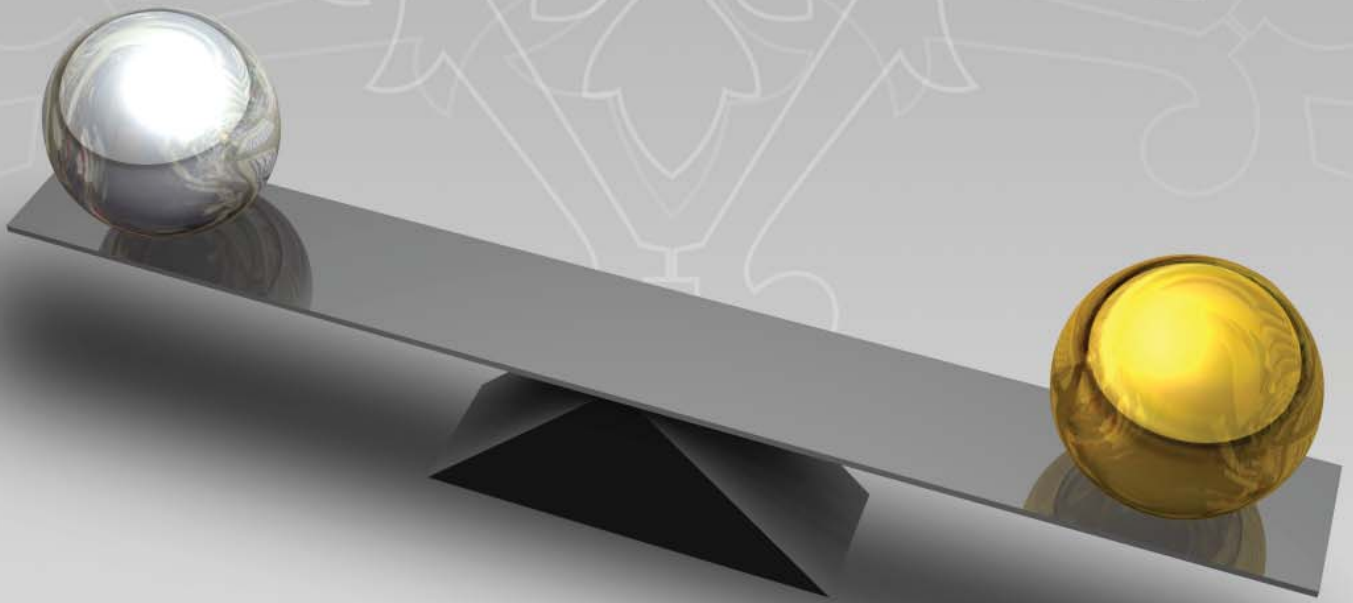
Besides the founding members, IIFM is supported by other jurisdictional members such as State Bank of Pakistan, Dubai International Financial Center as well as a number of regional and international financial institutions and other market participants.

## Lead Partner



CIMB Islamic is CIMB Group's global Islamic banking and finance franchise, anchored by CIMB Islamic Bank, a licensed bank under Malaysia's Islamic Banking Act 1983. In Malaysia, CIMB Islamic Bank provides innovative and comprehensive Shariah compliant financial solutions on a dual-banking leverage platform in investment banking, consumer banking, asset management, private banking and wealth management at about 300 branches across the country. CIMB Islamic products and operations are managed in strict compliance with Shariah principles under the guidance of the CIMB Islamic Shariah Committee, which comprises some of the world's leading Islamic scholars.

CIMB Group's Islamic banking business is supported by the group's network of over 40,000 staff in 18 countries comprising an experienced senior management team and a global team of Islamic banking and financial services professionals in all core components of the Islamic banking and financial services market. CIMB Group also has the most extensive retail branch network in ASEAN, with more than 1,039 branches as at the 31<sup>st</sup> August 2014.



