

Report # 171
BUSINESS AND POLITICS IN THE MUSLIM WORLD
Weekly Report on Global Islamic Finance
Period: May 08 – May 14
Presentation Date: May 18, 2011
Submitted By: Zain Arshad

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Summary:

It has been reported that The State Bank of Pakistan (SBP) plans to increase the share of Islamic banking system from the existing seven percent to 12 percent in the next two years, an official said .

Saleem Ullah, Director, Islamic Banking Department, SBP, said this at a ceremony of unveiling logo of World Islamic Finance Summit 2011.

The two-day summit would be held from September 21 and it is being organised by Publicitas Pvt Limited with the support from the IBD, SBP. Saleem Ullah said that the overall perception about Pakistan is not positive and it required improvement through such conferences.

The conference would target specific countries for attracting investment, but it would invite scholars from across the world to share their views regarding Islamic financial system, he said.

As the Egyptian government has now seen a shift in revolution it is hoping that Islamic finance will further prosper in the country to accommodate for the demand of Shariah compliant financing.

As Egypt moves towards parliamentary and presidential elections, one of the big unanswered questions is the extent to which the Muslim Brotherhood and other Islamic-focused parties will be able to mount open and unrestricted political campaigns.

Dubai Islamic Bank Pakistan Limited (DIBPL) has launched the first ever 'Cash Manager Account' facility for corporate customers with a free of cost countrywide pick and drop cash service in a safe manner from their doorstep.

According to DIBPL press release here on Monday, this product will enable the business segment comprising of retailers, schools and small and medium size enterprises to manage their payments and collections in an efficient manner, allowing them to give more time to their other business priorities.

Dubai Islamic Bank (DIB) announced the launch of its second Qiyadee programme to develop a core group of employees to assume managerial positions within the organisation. The selected Emiratis, from both inside and outside the bank, will now embark on a 36 month-long training programme to develop the necessary knowledge and skills to become the future leaders of DIB.

DIB's second Qiyadee programme has been developed in partnership with Zayed University and was officially launched at a ceremony attended by Dubai Islamic Bank CEO Mr. Abdullah A Hamli, Dr. Sulaiman Al Jassim, Vice President of Zayed University and the bank's senior management, including, Dr. Adnan Chilwan, Deputy CEO - Chief of Consumer and Wholesale Banking, Mohamed Abdullah Al Nahdi, Deputy CEO - COO, and Obaid Khalifa AL Shamsi, Chief of Human Resources.

1. GLOBAL ISLAMIC FINANCE

Oman Local Banks To Gain Benefit From Islamic Banking Products

Tuesday, May 10, 2011

It has been reported that local Oman banks will benefit tremendously from Islamic banking products that are being put on the market. With existing banks now able to provide Islamic banking products, the sultanate will be able to take its share of an industry estimated to be currently worth US\$20bn worldwide.

Along with the decision to allow Islamic finance products, the green light was also given to set up an Islamic bank in the sultanate. However, bankers feel that a new standalone Islamic bank in the sultanate would take shape only after the Central Bank of Oman Central Bank of Oman (CBOCBO) comes out with a new set of regulations.

With experts allowing for up to six months for changes in the banking laws to accommodate Sharia-compliant products, it is believed that the move will open up new opportunities for existing commercial banks, said Joice Mathew, head of research at United Securities.

He added that the local banks' ties to regional banks - such as Bank Muscat's association with BMI Bank in Bahrain and NBO leveraging on the expertise of major shareholder Commercial Bank of Qatar - which already offer Islamic finance products will mean they could easily introduce new products into the market. Mathew said, "As far as existing conventional banks are concerned, the decision in general opens up new revenue streams, if the CBOCBO allows them to start Islamic banking from new dedicated branches."

However, the introduction of a standalone Islamic bank in Oman will depend on how long it takes to implement Islamic banking regulations, according to HSBC chief executive Ewan Stirling. "Until we have clarity on regulations, we do not know how long it will take. Different countries have different approaches, so there are no standard regulations. It is still very, very early days." Kanaga Sundar, an analyst at Gulf Baader Capital Markets, added that it'll still be some time before Oman's Islamic finance products could compete with more experienced banks in the region. He said, "I think there definitely is phenomenal potential here in Oman."

People looking for an Islamic product go to the regional market. The market potential here is therefore robust. "Clearly, it is a positive sign for the banking sector in the medium to long term. They might be able to compete with the major players in the longer term, but not immediately." Anil Kumar, vice-president of Fincorp, said that although it will take some time for the market to 'evolve' and adapt to Islamic finance, there are 'significant opportunities' in the domestic market.

"There is a lot of potential for growth in the Islamic finance industry in Oman. From that point of view, it is a welcome move." Abdul Kader Askalan, chief executive officer of Oman Arab Bank, believes the change could make Oman's banks more competitive regionally as they tap into a customer base looking for Sharia products. "I think there are a number of people, from merchants to individuals, who deal with Islamic banks in neighbouring countries. I think there is a large amount of deposits in Islamic banks in neighbouring countries," he said.

http://www.globalislamicfinancemagazine.com/index.php?com=news_list&nid=1611

State Bank of Pakistan To Increase Islamic Banking Share

Tuesday, May 10, 2011

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The conference would target specific countries for attracting investment, but it would invite scholars from across the world to share their views regarding Islamic financial system, he said.

To a question, he said that the Islamic banking in Pakistan is fully Shariah compliant and the central bank has certain checks on it.

Syed Shahjahan Salahuddin, Managing Director, Conferences and New Initiatives, said that the high-level conference in Pakistan would send a positive message about the country to the international community. "The summit will highlight Pakistan's attraction as a place to do business in Islamic way amid geopolitical uncertainties," he said.

The objective of the conference is to identify the growth pace in Pakistan's Islamic financial sector by involving all the industry players and provide a forum for the government and the private sector organisations to promote the opportunities, said Shahjahan.

At the global level, presently, there are more than 500 Islamic financial institutions with a total size of around \$1.2 trillion.

http://www.globalislamicfinancemagazine.com/index.php?com=news_list&nid=1613

Dubai Financial Market welcomes the resumption of trading on Tamweel shares

Tuesday, May 10, 2011

Dubai Financial Market (DFM) welcomed the resumption of trading on Tamweel shares, Tuesday, May 10th 2011. The exchange has organized a bell ringing ceremony in the presence of Essa Kazim, Managing Director and CEO, (DFM), Abdulla AlHamli, Chairman of Tamweel along with senior officials from both sides.

Commenting on this development, Essa Kazim said: "We are delighted to see the shares of Tamweel trading on our screens again. Tamweel is amongst the most important listings on DFM and one of the leading Islamic finance companies in the UAE. Undoubtedly, this step represents a positive development for investors, particularly that Tamweel has a large investor base with more than 55,000 shareholders."

Abdulla AlHamli, Chairman of Tamweel expressed his gratitude to His Highness Sheikh Mohammed bin Rashid Al Maktoum, UAE Vice-President, Prime Minister and Ruler of Dubai, the government committee handling Amlak and Tamweel and headed by H.E. Sultan bin Saeed Al-Mansoori, Minister of Economy, the UAE Securities and Commodities Authority and Dubai Financial Market for their efforts which led to the resumption of trading on Tamweel shares.

It is noteworthy that the stock resumed trading based on the last closing price and in accordance with the fluctuation band of 15% up and 10% down. DFM will consider the inclusion of Tamweel shares into the DFM General Index in due course, subject to the index rules.

<http://www.ameinfo.com/264740.html>

Islamic Banking A Revolutionary Field in Egypt

Wednesday, May 11, 2011

As the Egyptian government has now seen a shift in revolution it is hoping that Islamic finance will further prosper in the country to accommodate for the demand of Shariah compliant financing.

As Egypt moves towards parliamentary and presidential elections, one of the big unanswered questions is the extent to which the Muslim Brotherhood and other Islamic-focused parties will be able to mount open and unrestricted political campaigns.

Those of us who work in the financial services industry are interested in the answer not just for what it will say about Egypt's political future, but also for what it will imply about the authorities' willingness to open up financial markets to Islamic banking.

Egypt accounts for nearly 10 per cent of the Arab world's gross domestic product (GDP) and its banking system is one of the largest in the region, but Egypt has hardly been involved in the recent expansion of Islamic finance - one of the most exciting developments in regional financial markets for decades.

Some estimates suggest that Islamic banking accounts for no more than four per cent of all banking in Egypt. Egypt's absence has been a loss for the Islamic finance industry as a whole.

Everyone who wants to see Islamic finance prosper and expand should be hoping that one consequence of the Egyptian revolution will be an expansion of Islamic banking in Egypt,

and much greater involvement by Egyptian banks, regulators and scholars in the global Islamic finance industry.

Egypt's 80 million people offer a huge market for retail banking, and the existence of large numbers of low-income and unbanked citizens would enable banks to explore new products and delivery methods at the retail level.

The corporate finance needs of Egypt's large and mid-sized companies offer opportunities for selling sophisticated products and earning large fees.

Egyptian government debt issuance is significant. Issuing some of this as sukuk would provide investors with a new source of liquid assets.

More fundamentally, Egypt could become a "third force" in global Islamic finance, offering alternative models to those promoted in Malaysia and in the Gulf. Egypt's Al Azhar University is the pre-eminent Islamic university in the Middle East and it should be playing a prominent and explicit role in the development of the theory and practice of Islamic finance.

Historically, the Egyptian financial authorities have not supported the growth of Islamic banking in Egypt. The Central Bank has taken an interest in Islamic financial products but no new regulations have been issued. The Egyptian Financial Supervisory Authority - which regulates capital markets and non-bank financial services - announced plans last year to issue regulations for sukuk but had not done so by the time of the revolution earlier this year.

Only three Islamic banks operate in Egypt. Al Baraka Bank Egypt, and Faisal Islamic Bank of Egypt are both owned by Saudi groups, and National Bank for Development which is owned by Abu Dhabi Islamic Bank. In 2007, Islamic International Bank for Investment and Development was merged with two other banks to form United Bank of Egypt.

It is easy to understand the reluctance, in the past, of the Egyptian authorities to foster the growth of Islamic finance. For decades, the Islamic groups appeared to pose the greatest internal threat to the regime founded by Gamal Abd al Nasser in the early 1950s, and continued by his successors, Anwar Sadat and Hosni Mubarak.

Despite the uncertainties in Egypt today and the assumption, for the time being, of explicit power by the armed forces, it is already clear that the relationship between the government and the Muslim Brotherhood will be different - and more constructive - in future.

Let's hope that part of this more constructive relationship will entail the issuance of Egyptian government sukuk and the granting of licenses to a few, well-selected Islamic banks. Egyptian banking would become more diverse; the global Islamic banking industry would gain an important new force and Egypt would, in the area of finance at least, enhance its authority within the Muslim world.

http://www.globalislamicfinancemagazine.com/index.php?com=news_list&nid=1614

Standardisation and liquidity remain central to Islamic finance

Thursday, May 12, 2011

Rod Chamberlain is an independent non-executive Director of London-based Islamic bank QIB UK. A subsidiary of the QIB banking group, QIB UK changed its name from European Finance House on 1st August of this year. Here Mr. Chamberlain tells Global Islamic

Finance Magazine about the name change, why questions of standardisation and liquidity remain central to Islamic finance, and what Bankers' Law is ...

Please can you tell us about the name change to QIB UK?

The name change is a wonderful development because it makes absolutely clear who we are and where our backing comes from. It brings nearly three decades of QIB experience to the British market. I've worked before for organisations which had an unknown name not clearly related to its shareholders, so I know from that experience how our name change will open some floodgates. I wasn't surprised to hear this morning [3rd August 2010] that our Treasury yesterday had its busiest day on record, clearly as a result of the name change, as people began to say "Ah, so that's who they are". I predict that this new name will be a tremendous boost for the business.

What did you make of Junaid Bhatti recently calling Islamic finance in the UK "a huge flop"?

Quite separately, I'd commissioned a bit of work in QIB UK to see how much of their initial capital the Islamic banks in Britain had lost in the last two years. From memory, IBB had lost about 75% of capital; we, EIIB and Gatehouse lost about 25% each; and BLME, which is ten times the size of these banks, lost about five per cent. So you could say that Junaid has a point specifically at the retail level. I have run a Pakistani bank - not a sharia'a-compliant bank, but one that was active in the British Muslim community - which struggled to achieve serious penetration in the retail market, so I know how difficult it is. At the wholesale level, where the rest of us operate, I think there's still room to grow.

What has QIB UK contributed to the UK Islamic finance industry?

QIB UK has the advantage of being the subsidiary of one of the oldest, biggest and best Islamic banks in the industry. We can achieve things through experience and know-how. We have developed some of the most innovative asset management solutions for our clients: our sharia'a structured notes, our liquidity fund and our sukuk fund are all successful in performance and, more importantly, successful at the client interest level - they are bringing in money, which is a really good test. There's good, imaginative work on the real estate front as well; there are some creative and innovative solutions for clients in that sector. There will be more to come.

How did you become involved in QIB UK?

I was headhunted. I think aspects of my past career seemed fairly influential, such as having worked in a number of countries. The fact that I've worked for a Pakistani bank wasn't necessarily an advantage but it was a factor. It was definitely important for some of the people involved that I've been Chairman of the Institute of Business Ethics. I've also served on the Policy Committee of the Securities and Investments Board, the FSA's predecessor.

What does your role involve?

As an independent director, I had to be specifically approved by the FSA to chair the Audit Committee of QIB UK. Most of our non-executives are connected with the shareholder institutions or are individual shareholders themselves. Two of us are independent of all such interests.

