

CONTENTS:

Message from Secretary General	1
CIBAFI Global Forum: "Rethinking Values for Sustainable Growth"	1
CIBAFI 27 th BOD Meeting	2

Strategic Objective 1: Policy, Regulatory Advocacy

CIBAFI comments on the IFSB Exposure Draft	2
Inaugural Meeting of the Members Consultative Group (MCG)	2

Strategic Objective 2: Research and Publication

CIBAFI launched Inaugural Global Islamic Bankers' Survey	2
CIBAFI Briefing	3
Sudan Country Report	3
Kazakhstan Country Report	3

Strategic Objective 3: Awareness and Information Sharing

3 rd Mediterranean Islamic Finance Forum	4
CIBAFI – INCEIF Roundtable Meeting: Innovative Strategies in Islamic SME and Value Chain Finance	4
CIBAFI's International Seminar on Risk Management and Compliance for IFIs in Oman	4
CIBAFI continues its series of Meetings on MSME Finance in partnership with the IDB	4

Strategic Objective 4: Professional Development

CIBAFI - SCA Technical Workshop on Products Development for IFIs in Dubai	5
Series of Technical Workshops on Products Development ---	5
CIBAFI – IIF Executive Programme on Islamic Finance: Global Developments and Strategic Insights	5

Message from Secretary General

Welcome to the fourth edition of the InFocus, our newsletter that keeps you informed about our activities and initiatives.

I am delighted to share with you that, in realizing its first Strategic Objective of Policy and Regulatory Advocacy, CIBAFI provided comments and recommendations on the IFSB's latest Exposure Draft – 18 on Guiding Principles for Retakaful. We are pleased to share that the 1st Meeting of the Members Consultative Group (MCG) successfully took place at CIBAFI Headquarters in Manama, Bahrain.

In the area of Research and Publications, CIBAFI published its inaugural flagship publication, titled CIBAFI Global Islamic Bankers' Survey, available in both English & Arabic languages. Finally, I would like to introduce to you "CIBAFI Briefing" a need-based periodic publication, that is due to be launched this month.

In the area of Awareness and Information Sharing, CIBAFI successfully held the 3rd Mediterranean Islamic Finance Forum in Barcelona, Spain. CIBAFI also kicked off a series of MSME Roundtable Meetings in Malaysia, and will continue in Saudi Arabia in March 2016. Most recently, CIBAFI held an International Seminar on Risk Management and Compliance in IFIs in Oman.

In the area of Professional Development, CIBAFI organized its Technical Workshop on Products Development for IFIs in Dubai and we are set to launch our second Executive Programme with the Institute of International Finance (IIF).

On the occasion of our 15th anniversary in 2016, we are organizing an inaugural "CIBAFI Global Forum" themed "Rethinking Values for Sustainable Growth" on 3 – 4 May 2016 in Manama, Bahrain.

Lastly, on behalf of CIBAFI, I take this opportunity to express my sincere thanks to our members, the Board of Directors and other stakeholders for their continuous support, and encouragement in achieving our four Strategic Objectives. I look forward to another rewarding year ahead.

Yours Sincerely,
Abdelilah Belatik

CIBAFI Global Forum: "Rethinking Values for Sustainable Growth" 3 - 4 May 2016



CIBAFI is celebrating its 15th anniversary in 2016 to mark the commencement of its operations in May 2001 and to commemorate the milestones and achievements of the international infrastructure institution for the past one and a half decade. On the occasion of the anniversary, we are organizing an inaugural "CIBAFI Global Forum", which is themed "Rethinking Values for Sustainable Growth", and is scheduled to take place on 3 – 4 May 2016, in Manama, Bahrain.

The Forum, which will be held **under the patronage of the Central Bank of Bahrain**, will discuss some of the most important issues confronting the Islamic financial services industry (IFSI) in sustaining the 'growth in transition' and the stability of the Islamic financial industry. CIBAFI maintains that the need to keep the front-line units at the IFIs abreast with the tools and know-how is paramount in protecting the interests of the institutions, and the industry at large.

This two-day programme, will provide a strategic perspective on issues of high relevance, and will attempt to uncover some of the imminent areas of growth and investments. The forum will explore the inherent business opportunities both in long and short terms. An impressive range of expert industry practitioners will share their insights and thought leadership on approaches and emerging strategies.

CIBAFI 27th BOD Meeting

CIBAFI concluded its 27th Board of Directors meeting, on 16th of December 2015 in Cairo, Egypt. The meeting was kindly hosted by Faisal Islamic Bank of Egypt, our member bank. The Board approved CIBAFI's Work Plan and Budget for the year 2016, as well as accepted new members into the membership. During the meeting, the BOD members praised the work of the Secretariat, acknowledging the achievements and the launch of new initiatives in 2015.

