

The IFSB bulletin

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ISLAMIC FINANCIAL SERVICES BOARD

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



IFSB SUMMIT 2017

From left: H.E. Dr. Abdulrahman Al Hamidy, Director General and Chairman of the Board, Arab Monetary Fund, the Summit host, H.E. Mubarak Rashed Khamis Al Mansoori, Governor, Central Bank of the United Arab Emirates, H.E. Hazim Abdegadir Ahmed Babiker, Governor, Central Bank of Sudan and H.E. Dr. Mohammad Y. Al Hashel, Governor, Central Bank of Kuwait during the Opening and Keynote Session of the IFSB Summit 2017 in The St. Regis Abu Dhabi, United Arab Emirates.

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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 Sharī'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.

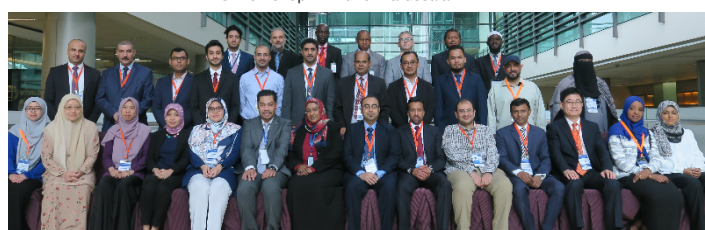
Another Workshop was held in Tehran, Islamic Republic of Iran hosted by the Central Bank of the Islamic Republic of Iran (CBIRI) and supported by the Islamic Development Bank. The 4-day workshop held on 7 – 10 August 2017 was attended by 24 participants from CBIRI. This Workshop was the third one held 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.



FIS Workshop in Islamic Republic of Iran



FIS Workshop in Brunei Darussalam



FIS Workshop in Malaysia



FIS Workshop in Kyrgyz Republic

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, IFSB-10: Guiding Principles on Sharī'ah Governance Systems 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 *Takāful* 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, Korea, 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 Sharī'ah Governance Systems for IIFS, IFSB-15: Revised Capital Adequacy Standard for IIFS-*Sukūk* and Securitisation and IFSB-19: Guiding Principles on Disclosure Requirements for Islamic Capital Market Products.

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



Session 1 speaker, Dr. Salman from IRTI, IDB

- Shari'ah Rules in Products Development: Branding, Ethics and Innovation
- Innovation in *Takāful* 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 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 IIFS in the banking sector in line with the latest regulatory requirements as issued by the BCBS, while adapting these requirements to the specificities of IIFS.

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 the 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 was held on 29 September 2016 in Kuala Lumpur, Malaysia. The key objective of the standard is to complement the IOSCO's objectives and principles of securities regulation and its assessment methodology.

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 Osamah 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 (*Takāful*) 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 on translating the IFSB-10: Guiding Principles on Sharī'ah Governance Systems and the IFSB-16: Revised Guidance on Key Elements in the Supervisory Review Process for IIFS into French.

The Secretariat is 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 RSAs) held in Kuala Lumpur (11-12 May 2017) and Beirut (26-27 September 2017). A summary of key PSIFI 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 Sharī'ah-compliant contracts" reveals that five major financing contracts used by the Islamic banking industry as of 2017Q1 were: Murābahah (36.2%), commodity Murābahah/Tawwarruq (21.5%), Ijārah/Ijārah Muntahia Bittamlik (13.4%), Bay' Bithaman Ajil (8.4%), and Salam (5.5%).

CAPITAL ADEQUACY

Capital adequacy provides an important indication 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.

