

MESSAGE FROM THE SECRETARY - GENERAL

As we usher out the year 2023, we conclude our 20th Anniversary with noteworthy strides in the progression and accomplishments of the Islamic Financial Services Board (IFSB), aligning with the responsibilities entrusted to our organisation.

Most recently in December, we convened in Abuja, Nigeria, hosting the International Forum on Non-Interest Capital Markets in collaboration with Nigeria's Securities and Exchange Commission. This 2-day event attracted over 100 participants, featuring our annual Innovation Forum and the Members & Industry Engagement Session (MIES), fostering innovation and dialogue in the Islamic Financial Services Industry (IFSI).

Among the pivotal achievements of IFSB in the year 2023 is the Global Sustainability Forum, jointly hosted by the Central Bank of the United Arab Emirates in Abu Dhabi. The resonating theme of sustainability and climate-friendly finance echoed strongly, serving as a prelude to the 28th session of the Conference of the Parties (COP28) to the UN Framework Convention on Climate Change (UNFCCC), held in Dubai.

Demonstrating our steadfast commitment to standard development, we conducted IFSB-FIS Workshops and Executive Programme between September to December, covering sectors including Islamic Banking, Islamic Capital Market, and Takāful. A dedicated session for the Takaful Sector was also organised based on the positive response to our Sharing of Experience Session. Task Force Meetings on topics such as Prudential and Structural Islamic Financial Indicators (PSIFIs), and Recovery and Resolution of Takāful Undertakings were held to refine our standards applications.

All these endeavours are a testament to our unwavering commitment, made possible by the tireless efforts of the IFSB secretariat members who diligently strived to deliver excellence. We express our gratitude for the unyielding commitment, contribution, and participation from our members, partners, and the industry community, propelling our initiatives forward in 2023.

As we eagerly anticipate the arrival of 2024, I extend my heartfelt prayers for the health and safety of everyone. On behalf of IFSB, we look forward to introducing more initiatives and updates that will foster the development of Islamic finance and fortify the global resilience of the Islamic finance industry.

Dr. Bello Lawal Danbatta,
Secretary-General

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HIGHLIGHTS

Charting New Horizons: IFSB and SECN Collaborate for the Inaugural International Forum on Non-Interest Capital Markets

To address obstacles that impeded the accelerated development of Nigeria's Non-Interest Capital Market (NICM), the Securities and Exchange Commission Nigeria (SECN) and the Islamic Financial Services Board (IFSB) organised a 2-Day High-Level International Forum on Non-Interest (Islamic) Capital Market and side events.

In a recent statement, the SECN highlighted the forum's goal of addressing industry challenges such as insufficient capacity, lack of awareness and education, limited human capital and expertise, scarcity of Sharia-compliant products, regulatory and supervisory standard harmonisation, and integration of NICM with the conventional financial system. The SEC acknowledged the evolution of Nigeria's NICM as a crucial segment of the financial market, providing an ethical and Shariah-compliant avenue for medium to long-term investments. The market offered various products/services like Sukuk (Islamic bonds), Islamic Mutual Funds, Islamic REITs, Islamic Crowdfunding, and Islamic Fintech, catering to both ethical and conventional investors. Pointing out the significant growth of the NICM sector, reaching \$3.25 trillion globally in 2022, the commission attributed this growth to increased demand for ethical finance, diversification of funding sources, regulatory frameworks, and innovation in NICM products and practices.

Despite challenges, Nigeria, with its large Muslim population and the continent's highest population, had substantial potential to develop its NICM sector. The country took steps, from registering the first Islamic Fund in 2008 to issuing Sub-National Sukuk in 2013 and the first Sovereign Sukuk in 2017. More sovereign and corporate Sukuk issuances and the registration of ethical and Shariah-compliant funds followed.

Dr. Bello Lawal Danbatta, Secretary-General of IFSB, commended the commission and the government for their dedication to building a resilient non-interest capital market in Nigeria. He highlighted the high-level forum as a testament to their commitment to collaboration, discussions, and knowledge sharing. While challenges persisted, the SECN actively implemented initiatives aligned with the 10-year Capital Market Masterplan (CMMP) and the Revised CMMP. Notably, regulations for Sukuk issuance and Islamic fund management were developed, leading to the approval of three corporate Sukuk and two sub-national Sukuk. Eleven Shariah-compliant funds, managing over N95 billion in assets under management (AuM), were operational.

The forum, complemented by the IFSB's 5th Innovation Forum and an IFSB Member and Industry Engagement Session, enhanced cooperation and knowledge-sharing among global market players and policymakers. The focus was on harmonizing regional initiatives, addressing sustainability and climate-related risks, and diagnosing key challenges that hindered the growth of the Non-Interest (Islamic) capital markets.



Delegates at SEC Nigeria - IFSB International Forums

IFSB and CBUAE High-level Global Forum Focused on Sustainability-related Risks, Opportunities and Policy Initiatives

The Islamic Financial Services Board (IFSB) organised a High-level Global Forum on Sustainability-related Risks, Opportunities and Policy Initiatives, hosted by the Central Bank of the United Arab Emirates (CBUAE) in Abu Dhabi on 27 November 2023 ahead of the United Nations Climate Change Conference 2023 (COP 28), this forum aims to play a pivotal role in shaping the regulatory and policy landscape for Islamic finance in response to climate-related objectives. The event will address the necessity for standard-setting initiatives within the Islamic Financial Services Industry (IFSI), explore emerging opportunities, and showcase innovative strategies to promote sustainable finance.