Strategic Objective 1: Policy, Regulatory Advocacy

CIBAFI comments on the IFSB Exposure Draft



ISLAMIC FINANCIAL SERVICES BOARD

CIBAFI, in realizing its first Strategic Objective of Policy and Regulatory Advocacy, as the voice of the Islamic finance industry globally, provided comments and recommendations on the IFSB's latest Exposure Draft – 18 on Guiding Principles for Retakaful (Islamic Reinsurance). CIBAFI complimented the Islamic Financial Services Board (IFSB) on the work it does to promote and enhance the Islamic financial services industry (IFSI) including developing the standards that accommodate the needs of the global IFSI.

The comments, contained in the letter to the IFSB, represented the views of CIBAFI Secretariat and feedback received from its members. The comments provided were broadly categorized into four main sections: i. The need to address special issues relating to Retakaful more clearly; ii. Tackling the challenge of industry segmentation related to the international nature of the Retakaful

business; iii. Risk sharing for capital-intensive of the Retakaful business; and iv. Improving the governance framework for Retakaful.

CIBAFI also participated in the IFSB Roundtable discussion that was held to engage in dialogue and gather industry feedback on the said Exposure Draft in Bahrain on 10th January 2016.

Inaugural Meeting of the Members Consultative Group (MCG)

CIBAFI held its 1st Meeting of the Members Consultative Group (MCG) at the CIBAFI Headquarters in Manama, Kingdom of Bahrain in December 2015. The objective of the MCG is to provide inputs on technical and policy issues relevant to the global Islamic finance industry. The establishment of the MCG was based on the approval from the CIBAFI's BOD in its 26th meeting in Jeddah, Kingdom of Saudi Arabia, as well as part of the approved CIBAFI Strategic Plan for the period 2015 – 2018. The MCG includes experts from CIBAFI members, where the composition reflects a diverse set of competencies which are representatives of various fields within the Islamic finance industry.

Strategic Objective 2: Research and Publications

CIBAFI launched Inaugural Global Islamic Bankers' Survey



CIBAFI launched its inaugural flagship publication the Global Islamic Bankers' Survey (GIBS) at the 3rd Mediterranean Islamic Finance Forum in Spain. The inaugural survey report expressed the views of the Heads of 83 Islamic banks from 35 different countries. GIBS is considered as the first of its kind report that captures practitioners' perspectives in detail, with significant number of responses from Islamic banks, both in matured and frontier Islamic

finance markets. The survey is grouped into four main parts: The first is the Islamic Banking Confidence Index, posing questions to members and non-members (Islamic banks) about their optimism level, as well as main concerns with respect to various issues and challenges facing the industry. The second section is the Islamic Banking Risk Dashboard, where the survey was to rank the biggest risks that practitioners think the Islamic banks are facing. The third section focused on Key Drivers

of Growth Monitor, which aimed to unravel the underlying key drivers of sustainable growth of Islamic banks across various countries, including seeking for untapped business lines as potential sources of organic growth. The final section presented Practitioners' Perspectives Towards Key Obstacles in Equity Finance, Profit Sharing Investment Account, and SME Finance, concluding some of the main capacities that Islamic banks need to build, as well as responsibilities of various stakeholders to develop external infrastructures for inclusion and risk sharing. GIBS is available in both English & Arabic languages.

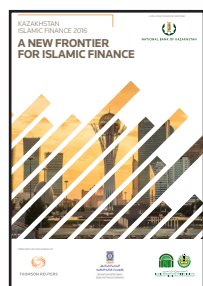
The Secretariat is very proud of this inaugural GIBS, and we offer our thanks to all those institutions that have contributed to it and made it possible. But this is only a beginning. In the GIBS coming issues, we will compare the health of the industry as it will be then to its health as it is today, and from there, we will start to make judgments about whether we are heading in the right direction. Over time, we hope to expand the scope of our Survey to include the views of Takaful companies and of those involved in Shariah-compliant capital markets.

CIBAFI Briefing

This quarter CIBAFI is pleased to introduce its need-based periodic publication, which will present emerging issues and updates in the Islamic finance industry, titled “CIBAFI Briefing”.