The FSA these days appear to put a lot more emphasis on the independent directors' role, regardless of what committees they sit on or what sort of formal positions they may have on the Board. We are very much the ones the FSA look to, to make sure the place is run in accordance with best practice. We continuously support and challenge the senior management of the bank. Each of us two independent directors is in the bank on a regular, unannounced basis, probably once a week, just to keep up to date and feel the pulse.

As Chairman of the Audit Committee I have a formal role, of course, as anyone in that position has. Because Doha is quite a long way away, certainly geographically and for some people in terms of British market experience, I think it is part of my role to be the safe pair of hands with specific UK knowledge and experience. That's a role that goes beyond what it says on the tin.

One of the things QIB UK does is draw Middle East investment into Europe. Which asset classes are Middle East investors currently interested in?

Our Chief Executive says that Middle East investors "have real estate in their DNA". One of our jobs in the Audit Committee is to make sure we're not too heavily involved in a single sector - the diversification of risk is important so we're cognisant and watchful of that.

The way I think of us is that, in some ways, we're like an old-fashioned English merchant bank, where you banked the individual and the family business all as one. If you think about the point of sharia'a finance, it's a completely holistic approach, dealing with the whole person, the whole life. So our Treasury is there to serve the same clients as our Real Estate team, as are the asset managers and corporate financiers - which all fits the mould of looking at it as one.

Why do you think there aren't more Islamic investment banks in Europe?

I think it's a matter of time, that the time will come. Our parent company, QIB, has just announced a tie-up in France to explore possibilities both at wholesale and retail levels. France has, I believe, the second biggest Muslim population in Europe. I talk to banking friends around the continent and always mention that, if they have Muslim clients who are concerned about their financial arrangements, they should think of us. At the moment the response is usually a case of "Gosh, that sounds interesting, I'll let you know...", but that will change with time. This is a niche market, there are never going to be many of us, but I think the time will come when you see more.

What can be done to expand the Islamic wealth and asset management sectors?

The screamingly obvious answer is "increase standardisation of products". The trouble is that it is more of a question than an answer, because it's hard to see how one can get the relevant people in, say, Malaysia and Saudi Arabia to agree on what is and isn't sharia'a-compliant.

I'm reminded of an example from mainstream finance. Everyone knows about syndicated loans and everybody knows that if you syndicate a loan its pricing will be set at so many basis points above Libor; but it's only older people who remember how we used to argue for hours about which were to be the three reference banks whose quoted Libor rates would be averaged to produce the cost of funds. It was critical stuff, too, because some banks in syndicates often risked funding at a loss. Nowadays you just look on the screen and there's the rate.

Part of me therefore says we'll get there in the end, that at some time in the future these products will be standardised, we won't be straining to arbitrage sharia'a scholars against one another or get three quarters of the way through a complex deal only to discover that our scholars say it's OK and your scholars say it isn't. I have great sympathy and respect for the scholars as a group, because theirs is a particularly difficult and complex area. Nevertheless, until that standardisation comes, it will be hard to get the liquidity we need to drive both the supply and demand sides.

So the first answer to what can be done to expand these segments is standardisation. What underlies it is the question of liquidity. If you can answer the standardisation and liquidity questions, I reckon you have the two keys.

When do you think the sukuk market will pick up again?

Banker's Law says the sukuk market is going to turn up again in six months.

Many years ago a client in Scandinavia asked me a question, I gave him an answer of ‘six months’, and he said: “I’m going to call that Bankers’ Law. Have you noticed how any question you ask a banker is always answered with ‘six months’? Whatever the question: ‘When is the economy going to revive? When is stock market going to turn? When is the government going to fall? When is the world coming to an end?’ - the banker’s default answer is ‘six months!’”. What it means is: “I don’t know but it sounds sensible”.

I’ll keep that in mind if I ever become a banker. What lessons could conventional finance learn from the corporate governance of Islamic financial institutions?

On the one hand you might say “not much”, because you might feel the corporate governance mechanisms of some of the more developed countries are some way ahead of certain Muslim nations. It’s nothing to do with religion, just that they’ve had more developed systems for longer.

On the other hand, if you come back to the matter of a holistic solution to people’s lives, there is something about the level of ethics involved in sharia’a, something about taking the trouble to be true to your God as well as being true to your bank balance, that is really rather impressive. I’m not sure that it teaches governance, but it certainly has to do with the awareness of a higher standard.

In what ways can corporate governance of IFIs improve?

It depends largely where they’re based. It seems to be a matter of understanding what the best practice is in countries that have what you would regard as the most effective regulation - which doesn’t necessarily mean the most regulation. It’s a question of quality over quantity.

So in what way can they improve? They can always look at the best examples of best practice and seek to emulate them. Laws and regulations are only about minimum standards, there’s nothing to stop you going well above those. Ethics is about wanting everybody to be good, and the best to become even better.

If there was one thing you could change about Islamic finance, what would it be?

Standardisation to achieve liquidity, to achieve penetration and to enable differentiation. Other than that, I’m just really grateful to have the opportunity to be involved in the industry. I think I’m still the only non-executive director of an Islamic bank in London to have passed the Islamic Finance Qualification.

What are the plans for QIB UK in the next 12 months?

You’ve seen one part of it: the name change. There are serious discussions in the Board about a significant increase in our capital base: we’re certainly not planning on shrinking. What really intrigues me about QIB’s potential is that QIB UK has the potential to be the leading sukuk house in Western Europe. Again this comes from my own experience - there is no reason why Western government and public sector borrowers, and indeed well-rated private sector companies, should not access sukuk markets. Our solutions open up new financing opportunities as opposed to closing down old ones - in that sense they’re additive rather than competitive.

There is no reason in principle why such names should not access sukuk markets. I think we have everything to play for and it’s one of the reasons why I don’t really like to talk about us as competing as an Islamic bank in London: we’re just a bank, even if we may offer different solutions.

What do the next 12 months hold for the Islamic finance industry, both in the UK and globally?

I think all of us will have to take stock of where we are.

QIB UK, as I've said, plans to grow. We'd like more revenues, more business, but there's been a lousy market for the past two years while we were starting.

I think you'll see that as an industry we're going to have to innovate in order to differentiate even further between ourselves and conventional banking

There are concerns, I know, about what will happen when liquidity returns to wholesale markets, to conventional banks. Will Islamic banks be frozen out or will we find more liquidity for ourselves? We shall find out. Probably some will find out happily and some not so happily but we shall find out.

And efforts will continue within IFSA and AAOIFI. Both of them do terrific work trying to achieve some form of standardisation. Final thought: we can be sure that "stuff will happen": and we in QIB UK are going to make sure good stuff happens for us.

http://www.globalislamicfinancemagazine.com/index.php?com=news_list&nid=1617

Islamic Finance is not the exception, but the rule of normal financial behaviour

Friday, May 13, 2011

Dr. Alberto Brugnoli is an international consultant in Islamic finance and ethics and is Founder and Director General of AASAIF, an organisation that participates in some of the most important international initiatives in Islamic finance. Here, Dr. Brugnoli speaks with Global Islamic Finance Magazine about why his work with Islamic microfinance, and the state of the Islamic finance industry in Europe.

How did you find the International Takaful Summit (2010)?

It was a great success for two reasons. 1) It was very well attended, with more than 450 delegates signing in. 2) We had institutional support. Nick Anstee, the Lord Mayor of London attended the opening session and spoke, as well as sitting in on several sessions.

We also had dinner in the House of Lords at the invitation of Lord Mohamed Sheikh, which added credibility to the event. It was nice weather, nice atmosphere: It was not just a formal event but also provided the opportunity for networking.

To be honest with you, sometimes conferences can be hot air but this one provided an endless number of presentations with highly researched information-the speakers and panellists had done their homework. They were passionate about their subject and none of them were there for commercial reasons; they didn't get paid. This event, the world's leading event on takaful since its first year, is a free event. It's invitation only, but it is free. It is not a commercial enterprise. It has become an institution every July.

We also have a winter session in October this year, in Bahrain. We're aiming to make a bridge, a link between the two events, in order to increase networking and the sense of family!

'Microfinance-my baby! There are also many other things: Takaful is a golden conduit for Islamic finance. The mutuality feature of takaful is also evident all across Europe in the form of long-standing, mutual co-operatives. It is very easy to understand the takaful concept. In the Gulf, Saudi Arabia has a tremendous takaful market: the number of major operators there is in double figures."

Why is the winter session being held in Bahrain?

There are three major Islamic finance hubs: Kuala Lumpur (KL) is very important to the industry in the South-East Asian region; London is concerned with international and Western interests; and in the middle we have the Gulf. Why Bahrain? It is strategically in the middle: People from KL and South-East Asia can get there in a few hours, as can those from London. Others in the Gulf region can get there in 1 or 2 hours.

Also, Bahrain is relatively advanced in terms of regulatory framework for sharia'-compliant insurance and finance. The industry has strong support from the Central Bank of Bahrain. The HQ of AAOIFI is also based there. We think it's the right place.

How did you come to be involved in Islamic finance?

I was involved back in 1986. I was working for Merrill Lynch as the head of the Italy division. I got involved in plans for the Middle East and ended up executing the first murabaha transaction.

In the 1990s, however, it was still not possible to make a living from Islamic finance as it wasn't very established yet. I moved into ethical finance and ran ethical programmes in Europe.

In the 2000s, when Islamic finance took off, I became more involved. I was involved in capacity building and structuring deals.

What is ASSAIF working on at the moment in terms of Islamic finance?

One project we're working on is a sharia'a microfinance fund. Microfinance is not currently on the agenda of Islamic finance, even though it is on conventional finance's agenda. Islamic finance should operate microfinance as it is to do with the wellbeing of the people. The Muslim community includes the richest people in the world and also very, very poor people: Islamic finance has not concentrated on making things better for the poor-this is not a criticism but a fact.

The industry's focus is on capital markets and sukuk, which is no bad thing, but it must also seek to make an impact on real people and real lives.

How does the sharia'a microfinance fund work?

The fund isn't set up yet-hopefully it will be by the end of this year. We'll use the fund as a conduit, collecting money from investors. It is not a charity; it is a social business, so there will be returns.

We'll invest the money raised into clusters. Clusters, as you know, are an important element of microfinance all over the world.

What is the current state of Islamic finance in Europe?

It's a long and bumpy road. Definitely the ball is rolling and there is a demand. Although there are no exact figures, there are approximately 25 to 27 million Muslims in Western Europe. We know that ethical finance and fair trade is key. There are organisational church funds that share the same values as in Islamic finance.

There is a distinction in Europe between investment banking and retail investment banking. In terms of Islamic investment banking, not only the UK, but now also France and Malta are coming into it. Italy and Spain are moving towards it. The outlook for Islamic investment banking in Europe is quite pink and rosy.

For Islamic retail banking, there is a longer road and a more difficult environment. A lot of banking regulations and tax issues are obstructing the growth of this industry in Europe.

The impact Islamic finance has on public opinion influences the success of Islamic retail banking. Many people at grass roots level have issues with Islam-they see Islamic finance as letting sharia'a law come into our system. Businesspeople and capital market players have one mindset: The people on the street, which is where you want to take Islamic finance to, have a different mindset; they live in a different world and environment.

What did you think of the recent article in The Times claiming Islamic finance has been "a huge flop" in the UK?

The article is flawed from the very beginning. The two experts quoted in it are fake “experts”—they are nobodies. They’re self-styled barons who are not in the industry. It’s tabloid stuff, not proper journalism.

Islamic finance in the UK is up and down like everything else in life. There is success and failure, qualities and shortcomings. It’s not just London that hosts Islamic finance events in the UK. In Edinburgh, a completely different part of the country, there is a very well attended Islamic finance conference every April. The Church of Scotland is interested in Islamic funds because it shares the same values as them.

You have seen the first takaful operator in the UK—Principle Insurance Holdings. Yes, the company had problems [Principle stopped writing policies in November last year, after running out of funds], but conventional insurance also has problems. With recapitalisation and a new FSA license in a few months, the business will re-launch and learn from its errors.

Islamic finance is opening up in the UK. It is recognised more and more as a valuable tool. Islamic finance has an important role to play in a multicultural society such as the UK, with Muslims and other people sharing similar ethical values. Remember, Islamic finance is based on tangible assets, Profit-and-Loss Sharing and securitisation only. These values are not new. They’ve been around since the beginning of mankind. Islamic finance is not the exception, but the rule of normal financial behaviour.

Islamic finance is important because it is linked to a concept that is at the base of human society: the concept of social and financial inclusion. If you don’t have financial inclusion, you don’t have social inclusion—then you have violence, crime and other problems.

What are you presently most excited about in Islamic finance?

Microfinance—my baby! There are also many other things: Takaful is a golden conduit for Islamic finance. The mutuality feature of takaful is also evident all across Europe in the form of long-standing, mutual co-operatives. It is very easy to understand the takaful concept. In the Gulf, Saudi Arabia has a tremendous takaful market: the number of major operators there is in double figures.

Microtakaful is takaful linked to microfinance, or microloans. If you have Islamic microfinance, it goes without saying you need microtakaful.

Another interesting area is Islamic structured finance—it is a creative use of tangibles around the world. Islamic finance is based on tangibles. For example, people are now working on projects based on containers and aircraft. This area has a bright future.\

"Islamic finance is opening up in the UK. It is recognised more and more as a valuable tool. Islamic finance has an important role to play in a multicultural society such as the UK, with Muslims and other people sharing similar ethical values. Remember, Islamic finance is based on tangible assets, Profit-and-Loss Sharing and securitisation only. These values are not new. They’ve been around since the beginning of mankind. Islamic finance is not the exception, but the rule of normal financial behaviour."