Dr Bello Lawal Danbatta, Secretary General of IFSB said, "The strategic significance of the Islamic finance industry in advancing the sustainability and climate change agenda was acknowledged by the Islamic Declaration on Global Climate Change in 2015. Despite the inherent potential of Islamic finance to lead the industry towards a green and inclusive finance agenda, practical implementation has been slow in light of the more progressive principles of environmental, social, and governance (ESG) in the global economy. We welcome this opportunity for the industry to convene and address these issues through a collective effort." CBUAE's decision to host the Global Sustainability Forum aligns perfectly with the region's commendable progress towards meeting the international Sustainable Development Goals (SDGs), supported by the local governments' mandatory corporate social responsibility disclosure program.

With the deepening climate crisis, the Islamic Finance Services Industry (IFSI) must urgently innovate its approach to support achieving the climate agenda and Sustainable Development Goals (SDGs). This necessitates increased efforts from IFSI stakeholders, regulators, and countries championing Islamic finance to enhance governance standards in alignment with global climate action benchmarks.

Hosted at the Ritz Carlton Al-Qanah, the forum also concentrated on fostering a more pragmatic approach within the IFSI community. The goal is to develop unified regulatory frameworks, legal documentation, and reporting guidelines for climate or sustainability impacts. With over 100 delegates expected to attend from central banks, international standard-setting bodies, policymakers, industry players, and the global finance community, the forum promises to be a key platform for advancing sustainable practices within the Islamic finance sector.



Dr. Bello Lawal Danbatta with the panelist of Global Forum on Sustainability-related Risks, Opportunities and Policy Initiatives

The IFSB Successfully Concluded its 42nd Council Meeting and Side Events

We are delighted to announce the successful conclusion of the 42nd Meeting of the IFSB Council and accompanying Side Events on 16 August 2023. Hosted by the Saudi Central Bank (SAMA), serving as the IFSB Council Chair for 2023, the proceedings of the Council Meeting and Side Events unfolded as follows:

Monday, 14 August 2023:

- Capacity Building Workshop for the Banking Sector (SAMA Workshop)
- 1st IFSB Consultative Group (ICG) Meeting
- Capacity Building Workshop for the Capital Market Sector (CMA Workshop)
- IFSB 3rd CEO's Forum

Tuesday, 15 August 2023:

- Islamic Finance Stability Forum 2023 and Launching of the IFSB Stability Report 2023
- IFSB 20th Anniversary Symposium
- IFSB 20th Anniversary Gala Dinner

Wednesday, 16 August 2023:

- 42nd IFSB Council Meeting
- IFSB 21st General Assembly

Chaired by H.E. Ayman Al Sayari, Governor of SAMA and Chairperson of the IFSB for 2023, the council meeting and general assembly saw the participation of central bank Deputy Governors, Chairmen of regulatory and supervisory authorities, and senior representatives from the IFSB Council members. Dr. Bello Lawal Danbatta, Secretary-General of the IFSB Secretariat, expressed heartfelt gratitude to all IFSB members for their attendance and active engagement in the 42nd Council Meeting. Dr. Danbatta was pleased that the Side Events conducted over the past three days provided a platform for various IFSB stakeholders to come together and discuss crucial issues pertaining to Islamic finance.



L-R : Dr. Ishrat Husain, Dr. Bello Lawal Danbatta, H.E. Hamad Al-Sayari and Mr. Jaseem Ahmed



One of the session during the IFSB 20th Anniversary Symposium

STRATEGIC COLLABORATIONS

IFSB Joins Islamic Finance Infrastructure Organisations to Make Declaration on Islamic Sustainable Finance.

In conjunction with the 28th Conference of the Parties (COP 28), hosted by the United Arab Emirates, IFSB has forged a significant partnership with two other Islamic Finance Infrastructure Organizations (IFIO). This collaboration culminated in the signing of a commitment declaration, aiming to address gaps in Islamic sustainable finance through a series of initiatives within the mandates of each participating organisation, pending final approvals from their respective governance committees.

Facilitated by the Central Bank of the UAE, the three collaborating organisations—IFSB, AAOIFI, and CIBAFI—have collaboratively devised a comprehensive roadmap. This roadmap delineates specific areas where each entity can contribute towards mitigating sustainability-related risks and capitalising on opportunities. The outlined initiatives encompass ongoing and potential future efforts, spanning industry guidance, global benchmarks on prudential regulation, disclosure requirements, market development initiatives, and capacity-building and certification programs. The implementation of these initiatives is contingent upon the decisions of each organisation's governance processes.

Committing to periodic reviews of the roadmap, the organisations have pledged to update or revise initiatives based on global developments and the annual work programs of each entity. The commitment to adaptability underscores the collaborative effort's responsiveness to evolving challenges and opportunities in the Islamic financial services sector.

During the signing ceremony, Dr. Bello Lawal Danbatta, Secretary-General of the IFSB, expressed gratitude for the support extended by the UAE Central Bank. Dr. Danbatta emphasised the historic significance of this collaboration, marking the inaugural inclusion of Islamic finance in global climate-change initiatives represented at COP28. He further underscored the heightened alignment and coordination between infrastructure institutions, illustrating a collective commitment to addressing emerging issues such as climate change and sustainability in the Islamic financial services industry.



