

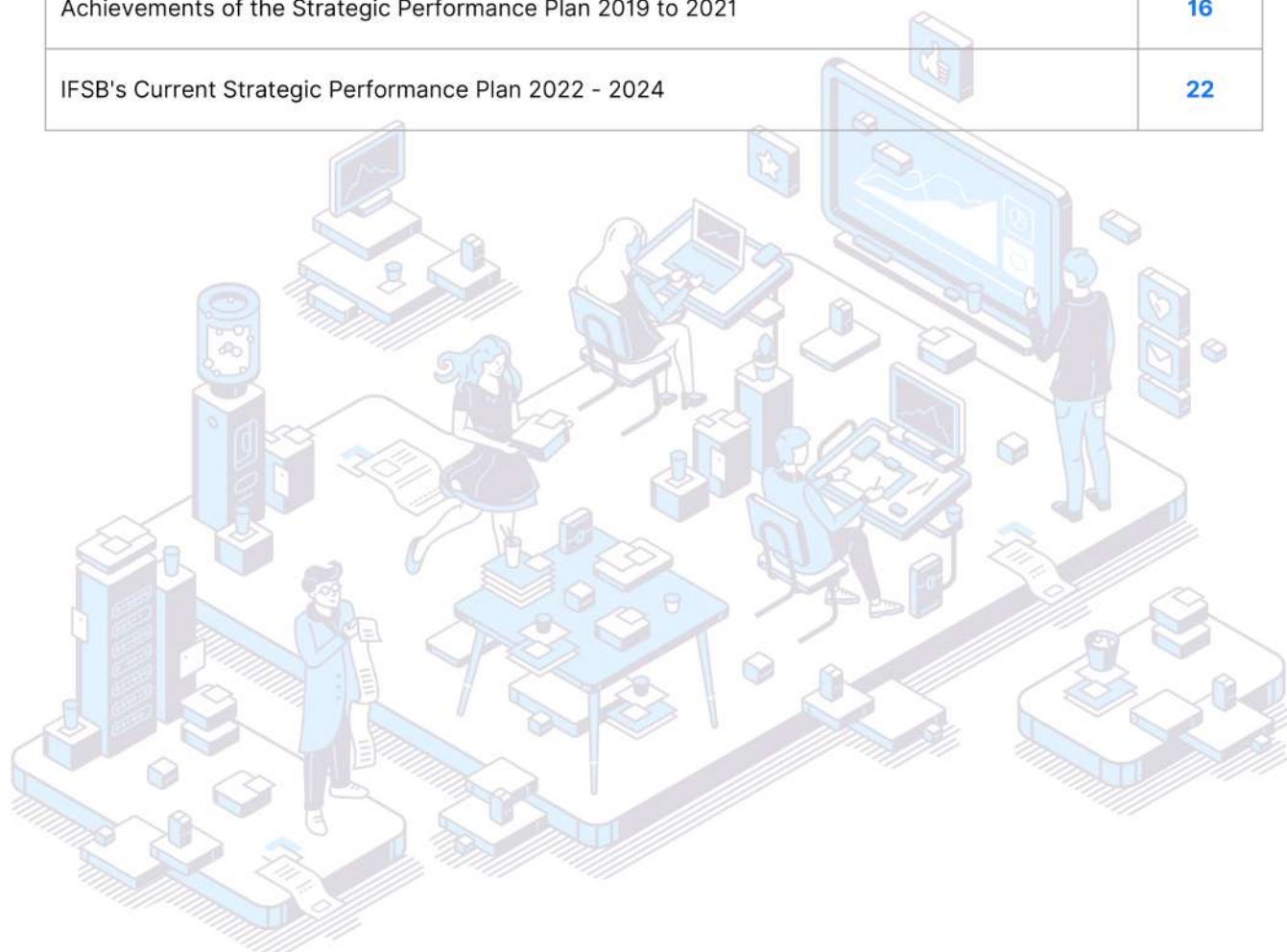
# Advancing the IFSB Operations to Meet Industry and Stakeholder Expectations

Achievements of the Strategic Performance  
Plan (SPP) 2019 - 2021



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## Message from the Secretary-General of IFSB Dr. Bello Lawal Danbatta



“ The unprecedented challenges of COVID-19 made us agile with our approaches and intensified our holistic efforts in assessing financial risks and vulnerabilities for the IFSI. ”

Apart from the development and publishing of standards, another crucial aspect of the IFSB's work is facilitating the implementation and adoption of IFSB Standards. SPP 2019-2021 also placed greater emphasis on increasing the rate of the implementation of IFSB standards. This was pursued through various implementation initiatives which formed an essential component of the SPP 2019-2021 based on feedback received from member organisations.

To further expand its reach and strengthen its prominence globally, the IFSB sought and also welcomed international collaborations and strategic partnerships. The IFSB renewed many MoUs during the SPP 2019-2021 to nurture a conducive environment for Islamic finance growth and innovation, in responding to the ever-changing economic conditions and Islamic finance trends. Notable MoUs during the period include those with the Asian Development Bank (ADB), Arab Monetary Fund (AMF), International Shari'ah Research Academy for Islamic Finance (ISRA), International Islamic Liquidity Management Corporation (IILM), Bahrain Institute of Banking and Finance (BIBF) and Bank Nizwa, etc.

A Focus Strategy Paper was formulated in 2018 to strategically enhance the IFSB's operational framework. In essence, the paper deep-dived into and analysed the dynamics of IFSB stakeholders' expectations and placed paramount importance on each to play a more substantial role based on the IFSB mandate. The paper formed the basis upon which the IFSB Strategic Performance Plan (SPP) 2019-2021 was later structured and cascaded into four Key Strategic Focus Areas (SKRA).

The SPP 2019-2021 aimed to reflect the strategic vision, enhance operational efficiency, and ensure the institutional resilience of the IFSB against challenges that were to come in the following years. These objectives were pursued with due cognisance to the dynamics of the global financial ecosystem, expectations, and satisfaction of stakeholders in the Islamic Finance Services Industry (IFSI), and activities of other international financial standard-setting organisations.

The 3-year period covered by the SPP witnessed some challenges including oil and commodity price volatility, geopolitical sanctions, accelerated digital transformation, and notably the COVID-19 pandemic and its consequential effect on both lives and livelihoods on an unprecedented global scale. The IFSB, guided by its mandate, strategic farsightedness, and support from its various governance structures recalibrated its approaches to ensuring seamless organisational operations. Research efforts were intensified significantly in assessing financial risks and vulnerabilities for the IFSI, and providing policy guidance and statements towards formulating a coherent response across jurisdictions to preserve the stability of the IFSI.

Last but not least, and very remarkably too, in 2020 IFSB-17: Core Principles on Islamic Finance Regulation for Islamic Banking was adopted by the Financial Services Board (FSB) to be included in their Compendium of Standards. This commendable milestone further promoted the prominence of the work of the IFSB in terms of prudential regulation and standard-setting vis-à-vis other international standard-setting organisations.

I take this opportunity to express my profound gratitude and commendation for the immense contributions of the various governance organs, members, partners, and Secretariat of the IFSB for the successful accomplishments recorded in the SPP 2019-2021 despite the challenging and extraordinary global situation for most of the period. May Allah S.W.T. reward your countless contributions abundantly, aameen!



# About the Islamic Financial Services Board

## Background

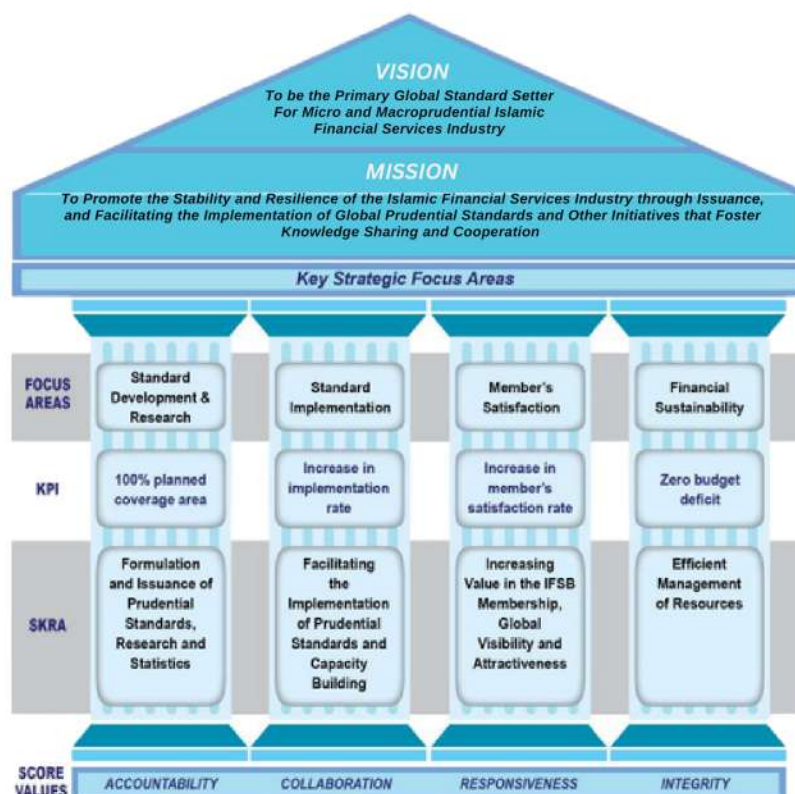
The Islamic Financial Services Board (IFSB), which is based in Kuala Lumpur, was officially inaugurated on 3rd November 2002 and started operations on 10th March 2003. It serves as an international standard-setting body of regulatory and supervisory agencies that have vested interest in ensuring the soundness and stability of the Islamic financial services industry, which is defined broadly to include banking, capital market and insurance. In advancing this mission, the IFSB promotes the development of a prudent and transparent Islamic financial services industry through introducing new, or adapting existing international standards consistent with Sharī'ah principles, and recommend them for adoption.