What direction is ASSAIF moving in over the next 12 months?

We are doing a lot of capacity building and are focusing on construction funds. We’re explaining to people the *raison d’être* of the structures. We can move forward and try to apply modern finance to other structures.

We now have two magazines: one on Islamic related issues and one focusing only on Islamic finance. We are going to launch a Masters degree in Islamic finance.

We are just spanning the globe at the moment. We’re recently held major events in Russia, Tashkent, KL, Italy and South Mediterranean countries. Italy is an important market for

us because it is the number one trading partner with the Gulf region in many sectors and it also a very important cultural, diplomatic and historical region for the Gulf.

Italy can provide Islamic finance, the interest is there: The Central Bank has held major Islamic finance events that have been attended by major Islamic finance players. At a Foreign Ministry event the Minister said he was in favour of Islamic finance.

Islamic finance also has the support of the Vatican-and like it or not, the Vatican is a major player in Italian politics. The daily Vatican newspaper spoke in favour of Islamic finance because of its moral and ethical values.

http://www.globalislamicfinancemagazine.com/index.php?com=news_list&nid=1619

2. ISLAMIC BANKING & INSTITUTIONS

KD118m spent to finance Kuwait Finance House

Sunday, May 08, 2011

Deputy General Manager of Commercial Sector Kuwait Finance House 'KFH', Ahmed Mohamed Al-Khaled, said that: "KFH has spent in 2011Q1 KD118m in the local retail sector. These funds were used to finance purchases and rent of vehicles, material purchases, structural works, furniture, electric and electronics and electronic appliances and heavy equipment for both individuals and corporate entities.

He added that financing exceeded KD450m last year and the 2011 target was to be increased through various activities and fields within the Kuwaiti market.

Al-Khaled added: "With the help of Allah, we could achieve these positive results by applying proper strategies and instructions of the top management, compliance with the decisions and controls of regulatory authorities that oversee the consumer's financing market and the great effort made by the employees of KFH.

Suppliers

Al-Khaled indicated that at present, KFH cooperates with all suppliers within the local market in all sectors. In fact its share with the local market suppliers (companies and institutions) increases by 20 new suppliers every month. KFH relies on this level of cooperation optimally by supporting sales through promotion campaigns in different market sectors and establishing strategic alliances and joint programs achieving the client's benefits as well as leveraging on contracts concluded between KFH and suppliers.

He explained that KFH organizes training courses for employees to develop their sales skills on the aspects of Islamic economy and compliance of transactions with Islamic Sharia. Employees will be more aware of the best practices required to carry out any transaction to reinforce the theme "security and assurance", KFH promotes under its mission as the first financial institution operating in compliance with the provisions of Islamic Sharia in Kuwait.

New Plans

Al-Khaled referred to KHF concern to address the trends prevailing in the new commercial sector. He said that as financial service providers we will maintain positions within customer service locations where a great segment of suppliers are present. This, he said, will contribute to boosting communication as well as other privileges leveraged from strategic

alliances with suppliers. He added: "This will reinforce partnership and have positive impact on customers while facilitating transaction procedures and ensuring suitable finance to support their purchases.

He added: "KFH provides financing services and products in more than 80 sales outlets covering all governorates of Kuwait. This supports its role as a main supporter of the local economy. The Commercial Sector fairs have seen extended acceptance by customers thus increasing suppliers' trust in cooperation with KFH in the field of sales support of all types and its ability to watch the market and its variables carefully through expert eyes of specialized teams through daily and quarterly reports that represent the main indicators of market growth.

<http://www.ameinfo.com/264466.html>

Gulf Finance House holds its AGM and updates shareholders on positive progress achieved upon execution of restructuring plan

Sunday, May 08, 2011

Gulf Finance House ('GFH' or 'the bank'), held its Annual General Meeting (AGM) on Sunday, 8th May 2011 at the bank's offices on the 28th floor of the Bahrain Financial Harbour's East Tower. At the AGM, shareholders were updated on GFH's activities and financial performance during 2010 in relation to market conditions, along with the measures the Bank had taken to adapt to the economic environment and return to profitability and growth.

During the meeting the shareholders reviewed and approved the minutes of the previous meeting held on 14th November 2010; the Corporate Governance Report and the Board of Directors' Report on GFH's business activities and the audited financial statements for the year ending 31 December 2010. In addition, decisions were taken on the formation of a new Board of Directors for the bank for the next three years (2011-2014) which is subject to approval by the Central Bank of Bahrain (CBB).

Commenting on the confidence shareholders and investors has placed in the Bank, Mr. Esam Janahi, Executive Chairman of GFH said: "GFH greatly appreciates the support extended by its shareholders and investors during recent times. We are pleased with the significant progress achieved upon executing our recovery plan. As part of this plan, GFH adopted a careful and prudent approach to improve the liquidity position and place the Bank on a solid path towards growth during the next year."

"As the Bank steered ahead and adhered to this plan it has achieved a healthier balance sheet. A number of immediate recovery measures have been taken which included successfully exiting some non-core assets such as the Bahrain Financial Harbour, Qinvest and Saudi Real Estate Company with cash and assets proceeds reaching approximately \$300m, absorbing all provisions to clear the balance sheets, cutting operating costs down to the bare minimum and pushing the debt maturity profile to 2012 and 2013. We have begun to see positive results and look forward with full optimism to the remainder of 2011 and beyond," he added.

\During last year's AGM, GFH has presented its plans to improve the Bank's capital structure, strengthen its balance sheet and raise funds to pursue its growth strategy where resolutions were approved by the shareholders. The resolutions covered a 4:1 share consolidation

and other capital reduction measures including raising up to \$500m through a convertible murabaha to strengthen the Bank's capital base and fund its growth strategy, and acquiring an additional 10% stake in Khaleeji Commercial Bank. In relation to this, GFH has received participations of approximately \$120m towards its recapitalization plan and is anticipating receiving additional participation during the course of this year which reflects the solid confidence of the shareholders and investors in the bank's future.

In tandem with the restructuring plan, GFH also adopted a new business model aimed at further improving its balance sheet and concentrating on core assets. The key driver for this new business model will be the re-dedication to GFH's core strength - successfully conceptualizing, developing and managing a diverse range of pioneering Islamic financial institutions that offer a range of services to retail and corporate clients. This shift in focus will create a more stable business model of recurring revenues and profitable returns for GFH and its shareholders and investors.

Janahi concluded saying: "Our priorities at GFH are very clear; namely to grow revenues, maximize efficiencies and return to profitability. I remain confident that achieving these goals are just around the corner and achievable through adopting the new business model which is to build a sustainable recurring income for the bank through creation of regional financial institutions, beside its periodical offered investments and of course through the support of the shareholders and investors in addition to the hard work and dedication of the GFH management and team".

<http://www.ameinfo.com/264488.html>

Chartered Institute for Securities and Investment launches Arabic version of Islamic Finance Qualification in Beirut

Sunday, May 08, 2011

The Chartered Institute for Securities & Investment (CISI) and Ecole Superieure des Affaires (ESA) have launched the Arabic version of the Islamic Finance Qualification (IFQ).

The Arabic IFQ was developed in partnership with ESA, the Central Bank of Lebanon and the CISI and the IFQ syllabus, workbook and examination are now fully Sharia'a compliant, offering essential knowledge of the general principles of Sharia'a and its application to Islamic banking and finance.

Since the launch of the initial English language version of the IFQ in March 2007 more than 1,800 examinations have been sat and over 1,000 of these were sat internationally.

The IFQ is the first global benchmark examination covering Islamic Finance to be available to candidates via computer based testing (CBT) and the first ever global benchmark qualification to cover Islamic Finance from both a technical product knowledge and a Sharia'a aspect.

The Arabic IFQ will be available via CBT internationally and candidates with queries regarding the syllabus.

Ruth Martin, the CISI's managing director said: "We are delighted to have launched the Arabic version of the IFQ in Beirut with our partners ESA. The IFQ was designed to fulfil the

market requirement to provide an international benchmark in Islamic Finance aimed at both existing employees, new employees as well as individuals seeking a career in Islamic Finance. The launching of the Arabic version of the IFQ is the next stage in the evolution of this important qualification."

Stéphane Attali, ESA's dean and Director General said: "Our mission was and remains today, to contribute to the development of the region's business landscape through top level academic and executive education. This 1st Arabic Edition of the Islamic Finance Qualification will be one of the key elements enabling us to successfully achieve our mission and export it across the Lebanese borders".

<http://www.ameinfo.com/264404.html>

Qatar First Investment Bank sponsors Islamic finance Course at Qatar Foundation

Sunday, May 08, 2011

The Islamic Contemporary Financial Transactions training course concluded its last session today. The training course was organized by the Faculty of Islamic Studies in Qatar (QFIS), a member of Qatar Foundation for Education, Science & Community Development, in collaboration with the International Union for Muslim Scholars (IUMS). Qatar First Investment Bank (QFIB) was the official sponsor of this training course.

The course, is part of the 'Future Scholars' series which commenced last February, and was held on a weekly basis at QFIS premises in Education City.

"We are pleased to collaborate with the Faculty of Islamic Studies in delivering such an important course. Demand for Islamic Financial products and services is growing at an unprecedented rate. It is essential that practitioners in this field are regularly kept up to date with latest practices in this industry. QFIB's sponsorship of this training course underlines our commitment to support activities dedicated to generating awareness about Islamic finance. We hope this is a first step in a long-term partnership between QFIB and QFIS" said Abdullah bin Fahd bin Ghorab Al Marri, QFIB Chairman.

Dr. Hatem Al Qaranshawi, the Dean of QFIS thanked QFIB for their support and commented: "This partnership between (QFIS), (IUMS) and (QFIB) is of a great significance. It highlights QFIS as a major player in spreading awareness of Islamic heritage specifically in financial transactions. QFIS facilitates the exchange of expertise that virtually contribute to the development of Islamic financial services in Qatar in order to meet the economic challenges of the era."

Over 220 male and female students, in addition to a number of professionals working in the Islamic finance field, attended a series of specially designed lectures the content of which was developed by Prof. Dr. Ali Al Quradaghi, Qatar University Professor, IUMS Secretary General and Head of Shari'ah Board of QFIB. The content of the course covered two major areas: Introduction to Islamic Economy and the Methodology of Islamic Jurisprudence.

"We are grateful for QFIB's support of the Islamic Contemporary Financial Transactions Training Course," commented Prof. Dr. Al Quradaghi. "This course is not just about educating

our students but also nurturing our growing talent in this very important and growing area of finance,"

<http://www.ameinfo.com/264458.html>

New CEO Head For Islamic Bank of Asia

Monday, May 09, 2011

It has been announced that The Islamic Bank of Asia (IB Asia) has appointed Toby O'Connor, 45, as its Chief Executive Officer.

O'Connor will lead the growth of IB Asia by ramping up investment banking, especially capital markets and private equity, in line with the bank's renewed focus on fee-income businesses.

Prior to joining IB Asia, O'Connor was most recently a Managing Director and Head of the Middle East and North Africa Sovereign Wealth Funds and Financial Sponsor group for Investment Banking at JP Morgan Chase & Co.. Over his 19-year career at J.P. Morgan, O'Connor worked in increasingly senior product and client coverage roles in Investment Banking in Mergers and Acquisitions, Capital Markets and in the Financial Sponsor private equity area.

Since 2007, he has been a part of J.P. Morgan's leadership team in the Middle East region based in Dubai and London. He was responsible for growing the business of Middle East region Sovereign Wealth Funds, investment companies, and financial sponsors. This includes mergers and acquisitions, initial public offerings, ratings advisory, bond and bank financings, restructuring, derivatives and capital raising.

Eric Ang, Director of IB Asia, who oversaw the bank's business in the interim, said: 'We are very pleased to have Toby on board. IB Asia is committed to growing our Islamic banking franchise in Asia with a focus on investment banking and private equity. With Toby's extensive investment banking experience and deep-rooted relationships in the Middle East, he is well-placed to bring IB Asia to the next level'.

O'Connor graduated from Dartmouth College in the United States with a Bachelor's degree in Government. Prior to joining J.P. Morgan in 1992, O'Connor attended the Royal Military Academy Sandhurst and served for three years with the Irish Guards. He is a British Citizen and is married with five children.

http://www.globalislamicfinancemagazine.com/index.php?com=news_list&nid=1609

Amlak Serves Final Notice For Skycourts Investors

Monday, May 09, 2011

It has been reported that Islamic mortgage company Amlak Finance has informed investors that it has financed for the Skycourts project and is exploring legal options against defaulters and does not rule out presenting security cheques, if the buyer refuses to take handover of the unit.

"In the event of your failure to fulfill the above requirement, Amlak Finance shall exercise its rights under the relevant finance document and shall also be entitled to explore all

available legal options, including but not limited to damages suffered by AmlakAmlak as a consequence of the breach and presentation of your security cheque/s, which may result in adverse legal consequences for you," the company said in a final reminder sent to an investor on April 17th 2011.

The investor, who wished not to be named, was given 12 days (April 29) to complete all handover formalities. He says he has given nine cheques to AmlakAmlak - one for the additional rental and equally dividing the purchase price of the apartment (Dh970,000) in eight cheques. The investor has not completed his handover formalities.