EARNINGS

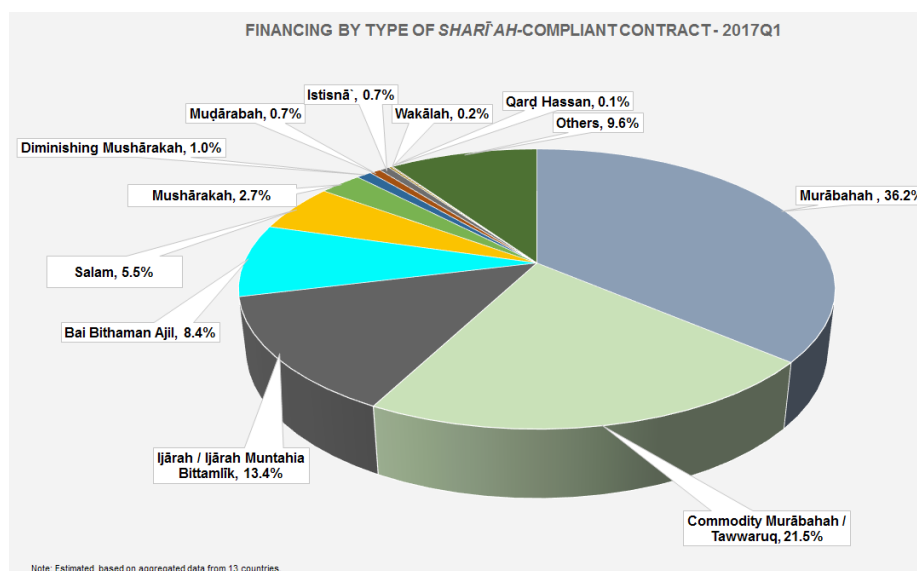
Islamic banks and Islamic windows in the PSIFIs member countries generally maintained comparable rates of return on assets (ROA) and return on equity (ROE) during the periods under report. Overall, the ROA and ROE were 1.76% and 12.80% in 2017Q1 as compared to 1.30% and 12.57% in 2016Q1 respectively.

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 PSIFIs 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 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 Bouquiss, 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.



Mr. Ba and Mr. Bouquiss of the IILM during the IDS

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.



UAE Country Showcase

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 Norzrul 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 Kamil, Islamic Capital Market Consultant, Securities Commission Malaysia, Mr. Ghiath Shabsigh, Assistant Director, Monetary & Capital Markets, International Monetary Fund (IMF), Mr. Yusry Yusoff, Chief Executive Officer, Islamic Banking and Finance Institute Malaysia (IBFIM) and Mr. Housseem Eddine, Senior Economist and Training Specialist, Islamic Research and Training Institute (IRTI), IDB Group.

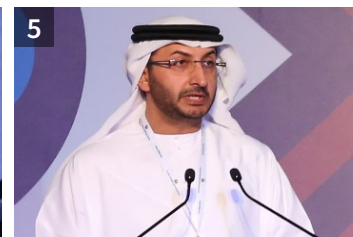
The IFSB introduced the Country Showcase as a pre-Summit event in 2007, with the aim of providing an opportunity for IFSB member and non-member countries to present their country as an attractive Islamic finance market or to raise awareness of their efforts/initiatives in developing Islamic finance in their respective countries. Bahrain, Brunei, Hong Kong, Korea, Luxembourg, Malaysia, Singapore, Turkey and Kazakhstan have participated in previous Showcases.



Panelists for "Build to Last: Roles of Professional Ancillary Services" by MIFC



Panel Discussion by FAA



1. H.E. Governor of the CBUAE delivering the welcoming remarks
2. Mr. Zahid ur Rehman Khokher delivering the opening speech
3. Session 1: Panel Discussion on Islamic Finance: From Niche to Mainstream"
4. Session 2: The FinTech Innovative Progression: Boon or Bane for Traditional Financial Institutions?"
5. H.E. Abdullah bin Ahmed Al Saleh during the Keynote Session
6. Session 3: Implementing New Regulatory Reforms: Balancing between the Soundness and Competitiveness of IIFS
7. Session 5: "The Way Forward for Islamic Finance: Strengthening Value Proposition, Sustaining Resilience",
8. VIPs and delegates attending the Summit

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 Rashed Khamis 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. Abdulrahman 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 it 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. Zamir Iqbal, Vice President Finance and Chief Financial Officer, Islamic Development Bank. The session saw panellists 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.