# AAOIFI

ACCOUNTING AND AUDITING ORGANIZATION  
FOR ISLAMIC FINANCIAL INSTITUTIONS

## **International Islamic Finance Standards**

on market practices and financial reporting  
based on Shari'a principles and rules

✉ P.O.Box 1176, Manama - Kingdom of Bahrain  
☎ +973 17 2 444 96      📠 +973 17 2 501 94  
🌐 info@aaofii.com      ,      [www.aaofii.com](http://www.aaofii.com)



## 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 24<sup>th</sup> annual meeting held in Rajab 1420H (November 1999) in Jeddah, Kingdom of Saudi Arabia. The authorized capital stock of the Corporation is US\$2 billion while the capital available for subscription is US\$1 billion. Its shareholders are the IDB, 52 Islamic member countries, and five public financial institutions from member countries.

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

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

## Real Estate Partner

### KING & SPALDING

King & Spalding is an international law firm with more than 30 years experience advising clients globally on Islamic finance. Consistently ranked among the best in the world, the firm's global Islamic finance and investment practice includes nearly 30 lawyers and professionals in offices across Europe, the US and the Middle East.

In Europe, the firm is recognized as a leader in structuring and advising on Shariah compliant real estate financing and investments, as well as advising various international investment banks in their capacities as arrangers in debt capital market transactions, particularly Sukuk issuances. In the US, the firm is widely acknowledged as the firm of choice for Shariah compliant investment and financing transactions. In the Middle East, the firm leads in the formation of investment funds across a range of asset sectors, and the innovative fund structures it has developed to deal with local ownership and financing restrictions are now precedents followed by the industry. The firm maintains a leading role in handling debt capital markets work, in particular Sukuk issuances for issuers and lead arrangers across the Middle East and Turkey.

## Breakout Sponsor



AlKhair Capital Saudi (AlKhair Capital) commenced its operations in Saudi Arabia in 2009. AlKhair Capital is licensed by Saudi Arabia's Capital Market Authority and operates a fully-fledged investment banking license across three business lines: asset management, corporate finance and investment banking, and brokerage. AlKhair Capital seeks to provide its clients with an integrated and comprehensive range of Shariah compliant investment products and services, with an emphasis on delivering differentiated value and tailored solutions to its clients.

AlKhair Capital is a subsidiary of Bank AlKhair, an Islamic wholesale bank that is based in Bahrain, licensed and regulated by the Central Bank of Bahrain. AlKhair Group has subsidiaries in Malaysia (AlKhair International Islamic Bank), Turkey (AlKhair Capital Turkey Degerler) and Dubai (AlKhair Capital Dubai). AlKhair Group has advised on transactions with a total value exceeding US\$3.5 billion since inception, and has completed several landmark transactions since its inception, including the establishment of t'azur, a regional Takaful company and the acquisition of Bahrain Financing Company, the oldest and one of the leading foreign exchange and remittance houses in the GCC, and the acquisition of Burj Bank, Pakistan.

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

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



## Islamic Finance Markets: Southeast Asia

A comprehensive, six monthly, primary research driven market analysis of the current and future funding requirements for the corporate sector in both Indonesia and Malaysia

### Lenders and banks need answers to key questions:

- Just how big is this market?
- How fast is it growing?
- What is its value relative to conventional lending?
- Who has what slice of the current pie?
- What's the customer experience been like so far?
- Where are the key barriers to and opportunities for entry to the market?
- What are the major demand drivers in Islamic financing?
- What is Shariah compliant financing's share of the customer wallet?
- Where are these markets going to be next year?

