

Report # 177
BUSINESS AND POLITICS IN THE MUSLIM WORLD
Weekly Report on Global Islamic Finance
Period: June 19 – June 25
Presentation Date: June 29, 2011
Submitted By: Zain Arshad

Report Outline

1. GLOBAL ISLAMIC FINANCE

- Dhs717bn Islamic finance industry comes to Oman
- Dubai Exports fosters Islamic Finance exports globally
- UAE to launch Islamic repo facility
- UK's Islamic Finance Capability Assured as UKIFS Integrates With The City UK
- Early starters to make most of Islamic banking in Oman
- UAE is the global centre for Islamic finance
- CBN dismisses fears over Islamic banking

2. ISLAMIC BANKING & INSTITUTIONS

- Emaar EC didn't get interest-free loans
- Commercial Bank begins Shariah Compliant Banking
- Khaleeji Commercial Bank holds a training workshop for its sales team part of the ongoing training and development
- Standard Chartered considers bid for Indonesia Islamic lender
- Nigeria's first Islamic bank has been granted approval by the CBN
- Dar Al Shariah signs collaboration agreement with German Islamic Institute of Islamic Banking and Finance
- Bank of London and The Middle East launches The Sharia'a high yield fund for Gulf investors

3. SUKUK (ISLAMIC BONDS)

- Clifford Chance advises HSBC Bank Middle East Limited on innovative and ground breaking sukuk structure
- Saudi Sipchem looks to raise \$533m from Islamic bond
- Nigeria eyes first sukuk within 18 months
- Indonesia parliament approves 30 trln rph assets for sukuk issues
- CBN to license first Islamic bank to float Islamic bonds

4. ISLAMIC INVESTMENTS; EQUITIES/SECURITIES & FUNDS

- India has enormous opportunity for Shariah-compliant investments
- Samba capital launches new Shariah compliant investment fund
- Oman well placed to tap Islamic funds

5. ISLAMIC FINANCE EVENTS; SEMINARS, WORKSHOPS & CONFERENCES

- Qatar First Investment Bank Platinum Sponsor for International Arab Banking Summit hosted by Union of Arab Banks
 - Islamic Development Bank Group to hold 36th annual Meeting Governors in Jeddah
 - Jeddah to host major Islamic economic and finance conference
-

Summary:

Given the size of Oman's market, a full-fledged Islamic bank will secure the first-mover's advantage to win a significant market share in the country's Islamic banking sector, along with commercial banks which set up Islamic banking windows first, according to Islamic banking experts.

THE Central Bank of Nigeria (CBN) has dismissed fears expressed in some quarters over the planned introduction of Islamic banking, which aims at bringing about a non-interest banking regime into the country, saying it is all about broadening the nation's financial system.

The Commercial Bank of Ceylon is launching 'Shariah Compliant Banking' to better serve an important segment of its customer base that requires Shariah-compliant financial products based on Islamic principles, the bank said.

Standard Chartered Plc is planning to bid for a controlling stake in Indonesia's PT Bank Muamalat alone as Stan Chart's affiliate has dropped out of the race, sources with direct knowledge of the matter told Reuters on Monday. Qatar Islamic Bank and Bank Mega TBK were among suitors that submitted second-round bids ahead of last week's deadline, sources added.

Nigeria plans to issue its first sovereign sukuk within the next 18 months in a move aimed at boosting Islamic banking in West Africa's largest economy, Nigeria's central bank governor said on Monday.

When you consider that there are nearly 200 million Muslims in India, it is surprising that one of the world's fastest growing economies has little or no facilities for them to invest their money in a Shariah-compliant manner.

Indeed, the total size of 100 per cent Islamic funds registered for sale in India was a miniscule \$3.1 million (Dh11.4 million) as of March 2011, according to Lipper, a Thomson Reuters company.

JEDDAH: Finance, economy and planning ministers from 56 Muslim countries will attend a major Islamic economic and finance conference here next week, which is likely to be opened by Custodian of the Two Holy Mosques King Abdullah at Jeddah Hilton on Monday.

Ahmed Mohamed Ali, president of the Islamic Development Bank Group (IDB), emphasized on Wednesday the significance of the four-day conference, saying it would approve

finances for new projects and discuss unemployment problem and other major development challenges facing member countries.

1. GLOBAL ISLAMIC FINANCE

Dhs717bn Islamic finance industry comes to Oman

Tuesday, June 21, 2011

The Islamic finance industry is currently valued at Dhs3.65 trillion (\$1 trillion) worldwide, of which Dhs717bn (\$210bn) is invested in the Middle East. Following the royal decree by His Majesty Sultan Qaboos bin Said Al Said authorizing Shariah-compliant financial products in Oman, International Turnkey Solutions (ITS) successfully concluded its first 'Oman Islamic Banking Conference 2011,' attended by over 80 banking decision makers, Islamic banking experts and financial organizations.

"Worldwide, some of the most renowned international banks use Islamic finance instruments such as sukuk (Islamic bonds) to raise funds for Shariah minded ethical investors," said Mohamed Roushdy, Chief Information Officer, Siraj Finance, who presented an overview on migrating conventional banking structure to Shariah-compliance.

"We believe that Islamic banking principals are ever more relevant today, given the chaos created by the financial crisis. Conducting business guided by Islamic principles, pro-vides investors with confidence and peace of mind in today's turbulent global marketplace."

Dr. Mabid Al Jarhi, financial expert and Head of Training, Emirates Islamic Bank, commented on the legal infrastructure required to sustain and grow Shariah-compliant finance. He commented that the Central Bank of Oman (CBO) should look into amending its existing laws, or preparing a new draft banking law to put Islamic banks on an equal footing with conventional banks. In terms of taxation, Islamic transactions may also be taxed twice, placing them at a disadvantage.

"If these factors are in place] the Islamic finance market in Oman could operate at levels that could compete with regional institutions. Funds, that have been flowing out-wards, could be repatriated and foreign funds could be attracted in Oman," Dr. Al Jarhi added.

"Islamic banks need to mature operationally and make the technological investments required to be competitive on a global scale. For Oman, the future is very bright if banks here take the necessary steps required to build a solid foundation for Islamic banking," said Dr. Haroun Dharsey, Senior Vice President of Operational Projects at Dubai Islamic Bank (DIB), the UAE's oldest Islamic bank.

"Successful Islamic banks have been able to combine operational and technological aspects of the business with Islamic practices and traditions. is a leading international Islamic Banking solution provider that lives and breathes Islamic values and culture," said Khalid Al-Saeid, Managing Director and General Manager of ITS.

"We have successfully combined this with our technology prowess to produce 'ETHIX', a next generation solution portfolio offering Islamic finance institutions Shariah-compliant

products and a range of pre-defined business models including Islamic finance, Islamic investment, trading and delivery channels." he added.

The event will be followed by three days of one-on-one workshops hosted by ITS to individually assess each bank's existing IT infrastructure and how best to implement Shariah-compliant financial services.

<http://www.ameinfo.com/268764.html>

Dubai Exports fosters Islamic Finance exports globally

Wednesday, June 22, 2011

Seeking to tackle challenges, explore business prospects and export opportunities in various key markets in the Islamic Finance Sector, Dubai Exports, an agency of the Dubai Department of Economic Development (DED), Government of Dubai, has hosted the Islamic Finance Forum.

The forum, held in partnership with Zawya, a leading provider of financial information in the MENA region, brought together leading local and international scholars and practitioners from the sector. It also showcased presentations about Islamic Finance opportunities in Germany, Africa, Indonesia and the Arab World as well as the Takaful sector.

Dubai has shown that it can be innovative through the development of new Shariah compliant products to meet the needs of an ever increasing and sophisticated investor.

