Welcome Message

We have concluded the IFSB Summit 2017 on 24 October 2017. The Summit which was held from 22 - 24 October, hosted by the Central Bank of the United Arab Emirates (CBUAE), saw participation from key Islamic financial services industry leaders, from among regulatory and supervisory authorities, multilaterals, and financial institutions from among the IFSB member organisations, as well as the local UAE financial community.

The 3-day events began with Pre-Summit events held on 22 October featuring four sessions; IFSB Industry Engagement Session, Industry Development Session by the International Islamic Liquidity Management Corporation (IILM) and two Country Showcases by United Arab Emirates and Malaysia.

During the Summit, the IFSB also renewed its Memorandum of Understanding (MoU) with Bahrain Institute of Banking and Finance (BIBF), aimed at closer collaboration on capacity building and awareness promotions for the global Islamic financial services industry (IFSI). The IFSB also signed a new MoU with IILM, to further strengthen cooperation and collaboration in developing islamic liquidity management infrastructure in member countries. Both MoUs were signed during the Pre-Summit event. For full report on IFSB Pre-Summit and Summit, kindly refer to pages 5 – 10.

We have also launched a new Technical Note on Financial Inclusion and Islamic Finance where the 1st meeting of the Task Force was held on 2 August in Kuala Lumpur, Malaysia.

For Facilitating the Implementation of the IFSB Standards (FIS) Workshops, the IFSB has organised Workshops in Kyrgyz Republic (July), Islamic Republic of Iran (August) as well as Malaysia and Brunei Darussalam, both in October. The Workshops were attended by the central banks staff of these countries and market participation. (see page 2). We have also lined-up a series of Workshops in 2018 where the next Workshop will be held in Karachi, Pakistan hosted by the State Bank of Pakistan on 15 – 18 January 2018.

Besides the FIS Workshops, the Secretariat is also preparing for other confirmed meetings and events scheduled in 2018; Editing Committee Meeting, 3rd Meeting of the Task Force on Financial Inclusion and Sharī‘ah Committee Meeting (January) and 12th IFSB-INCEIF Executive Forum (March). Refer events calendar on page 9.

As we are reaching end of the year, we are pleased to share that the IFSB member organisations will be receiving printed copies of the IFSB publications. Please log into the Member’s Zone on the IFSB website and ensure that your contact details and mailing addresses are up to date.

Do visit the IFSB website for further details on the IFSB’s upcoming programmes and activities and mark them in your 2018 calendar. I would like to express my sincere thanks for your support and encouragement and look forward to more engagement in the future.

Zahid ur Rehman Khokher
Acting Secretary-General
Facilitating the Implementation of the IFSB Standards (FIS) Workshops in Kyrgyz Republic, Islamic Republic of Iran, Malaysia and Brunei Darussalam

Three “Facilitating the Implementation of the IFSB Standards (FIS)” Workshops, and two Regulatory and Supervisory Authorities (RSAs) were held from July to October 2017.

The IFSB conducted 3-day regional Workshop from 11 – 13 July 2017 in Issyk-Kul, Kyrgyz Republic, hosted by the National Bank of the Kyrgyz Republic and supported by the Islamic Development Bank. The Workshop focused on IFSB-10: Guiding Principles on Shari’ah Governance Systems for IIFS, IFSB-15: Revised Capital Adequacy Standard for IIFS and IFSB-16: Revised Guidance on Key Elements in the Supervisory Review Process of IIFS. A total of 21 participants attended the workshop, including from the National Bank of the Kyrgyz Republic, the National Bank of Belarus, Central Bank of the Russian Federation, National Bank of Kazakhstan and National Bank of Tajikistan.

Another Workshop was held in Tehran, Islamic Republic of Iran hosted by the Central Bank of the Islamic Republic of Iran (CBIRI) and supported by the Islamic Development Bank. The 4-day workshop held on 7 – 10 August 2017 was attended by 24 participants from CBIRI. This Workshop was the third one held in Tehran since year 2009. The Workshop focused on IFSB-1: Guiding Principles of Risk Management for IIFS, IFSB-3: Guiding Principles on Corporate Governance for IIFS and IFSB-15: Revised Capital Adequacy Standard for IIFS.

Another Workshop was conducted in Bandar Seri Begawan, Brunei Darussalam from 16 – 18 October hosted by Autoriti Monetari Brunei Darussalam. A total of 16 participants attended the Workshop which focused on IFSB-1: Guiding Principles of Risk Management for IIFS, IFSB-3: Guiding Principles on Corporate Governance for IIFS and IFSB-17: Core Principles for Islamic Finance Regulation (Banking Segment).

Two Regulatory and Supervisory Authorities (RSAs) Workshops on Islamic Capital Market (ICM) Sector and Takaful were held concurrently from 10 – 12 October 2017 in Kuala Lumpur, Malaysia.

The ICM Workshop was attended by 23 participants from Indonesia, Kuwait, Iraq, Sudan, Gambia, Saudi Arabia, Bangladesh, Iran and Malaysia. The Workshop focused on IFSB-6: Governance for Islamic Collective Investment Schemes (ICIS), IFSB-10: Guiding Principles on Shari’ah Governance Systems for IIFS, IFSB-15: Revised Capital Adequacy Standard for IIFS-Sukuk and Securitisation and IFSB-19: Guiding Principles on Disclosure Requirements for Islamic Capital Market Products.

The Workshop on Takaful sector was attended by participants from Kuwait, Gambia, Saudi Arabia, and Malaysia. The Workshop focused on IFSB-8: Guiding Principles on Governance for Takaful Undertakings, IFSB-10: Guiding Principles on Shari’ah Governance Systems for IIFS and IFSB-14: Guiding Principle on Risk Management for Takaful Undertakings.