### Key outputs from this exciting new partnership and research answering these questions and more, include:

- Shariah compliant product penetration today and tomorrow relative to conventional product uptake in:
  - Bank lending
  - Equity issuance
  - Bond (Sukuk) issuance
  - Deposits & fixed income
  - Cash management
- Market share, wallet share and cross sell
- Competitive customer satisfaction and advocacy metrics:
  - Shariah compliant products
  - Relationship management
  - Service and support attributes
- Market forecasts by product type, corporate segment and sector
- Customer views of Shariah compliant financing solutions across their mix of capital management strategies
- Key drivers of engagement with Islamic finance solutions
- Mind share and positioning analyses, bank by bank

To find out more about how this exciting research program can guide your business in this high growth market, or for research participation enquiries please contact either:

#### Mr Andrew Morgan

REDmoney Group  
Tel: +603 2162 7801  
andrew.morgan@REDmoneygroup.com

#### Ms In Kai Khor

East and Partners Asia  
Tel: +65 6224 6101  
inkai.khor@east.com.au

## Breakout Sponsor



Alkhair International Islamic Bank (Alkhair Malaysia) was the first foreign international Islamic bank to be licensed to conduct a full range of non-Malaysian ringgit banking activities under the Malaysia International Islamic Financial Center (MIFC) initiative, which aims to promote Malaysia as a major hub for international Islamic finance.

Alkhair Malaysia bases its delivery of exceptional value to clients and shareholders on its shared values of professionalism, integrity and innovation. These tenets drive the bank's endeavor to be the leading provider of Shariah compliant banking products and services.

The bank's primary focus is on three core business lines: corporate banking, treasury and capital markets to complement Alkhair Group's existing operations in Bahrain, Saudi Arabia, Turkey and UAE as well as promoting co-operation between the GCC region and Malaysia in the area of Islamic finance.

Having been operational for six years, we remain committed in pursuing business opportunities and strategies to support Alkhair Malaysia's business growth needs. We have put in place our key organizational structure and continuously hiring capable resources to continue to improve our operating capabilities.

## Associate Partners



Islamic Banking Intelligence (IBI) is the Islamic finance industry's first and most comprehensive one-stop source of global Islamic banking information. Using data from fully audited financial accounts and annual reports from over 130 Islamic banks in 36 countries, IBI offers users the capability to interactively analyze and compare the financial performance of various Islamic banks using both numerical and graphical formats.

With over five years of financial data, and more than 250 information fields in 28 categories, IBI contains more than 50 KPIs for performance measurement, including some criteria that is exclusive to Islamic banks, such as Islamic contracts and Maqasid Al Shariah.

In addition to analyzing an Islamic bank's financial data, IBI also offers users access to a number of key banking details, including Shariah ratios, bank profiles, horizontal and vertical analysis and comparative indicators. Furthermore, it has the capability for users to conduct both peer group and country to country comparisons.



Khalij Islamic (KI), established in 2008, is an Islamic finance investment and advisory boutique with a presence in the UK, the UAE and Bahrain. Khalij Islamic (UK) is authorized and regulated by the Financial Conduct Authority (FCA) in the UK.

KI offers strategic consulting, and specialized expertise for developing, structuring, sourcing and placing bespoke Shariah compliant financial products focusing on 'true asset' investment products as well as Islamic liquidity and risk management solutions.

KI, adds value by providing a broad range of professional and reliable world class end-to-end Shariah services by harnessing the skills and collective intellectual capabilities of a seasoned management team that boasts over 100 years of collective investment banking and consulting experience, together with the connectivity with highly respected world-renowned Shariah scholars and affiliation and collaboration with influential industry bodies in the Islamic finance space.

KI focuses on bringing new asset classes and high quality Islamic investment products to Islamic investors. This not only gives Islamic investors increased opportunities to invest in high quality investment products but also helps them to diversify their portfolios from the traditional asset classes.