Ensuring that the UAE is the global centre for Islamic Finance, Engineer Saed Al Awadi, Chief Executive Officer, Dubai exports stated, "Two years ago we decided to start promoting UAE's capabilities and expertise in Islamic or Shariah compliant financial services to major markets abroad. We were not surprised by the overwhelmingly positive response to the mission and the successful outcomes that have been achieved to date. I strongly believe that as the leaders and pioneers in the sector our firms have the necessary expertise to channel this sector in international markets."

Dubai Exports and Zawya have produced the first UAE Islamic Financial Services Directory. Al Awadi commented, "I believe that the directory will lead to greater product development within the Islamic Financial services sector as more investors and borrowers see its great potential. I strongly encourage everyone to use this valuable resource in order to identify appropriate partners from the UAE."

At the forum, Dr Hussain Hassan, Managing Director, Dar Al Shariah, a prominent scholar and member of 38 Shariah boards, delivered the keynote speech and discussed the key challenges facing Islamic Finance today in the period following the so called 'Arab Spring'.

One of the important aspects that came across was that Islamic Finance is not limited to just Muslims and is open to everyone. In fact, according to a survey conducted by one of the Dubai-based Islamic banks, two thirds of its customers were not Muslim. The main reason for such is that customers realize the ethical properties of Islamic financial products and services and are making a conscientious decision to seek them in the marketplace.

In terms of products, the forum discussed the challenges relating to sukuk especially in the post international financial crisis period. Today's sukuk are not only far larger in size than those available a decade ago but more sophisticated reflecting the particular needs of clients.

It is expected that the growth of Islamic financial services will continue to grow over the foreseeable future as it moves away from its traditional captive markets of Islamic countries. In recent years, a number of countries have embraced Islamic finance and made the necessary regulatory changes so as to treat it at par with conventional banks. These changes have allowed Islamic financial institutions to be established in new countries and thereby increasing its market coverage.

Furthermore, the overwhelming demand for Shariah compliant financial services has meant that financial institutions have been developing highly innovative products and services to meet these increasing needs. A typical example, which was discussed at the Islamic Finance Forum, is the development of financial derivatives. Although, there were a lot of derivatives in conventional finance especially after the recent international financial crisis, however, they can be used to safeguard the interests of investors through hedging. Although, some forms of derivatives are permitted such as swaps, the real problem is with the more complicated varieties.

The forum also dealt with the Islamic perspective on trusts and inheritance planning. With second and third generation involvement in family businesses especially in the SME sector, this topic has gained considerable importance. This is more so the case whereby inheritance planning has to conform to Islamic guidelines yet seeks to obtain a tax efficient outcome. Finally, the forum discussed how Islamic money markets can allow businesses to earn a return on surplus funds while conforming to the principles of their religion.

Dubai Exports is actively working with firms in the Islamic Financial Services sector and as such feels that three developments are taking place globally. First, Dubai Exports' research finds that a number of countries are becoming aware of the potential of Islamic Finance and are making the necessary regulatory and taxation changes so as to treat them at par with conventional finance. As a result Dubai Exports is working with its partners to organize trade missions into these countries so that our firms can capitalize on these opportunities.

Second, Dubai Exports have found a far greater development of products and services which meet the increasing demands of sophisticated investors.

The development of these products has allowed Islamic Finance to expand beyond its assumed parameters. Third, Dubai Exports has found an increase in the number of educational programmes to equip those working in the sector.

"For the Islamic finance sector to develop, it needs adequately qualified and trained individuals and here education plays an important role," Al Awadi concluded.

<http://www.ameinfo.com/268886.html>

UAE to launch Islamic repo facility

Wednesday, June 22, 2011

The UAE central bank will launch on Thursday a repurchase facility for Islamic certificates of deposits to provide a new liquidity tool for the banks, a document showed on Wednesday.

Lack of liquidity management tools is seen as one of the key challenges to the emerging Islamic finance industry, which has close to \$1 trillion worth of assets globally. The religion's ban on interest rules out most interbank tools.

"The Shariah-compliant facility, which accepts the Central Bank's Islamic certificates of deposits as collateral, is introduced to provide a source of liquidity to banks," the central bank said in its circular to banks, which was seen by Reuters.

The new facility is based on a murabaha concept, the circular also showed.

Murabaha is a sales contract, usually employed in commodity transactions, that involves the purchase from an independent supplier which is then sold at an agreed price that includes the institution's costs plus additional profit.

In November, the UAE central bank launched auctions of Islamic certificates of deposit, which saw volumes increasing steadily. Banks held Dh12 billion (\$3.3 billion) worth of the certificates in April, some 10 per cent of the overall volume, central bank data show.

"It is a repo with Islamic certificates of deposits as collateral against cash and allows them to free up liquidity when needed," said an executive at an Abu Dhabi-based bank.

"There is a shortage of liquidity instruments and it is more pronounced on the Islamic side," he said, asking not to be named.

Islamic finance accounts for around 17 per cent of banking assets in the UAE, the world's No.3 oil exporter.

The UAE central bank's monetary policy is limited by its dirham peg to the US dollar. It uses CDs auctions and repurchase facilities among other tools to regulate liquidity in the banking system.

Late last month, the central bank said it planned to tighten regulations on how banks in the second largest Arab economy manage liquidity so they can better cope with future crises.

<http://www.emirates247.com/business/economy-finance/uae-to-launch-islamic-repo-facility-2011-06-22-1.404195>

UK's Islamic Finance Capability Assured as UKIFS Integrates With The City UK

Wednesday, June 22, 2011

The City UK an independent membership body promoting the financial services industry within the UK and beyond, has announced the integration of the UK Islamic Finance Secretariat (UKIFS) into its operations.

The UKIFS is the leading cross-sectoral body assisting with the promotion and development of Islamic Finance, both domestically and representing the UK financial services industry internationally.

The new integration will allow TheCityUK to focus on safeguarding and further developing the UK's strengths in Islamic finance, ensuring it not only remains the West's hub for this financial specialism but continues to be a significant contributor on a global stage.

The development comes at a time of strong growth in Islamic finance in UK financial services. There are currently 22 banks in Great Britain offering Islamic finance products, exceeding that of any other Western country. There were five Sukuk listings at the London Stock Exchange in 2010 and one in early 2011, bringing the aggregate total at the LSE to 31 listings worth \$18bn. Islamic funds managed within the UK have combined assets of \$300m.

Chris Cummings, Chief Executive of TheCityUK, states: "TheCityUK is looking forward to playing a key role in ensuring the UK's ongoing success as the leading Western provider of Islamic finance. The integration of UKIFS into TheCityUK is a landmark development which will provide fresh opportunity to promote the Islamic Finance capability, building on the work undertaken by UKIFS' founding directors and by the Chartered Institute for Securities & Investment (CISI). This latest development will ensure the UK's capability in Islamic Finance can continue to evolve."

Lord Green, UK Minister of State for Trade and Investment, also endorsed the integration, commenting: "As the undisputed leading Western hub for Islamic finance services, the UK has recognised the role of the sector in contributing to future economic growth. UKIFS has achieved a great deal in representing the industry since it was launched in 2010. I am pleased that it is becoming part of TheCityUK, in a move that will strengthen the promotion of the wider UK offer overseas. I wish TheCityUK and UKIFS every success for the future, and UKTI looks forward to supporting this exciting market development both at home and abroad."

<http://www.prnewswire.com/news-releases/uks-islamic-finance-capability-assured-as-ukifs-integrates-with-thecityuk-124343999.html>

Early starters to make most of Islamic banking in Oman

Wednesday, June 22, 2011

Given the size of Oman's market, a full-fledged Islamic bank will secure the first-mover's advantage to win a significant market share in the country's Islamic banking sector, along with commercial banks which set up Islamic banking windows first, according to Islamic banking experts.