The 11th IFSB-INCEIF Executive Forum

The 11th edition of the IFSB-INCEIF Executive Forum was held on 16 and 17 August 2017 in Sasana Kijang, Kuala Lumpur. Jointly organised by the IFSB and INCEIF with the theme “Creativity and Innovation in Islamic Financial Products - Standardisation and Competitiveness”, the Executive Forum aimed to push the current boundaries and explore the capabilities of the Islamic finance industry to innovate and develop an array of products to satisfy different customer demand segments. The Forum also aimed to delve into and draw upon the market player’s perspectives on product development and innovation in Islamic finance.

The Forum saw 31 participants from Sudan, Jordan, Malaysia, Japan, Bangladesh, Saudi Arabia, United Arab Emirates, Turkey, Oman, Somalia, Kenya and Brunei Darussalam with 11 chairpersons, speakers, discussants and panellists.

The discussions were centred on the following topics:
- Overview of Islamic Banking Products – Principles and Parameters
- Consumer Financing Products – Strategies for Innovation
- Shari’ah Rules in Products Development: Branding, Ethics and Innovation
- Innovation in Takaful Avenue for the Industry’s Growth
- Fintech and Leveraging on the Industry’s Technological Advancements
- Panel Discussion: Innovation in Finance Products: Towards Standardisation and Competitiveness

The 12th Executive Forum theme “Preserving Wealth and Generating Long-term Value through Islamic Finance” will be held on 6 & 7 March 2018. Kindly visit www.ifsb.org for more information.
Updates from the 43rd Meeting of the Technical Committee

The 43rd Technical Committee (TC) Meeting was held on 27 October 2017 in Kuala Lumpur to provide the Members of the TC with updates on technical projects as well as information about programmes and activities conducted from end of May till October 2017.

The TC Meeting was chaired by Mr. Zainal Izlan Zainal Abidin, Managing Director of Development and Islamic Markets, Securities Commission Malaysia.

Revised Standard on Disclosures to Promote Transparency and Market Discipline for Institutions Offering Islamic Financial Services (Banking Segment)

The revised Preliminary Exposure Draft (RPED) was discussed by the Working Group (WG) in its 5th meeting held on 4 October 2017 in Jakarta, Indonesia where the WG provided further comments to the project team on terminology and structure of disclosure requirements and templates in the RPED. These changes were reflected and the RPED was presented to the TC in its 43rd meeting held on 27 October 2017 in Kuala Lumpur, during which the Secretariat obtained the TC’s approval to send the document to the Sharī`ah Board of the Islamic Development Bank for their review.

In the 42nd TC meeting held on 25 May 2017 in Cairo, Egypt, approval was given to the Secretariat to conduct a survey in IFSB member jurisdictions regarding the implementation of accounting standard IFRS 9: Financial Instruments issued by the International Accounting Standards Board (IASB). The TC further decided that this survey would be carried out as part of the ongoing process to revise IFSB-4.

In its 4th meeting, the WG was informed of the developments regarding IFRS 9 including the TC’s decision and regulatory developments by the BCBS on the area. The Secretariat then presented the IFRS 9 survey report to the WG in its 5th meeting, and to the TC in its 43rd meeting, where it was resolved that capital, disclosure and other implications of IFRS 9 would be reflected in the upcoming revisions of the relevant IFSB standard. A summary of the survey results would also be included in the Islamic Financial Services Industry Stability Report 2018, planned for publication by the IFSB in May 2018.

The revised Preliminary Exposure Draft (RPED) was discussed by the Working Group (WG) in its 5th meeting held on 27 October 2017 in Kuala Lumpur. The objective of this standard is to revise the IFSB’s guidance on disclosure and transparency for IFS in the banking sector in line with the latest regulatory requirements as issued by the BCBS, while adapting these requirements to the specificities of IFs.

Supervisory Review Process of Takāful and Retakāful Undertakings

The WG convened and deliberated on the revised PED in its 5th meeting on 6 October in Jakarta, Indonesia. The WG reviewed all the changes made by the project team since the 4th meeting and provided further inputs to these and other areas of the RPED. The WG expressed consent with the RPED, and subject to incorporation of changes discussed in the 5th meeting, provided approval to submit the RPED to the 43rd TC meeting for the TC members approval, in turn, to submit the RPED for Sharī`ah review.

The RPED will be undergoing Sharī`ah review in January 2018.

The WG had its first meeting on 18 July 2016.

Core Principles for Islamic Finance Regulation (Islamic Capital Market Segment)

The revised PED was presented for further deliberations in the 5th WG meeting, held on 5 October 2017 in Jakarta, Indonesia. The WG took note of the major changes since the 4th meeting and undertook a number of specific resolutions in response to written comments to the PED received by the project team. The WG expressed consent with the RPED, and subject to incorporation of changes discussed in the 5th meeting, provided approval to submit the RPED to the 43rd TC meeting for the TC members approval, in turn, to submit the RPED for Sharī`ah review.

The RPED will be undergoing Sharī`ah review in January 2018.

The 1st WG meeting for this standard took place on 27 September 2016 in Kuala Lumpur. The objective of this standard is to revise the IFSB’s guidance on disclosure and transparency for IFS in the banking sector in line with the latest regulatory requirements as issued by the BCBS, while adapting these requirements to the specificities of IFs.

Updates on the Standards Implementation Survey

The IFSB has launched its sixth Standards Implementation Survey in October 2017. The Survey was directed to the IFSB’s RSAs to assess the progress made in the implementation of the IFSB’s published standards over the past one-year period and identify strategies to assist members in this process.

The Survey Questionnaire was sent to 58 IFSB member RSAs. The member RSAs are to submit their responses before or by 15 December 2017. After receiving the responses, an analysis will be conducted and a summary of the findings will be shared in the 44th Technical Committee Meeting (March, 2018) and the 32nd IFSB Council Meeting (Apr, 2018).