The signing ceremony between IFSB, CIBAFI and AAOIFI, witnessed by H.E Khaled Mohamed Balama, Governor of the Central Bank of the UAE, and senior officials from COP28.



L-R: Mr. Suhail Al Zadjali, Mr. Muharrem CEVHER and Dr. Bello Lawal Danbatta.

Strengthening Bilateral Ties: A Diplomatic Visit Focused on Advancing Islamic Finance.

IFSB was pleased to welcome Mr. Muharrem CEVHER, the Treasury and Finance Counsellor at the Embassy of the Republic of Türkiye in Kuala Lumpur, during a courtesy visit.

In a meeting with IFSB Secretary-General Dr. Bello Danbatta, accompanied by Assistant Secretary-General Suhail Al Zadjali, the primary goal was to enhance bilateral relations between IFSB and the Republic of Türkiye. The discussions emphasized the mutual commitment of both parties to strengthen collaboration within the Islamic Financial Services Industry (IFSI) and facilitate knowledge exchange.

We extend our gratitude for this visit and look forward to furthering the development of Islamic Finance through collaboration with industry players and the finance community in Turkey.



L-R: Mr. Suhail Al Zadjali, Mr. Muharrem CEVHER and Dr. Bello Lawal Danbatta.

IFSB's Insightful Contribution to the 18th AAOIFI-IsDB Conference: Navigating Challenges in Hyperinflation Accounting for Islamic Finance

IFSB was honoured to participate in the recent 18th AAOIFI-IsDB conference in Bahrain.

Dr. Bello Danbatta, our Secretary General contributed his perspective in the panel session addressing hyperinflation accounting for Islamic finance, focusing on the challenges in financial reporting within economies experiencing hyperinflation. The discussion further examined the development of a robust reporting framework for the Islamic Financial Services Industry (IFSI) to ensure the effective preparation and presentation of financial statements.

We express our gratitude and congratulations to AAOIFI and IsDB for a successful annual event addressing critical issues in the global Islamic finance industry.



L-R: Mr. Suhail Al Zadjali, Mr. Muharrem CEVHER and Dr. Bello Lawal Danbatta.

Building Partnerships: IFSB's Courtesy Visit to NAICOM for Islamic Finance Collaboration

IFSB was honoured to visit Mr. Sunday Thomas, Commissioner for Insurance/Chief Executive of The National Insurance Commission (NAICOM) Nigeria, in Abuja.

During the meeting, Dr. Bello Danbatta, Secretary-General of IFSB, accompanied by Assistant Secretary-General Suhail Al Zadjali, aimed to bolster bilateral relations between IFSB and Naicom Nigeria. The focus was on reinforcing the commitment of both parties to enhance collaboration within the IFSI and facilitate knowledge exchange.

We eagerly anticipate collaborating with industry partners and the financial community in Nigeria to advance the development of Islamic finance.



L-R: Mr. Suhail Al Zadjali, Mr. Muharrem CEVHER and Dr. Bello Lawal Danbatta.

Strengthening Bilateral Ties: A Diplomatic Visit Focused on Advancing Islamic Finance.

IFSB embarked on a courtesy visit to Mr. Bello Hassan, Managing Director and Chief Executive Officer, Nigeria Deposit Insurance Corporation (NDIC) in Abuja to fortify bilateral relations and foster closer collaboration within the Islamic financial services industry.

This visit underscores the commitment of both organisations to enhance industry collaboration and facilitate the exchange of knowledge and expertise. By engaging in constructive discussions and sharing insights, the IFSB and NDIC aim to further strengthen the foundations of the Islamic financial sector, promoting stability and growth. The visit serves as a testament to the dedication of both entities to advancing the principles and practices of Islamic finance in the global financial landscape.

EVENTS & IMPLEMENTATION OF IFSB STANDARDS

AWARENESS PROGRAMME



Participants during the 1st IFSB-SECN International Forum on Non-Interest Capital Markets

The 1st IFSB-SECN International Forum on Non-Interest Capital Markets

To address the challenges hindering the swift advancement of the Non-Interest Capital Market (NICM) in Nigeria, the Securities and Exchange Commission Nigeria (SECN) and the IFSB collaboratively organised a High-Level International Forum on Non-Interest (Islamic) Capital Market.

Highlighting the evolution of the Non-Interest Capital Market (NICM) in Nigeria and its growing significance within the nation's financial landscape, the commission underscored that the NICM functions as a pivotal platform for mobilising ethical and Shariah-compliant medium to long-term investments. This is facilitated through a diverse array of financial products and services, including Sukuk (Islamic bonds), Islamic Mutual Funds, Islamic Real Estate Investment Trusts (REITs), Islamic Crowdfunding, Islamic Fintech, and more.

These offerings are strategically designed to cater to the preferences and requirements of both ethical and conventional investors, thereby contributing to a more inclusive and diversified investment landscape in the Nigerian financial sector.



Panelists during the 5th Innovation Forum

Driving Innovation in Africa: Reflections on the IFSB 5th Innovation Forum

The 5th Innovation Forum was conducted for the first time in the Africa region. This high-level forum aimed to enhance collaboration and knowledge exchange among global market players and policymakers, with a special focus on the region.