To this end, the work of the IFSB complements that of the Basel Committee on Banking Supervision, International Organisation of Securities Commissions and the International Association of Insurance Supervisors.

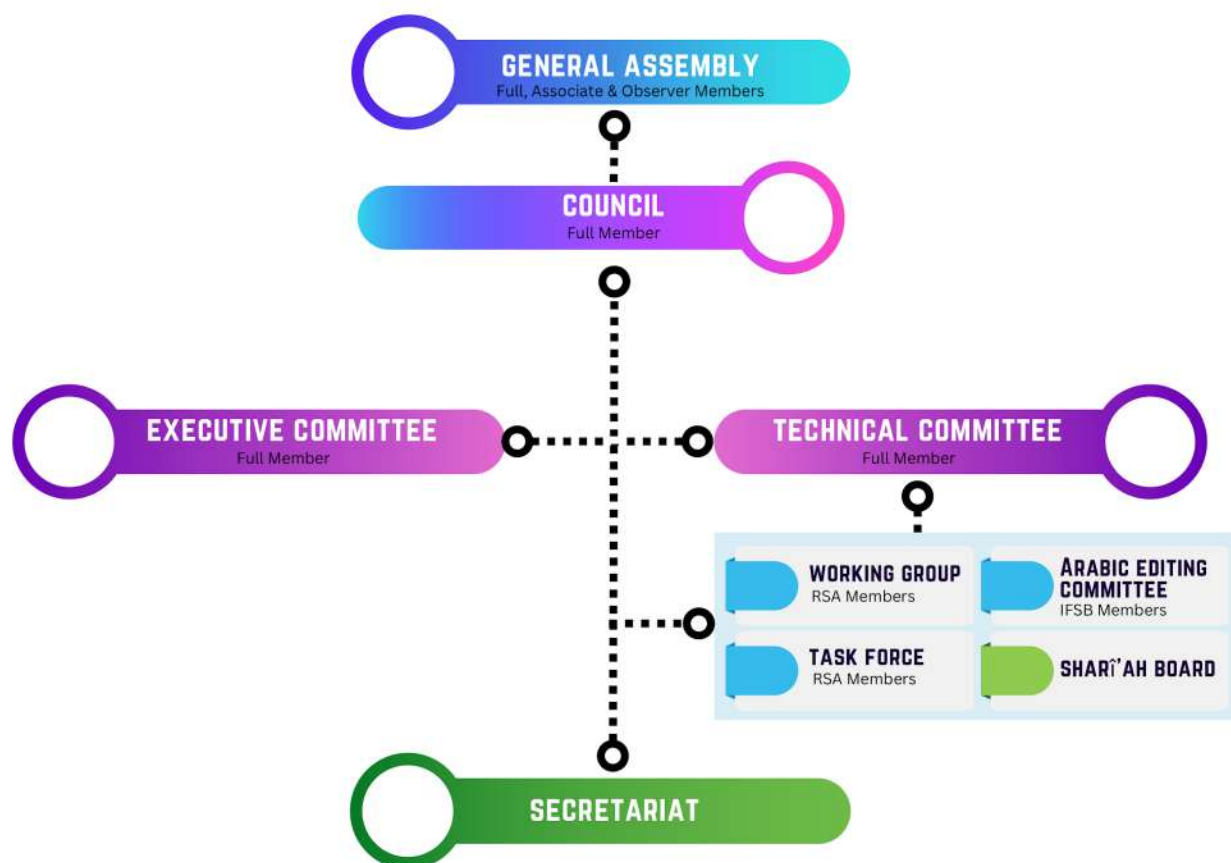
As at June 2022, the 188 members of the IFSB comprise 81 regulatory and supervisory authorities, 10 international inter-governmental organisations, and 97 market players (financial institutions, professional firms, industry associations and stock exchanges) operating in 57 jurisdictions.

Malaysia, the host country of the IFSB, has enacted a law known as the Islamic Financial Services Board Act 2002, which gives the IFSB the immunities and privileges that are usually granted to international organisations and diplomatic missions.

The IFSB's Vision, Mission, Core Values and Strategic Framework



### The IFSB Governance Structure



## Objectives

The objectives of the IFSB are:

- To promote the development of a prudent and transparent Islamic financial services industry through introducing new, or adapting existing, international standards consistent with Sharī'ah principles, and recommending these for adoption
- To provide guidance on the effective supervision and regulation of institutions offering Islamic financial products and to develop for the Islamic financial services industry the criteria for identifying, measuring, managing and disclosing risks, taking into account international standards for valuation, income and expense calculation, and disclosure.
- To liaise and cooperate with relevant organisations currently setting standards for the stability and the soundness of the international monetary and financial systems and those of the member countries.
- To liaise and cooperate with relevant organisations currently setting standards for the stability and the soundness of the international monetary and financial systems and those of the member countries.
- To enhance and coordinate initiatives to develop instruments and procedures for efficient operations and risk management.
- To encourage cooperation amongst member countries in developing the Islamic financial services industry.
- To facilitate training and personnel development in skills in areas relevant to the effective regulation of the Islamic financial services industry and related markets.
- To undertake research into, and publish studies and surveys on, the Islamic financial services industry.
- To establish a database of Islamic banks, financial institutions and industry experts.
- Any other objectives which the General Assembly of the IFSB may agree from time to time.



# The IFSB Council Members

				
H.E. Dr. Muhammad Sulaiman AlJasser President Islamic Development Bank	H.E. Rasheed M. Al-Maraj Governor Central Bank of Bahrain	H.E. Abdur Rouf Talukder Governor Bangladesh Bank	H.E. Rokiah Badar Managing Director Brunei Darussalam Central Bank	H.E. Ahmed Osman Governor Banque Centrale De Djibouti
				
H.E. Hassan Abdalla Governor Central Bank of Egypt	H.E. Dr. Perry Warjiyo Governor Bank Indonesia	H.E. Dr. Abdolnaser Hemmati Governor Central Bank of the Islamic Republic of Iran	H.E. Mustafa Ghaleb Mukhif Al-Kattab Governor Central Bank of Iraq	H.E. Dr. Adel AlSharkas Governor Central Bank of Jordan
				
H.E. Madina Abylkassymova Chairperson Agency of the Republic of Kazakhstan for Regulation and Development of the Financial Market	H.E. Basel Ahmad Al-Haroon Governor Central Bank of Kuwait	H.E. Saddek El Kaber Governor Central Bank of Libya	H.E. Abdellatif Jouahri Governor Bank Al-Maghrib	H.E. Nor Shamsiah Mohd Yunus Governor Bank Negara Malaysia
				
H.E. Cheikh El Kebir Moulay Taher Governor Central Bank of Mauritania	H.E. Harvesh Kumar Seegolam Governor Bank of Mauritius	H.E. Godwin Emezie Governor Central Bank of Nigeria	H.E. Tahir bin Salim bin Abdullah Al Amri Executive President Central Bank of Oman	H.E. Jameel Ahmad Governor State Bank of Pakistan
				
H.E. Sheikh Bandar Bin Mohammed Bin Saud Al-Thani Governor Qatar Central Bank	H.E. Dr. Fahad Abdallah Al-Mubarak Governor Saudi Central Bank	H.E. Cheikh El Kebir Moulay Taher Governor Central Bank of Sudan	H.E. Mehmet Ali Akben Chairman Banking Regulation and Supervision Agency, Republic of Turkey	H.E. Khaled Mohamed Balama Al Tameemi Governor Central Bank of the United Arab Emirates

# Executive Committee of the IFSB (2020-2022)



Chairman  
H.E. Dr. Perry Warjiyo –  
Governor,  
Bank Indonesia



Deputy Chairman  
H.E. Shaik Abdul Rasheed  
bin Abdul Ghaffour – Deputy  
Governor,  
Bank Negara Malaysia