"I have forwarded my concerns to AmlakAmlak and National BondsNational Bonds. We are yet to hear from them. The Dubai Land DepartmentDubai Land Department had arranged a meeting with Amlak officials some days back, but no company official turned up. Instead they wrote to the department that 'they will need time to review the case'," the investor said.

Skycourts, a project developed by National Bonds CorporationNational Bonds Corporation, has a total of 2,836 apartments in six towers with handover for tower A and D commencing late last year.

According to the reminder, those facing difficulties in arranging total additional rental payment in lump sum will be offered an option to pay the charges (additional rental) in easy installment over the tenure of the finance while those completing the handover formalities within the 12 days' time are being offered a discount of 25 per cent on the total rental accrued.

"If you complete the lodging and handover formalities within the time frame mentioned then w would also consider you for additional benefits as follows: profit rate discount of 1.5 per cen in your Ijarah rentals for one lease period and a special discount of 25 per cent on total additional rental payment accrued on your account."

The investor added: "We are a group of 40 people and we have petitioned our case before the authorities and the companies. One of the things that we want is the additional rental charges be waived off fully. We believe that we should be penalised for the project's delay."

http://www.globalislamicfinancemagazine.com/index.php?com=news_list&nid=1607

Baker and McKenzie Expands in the Middle East and North Africa

Monday, May 09, 2011

It has been reported that Baker and McKenzie announced the opening of an office in Doha, Qatar, expanding its three-decades-long presence in the Middle East and North Africa (MENA) region with its fifth office. The

Qatar office will become the firm's 69th location worldwide, specializing in banking & finance (including Islamic and project finance), energy and infrastructure, corporate and M&A, real estate and hospitality, construction and dispute resolution to serve both international and domestic clients.

Baker & McKenzie has been active in the MENA region since the mid-1970s, opening its Riyadh office in 1980, Cairo in 1985, Bahrain in 1998 and most recently in Abu Dhabi in 2009.

"The establishment of a Qatar office is an important and logical step for us," said Eduardo Leite, Baker & McKenzie's Chairman of the Executive Committee. "For more than three decades, we have built a substantial presence in the MENA region in order to fully support our clients and their business needs wherever they may be."

Koen Vanhaerents, European Chairman and member of the Firm's Executive Committee, said, "We have been actively servicing clients in Qatar for many years, and our new office will enable us to provide on-the-ground support in this increasingly important business and financial market."

Baker & McKenzie's MENA practice has received a number of accolades in recent years across the independent legal directories including Tier 1. Islamic Finance (Bahrain) - Legal 500, 2010 "The Gulf markets will continue to contribute to economic growth in various markets across the globe," said Borys Dackiw, Managing Partner of the Gulf region. "Baker & McKenzie's long standing commitment to this dynamic region, coupled with our global footprint, positions us to help clients realize investment objectives domestically and internationally."

http://www.globalislamicfinancemagazine.com/index.php?com=news_list&nid=1608

DIBPL launches 'cash manager account'

Monday, May 09, 2011

Dubai Islamic Bank Pakistan Limited (DIBPL) has launched the first ever 'Cash Manager Account' facility for corporate customers with a free of cost countrywide pick and drop cash service in a safe manner from their doorstep.

According to DIBPL press release here on Monday, this product will enable the business segment comprising of retailers, schools and small and medium size enterprises to manage their payments and collections in an efficient manner, allowing them to give more time to their other business priorities.

DIBPL CEO Junaid Ahmed said that with this unique cash pick and drop service, DIBPL customers can free themselves from the hassle of visiting the branch for making large deposits.

The Bank will pick up cash right from the customers' doorstep and deposit it into their account in a safe and secure manner', he added.

With 59 branches in 26 cities across Pakistan, DIBPL also has one of the most advanced and state of the art 24/7 alternate distribution channels which include automatic teller machines (ATMs), cash deposit machines (CDMs), phone banking, SMS banking, Internet and mobile Internet banking.

Junaid Ahmed pointed out that through free payroll management service, customers can avoid writing cheques as DIBPL will automatically disburse salaries into the employee accounts each month.

Moreover, the employees can enjoy free ATM/debit card and pay order facilities along with discounted financing rates for auto and home finance.

He said that many a reputable local and international brands are benefiting from DIBPL's Cash Manager Account which reflects upon the success of DIBPL's efforts in providing cash management solutions.

<http://www.brecorder.com/pakistan/banking-a-finance/13819-dibpl-launches-cash-manager-account.html>

Dubai Islamic Bank launches second Qiyadee programme

Monday, May 09, 2011

Dubai Islamic Bank (DIB) announced the launch of its second Qiyadee programme to develop a core group of employees to assume managerial positions within the organisation. The selected Emiratis, from both inside and outside the bank, will now embark on a 36 month-long training programme to develop the necessary knowledge and skills to become the future leaders of DIB.

DIB's second Qiyadee programme has been developed in partnership with Zayed University and was officially launched at a ceremony attended by Dubai Islamic Bank CEO Mr. Abdullah A Hamli, Dr. Sulaiman Al Jassim, Vice President of Zayed University and the bank's senior management, including, Dr. Adnan Chilwan, Deputy CEO - Chief of Consumer and Wholesale Banking, Mohamed Abdullah Al Nahdi, Deputy CEO - COO, and Obaid Khalifa AL Shamsi, Chief of Human Resources.

Introduced in 2006, the Qiyadee programme consists of theoretical and practical courses, each designed by experts in the fields of Islamic banking, finance and management. Students are trained in a range of core business and support functions, preparing them to take managerial positions within the field of retail banking, corporate banking, wealth management, central operations information technology and risk management.

Abdullah Al Hamli, CEO of DIB, said: "The Qiyadee programme is central to DIB's long-term strategy for acquiring and developing the bank's future leadership. We consider developing the talents and skills of UAE nationals to be one of our most important priorities, and programmes such as this will provide the platform for the continued growth of DIB."

Dr. Sulaiman Al Jassim, Vice President of Zayed University, said: "Zayed University values its relationship with Dubai Islamic Bank, one of the leading economic and financial institutions locally and internationally. Its status as the first Islamic bank in the world underlines its distinguished place in the banking sector. Through its training programmes, the bank is committed to the philosophy of continuous education which is vital in order to keep pace with the continuous technical advances in the world."

The Qiyadee programme is a key component of DIB's long-term strategy to meet its ambitious Emiratisation target. The bank has already achieved 100% Emiratisation at branch manager level and, across the organisation, Emiratisation stands at an impressive 46%, an increase of 5% in 2010.

<http://www.ameinfo.com/264539.html>

Kuwait Finance House launches Cash Management Solutions

Tuesday, May 10, 2011

Kuwait Finance House (Malaysia) Berhad (KFHMB), the first foreign Islamic bank in the country, launched the KFH Cash Management Solutions (CMS). CMS is an online portal designed specifically to manage business banking transactions. It offers an end-to-end financial

solution which gives a 3600 of business finances at a glance. The services are available seven days a week for convenience, speed and cost savings.

Commenting on the development, Puan Jamelah Jamaluddin, Chief Executive Officer, KFHMB said, "With the increasingly competitive environment, customers are looking for enhanced services from their banks. CMS provides a secure online banking service that is able to facilitate a comprehensive set of transactions and offer an enhanced level of convenience to the bank's corporate customers. The solution can help increase the reach of the bank beyond the limitations of its standard banking hours and geographical presence. It also enhances our customer satisfaction across online channels."

The types of banking services offered by CMS include account management, cheque management, payable management, bulk payments, salary services, trade services and investment account, and are available from 1.30am to 11.30pm.

KFHMB is currently gearing its effort to grow its retail banking business. The Bank became the first foreign financial institution to open a Bureau de Change at KLIA and LCCT. KFHMB introduced innovative new products such as Gold Account i, a new deposit product which enables customers to buy gold in a convenient and secure way, and Personal Financing-i Hajj and Umrah, which was designed for Muslim customers to facilitate their pilgrimage. The Bank also became the first foreign Islamic bank in Malaysia to offer Interbank Funds Transfer via MEPS Shared ATM Network starting last December.

"These initiatives are in line with our parent's aspiration to be innovative in providing quality Shariah-based products and services. As one of the leaders in Islamic banking, the KFH Group has been developing tailor-made products and services for a wide range of industries and market segments worldwide," Puan Jamelah added.

KFHMB operates branches in Kuala Lumpur, Shah Alam, Klang, Johor Bahru, Pulau Pinang, Kuching, Kota Kinabalu and Kota Bharu and a Bureau de Change at KLIA, LCCT and KL Sentral.

<http://www.ameinfo.com/264723.html>

Sharjah Islamic Bank Makes Accessing Stock Markets Easy

Wednesday, May 11, 2011

Sharjah Islamic Bank (SIB), a Sharia-compliant financial institution, has launched Shares Murabaha, a new service that gives customers easier access to stock markets in the UAE.

SIB, which is publicly listed, says Shares Murabaha will boost investment in companies listed on the Abu Dhabi Securities Exchange (ADX) and Dubai Financial Market (DFM), while giving investors the flexibility to sell their shares whenever they want.

"Stock markets are currently one of the most attractive investment destinations for investors, particularly as the UAE's securities markets have recovered from the impact of the global financial crisis," says Jassim al Baloushi, the head of SIB's retail banking group.

"However, a large number of investors are reluctant to enter this sector due to the complicated financial procedures and the required guarantees and commitment."

To qualify for an account with Shares Murabaha, you must be an SIB account holder and receive a minimum salary of Dh8,000 per month.

The bank says Shares Murabaha offers fast approval, simple and straightforward procedures, high financing amounts, long repayment tenures, instant purchase, and the ability to sell any time without shares pledge.

"Shares Murabaha will contribute to encouraging and stimulating investment in the stock market, and will help make the investment experience convenient and pleasant," says Mr al Baloushi. "We are expecting a high demand for this product, in line with the pace of investment in ADX and DFM."

Murabaha account holders must buy and sell shares through SIB's approved broker. The bank does not charge a fee for buying and selling shares. The broker will charge a fee, however. To apply for a Shares Murabaha account, customers are required to provide the bank with a salary certificate, three months' worth of bank statements, a copy of their passport and UAE ID card, a copy of their residence visa and a security cheque.

SIB, which was known as National Bank of Sharjah, switched to Islamic banking in 2002. The bank last month reported a boost in first quarter results, saying net profit rose 3.7 per cent to Dh70 million, from Dh67.5m in the previous corresponding period.

http://www.globalislamicfinancemagazine.com/index.php?com=news_list&nid=1616

Ajman Bank reports strong first quarter 2011 income of Dhs49.5m

Wednesday, May 11, 2011

Ajman Bank, an award-winning financial services institution committed to transforming the experience of Islamic banking, announced its financial results for the three months ending March 31, 2011, demonstrating continued growth in its core activities.

The bank reported strong growth in operating income for the quarter, with income in the first quarter of 2011 reaching Dhs49.5m compared to Dhs24.7m in the corresponding period of 2010, an increase of 100%.

As of March 31, 2011, customer deposits stood at Dhs2.83bn compared to Dhs2.02bn at the end of 2010, representing an increase of 40%.

Ajman Bank's total assets at the end of the first quarter of 2011 stood at Dhs4.2bn, an increase of 30% compared to Dhs3.23bn at the end of fourth quarter of 2010.

Ajman Bank's Islamic financing instruments portfolio grew by 29% in the first quarter of 2011. New investment in Islamic financing instruments increased from Dhs2.78bn as of December 31, 2010, to Dhs3.59bn as of March 31, 2011.

The bank reported a loss for the quarter of Dhs8.4m, which was in line with expectations and 39% lower than the loss of Dhs13.9m in the same period of 2010. Expenses during the quarter increased by 8%, driven by the bank's investment in its expanded branch network and additional services.

"In just two years, Ajman Bank has established a strong presence in the UAE banking sector. The bank's performance in the first quarter of 2011, which is in line with expectations, is notable for a significant increase in operating income. Through its prudent investment in world-class infrastructure and alternative distribution channels, the outlook for the bank remains

positive," said His Highness Sheikh Ammar Bin Humaid Al Nuaimi, Crown Prince of Ajman and Chairman of Ajman Bank.

"Much of the growth in the bank's assets is the result of the emphasis we have placed on commercial and small business financing. Along with our focus on customer service excellence, we are confident that we have a sound strategy for continued growth," said Mubashar H. Khokhar, Chief Executive Officer, Ajman Bank.

Ranked third in customer service among all Islamic banks in the country by Ethos Consultancy, Ajman Bank was recently named the UAE's "Best Domestic Bank" at the 2010 Islamic Business & Finance Awards. The bank currently operates eight full-service branches in the UAE.

<http://www.ameinfo.com/264832.html>

Allen & Overy's Global Islamic Finance Group Making Legal History

Thursday, May 12, 2011

Anzal Mohammed is the Head of Allen & Overy's Global Islamic Finance Group. He regularly advises on international Islamic sukuk transactions and international debt offerings (both Regulation S and Rule 144A issues) by emerging market issuers in the Middle East, South Asia and elsewhere, Shari'a-compliant finance structures, equity offerings (including hybrid capital issues), debt issuance programmes, convertible securities, derivative securities and securitisations.

A partner since 2008, Anzal joined Allen & Overy in 1997, having obtained his LLM from the University of Manchester in 1996 and his LLB from the University of Central England in Birmingham in 1994.

Deals that Anzal has been involved in include the first ever mandatory exchangeable sukuk issue, the first sukuk programme in Kuwait and the GCC's first true sale securitisation.