# WVB Shari'a Compliance Rating

**Complete As Reported Data Set for the MENA Region Including:**

- All Islamic Banks
- All Islamic data items
- Shari'a Reports

## Facts and Features:

- 99.9% of Global Market Cap
- Over 46,600 listed entities
- All data is proven fact
- Analysis of subsidiaries
- Follows AAOIFI methodology
- Easy use for differing interpretations of what is Halal
- Simple benchmarking to produce an investment universe
- Deeper Analysis to enable ranking
- Available in Arabic
- Private Companies also available

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## WVB SHARI'A COMPLIANCE REPORT



### RAYSUT CEMENT COMPANY (SAOG)



Generated on 27 Sep 2013

#### COMPANY PROFILE

WVB Number	OMN00030030
ISIN Number	OM0000001418
Status	ACTIVE [ PUBLIC ]
Country of Incorporation	OMAN
Industry Classification	CEMENT, HYDRAULIC (3241)
Address	RAYSUT ,INDUSTRIAL AREA, PO BOX 1020 PC211, SALALAH
Tel	+968 23219122
Fax	+968 23219291
Website	WWW.RAYSUTCEMENT.COM.OM

#### Principal Activities

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

#### DIRECTORS/EXECUTIVES

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

#### ADVISORS

Auditor	KPMG
Law Firm	AHMED AWAD AL SHANFARI

#### SHARI'A RATING CRITERIA

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

#### WVB CREDIT SCORE

WVB Score	2.73
US Bond Rating Equivalent	C2

#### Comment

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

#### FINANCIAL STATEMENTS

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

## Executive Partners



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

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

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

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



DLA Piper is a leading global, business law firm. We provide legal services to clients across key industry sectors including banking and financial services, real estate and construction, technology and healthcare. We understand the global importance and impact of Islamic financial services, and remain committed to supporting our clients wherever they do business. Our international reach and integration means that DLA Piper can handle Islamic finance matters originating in all of the major financial centers. Our lawyers have significant experience in acting for Islamic and conventional clients involved in the Islamic finance industry (including financial institutions, corporates, funds, market regulators and other government entities). For further information please visit [www.dlapiper.com](http://www.dlapiper.com)



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

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

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

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

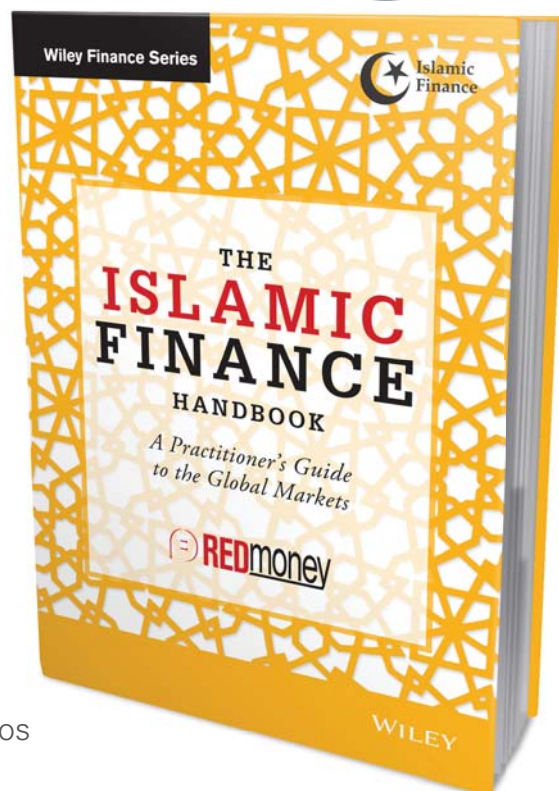
Eiger is authorized and regulated by the UK's Financial Conduct Authority and is a member of the London Metal Exchange.

# An overview of the key financial markets in Islamic Finance



*The Islamic Finance Handbook* is the definitive report for the Islamic finance industry. Written by the industry's leading practitioners, the book provides a country-by-country breakdown of the current state of the Islamic market, including league tables by region and by country. Relevant case studies are used throughout to illustrate the practical aspect of the information presented. Organized for easy navigation, each chapter features sub-sections that allow instant comparison between countries in a specific area of interest.

- Current macroeconomic and microeconomic conditions
- Regulatory and political situations
- Recent transactions, key participants, and the investor climate
- Real-world cases, as opposed to speculative scenarios



## About REDmoney

REDmoney is a publishing and events company focusing purely on the global Islamic finance market. The company was started in mid-2004 in Kuala Lumpur, Malaysia, by Andrew Morgan and Andrew Tebbutt, 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.

