

# The IFSB bulletin

Volume 1 Issue 1 | August 2013



ISLAMIC FINANCIAL SERVICES BOARD

10th Anniversary 2003 - 2013

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## Welcome Message from the Secretary-General

It is a great honour to present this inaugural issue of the Islamic Financial Services Board's (IFSB) newsletter - The IFSB Bulletin. The publication of this newsletter is in response to the suggestions by the IFSB members in our 2011, Membership Satisfaction Survey.

We plan to publish the newsletter twice annually. The contents will include the latest updates on the IFSB standards development and implementation efforts, awareness programmes, workshops, publications, snapshots of members sessions, as well as the changes in the Secretariat. We also plan to open up the newsletter as a platform for members feedback and updates as we progress forward. Of course, the main communication channel will still be the IFSB website, [www.ifsb.org](http://www.ifsb.org).

The newsletter will complement the website, and act as another tool for communication with and among members. We invite you to download the newsletter,

email it, share the link with your friends and colleagues, and support this latest initiative from the Secretariat.

There could not be a better time to debut this Bulletin as this year marks the 10th year anniversary of the IFSB. The Articles of Agreement signifying the establishment of the IFSB were signed by eight central bank governors and the President of the Islamic Development Bank in November 2002, and the new organisation began its operations shortly thereafter in March 2003. The Bulletin recaptures the 10th Anniversary celebration which was held on 16 May 2013 (page 3) for your reading pleasure.

We thank you for your support for the past 10 years and we hope that you will continue to be side by side with us for the next ten.

Jaseem Ahmed

## The IFSB Strategic Performance Plan 2013-2015 (SPP)



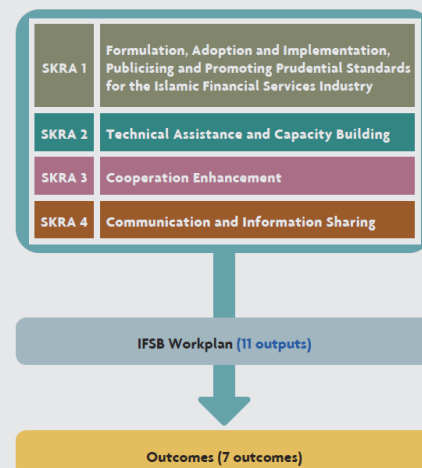
The SPP document can be downloaded at [www.ifsb.org/downloads](http://www.ifsb.org/downloads)

In November 2011, the Council of the IFSB approved a Medium Term Strategy (MTS) Work-in-progress Paper which outlined the proposed activities to be undertaken by the IFSB during the period 2012-2015. In order to ensure that each of the activities outlined in the Paper will contribute to the achievement of a common set of objectives, the Council recommended that the Secretariat identify an approach that would allow execution and delivery of the expected results arising from the MTS to be monitored and measured in a more efficient manner.

In December 2011, the IFSB Secretariat began preparations to transform the MTS into a Strategic Performance Plan (SPP) based on an Integrated Result Based Management (IRBM) approach, where all activities are streamlined towards sharpening the focus of the mission, goals and objectives of the IFSB.

The IFSB's SPP for the period 2013-2015 sets out the expected outcomes and outputs that will be produced by the IFSB over the next three years and the resources that will be needed to implement these outputs and appropriate actions.

Four Strategic Key Result Areas (SKRAs) have been identified in line with the IFSB objectives, and are the most relevant and important areas for the IFSB to focus on for the duration of this SPP. See illustration on right.



## HIGHLIGHTS

### The IFSB to Work Alongside Asian Development Bank to Promote Islamic Finance in Developing Member Countries

The IFSB received a technical assistance grant from the Asian Development Bank (ADB) on Implementing Prudential Standards in Islamic Finance which is funded by the Republic of Korea e-Asia Knowledge Partnership Fund and Financial Sector Development Partnership Fund by the Government of Luxembourg and administered by the ADB. A Memorandum of Understanding (MOU) to facilitate international cooperation between the IFSB and the ADB in promoting the development of Islamic finance in common developing member countries was signed on 2 October 2012 at the ADB headquarters in Manila.

The technical assistance allows the IFSB to continue its efforts in capacity building towards facilitating the implementation of the IFSB Standards in the IFSB and ADB's common developing member countries through the development of an e-learning platform, as well as the organisation of workshops and forums; the development of e-modules which will facilitate greater dissemination of IFSB Standards to the global Islamic financial services community; making headway in developing an action plan for the Islamic Capital Market; and continuing the IFSB's Prudential Structural Islamic Financial Indicators Project.

