

Report # 175
BUSINESS AND POLITICS IN THE MUSLIM WORLD
Weekly Report on Global Islamic Finance
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Summary:

Assets and liabilities held by Islamic financial institutions within the United Arab Emirates (UAE) reached AED 269 billion (\$73.1 billion) as at the end of 2010, equivalent to 17 per cent of the total assets and liabilities of the country's banking system

More than 1,200 delegates from over 50 countries are set to join the leaders from the global Islamic finance industry at the 18th Annual World Islamic Banking Conference (WIBC 2011) in Bahrain, confirming the Kingdom's position as the leading global hub for Islamic finance.

A successful rollout of Islamic banking system could easily see the industry in Oman gaining up to \$6bn in Islamic assets over next few years, according to estimates by Ernst and Young's Islamic Financial Services Group (IFSG).

The Government will issue new income tax rules for Islamic finance products, said deputy chairman of the Monetary Authority of Singapore Mr. Lim Hng Kiang.

Russia has made progression in establishing a solid pathway into the Islamic financial industry, which is expected to reach over \$2 trillion dollars by 2012. Russia now hopes to attract the Arab world, which are the key players in Islamic finance by embarking on a collaboration of issuance of Sukuk Islamic bonds.

UAE central bank governor Sultan bin Nasser Al Suwaidi had announced that the total assets and liabilities of Islamic banks in the UAE reached \$73.1bn at the end of 2010 but short-term liquidity remained a challenge, according to UAE Central Bank governor Sultan Bin Nasser Al Suwaidi.

Al-Rajhi Capital, the investment banking subsidiary of Al-Rajhi Bank and one of the leading asset managers in the Kingdom of Saudi Arabia, announced the launch of the "Al-Rajhi Multi Asset Conservative Fund", an open-ended fund classified under the "Balanced Funds" category.

1. GLOBAL ISLAMIC FINANCE

Bankers, regulators meet to put Islamic finance back on map

Monday, June 06, 2011

Top Islamic banking officials will meet in Singapore this week to discuss ways to revive an industry, which has stalled as interest in new markets cool, and legal uncertainties cloud the role of sukuk as funding tools.

Once touted as a viable alternative to traditional banking, Islamic finance has failed to make a mark outside its core markets as countries from Britain to Hong Kong and Australia put on hold sukuk issuance plans and proposed regulatory changes to accommodate sharia banking.

Its reputation stained by Dubai's \$26 billion debt crisis in 2009, Islamic finance is struggling to attract investors' attention with emerging markets flush with funds, in contrast to 2008 when the global crisis shut down credit markets and prompted a search for alternative sources of finance.

"Islamic financing has been clouded by the sovereign debt issues in Europe and quantitative easing has resulted in a lot of funds from the U.S. moving into various emerging markets," said Anwar Idris, head of marketing and business development at Affin Fund Management in Kuala Lumpur.

Dwarfed by the size and financial muscle of its conventional banking rival, the \$1 trillion Islamic finance industry needs to find new markets beyond the Middle East and Southeast Asia for growth.

In the first meeting of top officials since the Middle East unrest broke, Gulf and Asian regulators and bankers will gather in Singapore on Wednesday and Thursday to restore confidence in sukuk as fund-raising instruments.

Several high-profile sukuk defaults have thrown up legal uncertainties such as the extent to which sukuk holders own assets underpinning the issue when the instrument sours.

Kuwait's International Investment Group defaulted on two sukuk payments last year, and The Investment Dar, which owns half of British carmaker Aston Martin, defaulted on sukuk in May 2009. U.S. energy firm East Cameron defaulted on its sukuk issue in 2008.

The legal uncertainties contributed to a drop in Islamic bond issuance last year, bankers have said. Sukuk sales fell 26 percent to \$14 billion in 2010, according to Thomson Reuters data.

Badlisyah Abdul Ghani, chief executive officer of Malaysia's CIMB Islamic Bank, said the industry would pick take some time to pick up.

"When Islamic finance was introduced in Malaysia, it took a few years before other players started to pick up the business," he said. "When it was opened to 1993 to other players, it took about five years before we saw a lot of momentum."

<http://www.reuters.com/article/2011/06/06/islamic-finance-idUSL3E7H303A20110606>

Islamic banks in the UAE now almost one-fifth of financial sector

Monday, June 06, 2011

Assets and liabilities held by Islamic financial institutions within the United Arab Emirates (UAE) reached AED 269 billion (\$73.1 billion) as at the end of 2010, equivalent to 17 per cent of the total assets and liabilities of the country's banking system

The number of Islamic banks operating in the UAE now stands at eight (not including those conventional institutions operating Islamic 'windows') with some 260 branches. The figures were given by the Governor of the Central Bank of the UAE (CBUAE), HE Sultan Bin Nasser Al Suwaidi, in his opening remarks to a seminar entitled *Islamic Finance in a global perspective*, held by the CBUAE on 2 June 2011. The Governor also congratulated the Sultanate of Oman on the licensing of its first Islamic bank and welcomed the Central Bank of Oman to the Islamic finance community of regulators.

However, Al Suwaidi directed the majority of his remarks to the state of Islamic finance within the UAE itself. He said, "The subject I want to raise is our experience with Islamic banking in the UAE, and the challenges we faced or still face."

Reviewing the historical development of Islamic banking in the UAE, Al Suwaidi noted the establishment and incorporation of Dubai Islamic Bank (DIB) in 1975 as the starting point for Islamic finance in the country. DIB was, of course, not just the UAE's but the world's first full-service Islamic bank.

"Dubai Islamic Bank was the only Islamic bank for many years until the incorporation of Abu Dhabi Islamic Bank in 1998", said Al Suwaidi. However, since 2000 six more Islamic banks have been created either through conversion from conventional to Islamic finance or through the incorporation of new institutions.

"Deposits at Islamic banks were AED 198 billion (\$53.8 billion) as at the end of the year 2010, which represents 18.7 per cent of total deposits of the banking system," Al Suwaidi disclosed. Loans and advances are AED 169 billion (\$46 billion) as at the end of 2010, which represents 16.4 per cent of total loans and advances of the banking system.

Annualised growth of assets and liabilities of Islamic banks was 10.9 per cent in 2010. Deposits grew by 7.6 per cent while loans and advances grew by 5.6 per cent.

Al Suwaidi described the performance of the UAE's Islamic financial institutions as 'impressive' but went on to talk of three 'challenges that would need the focused attention of the scholars'.

"The first such challenge is the short-term liquidity management at Islamic banks and other Islamic financial institutions. This is not a straight forward issue and has been under discussion between Islamic banks and Central Bank of the UAE for several years before we were able to produce any instrument," he said.

However, during Q4 2010, the CBUAE created Islamic CDs (Certificate of Deposit) based on Murabaha. Banks participating in the program were required to sign a Commodity Murabaha Deposit Master Agreement with the CBUAE and to install Shari'ah-compliant CDs auction systems.