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**978-1-118-81441-3 | Cloth | 592pages | April 2014 | US\$150; €72.00; £60.00**

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## Executive Partners



### Emirates NBD Group

Emirates NBD is a leading banking group in the region. As at the 31<sup>st</sup> 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.



GFI Securities (GFI), a subsidiary of GFI Group, operates as a leading intermediary in Middle Eastern markets both out of its Dubai branch and London head office.

Originating from a London-based Islamic finance desk set up in 2006, GFI's Middle East operation has grown to offer direct, local service across Islamic and conventional markets. Our Dubai branch has been open since 2008 and has grown considerably in size.

From offices in Dubai, GFI Group companies operate several highly regarded electronic trading platforms, including CreditMatch, ForexMatch and MurabahaMatch. Alongside voice broking, these platforms provide enhanced liquidity, in-depth market information and efficient trade execution, without compromising anonymity and confidentiality.



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.

A professional microphone on a stand is positioned next to a silver laptop. The laptop screen is black and displays white text. The background is a blurred image of people in a meeting or training session.

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

## Executive Partners



Parisian Real Estate Advisor's ambition is to be the leading French real estate advisor for Middle Eastern investors. Parisian Advisor is an entrepreneurial firm with a capital of EUR1 million (US\$1.34 million). In addition, the company is affiliate to the French asset management firm La Française AM belonging to the French bank group Crédit Mutuel. La Française Group holds 35% of Parisian Real Estate Advisor and has been a key French player in securities and real estate asset management for 39 years. The group currently manages over EUR41 billion (US\$54.79 billion) including EUR10 billion (US\$13.36 billion) in real estate assets.

Based on a tailor-made approach, Parisian Real Estate Advisor provides its clients with the full range of services necessary to build step by step their investment project in the Parisian real estate market including in areas such as: sourcing, fund engineering, asset management, property and fund management.

Our track-record with La Française includes successfully forming the first French-regulated OPCI, or French-regulated non-listed REITs, that respect Islamic finance rules, on behalf of the first Islamic bank of Kuwait.

## Russell Indexes

by Russell Investments

Russell Indexes offers a comprehensive family of global equity indexes that give investors and fund managers a more precise view of the markets, provides a basis for investments, benchmarks and track performance of distinct segments consistently. The resulting index methodology produced the broad-market Russell 3000® Index for the US market and a series for the global markets. Russell Indexes also pioneered the Value, Style, Growth, Stability and Theme-based Indexes. Russell Indexes has partnered with IdealRatings to co-brand the Islamic index series for the global markets. The Islamic indexes are supervised and audited by the Shariah Supervisory Board.

Russell Indexes calculates more than 700,000 benchmarks daily, covering 98% of the investable market globally, 83 countries and more than 10,000 securities. Approximately US\$5.2 trillion in assets is benchmarked to the Russell Indexes.



Trowers & Hamlin is a UK City-led, international and national law firm providing a full-service integrated offering. The firm has offices throughout the UK, Middle East and a representative regional office in Kuala Lumpur.

With specialist lawyers in the UK, the Middle East and ASEAN, Trowers & Hamlin has been a market leader in the field of Islamic finance for over 15 years. Ranked in the top 10 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.



Designed to benefit bankers in the conventional banking system and at the same time have an understanding on the key components as applied to an Islamic banking institution.



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## Lanyards Sponsor



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.

For more information, visit [www.wvb.com](http://www.wvb.com)

## Strategic Media Partners



Launched in November 2006, Business Islamica is the first monthly magazine of its kind in the UAE, specifically covering all aspects of Islamic business and finance, both regionally and internationally. The magazine's objective is to spearhead awareness initiatives, heighten knowledge of its core principles and practices, as well as to feature the latest developments in this industry.