H.E. Harvesh Kumar Seegolam  
Governor  
Bank of Mauritius



H.E. Noorrafidah binti  
Sulaiman  
Deputy Managing Director  
Brunei Darussalam Central  
Bank



H.E. Aishah Ndanusa Ahmad  
Deputy Governor  
Central Bank of Nigeria



H.E. Dr. Yakup Asarkaya  
Second Chairman  
Banking Regulation and  
Supervision Agency  
Republic of Turkey



H.E. Dr. Fahad Aldossari  
Deputy Governor  
Saudi Central Bank



H.E. Malik Abdulla Said Al  
Mahrooqi  
Vice President  
Banking Oversight  
Central Bank of Oman



Mr. Syed Samar Hasnain  
Executive Director  
Development Finance Group  
State Bank of Pakistan



H.E. Ebrahim Al Zaabi  
Assistant Governor  
Monetary Policy and  
Financial Stability  
Central Bank of the United  
Arab Emirates



# Technical Committee of the IFSB (2021-2024)



Chairman:

**H.E. Dr. Fahad Ibrahim AlShathri**

*Deputy Governor for Supervision,  
Saudi Central Bank*



Deputy Chairperson:

**Mr. Saud Al Busaidi**

*Acting General Manager,  
Central Bank of Oman*

Members	Designation	Organisation	Country
Mr. Syed Faiq Najeeb	Senior Islamic Finance Specialist, Knowledge Solutions Team Islamic Development Bank Institute	Islamic Development Bank	Islamic Development Bank
Mrs. Shireen Al Sayed	Head, Regulatory Policy Unit	Central Bank of Bahrain	Bahrain
Ms. Maksuda Begum	General Manager, Banking Regulation and Policy Department	Bangladesh Bank	Bangladesh
Mr. Muhammad Shukri bin Haji Ahmad	Principal Syariah Adviser	Brunei Darussalam Central Bank	Brunei Darussalam
Dr. Jardine Husman	Deputy Director, Islamic Economic and Finance Department	Bank Indonesia	Indonesia
Mrs. Nyimas Rohmah	Director, Sharia Banking, Licensing and Regulation Department	Otoritas Jasa Keuangan	Indonesia
Dr. Alireza Naserpour (From 16 December 2022)	Board Member, Deputy for Supervision on Financial Institutions	Securities and Exchange Organization of Iran	Iran
Mr. Ahmed Yousif Kadhim	Assistant Manager, Islamic Banking Division	Central Bank of Iraq	Iraq
Mr. Adnan Y. Naji	Consultant of the Banks Supervision Department	Central Bank of Jordan	Jordan
Mr. Anuar Kaliyev	Director, Prudential Division	Astana Financial Services Authority (AFSA)	Kazakhstan
Dr. Mohammad Bader Alkhamis	Manager, Off-site Supervision Department	Central Bank of Kuwait	Kuwait



Dr. Ali Abusalah Elmabrok	Head of International Economics Division, Research and Statistics Department	Central Bank of Libya	Libya
Mr. Nik Faris Nik Sallahuddin	Deputy Director, Prudential Financial Policy Department	Bank Negara Malaysia	Malaysia
Mrs. Sharifatul Hanizah Said Ali	Executive Director, Islamic Capital Market Development	Securities Commission Malaysia	Malaysia
Mr. Muhammad Hamisu Musa	Deputy Director, Non-Interest Banking Unit/ FRACE Secretariat	Central Bank of Nigeria	Nigeria
Dr. Waziri Mohammed Galadima	Principal Manager, Research, Policy and International Relations Department	Nigeria Deposit Insurance Corporation (NDIC)	Nigeria
Mr. Ghulam Muhammad Abbasi	Director, Islamic Banking Department	State Bank of Pakistan	Pakistan
Mr. Hisham Al-Mannai	Executive Director, Supervision and Control of Financial Institutions Division	Qatar Central Bank	Qatar
Mr. Bader Alissa	Manager, Debt Instruments Offering Unit	Capital Market Authority	Saudi Arabia
Ms. Sumaia Amer Osman Ibrahim	General Manager, Regulation and Development of Banking System Department	Central Bank of Sudan	Sudan
Mr. Ömer Çekin	Head, Participation Banking Department	Banking Regulation and Supervision Agency of Turkey	Republic of Turkey
Mr. Mehmet Zahid Samancioğlu	Executive Director, Banking and Financial Institutions Department	Central Bank of the Republic of Turkey	Republic of Turkey
Mr. Hüseyin Ünal (Until 15 December 2022)	Head, Islamic Finance Department	Private Pension Regulation and Supervision Authority (IPRSA)	Republic of Turkey
Mr. Ömer OY (From 16 December 2022)	Head, Non-life Surveillance and Implementation Department	Private Pension Regulation and Supervision Authority (IPRSA)	Republic of Turkey
Mr. Abdulaziz Saoud Al-Mualla	Manager - Higher Sharia Authority Banking Supervision Department	Central Bank of the United Arab Emirates	United Arab Emirates

# IFSB Membership

**188**  
**MEMBERS**

**81** REGULATORY AND  
SUPERVISORY  
AUTHORITIES

**10** INTERNATIONAL  
INTER-  
GOVERNMENTAL  
ORGANISATIONS

**97** MARKET  
PLAYERS

**57** JURISDICTIONS.

As at June 2022, the 188 members of the IFSB comprise 81 regulatory and supervisory authorities, 10 international inter-governmental organisations, and 97 market players (financial institutions, professional firms, industry associations and stock exchanges) operating in 57 jurisdictions.

## Full Member

Agency of the Republic of Kazakhstan for Regulation and Development of the Financial Market, Kazakhstan  
Astana Financial Services Authority (AFSA), Kazakhstan  
Bangladesh Bank, Bangladesh  
Bank Al-Maghrib, Morocco  
Bank Indonesia, Indonesia  
Bank Negara Malaysia, Malaysia  
Bank of Mauritius, Mauritius  
Banking Regulation and Supervision Agency, Turkey  
Banque Centrale de Djibouti, Djibouti  
Brunei Darussalam Central Bank, Brunei  
Capital Market Authority, Saudi Arabia  
Central Bank of Bahrain, Bahrain  
Central Bank of Egypt, Egypt  
Central Bank of Iraq, Iraq  
Central Bank of Jordan, Jordan  
Central Bank of Kuwait, Kuwait  
Central Bank of Libya, Libya  
Central Bank of Mauritania, Mauritania  
Central Bank of Nigeria, Nigeria  
Central Bank of Oman, Oman  
Central Bank of Sudan, Sudan  
Central Bank of the Islamic Republic of Iran, Iran  
Central Bank of the Republic of Turkey, Turkey  
Central Bank of the United Arab Emirates, United Arab Emirates  
Dubai Financial Services Authority, United Arab Emirates  
Indonesia Financial Services Authority, Indonesia  
Islamic Development Bank  
National Insurance Commission, Nigeria  
Nigeria Deposit Insurance Corporation (NDIC), Nigeria  
Qatar Central Bank, Qatar  
Saudi Central Bank, Saudi Arabia  
Securities and Exchange Organization, Iran  
Securities Commission of Malaysia, Malaysia  
State Bank of Pakistan, Pakistan  
The Insurance and Private Pension Regulation and Supervision Agency of Turkey (IPRSAT), Turkey

## Associate Member

Abu Dhabi Global Market (ADGM) - Financial Services Regulatory Authority, United Arab Emirates  
Asian Development Bank  
Banque de Mocambique, Mozambique  
Bangko Sentral ng Pilipinas, Philippines  
Bank for International Settlements  
Bank of England, United Kingdom  
Bank of Korea, Korea  
Bank of Tanzania, Tanzania  
Bank of Uganda, Uganda  
Bank of Zambia, Zambia  
Banque Centrale des Etats de l'Afrique de l'Ouest, Senegal  
Banque du Liban, Lebanon  
Capital Market Authority, Oman  
Capital Markets Authority, Kuwait  
Capital Markets Authority, Kenya  
Central Bank of Kenya, Kenya  
Central Bank of Tunisia, Tunisia  
Conseil Régional de l'Épargne Publique et des Marchés Financiers (CREPMF)  
West African Monetary Union  
Hong Kong Monetary Authority, Hong Kong  
Indonesia Deposit Insurance Corporation, Indonesia  
International Monetary Fund  
Khartoum Stock Exchange, Sudan  
Labuan Financial Services Authority, Malaysia  
Malaysia Deposit Insurance Corporation, Malaysia  
Monetary Authority of Singapore, Singapore  
Palestine Monetary Authority, Palestine  
People's Bank of China, China  
Qatar Financial Centre Authority, Qatar  
Qatar Central Bank Regulatory Authority, Qatar  
Qatar Financial Markets Authority, Qatar  
Securities and Exchange Commission, Nigeria  
The Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht - BaFin), Germany  
The National Insurance Regulatory Authority, Sudan  
The World Bank  
Undersecretariat of Treasury, Turkey