Al Suwaidi described the CDs, launched in November, as 'very successful' and noted that by the end of Q1 2011, the CBUAE had sold CDs to the value of AED 12 billion (\$3.27 billion). The Governor also noted the broader global initiative that the launch of the International Islamic Liquidity Management Corporation in Kuala Lumpur in October last year represents.

Al Suwaidi then raised two issues that continue to exercise Islamic financiers around the world, the potential ambiguities surrounding credible Shari'ah standards and the allocation of profits between shareholders and depositors.

"Another challenge for Islamic finance is the distinction between profit to shareholders and profit to investors/depositors, which is not a clear-cut issue at the moment. We need a standard formula to calculate profit in an equitable and fair way at all Islamic banks", said Al Suwaidi.

Finally, Al Suwaidi identified the issues surrounding differing interpretations of Shari'ah, "The third challenge is the rulings by the various Shari'ah boards of Islamic banks, which should be better coordinated and harmonized. This will satisfy an important requirement, i.e., setting of credible standards for Islamic banks."

<http://www.cpifinancial.net/v2/News.aspx?v=1&aid=8184&sec=Islamic%20Finance>

Bahrain to further strengthen its position as the global nerve centre for Islamic finance

Tuesday, June 07, 2011

More than 1,200 delegates from over 50 countries are set to join the leaders from the global Islamic finance industry at the 18th Annual World Islamic Banking Conference (WIBC 2011) in Bahrain, confirming the Kingdom's position as the leading global hub for Islamic finance.

Announcing the launch of WIBC 2011, David McLean, Managing Director of the World Islamic Banking Conference, said, "The Kingdom of Bahrain for many years has played a leading role in the development of the international Islamic finance industry. The Kingdom has managed to advance its leadership position as the international hub for Islamic finance due its strong fundamentals, pioneering initiatives and world-class regulatory environment, not to mention its continued efforts and initiatives in developing skilled resources and enhancing existing ones on different fields of Islamic finance."

"The World Islamic Banking Conference has been held in the Kingdom of Bahrain for many years and has become synonymous with the success of Islamic banking in Bahrain. We are extremely delighted with the tremendous support extended by the Central Bank of Bahrain to WIBC 2011 and we look forward to returning to the Kingdom for yet another successful global gathering of the industry's leaders in November this year," McLean added.

McLean also noted, "A global event of the scale of WIBC is an outstanding platform for leading Bahraini institutions to showcase their leadership to the world as the Kingdom has many positive growth stories to tell regarding the exceptional development of the country's financial services industry and its significant contribution to Bahrain's GDP."

The event, which has over the years become the world's largest and most influential annual gathering of Islamic finance leaders, is again held with the strategic support of the Central Bank of Bahrain. Confirming their support for WIBC 2011, Khalid Hamad, Executive Director of Banking Supervision at the Central Bank of Bahrain, noted, and "Bahrain has a long and proud history in supporting the progress of Islamic finance. The Kingdom continues to play a

pioneering role in the advancement of industry standards, best practices and in developing a strong regulatory structure. We look forward to welcoming back the global stage of the 18th Annual World Islamic Banking Conference to the Kingdom of Bahrain and to continuing its tradition of supporting growth and innovation in the international Islamic finance industry. The past few years were so challenging for Islamic finance but at the same time the future raises several business development potentials and opportunities which we are all looking forward to explore during the 18th Annual World Islamic Banking Conference," he said.

WIBC 2011 is scheduled to be held from the 21st to the 23rd of November 2011 at the Gulf International Conventional and Exhibition Centre at the Gulf Hotel. The Asia summit of the World Islamic Banking Conference is being held on the 8th and 9th of June 2011 in Singapore.

<http://www.ameinfo.com/267435.html>

Oman to add \$6bn in Islamic assets

Wednesday, June 08, 2011

A successful rollout of Islamic banking system could easily see the industry in Oman gaining up to \$6bn in Islamic assets over next few years, according to estimates by Ernst and Young's Islamic Financial Services Group (IFSG).

Total banking assets in Oman in 2010 were estimated to be \$42bn. Shari'ah-compliant financial institutions, which are expected to commence operation in the country within a short period, are expected to capture a substantial share of this market and of total banking assets within a few years.

Speaking at Ernst & Young's Islamic Banking session at the Muscat Holiday Hotel, Ashar Nazim, Executive Director and Head of Islamic Financial Services, Ernst & Young MENA, said, "The Islamic banking opportunity could be substantial as we expect the industry to reflect its performance in other GCC markets. As an indication of how Islamic banking would evolve in Oman, we can look at the neighboring UAE market, where it has captured a significant share in a short period of time. New Islamic banks and Islamic banking windows in conventional banks are set to capture a significant share of the market over the coming months."

Global Shari'ah-compliant assets are estimated to have crossed \$1 trillion in 2010, growing at a sustainable 15-30% per annum.

He added, "Given the size of the local market, early movers are set to create a strong advantage in both Islamic banking and takaful. The next 18 months could materially change the competitive landscape in favor of Islamic windows and banks."

Conventional banks will be the first to market with Islamic windows

The Central Bank of Oman has permitted conventional banks to operate their Islamic banking business through a 'window' operation. As a result, the market could see a number of conventional banks entering the Islamic finance space in the next couple of years.

Ahmed Al Esry, Senior Director, Tax, Ernst & Young Oman, said, "The Islamic banking window operation is accepted as a successful model and in many markets such as Saudi Arabia, where Islamic windows account for nearly half of the Shari'ah assets, and UAE where they have

an 11% share. Given the similarities in the demographic landscape and appetite for these services, we see great potential in the Omani market for Islamic offerings. Successful Islamic windows understand the various Shari'ah implications on the banking business and are able to apply its requirements in their strategy, operations, product, and governance and risk management functions."

The concept of Islamic banking window requires the conventional financial institution to have a distinct operational infrastructure for its Islamic business. Compliance is monitored by the regulator as well as the Shari'ah authorities and further strengthened through independent Shari'ah audits conducted by professional firms.

Local Sukuk's to aid the growth of Oman's economy

Oman is expected to benefit from the most notable development in the Islamic finance market in 2010 - the growth of the Sukuk market. Sukuk's are the Shari'ah-compliant form of conventional bonds and have a growing acceptability in international markets. Omani Sukuk instruments could be used for financing infrastructure projects and stimulating corporate activity, which would add to the growth of Oman's buoyant economy.

<http://www.ameinfo.com/267532.html>

New tax rules for Islamic finance

Wednesday, June 08, 2011

The Government will issue new income tax rules for Islamic finance products, said deputy chairman of the Monetary Authority of Singapore Mr. Lim Hng Kiang.

The new regulations, to be issued by the Ministry of Finance, will cover financing agreements based on financing through partnership agreement, project financing and the interbank placement of funds, Mr. Lim said.

This is so that syariah-compliant products are not at a disadvantage compared with conventional products in terms of tax treatment, in order to encourage more such products in Singapore.