Founded in the City of London on 1st January 1930 by George Allen and Thomas Overy, Allen & Overy is a truly international law firm with approximately 5000 staff, including more than 470 partners, in 35 major centres worldwide.

Please can you tell us about the history of Allen & Overy's Global Islamic Finance Group?

For a number of years our lawyers had been advising on Islamic finance deals and our presence in the industry steadily grew. A couple of years ago we decided to adopt a more structured approach to co-ordinate our expertise as effectively as possible, and the Global Islamic Finance Group was established. The Group operates across our international network in Dubai, London, Singapore, Riyadh, Abu Dhabi and Hong Kong, working with clients across the full spectrum of Islamic products. We have a team of lawyers specialising in Islamic finance deals; they are not only experts in their given practice areas but are also Islamic finance experts.

What does the Group contribute to the Islamic finance market?

We are fortunate to have advised on a great many deals that were the first of their kind, and which were effectively major milestones in the development of the market and have advised on more international sukuk transactions than any other law firm. For example we advised the Government of Malaysia on its debut sukuk issue back in 2002, which was the first global

sovereign sukuk; advised Indonesia on its inaugural global sukuk issue last year; GE Capital on its inaugural sukuk last year, which is the first sukuk issuance ever from a US corporate and advised on the first sukuk issue by the Government of Dubai in October last year, which was the largest ever sovereign sukuk and also the largest international sukuk from the Middle East in 2009. In May of this year we advised on Saudi Electricity Company's SAR 7 billion sukuk, which is the largest sukuk issue globally in 2010 to date.

As a firm, we were also actively involved in the development of the ISDA/IIFM Islamic master hedging agreement as we were able to provide significant input as a market leading derivatives practice. We have also been in discussions with authorities in France and Luxembourg to assist in the raising of awareness of Islamic finance in those markets.

"A couple of years ago we decided to adopt a more structured approach to co-ordinate our expertise as effectively as possible, and the Global Islamic Finance Group was established. The Group operates across our international network in Dubai, London, Singapore, Riyadh, Abu Dhabi and Hong Kong, working with clients across the full spectrum of Islamic products."

What business fields does the Group advise on?

We are involved in transactions across different jurisdictions in a number of practice areas including banking, project finance, capital markets, derivatives, funds and real estate.

What type of clients does the Group give advice to?

We advise a broad spectrum of clients, including governments, supranationals, corporates, banks and professional bodies.

Which trends are currently emerging in the Islamic finance industry?

Non traditional jurisdictions are becoming involved or interested in Islamic finance. People are aware of the UK, France and Luxembourg's interest in the industry, but now countries such as Thailand and Hong Kong are also taking an interest, as well as other parts of the world where regulatory constraints have previously prevented the development of Islamic finance. Australia, for example, is now reviewing its tax legislation with a view to assisting the development of Islamic finance.

What, if any, legal implications does the Dubai debt crisis have for Islamic finance?

To be frank, very little. What happened was more of a credit issue than an Islamic finance issue. Unfortunately, what people saw were headlines about sukuk, which they're not familiar with. Therefore, they drew the conclusion that it was an Islamic finance issue, which is a misconception.

How do you see the global sukuk market developing over the next 12 months?

The market has had a slow start to the beginning of the year with only a couple of international deals, but the market should improve by the last quarter of 2010 as we see more sovereign related issuers accessing the market.

Why hasn't sukuk been issued in the UK yet?

Everyone was talking about the Government's plans to issue sukuk in 2007 and 2008 but, given the financial crisis, the plans had to be put on hold as there were other priorities.

How would you advise someone looking to start a career in an Islamic finance practice?

They must have a deep knowledge of finance in general. It's not enough to simply have an understanding of Islamic finance principles.

What are the plans for Allen & Overy, in terms of Islamic finance, over the next 12 months?

We plan to expand our teams in traditionally non-Islamic jurisdictions, such as the U.S. and certain parts of Western Europe, which are now taking more of an interest in Islamic finance.

Interview was taken in June 2010 and published in July issue of Global Islamic Finance Magazine.

http://www.globalislamicfinancemagazine.com/index.php?com=news_list&nid=1618

Emaar, Arabtec weigh on Dubai bourse

Thursday, May 12, 2011

The DFM General Index could not sustain its crossing over 1,600 points from Wednesday and declined 0.73% to 1,596.80 points. Arabtec Construction (off 2.145 at Dhs1.37) and Emaar Properties (down 0.62% at Dhs3.22) pulled the market lower. Islamic home finance specialist Tamweel (up six percent at Dhs0.85) posted its first gain after being its' re-listing this week. Trading volumes doubled compared to the day before as 355.22m shares valued at Dhs314. 51m changed hands. Nine stocks gained, 19 lost and two ended flat. Over the second week of May, the DFM lost 0.61%.

<http://www.ameinfo.com/264960.html>

Barwa Bank holds its general assembly meeting

Saturday, May 14, 2011

Barwa Bank held its annual general meeting (AGM) at which the financial results for 2010 were approved. The AGM was held on May 11, where shareholders listened to the financial reports and approved the agenda of the meeting.

H.E. Sheikh Mohamad Bin Hamad Bin Jassim Al Thani, Chairman of Barwa Bank, gave a detailed report on the bank's activities and financial results approved by the board of directors, and highlighted the good results achieved by the bank in 2010.

Barwa Bank achieved a growth in net profit at 703% in 2010 scoring QR24.9m net profit compared to QR3.1m in 2009.

H.E. Sheikh Mohamad Bin Hamad Bin Jassim Al Thani, Chairman of Barwa Bank, commented on the performance of the bank, "Barwa Bank started its operations during the well known difficulties that followed the world crisis, which caused major banks and financial institutions around the world to collapse, yet with God's grace, Barwa Bank managed to avoid the consequences of the crisis. Barwa Bank entered a highly competitive financial market in Qatar and managed in a short time to establish itself among the major institutions, thanks to its clear strategic vision and the commitment of the executive management to the values of innovation and quality in execution."

"Consistent with our strategy for Barwa Bank to grow its customer base and offering to become one of the pioneering Sharia'h compliant financial groups in the region and the world, the bank acquired First Finance and First Leasing companies, (following the 2009 acquisition of

The First Investor Company), to be all consolidated under Barwa Bank Group, which helped support the financial position of the bank, increase assets and grow market share," continued Sheikh Mohamad.

Milestones of 2010:

- Completed the acquisition of First Finance, First Leasing and The First Investor companies and updated the shareholder database to enhance communication with them.

- Started the procedures to list Barwa Bank on the Qatar Exchange, expected to complete in 2011.

- Launched a set of new Sharia'h compliant products and services, as well as developing the existing offering. E-banking services were among the most important achievements through SMS and Internet banking, call center and ATM network. The bank launched some notable retail and corporate finance product. Among these were the home finance offer, car finance and personal finance.

- Established "Business Banking Unit" to cater to the SME sector through a comprehensive range of Sharia'h compliant products and services aimed at supporting SMEs in line with the Qatar National Vision 2030.

- At a regional level, the bank won "Best Retail Marketing Campaign" in April 2010 from "Banker Middle East Products Awards 2010" for its promotional campaign "111" for personal and car finance. In June, Barwa Bank received the recognition of the banking industry in the Middle East through the "Best New Bank" award from "Banker's Middle East Banks awards 2010".

- Barwa Bank sponsored the first Islamic Finance Conference in Doha with participation from major companies in Qatar. The sponsorship was part of Barwa Bank's continuous contribution to highlight the importance of Sharia'h compliant banking as a stable growth option.

- Internally, Barwa Bank completed its senior managerial appointments to address the responsibilities and challenges ahead. In line with building local capacity, the bank has sent a number of Qatari students on scholarships to continue financial studies abroad. A number of training courses were held for the employees including banking and money laundry courses as well as English language development courses.

"2010 witnessed a strong leap forward for Barwa Bank, and we are confident that the positive supporting environment and promising opportunities in Qatar will be the foundation for greater achievements by Barwa Bank in years to come," concluded H.E. Sheikh Mohamad Bin Hamad Bin Jassim Al Thani, Chairman of Barwa Bank.

<http://www.ameinfo.com/265038.html>

3. SUKUK (ISLAMIC BONDS)

Fitch rates SIB International Sukuk Issue 'BBB+(exp)

Monday, May 09, 2011

Fitch Ratings has assigned SIB Sukuk Company II Limited's (SIB Sukuk Company) senior unsecured trust certificates an expected Long-term rating of 'BBB+(exp)'

SIB Sukuk Company is a special purpose vehicle, incorporated in the Cayman Islands solely to act as the issuer of the certificates and trustee for the certificate holders. The final rating is contingent on receipt of final documentation conforming to information already received.

The rating of the issue is driven solely by Sharjah Islamic Bank's (SIB, rated 'BBB+/'Stable) rating due to the purchase undertaking which requires SIB to repurchase the Sukuk assets on the scheduled or any earlier dissolution dates from SIB Sukuk Company. The notes rank as senior obligations of the bank.

Established in 1976, SIB is a UAE based Islamic bank, 31% owned by the Government of Sharjah and 20% by Kuwait Finance House ('A+/'F1').

Egypt could become thriving centre of Islamic finance

Covered head-to-toe in a black abaya embroidered with red and yellow flowers, Amal Abbas waits for her turn to place a deposit at Cairo's Al Baraka Egypt Bank, one of Egypt's two fully-fledged Islamic banks.

Although Egypt is considered the birthplace of Islamic finance, which adheres to Islamic principles banning interest and speculative trading, its growth has lagged due to past corruption scandals, while the previous government sought to enforce a more secular financial system. But after the Egyptian revolution toppled Hosni Mubarak and his government, Muslims like Abbas are embracing Islamic banking, raising the prospect that Egypt could become another thriving centre of Islamic finance.

"I prefer Islamic finance, it keeps me far from usury and I feel my money is blessed," said the 50 year-old research centre manager at the Mohandessin branch of Al Baraka Egypt Bank.

"My husband has been dealing with mainstream banks for more than 30 years and all his projects failed because they were funded by unblest money."

According to a 2009 report by consulting firm McKinsey, Islamic banking only accounts for 3% to 4% of Egypt's \$193bn banking industry. That compares with 46% in the UAE.

"In a post-Mubarak era, the urgency of rebuilding and changing things will clash with the absence of resources and lack of money," said Ibrahim Warde, adjunct professor at The Fletcher School of Diplomacy at Tufts University.

That will likely present an opportunity for Islamic finance houses in the Gulf region, which now serves as the industry's global hub.

"Egypt is going to look towards the Gulf for money and it's going to have to offer Islamic options to maximise investments."

Cairo-based National Bank for Development, which is converting into a full-fledged Islamic bank, is already 49%-owned by Abu Dhabi Islamic Bank. Al Baraka Egypt is in fact a unit of Bahrain's Al Baraka Bank.

There's also keen interest in Egypt for Islamic insurance, or takaful, which makes up 5% of Egypt's \$1.45bn insurance market but is expected to grow dramatically, according to a March report by Islamic consultancy BMB Islamic.

Salama Islamic Arab Insurance's chief executive Saleh Malaikah said last month that demand for its products in Egypt have grown significantly since the revolution.

According to data from Bankscope and Thomson Reuters, Egypt could see Islamic finance assets grow to \$10bn in 2013 from \$6bn in 2007.

Challenges remain, given the less than encouraging history of Egypt's Islamic finance industry.

Millions of Egyptians were stung by ponzi schemes in the mid-1980s, when a number of money management companies touted Islamic investments at returns above local interest rates. A new post-Mubarak administration is expected to show more interest in Islamic finance, despite concerns that a growing Islamic finance industry could also provide political support for Islamic opposition groups in the country of 80mn.

Egypt will need to adopt Islamic banking as one tool to appease politically active Islamic groups or face a barrage of criticism for adhering to the previous regime's hard line against the industry, said Humayon Dar, chief executive of consultancy BMBIslamic.

"Egypt is a religiously sensitive country. There are a number of families and small savers who wouldn't want to use the conventional system," he said. "If there's a movement towards interest-free banking, that would draw deposits."

Grassroots support is already emerging among conservative Muslims. Manal al-Moursi, another bank customer at Al Baraka Egypt Bank, said Egyptians are turning to Islamic finance, in part, to show their support for the Muslim Brotherhood.

The Muslim Brotherhood, founded in 1928, was long persecuted as the main challenger to the ruling National Democratic Party in parliament and was one of the most vocal protesters during the demonstrations that toppled Mubarak on February 11.

With the dissolution of the NDP and growing acceptance of the Muslim Brotherhood in mainstream politics, experts say Islamists will have increasing influence in the new Egypt and Islamic finance will serve as one way to propagate Islamic values and gain supporters. "The Muslim Brotherhood is for Islamic finance because it is related to religion," said Mohasseb Refaat, deputy manager at Bank of Alexandria. "They will promote the idea so long as it is in their benefit."

Refaat said the industry is likely to gain more footing in Egypt if the Brotherhood secures a significant number of seats in the 508-member parliament in September. One leading Brotherhood figure said the group could field candidates for as many as 49% of the seats. Even secularists calling for less religion in society may make a pre-emptive attempt to promote Islamic finance ahead of elections to reach a wider group of constituents.

“Secularists will see supporting Islamic finance as a way of stealing the thunder of the Islamists by giving people an outlet to express their religiosity,” Warde said. “We’ve seen that strategy in other markets such as Iraq and North America. Even groups that were opposed to political Islam looked to Islamic finance as a way of preventing extremism.”