The member RSAs can email Mr. Esam Oasmah Abdulmalek at esam@ifsb.org should they require further information and assistance on the Survey.
E-Learning New Modules

With the support from Asian Development Bank, the Secretariat and the IT firm have successfully produced another two e-learning modules namely, IFSB-8: Guiding Principles on Governance of Islamic Insurance (Takaful) Operations and IFSB-9: Guiding Principles on Conduct of Business for IIFS. Both modules have been completed on 30 August 2017 and are now available on the IFSB E-learning Portal bringing a total of 15 modules available on the portal.

A total of nine IFSB standards are available on the portal namely: IFSB-1, IFSB-6, IFSB-8, IFSB-9, IFSB-10, IFSB-14, IFSB-15, IFSB-16 and IFSB 17.

Translation of IFSB Standards into French language

The Secretariat is currently working closely with the reviewer and translator on the amendments to the draft based on the feedback by the reviewer. Standards are targeted for publication in December 2017.

The first translated publication in French was the Guiding Principles of Risk Management for Institutions (other than Insurance Institutions) offering Islamic Financial Services (IIFS) or IFSB-1 in December 2016.

The IFSB currently publishes its standards and guiding principles in English and Arabic languages. The year 2016 marked the initiation of the translation of its first standard into the French language as part of the IFSB’s Strategic Performance Plan 2016-2018. The key objective of this initiative is to provide reading reference to French speaking countries who plan to implement the IFSB standards.

New Release of IFSB’s Prudential Database from 17 Countries Shows Improved Islamic Banking Performance in Most Dimensions of Stability

On 16 October 2017, the IFSB announced the dissemination of country-level data on financial soundness and growth of the Islamic banking systems for Q4 of 2016 and Q1 of 2017 from 17 IFSB member jurisdictions. This seventh dissemination completes the availability of quarterly data from Q4 of 2013 to Q1 of 2017. This dissemination is part of the IFSB’s Prudential and Structural Islamic Financial Indicators (PSIFIs) project, which currently compiles data from 17 member countries – Afghanistan, Bahrain, Bangladesh, Brunei, Egypt, Indonesia, Iran, Jordan, Kuwait, Malaysia, Nigeria, Oman, Pakistan, Saudi Arabia, Sudan, Turkey, and the United Arab Emirates.

With the launch of Phase IV of the project in early 2017, four new regulatory and supervisory authorities joined the PSIFIs project, making a total of 21 participating jurisdictions. The IFSB is now in the process of collecting Islamic banking data on trial basis from these new contributors: Qatar Central Bank, Bank of England, Banque du Liban and Palestine Monetary Authority. The IFSB has conducted two capacity building meetings in 2017 which included seventh and eighth meetings of PSIFIs Task Force (including members from new PSIs) held in Kuala Lumpur (11-12 May 2017) and Beirut (26-27 September 2017). A summary of key PSIFs indicators is given below.

GROWTH OF ISLAMIC BANKING

Based on the available data, the total assets of the Islamic banking industry grew from USD 1,391 billion in 2016Q1 to USD 1,480 billion in 2017Q1 (calculated from country-wise aggregated data converted into USD terms using end-period exchange rates). Total funding/liabilities increased from USD 1,283 billion in 2016Q1 to USD 1,362 billion in 2017Q1. Financing by Islamic banks from the jurisdictions participating in the PSIFIs project reached USD 967 billion in 2017Q1 from USD 882 billion in 2016Q1. The data on “financing by type of Shariah-compliant contracts” reveals that five major financing contracts used by the Islamic banking industry as of 2017Q1 were: Murabahah (36.2%), commodity Murabahah/ Tawwaruq (21.5%), Jāratah/Jārah Muntahia Bitāmtik (13.4%), Bay’ Bithaman Ajil (8.4%), and Salam (5.5%).

CAPITAL ADEQUACY

Capital adequacy provides an important indicator of the health and financial soundness of the banking industry in a jurisdiction. As of the 1st quarter of 2017, the weighted-average capital adequacy ratio and weighted-average Tier 1 capital ratio from available data of full-fledged Islamic banks of 13 jurisdictions were 12.5% and 9.9% respectively, while these ratios were 11.9% and 9.6% at the same period of the previous year (2016Q1) respectively.

ASSET QUALITY

On asset quality indicators, gross non-performing financing ratio (gross non-performing financing to total financing) showed an improvement with a decrease from 5.9% in 2016Q1 to 5.2% in 2017Q1. The improvement is also apparent in the net non-performing financing to capital ratio which decreased sharply from 38.1% in 2016Q1 to 22.6% in 2017Q1.

LIQUIDITY

On the liquidity indicators, the liquid assets ratio (liquid assets to total assets) decreased over the period from 35.7% in 2016Q1 to 34.5% in 2017Q1, while liquid assets to short-term liabilities ratio increased from 13.9% in 2016Q1 to 14.6% in 2017Q1. Four PSIFs member countries reported the newly introduced Liquidity Coverage Ratio (LCR) which all exceeded the 100% benchmark.

The PSIFIs Database (full set of data with metadata) is available on the PSIFIs portal at the IFSB website http://psifi.ifsb.org.

The Way Forward: Currently, a new set of data updated up to 2nd quarter of 2017 is being collected and reviewed by the IFSB, and is targeted for dissemination in December 2017.
PRE-SUMMIT

The Pre-Summit events held in conjunction with the IFSB Summit 2017, saw a line-up of four sessions held on 22 October 2017. More than 100 participants attended the Pre-Summit sessions including the IFSB members and members of the UAE financial communities.

Industry Development Showcase by International Islamic Liquidity Management Corporation

At this year’s Summit, the Industry Development Session (IDS) featuring International Islamic Liquidity Management Corporation (IILM) and presented a topic on “Regulators’ Response Towards Specific Market Enhancement – The IILM Case Study”. The presentation was delivered by Mr. Abdoul Aziz Ba, Acting Chief Executive Officer and Mr. Hichem Bouqniss, Senior Vice President, both from the IILM.