Mr. Lim, also Minister for Trade and Industry, was speaking at the Second World Islamic Banking Conference Asia Summit at Pan Pacific Hotel.

He also identified three challenges for Islamic finance: the standardization and harmonization of standards, strengthening of legal and regulatory regimes, and the supply of Islamic finance-versed professionals in finance and accounting.

http://www.straitstimes.com/BreakingNews/Singapore/Story/STIStory_677503.html

Islamic banking suffers from shortage of skilled professionals

Wednesday, June 08, 2011

Singapore - Islamic finance consistent with sharia law was poised to continue its growth, but the industry had to overcome a large dearth of skilled professionals and other challenges to succeed, banking experts warned Wednesday.

'The fast growth of Islamic financial institutions so far isn't followed by sufficient supply of human resources,' Halim Alamsyah, deputy governor of Bank Indonesia, said in Singapore.

He said Islamic finance expanded from 137 billion US dollars in total assets in 1996 to 895 billion US dollars in 2010. The amount was forecasted to reach 5 trillion US dollars by 2015.

In Indonesia, the acceleration of the Islamic financial industry has led to a human resources supply gap of more than 30,000 people, Halim Alamsyah said at a seminar on Islamic finance.

'I believe the same phenomenon can also be observed in many countries,' he said, calling for international efforts to tackle the issue, including exchange programmes with more developed markets for Islamic banking.

Tan Sri Zarinah Anwar, chairman of Malaysia's securities commission, said the shortage of skilled and experienced professionals in the industry was 'a critical area that needs attention.'

He said to expand its ties to the world economy, Islamic finance also needed to create a wider diversity of products, develop a reliable Islamic finance database and facilitate consistency in the interpretation of sharia and the resolution of disputes.

http://www.monstersandcritics.com/news/business/news/article_1644228.php/Islamic-banking-suffers-from-shortage-of-skilled-professionals

Russia Pathway to the Islamic Finance Industry

Thursday, June 09, 2011

Russia has made progression in establishing a solid pathway into the Islamic financial industry, which is expected to reach over \$2 trillion dollars by 2012. Russia now hopes to attract the Arab world, which are the key players in Islamic finance by embarking on a collaboration of issuance of Sukuk Islamic bonds.

The bonds are to be issued by the majority Muslim Russian republic of Tatarstan in the Volga region, which has embarked on an ambitious drive to attract foreign investment. "Russia will show that it can be interesting for Muslim countries," one of the project's backers, Linar Yakupov told AFP.

"Right now Islamic banks cannot work in Russia, because our legislation does not take into account the Quran's restrictions." Islam forbids borrowing or paying with interest, and sukuk (the plural of the Arabic word for a financial deed) are not based on debt like traditional bonds.

Instead, buying the bonds secures partial ownership in a concrete asset like land or a building, and investors are guaranteed a part of the profits generated by this asset.

The first sukuk to be issued in Tatarstan's capital Kazan on June 20 will be going toward financing a major business centre in the city whose construction will cost \$200 million.

"Sukuk are guaranteed by the Tatarstan government, the operator will be based in Luxembourg, and we know that the international market is ready to buy," Yakupov said.

Among the interested investors are the Jeddah-based Islamic Development Bank, and various banks in the Middle East, Malaysia, and Russia, he said.

Russia's finance ministry told AFP that it "supports Russia's first emission of Islamic bonds in Tatarstan" but pointed out that "Arab capital is already present in Russia."

Elnour Gurbanov, an analyst at Deloitte, said the initiative "can contribute to attracting Arab capital in Russia, but only in the long-term" since incorporating Islamic finance into Russia's legislation will take time.

Tatarstan has maintained privileged relations with countries in the Middle East and Southeast Asia. It prides itself on maintaining a distinct identity within Russia although talk of secession that followed the collapse of the USSR has now died down.

For years, it has urged Russia to adopt a legal framework to permit the work of Islamic banks in the manner of Britain, France, or Luxembourg. Bringing Islamic banks to Russia is "possible and even necessary", Tatarstan's leader Rustam Minnikhanov told investors in Dubai in early May, according to the RIA Novosti agency. In Moscow, however, federal authorities are showing greater caution.

"There is neither existing law nor a draft law regulating Islamic finance. Given the lack of eagerness from the federal authorities to study this issue, we should not expect it for other two or three years," said Oleg Ivanov, vice president of the Regional Banks Association of Russia.

Ivanov's association has tried without success to include Islamic finance into Russia's strategy for developing its banking system to 2015, which was adopted by the government two months ago. "The government and the Central Bank did not support us," Ivanov said

http://www.globalislamicfinancemagazine.com/index.php?com=news_list&nid=1685

Hogan Lovells Spurs Islamic Infrastructure and Project Finance

Thursday, June 09, 2011

As part of Hogan Lovells' strategy to further strengthen its global infrastructure and project finance practice in all key jurisdictions, partner Christopher Cross, currently in London, is relocating to Dubai as of June 2011. About Hogan Lovells', finance practice:

Located in the world's financial hubs, Hogan Lovells' finance practice is consistently rated as a market leader by respected legal directories, including Chambers Global and Legal 500, and by trade publications such as International Financial Law Review and Trade Finance Magazine. Our team of more than 300 lawyers enjoys extensive experience in advising clients on all types of financing transactions.

The practice comprises of an International Banking - including leveraged and acquisition finance, asset finance, banking, structured finance, trade and export finance, real estate finance, and a market leading Islamic finance practice.

Business Restructuring and Insolvency - including debtor and creditor representations, refinancing, restructurings, workouts, and acquisitions of distressed assets, and Islamic finance.

International Debt Capital Markets - including debt and high- yield capital markets offerings, private placements, securitizations and Sharia-compliant securitization, repackaging, derivatives, and sukuk.

Infrastructure, Public and Project Finance - including global infrastructure projects, privatization, public-private partnerships (PPP), engineering, procurement, and construction (EPC) contracts, private finance initiatives (PFI), Islamic project finance, concession agreements, government finance and mergers and acquisitions.

We provide an integrated service and capability to our clients, which include the world's leading financial institutions and corporations.

Hogan Lovells combines the breadth of business-oriented legal advice and high-quality service that clients have come to expect through working with its two founding firms - Hogan & Hartson and Lovells.

http://www.globalislamicfinancemagazine.com/index.php?com=news_list&nid=1687

Assets of UAE's Islamic banks were reported \$73bn in Year End

Friday, June 10, 2011

UAE central bank governor Sultan bin Nasser Al Suwaidi had announced that the total assets and liabilities of Islamic banks in the UAE reached \$73.1bn at the end of 2010 but short-term liquidity remained a challenge, according to UAE Central Bank governor Sultan Bin Nasser Al Suwaidi.

He said the number of Islamic banks in the UAE now stood at eight with 260 branches. Their total assets represented 17 percent of total assets of the banking system in the UAE, said UAE, Al Suwaidi added at a seminar in Dubai, state news agency WAM reported.