Themed "Digital Innovation and Harnessing Non-interest Finance in Financial Inclusion: Trends and Opportunities," the forum provided a platform for IFSI market players to showcase their latest innovations and advancements in digital innovation. It also highlighted the transformation of non-interest finance in alignment with evolving global trends. The event created an opportunity for regulators to engage in discussions, sharing insights and experiences regarding potential risks and opportunities stemming from these developments. Furthermore, the forum aimed to facilitate effective supervisory and regulatory approaches to ensure the stability of the Islamic Financial Services Industry (IFSI) while actively supporting the progression towards innovation-driven non-interest finance solutions.

The primary objective was to align and synchronise ongoing regional, regulatory, and policy initiatives to tackle sustainability and climate-related risks. Additionally, the forum sought to explore opportunities in the Non-interest (Islamic) capital markets, identify key challenges hindering industry growth, and promote development.



Representatives from IFSB and Nigeria for the MIES

IFSB's Members and Industry Engagement Session: Charting Progress and Collaboration in the African Financial Landscape

The IFSB's Members and Industry Engagement Session served as a pivotal platform for robust communication among IFSB member organisations, and key stakeholders in the Islamic financial services industry.

During the most recent MIES session, the IFSB presented crucial updates on structural and prudential developments, conducted assessments of vulnerability, resilience, and future outlook, and delineated strategic plans and collaborations in the African region. This insightful session was followed by an engaging panel discussion, fostering meaningful interaction and the exchange of perspectives among industry stakeholders, regulators, and market players. Moderated by the then Secretary-General of the IFSB, Dr. Bello Lawal Danbatta, the panel featured distinguished representatives from regulatory and supervisory authorities, as well as key market players in Nigeria. The event concluded with a comprehensive question and answer session, skillfully led by Dr. Bello Lawal Danbatta and the then Assistant Secretary-Generals, Mr. Suhail Issa Al Zadjali and Acting Assistant Secretary-Generals Dr. Abideen Adeyemi Adewale.



The panellist during the 21st Islamic Financial Stability Forum

Charting the Course: Insights from the 21st Islamic Financial Stability Forum on the Future of Islamic Finance in a Dynamic Global Landscape

The central theme addressed in this forum was "21st Century Islamic Financial Stability." It provided a platform to examine diverse perspectives on the future outlook, vulnerabilities, robustness, and adaptability of Islamic Financial Service Institutions (IFSIs) in light of anticipated global economic changes. The forum featured two main sessions: "IFSIs: Prospects & Vulnerabilities Amid Tighter Global Financial Conditions" and "Key IFSI Segments: An Assessment of their Soundness, Resilience, and Intersectoral Linkages."

The 21st Islamic Financial Stability Forum delved into critical issues impacting the stability of Islamic finance on both local and global levels. Discussions spanned a range of topics, including future global economic prospects, advancements in Fintech, and the formulation of effective monetary policies. Emphasis was placed on the necessity of achieving harmonisation and standardisation in Sharia-compliant products and services, considering both decentralized and centralized approaches. The forum also explored the significance of regulatory collaborations and the establishment of robust risk management frameworks, encompassing environmental risks.



The panellist during the 20th IFSB Anniversary Symposium

IFSB's 20-Year Journey: Pioneering Vision, Milestone Reflections, and Future Horizons in Islamic Finance

The symposium marked the 20th Anniversary of the IFSB, themed "IFSB: Past, Present, and Future," and served as a reflection of the organisation's inception, achievements over the last two decades, and future prospects.

Structured into three sessions, Session I: Founding Vision delved into the perspectives of IFSB's founding members, unravelling the initial vision that laid the groundwork for the organisation. Session II: Achievements and Lessons centred on participants' exploration of key milestones and insights gained from the IFSB's 20-year operational journey. This discussion aligned with the organization's founding vision, assessing its role in the Islamic Financial Services Industry (IFSI). In Session III: Future Outlook, the symposium concluded with deliberations on the prospective strategic roles and potential transformations of the IFSB. Participants examined how the organization could adjust to the changing dynamics and integration within the IFSI, to secure the ongoing significance and efficiency of the IFSB.



The panellist during the 3rd CEO's Forum

Charting the Course: Insights from the 3rd CEO's Forum on Navigating the Future in Islamic Finance

The 3rd IFSB CEO's Forum, themed "Navigating the Future: Emerging Issues in a Changing Environment," concluded with a closing address delivered by Dr. Bello Lawal Danbatta, the Secretary-General of the IFSB. Dr. Danbatta's insights provided a fitting conclusion to the event.

Throughout the forum, industry leaders engaged in robust discussions on the future landscape of Islamic Finance, gaining valuable perspectives from active executives. The event served as a crucial platform for fostering dialogue and facilitating the exchange of ideas among key players in the Islamic Financial Services industry. The two main panels, addressing "Navigating Emerging Issues: Climate Risks, Digitalization, and Innovation" and "Navigating a Challenging Macroeconomic Environment: Strengthening Risk, Governance, and Resilience of Islamic Financial Institutions," further enriched the discourse on trends, developments, growth potentials, challenges, and opportunities in this evolving landscape.