The IDS was first introduced at the 10th IFSB Summit held in 2013, and received a very encouraging response. The IDS aims to provide a platform for IFSB multilateral organisations to present their initiatives and provide updates on their work in supporting the growth and development of the Islamic Financial Services Industry (IFSI).

Asian Development Bank, Finance Accreditation Agency, ICIEC, OIC Stock Exchange Forum and the World Bank have participated in this sessions during previous IFSB Summit.

UAE Country Showcase by Dubai Islamic Economy Development Centre

The UAE Country Showcase by Dubai Islamic Economy Development Centre (DIEDC) saw Mr. Saeed Kharbash, Head of Strategic Planning, DIEDC delivering a presentation on “Development Overview of Islamic Finance in the United Arab Emirates”.

DIEDC’s vision is to transform Dubai into the standard-setting capital of Islamic economy, leading innovation and growth in all sectors.

Malaysia Country Showcase by Malaysia International Islamic Financial Centre (MIFC) and Finance Accreditation Agency (FAA)

The Malaysia Country Showcase featured a joint-collaboration between MIFC and FAA which brought together panelists from various business sectors discussing legal and regulatory aspects, including the essential roles of market players and professional service providers to design the future of Islamic finance.

The Showcase started with Opening Remarks by Mr. Marzunisham Omar, Assistant Governor, Bank Negara Malaysia, followed by the first Panel Discussion on “Build to Last: Roles of Professional Ancillary Services” by MIFC.

The panel was chaired by Mr. Rafe Haneef, Chief Executive Officer, CIMB Islamic Bank, Malaysia. The panelists included Dr. Mohd Daud Bakar, Chairman, Shariah Advisory Council Malaysia/Chairman Amanie Group, Dr. Nik Norzul Thani, Senior Partner, Zaid Ibrahim & Co. and Mr. Mohammad Faiz Azmi, Executive Chairman, PwC Malaysia.

It was then followed by a launching of Islamic Finance Professional Qualifications Structure (IFPQS) by Mr. Marzunisham Omar, witnessed by Mr. Khairul Nizam, Chief Executive Officer and Ms. Sarala Marimuthu, Director, Research & Development of FAA.

The second Panel Discussion by FAA themed “Raising the Bar of Islamic Finance Professionals” moderated by Mr. Wan Abdul Rahim Kamal, Islamic Capital Market Consultant, Securities Commission Malaysia, Mr. Ghiath Shabsigh, Assistant Director, Monetary & Capital Markets, International Monetary Fund (IMF), Mr. Yuery Yusoff, Chief Executive Officer, Islamic Banking and Finance Institute Malaysia (IBFM) and Mr. Houssem Eddine, Senior Economist and Training Specialist, Islamic Research and Training Institute (IRTI), IDB Group.

The IFSB introduced the Country Showcase as a pre-Summit event in 2007, with the aim of providing an opportunity for IFSB member and non-member countries to present their country as an attractive Islamic finance market or to raise awareness of their efforts/initiatives in developing Islamic finance in their respective countries. Bahrain, Brunei, Hong Kong, Korea, Luxembourg, Malaysia, Singapore, Turkey and Kazakhstan have participated in previous Showcases.
The IFSB Summit 2017 was held on 23 and 24 October 2017 in St. Regis Hotel, Abu Dhabi, United Arab Emirates, hosted by the Central Bank of the United Arab Emirates (CBUAE). It was themed, “Reinvigorating the Momentum of Islamic Finance: Solidifying Resilience and Sustaining Growth”.

The IFSB Summit 2017 saw two high-profile keynote addresses. The first Keynote Address was delivered by H.E. Abdullah bin Ahmed Al Saleh, Under-Secretary of the Ministry of Economy for Foreign Trade and Industry, UAE. H.E. Al Saleh lauded the IFSB’s significant initiatives as an international standard-setting body for the Islamic financial services industry (IFSI) and appreciated the IFSB Summit, which serves as a useful platform for enabling technical knowledge-sharing and competencies for best practices in the Islamic finance industry. The second Keynote Address was delivered by Mr. Iqbal Ahmad Khan, Chief Executive Officer, Fajr Capital Limited, UAE who traced the historical perspective on the introduction of Islamic finance in the 1970s and 1980s.

H.E. Mubarak Rashid Khams Al Mansoori, Governor, CBUAE in his Welcoming Remarks mentioned that the CBUAE supports the robust and long-term growth of the vital Islamic finance sector through issuing Islamic deposit certificates and providing a collateralised murabahah facility.

The first panel discussion session, themed “Islamic Finance: From Niche to Mainstream”, was chaired by H.E. Dr. Abdurahman Al Hamidy, Director General and Chairman of the Board, Arab Monetary Fund. In this session, the panellists discussed opportunities in the IFSI with a view to achieving mainstream penetration.

The second session themed, “The FinTech Innovative Progression: Boon or Bane for Traditional Financial Institutions?” was chaired by Ms. Vineeta Tan, Editor, Islamic Finance News, Malaysia, who set the background by highlighting the recent progresses made in the FinTech space. The speakers then discussed the role of FinTech in Islamic finance, and whether is causing any disruption for the traditional financial institutions.

The third session, themed “Implementing New Regulatory Reforms: Balancing between the Soundness and Competitiveness of IIFS”, saw a stellar line-up of speakers chaired by H.E. Dr. Zaﬁr Iqbal, Vice President Finance and Chief Financial Officer, Islamic Development Bank. The session saw panelists discussing issues concerning the implementation of new regulatory reforms, including market dynamics of financial sector deleveraging and de-risking.