"Deposits at Islamic banks are AED198bn (\$53.8bn) as at the end of the year 2010, which represents 18.7 percent of total deposits of the banking system," the governor said. Loans and advances stood at AED169bn, 16.4 percent of total loans and advances of the UAE's banking system.

Al Suwaidi said the growth of assets and liabilities of Islamic banks was 10.9 percent in 2010 which he described as impressive but he added that there were also some challenges that needed addressing.

The first challenge, he said, was the short-term liquidity management at Islamic banks and other Islamic financial institutions.

"This is not a straight forward issue and has been under discussion between Islamic banks and Central Bank of the UAE for several years before we were able to produce any instrument," he said.

During the fourth quarter of 2010, the UAE Central Bank created an Islamic certificate of deposit, intended to absorb excess liquidity in Islamic banks and allow them to invest such liquidity in dirham in the local market instead of turning abroad to invest in foreign currency.

Al Suwaidi said the initiative now has a balance of AED 12bn. He said another challenge for Islamic finance was the distinction between profit to shareholders and profit to investors.

"We need a standard formula to calculate profit in equitable and fair way at all Islamic banks," he said. He also said that Shari'ah boards of Islamic banks needed to be "better coordinated and harmonized" in a bid to set "credible standards for Islamic banks".

http://www.globalislamicfinancemagazine.com/index.php?com=news_list&nid=1689

2. ISLAMIC BANKING & INSTITUTIONS

Al Rajhi Capital launches multi asset conservative fund

Sunday, June 05, 2011

Al-Rajhi Capital, the investment banking subsidiary of Al-Rajhi Bank and one of the leading asset managers in the Kingdom of Saudi Arabia, announced the launch of the "Al-Rajhi Multi Asset Conservative Fund", an open-ended fund classified under the "Balanced Funds" category.

Al Rajhi Capital Company is the independent, wholly owned investment subsidiary of Al Rajhi Bank, the world's largest Islamic bank and the largest commercial bank in the GCC region in terms of market capitalization.

Headquartered in Riyadh, Al Rajhi Capital is a Limited Liability company organized and existing under the laws and regulations of Saudi Arabia and operates under the Authorized Persons Regulations with license number 07068-37 granted by the Capital Market Authority and provides securities-related services, including brokerage, asset management and investment banking. All businesses of Al Rajhi Capital are subject to distinct regulatory requirements; certain products and services may not be available in all jurisdictions or to all client types.

<http://www.istockanalyst.com/business/news/5205470/al-rajhi-capital-launches-multi-asset-conservative-fund>

Al Baraka Bank Tunis appoints new GM

Sunday, June 05, 2011

Al Baraka Bank Tunis, a subsidiary banking unit of Al Baraka Banking Group BSC (ABG), has announced the appointment of Fraj Zaag as General Manager

Zaag, a Tunisian national, has a Bachelor in Accounting and he is a Chartered Accountant. He has a wealth of experience gained from high-level positions held during 27 years as a senior staff member and, since 2009, as Deputy General Manager of Al Baraka Bank Tunis.

Abdelelah Sabahi, Chairman of Al Baraka Bank Tunis said, "The rapid growth of the banking and financial services sector in the Tunis represents a challenge to the industry. We need to diversify our services, accelerate the development of products, and raise standards to meet the

expectations of customers. Mr. Zaag has a thorough knowledge and extensive background of Islamic banking, and is well equipped to handle this challenging job."

<http://cpifinancial.net/v2/News.aspx?v=1&aid=8180&sec=Islamic%20Finance>

National Bank for Development launches new safe saving product

Monday, June 06, 2011

National Bank for Development (NBD), in cooperation with Abu Dhabi Islamic Bank, launched "5 years Sukuk plus", an Islamic Shari'ah compliant medium term saving product in Egyptian pound. The "5 years Sukuk plus" offers customers annual profit posted on monthly basis with expected profit rate ranging between 9% and 9.25%.

"Launching the 5 years Sukuk plus reflects NBD's strategy to continuously launch new Shari'ah compliant products tailor made to meet customers' needs in the Egyptian market which comes as a result of the periodical studies of the trends in the Egyptian market that the bank conducts in order to cater to the wide variety of the changing customers' needs," Nevine Loutfy, NBD Managing Director and CEO.

"Accordingly, NBD now occupies a leading position in offering new retail Shari'ah compliant banking products," she added.

"The 5 years Sukuk plus is a safe means for investment providing anticipated 9% to 9.25% annual profits higher than the other short term investments. The customer enjoys additional advantages such as pledging Sukuk as collaterals for Al-Yosr finance, and auto finance,"

The minimum value of "5 years Sukuk plus" is LE1000 and multiples. The Sukuk profit is posted on the customer's account on the first day of each month.

In case that the customer wishes to redeem the whole value of "5 years Sukuk plus", he can do that after 6 months from the date of issuance.

The bank invests Sukuk funds as per the terms and conditions of Wekala contracts where the bank acts as the legal agent to invest on behalf of the client and to define the ways of investment and the profit rate

<http://www.ameinfo.com/267263.html>

Bahrain Islamic Bank completes successful branch process with MTI Consulting

Tuesday, June 07, 2011

It has been reported that Bahrain Islamic Bank has recently concluded a very successful retail banking and branch process re-engineering assignment with MTI Consulting, the focus of which was on Process Efficiency and Service Quality.

Mr. Abdul Rahman Turki, the General Manager for Retailing at BisB commenting on the project said, "As the regional in Retail Islamic Banking, which is a very competitive category, we always look to go from strength to strength in 3 key areas: Service Quality, Process Efficiency and Cost Optimization. MTI Consulting with their extensive experience in this field

along with our management team has jointly worked on a road map for this. We are very pleased with the assignment."

"MTI's engaged BisB retail banking staff throughout the project - over 45 management and head office staff with structured surveys conducted with the majority of BisB branch staff, detailed interviews with all branch managers and informal conversations with a cross-section of staff and supervisors," said Mr. Hilmy Cader, the CEO of MTI Consulting and the Lead Consultant for this project.

MTI is a boutique international consultancy with a strong regional footprint in the Gulf and Asia, with a strong practice in financial services, both Islamic and conventional. Bahrain Islamic Bank (BisB) was established in 1979 as the first Islamic commercial bank in the Kingdom of Bahrain; the authorized capital is BD 100 million and paid up capital is

BD 72.859 million.

Since its inception, BisB has recorded a steady growth. At the end of 2010, the shareholders' funds reached nearly BD 100 million Bahraini Dinars, with assets in excess of BD 936 million.

The Bank had recently launched its new identity with the core objective of radiating its new and fresh mandate of exceeding expectations, from both an inspirational and a functional perspective.

