

IFSB REGULATORY AND SUPERVISORY AUTHORITIES FORUM ON COVID-19

28 July 2020

TITLE	COVID-19 AND THE ISLAMIC FINANCIAL SERVICES INDUSTRY: POLICY IMPLICATIONS AND REGULATORY CHALLENGES
Type	Online Forum
Target Audience	Member Regulatory and Supervisory Authorities (RSAs) of the IFSB
Duration	2.5 Hours
Program Overview	<p>The outbreak of Covid-19 and the ensuing geographical lockdowns and movement restrictions in several jurisdictions have led governments and regulatory and supervisory authorities (RSAs) to introduce measures, conventional and non-conventional, to alleviate the resulting financial and economic impact on consumers as well as financial institutions. Policy responses targeted to the financial sector varied with the type of stress, structure of the financial system and resilience of its significant players.</p> <p>The IFSB, through this forum and as the global prudential standard-setter for Islamic finance, aims to provide a platform for IFSB RSA members to explore and discuss the effectiveness of various policy interventions introduced to counter the (Islamic) financial-sector implications of COVID-19. The forum also aims to facilitate sharing of policy implementation experiences across jurisdictions, discuss their potential long-term impact on financial markets and institutions offering Islamic financial services (IIFS) and identify areas that may require further concern and coordination by the IFSB.</p> <p>The IFSB Secretariat aims to utilise the outcomes of the forum in:</p> <ul style="list-style-type: none"> • providing guidance to the global Islamic financial services industry through public statements, • ensuring ongoing standards address identified challenges and potential consequences of policy responses; and • setting the IFSB's 2021 standard development and research agenda.
Objectives	<p>The forum aims to:</p> <ul style="list-style-type: none"> • Explore the effectiveness, implementation and challenges of international prudential and other financial policy measures (both conventional and Islamic) in response to COVID-19. • Deliberate on the potential medium-term and long-term consequences for IIFS, financial markets and consumers. • Identify any Islamic finance specific-issues that have emerged or are likely to emerge in the future due to the direct impact of the pandemic or as a consequence of policy actions taken to mitigate the impact of the crisis. • Share of policy implementation experiences across jurisdictions and identify policy areas that require further coordination and provision of guidance for the global Islamic financial services industry with regard to the impact of the pandemic • Identify potential areas for future IFSB standards and research
Programme Approach	<ul style="list-style-type: none"> • The IFSB Secretary-General to chair the forum and direct the flow of discussion • Presentation/thoughts/issues from lead discussants representing Islamic banking, Islamic capital markets and Takaful, followed with presentations or discussions by experts representing RSAs and Rating Agencies.

**Programme
Outcomes**

- Results of the assessment of ongoing international policies and actions (both Islamic and conventional) in responding to the economic impacts of the pandemic.
- Coordinated policies and guidance for the global Islamic financial services industry
- Potential IFSB standards and research papers

Participation

Member RSAs of the IFSB and Rating Agencies

PROGRAMME

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15.00 – 15.15	Opening Remarks by the IFSB Secretary-General, Dr. Bello Lawal Danbatta
15.15 – 15.45	Overview of the Impact of COVID-19 on the Global Economy, Islamic Banking and Sukuk Dr. Mohamed Damak – Senior Director and Global Head of Islamic Finance, S&P Global Ratings The Impact of COVID-19 on Insurance and Takaful Sectors Ms. Sabeen Saleem, CFA - Chief Executive Officer, Islamic International Rating Agency
15.45 – 17.15	Discussion: COVID-19 and the Islamic Financial Services Industry – Policy Implications and Regulatory Challenges <ul style="list-style-type: none">o What were the major prudential and other policies deployed by the RSA in countering the financial-sector effects of COVID-19? Were there any specific policies for the Islamic finance sector?o How effective were these policies and what potential are the exit strategies?o What challenges have you encountered while attempting to implement these responses? Any identified medium-term or long-term consequences on financial institutions, markets and consumers?o Which areas require further concern, coordination and guidance by the IFSB? <i><u>Banking Sector (40 mins)</u></i> <i><u>Capital Markets Sectors (25 mins)</u></i> <i><u>Takaful Sector (25 mins)</u></i>
17.15 – 17:30	Conclusion and Closing

END OF RSA FORUM