The first issue of CIBAFI Briefing is on Corporate Governance, which provides recent updates on OECD and Basel Principles of Corporate Governance, and analyses areas of relevance to Islamic finance industry with reference to IFSB’s Corporate Governance Standards for IFIs. The Briefing identifies key points from those updates that are relevant to the work of banks’ directors, senior management, and other stakeholders. The Briefing discusses some of the most important aspects of Corporate Governance, such as increased regulatory focus and remuneration of senior managers, and Governance Standards for Islamic banks. The document concludes with key messages for the Islamic financial industry in carrying out its corporate governance practices.

Kazakhstan Country Report



In December 2015, CIBAFI, in collaboration with the Islamic Research and Training Institute (IRTI) and Thomson Reuters, launched Country Report on Kazakhstan. The report titled: “A Future Perspective of Islamic Finance” was produced in partnership with the National Bank of Kazakhstan and was launched during a dedicated Roundtable on Islamic finance emerging markets, on the sidelines

of the World Islamic Banking Conference (WIBC) in Manama, Bahrain. The report highlights that with amendments to country’s Islamic banking law due for approval in 2016, paving the way for

conversion of conventional banks into Islamic, the Islamic finance assets could reach up to 5% of the total banking assets by 2020, up from the current level of 0.08%. The retail consumer demand survey carried out exclusively for this report reveals that better consumer awareness about Islamic banking is necessary for increasing its market share, with 71% of the respondents surveyed indicating they have never heard of Islamic banking. The survey also suggests that there are opportunities in Islamic insurance (Takaful) market, which has a very low penetration rate (insurance assets to GDP ratio being 1.58% as at July 2015); with 16% of the respondents stating they would opt for a Takaful product if available.

Sudan Country Report



On 9th February, CIBAFI together with IRTI and launched Country Report on Sudan at the International Forum on Islamic Finance (IFIF) in Khartoum, Sudan in association with Bank of Khartoum. The report finds that Sudan is still emerging with a stable and flourishing economic outlook, especially in terms of gradually lifting more sanction areas, which if handled well, can lead to the flowing in of foreign investments.

The report suggests plans aimed towards mobilising public-private partnerships, in line with government development plans to dedicate greater attention to infrastructure development, agriculture and livestock investments, and expanded microfinancing abilities.

This will be followed by the issuance of the Country Report on Indonesia later this year in Jakarta, Indonesia.

Strategic Objective 3: Awareness and Information Sharing

3rd Mediterranean Islamic Finance Forum



CIBAFI and the Association of the Mediterranean Chambers of Commerce and Industry (ASCAME) and the Chamber of Commerce of Barcelona organized the 3rd Mediterranean Islamic Finance Forum, themed “Building Bridges” at Casa Llotja de Mar in Barcelona, Spain on 27th November 2015. The event included an inaugural session with officials from the Central Bank of Spain, CIBAFI, ASCAME, Chamber of Commerce and prominent bankers of Spain.

The Forum was held in response to the huge demand for Islamic Finance in the Mediterranean region. Building on from CIBAFI’s Maghreb (Mediterranean) Forum in Tunisia in 2011 and Mauritania in 2012, CIBAFI & ASCAME organized the Forum jointly within the framework of the 9th edition of the Mediterranean Week of Economic Leaders.

The event provided insights on building bridges for capital flows between Europe, the Middle East and beyond, with Islamic finance as a key catalyst for further economic growth and investments. The Forum offered business leaders, policy makers and regulators to discuss challenges and opportunities for the Mediterranean region to tap into Islamic finance as a key source for Infrastructure projects and Small and Medium Enterprises (SME) financing.

The Forum also shed light on the Sukuk, to play an important role in boosting the global volume of infrastructure financing.

CIBAFI – INCEIF Roundtable Meeting: Innovative Strategies in Islamic SME and Value Chain Finance

A series of MSME Roundtable Meetings was launched on 9 – 10 December in Kuala Lumpur, Malaysia by CIBAFI. Co-organized by the International Centre for Education in Islamic Finance (INCEIF), the Roundtable Meeting was officially inaugurated by a reception dinner at the Grand Hyatt Hotel, with a keynote speech on Business ethics by Datuk Wira Jalilah Baba, former Director General and CEO of the Malaysian Investment Development Authority (MIDA). The Roundtable Meeting continued the following day with discussions on i) Regulatory developments in value chain finance; ii) Bringing SMEs into global value chains through Islamic value chain finance: practical insights; and iii) Strategic insights from SMEs' perspectives towards Islamic financial services: Lessons learned.

International experts shared their experiences on the various topics of the roundtable meeting and debated on the ways of integrating Islamic MSME finance into the global value chain, thereby contributing to developing economies and creating sustainable growth.