برامج ما قبل قمة مجلس الخدمات المالية الإسلامية

شهدت برامج ما قبل القمة والتي عقدت بالتزامن مع قمة مجلس الخدمات المالية الإسلامية للعام 2017 انعقاد أربع فعاليات عقدت بتاريخ 22 أكتوبر 2017، مشاركة مميزة لأكثر من 100 مشارك من بين أعضاء مجلس الخدمات المالية الإسلامية، فضلاً عن المشاركين من القطاع المالي في الإمارات العربية المتحدة.

مستضافة من



مصرف الإمارات العربية المتحدة المركزي
CENTRAL BANK OF THE U.A.E.

بنتظم من



ISLAMIC FINANCIAL SERVICES BOARD



IFSB
Summit
2017

نحو تجديد زخم التمويل الإسلامي،
ترسيخ البرونة
والحفاظ على النمو

24-22 أكتوبر 2017 أبوظبي



السيد/ با والسيد/ بوقنيس خلال الجلسة

استعرض مجلس الخدمات المالية الإسلامية تطور صناعة الخدمات المالية الإسلامية لأول مرة خلال قمة مجلس الخدمات المالية الإسلامية العاشرة والتي أقيمت في عام 2013، لاقت إعجاباً مشجعاً. حيث توفر فرصة رائعة لأعضاء المجلس وكذلك المنظمات التي ليست عضواً، بما في ذلك المنظمات المتعددة الأطراف، لعرض المبادرات الخاصة بأعمالهم والتطورات التي تدعم نمو وتطور صناعة الخدمات المالية الإسلامية. وشهدت قمم مجلس الخدمات المالية الإسلامية السابقة مشاركة كل من البنك الآسيوي للتنمية، وهيئة الاعتماد المالي، والمؤسسة الإسلامية لتأمين الاستثمار وائتمان الصادرات، وكذلك منتدى منظمة المؤتمر الإسلامي للأوراق المالية.

جلسة تطوير صناعة الخدمات المالية الإسلامية من خلال المؤسسة العالمية لإدارة السيولة

شارك المؤسسة الإسلامية العالمية لإدارة السيولة في هذا العام في جلسة تطوير صناعة الخدمات المالية الإسلامية، وقدمت عرضاً بعنوان "استجابة السلطات التنظيمية تجاه اضطراب محدد للسوق" - دراسة حالة المؤسسة الإسلامية العالمية لإدارة السيولة، حيث قدم العرض كل من السيد/ عبد العزيز با الرئيس التنفيذي بالإئابة، والسيد حسام بوقنيس نائب أول للرئيس.

استعراض حالة دولة من خلال مركز دبي لتطوير الاقتصاد الإسلامي

تم استعراض وضعية التمويل الإسلامي في دولة الإمارات العربية المتحدة، من خلال عرض قدمه مركز دبي لتطوير الاقتصاد الإسلامي ممثلاً بالسيد/ سعيد خرياش رئيس الاستراتيجية والتخطيط في مركز دبي لتطوير الاقتصاد الإسلامي حمل عنوان "نظرة عامة حول تطور التمويل الإسلامي في دولة الإمارات العربية المتحدة".

وتتمثل رؤية مركز دبي لتطوير الاقتصاد الإسلامي في ترسيخ مكانة دبي كعاصمة للاقتصاد الإسلامي وتعزيز موقعها كمركز عالمي للاقتصاد الإسلامي ومرجع للمعايير والابتكار في كافة قطاعاته



استعراض حالة دولة الإمارات العربية المتحدة

استعراض حالة دولة ماليزيا من خلال المركز الدولي للتمويل الإسلامي الماليزي بصحة هيئة الاعتماد المالي

شهد استعراض حالة دولة ماليزيا تعاوناً بين كل من المركز الدولي للتمويل الإسلامي الماليزي مع هيئة الاعتماد المالي لطرح حالة ماليزيا، من خلال تجميع متحدثين من مختلف قطاعات الأعمال لمناقشة الجوانب القانونية والتنظيمية، بما في ذلك الدور المهم الذي تضطلع به الجهات الفاعلة في السوق، ومقدمي الخدمات المهنية في تصميم مستقبل التمويل الإسلامي.