The fourth session, themed “Islamic Capital Markets: Towards Greater Harmonisation in Cross Border Activities” was chaired by Mr. Ashraf Mohammed, Assistant General Counsel and Practice Leader - Islamic Finance, Asian Development Bank.

The final session, themed “The Way Forward for Islamic Finance: Strengthening Value Proposition, Sustaining Resilience”, was chaired by the Host Governor, together with panellists from Central Bank of Bahrain, Bank Negara Malaysia, Saudi Arabian Monetary Authority and Boston Consulting Group (BCG). The Session summarised the various challenges discussed during the Summit sessions, particularly in terms of value proposition to the Islamic finance customers.

The Summit saw the participation of key Islamic financial services industry leaders, from among regulatory and supervisory authorities, international and regional multilateral organisations, financial institutions from over 25 countries as well as the local UAE financial community.

**IFSB Summit 2017 - Gala Dinner**

The Gala Dinner of the IFSB Summit 2017 was held on 22 October 2017 in Khalidiya Palace Rayhaan by Rotana. The Dinner began with a keynote speech by Prof. (em.) Dr. Volker Nienhaus, Honorary Professor of Economics, University of Bochum, Germany, Former President, University of Marburg, Germany.

Guests attending the dinner were entertained by local music and personalised caricatures.

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*Images and additional details from the event are not included in this text representation.*
The IFSB bulletin

IFSB SUMMIT HIGHLIGHTS

Prof. (em.) Dr. Volker Nienhaus delivering the keynote speech

استعرض مجلس الخدمات المالية الإسلامية تطور صناعة الخدمات المالية الإسلامية منذ مؤتمر اسطنبول في عام 2014، حيث تم الاعتراف بservices هيئة الاتصالات والخدمات المالية الإسلامية. ودعا إلى تحسين التنسيق بين المبادرات الخاصة بأعمال الخدمات المالية الإسلامية، وتشجيع قسم مجلس الخدمات المالية الإسلامية السّائبة، وتعزيز العمل المشترك بين مختلف المؤسسات الإسلامية. والfeitونيني بالإسلام، والمساعد حسام ذو الفقار.

نائب أول للرئيس

استعراض حالة دولة ماليزيا من خلال المركز الدولي للتمويل الإسلامي بصحبة هيئة الاعتماد

شيد استعراض حالة دولة ماليزيا تعزز من كم من المركز الدولي للتمويل الإسلامي الماليزيا مع هيئة الاعتماد المالي لطرح حالة ماليزيا، من خلال تحمل المنطقة من مختلف قطاعات الأعمال لمكافحة الجوانب القانونية والتنظيمية، بما في ذلك التطورات التي تلعب دورًا في تحديد الاهتمام في السوق، وخدمات الخدمات المالية في عالم التمويل الإسلامي. والدبلومات التي تتعاون مع المراكز المالية الماليزيا، نص ذلك لبحث مسألة في سبرة ما في هذا الصدد.

الدكتور نيك نور زول تا، شرير أول، زي إبراهيم وسواريا، راما، بالإضافة إلى السيد جان فاستيغ فير، الرئيس التنفيذي. مير وارد كور، ماليزيا.

وقد عام السيد مروزونشام عمر بشير، لجنة المرؤوس هو منصة للمؤسسة لخدمة الخدمات المالية الإسلامية. فيضاحية الاعتماد المالي للخدمات المالية الإسلامية بشكل أساسي، مع توفير عودة مالية في حالة الاعتماد المالي.

وقد تم تشكيل لجنة المرؤوس هو منصة للمؤسسة لخدمة الخدمات المالية الإسلامية بشكل أساسي، مع توفير عودة مالية في حالة الاعتماد المالي.
1. شهدت الجمعية الثالثة، التي جرت في 23 أكتوبر 2017 بالسعودية، تأسيس أوسع من مجتمع الأعمال الإسلامي بالعالم لضمان تحقيق أهداف التعاون الإسلامي وتعزيز التعاون بين المنظمات الإسلامية بجميع أنحاء العالم.

2. خلال الجلسة الثانية، التي جرت في 22 أكتوبر 2017 بإيران، تم توسيع وتطوير التعاون الإسلامي في مجالات متنوعة.

3. خلال الجلسة الأولى، التي جرت في 21 أكتوبر 2017 في الجزائر، تم مناقشة عدة محاورات تتعلق بالتعاون الإسلامي في مجالات مختلفة.

4. بعد اجتماعات الجمعية، سيتم إعداد تقرير يحتوي على مجمل النتائج وملاحظات الاجتماعات.

5. ي najbم، تم اتخاذ قرارات استراتيجية لتعزيز التعاون الإسلامي في مختلف المجالات.

6. وتم التأكيد على ضرورة تعزيز التعاون الإسلامي في مختلف المجالات، بما في ذلك الأقتصاد، والعلوم، والثقافة.

7. سيتم إعداد تقرير سنوي يحتوي على مجمل النتائج وملاحظات الاجتماعات، والذي سيتم تقديمه إلى الأطراف المعنية.

8. سيتم إجراء دراسات تعميقية للموضوعات المتبقية، بما في ذلك التعاون في مجالات الإقتصاد والتعليم والثقافة.

9. تم التأكيد على ضرورة تعزيز التعاون الإسلامي في مختلف المجالات، بما في ذلك الأقتصاد، والعلوم، والثقافة.

10. سيتم إعداد تقرير سنوي يحتوي على مجمل النتائج وملاحظات الاجتماعات، والذي سيتم تقديمه إلى الأطراف المعنية.

11. سيتم إجراء دراسات تعميقية للموضوعات المتبقية، بما في ذلك التعاون في مجالات الإقتصاد والتعليم والثقافة.

12. تم التأكيد على ضرورة تعزيز التعاون الإسلامي في مختلف المجالات، بما في ذلك الأقتصاد، والعلوم، والثقافة.