The Bank has been maintaining its leading position in the Islamic banking sector through adopting innovative Islamic investment and financing products, supported by superior retail and corporate banking services. The Bank is listed on the Bahrain Stock Exchange. The major shareholders are leading local and regional financial institutions. The Bank operates under supervision and the regulatory framework of the Central Bank of Bahrain.

http://www.globalislamicfinancemagazine.com/index.php?com=news_list&nid=1677

Path Solutions Partners With Universal Payment Services

Tuesday, June 07, 2011

The innovative leading Islamic software provider Path Solutions, the global provider of software solutions for the Islamic banking market, have announced that it has entered into a partnership agreement with Universal Payment Services ("UPS") Kuwait, one of the leading firms in transaction processing and electronic payments.

The move allows Path Solutions to offer a wide range of card management applications that enhances and diversifies its services offering to the Islamic banking marketplace.

Founded as a Kuwaiti-Saudi company with a capital of 50 million USD, Universal Payment Services is the first Shariah outsourcing company that offers international, superior electronic transaction processing services through high-speed robust, electronic information network.

"We are delighted to be joining forces with Path Solutions, a recognized player in the Islamic banking software segment", commented Mrs. Entisar Al Suwaidi, UPS Vice Chairman &

Managing Director. “With an extensive portfolio and in-depth experience in managing and processing card payment solutions, UPS will enable Path Solutions’ current and future clients to benefit from a comprehensive line of innovative and cost effective transaction processing solutions. This strategic partnership will help us combine our focus in developing Shariah compliant products to meet rising demand efficiently”.

Under the terms of the agreement, UPS will be complementing iMAL with transaction processing solutions for Debit and Credit Cards, industry-leading POS applications with market specific features, ATM sharing and driving services and Credit Cards management solutions.

Path Solutions’ Group Chairman & CEO, Mohammed Kateeb added: “Our goal is to strengthen our product portfolio and complement our expertise by partnering with UPS to deliver state-of-the-art, end-to-end solutions to Islamic financial institutions. We are pleased to team up with UPS and are confident that this agreement will bring great value to our customers”.

http://www.globalislamicfinancemagazine.com/index.php?com=news_list&nid=1679

Qatar Islamic Bank Receives Moody’s Ratings

Wednesday, June 08, 2011

Moody's Investors Service has assigned local and foreign currency long-term and short-term issuer ratings of A3/Prime-2 to Qatar International Islamic Bank (QIIB), and a standalone bank financial strength rating (BFSR) of D+, which maps to Ba1 on the long-term rating scale. All ratings carry stable outlooks

The assigned BFSR considers QIIB's solid financial fundamentals, especially the very high capitalization levels - with a Tier 1 capital ratio at 28.6 per cent (as of end-March 2011) – and good core earnings-generating capability and satisfactory asset-quality levels, with a non-performing assets ratio of 3.2 per cent (at end-March 2011).

Moody's has also considered the favorable operating conditions in the Qatari banking system, as well as the history of proactive and ongoing support by the Qatari authorities to local banks. However, QIIB's BFSR is constrained by the bank's modest, but improving, franchise and its high geographic and sectoral credit concentrations mainly in real-estate-related financing.

Although QIIB's asset quality weakened in 2010, impaired loans stabilized in Q1 2011, in part because a portion of potentially weak exposures were transferred to the government. The bank's concentration to real-estate-related exposures could give rise to additional impairments. However, Moody's scenario analysis stress testing the loan and investment books of QIIB shows that the bank is well placed to absorb potential asset-quality shocks at current capitalization and profitability levels.

QIIB's liquidity remains strong, with sufficient levels of cash and repo-able investments, although it is exposed to potential asset-liability mismatches due to the contractually short-term nature of its customer deposits. However, QIIB is one of the well-established Islamic banks in Qatar, benefiting from a strong brand name and reputation along with new product offerings. These factors allow it to continuously grow its retail deposit base, which enhances granularity

and stickiness in the deposit book. Currently, around 70 per cent of QIIB's depositors are retail customers.

QIIB's long-term/short-term issuer ratings benefit from four-notch uplift to A3/Prime-2, reflecting Moody's assessment of a high probability of extraordinary government support in case of need. The Qatari government has demonstrated on many occasions its willingness and ability to provide support to local banks. The recent capital injection to QIIB – which resulted in a 16.7 per cent government ownership by the Qatari Investment Authority – is indicative of the willingness to support.

http://www.globalislamicfinancemagazine.com/index.php?com=news_list&nid=1683

3. SUKUK (ISLAMIC BONDS)

Egypt introduces new 'sukuk' law to attract Gulf investors

Monday, June 06, 2011

Cairo's financial supervisory authority has approved a proposal for issuing Islamic bonds in a bid to attract further Arab investment

Egypt will issue its first Islamic debt guidelines and amend its capital market law in a drive to spur Arab investment and open itself to investment from the Persian Gulf and Southeast Asia.

The move will allow oil-rich countries to invest in the roughly 180 companies listed on the Egyptian stock market.

“The Board of Directors for the Egyptian Financial Supervisory Authority (EFSA) has issued today its initial approval of the amendment proposal to the Capital Market Law No. 95 of 1992 that involves issuance and organizing Islamic Bonds [sukuk],” says a statement published by the financial watchdog's website today.

According to the statement, the proposal will be discussed by experts and other involved parties before being floated for final approval by Egypt's cabinet.

The statement did not specify any timeline for these changes.

"Although I don't see any difference between Islamic and non-Islamic bonds, the move will help attract Arab investors to the Egyptian market," says Walaa Hazem, asset manager at HC Securities.

"The thing is, you're trying to provide a broad diversity of services that will cover potential investors from different backgrounds, including those who worry about investment and think it is haram [forbidden]," adds Hazem, who was part of a May tour of the Gulf by the Bourse chairman Mohamed Abdel Salam aiming to promote the Egyptian market.

Last month, Prime Minister Essam Sharaf and Finance Minister Samir Radwan also made a promotional tour of the Gulf, visiting Saudi Arabia, Qatar, the United Arab Emirates and Kuwait, looking to raise both private investment and loans.

Egypt's market has three listed Sharia-compliant banks: Al Baraka, Faisal Islamic Bank of Egypt and National Bank for Development.

In May, the Freedom and Justice Party, set up by the Muslim Brotherhood (MB) to contest up to half the seats in a parliamentary election scheduled for September, proposed the government sell Islamic bonds for the first time to help plug the country's deficit.

According to the group's official website Ikhwan Online, Ashraf Badr El-Din, a member of the MB committee, which wrote the economic platform for the new party, argued that a high percentage of Egyptians have reservations about charging interest and that such a financing tool would encourage these people to invest their money.

The global market for Islamic financial services was estimated to have reached US\$729bn at the end of 2007, a 37 per cent increase year-on-year, according to a 2009 paper by the Egyptian British Chamber of Commerce titled 'Report on Islamic Banking in the UK and Egypt'.

The logic behind introducing Sukuk in the Islamic world is that any form of interest [riba] derived from investments is forbidden [haram].

Islamic finance works from the premise that both the individual customer and bank should be at equal risk upon investment; any possible profits or losses should be equally divided between them.