واستلهمت الجلسة بكلمة افتتاحية القاها السيد مرزوني شام عمر، مساعد محافظ البنك المركزي الماليزي، تبع ذلك حلقة نقاش تحت عنوان "البناء للديمومة: أدوار الخدمات المهنية المساندة"، من خلال المركز الدولي للتمويل الإسلامي الماليزي. حيث ترأسها السيد رافي حنيف، الرئيس التنفيذي لمصرف سي إم بي الإسلامي، وتحدث فيها كل من الدكتور محمد داود بكر، رئيس المجلس الشرعي الاستشاري للبنك المركزي الماليزي، ورئيس شركة أمانى للاستشارات، وكذلك الدكتور نيك نور زول تاني، شريك أول، زيد إبراهيم وشركاؤه، ماليزيا، بالإضافة إلى السيد محمد فايز عزمي، الرئيس التنفيذي، برايس وتر هاووس كوبرز ماليزيا.



المشاركون في حلقة نقاش: "البناء للديمومة: أدوار الخدمات المهنية المساندة"

وقد قام السيد مرزوني شام عمر بتدشين هيكل المؤهلات المهنية للتمويل الإسلامي بحضور كل من السيد خبير النظام الرئيس التنفيذي لهيئة الاعتماد المالي والسيدة سارالا ماري موتو مديرة البحوث والتطوير في هيئة الاعتماد المالي.

وقدمت هيئة الاعتماد المالي حلقة النقاش الثانية التي جاءت بعنوان "الارتقاء بمستوى مهني التمويل الإسلامي"، والتي أدارها السيد وان عبد الرحيم كاميل، مستشار سوق رأس المال في هيئة الأوراق المالية الإسلامية، والسيد غياث شابسيغ، مدير مساعد، إدارة الأسواق النقدية والرأسمالية، صندوق النقد الدولي، وكذلك السيد يسري يوسف الرئيس التنفيذي لمعهد المصرفية الإسلامية والتمويل ماليزيا، بالإضافة إلى السيد حسام الدين اقتصادي أول ومختص تدريب في المعهد الإسلامي للبحوث والتدريب، مجموعة البنك الإسلامي للتنمية.

تم تقديم "استعراض حالة دولة" لأول مرة عام 2007 ضمن برامج ما قبل قمة مجلس الخدمات المالية الإسلامية. ويوفر هذا العرض فرصة للدول العضوة وغير العضوة، التي ترغب في الترويج لنفسها باعتبارها مركزاً للتمويل الإسلامي. وقد شارك في القمم السابقة لمجلس الخدمات المالية الإسلامية كل من: البحرين، وبروناي، وهونغ كونغ، وكوريا الجنوبية، ولكسمبورغ، وماليزيا، وسنغافورة، وتركيا، وكازاخستان.



حلقة نقاش من خلال هيئة الاعتماد المالي



1. معالي محافظ مصرف الإمارات العربية المتحدة يلقي كلمته الترحيبية
2. السيد زاهد الرحمن خوريلي كلمته الافتتاحية
3. الجلسة الأولى: حلقة نقاش " التمويل الإسلامي: من الخصوصية إلى الشيع " "
4. الجلسة الثانية: " التقدم الابتكاري للتكنولوجيا المالية: نعمة أم نقمة للمؤسسات المالية التقليدية "
5. معالي السيد عبد الله بن أحمد الصالح خلال الجلسة الافتتاحية
6. الجلسة الثالثة: "تطبيق الإصلاحات الرقابية الجديدة: تحقيق التوازن بين سلامة مؤسسات الخدمات المالية الإسلامية وقدرتها التنافسية"
7. الجلسة الخامسة: "المضي قدماً بالتمويل الإسلامي: تعزيز القيمة المقترحة، والحفاظ على المرونة"
8. جانب من الشخصيات رفيعة المستوى والمشاركين بالقيمة

وشهدت القمة حضوراً مميزاً لقادة صناعة الخدمات المالية الإسلامية البارزين، وخاصة أعضاء مجلس الخدمات المالية الإسلامية من بين السلطات الرقابية والإشرافية، والمنظمات الدولية ومؤسسات المالية، فضلاً عن المشاركين من القطاع المالي في دولة الإمارات العربية المتحدة.