13. سيتم إعداد تقرير سنوي يحتوي على مجمل النتائج وملاحظات الاجتماعات، والذي سيتم تقديمه إلى الأطراف المعنية.

14. سيتم إجراء دراسات تعميقية للموضوعات المتبقية، بما في ذلك التعاون في مجالات الإقتصاد والتعليم والثقافة.

15. تم التأكيد على ضرورة تعزيز التعاون الإسلامي في مختلف المجالات، بما في ذلك الأقتصاد، والعلوم، والثقافة.

16. سيتم إعداد تقرير سنوي يحتوي على مجمل النتائج وملاحظات الاجتماعات، والذي سيتم تقديمه إلى الأطراف المعنية.

17. سيتم إجراء دراسات تعميقية للموضوعات المتبقية، بما في ذلك التعاون في مجالات الإقتصاد والتعليم والثقافة.

18. تم التأكيد على ضرورة تعزيز التعاون الإسلامي في مختلف المجالات، بما في ذلك الأقتصاد، والعلوم، والثقافة.

19. سيتم إعداد تقرير سنوي يحتوي على مجمل النتائج وملاحظات الاجتماعات، والذي سيتم تقديمه إلى الأطراف المعنية.

20. سيتم إجراء دراسات تعميقية للموضوعات المتبقية، بما في ذلك التعاون في مجالات الإقتصاد والتعليم والثقافة.
The IFSB has organised two Members and Industry Engagement (M&IE) Sessions in Jakarta, Indonesia and Abu Dhabi, United Arab Emirates.

The M&IE session in Jakarta was held on 2 October 2017 in Bank Indonesia headquarters jointly hosted by Bank Indonesia and the Financial Services Authority of Indonesia (OJK). The Session was held back to back with four IFSB Working Group meetings which were also hosted Bank Indonesia. More than 80 participants among the IFSB members and the Indonesian local financial community attended the Session. The Session chaired by Prof. (em.) Dr. Volker Nienhaus, Honorary Professor, University of Bochum, Germany, featured an interactive panel discussion by Mr. Zahid ur Rehman Khokher, Mr. Ahmad Buchori, Advisor of Strategic Committee and Research Center, the Financial Services Authority of Indonesia (OJK), Dr. Rifki Ismal, Assistant Director, Islamic Economic and Finance Department, Bank Indonesia, Dr. Nagwa Sheikh Eldin, Assistant Secretary-General, IFSB and Mr. Achmad K. Permana, Secretary General, Indonesian Islamic Banking Association (ASBISINDO).

Another M&IE session was held on 22 October 2017 at The St. Regis Hotel Abu Dhabi, United Arab Emirates in conjunction with the IFSB 12th IFSB-INCEIF EXECUTIVE FORUM in March 2018.

The M&IE session aims to provide a platform for the IFSB members and greater financial community an insight and update into the work of the IFSB, its relevance to the development of the global industry, and the role the stakeholders (members and non-members) can play in this development.

These sessions have received very positive responses and feedback from the participants, and the IFSB looks forward to meeting and engaging with IFSB members and non-members from various jurisdictions, in future M&IE sessions.

The 12th IFSB-INCEIF EXECUTIVE FORUM in March 2018

The IFSB and International Centre for Education in Islamic Finance (INCEIF) will be jointly organising the 12th IFSB-INCEIF Executive Forum on the topic of “Preserving Wealth and Generating Long-term Value through Islamic Finance” on 6 – 7 March 2017 in Sasana Kijang, Kuala Lumpur.

The 2-days Forum inclusive of six sessions will discuss different topics revolving around the role of Islamic finance in preserving wealth and long-term value creation. Among the topics are the role of wealth management from an Islamic perspective, the role of the Takāful sector in offering innovative products to support long-term financial substance for individuals, retirement planning and Sharī`ah-compliant opportunities, realising long-term societal development through social contracts in Islamic finance and regulator’s role in managing risk in the Islamic fund industry and facilitating innovation and in this segment of the market. For queries and registrations, please email Mrs. Ida Shafinaz Ab. Malek at ida.shafinaz@ifsb.org

UPCOMING IFSB WORKSHOPS, MEETINGS & AWARENESS PROGRAMMES
(January - March 2018)

2 - 8 January 2018 | Malaysia
EDITING COMMITTEE MEETING

12 January 2018 | Malaysia
3rd MEETING OF THE TECHNICAL NOTE ON FINANCIAL INCLUSION WORKING GROUP

15 – 18 January 2018 | Pakistan
IFSB-FIS WORKSHOP . Banking Sector

20 January – 2 February 2018 | Saudi Arabia
SHARĪ`AH COMMITTEE MEETING

12 – 14 February 2018 | Tunisia
IFSB-FIS WORKSHOP . Banking Sector

6 – 7 March 2018 | Malaysia
12TH IFSB-INCEIF EXECUTIVE FORUM ON ISLAMIC FINANCE
Preserving Wealth and Generating Long-term Value through Islamic Finance

27 – 29 March 2018 | Lebanon
IFSB-FIS WORKSHOP . Banking Sector

Please visit www.ifsb.org for more information and registration details
Collaboration with International Standard-Setting Bodies and Multilateral Organisations

As a part of global policy dialogue, the IFSB has been engaging with other international standard-setting bodies for conventional finance such as the Basel Committee on Banking Supervision (BCBS), the International Organisation of Securities Commissions (IOSCO) and the International Association of Insurance Supervisors (IAIS).

These interactions have resulted in better understanding and recognition of the issues faced by the Islamic financial services industry at the global level.

The IFSB participates formally in the Consultative Group of the BCBS as well as in the Consultative Advisory Groups of International Auditing and Assurance Standards Board (IAASB) and International Ethics Standards Board for Accountants (IESBA).