## Observer Member

Abu Dhabi Islamic Bank, United Arab Emirates  
Affin Islamic Bank Berhad, Malaysia  
Al Baraka Bank Egypt, Egypt  
Al Baraka Bank Lebanon, Lebanon  
Al Hilal Bank, United Arab Emirates  
Al Jazeera Sudanese Jordanian Bank, Sudan  
Al Rajhi Banking and Investment Corporation (Malaysia) Bhd, Malaysia  
Al Salam Bank, Bahrain  
Al Salam Bank, Sudan  
Al-Jazira Bank, Saudi Arabia  
Al-Rajhi Banking and Investment Corporation, Saudi Arabia  
Albaraka Turk Participation Bank, Turkey  
Aljora Group Limited, United Kingdom  
Amana Bank, Sri Lanka  
AmlIslamic Bank Berhad, Malaysia  
Asian Finance Bank Berhad, Malaysia  
Association for Development of Islamic Finance (ADIF), Kazakhstan  
Bahrain Islamic Bank, Bahrain  
Bank Islam Brunei Darussalam Berhad, Brunei  
Bank Islam Malaysia Berhad, Malaysia  
Bank Kerjasama Rakyat Malaysia Berhad, Malaysia  
Bank Keshavarzi, Iran  
Bank Muamalat Malaysia Berhad, Malaysia  
Bank Nizwa S.A.O.G, Oman  
Bank of Japan, Japan  
Bank of Khartoum, Sudan  
Bank of Tokyo-Mitsubishi UFJ (Malaysia) Berhad, Malaysia  
Banque centrale du Luxembourg, Luxembourg  
Banque Ouest Africaine de Développement (BOAD), West African Monetary Union  
Barwa Bank, Qatar  
Boubyan Bank, Observer Member  
Bursa Malaysia Berhad, Malaysia  
Byblos Bank Africa Ltd, Sudan  
Cagamas, Malaysia  
Capital Markets Board of Turkey, Turkey  
Capital Shield Insurance Brokers L.L.C., United Arab Emirates  
Central Bank of Turkish Republic of Northern Cyprus, Turkish Republic of Northern Cyprus  
Chase Bank (Kenya) Limited, Kenya  
Commerce International Merchant Bankers Berhad (CIMB), Malaysia  
Da Afghanistan Bank, Afghanistan  
Dahabshiil Bank International, Somalia  
Department of Economic Development (Dubai Economy), United Arab Emirates  
Dubai Islamic Bank, United Arab Emirates  
Emirates Islamic Bank, United Arab Emirates  
Emirates Securities and Commodities Authority, United Arab Emirates  
Etika Takaful Berhad, Malaysia  
Export-Import Bank of Malaysia Berhad, Malaysia  
Faisal Islamic Bank, Egypt  
Faisal Islamic Bank, Sudan  
Finance Accreditation Agency Berhad, Malaysia  
Financial Services Commission, Mauritius  
Financial Services Commission & Financial Supervisory Service, Korea  
First Community Bank, Kenya  
First Energy Bank, Bahrain  
Fitch Ratings Singapore Pte Ltd, Singapore  
FWU Group, Germany

## Observer Member

Habib Bank Limited, Pakistan  
Hong Leong Islamic Bank, Malaysia  
Insurance Regulatory Unit, Kuwait  
Islamic Bank Bangladesh Limited, Bangladesh  
Islamic Corporation for the Development of the Private Sector  
Islamic Corporation for the Insurance of Investment and Export Credit  
Islamic Insurance Company, Sudan  
Islamic International Arab Bank, Jordan  
Islamic International Rating Agency (IIRA), Bahrain  
Jaiz Bank Plc, Nigeria  
Jordan Islamic Bank, Jordan  
Kuwait Finance House, Kuwait  
Kuwait Finance House (Malaysia) Berhad, Malaysia  
Kuwait Finance House-Bahrain, Bahrain  
Kuwait International Bank, Kuwait  
Kuwait Turkish Participation Bank, Turkey  
Lotus Capital Limited, Nigeria  
Lotus Capital Limited, Nigeria  
Maldives Monetary Authority, Maldives  
Marble Capital Limited, Nigeria  
Masrreq Al Islami, United Arab Emirates  
Masraf Al Rayan, Qatar  
Maybank Islamic Berhad, Malaysia  
Ministry of Economy, Finance and Planning, Senegal  
Ministry of Industry and Trade And Supply, Jordan  
Mizuho Bank, Japan  
Moody's Middle East Limited, United Arab Emirates  
Muthanna Investment Company, Kuwait  
National Bank of Tajikistan, Tajikistan  
National Bank of the Kyrgyz Republic, Kyrgyz Republic  
National Commercial Bank, Saudi Arabia  
Nomura Asset Management Malaysia Sdn Bhd, Malaysia  
Oasis Crescent Capital (PTY) Ltd, South Africa  
OCBC Al Amlin, Malaysia  
Perbadanan Tabung Amanah Islam Brunei, Brunei  
Prudential BSN Takaful Berhad, Malaysia  
Prudential Corporation Asia, Hong Kong  
PT Bank BNI Syariah, Indonesia  
PT Bank Syariah Mandiri, Indonesia  
Qatar International Islamic Bank, Qatar  
Qatar Islamic Bank, Qatar  
Qatar National Bank, Qatar  
Qitmeer Foundation Ltd, United Arab Emirates  
RHB Islamic Bank Berhad, Malaysia  
RUSD Investment Bank, Labuan, Malaysia  
SALAMA - Islamic Arab Insurance Co, United Arab Emirates  
Sarmad Insurance, Iran  
Saudi British Bank, Saudi Arabia  
Securities and Exchange Commission of Pakistan, Pakistan  
Seera Investment Bank, Bahrain  
Sharjah Islamic Bank, United Arab Emirates  
Shiekhan Insurance and Reinsurance Co. Ltd, Sudan  
Standard & Poor's, Singapore  
Sudan Financial Services Company, Sudan  
Sumitomo Mitsui Banking Corporation, Japan  
Tadamon Islamic Bank, Sudan  
Tawmweel Africa Holding, Senegal  
The Hong Kong Association of Banks, Hong Kong  
The Moroccan Capital Market Authority, Morocco  
Tiybr Payments, United Arab Emirates  
United Nations Development Programme - UNDP  
Ziraat Katilim Bankasi, Turkey



# The IFSB Focus Strategy Paper 2018

For enhancing the IFSB Standards development process, the proposed strategies focused on increasing efficiency to deliver timely and relevant standards of quality, as well as addressing the expertise gap on a long-term basis.

For the IFSB Standards implementation and adoption, the paper looked at the IFSB's initiatives in comparison with other standard-setters, and proposed strategies to align the work of the IFSB with its comparators. Most importantly, with the implementation agenda being very high on the IFSB Council and member's expectations, the Strategy Paper proposes a bigger role for the stakeholders in what is presented as the Standards Implementation Cycle.