### Technical Assistance Grant from the Islamic Development Bank

The Islamic Development Bank (IDB), based in Jeddah has signed a Memorandum of Agreement with the IFSB to provide a technical assistance grant to promote financial stability and sound markets in the fast growing Islamic financial sector through the establishment of international prudential standards for Islamic banks and financial institutions, an effective regulatory and supervisory framework, and a robust legal and liquidity infrastructure needed for the sound development of the Islamic financial services industry.

### The IFSB and INCEIF Collaboration on the Executive Forum on Islamic Finance 2013

The IFSB-INCEIF Executive Forum aims to provide a platform for global leaders in Islamic finance to discuss selected emerging issues faced by the global Islamic financial services industry, placing emphasis on issues related to the supervisory and prudential regulation, both at national and international levels, harnessing from the experiences of a distinguished pool of global experts, academics and practitioners, facilitated by key representatives of regulatory and supervisory authorities, multilateral organisations and leading industry players who are members of the IFSB.

For enquiries on the IFSB-INCEIF Executive Forum Series, please contact Mrs. Azizakhon Yarleava at [aziza@ifsb.org](mailto:aziza@ifsb.org) or visit [www.ifsb.org](http://www.ifsb.org) for latest updates.

### Memoranda of Association

In line with the strategy of Cooperation Enhancement under the SPP, the IFSB has signed Memoranda of Association with five partner organisations in 2012. The partners are:

1. Asian Development Bank (ADB)
2. Bahrain Institute of Banking and Finance (BIBF)
3. International Centre for Education in Islamic Finance (INCEIF)
4. International Shari'ah Research Academy for Islamic Finance (ISRA)
5. Statistical, Economic and Social Research and Training Centre for Islamic Countries (SESRI-COIC)

The scope of the Memoranda of Associations cover various areas of cooperation, which include areas such as research and publication, education and training, capacity building targeted at different industry stakeholders, awareness promotion, staff development and exchange programmes, as well as technical assistance for countries in facilitating the implementation of the IFSB standards, and promote the development of the Islamic financial services industry.

Prior to the SPP, a Memoranda of Association was signed with the International Association of Insurance Supervisors (IAIS) in 2008.

## MEMBERSHIP UPDATES

### New Feature on the IFSB Website ([www.ifsb.org](http://www.ifsb.org))

**'Past Events Column'** - IFSB members can visit the IFSB website to view post-events' short summaries and photos. The link also provide information on how to access the presentation papers of the events.

### Membership Contact Update via Members Zone

IFSB Members can update the IFSB Secretariat their latest contact information by logging-in to the Members Zone and filling-up the 'Membership Contact Update' section. This new feature is created with the aim to ensure that members receive timely communication from the Secretariat especially with regard to the IFSB's activities and awareness programmes.

## HIGHLIGHTS

10th IFSB SUMMIT  
(16 - 17 MAY 2013, KUALA LUMPUR)

The Islamic Financial Services Board (IFSB) has successfully organised the 10th Annual Summit, themed, "The Future of the Islamic Financial Services Industry: Resilience, Stability and Inclusive Growth" on 16 and 17 May 2013 in Kuala Lumpur, Malaysia and hosted by Bank Negara Malaysia.

2013 marks a special year for the IFSB as the organisation celebrates its tenth year anniversary since commencing operations on 10 March 2003.



H.E. President of Islamic Development Bank delivering the Keynote Address



Session 1 - Financial Regulatory Reforms: Global Overview



The Opening and Keynote Session



H.E. Governor of Qatar Central Bank chairing Session 2 - Cross-sectoral Approach to the Regulation of Islamic Finance and Market Development: Lessons Learnt



Session 3 - New Markets, New Frontiers - Prospects and Challenges



Session 4 - Islamic Finance: Innovation and Inclusive Growth



Session 5 - Panel Discussion on Lessons Drawn: Prospects for the Future



During Coffee break, participants in the Exhibition Area

IFSB 10th Anniversary  
Dinner, 16 May 2013,  
Kuala Lumpur, Malaysia

On the evening of 16 May 2013, the IFSB organised its 10th Anniversary Dinner at the Grand Hyatt Kuala Lumpur. The Keynote Speaker for the evening was one of the Founding Members of the IFSB and Governor of Bank Negara Malaysia, H.E. Dr Zeti Akhtar Aziz. Also present were the former Governor of the State of Pakistan, H.E. Dr Ishrat Husain and former Governor of Central Bank of Sudan, H.E. Dr Sabir Mohamed Hasan.

The highlights of the Dinner were the presentation of the IFSB anniversary video which received positive response from the guests and the plaque signing ceremony to commemorate the nine Founding Members of the IFSB. The anniversary video can be viewed at the IFSB website, [www.ifsb.org](http://www.ifsb.org).