"If banks are to make the most of the new opportunity then they should be in hurry to get into the sector. Early comers in the industry will get a foothold in the market and will have a head start as far as marketing of Islamic finance products are concerned," said Dr Mabid Ali al Jarhi, financial expert and head of training at Emirates Islamic Bank in Dubai.

Dr Jarhi is also president of International Association of Islamic Economics and a member on the Shariah board of the Dubai Financial Market.

He was speaking to Muscat Daily on the sidelines of the Oman Islamic Banking Conference organized by International Turnkey Solutions (ITS), a global leader in Islamic banking technology solutions.

Dr Jarhi said that Oman should choose its Islamic banking model carefully and with some changes to the Gulf Islamic banking model. "As a late starter there is an advantage that Oman can easily avoid the mistakes of the Malaysian and Gulf Islamic banking models. If the

regulatory environment is favorable to Islamic banking, the market in Oman could operate at levels that could compete with regional institutions. The Central Bank of Oman (CBO) should look at amending its existing laws, or preparing a new draft banking law to put Islamic banks on an equal footing with conventional banks."

He said that it would be a big challenge for banks to ensure an Islamic banking process separate from the conventional one. "The main challenge in setting up Islamic banking windows is in separating funds for Islamic and conventional banking. Banks will have to ensure that separate financial statements are published to fully comply with Shariah laws."

Haitham Hani Abdou, marketing director of ITS, said that a start-up full-fledged Islamic bank will capture significant market share compared to conventional banks offering Islamic products. "There is going to be good demand for Islamic finance products and services in the beginning. I believe early movers will have a good advantage."

"Islamic banking window is a challenge for the banks in the beginning as maintaining two systems within a bank is quite challenging,"

<http://www.mebankers.net/page.Article.cmc?&A=6&B=1308751820&C=2011&SID=1>

UAE is the global centre for Islamic finance

Thursday, June 23, 2011

DUBAI - Industry experts highlighted key challenges, business prospects and export opportunities in various key markets in the Islamic finance sector at a forum hosted by Dubai Exports.

The forum, held in partnership with Zawya, a leading provider of financial information in the MENA region, brought together leading local and international scholars and practitioners from the sector. It also showcased presentations about Islamic finance opportunities in Germany, Africa, Indonesia and the Arab World as well as the Takaful sector.

Dubai has shown that it can be innovative through the development of new Shariah-compliant products to meet the needs of an ever increasing and sophisticated investor. Ensuring that the UAE is the global centre for Islamic finance, Engineer Saed Al Awadi, Chief Executive Officer, Dubai Exports, stated, "Two years ago we decided to start promoting UAE's capabilities and expertise in Islamic or Shariah compliant financial services to major markets abroad. We were not surprised by the overwhelmingly positive response to the mission and the successful outcomes that have been achieved to date. I strongly believe that as the leaders and pioneers in the sector our firms have the necessary expertise to channel this sector in international markets."

Zawya and Dubai Exports, an agency of the Dubai Department of Economic Development, or DED, Government of Dubai, have produced the first UAE Islamic Financial Services Directory.

Al Awadi said: "I believe that the directory will lead to greater product development within the Islamic Financial services sector as more investors and borrowers see its great potential. I strongly encourage everyone to use this valuable resource in order to identify appropriate partners from the UAE." At the forum, Dr Hussain Hassan, Managing Director, Dar Al Shariah, a prominent scholar and member of 38 Shariah boards, delivered the keynote speech and discussed the key challenges facing Islamic finance.

One of the important aspects that came across was that Islamic Finance is not limited to just Muslims and is open to everyone. In fact, according to a survey conducted by one of the Dubai-based Islamic banks, two thirds of its customers were not Muslim. The main reason for such is that customers realize the ethical properties of Islamic financial products and services and are making a conscientious decision to seek them in the marketplace.

In terms of products, the forum discussed the challenges relating to sukuks especially in the post international financial crisis period. Today's sukuks are not only far larger in size than those available a decade ago but more sophisticated reflecting the particular needs of clients.

It is expected that the growth of Islamic financial services will continue to grow over the foreseeable future as it moves away from its traditional captive markets of Islamic countries.

In recent years, a number of countries have embraced Islamic finance and made the necessary regulatory changes so as to treat it at par with conventional banks. These changes have allowed Islamic financial institutions to be established in new countries and thereby increasing its market coverage.

Furthermore, the overwhelming demand for Shariah compliant financial services has meant that financial institutions have been developing highly innovative products and services to meet these increasing needs. A typical example, which was discussed at the Islamic Finance Forum, is the development of financial derivatives.

http://www.khaleejtimes.com/DisplayArticle.asp?xfile=data/business/2011/June/business_June395.xml§ion=business&col=

CBN dismisses fears over Islamic banking

Thursday, June 23, 2011

THE Central Bank of Nigeria (CBN) has dismissed fears expressed in some quarters over the planned introduction of Islamic banking, which aims at bringing about a non-interest banking regime into the country, saying it is all about broadening the nation's financial system.

The apex bank's Deputy Governor, Financial System Stability (FSS), Dr. Kingsley Moghalu, while speaking at a workshop with a theme: Re- Purpose Capital: Non-interest banking in Nigeria, in Lagos yesterday, said there was no need to entertain any fear about the banking model.

He stated that it was a way to attract those outside the banking system for the development of the economy.

Moghalu explained that non-interest banking is not just about Islamic banking, urging individuals and groups wishing to practice non-interest banking, based on established rules and principles other than Islamic, to also apply for a license to operate such institutions.

"Islamic banking is one of the models of non-interest banking that serves the same purpose of providing financial services as do conventional financial institutions save that it operates in accordance with the principles and rules of Islamic commercial jurisprudence that generally recognizes profit and loss sharing and the prohibition of interest, as a model," he said.

He explained that in all parts of the world, nations are broadening their financial horizon, stating that the non-interest banking as a whole would be beneficial to the economy.

He further said that the practice of the banking model would not be discriminatory against individuals or religion, adding that it was borne out of genuine intent to develop the economy.

Moghalu noted that the banking model is not about individual that occupies the office of the CBN governor, as he added that the whole idea and concept started when Professor Chukwuma Soludo was the CBN governor.

“People should not look at Islamic banking as a discrimination against any person or religion. It is not about individual occupying the seat of the CBN governor. I am a Christian and attends the Islamic banking conferences,” he said.

He noted that the apex bank is passionate about the development of all the facets of financial system and solicited for the cooperation of all Nigerians for the success of the new banking system.

http://www.compassnewspaper.com/index.php?option=com_content&view=article&id=8672:-cbn-dismisses-fears-over-islamic-banking&catid=308:headlines&Itemid=600

2. ISLAMIC BANKING & INSTITUTIONS

Emaar EC didn't get interest-free loans

Sunday, June 19, 2011

Saudi finance ministry has said the government has not granted any an Islamic interest-free loan to Emaar the Economic City, Arabic Alriyadh has reported. Emaar EC, which is developing the King Abdullah Economic City mega project, was recently granted a government loan on commercial terms that included a mortgage on plots of land owned by the company as security for the repayment of the loan.

<http://www.ameinfo.com/268455.html>

KFH organizes training course for employees of Experts Department at Ministry of Justice

Sunday, June 19, 2011

Kuwait Finance House (KFH) organized a comprehensive training program for newly appointed employees at the Experts Department at the Ministry of Justice. The training course included a series of lectures that were given by KFH employees from June 12-16th, in order to introduce them to the nature of work in Islamic banking institutions and Islamic transactions that are directly related to the work of those experts, which will improve their performance.

The course included 10 lectures that explained Islamic banking services offered, and the difference between Islamic and conventional banks. The lectures also shed light on KFH's background and history, since it is considered to be one of the oldest Islamic banks in the world, and the current leader in the field of Islamic banking services.