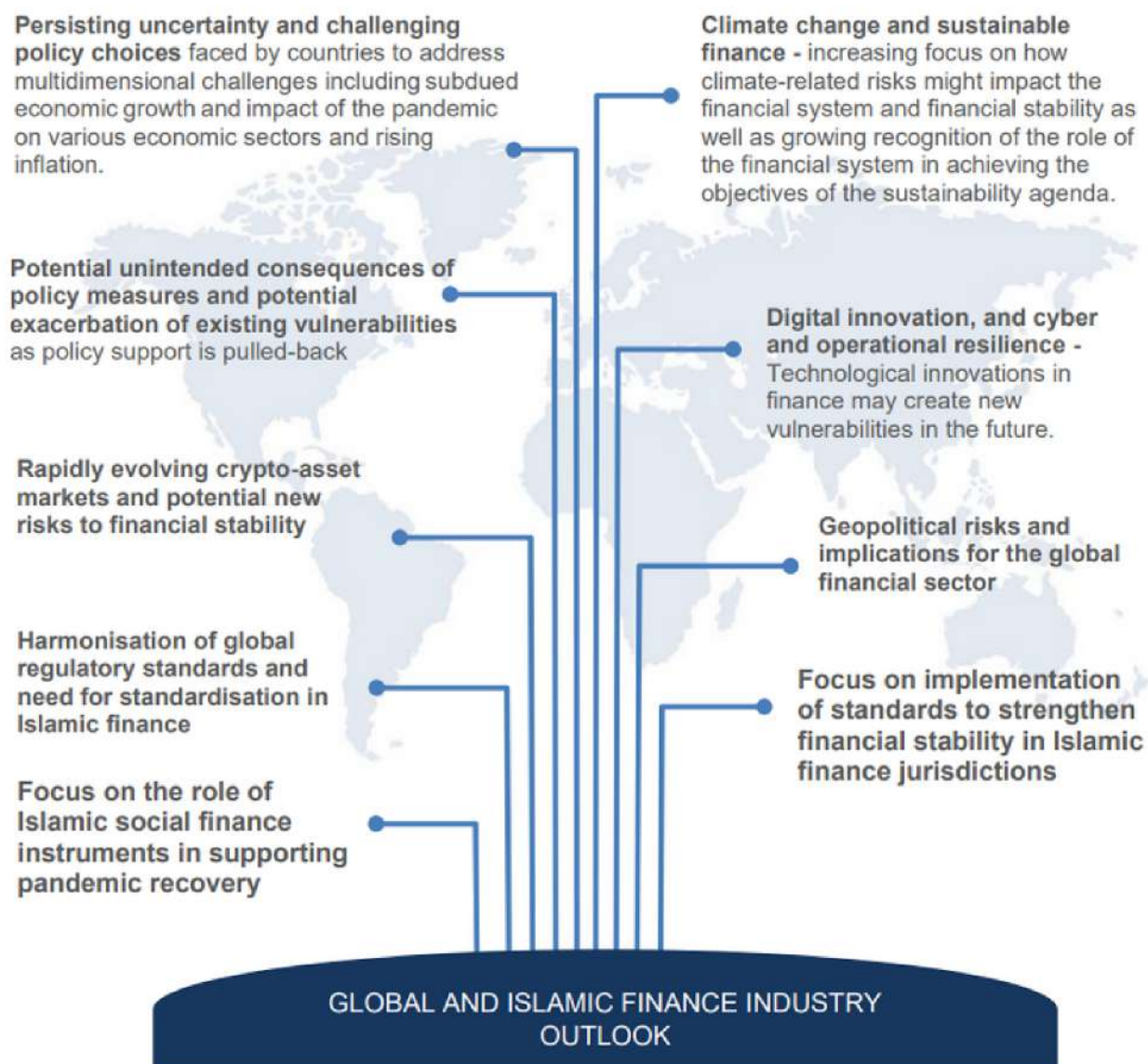




# The IFSB Strategic Performance Plan (SPP)

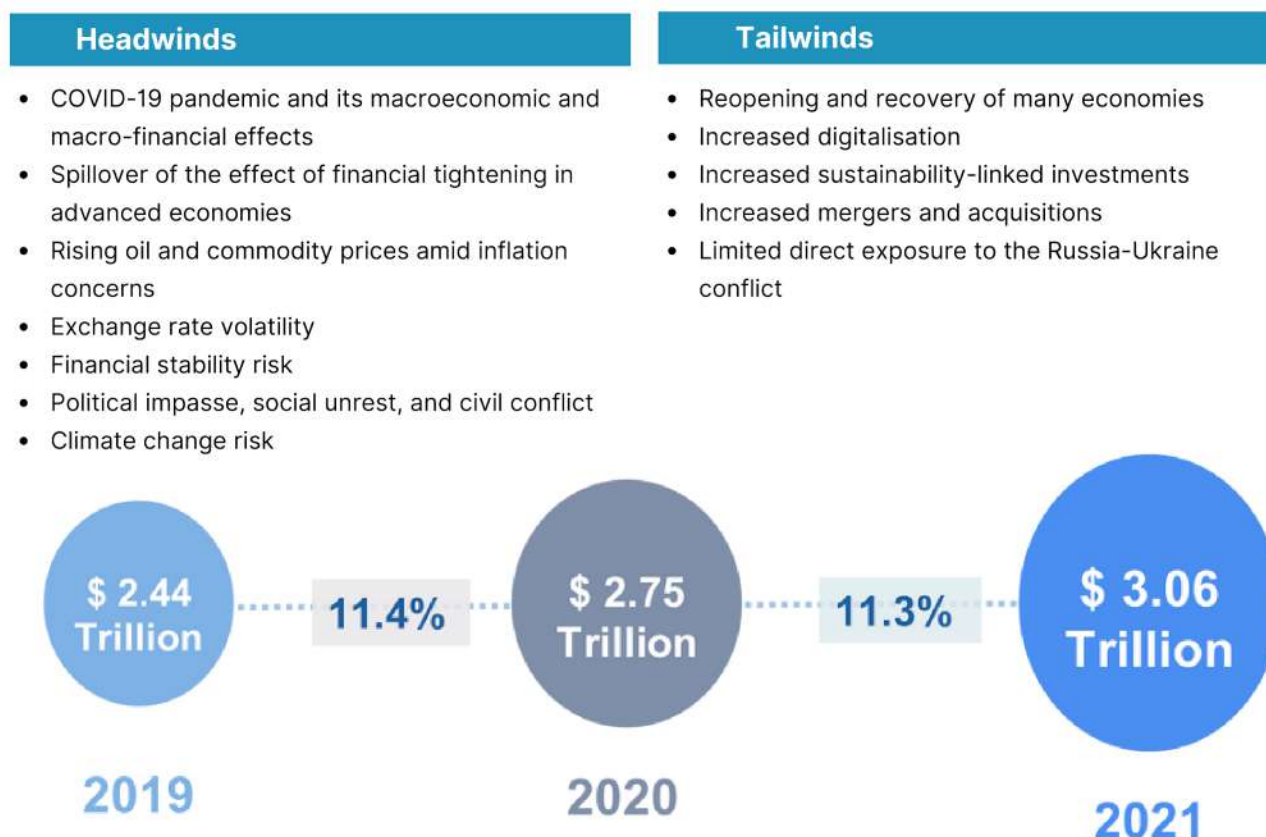
The objective of the SPP is to clearly identify the strategic goals for the IFSB over a three-year period and to develop a way to achieve these goals within the available resources. The SPP outlines specific objectives (SKRAs and outcomes), the ways to achieve them (outputs), as well as the ways in which their success or failure will be measured, and the respective timelines. It also identifies those involved in the delivery of these outputs, both inside and outside of the Secretariat, as well as those who will be affected by the completion of these Outputs. The SPP also includes the plan of how to efficiently utilise the IFSB's resources to achieve these goals.

The development of the SPP is informed by the developments and outlook for both the global financial and Islamic financial services industry.



# Highlights of the IFSI 2019-2021

The Global IFSI sustained positive growth over the period. As at the end of 2021, the global IFSI assets grew by 11.3% (y-o-y) with a total worth estimated at USD 3.06 trillion, though impacted by several headwinds and tailwinds.



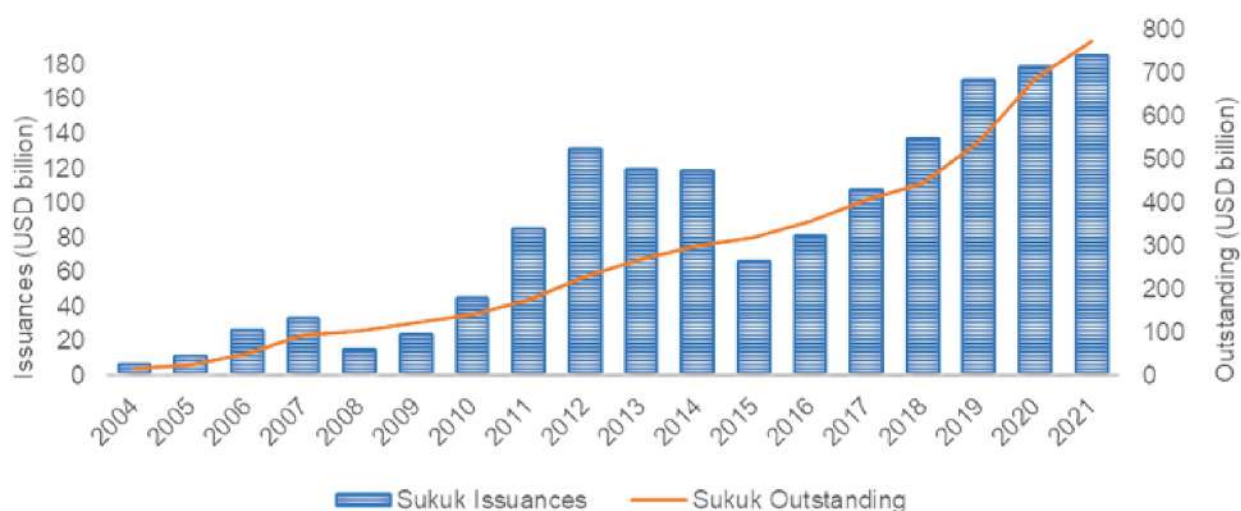
## ISLAMIC BANKING

- Now present in over 60 countries
- Systemically important in 15 jurisdictions with a combined worth of USD1.93 trillion or 91.8%
- Recorded increase in assets in 29 jurisdictions over the period
- In USD terms, the compound annual growth rate (CAGR) for Islamic banking assets was 2.4% as at end-4Q'21.
- Financing and deposits of the global Islamic banking sector also recorded a CAGR of 4.4% and 3.7%, respectively, during the period under review