حفل عشاء قمة مجلس الخدمات المالية الإسلامية 2017

أقيم حفل عشاء القمة بتاريخ 22 أكتوبر 2017، في منتجعات الخالدية بالاس ربحان من روتانا. حيث ألقى البروفيسور فولكر نينهاوس الأستاذ الفخري بجامعة بوخوم بألمانيا الكلمة الرئيسية في حفل العشاء.

وتخلل حفل العشاء موسيقى محلية، ورسوم الكاريكاتيرية للحضور.

البروفيسور فولكر نينهاوس خلال إلقاء الكلمة الرئيسية



حملت الجلسة الثانية عنوان " التقدم الابتكاري للتكنولوجيا المالية: نعمة أم نقمة للمؤسسات المالية التقليدية"، وترأس الجلسة السيدة فينيتا تان، المحرر، أخبار التمويل الإسلامي، ماليزيا، التي بدأت النقاش من خلال تسليط الضوء على التقدم الذي حدث مؤخراً في مجال التكنولوجيا المالية. حيث ناقش المتحدثين دور التكنولوجيا المالية في التمويل الإسلامي، وما إذا كانت التكنولوجيا المالية سبباً في عرقلة المؤسسات المالية التقليدية.

وشهدت الجلسة الثالثة والتي حملت عنوان "تطبيق الإصلاحات الرقابية الجديدة: تحقيق التوازن بين سلامة مؤسسات الخدمات المالية الإسلامية وقدرتها التنافسية"، مشاركة مجموعة متميزة من المتحدثين برئاسة سعادة الدكتور زمير إقبال، نائب الرئيس (للمالية)، البنك الإسلامي للتنمية، حيث ناقش المتحدثون القضايا المتعلقة بتطبيق الإصلاحات الرقابية الجديدة، بما في ذلك تقليص نسب التمويل بالديون، وإزالة المخاطر.

الجلسة الرابعة التي جاءت بعنوان "أسواق رأس المال الإسلامية: نحو تحقيق مواءمة أكبر في الأنشطة العابرة للحدود"، ترأسها السيد أشرف محمد، المستشار العام المساعد وخبير الممارسات -التمويل الإسلامي، البنك الآسيوي للتنمية.

ترأس الجلسة الختامية، التي حملت عنوان "المضي قدماً بالتمويل الإسلامي: تعزيز القيمة المقترحة، والحفاظ على المرونة" معالي مبارك راشد خميس المنصوري، محافظ مصرف الإمارات العربية المتحدة المركزي، إلى جانب متحدثين من مصرف البحرين المركزي، والبنك المركزي الماليزي، ومؤسسة النقد العربي السعودي، بالإضافة إلى مجموعة بوسطن الاستشارية. حيث قدمت الجلسة ملخصاً لمختلف التحديات التي نوقشت خلال الجلسات السابقة، ولا سيما من حيث القيمة المقترحة لعملاء التمويل الإسلامي.

عقدت قمة مجلس الخدمات المالية الإسلامية للعام 2017 والتي حملت عنوان "نحو تجديد زخم التمويل الإسلامي: ترسيخ المرونة والحفاظ على النمو"، ما بين 23 و24 أكتوبر 2017 في فندق سانت ريجيس أبوظبي - الإمارات العربية المتحدة باستضافة من قبل مصرف الإمارات العربية المتحدة.

هذا وشهدت القمة إلقاء كلمتين رئيسيتين رفيعتي المستوى، حيث ألقى سعادة السيد / عبد الله بن أحمد آل صالح، وكيل وزارة الاقتصاد الإماراتية لشؤون التجارة الخارجية والصناعة الكلمة الرئيسية الأولى. وفي خطابه، وأشاد آل صالح بالقيمة وبالمبادرات الهامة التي قام بها مجلس الخدمات المالية الإسلامية منذ تأسيسه كهيئة دولية لوضع المعايير لقطاع الخدمات المالية الإسلامية، التي تعد بمثابة منصة مفيدة لتمكين تبادل المعرفة الفنية والكفاءات لأفضل الممارسات في قطاع التمويل الإسلامي. وألقى السيد إقبال أحمد خان، الرئيس التنفيذي، شركة فجر كابيتال المحدودة، الكلمة الرئيسية الثانية، الذي طرح المنظور التاريخي لإدخال التمويل الإسلامي في السبعينات والثمانينات من القرن الماضي.