In addition, the course demonstrated banking transactions that are related to the type of work of the participants, such as the management of operations, procedures required for granting banking facilities, the methods followed in financing clients willing to acquire houses and the guarantees, the deduction of installments from accounts, banking cards, and supervisory procedures over banks.

Meanwhile, AGM for Support Services Sector Abdul Aziz Al-Jaber stated that this course comes as part of the comprehensive training program that KFH offers its employees in various sectors, in addition to employees working at other official and private authorities, in order to develop the employees' skills and abilities. He added that this course is an example of the fruitful collaboration between KFH and the ministry; especially that they have overlapping fields of work. He stressed that the Ministry of Justice does not merely handle legal cases, but its work extends to reach several fields that are directly related to the core business of financial institutions and the economy, which will lead to a better investment atmosphere.

He went on to say that the ministry's experts shoulder grave responsibilities that are related to various fields of the economy and society through offering consultancies in financial and economic cases related to banks and other companies; thus making it pivotal for them to be aware of those cases, and this is where KFH steps in as a leading authority in that field.

The experts applauded KFH for its efforts and constant work with the ministry, and called for further collaboration.

<http://www.ameinfo.com/268531.html>

Commercial Bank begins Shariah Compliant Banking

Sunday, June 19, 2011

The Commercial Bank of Ceylon is launching 'Shariah Compliant Banking' to better serve an important segment of its customer base that requires Shariah-compliant financial products based on Islamic principles, the bank said.

It has announced the appointment of three eminent scholars in Islamic jurisprudence to its Shariah Board, to guide the operations of its new Islamic Banking Unit and to conduct periodic audits to ensure that all transactions conform to the parameters of the Shariah. Sheikh M A Mubarak, Sheikh Fazil Farook and Sheikh M Murshid are members of the All Ceylon Jamiyyathul Ulama who will serve on Commercial Bank's first Shariah Board.

Commercial Bank's Managing Director Amitha Gooneratne said that as one of Sri Lanka's largest private banks it is their obligation to ensure that the services the unit provides are fully compliant with the tenets of the Shariah.

The Commercial Bank's Islamic Banking Unit would initially be located on the fourth floor of its headquarters building at Bristol Street, Colombo. The products would be later be made accessible to customers visiting branches via the bank's IT system.

<http://www.sundaytimes.lk/110619/BusinessTimes/bt13.html>

Khaleeji Commercial Bank holds a training workshop for its sales team part of the ongoing training and development

Monday, June 20, 2011

Khaleeji Commercial Bank (KHCB), a prominent Bahrain-based Islamic retail Bank, has conducted a training workshop through MTI Consulting on Sales and Service Excellence for its sales team. The workshop was held at Novotel Hotel, and conducted by Mr. Hilmy Cadre, CEO of MTI Consulting.

Commenting on the training program, Mr. Ibrahim Hussain Ibrahim, CEO and Board Member of KHCB, said: "KHCB is always keen on training and developing its employees and we are delighted to have organized this excellent workshop to several of our staff members from our Branches, VIP Banking, Consumer Finance, and Corporate & Wholesale Banking departments. The workshop highlighted the appreciation of the need for sales and service excellence in a highly competitive retail financial services environment."

The workshop included sessions on MTI's 9 Step Selling Process and their Service Model based competencies and how to critique current practices and apply MTI's concepts. The workshop was tailored to the Bank's needs and accordingly the sessions were packaged together to maximize the benefits of it.

Mr. Hilmy Cadre, CEO of MTI Consulting has also added, "We are pleased to have conducted the workshop for KHCB's selected employees as it would contribute to their ongoing training and development in the Bank. Developing Customer Conversion competencies is critical in today's competitive and challenging environment.

For more information on KHCB please contact the call center on 17540054 or visit KHCB's branches in the Financial Mall at BFH, Zamil Tower on Government Avenue, or Sanad on Istiqlal Road. You may also visit our sales desk in Lulu Hypermarket, Riffaa or any of Noon Exchange's branches.

<http://www.ameinfo.com/268605.html>

Standard Chartered considers bid for Indonesia Islamic lender

Monday, June 20, 2011

Standard Chartered Plc is planning to bid for a controlling stake in Indonesia's PT Bank Muamalat alone as Stan Chart's affiliate has dropped out of the race, sources with direct knowledge of the matter told Reuters on Monday. Qatar Islamic Bank and Bank Mega TBK were among suitors that submitted second-round bids ahead of last week's deadline, sources added.

Top shareholders of PT Bank Muamalat, Indonesia's second-biggest Shariah lender, were planning to sell an at least 51 percent stake in the unlisted bank for about \$300 million, sources previously told Reuters. Morgan Stanley is running the auction.

Standard Chartered was continuing with due diligence and was likely to submit a bid soon, one of the sources said. PT Bank Permata, 45 percent owned by Standard Chartered, and Bank Mandiri had decided not to proceed with bidding, sources with direct knowledge told Reuters.

<http://www.reuters.com/article/2011/06/20/muamalat-stanchart-idUSL3E7HK0MW20110620>

Stan Chart Reported to Have Eye on Controlling Stake in Bank Muamalat

British-based Standard Chartered is planning to bid for a controlling stake in Bank Muamalat, the oldest Islamic bank in Indonesia, after its local affiliate, Bank Permata, withdrew from the race, sources with direct knowledge of the matter have said.

Qatar Islamic Bank and Bank Mega were among suitors that submitted second-round bids ahead of last week's deadline.

The decision by Stan Chart, which has been operating in Indonesia for more than 150 years, to pursue as much as a 51 percent controlling stake, valued at almost \$300 million, by itself underscores its desire to tap growing demand for Islamic banking business in the world's most populous Muslim nation.

Muljono Pringgoharjono, Stan Chart's country chief risk officer in Jakarta, said the bank would not comment on the news. "We do not comment on market speculation," Muljono said in an e-mail to the Jakarta Globe.

H. Arviyan Arifin, president director of Muamalat, meanwhile, said the stake purchase rested in the hands of the shareholders. "Definitely, the decision rests in the hands of the top shareholders, not with the management, not with us," he said.

Bank Danamon — controlled by Singapore state investment company Temasek Holdings — and Bank Tabungan Pensiunan Nasional — backed by US private equity firm Texas Pacific Group — also plan to expand their Shariah business.

Stan Chart's decision to make a move on its own came as a surprise because the emerging market-focused lender already has a presence in Shariah banking through its affiliate Bank Permata, a commercial lender.

Stan Chart can pursue the stake in Muamalat because central bank rules allow majority owners of commercial lenders to have control of Shariah-based banks too. Stan Chart and Astra International, the country's largest auto retailer, each own a 45 percent stake in Bank Permata.

It was unclear whether Stan Chart would merge Muamalat with Permata's existing Shariah banking operations should it win with its bid.

Banking analysts in Jakarta were also caught off guard by the news. "It was a surprise move," said Joseph Pangaribuan, a banking analyst at Samuel Sekuritas.

Top shareholders of Muamalat, the country's second-biggest Shariah lender, were planning to sell at least 51 percent of the unlisted bank for about \$300 million, sources said previously.

Stan Chart was continuing with due diligence and was likely to submit a bid soon, a source with direct knowledge of the matter said.

Stan Chart and Indonesia's Para Group, which owns Bank Mega, both declined to comment. A QIB executive also declined to comment. Morgan Stanley, which is running the auction, was not available for comment.

There are 11 Shariah-compliant banks in the country, controlling a combined total of Rp 97.47 trillion (\$11.31 billion) in assets, or around 3.3 percent of the banking system, as of the end of last year.