FACILITATING THE IMPLEMENTATION OF IFSB STANDARDS (FIS) WORKSHOP



Participants during the Capacity Building Workshop for Market Players for the Saudi Central Bank and Banking Sector

Capacity Building Workshop for Market Players for the Saudi Central Bank and Banking Sector

In August 2023, the Islamic Financial Services Board (IFSB) and the Saudi Central Bank (SAMA) jointly conducted the Capacity Building Workshop for Market Players (CBM Workshop) alongside the IFSB Annual Meetings in Saudi Arabia. Tailored for SAMA representatives and the local banking sector, the workshop delved into the specifics of Islamic Windows operations, emphasising risk management, liquidity, capital, and disclosure requirements as outlined in the IFSB Standards. A dedicated session on the Shariah Governance System Framework provided participants with a rich understanding of the subject matter.



Participants during (FIS Workshop) for the Capital Market Authority of Saudi

Facilitating the Implementation of the IFSB Standards Workshop (FIS Workshop) for the Capital Market Authority of Saudi

On August 14, 2023, the Secretariat reaffirmed its commitment to member capacity enhancement by hosting a Facilitating the Implementation of the IFSB Standards Workshop (FIS Workshop) for the Capital Market Authority of Saudi in Riyadh, Saudi Arabia. Aligned with the Secretariat's mission, the workshop aimed to provide robust implementation support, fostering a comprehensive understanding of Islamic Capital Markets requirements within the framework of IFSB Standards.



Participants during (FIS Workshop) for the Capital Market Authority of Saudi

Online FIS Workshop for all IFSB Members on GN-8 – Guidance Note on Deepening the Islamic Capital Markets

On October 19, 2023, the Standard Implementation team hosted a successful online FIS Workshop, open to all IFSB Members. During the session, the Secretariat presented recently issued Guidance Note GN-8, shedding light on strategies for deepening the Islamic Capital Markets. The workshop provided a valuable platform for members to enhance their understanding of GN-8 and engage in insightful discussions surrounding its implementation.



Regulatory and Supervisory Authorities Workshop (RSAs Workshop) on the Islamic banking sector

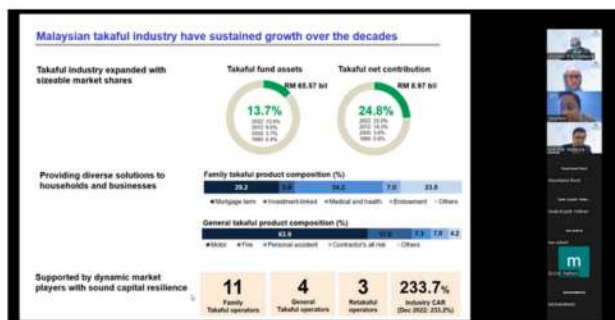
Conducted from October 23 to 25, 2023, in Kuala Lumpur, Malaysia, the RSAs Workshop on Islamic Banking marked a significant milestone as the first physical RSAs workshop in Malaysia since the outbreak of the COVID-19 pandemic in 2019. The event garnered enthusiastic feedback from attendees representing 16 different jurisdictions, reflecting its impactful and well-received nature.



Participants Professional Workshop on Effective Regulation and Supervision of Takaful Institutions along the 2nd AlBaraka Summit in London, UK

Professional Workshop on Effective Regulation and Supervision of Takaful Institutions along the 2nd AlBaraka Summit in London, UK

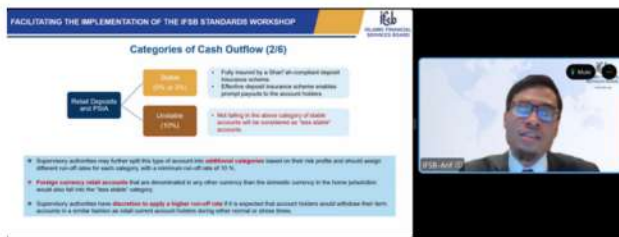
On October 29, 2023, in London, United Kingdom, the IFSB Secretariat hosted an exclusive Professional Workshop during the 2nd AlBaraka Summit. Focused on key aspects of Takaful, including principles, modern structures, global trends, and regulatory issues, the workshop provided valuable insights into the effective regulation and supervision of Takaful Institutions.



Participants during the Sharing of Experience Session

Sharing of Experience Session

On October 31, 2023, the second Sharing of Experience session took place as a virtual event, providing a dynamic platform to showcase varied jurisdictional practices in the Takaful sector. Highlighting insights from Malaysia, the United Arab Emirates, Indonesia, and Pakistan, the session played a pivotal role in deepening discourse and enriching participants' understanding of the Takaful regulatory landscape.



IFSB Secretariats during the workshop

FIS Workshop for Bank Al-Maghrib

In November, the Secretariat concluded an FIS Workshops for the Bank Al-Maghrib (Central Bank of Morocco). The workshops centered on liquidity and capital adequacy requirements for Islamic banks, along with key components of the supervisory review process for Takaful Undertakings.



Participants of the RSAs Workshop on Takaful and Islamic Capital Markets sector

RSAs Workshop on Takaful and Islamic Capital Markets Sector

From November 14 to 16, 2023, Kuala Lumpur, Malaysia hosted two concurrent RSA workshops tailored for the Takaful and Islamic Capital Markets sectors. The workshops provided a focused platform for participants to delve into sector-specific challenges, fostering in-depth discussions and practical insights aimed at enhancing the resilience and soundness of the Islamic finance industry.

MEETING AND TECHNICAL UPDATES



IFSB Committee Members during the meeting.