وفي كلمته الافتتاحية أوضح معالي السيد مبارك راشد خميس المنصوري أن المصرف المركزي سعى بدوره إلى دعم قطاع التمويل الإسلامي عن طريق إصدار شهادات الإيداع الإسلامية وتسهيلات المراجعة المغطاة بضمان تسهيلات الإقرار.

وترأس جلسة النقاش الأولى والتي حملت عنوان "التمويل الإسلامي: من الخصوصية إلى الشيع" معالي الدكتور عبد الرحمن الحميدي، مدير عام ورئيس مجلس إدارة صندوق النقد العربي. حيث ناقشت الجلسة الفرص المتاحة من خلال صناعة الخدمات المالية الإسلامية بغية تحقيق استحواد أوسع.

IFSB Members and Industry Engagement in Indonesia and UAE

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 Ismail**, 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

Summit 2017. It was attended by key global Islamic financial services industry leaders, from among regulatory and supervisory authorities and financial institutions, representatives from international multilaterals, as well as the local United Arab Emirates financial community. The Session which was chaired by **Prof. (em.) Dr. Volker Nienhaus**, and once more featured **Mr. Zahid ur Rehman Khokher**, **Dr. Nagwa Sheikh Eldin**, Assistant Secretary-General, IFSB and **Mr. Yusry Yusoff**, Chief Executive Officer, Islamic Banking and Finance Institute Malaysia (IBFIM) as the panellists.

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 IFSB's Management Team and VIPs on stage



The Panelists during the Interactive Session

EVENT ANNOUNCEMENT

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 2018 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 *Takaful* sector in offering innovative products to support long-term financial substance for individuals, retirement planning and Shar'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

Hosted by



20 January - 2 February 2018 | Saudi Arabia

SHAR'AH COMMITTEE MEETING

Hosted by



12 - 14 February 2018 | Tunisia

IFSB-FIS WORKSHOP
. Banking Sector

Hosted by



6 - 7 March 2018 | Malaysia

12TH IFSB-INCEIF EXECUTIVE FORUM ON
ISLAMIC FINANCE
Preserving Wealth and Generating Long-term Value through Islamic Finance

Jointly organised with

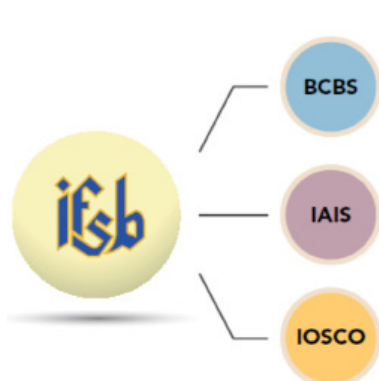


27 - 29 March 2018 | Lebanon

IFSB-FIS WORKSHOP
. Banking Sector

Hosted by





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.



International Association of Insurance Supervisors (IAIS)

The Secretary General of IAIS, Mr. Jonathan Dixon visited the office of the IFSB in Kuala Lumpur on 2 November 2017 and held a meeting with the Acting Secretary-General of the IFSB, Mr. Zahid ur Rehman Khokher on further strengthening the collaboration between the two standard setters.

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.



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 Shari'ah scholars during the joint IFSB-ISRA Roundtable on "Financial Safety Nets: Striking a Balance between Shari'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) Shari'ah-compliant lender-of-last resort facilities and ii) Shari'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.

نبذة عن المجلس

يعتبر مجلس الخدمات المالية الإسلامية هيئة دولية واضحة للمعايير التي تهدف إلى تطوير وتعزيز متانة واستقرار صناعة الخدمات المالية الإسلامية، وذلك بإصدار معايير احترازية ومبادئ إرشادية لهذه الصناعة التي تضم بصفة عامة قطاعات الصيرفة، وأسواق المال، والتكافل (التأمين الإسلامي). كما يقوم مجلس الخدمات المالية الإسلامية بأنشطة بحثية، وتنسيق المبادرات المتعلقة بهذه الصناعة، فضلاً عن تنظيم حلقات نقاشية، وندوات ومؤتمرات علمية، للسلطات الرقابية، والشركاء المهتمين بهذه الصناعة.