The Roundtable Meeting was attended by delegates from South East Asia, Middle East and African regions, which allowed the opportunity for the cross-border experience sharing and networking.



CIBAFI's International Seminar on Risk Management and Compliance for IFIs in Oman



CIBAFI successfully held its one-and-a-half day International Seminar on Risk Management and Compliance in Islamic Financial Institutions: Key Trends and Market Practices, at Al Bustan Palace Ritz-Carlton Hotel, Muscat, Sultanate of Oman on 20 – 21 January 2016. The International Seminar was inaugurated by the keynote address of His Excellency Hamood Sangour Al Zadjali, Executive President of the Central Bank of Oman. The International Seminar saw an overwhelming response from the attendees who arrived from more than 21 countries. The event was held in strategic partnership with Bank Muscat – Meethaq Islamic Banking and was supported by the Islamic Development Bank (IDB).

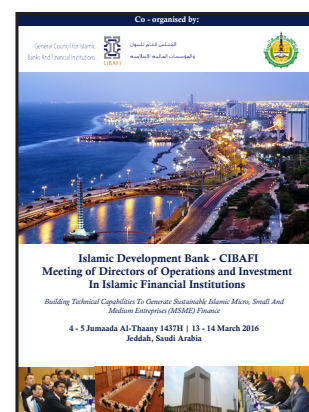


Top agendas revealed in the GIBS report on Risk management & Compliance were discussed in-depth. The industry professionals also evaluated current and future regulatory developments, including technology risks in IFIs, including building an effective cyber security framework and learning from cyber-attacks and data breaches; cyber governance; and emerging issues in payments technology. A special session by Tariq Al-Rifai, presented some of the exceptional insights from the financial economy's ethical viewpoint, including why the global economy is considered vulnerable to another financial crisis. The event also discussed best practices in dealing with credit quality and liquidity risk, Basel III, AML/CFT among others.

CIBAFI continues its series of Meetings on MSME Finance in partnership with the IDB

The 2nd Meeting of the series of Roundtable Meetings on MSME finance will be convened in collaboration with Islamic Development Bank (IDB), on 13 – 14 March 2016 in Jeddah, Saudi Arabia. Entitled as the Meeting of Directors of Operations and Investment in Islamic Financial Institutions: *"Building Technical Capabilities To Generate Sustainable Islamic Micro, Small And Medium Enterprises (MSME) Finance"*, the meeting will discuss cutting-edge capabilities for Islamic financial institutions to sustain the SME business through advanced technologies, distinctive product and service innovation, customized risk management, equity mode of finance for SMEs, etc.

The Meeting will bring top industry professionals across jurisdictions to discuss issues and market infrastructures to bring down barriers for Islamic MSME finance and facilitate the industry to gain more traction. The industry stakeholders will also examine some of the regulatory challenges to help create an enabling environment for the penetration of Shariah-compliant financial services into the MSME market. The Meeting is scheduled to be inaugurated by H.E. Dr. Ahmad Mohammed Ali Al Madani, President, IDB Group and H.E. Sheikh Saleh Kamel, Chairman of CIBAFI.



Strategic Objective 4: Professional Development

CIBAFI - SCA Technical Workshop on Products Development for IFIs in Dubai



CIBAFI launched its Technical Workshop on Products Development for Islamic Financial Institutions on 17 – 19 November 2015, in Dubai, United Arab Emirates, which was kindly hosted by the Emirates Securities and Commodities Authority (SCA), the UAE capital market regulator. The workshop was attended by 45 Participants from 10 jurisdictions (Algeria, Bahrain, Kenya, Kuwait, Mauritania, Nigeria, Oman, Saudi Arabia, Sudan and the UAE) and included senior officers and managers from the departments of products development, Shariah, risk management and legal. The 3-day workshop provided participants with hands-on technical knowledge and skills pertaining to products development, with a focus on the Islamic financial services.

Topics and issues discussed included: i. Products development and financial engineering; ii. Shariah framework in products development and innovation; iii; Product development approaches, processes and alignment between Shariah and practices; and iv. Case studies on innovative products and services in Islamic finance.

CIBAFI also offers 16 professional certifications:

- Certified Islamic Banker
- Certified Islamic Specialist in Capital Market
- Certified Islamic Specialist in Trade Finance
- Certified Islamic Specialist in Takaful
- Certified Islamic Specialist in Shariah Auditing
- Certified Islamic Specialist in Advanced Shariah Auditing
- Certified Islamic Specialist in Accounting
- Certified Islamic Specialist in Governance & Compliance
- Certified Islamic Specialist in Risk Management
- Professional Diploma in Accounting
- Professional Diploma in Shariah Auditing
- Professional Diploma in Takaful Insurance
- Professional Diploma in Risks Management
- Professional Advanced Diploma in Islamic Finance
- Professional Diploma in Banking Transactions
- Professional Executive Masters in Islamic Finance

Available in 16 countries throughout the year via our professional development agents, visit our website for more info.