### Global Islamic Banking Size

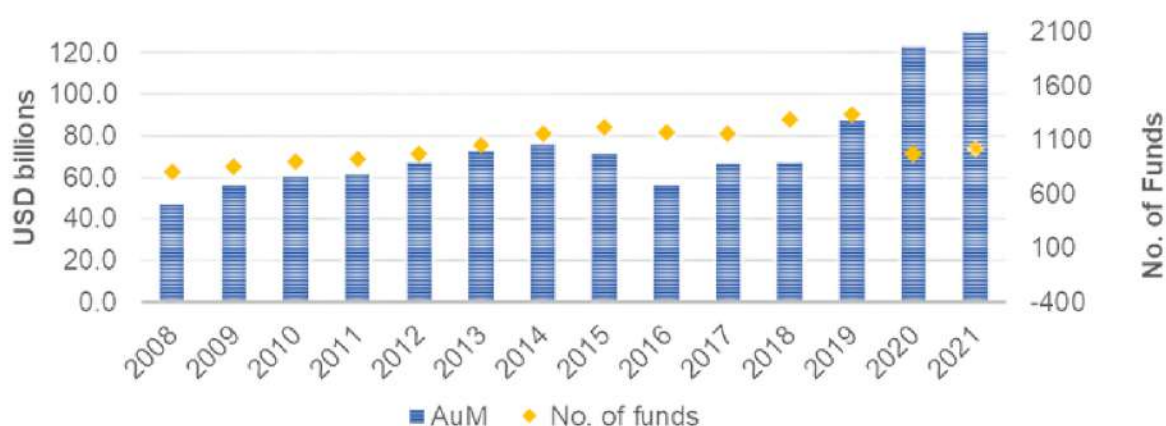


## Global Sukūk Issuances and Sukūk Outstanding Trends (2004 – 2021)



The global sukūk market, dominated by sovereign issuances and aided by increased sustainability-related sukūk issuances continued a steady growth trajectory over the 2019 to 2021 period despite the unprecedented and wide-ranging impact of a global pandemic in 2020 and 2021.

## Growth in Assets under Management and Number of Islamic Funds (2008 –21)



Islamic funds saw a rapid growth in total Assets under Management compared to conventional funds from 2019 to 2021 with some improvement in the scale of funds, although the average size of Islamic funds remain small.

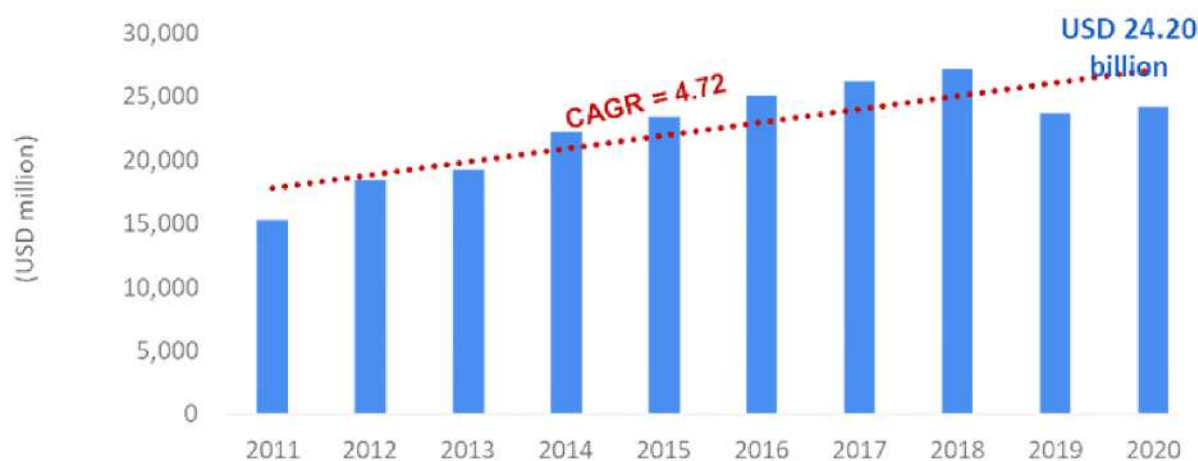


## Ten-Year Historical Performance (2012-Feb 2022)



Islamic equity markets rebounded strongly from pandemic lows and performed better than the conventional in 2021. Overall, equity markets remained resilient during the pandemic supported by widespread policy action.

## The Trend of Global Takāful Contributions



The overall takāful sector's direct contributions increased by 4.8% y-o-y to USD 24.2 billion, after a significant decline. While COVID-19 posed considerable threats to the takāful sector's efficiency and stability in 2020, it has shown flexibility and resilience in facing the pandemic.

# Achievements of the Strategic Performance Plan 2019 to 2021

Advancing the IFSB Operations to Meet Industry and Stakeholder Expectations.

## Strategic Key Result Area 1



## Strategic Key Result Area 2



## Strategic Key Result Area 3



## Strategic Key Result Area 4



To facilitate the achievement of the expectations for the 2019-2021 period, the four SKRAs are further elaborated into Outcomes and Outputs that set out clear targets for the SPP period.



# Achievements of the Strategic Performance Plan 2019 to 2021

**1**

## STRATEGIC KEY RESULT AREA 1: FORMULATION AND ISSUANCE OF PRUDENTIAL STANDARDS, RESEARCH AND STATISTICS

- 5 Published Standards
- 1 Technical Note
- 1 Guidance Note
- 27 Standards Translated
- 13 Disseminations of PSIFIs Data
- 3 IFSI Stability Reports Published (2019, 2020 and 2021)
- 15 Research Published
- 3 Staff Papers Produced

**2**

## STRATEGIC KEY RESULT AREA 2: FACILITATING THE IMPLEMENTATION OF PRUDENTIAL STANDARDS AND CAPACITY DEVELOPMENT

- 48 FIS Workshops and Capacity Building
- 6 E-learning Modules and Workshops
- 5 Outreach Programmes
- 5 Capacity Building Programmes in non-IFSB events
- 25 Implementation Support Provided
- 3 Implementation Survey Reports
- 2 Impact and Consistency Assessment Programmes (ICAP)



**4**

## STRATEGIC KEY RESULT AREA 4: EFFICIENT MANAGEMENT OF RESOURCES

### Finance Management

- 36 Management and Financial Reports

### Accounts Payable

- Invoices are paid within an average of 30 days

**3**

## STRATEGIC KEY RESULT AREA 3: INCREASING VALUE IN THE IFSB MEMBERSHIP, GLOBAL VISIBILITY AND ATTRACTIVENESS

- 50 Members Engagement Activities Membership Drive and Outreach
- 6 Membership Surveys
- 31 Platform for Cooperation Events
- 23 Industry Engagements
- 18 Knowledge-Sharing Publications
- 27 International Collaborations and MoUs



# Strategic Key Result Area 1 : Formulation and Issuance of Prudential Standards, Research and Statistics

Outcomes	Achievements
Enhanced Guidance on Prudential Regulation and Supervision of the IFSI	<p><b>5 Published Standards</b></p> <ul style="list-style-type: none"> <li>IFSB-IADI Core Principles for Core Principles for Effective Islamic Deposit Insurance Systems (CPIDIS)</li> <li>IFSB-23: Revised Capital Adequacy Standard For Institutions Offering Islamic Financial Services [Banking Segment]</li> <li>IFSB-24: Guiding Principles on Investor Protection in Islamic Capital Markets</li> <li>IFSB-25: Disclosure to Promote Transparency and Market Discipline for Takaful/Retakaful Undertakings</li> <li>IFSB-26: Core Principles for Islamic Finance Regulation (Financial Market Infrastructures)</li> </ul> <p><b>1 Technical Note</b></p> <ul style="list-style-type: none"> <li>TN-3: Technical Note on Financial Inclusion and Islamic finance</li> </ul> <p><b>1 Guidance Note</b></p> <ul style="list-style-type: none"> <li>GN-7: Guidance Note on Shariah-Compliant Lender-Of-Last-Resort Facilities</li> </ul> <p><b>27 Standards Translated into Arabic, French and Russian</b></p> <ul style="list-style-type: none"> <li>9 Standards translated into Arabic</li> <li>9 Standards translated into French</li> <li>9 Standards translated into Russian</li> </ul>
Timely and Quality Research and Studies to Support the Industry Needs	<p>COVID-19 brought about several issues for technical considerations in Islamic finance. These issues include, but are not limited to:</p> <ul style="list-style-type: none"> <li>Implementation deadlines for newly issued standards</li> <li>Guidance on IFRS-9</li> <li>Assessing financial risks and vulnerabilities for the Islamic financial services industry (IFSI)</li> <li>Working towards coherent policy response across jurisdictions to preserve the stability of the IFSI</li> </ul> <p>These areas were addressed in working papers, public statements, and other technical documents issued</p> <p><b>18 Research and Staff Papers</b></p> <ul style="list-style-type: none"> <li>15 Research Papers</li> <li>3 Staff Papers</li> </ul> <p>visit <a href="https://www.ifsb.org/sec03.php">https://www.ifsb.org/sec03.php</a> for complete IFSB Research / Reports / Proceedings</p>
Enhanced Monitoring and Analysis of the Industry's, Growth, Stability and Soundness of the IFSI	<p><b>PSIFIs Database</b></p> <ul style="list-style-type: none"> <li><b>13 Disseminations</b> of data from 9 targeted disseminations.</li> <li>Total Number of Reporting Regulatory and Supervisory Authorities <ul style="list-style-type: none"> <li>26 - Banking</li> <li>6 - Islamic Capital Market</li> <li>9 - Takaful</li> </ul> </li> <li>6 Capacity Building Meetings of the PSIFIs Taskforce</li> <li>1 Updated Compilation Guide</li> </ul> <p><b>3 IFSI Stability Reports Published (2019, 2020 and 2021)</b></p>