Britain and France, for example, have changed regulations to accommodate Islamic transactions. And Malaysia, with its thriving dual system of conventional and Islamic finance, has been the biggest success story in the industry, serving as a model for new markets looking to offer Islamic products.

Decades of lost growth, however, have left Egypt lacking proper financial regulation to accommodate Islamic financial instruments such as Islamic bonds, or sukuk. The head of the Egyptian Financial Supervisory Authority (EFSA) said last year Egypt would issue its first regulations governing sukuk in the second half of 2010 and later delayed further to the first quarter of 2011. That deadline has passed as well as the government restructures and plans now appear in limbo.

Experts say the government will need to issue debt guidelines for sukuk issuance and remove tax barriers that make Islamic transactions commercially unviable in order to draw foreign investment from oil-rich Gulf countries.

And the revolution may spell a willingness among Egyptians to embrace alternatives, particularly if they can derive benefit from it for some of the social ills that sparked the protests. Under the Mubarak regime, critics said the rich benefited from lending and other business opportunities while the poor were plagued by unemployment and low wages. Malik said Islamic finance with its focus on interest-free financing and ethical investments would appeal to the common man.

http://www.gulf-times.com/site/topics/article.asp?cu_no=2&item_no=433313&version=1&template_id=48&parent_id=28

Kazakhstan to enter Islamic bond market with \$500M sukuk

Tuesday, May 10, 2011

WASHINGTON, DC Kazakhstan has reaffirmed its commitment to release a \$500 million sovereign sukuk, or Islamic bond, by the end of 2011.

The Kazakh-issued sukuk will be the first such one to originate from the Commonwealth of Independent States (CIS). The global sukuk market is expected to grow by 60 percent in 2011, amounting to \$22 billion, the Reuters news agency predicted in January.

The Central Asian country, which boasts the largest and most advanced economy in the region, also plans to bring in up to \$10 billion in Islamic financial transactions over the next five-to-seven-year period, a release from the Kazakh Embassy in the United States said last week. That amount would constitute 10 percent of the nation’s banking assets.

“Islamic finance is crucial for economic development and innovations,” Kazakh Deputy Prime Minister Asset Issekeshov said during the Kazakhstan Islamic Finance Conference (KIFC) held in March in the Kazakh capital Astana.

“It has weathered financial crises and is proven for its quality, reliability and transparency. Having understood the vital role it can play to attract investments from Islamic nations, the Government has extended the state patronage by amending the laws. We are confident that Islamic finance will lead the way to attract funds, especially from the Gulf countries and other Muslim countries to develop all these sectors.”

Kazakhstan is set to take over the Organization of the Islamic Conference (OIC) in June and is working on expanding relations with the Muslim world in both finance and trade.

Fresh off its widely successful chairmanship in 2010 of the Organization for Security and Cooperation in Europe (OSCE), Kazakhstan is now looking to act as a bridge between OIC member nations and Western nations and is uniquely placed to do so, given its geographic location.

Kazakh President Nursultan Nazarbayev in mid-April replaced Foreign Minister Kanat Saudebayev, who served as chairman of the OSCE, with Arabic-speaking Yerzhan Kazykhanov to oversee Kazakhstan’s stewardship of the international Islamic organization.

“(Kazykhanov) is an experienced Arabist who speaks both English and Arabic,” Nazarbayev said on state television following the foreign minister’s appointment. “We worked well in the European direction last year. Now it is time to work likewise with the Arab, Islamic world.”

The country’s entry into the sukuk market has also been the result of steady progress to developing the legal framework to facilitate Islamic trading in the country.

The country is in talks with Malaysian national financial group Amanah Raya to open the country’s second Islamic bank, while Kazakhstan’s first Islamic bank, Al-Hilal, opened its doors in March 2010. The bank is a joint venture between the United Arab Emirates (UAE) and the Central Asian government.

In January 2011, the Kazakh government prepared legislation that would allow Kazakh corporations to sell Islamic bonds. The KIFC in March to promote the development of the Islamic capital markets both in the Central Asian state and in the CIS region.

Kazakhstan has been looking for financial alternatives after being hard-hit by the global financial crisis in 2009, by over-investing on Wall Street and the City of London and weathering a severe domestic banking crisis as a result.

“It might make sense for Kazakhstan to start building its liability structure with a different investor base,” the Director of Emerging Markets at Knight Libertas Ltd. in London, Richard Segal, said in the Kazakh Embassy press release, published on Thursday.

Kazakh businessmen have also been looking to enter the Hong Kong Stock Exchange to focus their financial dealings on Asian markets rather than Western ones.

<http://centralasianewswire.com/Kazakhstan/Kazakhstan-to-enter-Islamic-bond-market-with-500M-sukuk/viewstory.aspx?id=4018>

Indonesian bank to sell Islamic bonds this year

Tuesday, May 10, 2011

Jakarta: PT Bank Muamalat Indonesia, the country's second-largest Sharia-compliant lender, will sell dollar-denominated Islamic bonds this year to support overseas expansion, said Hendiarto, chief financial officer at the bank.

The planned sale, which may be worth \$50 million (Dh84 million) to \$100 million, will be the bank's first attempt to tap international capital markets, Hendiarto said at a press conference to announce the lender's earnings in Jakarta yesterday.

"We're looking at a medium-term note sale of not more than five years," said Hendiarto, who like many Indonesians goes by a single name. "The exact amount is still being studied and will depend on our needs. We're targeting investors in the Middle East and Malaysia."

The bank is also looking to sell 800 billion rupiah to 1.5 trillion rupiah of Sharia-compliant rupiah-denominated debt to the domestic market next year.

Bank Muamalat is also exploring the possibility of opening branches in Hong Kong and the Saudi Arabian city of Jeddah this year or next, Chief Executive Officer Arviyan Arifin said at the same briefing.

<http://gulfnews.com/business/markets/indonesian-bank-to-sell-islamic-bonds-this-year-1.805537>

SBP sells Rs 45.803bn Ijara Sukuk

Tuesday, May 10, 2011

The State Bank of Pakistan (SBP) sold Rs 45.803 billion worth of Ijara Sukuk (Islamic bonds) for the period of three years in its auction held here Monday.

The SBP received bids worth of Rs 51.253 billion for three-year Ijara Sukuk from the primary dealers in the auction including commercial banks and Islamic banks.

Primary dealers have been allowed to sell Ijara Sukuk to eligible investors with margins varies from -100 to +50 basis points.

In the wake of higher interest rate scenario, the banks find it more comfortable to remain either liquid rather investing in longer period like three years bonds.

Banks remain active to trade with government and central banks in terms of T-Bills or Bonds to secure solid revenues on long-term basis as compared to dealing with borrowers mainly from private sector for avoiding bad debts incidences as much as possible.

http://www.dailytimes.com.pk/default.asp?page=2011\05\10\story_10-5-2011_pg5_2

SIB announces sukuk issuance

Thursday, May 12, 2011

Sharjah Islamic Bank, or SIB, has revealed that the bank is gearing up to issue Islamic bonds (sukuk) that will soon be listed on the London Stock Exchange

The volume and value of the issuance are both subject to market conditions, and will be determined after the completion of the road shows taking place in the Middle East, Asia and

Europe that were officially launched early this week in Abu Dhabi and Dubai. The value of the sukuk will be announced after subscription has closed.

SIB is rated BBB+ with stable outlook by Standard & Poor's Ratings Services and by Fitch. The bank has appointed HSBC and Standard Chartered as joint lead managers to issue US dollar-denominated sukuk. The sukuk issuance was approved by the SIB's extraordinary general assembly.

Mohammed Abdullah, CEO, said: "Sukuk issuance will support SIB's strategic business expansion plan. Our rating from Fitch and from Standard & Poor's reflects SIB's strong performance and our ability to generate profits, based on a solid financial position in the market, adequate capital, and good financing and liquidity standards, in addition to our conservative policy that is guaranteed to safeguard the rights of our shareholders and clients, alike. In the nearly three years since the economic crisis, SIB has focused on cushioning the impact of the crisis and on maintaining a positive growth rate, in accordance with the Board's strategy."

During the launch ceremony for the road show, supervised by SIB senior management, investors expressed their confidence in the rewarding investment potential of this sukuk, which will enhance SIB's financial position as well as its ability to seize promising opportunities in the market and achieve future growth.

<http://www.istockanalyst.com/business/news/5145110/sib-announces-sukuk-issuance>

Pakistan sells record sukuk

Friday, May 13, 2011

Karachi: Pakistan's 13-fold increase in Islamic bond sales will help fund the country's budget deficit as US lawmakers debate whether to suspend aid on suspicion its military harboured Osama Bin Laden.

The world's second-most populous Muslim country will take advantage of last year's 30 per cent growth in local Islamic banking assets to sell sukuk, Saleem Ullah, the central bank's director of Sharia finance, said in an interview May 6. State Bank of Pakistan sold a record Rs189 billion (Dh8.35 billion) in the fiscal year ending June 30. Sales in Indonesia of rupiah-denominated Islamic notes are equivalent to about \$2 billion (Dh7.34 billion) in 2011, according to the country's Finance Ministry.

Pakistan has received \$14.6 billion in economic and military assistance from the US since 2005 to help revive growth and fight the Taliban along the border with Afghanistan. Arabian Gulf banks Albaraka Banking Group, the largest publicly traded Islamic lender in Bahrain, and Meezan Bank Ltd., owned by Kuwait's Noor Financial Investment Co., opened more branches in the South Asian nation this year, increasing deposits that can be put into government debt.

"I see a lot of demand for Islamic bonds and that will help the government borrow at cheaper rates if foreign aid channels are blocked," Abdullah Ahmad, head of treasury at Meezan Bank, the nation's biggest Sharia-compliant lender, said. "I definitely see the yields declining at sales next year," when sukuk issuance may rise 8.8 per cent to Rs200 billion, he said.

Treasury yields

Pakistan's rupee weakened 0.2 per cent to 84.80 per dollar since the US raid, Bloomberg data show. The currency climbed 0.2 per cent yesterday.

Yields on Pakistan's six-month non-Islamic treasury bills, used as the benchmark for pricing sukuk, also declined since the US operation as global commodity prices slumped. The rate on the debt fell six basis points to 13.42 per cent from May 2.

<http://gulfnews.com/business/economy/pakistan-sells-record-sukuk-1.807006>

Islamic Development Bank Plans Dollar-Denominated Sukuk Issue

Friday, May 13, 2011

The Islamic Development Bank, or IsDB, is planning to launch a dollar-denominated sukuk, one of the banks running the sale said Thursday.

A sukuk is a bond that complies with Sharia, the Islamic religious law.

The sukuk is expected to be launched, subject to market conditions, following the completion of its fixed income investor meetings in the Middle East, Asia and Europe.

BNP Paribas SA, Deutsche Bank AG, HSBC Holdings PLC and Standard Chartered Bank are joint-bookrunners on the deal.

<http://www.nasdaq.com/aspx/stock-market-news-story.aspx?storyid=201105120333dowjonesdjonline000219&title=islamic-development-bank-plans-dollar-denominated-sukuk-issue>

4. TAKAFUL (ISLAMIC INSURANCE)

Solvency and capital requirements in Islamic Insurer

Monday, May 09, 2011

Marcel Omar Papp is the head of Swiss Re's Retakaful operation which was set up in Kuala Lumpur in 2009 and is the global Retakaful centre for the Swiss Re Family and General Retakaful business. Until he moved to his current position at the beginning of 2009, he was based in Hong Kong for six years as the head of the Casualty Treaty Desk, managing and developing casualty treaty business across Asia, and as Product Manager Casualty for Asia. Prior to that, he spent four years based in Singapore as casualty underwriting manager for South East Asia.

He started his career in insurance 16 years ago as a claims broker in the London market working for Willis. Later on he moved to Union Re (Zurich) working in Client Market and Underwriting functions before joining Swiss Re in 1998. Marcel Omar holds a Masters of Arts (Business Administration) from the University of Zurich (Switzerland) and is an Associate of the Chartered Insurance Institute (A.C.I.I.) of London.

Marcel Omar Papp tells Global Islamic Finance magazine what is Islamic insurance and how SwissRe has been implementing strategies on new market.

What are the key principles of Takaful – Islamic insurance?

Takaful is Islamic insurance based on the principle of mutual assistance (takaful) and voluntary contribution, where the risks are shared collectively and voluntarily by a group of participants. It has been developed in the past 30 years as a Shari'a (Islamic law) compliant

alternative to conventional insurance, which is forbidden under Shari'a because it contains elements of uncertainty and unclear terms (gharar), excessive risk taking (maisir), payment/receipt of interest (riba), and risks which are forbidden (haram) in Islam e.g. alcohol, gambling.

The contract of Takaful is not one of buying or selling but rather one of contributing to a pool for the purpose of mutual financial help. The fund itself is managed and invested according to Shari'a principles.

Is Islamic insurance truly Islamic, or is it just cosmetically enhanced conventional insurance?

If Takaful is done according to the principles outlined in question above, then it is Shari'a compliant and by this truly Islamic.

What are the main regulatory challenges for Islamic finance insurance?

- 1 Lack of standardisation: (Re)Takaful operators apply different operating models and practices which make it difficult to come up with regulations which are acceptable to all market players.
- 2 Difference in opinion between Islamic Scholars: the above is aggravated by the fact that there is no common understanding between Shari'a scholars concerning operating models and practices e.g. some practices may be acceptable in one country but forbidden in another.
- 3 Solvency and capital requirements: it is rather challenging to come up with adequate solvency and capital requirements for (Re)Takaful operators in view of the fact that the typical Takaful undertaking consists of a two-tier structure that is a hybrid of a mutual, and a proprietorship company

.Do you have any estimates for current size of the global industry?