Conventional financial services, as well as finance for activities related to alcohol, gambling and tobacco are incompatible with the principles set out in Sharia law and therefore prohibited in the Islamic banking system.

<http://english.ahram.org.eg/NewsContent/3/12/13775/Business/Economy/Egypt-introduces-new-sukuk-law-to-attract-Gulf-inv.aspx>

Etisalat says \$8bn bond, sukuk sale on hold

Monday, June 06, 2011

Emirates Telecommunications Corp's \$8bn bond and sukuk program is on hold and won't be used this year, Chairman Mohammed Omran said Monday in Amman.

The company, known as Etisalat, will revisit a plan to seek Syria's third mobile telephone license if terms were changed, he said. Etisalat, the Middle East's largest telephone operator, will focus on the expansion of networks in the United Arab Emirates, Saudi Arabia and Egypt and not acquisitions and new licenses, he said at a conference.

In March, Etisalat withdrew plans to bid for Syria's third mobile license, saying the terms did not offer sufficient value for shareholders, and it has scrapped a \$12bn takeover of Kuwait's Zain.

Etisalat said in May it would spend up to AED3bn (\$817m) annually for the next five years on technology for 2G, 3G and 4G networks as well as for IT systems and mobile towers.

The company, which pays 50 percent of its earnings as royalties to the UAE government, said it would look to sign an infrastructure-sharing agreement with rival operator du by the year-end.

Etisalat had 7.43 million UAE mobile subscribers, 1.13 million fixed line subscribers and 0.49 million-internet subscribers at the end of March.

<http://www.arabianbusiness.com/etisalat-says-8bn-bond-sukuk-sale-on-hold--403792.html>

UAE Central Bank Islamic Certificates Reach DH12 Billion

Tuesday, June 07, 2011

It has been reported that the UAE Central Bank's Islamic certificates of deposit have run up a balance of Dh12 billion, equivalent to \$3.27 billion, Central Bank Governor Sultan Bin Nasser Al Suwaidi said in Abu Dhabi in a statement.

In his welcoming speech to delegates at a seminar titled 'Islamic finance in a global perspective', Al Suwaidi said: "During the fourth quarter of 2010, the Central Bank of the UAE was able to create an Islamic CD [certificate of deposit], which has been very successful since inception in November 2010."

Figures of Islamic banks are impressive, but there are some challenges, Al Suwaidi said. The first such challenge is the short-term liquidity management at Islamic banks and other Islamic financial institutions, he added.

"Another challenge for Islamic finance is the distinction between profit to shareholders and profit to investors/ depositors, which is not a clear-cut issue at the moment. We need a standard formula to calculate profit in equitable and fair way at all Islamic banks," he added.

The third challenge, Al Suwaidi said, is represented by rulings by the various Sharia boards of Islamic banks, which needed to be better coordinated and harmonized.

"This will satisfy an important requirement, i.e. setting of credible standards for Islamic banks," he added. Al Suwaidi said that at the end of last year, deposits at the country's Islamic banks stood at Dh198 billion, accounting for 18.7 per cent of the total deposits in the banking system. Total assets of Islamic banks at the end of last year stood at Dh269 billion, or 17 per cent of total assets of the banking system in the UAE, he added.

Al Suwaidi said the growth of assets of Islamic banks in the UAE on year was 10.9 per cent in 2010, while deposits grew 7.6 per cent and loans and advances rose 5.6 per cent. He said the number of Islamic banks in the country now stands at eight with 260 branches. According to banking industry estimates,

Islamic banking is growing at a fast clip and its size globally is expected to reach \$2.7 trillion (Dh9.91 trillion) by 2015 from an estimated \$1 trillion, at present. Islamic banking, on a global scale, has seen a ten-fold increase over a ten-year period.

http://www.globalislamicfinancemagazine.com/index.php?com=news_list&nid=1678

Multiple Sukuk Issuances Advised by SNR Denton

Thursday, June 09, 2011

SNR Denton has announced that its Islamic Finance practice has been simultaneously advising on a number of Sukuk (Islamic bond) issuances from the Middle East region.

The Sukuk issuances, which they are advising on, include the US\$400 million Trust Certificates due 2016 issued by SIB Sukuk Company II Limited on behalf of Sharjah Islamic Bank. We acted for HSBC, Standard Chartered and Liquidity House as Joint Lead Managers.

US\$750 million Trust Certificates due 2016 issued by IDB Trust Services Limited on behalf of Islamic Development Bank. We acted for HSBC, Standard Chartered, Deutsche Bank and BNP Paribas as Joint Lead Managers.

A private placement of trust certificates issued by a confidential issuer. We acted for the sole lead manager. London partner Matthew Sapte led all three deals, and was supported by a team of lawyers including senior associate Roy Neillie and lawyer Laura Cansdale. Paul Jarvis, a Partner in Abu Dhabi, provided local advice. This same team advised on a number of successful Sukuk in the past 18 months including a complex liability management project for the Government of Ras-Al-Kaimah and further issuances by the Islamic Development Bank.

“In 2010 we suggested that the sukuk markets were thawing out. These deals indicate that 2011 could be an even busier year.” says Sapte. “The fact that our team has been advising on a number of recent deals demonstrates the capabilities of our Islamic finance team throughout our extensive office network.”

London collaborates David Cohen and lawyer Gareth Burton acted for the Delegate on the deals. Citi was Delegate on the SIB transaction and Law Debenture on the Islamic Development Bank transaction.

Clifford Chance advised Sharjah Islamic Bank and King & Spalding advised the Islamic Development Bank on the respective deals.

SNR Denton’s Islamic Finance practice advises on the full range of Shari’ah-compliant activities, including Sukuk, transactional banking, project finance, M&A, structured finance, regulatory reform, funds, private equity, investment funds and takaful. The team is international, and our unique Middle East footprint sets us apart from the competition, with offices in Abu Dhabi, Amman, Doha, Dubai, Cairo, Kuwait, Manama, Muscat, Riyadh and associate firms in Beirut and Istanbul.

http://www.globalislamicfinancemagazine.com/index.php?com=news_list&nid=1686

Malaysia Focused on \$1 Billion Global Sukuk

Friday, June 10, 2011

Malaysia the Islamic financial hub of Asia has remained focused on selling the \$1 billion worth of global sukuk issuances. The country has made significant contributions to the Islamic finance and banking industry and continues to be a leader in sourcing and facilitating Islamic financial services.

Malaysia plan is to sell more than \$1 billion in global Islamic bonds and have reassured that they will hold investor presentations at the end of June to market the offering, a source with direct knowledge of the matter said.

May bank, CIMB, Citi and HSBC are arranging the issue, said the source who declined to be identified as then sale has not been announced. The issue is expected to draw a lot of interest due to a shortage of Islamic bonds and strong demand for government paper.

"I'm hearing that they are pushing for 10 years maturity," said an Islamic banker at a domestic bank. "Most sukuk are five-year paper and I'm not sure there's liquidity at the longer end." The Southeast Asian country, which has the world's largest sukuk market, last tapped the global market in May 2010 when it sold \$1.25 billion of five-year sukuk ijara or Islamic leasing bonds at a yield of 3.928 percent.