منذ إنشاء مجلس الخدمات المالية الإسلامية، تم إصدار سبعة وعشرون معياراً، ومبدأً إرشادياً، وملاحظة فنية، خاصة بصناعة الخدمات المالية الإسلامية. وقد غطت هذه الإصدارات المجالات التالية:

- (المعيار رقم 1): المبادئ الإرشادية لإدارة المخاطر.
- (المعيار رقم 2): معيار كفاية رأس المال.
- (المعيار رقم 3): المبادئ الإرشادية لضوابط إدارة المؤسسات.
- (المعيار رقم 4): معيار الإفصاحات لتعزيز الشفافية وانضباط السوق للمؤسسات.
- (المعيار رقم 5): الإرشادات المتعلقة بالعناصر الرئيسية في إجراءات الرقابة الإشرافية للمؤسسات.
- (المعيار رقم 6): المبادئ الإرشادية لضوابط برامج الاستثمار الجماعي.
- (المعيار رقم 7): متطلبات كفاية رأس المال للصكوك، والتصكيك، والاستثمارات العقارية.
- (المعيار رقم 8): المبادئ الإرشادية لضوابط التأمين التكافلي.
- (المعيار رقم 9): المبادئ الإرشادية لسلوكيات العمل للمؤسسات التي تقدم خدمات مالية إسلامية.
- (المعيار رقم 10): المبادئ الإرشادية لنظم الضوابط الشرعية للمؤسسات التي تقدم خدمات مالية إسلامية.
- (المعيار رقم 11): معيار متطلبات الملاءة للتأمين التكافلي.
- (المعيار رقم 12): المبادئ الإرشادية لإدارة مخاطر السيولة للمؤسسات.
- (المعيار رقم 13): المبادئ الإرشادية لاختبارات الضغط للمؤسسات.
- (المعيار رقم 14): معيار إدارة المخاطر لشركات التكافل (التأمين الإسلامي).
- (المعيار رقم 15): المعيار المعدل لكفاية رأس المال للمؤسسات.
- (المعيار رقم 16): الإرشادات المعدلة للعناصر الأساسية لإجراءات الرقابة الإشرافية على المؤسسات.
- (المعيار رقم 17): المبادئ الأساسية للرقابة على التمويل الإسلامي.
- (المعيار رقم 18): المبادئ الإرشادية لإعادة التكافل (إعادة التأمين الإسلامي).
- (المعيار رقم 19): المبادئ الإرشادية الخاصة بمتطلبات الإفصاح لمنتجات سوق رأس المال الإسلامي (الصكوك وبرامج الاستثمار الجماعي الإسلامي).

- (المبادئ الإرشادية رقم 1): الإرشادات المتعلقة بمعيار كفاية رأس المال: الاعتراف بالتصنيفات للأدوات المالية المتفقة مع أحكام الشريعة الإسلامية الصادرة من مؤسسات تصنيف ائتماني خارجية.
- (المبادئ الإرشادية رقم 2): الإرشادات المتعلقة بإدارة المخاطر ومعيار كفاية رأس المال: معاملات المراجعة في السلع.
- (المبادئ الإرشادية رقم 3): الإرشادات المتعلقة بممارسات دعم دفع الأرباح لأصحاب حسابات الاستثمار.
- (المبادئ الإرشادية رقم 4): الإرشادات المتعلقة بمعيار كفاية رأس المال: تحديد عامل "الفا" في نسبة كفاية رأس المال.
- (المبادئ الإرشادية رقم 5): الإرشادات المتعلقة بالاعتراف بالتصنيفات الصادرة عن مؤسسات تصنيف ائتماني خارجية للتأمين التكافلي وإعادة التكافل.
- (المبادئ الإرشادية رقم 6): الإرشادات المتعلقة بالمعايير الكمية لإدارة مخاطر السيولة.