<http://www.thejakartaglobe.com/business/stanchart-reported-to-have-eye-on-15-stake-in-bank-muamalat/448073>

Nigeria's first Islamic bank has been granted approval by the CBN

Tuesday, June 21, 2011

Within the next 18 months the license will be granted to Nigeria's first Islamic bank called Jaiz Bank International Plc. Nigeria is now closer to achieving its goal of becoming West Africa's Islamic banking hub.

The apex bank earlier in the year had released its guidelines on Islamic banking and also gave the Jaiz Bank International Plc six months to meet the terms to gain a license or the agreement would end.

Jaiz International Bank Plc was first established in 2003 as public limited company. The main focus of the bank is to become an investment holding company creating non-interest institutions.

The guidelines also included an important part of Islamic banking and finance is in agreement with the Shariah principles. The guidelines state that the Islamic banking institutions are required to create a credible Shariah advisory body as part of the authority within the institution, the body will be called the Shariah advisory Committee (SAC).

Islamic banking differs from conventional banking in a range of ways such as non-interest type of banking and abiding by the Shariah principles. This type of banking also prohibits trading in financial risk and investing in businesses that do not agree with the ethical banking principles.

Nigeria also has its sights on its first Sukuk within 18 months. The governor of the Central Bank of Nigeria (CBN), Mallam Sanusi Lamido Sanusi refuses to announce how much will be issued. He says that process has just begun and the finance minister and debt management office will decide on the amount issued. He went on to say that he plans to place Nigeria as the African hub for Islamic banking, this could be done by following the achievements of Islamic banking in Malaysia. He also highlighted that the population of Nigeria can boost the chances of becoming a financial hub.

Reuters quoted Sanusi saying "hopefully by the end of the year, we will have one Islamic bank in operation, about five banks operating Islamic banking windows and start looking at developing an Islamic money market".

http://www.globalislamicfinancemagazine.com/index.php?com=news_list&nid=1709

Dar Al Shariah signs collaboration agreement with German Islamic Institute of Islamic Banking and Finance

Wednesday, June 22, 2011

Dubai-based Dar Al Shariah Legal & Financial Consultancy, is the provider of Shariah consultancy services globally, has signed a collaboration agreement with the German Institute of Islamic Banking and Finance (IFIBAF).

The relationship between these two organizations originates from a highly successful Islamic Finance Trade Mission to Europe conducted by Dubai Exports, an agency of the Dubai Department of Economic Development.

The Islamic Finance Trade Mission sought to increase the awareness of Islamic financial service providers and institutions from the UAE in the European markets. In doing so the trade mission held a number of high level meetings and seminars with government and private sector participants in Europe. In due course, Dubai Exports will announce some of the outcomes from this mission but one success story was inked on Wednesday 22nd June 2011 at the Islamic Finance Forum organized by Dubai Exports with almost 200 participants.

Sohail Zubairi the CEO of Dar Al Shariah commented that, "I strongly feel that the next big thing in the Islamic Finance industry may well be Germany. It is not the matter of why but when the first Islamic bank will start operation in the country."

Zubairi continued to state, "Our feeling is built upon pleasant revelation as to the high level of excitement and enthusiasm about Islamic finance amongst the bankers, lawyers, consultants and members of the public whom we met and talked to during the Islamic Finance Trade Mission in April."

Dar Al Shariah and IFIBAF intend to work more close especially in the field of capital market transaction for retail and institutional business. Bringing in local market expertise in legal and regulatory requirements combined with Shariah compliant product solutions, IFIBAF will benefit from the expertise of Dar Al Shariah, especially in the area of Shariah advisory and Shariah auditing.

IFIBAF is a German based consultancy that is developing Islamic banking and finance in the German speaking nations and Europe. IFIBAF serves clients in Shariah compliant transactions and offers a full chain of services as an on shop system. Furthermore IFIBAF has a strong network and relationship to the German regulator, political Institutions to discuss in working groups how to facilitate Islamic Finance business for Banks and financial institutions. IFIBAF was established in order to be a provider of Islamic finance knowledge and expertise to the largest Muslim population in Europe of 4.6 million with an estimated wealth in excess of Eur35bn.

Mounsif Chtaiti, Director of IFIBAF stated, "This partnership brings together the huge and extensive expertise of Dar Al Shariah in providing Islamic financing and investment solutions to the institutions from around the world with the on the ground knowledge and connections of IFIBAF in Germany."

Chtaiti stated that, "This agreement will help in serving the institutions and clients needing consultancy services for Islamic finance products, training and Shariah audit in Germany and other German speaking nations in the Europe."

The German potential is huge for the Islamic finance world because the growth rate of the population is high as well as being young. Three quarters of the Muslim population in Germany is below the age of 49. In addition to this estimates show that the Muslim population in Germany has a much higher saving ratio of 18% compared to 10% for the country as a whole.

More importantly, a survey in 2010 showed that 72% of Muslims living in Germany are interested in Islamic financial products and services. The survey also found that if such products were to be offered in Germany, 60% of respondents would consider making an investment. An

amazing 94% of them stated that they would purchase such products if offered by an Islamic financial institution. Muslim entrepreneurs generated more than Eur50bn in profits last year and Germany is most ideally placed in Europe for the launch of Shariah compliant corporate.

Dr Hussain Hamed Hassan, the world most learned Shariah scholar and Managing Director of Dar Al Shariah commented that, "It is befitting to Dubai being the birth place of Islamic Finance (Dubai Islamic Bank, the world's first Islamic bank was established in Dubai), that such an agreement is signed here which will allow the flow of innovative products from Dubai to Germany."

Dr Hussain added, "I would personally like to thank Dubai Government represented by Dubai Exports Islamic Finance Team, and the German Government represented by AHK for facilitating the Islamic Finance Trade Mission and the agreement which is the direct result of the mission."

<http://www.ameinfo.com/268922.html>

Bank of London and The Middle East launches The Sharia'a high yield fund for Gulf investors

Saturday, June 25, 2011

Bank of London and The Middle East (BLME), London's wholesale Sharia'a compliant bank whose main shareholders include Boubayan Bank, the Kuwait Securities House and the Public Institution for Social Security in Kuwait, announced the launch of the BLME High Yield Fund, a Sharia'a compliant fund which targets institutional and high net worth investors in Gulf countries seeking to generate higher returns than those targeted by BLME's US Dollar Income Fund.

The BLME High Yield Fund targets a net return of three-month US\$ Libor (London Interbank Offered Rate) in addition to a 5% return per annum by investing up to 85% in Sukuk (often referred to as Islamic bonds) and 15% in Ijara (a lease contract on an asset). The Sukuk market has become more liquid and diversified, and provides the fund with the opportunity for strong returns.

The BLME High Yield Fund is an open-ended fund, with a minimum investment of US\$250,000 with Sterling and Euro share classes also available. The fund is part of BLME's existing Sharia'a Umbrella Fund SICAV-SIF and is domiciled in Luxembourg. The fund has been launched with a US\$10m of seed capital.

"The BLME High Yield Fund responds to the demand we have seen from institutional and high net worth investors for a fund with a higher risk/return profile," said Nigel Denison, the Head of Asset Management at BLME.

"This is the second new compartment to be launched under BLME's Sharia'a Umbrella Fund this year and highlights BLME's continued commitment to developing competitive Sharia'a compliant funds across a range of asset classes. We believe that asset management will not only be central to our continued development but also to the future growth of the Islamic finance industry." Nigel added.

The Sukuk market continues to rally strongly. Despite ongoing unrest in Yemen, Libya and Syria, contagion to the rest of the region is viewed as limited. With these factors in place, the BLME High Yield Fund is expected to exceed its target return.