According to Swiss Re's Economic Research & Consulting, the global market size is as follows in 2008:

(Sources: World Islamic Insurance Directory; company data; supervisory authorities)

Total Islamic insurance: USD 7.5bn which consists of:

- 1 Takaful: USD 2.2bn.
- 2 Cooperative model (Saudi Arabia): USD 0.6bn.
- 3 Conventional ins. with Islamic finance system (Iran): USD 4.7bn

Takaful itself is split as follows between the various countries:

- 1 Malaysia: 34%.
- 2 Saudi Arabia: 27%
- 3 Sudan: 13%.
- 4 UAE: 5%.
- 5 Indonesia: 5%.
- 6 Bahrain: 3%.
- 7 Other countries: 13%.

Which countries are the main players in Islamic insurance?

In Southeast Asia, Malaysia and Indonesia. In the Middle East, Saudi Arabia, UAE and Bahrain.

What role do you see Islamic insurance playing on a global scale in the next five to ten years?

Despite the impressive annual growth rates of over 20% in the past five years, Takaful is still small on a global scale. This is due to the fact that it is a very young industry.

At the same time, insurance is underdeveloped in a lot of the target markets and Takaful can play a key role in raising insurance awareness.

Also the populations of Muslim countries are rapidly growing and the demographics are favourable. This will further spur the demand for Islamic insurance.

Last but not least, Takaful can also be an attractive solution for Non-Muslims thereby increasing the potential market size further.

So it is expected that Takaful will continue to grow rapidly with double-digit annual growth rates in the next five to ten years.

"In Family Retakaful, our most popular products are Individual/Group Life. However, in recent times our clients are also interested in other Family products such as Health, Mortgage Reducing Term Takaful and Investment Linked Products."

What would be the best advice that you can give to the institutions that decided to start offering Islamic insurance as one of their product?

The organisation will need to have a very good understanding of Shari'a, its underlying principles, and ensure that both products and operations are truly Shari'a compliant. It will not be sufficient to make some minor alterations to existing operations and products. Hence, Takaful should be entered into as a long-term commitment.

Islamic Insurance is so called more ethical and socially responsible comparing to conventional insurance. Is there any demand on Islamic insurance within non-Muslim consumers?

Both Islamic and conventional insurance can be ethical and socially responsible e.g. mutual insurance; micro-insurance/takaful.

Yes, there is demand from Non-Muslims. They are mainly attracted by the fact that the profits from the Takaful pool are shared with the participants.

Actually, in the cases of several Takaful operators in Malaysia and also Indonesia, a big portion (in some cases even the majority) of the policyholders are Non-Muslims.

What should be done to increase their interest on that range of products?

There is still the mistaken notion that Islamic insurance is only for Muslims. More education can be done to raise awareness that Takaful is an ethical product which can also be of interest to Non-Muslims. One way of doing so is to replace some of the Islamic terms currently used in Takaful.

What are the advantages and disadvantages of working within the framework of Islamic rules?

One main advantage is that some recent excesses of conventional insurance can hopefully be avoided in Takaful due to the adherence to Shari'a rules.

At the same time, it is very difficult to adapt some of the conventional insurance concepts to Takaful e.g. coverage of high-capacity, high-exposure risks in a Takaful pool may make the whole pool unbalanced. So, following the framework of Islamic rules may mean it is not possible to offer a Takaful solution to all insurance needs.

Can you tell us the history of the beginnings of the SwissRe ReTakaful division?

As Takaful is Islamic insurance, so Retakaful is Islamic reinsurance.

Swiss Re started to offer Family Retakaful solutions for the Middle East out of Zurich in 2006. As a next step of our strong commitment to Takaful we have set up a dedicated Retakaful operation in Kuala Lumpur, Malaysia. In September 2009, we received the operating licence which allowed us to offer Family and General Retakaful solutions on a worldwide basis.

What are the strengths of SwissRe as regards to Islamic finance products?

We consider ourselves a true strategic partner with a strong track record for helping our clients to increase their market position. As such, Swiss Re provides strong product development and diversification support to our clients. We are a market leader in product innovation and aim to help our clients develop their Shari'a compliant range of products.

Swiss Re Retakaful is Shari'a compliant and committed to the global Takaful market growth. Our clients can rely on Swiss Re Group's financial strength.

Can you tell us what is the most popular Islamic reinsurance products that you offer?

Swiss Re offers products and services in all business lines usually offered in ReTakaful.

In Family Retakaful, our most popular products are Individual/Group Life. However, in recent times our clients are also interested in other Family products such as Health, Mortgage Reducing Term Takaful and Investment Linked Products.

In General Retakaful, the main demand is for property and motor but we also offer the other general lines such as Engineering, Marine, Liability and Accident.

What are the plans for SwissRe Retakaful for next years?

We want to grow our Retakaful business not only in the main markets of Southeast Asia and the Middle East but also in other emerging markets by being a true strategic partner to our Takaful clients worldwide.

At the same time, it is our duty as pool manager to offer a financially viable Retakaful pool to our clients which is operated in a Shari'a compliant manner.

What is your main role in the SwissRe?

As the head of the Retakaful operation in Kuala Lumpur, I am the client manager responsible for Retakaful clients in Southeast Asia and India. In addition, the office acts also as the Centre of Competence for Retakaful within Swiss Re. In this role, the operation is responsible for the development of Shari'a compliant products, processes and the contact to our Shari'a Board.

Why did you choose the career in the Islamic finance sector?

It combines my interest in Islam and (re)insurance. In addition, (Re)Takaful is still a young industry, thereby offering some very interesting challenges for shaping practices and influencing its development. As the head of Swiss Re Retakaful, I will Insha Allah have the opportunity to actively contribute to the success of (Re)takaful.

http://www.globalislamicfinancemagazine.com/index.php?com=news_list&nid=1610

UAE insurer sees premiums quadrupling in 2011

Tuesday, May 10, 2011

Islamic insurer Takaful Emarat expects gross written premiums to surge to Dh65 million (\$17.7 million) in 2011 from Dh14 million last year as the company eyes new product launches, its general manager said.

Emarat Takaful, which launched three savings products for education, general savings and wealth management, expects new products to contribute between Dh5 million and Dh10 million to premiums this year, Ghassan Marrouche told a news conference.

Marrouche said the new savings products, combined with the expectation that medical insurance will become compulsory in the United Arab Emirates would help boost written premiums.

'Medical insurance is becoming compulsory so we will see a rise in demand,' he said. 'We have many more products in the pipeline.'

Demand is already increasing for Islamic insurance, or takaful, products in markets such as India, Pakistan, Jordan and Syria, Marrouche said.

To meet growing demand, Takaful Emarat will consider expanding services around the Middle East and Asia in the future, he added

http://www.tradearabia.com/news/BANK_198217.html

Allen and Overy advises on heavily oversubscribed IPO of National Takaful Company Watania

Tuesday, May 10, 2011

Allen & Overy has advised National Takaful Company "Watania", an Abu Dhabi based Shari'a-compliant (Islamic) insurance company under establishment, on its Initial Public Offering (IPO). The public offer was launched on 18 April 2011 to raise Dhs82.5m, representing 55% of the total share capital of Dhs150m.

The subscription closed on 1 May 2011. Expectations of high participation due to strong growth potential of the Islamic insurance sector materialised and the issue was oversubscribed by more than 700% generating over Dhs600,000,000.

The shares, which will be listed on the Abu Dhabi Securities Exchange (ADX), had an offer price for each share fixed at Dhs1, with an additional Dhs0.05 subscription fee per offered share. The National Bank of Abu Dhabi (NBAD) was mandated as financial advisor, lead manager and the receiving bank for the Watania IPO.

Ibrahim Mubaydeen, managing partner of the Abu Dhabi office, led the team alongside senior associate Eyad Mahadeen.

Ibrahim commented: "The Shari'a compliant insurance sector is a growth area in the region. Watania's IPO, which is the second IPO to be launched in Abu Dhabi in the past three years, is important because it has shown the strength of public confidence in this type of insurance in the local market and has again revealed the appetite for IPOs in the region. We are very pleased to have been involved."

Watania's founders are amongst the strongest institutions and individuals in the UAE, and include Abu Dhabi National Islamic Finance (ADNIF), Abu Dhabi National Insurance Company (ADNIC), Abu Dhabi National Energy Company (TAQA), and Aldar Properties (ALDAR). The founders have subscribed to an aggregate of Dhs67.5m shares, representing 45% of the total share capital of Dhs150m. The remaining 55% of the shares comprised the IPO.

<http://www.ameinfo.com/264684.html>

5. ISLAMIC INVESTMENTS; EQUITIES/SECURITIES & FUNDS

Islamic finance to drive trade and investment flows between Asia and Middle East

Wednesday, May 11, 2011

Islamic finance has emerged as one of the most rapidly expanding sectors in the global financial system and is evolving into an industry with an increasingly significant global footprint. There are estimated to be over 430 Islamic banks and financial institutions operating in more than 75 countries, and around 191 conventional banks that have Islamic banking windows.

With the emergence of exciting new jurisdictions in addition to the strong growth showcased by established centres of Islamic finance in the Middle East and Asia, the industry has further reinforced its growing globalization.

Hosted with the official support of the Monetary Authority of Singapore, the 2nd Annual World Islamic Banking Conference: Asia Summit (WIBC Asia 2011) which will be held on the 8th and 9th of June 2011 in Singapore, will set the stage for critical discussions that will enable the further development of Islamic finance by bringing together industry leaders to explore and capitalize on exciting new opportunities in Asia and to foster new business partnerships and boost cross-border connectivity

Announcing the launch of the 2nd annual edition of WIBC Asia, David McLean, Managing Director of the World Islamic Banking Conference, noted that "after its hugely successful launch last year, WIBC Asia 2011 will focus on "Enhancing Cross-Border Connectivity to Drive Global Growth."

"With the increasing internalization of Islamic finance, industry leaders are looking to boost cross-border growth opportunities and Asia is rapidly strengthening its position as a leading hub for significant Islamic finance transactions," he added.

He also said, "The World Islamic Banking Conference (WIBC), held annually in the Kingdom of Bahrain, has firmly established itself as the world's largest and most influential platform over the past 18 years, attracting more than 1,200 industry leaders from over 50 countries each year. WIBC Asia 2011 will complement the objectives of the world event, and will provide meaningful insights into the expanding role of Islamic finance as a conduit for trade and capital flows between Asia and other key centres for Islamic finance."

Speaking ahead of the event, Ng Nam Sin, Assistant Managing Director (Development) at the Monetary Authority of Singapore, said, "WIBC Asia has a special focus on Asia and will provide a unique platform for the industry to share knowledge and experience from more established centres and players in Islamic finance. The conference is an important platform to bring delegates from all over the world to Asia to explore new opportunities to tap Islamic finance and to work closely together. It will also bring about greater awareness within Singapore's financial and business community of the growing opportunities and potential of Islamic finance."

The 2nd Annual World Islamic Banking Conference: Asia Summit is set to begin on the 8th of June with an inaugural address by H.E. Lim Hng Kiang, Minister for Trade and Industry, Republic of Singapore and Deputy Chairman, Monetary Authority of Singapore. The inaugural

address will be immediately followed by an opening keynote session by Tan Sri Zarinah Anwar, Chairman, Securities Commission Malaysia and H.E. Mohd Rosli Sabtu, Managing Director, Autoriti Monetari Brunei Darussalam (AMBD). The session focuses on enhancing the role of Islamic finance in creating stronger business and investment ties between Asia and other key Islamic financial centres. Keynote addresses will provide new insights into the recent developments in Asia and other key markets for Islamic finance and will also evaluate various initiatives undertaken to develop cross-border connectivity and accelerate global growth.

A key highlight of WIBC Asia 2011 will be the new innovative Power Debate session led by internationally respected CEOs and industry leaders. Moderated by Haslinda Amin of Bloomberg Television, this dynamic session will analyze the new cross-border growth opportunities and define the future of Islamic finance in a global industry. The Power Debate session will feature Shayne Nelson, Chairman of Standard Chartered Saadiq and Chief Executive Officer and Global Head of Standard Chartered Private Banking of Standard Chartered; Toby O'Connor, Chief Executive Officer of the Islamic Bank of Asia; Badlisyah Abdul Ghani, Executive Director/Chief Executive Officer of CIMB Islamic Bank Berhad; Hussain AlQemzi, Chief Executive Officer of Noor Islamic Bank and Group Chief Executive Officer, Noor Investment Group; Muzaffar Hisham, Chief Executive Officer of Maybank Islamic, and Iqbal Daredia, Chief Executive Officer of Unicorn International Islamic Bank Malaysia.

Confirming his participation in the event, Badlisyah Abdul Ghani, Executive Director/Chief Executive Officer of CIMB Islamic Bank Berhad, said, "With the increasing internationalization of the Islamic finance industry, it is essential to build deeper relationships between the key markets for Islamic finance and understand the developments in various regions. The World Islamic Banking Conference: Asia Summit provides a collaborative platform bringing together industry leaders from various regions to share their knowledge and experience to facilitate a deeper understanding of how Islamic finance needs to be spearheaded into its next phase of development in the region."

"We are once again delighted to be associated with WIBC Asia as Leadership Partner and Conference Luncheon Host and we look forward to this important gathering," he added.