IFR, a Thomson Reuters unit, had earlier reported that the government had picked four banks including CIMB, Citigroup and HSBC to arrange the issue. The planned Malaysian issue comes as markets are anticipating a revival in global sukuk sales this year.

HSBC Middle East, Bahrain's Al Baraka Bank and Qatar Islamic Bank are all eyeing sukuk sales. Islamic bond issuance fell 26 percent to \$14 billion in 2010 in the aftermath of Dubai's debt restructuring and high-profile sukuk defaults that exposed legal uncertainties surrounding these instruments, according to Thomson Reuters data.

A Reuters poll had forecast that global sukuk sales will rise nearly 60 percent this year to more than \$22 billion as economic recoveries and high crude oil prices revive the market.

http://www.globalislamicfinancemagazine.com/index.php?com=news_list&nid=1691

4. TAKAFUL (ISLAMIC INSURANCE)

Dubai SME partners with Noor Takaful to attract more UAE entrepreneurs

Wednesday, June 08, 2011

Noor Takaful has joined the Dubai SME, the agency of the Department of Economic, which develops the small and medium enterprise to invite more UAE international entrepreneurs into the insurance industry and provide them with the options to starting up a business.

Noor Takaful is a Shariah-compliant insurance brand of Noor Investment Group LLC and plans to offer franchises to UAE nationals in order to sell Noor Takaful products across the UAE. The entrepreneurs can work under three franchises, which are a business start-up taking place in the Business Incubation Centre at Dubai SME, as a fully-fledged business operating independently or as a home-based agent under the Intilaq license of the Department of Economic Development.

Managing Director of Noor Takaful, Dr. Ahmed Al Janahi gives his views, "Noor Takaful is pleased to be entering into this strategic partnership with Dubai SME. This will be the first time a franchising concept within the insurance industry will be available in the region. We expect for this relationship to initially enhance awareness levels on takaful, and in turn support

entrepreneurial Emirati men and women in making informed decisions regarding their business requirements.

He ends by saying "This partnership offers us the opportunity to further enhance our presence in the small and medium business sector, and positions us as the reliable and trusted insurance partner for the thriving young entrepreneurs."

The three franchise arrangements will also give the entrepreneurs the chance to start at minimal investment, gain knowledge and eventually grow as a full-fledged business. Becoming part of the Dubai SME network is another advantage because it will enable the franchises to promote Noor Takaful products successfully.

Awareness programs will be arranged for members of the community by the Dubai and Noor Takaful. The programs will offer possibilities in the franchise, income potential, roles and other aspects of the franchise business model.

CEO of Dubai SME, Abdul Basit Al Janahi talks about the Dubai SME partnership "Dubai SME has an expanding partnership network, which is a strong platform to create synergies and source competitive services and solutions for business growth. We are delighted to have Noor Takaful among our partners. The partnership also marks the first strategic initiative of Dubai SME to promote home-based business to generate substantial income and create opportunities for UAE nationals in new economic sectors."

http://www.globalislamicfinancemagazine.com/index.php?com=news_list&nid=1684

5. ISLAMIC INVESTMENTS; EQUITIES/SECURITIES & FUNDS

More Shariah-compliant investors expected to hit local shores

Wednesday, June 08, 2011

SINGAPORE - Aspiring Islamic finance centers like Singapore and Malaysia may see an inflow of funds in search of Islamic banking alternatives.

Analysts said the recent turmoil in the Middle East has driven some syariah-compliant investors to pull their money out of that region.

"There is a sense that there is some money coming out of the Middle East into the non-Middle East Islamic centers like Singapore," said Mr. Sani Hamid, director of wealth management at Financial Alliance.

"Investors there may have decided that it is better to put some of their funds offshore." Analysts say Islamic finance has huge potential to appeal to non-Muslim investors as well. They believe that Islamic finance can be demystified and better understood with more investor education.

This is because the salient features of Islamic finance - such as equal sharing of losses and profits - make syariah-compliant products attractive investments.

"The core message of Islamic finance has always been: Share the risk, ensure that the capital is used in economic or tangible activities and all the participants are protected," said Mr. Raj Mohamad, managing director of Five Pillars, an investment consultancy firm.

However, analysts point out that different Islamic interpretations of products exist.

For example, religious scholars in the Middle East could disagree with those in South-east Asia on what constitutes a syariah-compliant product.

This would pose a challenge to greater cross-border syariah-compliant transactions.

Cross-border issues such as these will be discussed at the second annual World Islamic Banking Conference being held here today and tomorrow.

The conference is supported by the Monetary Authority of Singapore and some 450 delegates are expected to attend.

<http://www.todayonline.com/Business/EDC110608-0000305/More-syariah-compliant-investors-expected-to-hit-local-shores>

6. ISLAMIC FINANCE EVENTS; SEMINARS, WORKSHOPS & CONFERENCES

Kazakhstan hosts the 7th World Islamic Economic forum this year

Tuesday, June 07, 2011

Finance Minister Mohammad Abu Hammour will be taking part in the 7th World Islamic Economic forum in Kazakhstan, the first central Asian nation to host. The goal of the forum is to unite Muslim and non-muslim nations resulting in a greater economy with the combination of communication and partnerships.

The forum will explore investment and pan-trade issues, making use of Islamic financial instruments and providing work for people in Islamic countries, according to the Finance Minister. The theme of the forum will be 'Globalizing Growth: Connect, Compete, Collaborate' because of the effects of the global financial crisis over the past few years. Chair of the World Islamic Economic Forum (WIEF), Tun Musa Hitam announced at a press conference that the forum would be hosted by the Government of the Republic of Kazakhstan. The WIEF forum will take place between the 7th and 9th of June 2011 and will be held at the Palace of Independence Astana.

Tun Musa says, "It is our hope that through the knowledge transferring platforms of the 7th WIEF there will be increased freedom and capacity for organisations of any size to undertake strategic economic transactions across national boundaries". Tun Musa statements were also said at a press conference in Astana by the Deputy Prime Minister Kazakhstan & Chairman, Asset O. Issekeshv and the National Organizing Committee for the 7th WIEF.

The Deputy Prime Minister gives his views about the benefits of Kazakhstan's globalization, saying, "Despite being a landlocked country. Kazakhstan is very much connected to the international community through land and air. Of particular significance is the International Transport Corridor (ITC) North-South route which links together important

economies such as Russia, Iran and India with Kazakhstan by road thus greatly facilitating cargo transportation and capital transfer across national borders”.

The 7th WIEF will include a leadership panel talking about the entrepreneurship as a vehicle of growth, trade and investment possibilities in selected developing OIC countries and sessions focusing on Islamic banking, infrastructure development, alternative energy and more.