<http://www.ameinfo.com/269052.html>

3. SUKUK (ISLAMIC BONDS)

Clifford Chance advises HSBC Bank Middle East Limited on innovative and ground breaking sukuk structure

Sunday, June 19, 2011

Clifford Chance recently advised HSBC Bank Middle East Limited (HBME) in connection with updating its \$5bn sukuk issuance programme and a \$500,000,000 issuance under the Programme. The trust certificates for the issuance, which are due in 2016, yield a profit rate of 3.575% per annum payable on a semi-annual basis.

As part of the update of the Programme, the existing Wakala structure of the programme had to be re-evaluated in light of recent amendments to the UAE's laws. As a consequence, HSBC and Clifford Chance spent a considerable amount of time developing an innovative structure, which utilised Mudaraba and Wakala arrangements, which sought to address the new laws in a manner that complied with the Shari'ah requirements of HSBC whilst at the same time being marketable to Islamic investors globally.

The \$500,000,000 sukuk certificates were assigned a rating of A1 by Moody's and AA- by Fitch and were globally distributed with excellent demand from investors in the Middle East, Asia and Europe.

The Programme Arranger and Dealer was HSBC. The Co-Lead Managers of the \$500,000,000 issuance were Abu Dhabi Islamic Bank PJSC, Al Hilal Bank PJSC, CIMB Bank (L) Limited, Liquidity Management House for Investment Co. K.S.C.C., Qatar Islamic Bank SAQ and HSBC.

Qudeer Latif commented that "We are delighted to be able to support HBME and HSBC Amanah in developing this innovative and ground breaking structure. We expect this Islamic structure to be used by financial institutions both within the Middle East region and further afield moving forward."

Georges Elhedery, co-head of global markets for the Mena region states, "As an issuer within the broader HSBC group we are very focussed on diversification of stable funding. The pricing, size and tenor are all in line with our expectations and form a valuable component of our funding".

The Clifford Chance team was led by Partner and Global Head of Islamic Finance, Qudeer Latif from Dubai and Partner Andrew Coats from London. They were supported by Partner, Debashis Dey, Counsel, Stuart Ure, Clifford Chance senior associate Robin Balmer, associates Lisa Hagen, Beene Ndulo, Natalia Veryasova and Shauaib Mirza and trainee, Mark Padley.

Mourant Ozannes advised HBME as to Jersey law and Maples and Calder provided Cayman Islands law advice to the Trustee.

<http://www.ameinfo.com/268536.html>

Saudi Sipchem looks to raise \$533m from Islamic bond

Monday, June 20, 2011

Saudi International Petrochemical Co (Sipchem) expects to rise up to SR2bn (\$533.3m) from a planned Islamic bond offering to fund plant expansions, Reuters has reported. "We target raising SR1.5bn from the issue and the value may rise to SR2bn based on our need and on the offers (from investors)," chief executive Ahmad al-Orally told the news service. Sipchem plans to part-finance three projects worth over \$1bn including building a chemical plant in partnership with South Korea's Hanwha Chemical.

<http://www.ameinfo.com/268566.html>

Nigeria eyes first sukuk within 18 months

Monday, June 20, 2011

DAKAR - Nigeria plans to issue its first sovereign sukuk within the next 18 months in a move aimed at boosting Islamic banking in West Africa's largest economy, Nigeria's central bank governor said on Monday.

"We are working with the debt management office. The central bank is collaborating with them on capacity building. We do have a target of issuing a first sovereign sukuk in Nigeria within 18 months," Lamido Sanusi said on the sidelines of an Islamic finance forum in Senegal's capital.

Sanusi declined to say how much will be issued.

"The process has just started, the decision (on amount issued) will be taken by the finance minister and the debt management office," Sanusi said.

Sanusi said Nigeria was on track to approve its first Islamic bank and was working towards become a regional hub for Islamic banking.

He said the central bank had given an implicit approval to Jaiz Bank, the country's first Islamic bank. Jaiz Bank has six months to comply with the central bank's terms to get a final license.

"Hopefully by the end of the year, we will have one Islamic bank in operation, about five banks operating Islamic banking windows and start looking at developing an Islamic money market," Sanusi said.

<http://af.reuters.com/article/investingNews/idAFJOE75J0DA20110620>

Indonesia parliament approves 30 trln rph assets for sukuk issues

Tuesday, June 21, 2011

An Indonesian parliamentary commission approved on Tuesday the use of 30.2 trillion rupiah (\$3.5 billion) of state-owned assets to guarantee government sukuk issues.

The government has not issued sukuk for nearly two months after it ran out of underlying assets. (\$1 = 8,615 rupiah)

<http://www.reuters.com/article/2011/06/21/indonesia-economy-sukuk-idUSJKB00457220110621>

4. ISLAMIC INVESTMENTS; EQUITIES/SECURITIES & FUNDS

India has enormous opportunity for Shariah-compliant investments

Sunday, June 19, 2011

When you consider that there are nearly 200 million Muslims in India, it is surprising that one of the world's fastest growing economies has little or no facilities for them to invest their money in a Shariah-compliant manner.

Indeed, the total size of 100 per cent Islamic funds registered for sale in India was a miniscule \$3.1 million (Dh11.4 million) as of March 2011, according to Lipper, a Thomson Reuters company.

Not that India's reluctance to embrace Islamic finance is unusual in non-Muslim countries, like so many other places, there is a hostility to the practice based on the incorrect belief that it is a political or religious movement, or that it propagates an ideology that is inconsistent with democratic values.

It is fair to say that the Islamic finance industry also shares some of the blame for this perception, it is not yet savvy or sophisticated enough in the realm of public relations and marketing.

But, actually, India is important for the growth of Islamic finance. The country has historical ties to the Gulf, and is not only part of the Bric group of nations (Brazil, Russia, India and China), but it is also categorised as a rapidly developing economy (RDE).

So India presents an obvious opportunity, but the question remains: is India ready for Islamic finance?

Key effect

The recent establishment of an Islamic finance institution in Kerala, with the backing of the local government, has at least gone some way to suggesting that it is. One of the key effects of this has been the revelation that Islamic finance is about business and not religion, it does not favor one religion over another. Islamic finance is "user agnostic"; its door is open to all.

In recognition of this, the local proponents and Indian stakeholders should perhaps think about rebranding Islamic finance.

Turkey has achieved this by renaming Islamic banking "participation banking". This is an initiative that India could certainly consider.

Soon, as it happens, India will have "participation banking" at its doorstep — Turkey's Bank Asya, an Islamic bank, announced in March its interest in establishing a representative office in India.

Fourteen of the countries that make up the G20 have some form of Islamic finance, including India. The UK, for example, has been involved in Islamic finance since the early 1980s and it is still a well-functioning inclusive secular democracy.

A more technical question is: if India was to expand its level of Islamic banking, should this be a retail or wholesale approach?

A deposit-taking Islamic commercial bank, that is, retail, will present more challenges, as legislation, regulations, and mindset issues still need to address. Second, what is the number of bankable Muslims in India?

How many Islamic funds, with small minimum amounts, have been launched and available to the onshore "man on the street" since the BSE launched their Shariah index in 2010?

It is also worth mentioning that a number of financial scams have been perpetrated on this generally financially illiterate Muslim community, hence, new offerings are viewed with skepticism.

A wholesale approach implies fewer sign-offs from regulatory bodies, because it is not dealing with the public's money. For example, in 2006, Bahrain-based Islamic investment bank, Gulf Finance House, embarked on the ambitious Energy City India, a \$2 billion project in Maharashtra.

Funds

Other areas for consideration for India include Islamic trade finance funds (major bilateral trade with GCC) and Islamic venture capital (VC) funds working with technology parks in, say, the UAE for areas like alternative energy, health care, water and others.