- (ملاحظة فنية رقم 1): قضايا تعزيز إدارة السيولة للمؤسسات التي تقدم خدمات مالية إسلامية: تطوير أسواق المال الإسلامية.
- (ملاحظة فنية رقم 2): اختبارات الضغط للمؤسسات التي تقدم خدمات مالية إسلامية.

- (ورقة عمل رقم 1): ورقة عمل حول تقوية شبكة الحماية المالية: دور تسهيلات المسعف الأخير المتوافقة مع الشريعة، بوصفها آلية تمويل في حالات الطوارئ
- (ورقة عمل رقم 2): تقويم المبادئ الأساسية المتعلقة بالرقابة على التمويل الإسلامي
- (ورقة عمل رقم 3): الحماية المالية للمستهلك في المالية الإسلامية
- (ورقة عمل رقم 4): دراسة مقارنة حول مدى تفعيل المعايير الصادرة عن مجلس الخدمات المالية الإسلامية
- (ورقة عمل رقم 5): ورقة عمل مشتركة بين مجلس الخدمات المالية الإسلامية والأكاديمية العالمية للبحوث الشرعية حول مخاطر عدم الالتزام بأحكام الشريعة في القطاع المصرفي: الأثر على إطار كفاية رأس المال للمصارف الإسلامية
- (ورقة عمل رقم 6): تقوية شبكة الأمان المالية: دور وآليات نظم التأمين على الودائع المصرفية المتوافقة مع أحكام الشريعة

الجدير بالذكر أن المجلس يضم في عضويته منظمات دولية، وإقليمية، ووطنية، والشركاء الذين تجمعهم به أهداف مشتركة. للمزيد من المعلومات حول مجلس الخدمات المالية الإسلامية وللحصول على المعايير والتقارير والأوراق البحثية أو أي إصدارات أخرى الرجاء زيارة الموقع الإلكتروني <http://arabic.ifsb.org>

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 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 (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 Scheme
 - IFSB-7 Capital Adequacy Requirements: *Sukūk* Securitisations and Real Estate Investment
 - IFSB-8 Guiding Principles on Governance of Islamic Insurance (*Takāful*) 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 *Takāful* (Islamic Insurance) Undertakings
 - IFSB-12 Guiding Principles on Liquidity Risk Management for IIFS
 - IFSB-13 Guiding Principles on Stress Testing for IIFS
 - IFSB-14 Standard on Risk Management for *Takāful* (Islamic Insurance) Undertakings
 - IFSB-15 Revised Capital Adequacy Standard for IIFS
 - IFSB-16 Revised Guidance on Key Elements in the Supervisory Review Process of IIFS
 - IFSB-17 Core Principles for Islamic Finance Regulation (Banking Segment)
 - IFSB-18 Guiding Principles for *Retakāful* (Islamic Reinsurance)
 - IFSB-19 Guiding Principles on Disclosure Requirements for Islamic Capital Market Product (*Sukūk* and Islamic Collective Investment Schemes)
 - GN-1 Guidance Note in Connection with the Capital Adequacy Standard: Recognition of Ratings by External Credit Assessment Institutions (ECAIs) on Shari'ah-Compliant Financial Instruments
 - GN-2 Guidance Note in Connection with the Risk Management and Capital Adequacy Standards: Commodity *Murābahah* 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 ECAIs on *Takāful* and *Retakāful* Undertakings
 - GN-6 Guidance Note on Quantitative Measures for Liquidity Risk Management in IIFS
 - 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-01: Working Paper on Strengthening the Financial Safety Net: The Role of Shari'ah-compliant Lender-of Last-Resort (SLCLR) Facilities as an Emergency Financing Mechanism
 - WP-02: Working Paper on Evaluation of Core Principles Relevant to Islamic Finance Regulation
 - WP-03: Working Paper on Financial Consumer Protection in Islamic Finance
 - WP-04: Comparative Study on the Implementation of Selected IFSB Standards
 - WP-05: The IFSB-ISRA Joint Working Paper on Shari'ah Non-Compliance Risk in the Banking Sector: Impact on Capital Adequacy Framework of Islamic Banks
 - 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 inter-governmental 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.