H.E. Dr Zeti Akhtar Aziz delivering Keynote Address



Group photo (left to right) - H.E. Sheikh Abdulla Saoud Al Thani, Professor Datuk Dr Rifaat Ahmed Abdel Karim, H.E. Dr Sabir Mohamed Hasan, H.E. Dr Ishrat Husain, H.E. Dr Zeti Akhtar Aziz and Jaseem Ahmed



The IFSB Secretariat is based in Kuala Lumpur

## MEMBERS ALERT:

The Summit presentations are available for download from the Members Zone. Please use your member access to login.



## EVENTS CALENDAR

August - December 2013

26 – 27 August 2013 | Malaysia

IFSB-INCEIF EXECUTIVE FORUM ON ISLAMIC FINANCE: CORPORATE AND SHARI'AH GOVERNANCE OF ISLAMIC BANKS

Co-organised with  
**INCEIF**  
THE GLOBAL UNIVERSITY OF ISLAMIC FINANCE

23 – 24 September 2013 | Bangladesh

SEMINAR ON THE PROSPECTS AND CHALLENGES IN DEVELOPMENT OF ISLAMIC FINANCE FOR BANGLADESH

Hosted by  
**BANGLADESH BANK**  
Central Bank of Bangladesh

25 – 26 September 2013 | Bangladesh

IFSB-FIS WORKSHOP SERIES ON ISLAMIC BANKING

30 September – 2 October 2013 | Oman

IFSB-FIS WORKSHOP SERIES ON ISLAMIC BANKING

Hosted by  
**ASIAN DEVELOPMENT BANK**

23 – 24 October 2013 | Malaysia

IFSB-INCEIF EXECUTIVE FORUM ON ISLAMIC FINANCE: TAKAFUL

Co-organised with  
**INCEIF**  
THE GLOBAL UNIVERSITY OF ISLAMIC FINANCE

4 – 5 November 2013 | The Philippines

ISLAMIC FINANCE FOR ASIA: DEVELOPMENT, PROSPECTS AND INCLUSIVE GROWTH

Hosted by  
**ADB**  
ASIAN DEVELOPMENT BANK

25 – 29 November 2013 | Malaysia

IFSB-FIS WORKSHOPS FOR REGULATORY AND SUPERVISORY AUTHORITIES FOR THE BANKING SECTOR

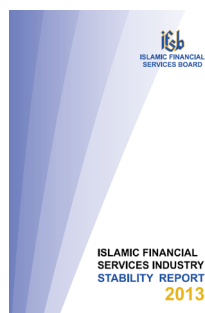
10 December 2013 | Qatar

IFSB COUNCIL MEETING

8<sup>th</sup> ISLAMIC FINANCIAL STABILITY FORUM

Please visit [www.ifsb.org](http://www.ifsb.org) for more information and registration details

## FOCUS ON IFSB PUBLICATIONS



### Islamic Financial Services Industry (IFSI) Stability Report 2013

Issuance Date: May 2013

The Report focuses on key issues affecting the IFSI. In general, the IFSI Stability Report covers the following areas: updates on the trends and development in the various segments of the industry – Islamic banking, Islamic capital market and *Takaful*, global initiatives undertaken by international intergovernmental organisations, international standard-setting bodies, as well as international Islamic organisations, to further strengthen the

resilience and stability of the financial institutions and markets, issues in regulation and supervision of Islamic finance, focusing on liquidity management and safety nets; and emerging issues for the Islamic financial services industry, namely consumer protection and financial inclusion.



### IFSB-12: Guiding Principles on Liquidity Risk Management

Issuance Date: March 2012



### IFSB-13: Guiding Principles on Stress Testing

Issuance Date: March 2012

## About the IFSB

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 2013, the IFSB has published thirteen Standards and Guiding Principles covering these topics:

**IFSB-1** Guiding Principles of Risk Management For Institutions (Other Than Insurance Institutions) Offering Only Islamic Financial Services IIFS

**IFSB-2** Capital Adequacy Standard For IIFS

**IFSB-3** Guiding Principles on Corporate Governance For IIFS

**IFSB-4** Disclosures to Promote Transparency and Market Discipline For IIFS

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

**IFSB-6** Guiding Principles on Governance For Islamic Collective Investment Schemes

**IFSB-7** Special Issues in Capital Adequacy Requirements: *Sukuk* Securitisations and Real Estate Investment

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

**IFSB-9** Guiding Principles on Conduct of Business for IIFS

**IFSB-10** Guiding Principles on *Shari'ah* Governance System

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

**IFSB-12** Guiding Principles on Liquidity Risk Management

**IFSB-13** Guiding Principles on Stress Testing

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

For more information about the IFSB and to download the Standards and Guiding Principles please visit [www.ifsb.org](http://www.ifsb.org)

### Contact Information

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