Series of Technical Workshops on Products Development

Following successful programmes on the topic of Products Development, CIBAFI is planning a series of Technical Workshops in different regions to accommodate our members' requests, in English, Arabic & French languages.

These Workshops are targeted for the mid-level staff of Islamic banks and financial institutions, and will address technical issues relevant to the challenges facing IFSI professionals today, integrating theory with practice, while offering participants with a hands-on experience on practical tools and techniques to enhance their day-to-day professional performance. The countries where workshops will be organized, include Bahrain, Saudi Arabia, Indonesia and Kenya, among others.

CIBAFI – IIF Executive Programme on Islamic Finance: Global Developments and Strategic Insights



Following a successful inaugural Executive Programme, CIBAFI & Institute of International Finance (IIF) are set to launch a second three-day Executive Program, on 4 – 6 April 2016 in Istanbul, Turkey. Executive Programme will provide a strategic perspective on the key issues facing the Islamic Finance sector.

The programme is devised to equip the participants to understand key global regulatory developments and macroeconomic view of the sector, with a focus on sound governance practices in leading investment strategies through Shariah compliant modes. The participants will explore how to benefit from innovative Takaful products, and define leadership approaches in benchmarking the business.

The agenda topics will also include legal and Shariah insights on innovations in Islamic corporate banking, investment management strategies, product innovation and development, leadership and accountability in Corporate governance, and infrastructure finance. The event will conclude with a panel discussion exploring the key risks facing the Islamic finance industry.

MARK YOUR CALENDER

13 - 14 March 2016 | Jeddah, Saudi Arabia

IDB - CIBAFI Meeting of Directors of Operations and Investment in Islamic Financial Institutions: "Building Technical Capabilities To Generate Sustainable Islamic Micro, Small And Medium Enterprises (MSME) Finance"

4 - 6 April 2016 | Istanbul, Turkey

CIBAFI – IIF Executive Programme on Islamic Finance

March 2016 | Nairobi, Kenya

Technical Workshop on Products Development

March 2016 | Manama, Bahrain

Technical Workshop on Products Development

3 - 4 May 2016 | Manama, Bahrain

CIBAFI Global Forum: *Rethinking Values for Sustainable Growth*

September 2016 | Istanbul, Turkey

CIBAFI – World Bank Conference on Corporate Governance for IFIs

October 2016 | Jeddah, Saudi Arabia

Technical Workshop on Products Development

About CIBAFI

CIBAFI is an international organization established in 2001 and Headquartered in the Kingdom of Bahrain. CIBAFI is affiliated with the Organization of Islamic Cooperation (OIC).

CIBAFI represents the Islamic financial services industry globally, defending and promoting its role, consolidating co-operation among its members, and with other institutions with similar interests and objectives.

With nearly 120 members from over 30 jurisdictions, representing Islamic Banks, market players, international intergovernmental organizations and professional firms, and industry associations, CIBAFI is recognised as a key piece in the international architecture of Islamic finance.

In its mission to support Islamic financial services industry by being the leading industry voice advocating regulatory, financial and economic policies that are in the broad interest of our members and that foster the development of the Islamic financial services industry and sound industry practices, CIBAFI is guided by its Strategic Objectives, which are 1.Policy, Regulatory Advocacy, 2.Research and Publications, 3.Awareness and information sharing and 4.Professional Development.

Contact Information

General Council for Islamic Banks and Financial Institutions (CIBAFI)

Jeera 3 Tower, Office 51, Building No. 657, Road No. 2811, Block No. 428

Manama, Kingdom of Bahrain.





P.O. Box No. 24456

Email: cibafi@cibafi.org

Telephone No.: +973 1735 7300

Fax No.: +973 1732 4902

Stay tuned on CIBAFI activities:

-  [Facebook.com/CIBAFI](https://www.facebook.com/CIBAFI)
-  [Linkedin.com/CIBAFI](https://www.linkedin.com/company/CIBAFI)
-  [Twitter.com/CIBAFI](https://twitter.com/CIBAFI)
-  [Youtube.com/CIBAFI.ORG](https://www.youtube.com/CIBAFI.ORG)