But it does not mean non-bankable Indians would be excluded from Islamic finance. Indeed, some of the recent developments with micro-finance in Andhra Pradesh have not left the best impression with recipients and regulators. I have said elsewhere, unlike micro-finance, which creates a creditor-debtor relationship and interest rates often becomes usurious, we should look at Islamic micro-funding, as an equity approach aligns the interests of the parties and prevents the debt trap.

The amounts to be disbursed would be the same, and the areas for funding will be Shariah-compliant, as micro-finance doesn't typically involve financing the "sin" sector.

The funding would be for Muslims and non-Muslims, therefore building future customers. Obviously, vetting and monitoring costs are higher, but it should result in more focused investments.

Finally, if Islamic finance is involved in developing local infrastructure, financial enfranchisement and contributing to employment - as it no doubt would be - I imagine that the opposition to it on the part of chief ministers of Indian states would eventually fade away.

<http://gulfnews.com/business/markets/india-has-enormous-opportunity-for-sharia-compliant-investments-1.823248>

Samba capital launches new Shariah compliant investment fund

Monday, June 20, 2011

Samba capital, the investment arm of Samba Financial Group, has launched a new Shariah compliant investment fund, the Al Ataa Saudi Equities Fund.

According to Samba capital, the fund will distribute a cash dividend of up to 2.5% every six months or approximately 5% per year.

Samba capital defined the minimum subscription amount for the "Al-Ataa Fund," which will only invest in Shariah compliant Saudi listed companies, at SR5,000.

Samba capital chairman Eisa Al- Eisa said that the fund aims to grow assets in both the medium and long term.

"We have finalized all formalities for launching the Fund, including obtaining regulatory approvals from the Capital Market Authority and adopting a working mechanism from the Shariah Supervisory Board.

"The fund's performance will be evaluated twice a week to ensure steady growth rates of its assets and investments,"

<http://mutualfunds.banking-business-review.com/news/sambacapital-launches-new-shariah-compliant-investment-fund-200611>

Oman well placed to tap Islamic funds

Tuesday, June 21, 2011

Oman is well positioned to attract Islamic funds for its economic development, if the country formulates the right regulatory environment and train human resources to work in Shariah-compliant institutions, says an expert.

"The major issue is regulatory environment. We also need to train people to work in Islamic banking institutions," Dr Mabid Ali Al Jarhi, financial expert and head (Training) of Emirates Islamic Bank, told Times of Oman.

Addressing an Islamic banking conference here yesterday, Dr Al Jarhi, added that the Sultanate's regulatory authorities should formulate an ideal model for the country. International Turnkey Solutions (ITS), a global leader in Islamic banking technology solutions, has organized the conference, which was attended by 75 banking executives and experts.

He said the prevailing two models of Islamic banking – Malaysian model and Gulf model – are not suitable for Oman. "The Sultanate should avoid both and has to formulate its own model."

An attractive model should be formulated keeping in mind a high degree of operational efficiency, avoiding products that lack reputation and allow innovative process.

The Central Bank of Oman, he said, should look into amending its existing laws, or prepare a new draft banking law to put Islamic banks on an equal footing with conventional banks. "(If these factors are in place), the Islamic finance market in Oman could operate at levels that could compete with regional institutions.

Funds, which have been flowing outwards, could be repatriated and foreign funds could be attracted to Oman," added Dr Al Jarhi.

Dr Al Jarhi said the investors who have parked their funds outside Oman will repatriate their money, if the local institutions can offer best quality Islamic banking products.

Gulf countries

“The country will attract funds from neighboring Gulf countries. These funds can be used to finance public projects.”

The Islamic finance industry is currently valued at \$1 trillion worldwide, of which \$210 billion is invested in the Middle East.

He also said the institutions should find out the customer needs through proper market research. New products should be structured under the supervision of Shariah board.

“Islamic banks need to mature operationally and make the technology investments required to be competitive on a global scale. For Oman, the future is very bright if banks here take the necessary steps required to build a solid foundation for Islamic banking,” said Dr Haroun Dharsey, senior vice-president of operational projects at Dubai Islamic Bank.

<http://www.timesofoman.com/innercat.asp?cat=&detail=46666&sec=news>

CBN to license first Islamic bank to float Islamic bonds

Tuesday, June 21, 2011

The nation’s quest of becoming the hub of Islamic banking in West Africa received a boost on Monday, as the Central Bank of Nigeria (CBN) and other relevant agencies concluded plans to issue the first license within the next 18 months.

Speaking at Islamic banking conference in Dakar, Senegal, on Monday, CBN governor, Mallam Lamido Sanusi, said plans were underway to license the first Islamic bank in Nigeria.

“We are working with the Debt Management Office. The Central Bank is collaborating with them on capacity building. We do have a target of issuing a first sovereign sukuk in Nigeria within 18 months," he said.

He, however, declined to say how much will be issued, stating that the process had just started and the decision on amount issued will be taken by the finance minister and the Debt Management Office.

Sanusi said Nigeria was on track to approve its first Islamic bank and was working towards becoming a regional hub for Islamic banking.

He said the apex bank had given an implicit approval to Jaiz Bank, the country's first Islamic bank. Jaiz Bank has six months to comply with the Central Bank's terms to get a final license.

<http://tribune.com.ng/index.php/news/23821-cbn-to-license-first-islamic-bank-to-float-islamic-bonds>

5. ISLAMIC FINANCE EVENTS; SEMINARS, WORKSHOPS & CONFERENCES

Qatar First Investment Bank Platinum Sponsor for International Arab Banking Summit hosted by Union of Arab Banks

Monday, June 20, 2011

Qatar First Investment Bank (QFIB), the independent Islamic investment bank, will support the forthcoming annual International Arab Banking Summit hosted by the Union of Arab Banks as a Platinum sponsor.

This year's summit is hosted by the Union of Arab Banks in association with Association Bancaria Italian in Rome, Italy on the 23rd - 24th of June. This year's Summit is entitled "The Future of MENA: Impact on the Global Economy" and will provide a platform for ministers, governors of central banks, leading bankers, decision-makers and representatives of public and private sectors from various continents to meet and discuss issues of concern to the international banking community and the global economy.

The Rome Summit's main objective is to showcase the impact of the current political uprisings on the EU-MENA relations and the broader Global economy, the importance of developing SME's in addition to the developmental initiative resembled by the 'Mediterranean Partnership Fund' and the growth of Islamic Banking and finance and investment opportunities in the EU markets.

Each year the Union of Arab Banks nominates a key figure in the Arab financial industry as a recipient of the "Banker of the Year Award". This year's award will be presented to Sh. Abdullah Bin Saud Al Thani, Governor of Qatar Central Bank in recognition for his ongoing contribution to the development of the Arab Banking industry.

"We congratulate Sh. Abdullah Bin Saud Al Thani, Governor of Qatar Central Bank on his nomination for the "Banker of the Year Award" for 2011. This is a clear testimony to His Excellency's dedication in promoting regulatory excellence in the financial industry in accordance to international best practices," said Emad Mansour, Chief Executive Officer of QFIB.

"Sponsoring this summit reaffirms QFIB's commitment to cooperate with other Qatari Financial institution to support the growth of the Arab banking industry in general and Islamic finance in particular," he continued.

The Summit is supported by the Ministry of Foreign Affairs of Italy, and it's held with the collaboration of World Bank, the European Banking Federation and the World Union of Arab Bankers. Delegations from the Federal Reserve System Board, the European Banking Federation, Central Bank of Italy as well as the Basel Committee on Banking Supervision will participate in this year's summit.

Through its plenary panel discussions, the IABS will focus on shaping some ideas, amidst the recent developments, about new areas of partnering which could put the Arab and

international economies, businesses, and financial institutions on the right track towards sustainable growth and prosperity.