10th Executive Committee Meeting of the IFSB

The 10th Executive Committee Meeting of the Islamic Financial Services Board (IFSB) marked a pivotal moment in the organization's journey towards achieving its strategic goals. Held with a focus on reviewing the progress made since the last meeting, the gathering served as a platform for insightful discussions on the updates and advancements in the IFSB's strategic initiatives. Participants delved into the achievements and challenges encountered during the implementation of the strategic performance plan, assessing key milestones and areas for improvement. Emphasis was placed on the collaborative efforts of member countries and institutions in fostering the growth of Islamic finance globally. The meeting not only celebrated accomplishments but also set the stage for outlining the future trajectory of the IFSB, offering guidance on the next steps in the strategic performance plan.



IFSB Technical Committee Members during the meeting.

IFSB 61st Meeting of the Technical Committee

At the 61st Technical Committee meeting, significant strides were made in evaluating the status of the current standard. Rigorous discussions took place to assess its technical intricacies, implementation challenges, and feedback from stakeholders. The committee members dedicated themselves to refining the standard, addressing any outstanding issues, and incorporating valuable enhancements identified during the testing phase. A pivotal outcome of the meeting was the presentation of a comprehensive report on the standard's progress, paving the way for its impending recommendation for approval during the upcoming council session.



Participants of the RSAs Workshop on Takāful and Islamic Capital Markets sector

20th Task Force Meeting on Prudential and Structural Islamic Financial Indicators (PSIFIs)

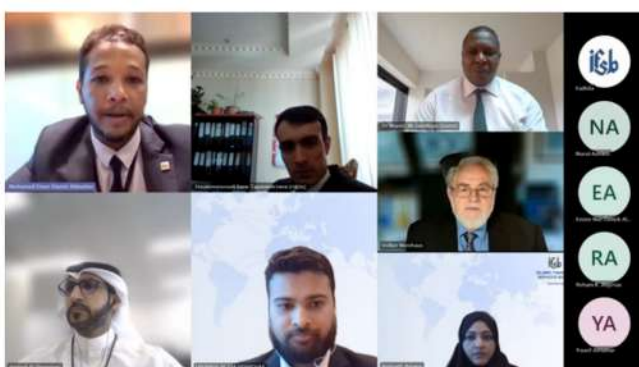
The 20th Task Force (TF) meeting of PSIFIs was held physically in Kuala Lumpur on 25 October 2023 along with the provision for online participation. This has been the first TF meeting held physically since 2019. The meeting highlighted the collection of Islamic Banking PSIFIs data at the earliest possible time to facilitate the preparation of the IFSI stability report. It also discussed elaborately the revision of the compilation guide 2019 streamlining to the Takāful sector. The TF members from three jurisdictions shared experiences concerning the data collection from their respective sectors. Based on the discussion, the IFSB Secretariat took note of the meeting resolutions.



IFSB Secretariats and the Task Force during the meeting

3rd Task Force Meeting on Recovery and Resolution of Takāful Undertakings

The 3rd Task Force (TF) Meeting of the Technical Note on Recovery and Resolution for Takāful Undertakings (TNRRT), was held online on 7 September 2023 (Online). The main objectives of the meeting were to discuss the Survey Report and provide input for the Project Managers (PMs) and Consultant on the scope of the Preliminary Exposure Draft (PED). The survey report, which included responses from 8 Regulatory and Supervisory Authorities (RSAs) across 8 jurisdictions and feedback from 27 Market Players in 7 jurisdictions, were discussed to understand the industry and regulatory practices on recovery and resolution. The TF also discussed the outline presented for the Preliminary Exposure Draft (PED), drawing on discussions from the first two meetings and insights gained from the survey. Based on the inputs provided, the PM and consultants will begin drafting the Preliminary Exposure Draft (PED).



IFSB Secretariats and the Task Force during the meeting

4th Task Force Meeting on Recovery and Resolution of Takāful Undertakings

The 3rd Task Force (TF) Meeting of the Technical Note on Recovery and Resolution for Takāful Undertakings (TNRRT), was held online on 7 September 2023 (Online). The main objectives of the meeting were to discuss the Survey Report and provide input for the Project Managers (PMs) and Consultant on the scope of the Preliminary Exposure Draft (PED). The survey report, which included responses from 8 Regulatory and Supervisory Authorities (RSAs) across 8 jurisdictions and feedback from 27 Market Players in 7 jurisdictions, were discussed to understand the industry and regulatory practices on recovery and resolution. The TF also discussed the outline presented for the Preliminary Exposure Draft (PED), drawing on discussions from the first two meetings and insights gained from the survey. Based on the inputs provided, the PM and consultants will begin drafting the Preliminary Exposure Draft (PED).