## Strategic Key Result Area 2 : Facilitating the Implementation of Prudential Standards and Capacity Development

Outcomes	Achievements
<b>Increased Capacity Building Initiatives on the IFSB Standards and Guidelines in Member Jurisdictions</b>	<p>To facilitate greater understanding, and consequently, implementation of the standard, these key initiatives were implemented:</p> <ul style="list-style-type: none"> <li>Capacity Building for Market Players (FIS Workshop) was introduced to enhance membership value, and increase engagement with, the IFSB observer/market player members;</li> <li>E-Workshops intend to provide a brief deliberation about the components of a sound Shari`ah governance system, especially with regard to the competence, independence, confidentiality, and consistency of Shari`ah boards across IIFS;</li> <li>Country Analysis for standards implementation was undertaken by the Secretariat under the direction of the Council, on selected member RSAs to better understand their implementation status and challenges;</li> <li>Frequently Asked Questions (FAQs) for four (4) standards were introduced as a value-added reference to assist stakeholders in the understanding of the IFSB's Standards. The FAQs are now available on the IFSB website.</li> </ul> <p><b>48 FIS Workshops and Capacity Building</b></p> <ul style="list-style-type: none"> <li>9 RSA Workshops</li> <li>32 Regional/Country Workshops</li> <li>7 Capacity Building for Market Players</li> </ul> <p><b>6 E-Modules produced</b></p> <ul style="list-style-type: none"> <li>1 New Module for E-Learning portal</li> <li>5 E-Workshop Modules</li> </ul> <p><b>5 Outreach Programmes</b></p> <ul style="list-style-type: none"> <li>5 Capacity Building Programmes in non-IFSB events</li> </ul>
<b>Enhanced Technical Support to Member Jurisdictions for Effective Implementation of the IFSB Standards and Guidelines</b>	<p><b>25 Implementation Support Provided</b></p> <ul style="list-style-type: none"> <li>8 Technical Assistance</li> <li>3 Policy Advice</li> <li>12 Frequently Asked Questions (FAQs) Published</li> <li>2 Implementation Framework and Guidelines Published</li> </ul>
<b>Enhanced Monitoring and Assessment of the Adoption of the IFSB Standards in Member Jurisdictions</b>	<ul style="list-style-type: none"> <li>3 Implementation Survey Reports</li> <li>2 Impact and Consistency Assessment Programmes (ICAP)</li> <li>1 Impact Assessment produced</li> </ul>

# Strategic Key Result Area 3 : Increasing Value in the IFSB Membership, Global Visibility and Attractiveness

Outcomes	Achievements
Effective and Timely Communication and Engagement with the IFSB Members	<p><b>50 Members Engagement Activities</b></p> <ul style="list-style-type: none"> <li>• 28 Governance Meetings</li> <li>• 22 Sharī'ah Board meetings</li> </ul> <p><b>Membership Drive and Outreach</b></p> <ul style="list-style-type: none"> <li>• 60 - 90 Invitations to potential members</li> <li>• High-level meetings (members) with 45 countries</li> <li>• High-level meetings (potential members) with 45 organisations</li> </ul> <p><b>6 Membership Surveys</b></p>
Enhanced Cooperation with Stakeholders for Awareness and Knowledge Sharing	<p><b>31 Platform for Cooperation</b></p> <ul style="list-style-type: none"> <li>• 19 Awareness Programmes</li> <li>• 9 Executive Programmes</li> <li>• 3 Innovation Forum</li> </ul> <p><b>23 Industry Engagements</b></p> <ul style="list-style-type: none"> <li>• 7 Industry Engagement Sessions</li> <li>• 9 Visits</li> <li>• 4 Exhibitions</li> <li>• 3 Industry Consultation Sessions</li> </ul> <p><b>18 Knowledge-Sharing Publications</b></p> <ul style="list-style-type: none"> <li>• 17 Joint Publications</li> <li>• 1 Compilation of IFSB standards</li> </ul>
Enhanced Global Visibility and Collaboration with Stakeholders and International Counterparts	<p><b>Corporate Visibility</b></p> <ul style="list-style-type: none"> <li>• 5 participation / speaking in other events</li> <li>• 100% effectiveness on Corporate Communications activities</li> <li>• 5 IFSB Bulletins</li> <li>• 5 new marketing promotions on new platforms</li> </ul> <p><b>27 International Collaborations and MoUs</b></p> <ul style="list-style-type: none"> <li>• 21 Participation in International Meetings</li> <li>• 6 International Collaboration &amp; MoUs</li> </ul> <p><b>2019</b></p> <ul style="list-style-type: none"> <li>• Renewal of MoU with International Shari'ah Research Academy for Islamic Finance (ISRA)</li> <li>• New MoU with Asian Development Bank</li> </ul> <p><b>2020</b></p> <ul style="list-style-type: none"> <li>• Renewal of MOU with Arab Monetary Fund</li> <li>• Renewal of MoU with Bahrain Institute of Banking and Finance</li> <li>• Renewal of MoU with International Islamic Liquidity Management Corporation (IILM)</li> </ul> <p><b>2021</b></p> <ul style="list-style-type: none"> <li>• New MoU with Bank Nizwa</li> </ul>



<p><b>Stakeholder Organisation Cooperation / Key Outputs</b></p>	<p><b>Accounting and Auditing Organisation for Islamic Financial Institutions (AAOIFI)</b></p> <ul style="list-style-type: none"> <li>• MOU signed in October 2018</li> <li>• AAOIFI &amp; IFSB Online Workshop on Islamic Risk Management for Islamic Banks and Takaful Operators</li> <li>• Joint IFSB-AAOIFI Revised Shari'ah Governance Framework for Institutions Offering Islamic Financial Services (ongoing)</li> <li>• IFSB-AAOIFI Joint Seminar on the Prudential Implications of IFRS-9 and its FAS Equivalents for Islamic Financial Institutions in October 2019</li> </ul> <p><b>Arab Monetary Fund (AMF)</b></p> <ul style="list-style-type: none"> <li>• MOU renewal in April 2020</li> <li>• Joint paper titled 'Joint Islamic Financial Services Board (IFSB)-Arab Monetary Fund (AMF) Working Paper on Money Laundering and Financing of Terrorism (ML/FT) Risks in Islamic Banking' (WP-12)</li> </ul> <p><b>Asian Development Bank (ADB)</b> - MoU signed in May 2019</p> <p><b>Bahrain Institute of Banking and Finance (BIBF)</b> - 3rd MOU signed in November 2020</p> <p><b>INCEIF – Global University for Islamic Finance</b></p> <ul style="list-style-type: none"> <li>• 3rd MOU signed in July 2018</li> <li>• 13th IFSB-INCEIF Effective Utilisation of Islamic Capital Market (ICM) Instruments for Sustainable and Responsible Growth in September 2019</li> <li>• 14th IFSB-INCEIF - Measures to Create Resilience for the Islamic Finance Industry During and Post-Crisis: Regulator's Perspectives in October 2020</li> </ul> <p><b>International Association of Deposit Insurance (IADI)</b></p> <ul style="list-style-type: none"> <li>• Joint working group for Core Principles for Islamic Finance Regulation – Islamic Deposit Insurance Schemes in 2018</li> <li>• Issued IADI-IFSB Core Principles for Effective Islamic Deposit Insurance Systems (CPIDIS) in July 2021</li> </ul> <p><b>International Islamic Liquidity Management Corporation (IILM)</b></p> <ul style="list-style-type: none"> <li>• MoU renewal in December 2020</li> <li>• Speaker in the IFSB Summit in November 2019</li> </ul> <p><b>International Shari'ah Research Academy for Islamic Finance (ISRA)</b>- MoU renewal in February 2019</p> <p><b>Bank Nizwa</b> - MoU signed in November 2021</p> <p><b>Islamic Development Bank Group (IDB)</b></p> <ul style="list-style-type: none"> <li>• Technical Assistance (TA) signed in December 2019 to Translate 10 IFSB Standards into the Russian Language</li> <li>• TA signed in September for the Final Review of the Ten-Year Framework and Strategy Project for the Islamic Financial Services Industry</li> </ul> <p><b>International Organization of Securities Commissions (IOSCO)</b></p> <ul style="list-style-type: none"> <li>• Joint High-Level Seminar Hosted by SCA on Development of Shukūk Markets in the Middle East and Africa Growth Potential and Policy Considerations in September 2019</li> </ul> <p><b>Financial Stability Board (FSB)</b></p> <ul style="list-style-type: none"> <li>• Financial Stability Board (FSB) approved the inclusion of the IFSB's Core Principles for Islamic Finance Regulation (Banking Segment) in the Compendium of Standards on 29 January 2020.</li> </ul>
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## Strategic Key Result Area 4 : Efficient Management of Resources