Our editorial covers interviews with key industry leaders, case studies, and includes features on a wide range of topics such as; Islamic banking, wealth management, Takaful (Islamic insurance), Islamic retail finance, marketing and branding of Shariah compliant products, regulatory issues, Islamic business challenges and risk management.

[www.businessislamica.com](http://www.businessislamica.com)



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

[www.capitalbusiness.me](http://www.capitalbusiness.me)

## Media Partners



Luxembourg  
fund industry

The Association of the Luxembourg Fund Industry (ALFI) is the representative body of the Luxembourg investment fund community.

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

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

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

For more information, visit our website at [www.alfi.lu](http://www.alfi.lu).



Blassys (a microenterprise e-magazine), is an online publication about microfinance and microentrepreneurs' efforts, gains, and challenges. Our goal is to inform, educate, and entertain by bringing to our readers the universal spectrum of ideas on microfinance as well as thoughtful opinions by practitioners, scholars, professionals and micro-entrepreneurs. Visit [www.blassys.com](http://www.blassys.com) for more information.



[www.eyeofriyadh.com](http://www.eyeofriyadh.com) is a city marketing portal that provides media and marketing solutions servicing to both local and international clients, and support major events through sponsorship, organizing, and marketing services such as: email campaign, banner advertising, email newsletters, social media campaign, SMS campaign, training and events professional listing, prominent business listing, classifieds, job search, public relations services, web design and development services as well as advertising, media and graphic design.



Oxford Business Group (OBG) is a global publishing, research and consultancy firm, which publishes economic intelligence on the markets of Asia, the Middle East, Africa and Latin America. OBG offers a comprehensive analysis of macroeconomic and sectoral developments, including banking, capital markets, energy, infrastructure, industry and insurance.

The group's acclaimed economic and business reports are the leading source of local and regional intelligence, while its online economic briefings provide an up-to-date in-depth analysis. OBG's consultancy arm offers tailor-made market intelligence and advice to firms operating in these markets and those looking to enter them.

**thebusiness|year** The Business Year (TBY) is a leading provider of business investment consultancy services and publisher of yearly information resources on national economies and business environments. TBY provides accurate, timely and country-specific economic and business data, assessing the trends and developments of all the major economic sector of the countries where it conducts research.

TBY presents real opportunities and those creating them — business people, public officials, and key stakeholders — to introduce the many faces of the world of business.



**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.



The WORLD CSR DAY is guided by leaders — leaders who believe in the value of sustainable CSR, which is built into the fabric of business, making it a reality. Leaders producing leaders will be a common thread uniting nations and people who take CSR more responsibly. They also believe that CSR is a tool to the development of the future.

Leaders, professionals, CSR practitioners, CEOs, sustainability experts and media honchos in different parts of the world will help in spreading the message of World CSR Day. Let's unite the world with the spirit and energy for conscious CSR. ([www.worldcsrday.com](http://www.worldcsrday.com))





















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**“Wealth, properly employed, is a blessing and a man may lawfully endeavour to increase it by honest means.”**

Hadith narrated by Bukhari

Wealth means different things to different people. It's the choice we make on how we achieve it, and what we do with it, that determines the quality of our wealth. At CIMB Islamic, we choose to create wealth through pure business and commercial transactions that follow the principles of Shariah.

Our deep understanding of the history and the principles of Islamic finance has enabled us to introduce many groundbreaking solutions that have directly changed the global landscape.

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As one of the top players in the Global Islamic Banking & Finance industry, we take pride in innovating and crafting products that are wholly Shariah-compliant yet relevant to today's financial needs. Products that help shape everyday life and make an impact on the way we live.



For more information, log on to [www.cimbislamic.com](http://www.cimbislamic.com)  
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*Jawi is an adaptation of the Arabic script, used as an alternative form of writing for the Malay language in Malaysia. Here, the calligraphy version spells 'Perbankan Islam', which is Malay for Islamic Banking.*

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