Visit by the International Association of Deposit Insurers (IADI)

Mr. David Walker, the Secretary General of IADI, paid a visit to the IFSB in Kuala Lumpur on 21 September 2017 and met with Mr. Zahid ur Rehman Khokher for discussion, on future collaboration.

The World Bank Group (WBG) and the International Monetary Fund (IMF)

The Acting Secretary-General of the IFSB, Mr. Zahid ur Rehman Khokher represented the IFSB at The Annual Meetings of the Boards of Governors of the World Bank Group (WBG) and the International Monetary Fund (IMF) in Washington, DC, USA, 13 – 15 October 2017.

Mr. Zahid ur Rehman Khokher with then Secretary-General, Mr. Yoshihiro Kawai during the IAIS High Level Roundtable of Asia-Pacific Insurance Supervisors on Insurance Regulation and Market Development, Manila, Philippines on 5 - 6 September 2017.

The Inter-African Conference of the Insurance Markets

The IFSB, received a visit from The Inter-African Conference of the Insurance Markets (CIMA) on 3 November 2017. Mr. Issofa Nchare, the Secretary General of CIMA (right) and Mr. Alain Ouattara Fangman, Controller Commissioner represented CIMA during the visit.

The IFSB Signs MoU with IILM and BIBF in Abu Dhabi

22 October 2017 marked two important happenings during the IFSB’s Members and Industry Engagement Session, in conjunction with the IFSB Summit 2017 in Abu Dhabi, United Arab Emirates (UAE). The IFSB established and reaffirmed collaborations with two institutions via the signing of MoU.

The first MoU signing was between the IFSB, represented by Mr. Zahid ur Rehman Khokher, and International Islamic Liquidity Management Corporation (IILM), represented by Mr. Abdoul Aziz Ba (Acting Chief Executive Officer). The MoU signified the strengthening of cooperation and collaboration in enhancing the ability of each institutions to achieve its respective objectives and mandates. The MoU would pave the way for the IFSB and IILM to explore new avenues to support member jurisdictions and enhance understanding of the issues relevant to Shari‘ah-compliant financial safety nets, development of Islamic money and capital markets as well as liquidity management regulation and supervision.

The second MoU was between the IFSB and the Bahrain Institute for Banking and Finance (BIBF), which reaffirmed on ongoing collaboration between the two institutions. The MoU was signed by Mr. Zahid ur Rehman Khokher and BIBF Director, Dr. Ahmed Al Shaikh. The IFSB and BIBF would cooperate in a) promoting, undertaking and participating in relevant activities relating to capacity, development, training and education, b) to explore avenues for developing or undertaking research and development in areas of priority concerning the Islamic financial services industry (IFSI), c) to publish, promote or disseminate research for use and reference by BIBF or the IFSB in promoting and developing the IFSI, and to explore the possibility of BIBF supporting the IFSB E-Learning and awareness programmes initiatives. This could include conferences, seminars, workshops, roundtables, trainings or any other events organised by the IFSB.
The IFSB bulletin

The IFSB bulletin

IFSB-WBG JOINT PUBLICATION ON REALISING THE VALUE PROPOSITION OF THE TAKĀFUL INDUSTRY FOR A STABLE AND INCLUSIVE FINANCIAL SYSTEM

ISSUANCE DATE: SEPTEMBER 2017

The publication derives from a conference titled, Realising the Value Proposition of the Takāful Industry for a Stable and Inclusive Financial System organised by IFSB-World Bank Group (WBG) and Turkish Treasury in Istanbul, Turkey in May 2016. The publication aims to contribute to discussions on the outlook of the takāful industry and its potential for enhancing risk coverage of individuals and corporates, promoting financial inclusion, and supporting the growth of the Islamic finance industry globally. It also provides insightful deliberations on existing takāful models and associated challenges in regulating this sector, ways to improve delivery channels and increase takāful penetration in various markets as well as developments in risk management and corporate governance practices at the national and international levels.

Among the key points of discussion in the book include the global trends and policy developments in the takāful sector, regulatory developments, risk management and governance issues, microtakāful and its role in financial inclusion, retakāful and its key challenges and also the way forward for the industry.

IFSB-ISRA JOINT PUBLICATION ON FINANCIAL SAFETY NETS: STRIKING A BALANCE BETWEEN SHARĪ’AH REQUIREMENTS AND THE SOUNDNESS OF THE ISLAMIC FINANCIAL SYSTEM

ISSUANCE DATE: SEPTEMBER 2017

This publication is a compilation of the papers presented by distinguished Sharī’ah scholars during the joint IFSB-ISRA Roundtable on “Financial Safety Nets: Striking a Balance between Sharī’ah Requirements and the Soundness of the Islamic Financial System”, which was held in Kuala Lumpur on 5 November 2015. It also includes summaries of two IFSB Working Papers issued on the subject of financial safety nets.

The book, which is available in English and Arabic languages, discusses two pertinent issues related to financial safety nets, i.e. i) Sharī’ah-compliant lender-of-last resort facilities and ii) Sharī’ah-compliant structures for a deposit insurance scheme. It concludes with a summary of the discussions and recommendations and future directions for moving forward.

Both publications are available on the IFSB website, www.ifsb.org

IFSB IN THE INTERNATIONAL ARENA (CONTINUED)

Updates on the Islamic Development Bank’s Technical Assistance MoU to the IFSB

The Islamic Development Bank (IDB) and the IFSB signed an MoU in 2015, in which the IDB provides technical assistance (TA) to the IFSB for two activities:

- Formulation of the IFSB Standard, ‘Guiding Principles on Disclosure Requirements for Islamic Capital Market Products (IFSB-19)
- Facilitating the implementation of the IFSB Standards in the IFSB member countries (FIS Workshops)

The TA carries the amount of USD250,000.

