



General Council for Islamic  
Banks And Financial Institutions



# International Islamic Finance Training Center CIBAFI Professional diploma



**Professional diploma in Risk Management in IFIs**



## **Professional diploma in Risk Management in IFIs:**

The professional Diploma in Risk Management in Islamic Financial Institutions targets all those interested in the RM field. It targets as well all those working in the Islamic Finance Industry and wishing to get certified in this field. It targets also the trainees in the professional certificates issued by the International Islamic Finance Training Center.

The professional Diploma in Risk Management targets as well the trainees already certified by the Center.

All those having successfully attended any of the training programs delivered by the Center are entitled to take part in this diploma.

## Program Structure:

### Certified Islamic Banker:

It is the basic certificate issued by the Center and consists of six chapters:

- Introduction to Islamic Financial Contracts
- Islamic Banking System
- Islamic Finance Operations
- Islamic Investment Operations
- Islamic Banking Services
- Sharia Boards

### The Basics of Islamic Banking Accounting

- Accounting Basics
- Accounting Applications

### The Advanced Specialist in Risk Management Accounting Basics

Introduction to risks in financial institutions

- Concept and nature of risks faced by financial institutions
- Concept of ambiguity and its relationship to risk-taking
- Importance of risk management, its mechanisms and the impact of the failure to address risk.
- Relationship between risk and crises.
- Nature of the risks faced by Islamic financial institutions
- Identification of the difference between risk measurement and risk management
- International bodies related to risk management worldwide
- Role of the Islamic financial services Board IFSB in the field of risk management in Islamic financial institutions.

Types of risks in financial institutions

- Analysis of the various elements of budgets of Islamic Banks and the degree of risk
- Statement of the quality of risk that can be discarded, the risks that can be converted, and the risks inherent in the nature of the work of the financial institution to be addressed
- Forms of Islamic finance and the various relevant types of risk.
- Relationship between funding formulas and credit, market and operational risk.
- Relationship between risk formulas and regulatory capital of Islamic banks
- Sources of funds in financial institutions and capital adequacy standard





#### Risk management in accordance with international and Islamic standards

- Risk management from the perspective of the Basel Committee
- Risk management from the perspective of the IFSB Islamic Financial Services Board.
- A comparative study of the most important elements of agreement between both standards
- Elements of risk management in Islamic financial institutions
- Risk of Sharia compliance in Islamic financial institutions

#### Market risk management in Islamic financial institutions

- Definition and types of market risks
- Factors affecting market risks and their relationship to market values fluctuations
- Risks of commodity prices, currencies, stocks and securities
- Models for risk analysis (risk pooling, The Monte Carlo model... etc.)
- Parallel Contracts in Islamic modes of finance
- Duration Analysis models (gap) and the value at risk
- Legitimate means to reduce market risk
- Appropriate policies and procedures for the market risk management

#### Credit risk management in Islamic financial institutions

- Definition and types of credit risk in the various stages of the implementation phase of Islamic financing and investment
- Sources of credit risk in operations and the outcomes of the external environment factors
- Components of credit risk and methods of its measurement and reporting
- Appropriate policies and procedures to manage credit risk
- Legal mechanisms and processes to reduce credit risk

#### Operational risk management in Islamic financial institutions

- Definition of the risk of the rate on return and its nature
- Ways to manage the risk of the rate on return and legitimate ways to deal with the rate of profit reserves and reserves of investment risk
- Determining the risk of loss resulting from the inadequacy or failure of internal procedures and systems in financial institutions
- Identifying the risks of non-compliance with Sharia ,their requirements and their impact on Islamic financial institutions
- Importance of the development and implementation of prudential regulatory environment for operational risk management
- Credit risks and the protection of the interests of all providers of funds

#### o Liquidity risk management in Islamic financial institutions

- Definition of liquidity risk
- Essential elements of effective management of liquidity
- Funding structure , the concentration of resources available to Islamic financial institutions and their relation to liquidity risk
- Nature of the providers of funds in Islamic financial institutions and the harmonization of assets and liabilities
- Quantitative and qualitative factors in liquidity management policies
- Cash flows and liquidity management
- Ways to reduce liquidity risk, and the contingency plan to cope with crises