A similar view was expressed by Muzaffar Hisham, Chief Executive Officer of Maybank Islamic, who said, "Maybank Islamic Bank Berhad ("MIB"), the Islamic banking arm of Maybank Group is currently the number one Islamic banking player in the region based on asset size which totals up to RM 55 billion. MIB is committed to meeting the exciting and challenging developments of the Islamic banking and finance industry both regionally and globally."

He said, "There is an increasing trade and investment flows between countries worldwide and this offers substantial business opportunities for Islamic finance. Regionally we are actively pursuing opportunities for growth in Indonesia, Singapore and Brunei whilst working closely with regulators to ensure sound governance for the industry in the respective countries. We see our presence in China as an enabler to establish the new "Silk Road" in finance as MIB is also

present in the Middle East through the set up in Bahrain and as well as Saudi's Joint Venture with Anfaal Capital."

"Held under the theme "Islamic Finance in Asia: Enhancing Cross-Border Connectivity to Drive Global Growth", we see the 2nd Annual World Islamic Banking Conference: Asia Summit as an important global platform to further explore the growing global connectivity of Islamic finance. We are once again delighted to be platinum strategic partners of WIBC Asia 2011," he added.

WIBC Asia 2011 will also feature a special keynote address by Prof. Kishore Mahbubani, the Dean and Professor in the Practice of Public Policy at the Lee Kuan Yew School of Public Policy (LKY School) at the National University of Singapore on the 9th of June 2011. Having found his place in the Foreign Policy Top 100 Global Thinkers of 2010 and the 2009 Financial Times list of Top 50 individuals who would shape the debate on the future of capitalism, Prof. Mahbubani is widely recognized as a key figure in shaping the global conversation and being the voice of a new Asian century.

<http://www.ameinfo.com/264754.html>

6. ISLAMIC FINANCE EVENTS; SEMINARS, WORKSHOPS & CONFERENCES

WIBC Asia 2011 Sets Stage For Industry Leaders Discuss Islamic Finance

Tuesday, May 10, 2011

SINGAPORE: The 2nd Annual World Islamic Banking Conference: Asia Summit (WIBC Asia 2011), to be held here on June 8 and 9, will set the stage for further development of Islamic finance.

Some 450 industry leaders are expected to explore new opportunities in Asia and to foster new business partnerships and boost cross-border connectivity.

Islamic finance has emerged as one of the most rapidly expanding sectors in the global financial system and is evolving into an industry with an increasingly significant global footprint.

There are an estimated 430 Islamic banks and financial institutions operating in more than 75 countries and around 191 conventional banks that have Islamic banking windows.

With the emergence of exciting new jurisdictions in addition to the strong growth showcased by established centres of Islamic finance in the Middle East and Asia, the industry has further reinforced its growing globalisation.

"Hosted with the support of the Monetary Authority of Singapore (MAS), WIBC Asia 2011 will focus on "Enhancing Cross-Border Connectivity to Drive Global Growth, said David McLean, WIBC managing director.

"With the increasing internalisation of Islamic finance, industry leaders are looking to boost cross-border growth opportunities and Asia is rapidly strengthening its position as a leading hub for significant Islamic finance transactions", he said at the launch to announce the 2nd annual edition of WIBC Asia 2011 Tuesday.

MAS assistant managing director (Development) Ng Nam Sin said WIBC Asia had a special focus on Asia and would provide a unique platform for the industry to share knowledge and experience from more established centres and players in Islamic finance.

She said the conference was an important platform to bring delegates from all over the world to Asia to explore new opportunities to tap Islamic finance and to work closely together.

"It will also bring about greater awareness within Singapore's financial and business community of the growing opportunities and potential of Islamic finance," he said.

Lim Hng Kiang, Singapore Minister for Trade and Industry and MAS Deputy Chairman will address the conference, followed by the opening keynote session by Securities Commission Malaysia chairman Tan Sri Zarinah Anwar and Mohd Rosli Sabtu, Managing Director, Authority Monetary Brunei Darussalam.

The session will focus on enhancing the role of Islamic finance in creating stronger business and investment ties between Asia and other key Islamic financial centres.

<http://www.bernama.com/bernama/v5/newsbusiness.php?id=585434>

Dubai round table meeting looks at how to strengthen financial reporting by Islamic financial institutions

Tuesday, May 10, 2011

A roundtable meeting of senior bank officials and finance professionals meeting in Dubai has come up with a number of recommendations on how to strengthen financial reporting by Islamic financial institutions (IFI).

The meeting, one of a series organised by Big Four accounting firm KPMG and ACCA (the Association of Chartered Certified Accountants), was intended to develop recommendations that can be presented to the International Accounting Standards Board (IASB), on whether to develop specific guidance or a separate financial reporting standard for Islamic Financial institutions.

Senior representatives from HSBC Bank Middle East Limited, Noor Islamic Bank, Al Hilal bank, the Central Bank of Qatar, Dubai Islamic Bank, Islamic Development Bank, Moodys and the Accounting and Auditing Organisation for Islamic Financial Institutions (AAOIFI) joined ACCA and KPMG in the meeting.

Following a wide-ranging discussion, participants generally agreed that given the growing importance of IFRS regionally, the ideal solution would be through the internationally accepted IFRS framework. However it was also made clear that the IASB needed to engage directly with the likes of AAOIFI and international industry stakeholders, perhaps through an appropriate advisory group to ensure their standards were relevant for meeting the needs of users of IFI financial statements.

In marked differences with the general conclusions from the roundtable held in Malaysia (October 2010), some participants raised concerns about that the existing framework provided by IFRS being entirely applicable to Islamic finance, suggesting that further guidance, especially in relation to disclosure, or even a separate standard might be needed to cover specific topics where there are significant differences between Islamic finance principles and conventional banking.

Aziz Tayyebi, ACCA's Head of International Development, who has led this project with KPMG, commented on the very lively debate in Dubai.

"With such a vast array of experience and knowledge around the table in Dubai, the conclusions from the discussions will certainly assist in developing practicable recommendations to International standard setters such as the IASB. Panelists emphasised the need for greater consistency internationally regarding the reporting of Islamic finance (IF) and with conventional finance. At the same time there was a consensus in stressing the importance of recognising the principles of Islamic finance in order to provide a faithful representation for users of financial reports, but preferably within an internationally recognised financial reporting framework," he said.

"The ideal solution may be for the IASB to work closely with standard setters for Islamic finance, such as AAOIFI and together with the recommendations from this ACCA/KPMG project, to arrive at scoped guidance for Islamic finance institutions as well as continuing to engage with such groups on relevant issues when new standards are developed," concluded Aziz Tayyebi.

Mr. Muhammad Tariq, Head of Islamic Finance KPMG UAE said: "Through this event KPMG has clearly expressed its serious desire to participate in the growth and development of the industry. We hope to work with standard setting bodies to find the right balance of financial reporting disclosures for Islamic Finance institutions."

The roundtable was the second of three roundtables to be held in Malaysia, Dubai and London to gather views from the Islamic banking and standard setting community before KPMG and ACCA develop recommendations on how best to develop standards for Islamic Banking institutions.

<http://www.ameinfo.com/264727.html>

Sukuk Summit To Be Held in London

Wednesday, May 11, 2011

It has been reported that ICG-Events have been successful in organizing the London Sukuk Summit series over the past 4 years with the constant support of major players in the industry and attracting the participation of a select and diverse global audience.

The London Sukuk Summit which will be held on 8 – 9 June 2011 in London is now the premier conference brand in Islamic Capital Markets industry specializing in the latest developments in both Islamic and conventional financial markets, presenting unrivalled opportunities to access the substantial investment flows generating from the Middle East, other Islamic jurisdictions and key western markets.

This year will be no different with the Summit scheduled to take place on the 8th – 9th June 2011, Jumeriah Carlton, London. On the evening of the 8th of June 2011, the fifth annual Sukuk Summit Awards, the event of the year for the Islamic finance and capital markets industry will be taking place during the Summit's Gala Dinner and hosted by Bloomberg TV.

After a turbulent 2009 and first quarter of 2010, Islamic capital markets and the Sukuk sector in particular are reputed to be “back on track” with industry specialist and financial commentators suggesting that by the end of 2010 there had been \$51.2 billion in Sukuk issuances.

Remarkably, by February 2011 with \$16 billion of Sukuk, the Sukuk market had already surpassed its peak of 2007 by 34%. Since then, the almost daily announcements of issuances and innovations could not be better timed for the Summit, ensuring that this year’s annual gathering will be the largest and most interesting to date.

With this current heightened interest and activity in the sector, the Summit presents an ideal opportunity to showcase not only your products and services but also to demonstrate your lead in your sector to the select and targeted Sukuk Summit audience. The Sukuk Summit series has always prided itself on being an industry lead and industry focused gathering where those already engaged in the sector as well as those keen to access the Islamic financial services industry are afforded a unique opportunity to; establish new business relationships or reinforce existing ones in a highly conducive setting.

http://www.globalislamicfinancemagazine.com/index.php?com=news_list&nid=1615

ECER Malaysia takes part in inaugural Annual Investment Meeting 2011

Wednesday, May 11, 2011

The East Coast Economic Region Development Council (ECERDC) of Malaysia is currently taking part in the inaugural Annual Investment Meeting (AIM) 2011 on May 10-12 in Dubai, United Arab Emirates (UAE) to further promote the East Coast Economic Region (ECER) among the international investors, especially those from the Gulf Cooperation Council (GCC) countries.

ECER will be the main participant from Malaysia to be represented at AIM 2011. The three-day event is an initiative by the UAE Ministry of Foreign Trade and it is expected to attract over 1,000 participants, including several heads of states, government officials and top investors from 76 countries.

"Through ECERDC's participation in AIM 2011, we aim to increase the awareness on ECER Malaysia and the investment opportunities that are available in the region among the global investors, especially from GCC nations. This is in line with our goal to become the preferred investment destination among the international investment community," said ECERDC Chief Executive Officer, Dato' Jebasingam Issace John in a statement today.

"We aim to attract RM2 billion worth of investment, especially from the Middle Eastern nations, following our participation in AIM 2011 and through several other programmes," he added.

ECERDC is a statutory body established under an Act of Parliament to drive the implementation of projects and key programmes identified in ECER Malaysia's Master Plan.

ECERDC is chaired by the Prime of Minister of Malaysia, H.E. Dato' Sri Mohd Najib Tun Abdul Razak, with members comprising the Chief Ministers of the ECER states, high-level Federal and State Government officials, and representatives from the private sector.

Various programmes have already been lined up for AIM 2011 participants, such as exhibition, one-to-one meetings, AIM Conference, business workshops, country presentation and matchmaking symposium, among others.

ECERDC has set up the ECER Malaysia booth at Dubai International Convention and Exhibition Centre, the venue for AIM 2011. ECER's booth was jointly officiated on Tuesday by H.H. Crown Prince Of Dubai Sheikh Hamdan Bin Mohammed Bin Rashid Al Maktoum, H.E. UAE's Minister of Foreign Trade Sheikha Lubna Binti Khalid Al Qasimi and H.E. Malaysian Ambassador to the UAE Dato' Yahaya Abdul Jabbar.

Issace is also one of the speakers at the AIM 2011 conference, where he will be talking about Investment Opportunities in ECER Malaysia.

"ECER Malaysia's key strengths lie in its strong resources endowment, competitive land cost, incentives and cost of doing business, strong potential for property development and lower cost of living," said Issace during his presentation.

The planned projects in ECER Malaysia, which include the Palm Oil Industrial Cluster, Herbal & Biotech Product Cluster, Gambang Halal Park, Pasir Mas Halal Park, Kuantan Port and Kertih Polymer Park, are also inter-related and supports a self-sustaining economic region, he added.

Investors can also explore the opportunities in ECER Malaysia tourism projects such as the Mainland Coastal Tourism Development in Pantai Sepat, Cherating and Kijal.

He added that ECERDC-led projects in ECER Malaysia are a unique type of public-private partnership where both the public and private sectors will collaborate together in implementing the economic projects.

"Our projects are also formulated to tap into the opportunities in the Halal New Growth Clusters which have a total estimated value of \$274bn worldwide," Issace noted. The Halal New Growth Clusters cover cosmetics & personal care products, Islamic finance, agricultural (food and non-food), logistics, pharmaceuticals and travel industry. ECER Malaysia's strategic location also enables investors to tap the Asia Pacific market with a total population of 2 billion.

ECER Malaysia's edge also lies in its highly attractive fiscal and non-fiscal incentives. The region's fiscal incentives include ten years tax holiday which is effective from the day the company derives its profit.

Non-fiscal incentives are also granted by the respective State Governments to approved companies. They include discount rate for land premium, quit rent and land assessment, guaranteed land lease periods for a specific time period and flexibility in the employment of expatriates.

Prior to AIM 2011, ECERDC has already engaged with several potential investors from the Gulf Cooperation Council countries including Al Dharfa Holdings Abu Dhabi, Al Aroud Group, Al-Ain International Group, Al Hameed Enterprise and Abu Dhabi Fund for Development, Issace said.

ECER Malaysia, which covers the states of Kelantan, Terengganu, Pahang and the district of Mersing in Johor, is a rapidly transforming region that is steadily positioning itself as a distinctive, dynamic and competitive destination for investments.

Between 2007 and end-February 2011, ECER Malaysia has attracted RM38bn (\$12.2bn) worth of investments from both local and overseas, of which RM23bn (\$7.4bn) has been received.

<http://www.ameinfo.com/264853.html>