The IFSB-19 was approved in April 2017 during the 30th Council Meeting of the IFSB in Kuala Lumpur and is now available on the IFSB website, www.ifsb.org.

11 FIS workshops have been conducted under the MoU, tailored according to each jurisdictions’ standards implementation status and their progress in the development of Islamic financial markets.

The Asian Development Bank (ADB) and the IFSB signed an MOU in October 2012 for a 5-year period, titled, - “Implementing Prudential Standards in Islamic Finance”

Under this MoU, a technical assistance (TA) was provided to the IFSB to support common ADB-IFSB member jurisdictions in a number of areas. The TA covered broadly the following areas:

- Support for implementation of IFSB standards and enhance supervisory capacity building, through workshops, comparative studies and building e-learning platform
- Launch phase III of Prudential and Structural Islamic Financial Indicators (PSIFIs) project, aiming at the regular collection and dissemination of Islamic banking data from the IFSB member countries
- Awareness building on Islamic finance through organising of conferences and seminars
- Undertaking joint publications on Islamic finance
- Participation of the ADB in the IFSB Summits and events and vice versa
- Information dissemination through printing of the IFSB Publications

This TA covered an amount of over USD450,000 during the 5-year period.
يساهم مجلس الخدمات المالية الإسلامي في تحسين بيئة التشريع والتنظيم المالي، من خلال إعداد معايير ومعايير رقابية لضمان تنظيم القطاع المالي الإسلامي ضمن نظام صحي وراقي. يتضمن نصائح ومساءلة لل الجهات الرقابية، والشركات، وال็กين، والجمهور العام.

الإرشادات المتعلقة بإدارة مال مالية إسلامية، ومتى تقابلية، وال นอกจาก ذلك، فإنها تغطي أيضًا النصائح المتعلقة بالمبادئ الفقهية، والمعايير المصرفية، والشريعة الإسلامية.

For more information about the IFSB and to download the Standards, Guiding Principles, research/educational institutions and market players.

The IFSB is an international standard-setting organisation that promotes and enhances the soundness and stability of the Islamic financial services industry by issuing global prudential standards and guiding principles for the industry, broadly defined to include banking, capital markets and insurance sectors. The IFSB also conducts research and coordinates initiatives on industry-related issues, as well as organises roundtables, seminars and conferences for regulators and industry stakeholders. Towards this end, the IFSB works closely with relevant international, regional and national organisations, research/educational institutions and market players.

As of December 2017, the IFSB has published twenty-six standards (Guiding Principles, Guidance and Technical Notes as follows:)

IFSB-1 Guiding Principles of Risk Management for Institutions (other than insurance institutions) Offering Only Islamic Financial Services (IFSB)

IFSB-2 Capital Adequacy Standard for IFSB

IFSB-3 Guiding Principles on Corporate Governance for IFSB

IFSB-4 Disclosures to Promote Transparency and Market Discipline for IFSB

IFSB-5 Guidance on Key Elements in the Supervisory Review Process of IFSB

IFSB-6 Guiding Principles on Governance for Islamic Collective Investment Scheme

IFSB-7 Capital Adequacy Requirements: Sukuk Securitizations and Real Estate Investment

IFSB-8 Guiding Principles on Governance of Islamic Insurance (Takaful) Operations

IFSB-9 Guiding Principles on Conduct of Business for IFSB

IFSB-10 Guiding Principles on Shariah Governance System

IFSB-11 Standard on Solvency Requirements for Takaful (Islamic Insurance) Undertakings

IFSB-12 Guiding Principles on Liability Risk Management for IFSB

IFSB-13 Guiding Principles on Stress Testing for IFSB

IFSB-14 Standard on Risk Management for Takaful (Islamic Insurance) Undertakings

IFSB-15 Revised Capital Adequacy Standard for Takaful (Islamic Insurance) Undertakings

IFSB-16 Revised Guidance on Key Elements in the Supervisory Review Process of IFSB

IFSB-17 Core Principles for Financial Regulation in Islamic Finance (Banking Sector)

IFSB-18 Guiding Principles for Reta'katu (Islamic Reinsurance)

IFSB-19 Guiding Principles on Disclosure Requirements for Islamic Capital Market Product (Sukuk and Islamic Collective Investment Schemes)

GN-1 Guidance Note in Connection with the Capital Adequacy Standard: Recognition of Ratings by External Credit Assessment Institutions (ECAs) on Shariah-Compliant Financial Instruments

GN-2 Guidance Note in Connection with the Risk Management and Capital Adequacy Standards: Commodity Murabahah Transactions

GN-3 Guidance Note on the Practice of Smoothing the Profits Payout to Investment Account Holders

GN-4 Guidance Note in Connection with the IFSB Capital Adequacy Standard: The Determination of the Alpha in the Capital Adequacy Ratio

GN-5 Guidance Note on the Recognition of Ratings by ECAs on Takaful and Retakaful Undertakings

GN-6 Guidance Note on Quantitative Measures for Liquidity Risk Management in IFSB

TN-1 Technical Note on Issues in Strengthening Liquidity Management of Institutions Offering Islamic Financial Services: The Development of Islamic Money Market

TN-2 Technical Note on Stress Testing for Institutions Offering Islamic Financial Services


WP-02 Working Paper on Evaluation of Core Principles Relevant to Islamic Finance

WP-03 Working Paper on Financial Consumer Protection in Islamic Finance

WP-04 Comparative Study on the Implementation of Selected IFSB Standards


WP-06: Strengthening the Financial Safety Net: The Role and Mechanisms of Shari‘ah Compliant Deposit Insurance Schemes (SCDIS)

The members of the IFSB comprise regulatory and supervisory authorities, international intergovernmental organisations and market players, professional firms and industry associations.

For more information about the IFSB and to download the Standards, Guiding Principles, Guidance and Technical Notes, please visit www.ifsb.org.

IFSB Bulletin