IFSB Secretariats and the Task Force during the meeting

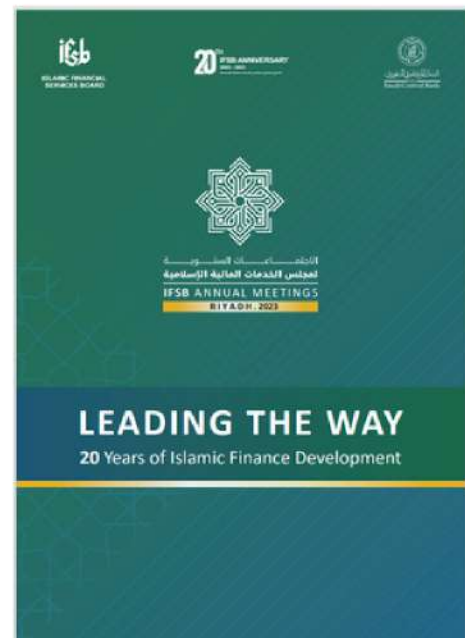
5th Task Force Meeting on Recovery and Resolution of Takāful Undertakings

The 5th Task Force Meeting was held on 30 November 2023 (Online). The main objectives of the meeting were to discuss the Revised Preliminary Exposure Draft (RPED), provide inputs to finalise the RPED, and recommend the Technical Committee (TC) to approve the RPED for the 1st Sharī'ah review. During the meeting, the Task Force (TF) deliberated on whether the revisions made to the RPED adequately addressed the TF's feedback, and if the RPED was aligned with the objectives of the Technical Note (TN). They also discussed other enhancements to the PED. Additionally, the TF resolved to submit the RPED (after any amendments required by the TF), for the 1st Sharī'ah review as per the due process.

THE IFSB PUBLICATIONS

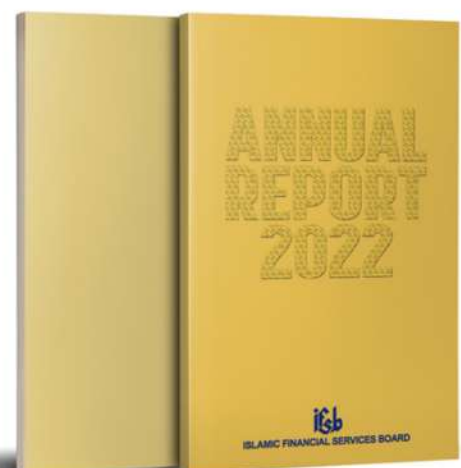
IFSB-SAMA JOINT PUBLICATION - LEADING THE WAY

The report offers a comprehensive overview of the IFSB and its historical journey. It covers the establishment of the IFSB, including its governance structure, leadership figures, and Secretariat operations, along with insights into the Strategic Performance Plan and membership structure. The report then explores the IFSB's role in the global financial system over the past two decades, examining the macroeconomic environment and the evolving landscape of the Islamic Financial Services Industry (IFSI). Notable achievements during this period include standards development, research activities, implementation initiatives, international collaboration, and the PSIFIs project. A significant focus is placed on Saudi Arabia's leading role in the global IFSI landscape, including its economic overview, financial sector analysis, and the development of Islamic finance. The report concludes by offering insights and projections for the future of the IFSB and the broader IFSI, providing a thorough examination of its history and impact.



IFSB ANNUAL REPORT 2022

The inaugural annual report of the IFSB offers a comprehensive overview of its establishment, mandate, and objectives in global Islamic finance. Emphasising the importance of IFSB standards for stability in the Islamic financial services industry (IFSI), the report highlights standard setting, research, capacity building, and awareness-raising initiatives. It covers governance meetings, and mechanisms for market developments, and showcases achievements, underscoring a commitment to core values. The governance section outlines the decision-making structure, concluding with plans for continuous improvement in the Islamic finance sector. Overall, the report reflects on the past year, and emphasised the IFSB's dedication to global stability and standards implementation in the IFSI.



4TH INNOVATION FORUM PROCEEDINGS

The 4th Innovation forum proceedings featured several key sessions highlighting the intersection of financial technology (Fintech) with environmental, social, and governance (ESG) principles in the IFSI. The Fintech session delved into the future of Fintech and its role within the broader ESG ecosystem. The ESG session explored innovations in sustainable and green digital technologies specifically tailored for the Islamic financial sector. Regulators discussed the crucial role of regulations in fostering innovation and integrating climate financing, ESG, and Sustainable Development Goals (SDGs) into the development of the IFSI. The Bank for International Settlements (BIS) Innovation Hub presented Project Rio, a central bank-specific, real-time market monitoring platform prototype, emphasising technological advancements in financial oversight. The conference concluded with a closing speech by Dr. Recep Şentürk, Dean of the College of Islamic Studies at Hamad bin Khalifa University. The forum aimed to address the evolving landscape of Islamic finance in the context of technological innovation, sustainability, and regulatory considerations.



SCAN THE QR
FOR ALL IFSB
PUBLICATIONS

UPCOMING EVENTS

JANUARY

MO	TU	WE	TH	FR	SA	SU
		10	7th Task Force Technical Note Macroprudential Tools for Islamic Banking			
22	23	24	Arabic Editing Committee Technical Note Macroprudential Tools for Islamic Banking			
29	2nd Task Force Guidance Note Climate Related Financial Risks					

MARCH

MO	TU	WE	TH	FR	SA	SU
11	62nd Technical Committee Meeting					

FEBRUARY

MO	TU	WE	TH	FR	SA	SU
		7	8	16th IFSB Summit		
	13	14	15	16	Shariah Board Meeting	
			22	2nd Quality Improvement Meeting		

APRIL

MO	TU	WE	TH	FR	SA	SU
1	2	3	Arabic Editing Committee			
2024 Spring Meeting IMF/ World Bank Group				19	20	21
	23	1st PSIFIs Meeting				
		24	25	1st Working Group Meeting for New Standard		



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IFBS-1: Guiding Principles of Risk Management for IIFS

Course

This module is covering IFSB's first ever published standard - Risk management for Islamic financial institution (IIFS). It will help...