SKRA 4 looks at the administrative and finance management functions of the Secretariat in supporting the work of the IFSB. It covers both the resource management and internal procedures and processes, effective management of which combined, will allow the Secretariat to operate at optimum levels of productivity. Outcome 10 dedicated to Resource Management, Outcome 11 looks at conducive physical work environment supported by the necessary technology and infrastructure needed to deliver desired results while Outcome 12 looks at the procedures governing the IFSB's operations in delivering the Outputs of the SPP.

Outcomes	Achievements
<b>Increased Efficiency in Utilisation of Financial Resources</b>	<b>Finance Management</b> <ul style="list-style-type: none"> <li>• 36 Management and Financial Reports</li> </ul> <b>Accounts Payable</b> - Invoices are paid within the average of 30 days
<b>Enhanced Productivity and Effectiveness in Operations</b>	Focus given to effective administrative affairs, office management, asset management, IT management, travel management, procurement, human resource management and staffing  <b>Training and Development</b> <ul style="list-style-type: none"> <li>• Group/departmental training</li> <li>• Team building</li> <li>• Individual training</li> </ul> Performance management, perks and rewards were done and monitored via annual work planning, annual and mid-year appraisals, staff engagement, annual retreat, compensation and benefits, Eid gathering, and quarterly general staff meetings
<b>Enhanced Internal Control System</b>	Strategic Planning, Monitoring and Reporting Strategic Planning Exercise (Annual and Mid-year)  Monitoring and Reporting <ul style="list-style-type: none"> <li>• Technical Committee</li> <li>• Executive Committee</li> <li>• Council</li> </ul> Compliance with Governance Documents, Internal Audit (IA) and External Audit

## Conclusion

The SPP 2019-2021 was developed based on the approved proposals in the Strategy Paper, and taking forward the lessons learned from the previous SPP periods. Despite the pandemic, the overall performance across all the SKRAs and most of the targeted KPIs of SPP 2019-2021 were achieved. At the same time, several new outputs were also introduced in response to feedback from members on their needs and expectations from the IFSB.



# IFSB's Current Strategic Performance Plan 2022-2024

Advancing the IFSB Operations to Address Evolving Global Challenges

## SKRA 1: Formulation and Issuance of Prudential Standards, Research and Statistics



### SKRA Focus Policy Theme: Greater Quality of Outputs

- Maintains the focus of SKRA 1 on the IFSB's Standards, Research and Statistics Agenda.
- All the outputs under this SKRA are under the oversight of the Technical Committee

## SKRA 2: Facilitating the Implementation of Prudential Standards and Capacity Development



### SKRA Focus Policy Theme: Greater Impact

- Maintains the focus of SKRA 2 on facilitating the Implementation of the IFSB's Standards and Guidelines in member jurisdictions.
- Enhances the focus on the monitoring and assessment of implementation in member jurisdictions.
- Increases and expands cooperation with member RSAs, predominantly Council members, on implementation efforts and initiatives.
- Promotes the implementation agenda to be on the work agenda of member international organisations with common mandates.
- All the outputs under this SKRA are under the oversight of the Technical Committee

## SKRA 3: Increasing Value in the IFSB Membership, Global Visibility and Attractiveness



### SKRA Focus Policy Theme: Greater Engagement

- SKRA 3 highlights the participation and engagement by member countries while ensuring continuous engagement and timely communication with members.
- It also aims to increase the visibility of the IFSB, thus bringing forth the value of the IFSB membership.
- A key impact of this SKRA will be seen in the intangible and long-term benefits to the IFSB, in terms of increased credibility in the international arena.
- The focus of international collaboration in this SPP is to further strengthen the collaboration with member countries and strategic partners, because greater engagement will certainly influence the sustainability of the IFSB.

## SKRA 4: Efficient Management of Resources with Good Corporate Governance Practices



### SKRA Focus Policy Theme: Greater Sustainability

- SKRA 4 retains the focus on Finance and Administrative, Human Resource and Strategic Planning activities of the IFSB. These activities are also supported by a Transformation Officer in transforming the IFSB to be at par with other international organisations.
- It retains monitoring and reporting on the overall strategic, financial, human and administrative resource matters to the management and stakeholders.
- SKRA 4 aims to strengthen the IFSB's going concern, internal governance, operational procedures and internal controls, which will in turn result in increased efficiency, effectiveness and productivity of the IFSB.



<p><b>Strategic Key Result Area 1 : Formulation and Issuance of Prudential Standards, Research and Statistics</b></p>	<p><b>Key Expectations for the 2022-2024 period:</b></p> <ul style="list-style-type: none"> <li>• Issuance of 2 Standards, Technical Notes or Guidance Notes annually</li> <li>• Publication of 3 research and 1 staff paper annually</li> <li>• Issuance of 3 translated standards for each language; Arabic, French and Russian</li> <li>• Maintain the annual publication of the IFSI Stability Report</li> <li>• Update of the PSIFIs data compilation guide</li> <li>• Increase the issuance of PSIFIs data from 3 to 4 disseminations annually</li> </ul>
<p><b>Strategic Key Result Area 2 : Facilitating the Implementation of Prudential Standards and Capacity Development</b></p>	<p><b>Key Expectations for the 2022-2024 period:</b></p> <ul style="list-style-type: none"> <li>• Increase the number of country/regional workshops for member RSAs</li> <li>• Improve the IFSB E-Learning Portal by a) enhancing content and b) increasing promotion</li> <li>• Introducing Experience-sharing Sessions</li> <li>• Development of a template for the new IFSB standard</li> <li>• Supporting international cooperation and coordination on emerging issues, e.g. Climate change-related financial risks etc.</li> </ul>
<p><b>Strategic Key Result Area 3: Increasing Value in the IFSB Membership, Global Visibility and Attractiveness</b></p>	<p><b>Key Expectations for the 2022-2024 period:</b></p> <ul style="list-style-type: none"> <li>• Enhancement in membership engagement is aimed at providing more value to the members and increasing their satisfaction with interaction with the IFSB.</li> <li>• Platform for cooperation on digitalisation of the global IFSI.</li> <li>• Members and potential member's outreach through more emphasis on high-level meetings.</li> <li>• Enhancing communication channels by increased presence in social media, such as LinkedIn, Twitter and Facebook.</li> <li>• To produce a 'Stakeholder Engagement Plan' as an outcome of the Benchmarking Analysis Exercise.</li> <li>• Post-cooperation survey with host countries.</li> <li>• Introduction of new output to further strengthen the members' engagement.</li> </ul>
<p><b>Strategic Key Result Area 4: Efficient Management of Resources with Good Corporate</b></p>	<p><b>Key Expectations for the 2022-2024 period:</b></p> <ul style="list-style-type: none"> <li>• Focus on strengthening and streamlining internal procedures and work processes over the SPP period for increased efficiency</li> <li>• Efficient management of financial and human resources</li> <li>• Enhancements in the organisational performance monitoring and reporting</li> <li>• Exercise to realign staff job descriptions and roles is planned to facilitate the delivery of the SPP targets</li> <li>• Cascading key performance indicators (KPIs) into Individual Performance Indicators (IPI)</li> <li>• Cost-effectiveness is expected to increase over the SPP period</li> <li>• E-Quarterly report to the Executive Committee</li> <li>• Introduction of the Annual Report in line with the recommendations of the benchmarking exercise</li> <li>• Enhancing the corporate culture of inclusiveness and transparency for a better work environment in line with principal accountabilities</li> </ul>



# Connect with us

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