Over 150 local and foreign speakers will attend the forum as role players. Similar to the previous forums, the 7th WIEF will be led by Businesswomen and Young leaders Forums in partnership with the WIEF Exhibition by H.E Karim Mazimov, Prime Minister of Kazakhstan.

http://www.globalislamicfinancemagazine.com/index.php?com=news_list&nid=1680

Shurooq promotes Sharjah at New York University International Hospitality Industry Investment Conference

Tuesday, June 07, 2011

A delegation from the Sharjah Investment and Development Authority (Shurooq), led by HE Marwan Jassim Al Sarkal, CEO of Shurooq, is participating in the 33rd annual International Hospitality Industry Investment Conference currently taking place in New York, USA.

Shurooq's participation in the event, which runs until 7 June, forms part of its strategy to promote Sharjah as a leading investment and tourist destination in the region.

The three-day conference - regarded as the world's premier conference dedicated to the hospitality industry - is being attended by more than 600 participants, including industry leaders and decision makers, businessmen, investors, and professionals from around the globe.

Shurooq's delegation includes Ahmad Obaid Al Qaseer, Chief Operations Officer, and Elie Armaly, Business Development Director.

Highlighting the importance of this conference, Al Sarkal said, "Shurooq's participation in the event is aimed at promoting available investment opportunities in the emirate's hospitality sector and marketing these opportunities in the international arena, which is in line with our strategic goal of placing Sharjah on the world's business and tourism map, as well as negotiating with a number of international hotel operators on the possible partnerships in future hotel projects in the emirate."

"The event also offers great networking opportunities and serves as an excellent platform for highlighting Sharjah's unique diversity of tourist attractions and rich elements. Our participation here forms part of Shurooq's ongoing efforts to promote the emirate of Sharjah as an investment destination of choice," he added.

Al Sarkal stated that meetings were held with the heads of participating delegations, representatives of hotels, travel and tourism agencies, as well as with investors, on the sidelines of the NYU conference. These meetings were focused on opening new vistas of cooperation and investment within the emirate's hospitality sector, updating all parties on the significant developments seen by the emirate's tourism sector, as well as Shurooq's various projects and developments, which has helped make the tourism industry a landmark economic sector.

The delegation also discussed a number of issues related to common interests, including recent changes and trends in the industry, alternative investments, and sources of finance available globally, with other participants.

Several sessions and symposiums highlighting hotel investment in order to get to know the global status of the tourism industry, and the hospitality sector in particular, as well as their effects in the world and the Middle East, were also attended.

Shurooq was established in 2009 with the aim of achieving social, cultural, environmental and economic development based on Sharjah's distinct Arab and Islamic identity.

The Authority aims to encourage investment by adopting the best international standards in providing quality services that help attract investors from around the region and the world.

Its key mission is to provide necessary facilities and incentives, overcome obstacles facing investment activities in the emirate, evaluate tourism-related infrastructure projects, and put in place the necessary plans to complete such projects.

Shurooq is currently involved in executing nine exceptional projects in the emirate, including Al Majaz Waterfront, the Heart of Sharjah, Khorfakkan Resort and Spa project and another hotel planned in the Heart of Sharjah, both were announced during the Arab Travel Market (ATM) 2011. These projects will be completed by 2015.

<http://www.ameinfo.com/267368.html>

KFH Participates in 10th Forum for Shariah Authorities

Wednesday, June 08, 2011

Kuwait Finance House (KFH) took part in the 10th Forum for Shariah Authorities at Islamic Institutions that has been held recently in Bahrain, where several issues related to the Islamic banking business were discussed; especially that KFH is keen to effectively participate in forums that enrich Islamic finance institutions.

The Development and Research Manager Adnan Al-Mulla stated that the conference discussed several issues, such as Shariah auditing in Islamic financial institutions, investment contracts used in Islamic institutions, sukuk, and the means to overcome bad debts.

He added that this participation is expected to enrich the application of Shariah at KFHKFH as a result of the papers presented by elite Shariah scholars, not to mention that all of the issues covered at the forum are closely related to KFH's business. He noted that KFHKFH's participation in such forums adds value to them, since KFH is known for its accumulative experience and global expansion.

Moreover, he praised the role played by Accounting and Auditing Organization for Islamic Financial Institutions in setting the Shariah regulations that Islamic institutions follow, in addition to its keenness on meeting Islamic institutions to deliberate the challenges facing the Islamic banking industry.

Kuwait Finance House has made unprecedented achievements in its progression, development and facilitation of Islamic financial and banking services and it continues to make many milestones in the Islamic financial sector. The Islamic banking and finance industry is

already estimated to be worth over \$2 trillion dollars and there is further scope for it to become a globally renowned financial institution.

http://www.globalislamicfinancemagazine.com/index.php?com=news_list&nid=1681

The fifth London Sukuk Summit inspires those in Islamic Finance

Thursday, June 09, 2011

The sukuk market has been very active with over 2 billion sukuk issued in the past 14 years, but there are still hurdles to cross to ensure the growth of the sukuk. The two day Sukuk Summit located at the Jumeirah Carlton in London took place on the 8th and 9th of June. The theme ‘the Resurgence of Global Sukuk Markets’ covered a range of topics such as the credit and political risk insurance in the development of the Islamic capital market, The UK’s first Corporate Sukuk , Longevity Sukuk in Muslim countries and Luxembourg’s tax directives, how it will provide a secure tax and regulatory environment for Sukuk.

The Sukuk Summit endorsed by the UK Trade & Investment, London Stock Exchange and ISRA hosted the fifth Sukuk Summit Awards ceremony. The two days gave the participants the opportunity to discuss the key issues within the Sukuk market, listen to experts, regulators, supervisors and professionals within the industry and network with businesses. The panel of speakers such as Prof Dr Ashraf Hashim the senior Researcher of IRSA and Etsuaki Yoshida, Deputy Director of Japan Bank for International Cooperation presented key views about the Sukuk market in Japan and Shariah Compliant Sukuk.

Other panels included Susan Haird the CEO of UK Trade & Investment discussing the importance of Islamic finance in the UK, London Stock Exchange, the most international of all the world's stock exchanges ended the Summit with an afternoon lunch reception on the 9th of June. After lunch, an Issuers & Originators panel discussion followed. Sheikh Faizal Manjoo from Markfield Institute of Higher Education talked about the introduction of an Islamic pension and the fact that there is not enough data to determine how long people are living. He went into detail about the increase in life expectancy and decrease in fertility; this could lead to the big issue of not enough people paying tax by 2050. Manjoo spoke with passion followed by the other panel members, encouraging the participants to think about these issues and find solutions.

Sponsors and Media partners such as Liquidity House fully owned by Kuwait finance House, Global Islamic Finance Magazine and Bloomberg Television attended the Summit, all-contributing to the networking opportunities. Mohamad Safri Shahul Hamid, Deputy chief Executive Officer of CIMB Islamic says “The financial crisis has been a blessing in disguise” he added “the darling behind Islamic Finance is Sukuk”.

http://www.globalislamicfinancemagazine.com/index.php?com=news_list&nid=1688