<http://www.ameinfo.com/268660.html>

Islamic Development Bank Group to hold 36th annual Meeting Governors in Jeddah

Monday, June 20, 2011

The Islamic Development Bank (IDB) Group in Jeddah is making preparations for its 36th annual Governors Meeting to be held under the patronage of the Custodian of the Two Holy Mosques, King Abdullah bin Abdulaziz.

Ministers of Finance, Economy and Planning from 56 IDB member countries will participate in the meeting which will take place in Jeddah, KSA, 26-30 June, 2011.

Several high profile events feature on the agenda of the upcoming IDB Board of Governors Meeting including: holding the 276th session of General Directors; the signing of a large number of agreements with IDB member countries; a number of important seminars; and the presentation of awards to this year's winners in the field of Islamic banking and financial services as well as other awards for promoting the role of women in development.

The meeting precedes the 6th Global Forum on Islamic Finance on June 27, 2011, which will cover enhancing the liquidity and size of Islamic financial institutions, followed by several seminars on June 28, the most prominent of them being the joint seminar between the Association of National Development Finance Institutions in IDB Member Countries and other national development financing institutions. The gathering will be addressing the role that development financing institutions play in job creation. Other concurring events focus on economic empowerment and youth employment in Palestine and the impact of the recent events in the Arab region on the consulting sector in IDB member countries.

The events are to conclude with a meeting with the IDB African Governors' Group on the Special Program for the Development of Africa (SPDA).

Meanwhile, IDB Group entities are also to hold meetings in conjunction with the annual Governors' Meeting including: the 18th annual meeting of the Board of Governors of the Islamic Corporation for Insurance of Investment and Export Credit (ICIEC); the 4th annual meeting of the Board of Governors of the Islamic Solidarity Fund for Development (ISFD); the 11th General Assembly meeting of the Islamic Corporation for the Development of the Private Sector (ICD); and 6th General Assembly of the International Islamic Trade Finance Corporation (ITFC).

The IDB 22nd Annual Symposium on "Addressing Unemployment and Underemployment in Member Countries in the Post-Crisis World" on June 29, 2011 and the annual Supreme Council for Al Aqsa and Al Quds Funds meeting on June 30th are amongst other functions taking place during the series of events. In addition, other key institutions such as the Association of National Development Finance Institutions in IDB Member Countries, the Federation of Consultants from Islamic Countries, and the Federation of Contractors from Islamic Countries will have their meetings convened alongside the main event.

<http://www.ameinfo.com/268648.html>

Qatar First Investment Bank sponsors the Arab Banking Summit

Tuesday, June 21, 2011

The annual International Arab Banking Summit will take place between the 23rd and 24th of June. The summit will be hosted by the Union of Arab Banks and supported by the leading Islamic Investment bank, Qatar First Investment Bank (QFIB) both platinum sponsors.

This year's summit will give ministers, governors of central banks, leading bankers, decision-makers and representatives the opportunity to gather and discuss the issues relating to the international banking community and the global economy. The summit is titled 'the future of MENA: Impact on the Global Economy'.

The summit held in Italy will aim to explore the importance of the development of SME's relating to the development by the 'Mediterranean Partnership Fund', the growth of Islamic Banking and finance, the EU market's investment opportunities and many more topics. Keeping with tradition the union of Arab Banks will nominate a key figure in the Arab financial industry as a result of the 'Banker of the Year Award'.

This year the governor of Qatar central Bank, Sh. Abdullah Bin Saud Al Thani will be nominated.

The Chief Executive Officer of QFIB, Emad Mansour comments "We congratulate Sh. Abdullah Bin Saud Al Thani, Governor of Qatar Central Bank on his nomination for the "Bank of the Year Award" for 2011. This is a clear testimony of his Excellency's dedication in promoting regulatory excellence in the financial industry in accordance to international best practices"

Participants from the European Banking Federation, Central Bank of Italy, the Federal Reserve System Board and the Basel Committee on Banking Supervision will attend. The Summit will also be supported by the Ministry of foreign Affairs of Italy and in partnership with World Bank, the World Union of Arab Bankers and the European Banking Federation.

The Chief Executive Officers of QFIB also says "Sponsoring this summit reaffirms QFIB's commitment to cooperative with other Qatari financial institutions to support the growth of Arab banking industry in general and Islamic finance in particular"

The International Arab Banking Summit will discuss partnering which could improve the Arab and International economies and businesses, creating new ideas within the recent developments and focus on progression and success.

http://www.globalislamicfinancemagazine.com/index.php?com=news_list&nid=1710

Jeddah to host major Islamic economic and finance conference

Thursday, June 23, 2011

JEDDAH: Finance, economy and planning ministers from 56 Muslim countries will attend a major Islamic economic and finance conference here next week, which is likely to be opened by Custodian of the Two Holy Mosques King Abdullah at Jeddah Hilton on Monday.

Ahmed Mohamed Ali, president of the Islamic Development Bank Group (IDB), emphasized on Wednesday the significance of the four-day conference, saying it would approve

finances for new projects and discuss unemployment problem and other major development challenges facing member countries.

Addressing a press conference at IDB headquarters, Ali said the bank had provided more than \$70 billion worth of funding for social and economic projects in member countries and Muslim communities in non-member countries since its establishment in 1975.

Of the total funds provided by the IDB, 40 percent went to finance projects and technical assistance, 58.8 percent to finance trade and 1.2 percent as grants to support Muslim communities. In 2010 alone, IDB gave \$7 billion to finance 363 foreign trade deals.

“All preparations have been completed for the conference, which will be attended by a number of senior ministers from Saudi Arabia and other countries,” the president said.

“We hope that it will be one of the most successful IDB meetings.”

More than 1,000 delegates including executives of Islamic banks and other financial institutions will attend the conference, which includes a meeting of IDB’s board of governors.

He said a board of governors meeting, to be held on the sidelines of the conference, would approve \$730 million in loans for 24 projects.

“There will be a special session to discuss the growing unemployment problem in member countries,” he said.

Labor ministers from Saudi Arabia, Uganda and Malaysia will address the session.

Highlighting the significance of the conference, the president said it offered a good opportunity for business leaders and decision-makers in the Organization of the Islamic Conference (OIC) countries to exchange ideas and find effective solutions to various challenges.

The IDB chief credited experts in the Muslim world for setting the bank’s vision through 2020. He said the various reform and restructuring programs introduced by the bank were instrumental in improving its efficiency.

He also pointed out that major international agencies - Standard & Poor’s, Fitch Ratings and Moody’s — have given IDB the highest ‘AAA’ credit rating.

Ali ruled out cancelation of Libya’s membership of the bank as a result of political turmoil in the country.

“Libya is a founding member of the IDB Group and you must keep in mind that we are an economic institution not a political one,” he said while answering a question.

He said that this year’s venue for the annual meeting was shifted from Sanaa, Yemen to Jeddah due to political unrest in that country.

The IDB decided to switch places to allow Yemen to hold the meeting in 2013 (which was scheduled for Jeddah) after Khartoum’s hosting of the next meeting in 2012.

Speaking to Arab News, Waleed Al-Wohaib, CEO of International Islamic Trade Finance Corporation (ITFC), said intra-trade between IDB member countries rose from 14 percent in 2004 (\$333 billion) to 16.63 percent in 2010 (\$456 billion).

He was optimistic that ITFC would be able to achieve the intra-trade target of 20 percent by 2015, which was set by the OIC summit in Makkah.

He said the IDB had given \$38.7 billion to finance trade deals of member countries since January 2008 to the end of December 2010.

He said the ITFC was successful in developing a new product two years ago to solve trade problems.

Abdel-Rahman Taha, CEO of the Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC), disclosed his organization's plan to increase its capital from 150 million to 400 million Islamic dinars.

"The capital increase will help ICIEC to expand its insurance capacity and play a greater role in the development of member countries,"

<http://arabnews.com/economy/article459830.ece>