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STANDARDS, GUIDING PRINCIPLES, TECHNICAL NOTES AND WORKING PAPER SERIES

STANDARDS	
IFSB-28	: Revised Solvency Requirements for Takāful / Retakāful Undertakings
IFSB-27	: Core Principles for Islamic Finance Regulation [Takāful Segment]
IFSB-26	: Core Principles for Islamic Finance Regulation (Financial Market Infrastructures)
IFSB-25	: Disclosures to Promote Transparency and Market Discipline for Takāful/Retakāful Undertakings
IFSB-24	: Guiding Principles on Investor Protection in Islamic Capital Markets
IFSB-23	: Revised Capital Adequacy Standard For Institutions Offering Islamic Financial Services [Banking Segment]
IFSB-22	: Revised Standard on Disclosures to Promote Transparency and Market Discipline for Institutions Offering Islamic Financial Services [Banking Segment]
IFSB-21	: Core Principles for Islamic Finance Regulation [Islamic Capital Market Segment]
IFSB-20	: Key Elements in the Supervisory Review Process of Takāful/Retakāful Undertakings
IFSB-19	: Guiding Principles on Disclosure Requirements for Islamic Capital Market Products (Sukūk and Islamic Collective Investment Schemes)
IFSB-18	: Guiding Principles for Retakāful (Islamic Reinsurance)
IFSB-17	: Core Principles for Islamic Finance Regulation (Banking Segment)
IFSB-16	: Revised Guidance on Key Elements In The Supervisory Review Process of Institutions Offering Islamic Financial Services (Excluding Islamic Insurance (Takāful) Institutions and Islamic Collective Investment Schemes)
IFSB-15	: Revised Capital Adequacy Standard for Institutions Offering Islamic Financial Services Excluding Islamic Insurance (Takāful) Institutions and Islamic Collective Investment Schemes]
IFSB-14	: Standard On Risk Management for Takāful (Islamic Insurance) Undertakings
IFSB-13	: Guiding Principles on Stress Testing for Institutions offering Islamic Financial Services
IFSB-12	: Guiding Principles on Liquidity Risk Management for Institutions offering Islamic Financial Services
IFSB-11	: Standard on Solvency Requirements for Takāful (Islamic Insurance) Undertakings
IFSB-10	: Guiding Principles on Shari'ah Governance Systems for Institutions offering Islamic Financial Services
IFSB-9	: Guiding Principles on Conduct of Business for Institutions offering Islamic Financial Services
IFSB-8	: Guiding Principles on Governance for Takāful (Islamic Insurance) Undertakings
IFSB-7	: Capital Adequacy Requirements for Sukūk, Securitisations and Real Estate Investment
IFSB-6	: Guiding Principles on Governance for Islamic Collective Investment Schemes
IFSB-5	: Guidance on Key Elements in the Supervisory Review Process of Institutions offering Islamic Financial Services (excluding Islamic Insurance (Takāful) Institutions and Islamic Mutual Funds)
IFSB-4	: Disclosures to Promote Transparency and Market Discipline for Institutions offering Islamic Financial Services (excluding Islamic Insurance (Takāful) Institutions and Islamic Mutual Funds)
IFSB-3	: Guiding Principles on Corporate Governance for Institutions offering only Islamic Financial Services (Excluding Islamic Insurance (Takāful) Institutions and Islamic Mutual Funds)
IFSB-2	: Capital Adequacy Standard for Institutions (other than Insurance Institutions) offering only Islamic Financial Services (IIFS)
IFSB-1	: Guiding Principles of Risk Management for Institutions (other than Insurance Institutions) offering only Islamic Financial Services (IIFS)
IADI-IFSB	: Core Principles For Effective Islamic Deposit Insurance Systems
TECHNICAL NOTES	
TN-5	: Technical Note on Shari'ah-compliant Liquidity Management Tools
TN-4	: Technical Note on Recovery and Resolution for Institutions Offering Islamic Financial Services
TN-3	: Technical Note on Financial Inclusion and Islamic Finance
TN-2	: Technical Note on Stress Testing for Institutions Offering Islamic Financial Services (IIFS)
TN-1	: Technical Note on Issues in Strengthening Liquidity Management of Institutions Offering Islamic Financial Services: The Development of Islamic Money Markets
GUIDANCE NOTES	
GN-8	: Guidance Note on Deepening the Islamic Capital Markets
GN-7	: Guidance Note on Shari'ah-compliant Lender-Of-Last-Resort Facilities
GN-6	: Guidance Note on Quantitative Measures for Liquidity Risk Management in Institutions Offering Islamic Financial Services [Excluding Islamic Insurance (Takāful) Institutions and Islamic Collective Investment Schemes]
GN-5	: Guidance Note on the Recognition of Ratings by external Credit Assessment Institutions (ECAIS) on Takāful and ReTakāful Undertakings
GN-4	: Guidance Note in Connection with the IFSB Capital Adequacy Standard: The Determination of Alpha in the Capital Adequacy Ratio for Institutions (other than Insurance Institutions) offering only Islamic Financial Services
GN-3	: Guidance Note on the Practice of Smoothing the Profits Payout to Investment Account Holders
GN-2	: Guidance Note in Connection with the Risk Management and Capital Adequacy Standards: Commodity Murābahah Transactions
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