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Message from Secretary General

Welcome to the 7th edition of CIBAFI InFocus newsletter through which we endeavour to keep our stakeholders informed about our activities and initiatives.

As the first newsletter of the year, I am pleased to share with you that CIBAFI has achieved all its set objectives for the year 2016 in accordance with the work plan for 2016, and is well positioned to continue this endeavour through our four Strategic Objectives in 2017.

In meeting our 1st Strategic Objective: Policy, Regulatory Advocacy, CIBAFI submitted its comments to the AAOIFI on Financial Accounting Standard No. 29: Sukuk Issuance, on 3rd April 2017. As part of Strategic Objective 2: Research and Publications, CIBAFI issued its fourth briefing themed: "Rethinking Values for Sustainable Growth" in January 2017 and is preparing to issue two Briefings on De-risking and Banca-takaful in the coming weeks. The Secretariat has also started the ground work for its 3rd edition of its annual publication, the Global Islamic Bankers' Survey (GIBS) together with other industry reports on the pipeline.

In fulfilling its Strategic Objective 3: Awareness and Information Sharing, CIBAFI launched 3rd Roundtable Meeting of the Directors of Operations and Investments of Islamic Financial Institutions in collaboration with Islamic Research and Training Institute (IRTI), in March 2017 in Bahrain. CIBAFI organised another important Roundtable Meeting in Bahrain on the "Impact of the Legal Framework on Islamic Financial Services" which was kindly hosted by Al Baraka Banking Group. CIBAFI is preparing for its annual event, "CIBAFI Global Forum" to be held on 8 – 9 May 2017 in Amman, Jordan under the patronage of the Central Bank of Jordan. CIBAFI is also preparing for the "CIBAFI InFocus Session" on the sidelines of Kazan Summit 2017 on 19th May in Kazan, Tatarstan.

In achieving the Strategic Objective 4: Professional Development, CIBAFI organised a Technical Workshop on Products Development & Financial Engineering for Islamic Financial Institutions (IFIs) in January 2017 in Nouakchott, Mauritania. We are currently on course to organise similar workshops in Kenya and Bahrain. I am also delighted to share that CIBAFI concluded its first 5-day Training of Trainers (ToT) Programme in March 2017 in Manama, Kingdom of Bahrain. In the first quarter of 2017, a total of 100 trainees were certified during six training sessions through our network of Professional Development agents in 7 countries.

On behalf of CIBAFI, I would like to express sincere thanks to our Board of Directors, members and other stakeholders for their support and encouragement.

Yours Sincerely,
Abdelilah Belatik

Strategic Members' Session in Mauritania

CIBAFI has organised its Strategic Members' Session with its members and stakeholders on 25th January, 2017 in Nouakchott, Mauritania. It was kindly hosted by Banque Al Wava Mauritanienne Islamique. The Session was opened by Mr. Dieng Adama, General Director of Banking and Financial Supervision on behalf of H.E Abdel Aziz Ould Dahi, the Governor of the Central Bank of Mauritania. This was followed by an update on activities of CIBAFI by Mr. Abdelilah Belatik, Secretary General of CIBAFI. The Session has stemmed a rich discussion between CIBAFI and its members & industry stakeholders in Mauritania.

CIBAFI's Strategic Members' Session in Mauritania has concluded by a Dinner hosted by Banque Al Wava Mauritanienne Islamique. This was a second strategic members' session in Mauritania, first was held in 2015, in a form of Roundtable discussion over CIBAFI Strategic Plan 2015 – 2018. CIBAFI was pleased to return to welcoming Mauritania to meet its members, and continue dialog with the industry and regulators.



Strategic Objective 1: Policy, Regulatory Advocacy

CIBAFIs' Voice at International Arena



As Islamic banking and finance industry continues to grow rapidly, in size and complexity, international regulatory and supervisory bodies are recognising that Islamic finance has become systemically important in 14 jurisdictions and thus it is being now discussed at the international agenda.

CIBAFI as a key piece in the international architecture of Islamic finance has been invited to present our views on Islamic finance developments and prospects at the **9th Annual IIF G20 Conference – 'The G20 Agenda under the German Presidency'**, that took place in Frankfurt, Germany on 15 -16 March 2017, ahead of the first Ministerial Meeting of the German G20 Presidency.

Background to this is that back in 2015 as part of CIBAFIs' Strategic Objective 1: Policy, Regulatory Advocacy, we have submitted our recommendations in a form of **Policy Note to the B-20 Turkey Financing Growth Taskforce**, with the objective to facilitate SME financing and improve global regulation of markets. The B-20 group, as a platform for business leaders from G-20 economies, has come up with the B-20 Turkey Financing Growth Taskforce in 2015. CIBAFI's Policy Note presented several recommendations which were of importance to the global Islamic finance industry within the scope of the Taskforce priorities.

The recommendations in form of policy note have been successful incorporated into the **2015 B-20 Financing Growth Taskforce Policy Paper**.

Recent developments at the International Monetary Fund (IMF) end, will also certainly reposition Islamic Banking & Finance at the global financial landscape. Recent call by the IMF for establishing a policy framework and environment that promotes financial stability and sound development of Islamic banking particularly in 14 countries where Islamic banking has become systemically important. Following this on 3rd February 2017, the

IMF Executive Board held its first formal discussion on Islamic banking and has adopted a set of proposals on the role that the Fund should play in this area.

We should certainly acknowledge the work of the Fund building to this important announcement, starting from year 2000 when the IMF was facilitating the steering committee meetings for the establishment of the Islamic Financial Services Board (IFSB), to the establishment of the External Advisory Group on Islamic Finance (EAG), of which CIBAFI is an active member in 2014. A series of policy papers by the IMF staff (working papers) were subsequently developed with feedback from EAG all the way till 2016. The current announcement by the IMF Board in 2017, which has suggested considering recognising the Core Principles for Islamic finance Regulation with proposal to be received by the Board before April 2018. This recognition will be a key milestone as the Core Principles will then be included in the IMF and World Bank Financial Sector Assessment Programme (FSAP) encouraging the Regulators to implement a regulatory framework for the industry.

With the above development at the Global Agenda CIBAFI's role as the voice of the Islamic financial services industry is rather crucial and challenging. We shall continue to strive toward strengthening the position of the industry at the international arena and facilitating key regulatory agenda developments that take into account views of our stakeholders.

CIBAFI Comments to the AAOIFI's Financial Accounting Standard No. 29: Sukuk Issuance



The Secretariat provided its comments to the AAOIFI on its Financial Accounting Standard No. 29: Sukuk Issuance. The Standard No. 29 was issued for public consultation on 16th March with a deadline by 31st March for public consultation. Given the insufficient time available for public consultation, CIBAFI opted to provide high level comments from the Secretariat as we are not in the position to get feedback from our members in given time frame. Comments letter was submitted to the AAOIFI for consideration. Details are available on our website.

Strategic Objective 2: Research and Publications

CIBAFI Fourth Briefing

The fourth issue of CIBAFI Briefing was issued in January 2017 as an outcome of the inaugural CIBAFI Global Forum held on 3 - 4 May 2016 in the Kingdom of Bahrain with the theme of: "Rethinking Values for Sustainable Growth", focusing on the right concept of sustainable growth in the context of sound financial practices, highlighting the development of the financial sector under social and moral responsibility.

CIBAFI Upcoming Briefings

The Secretariat is preparing to issue two more Briefings first half of the year. Upcoming fifth briefing is on de-risking, which will look into the de-risking as a phenomenon that has affected Islamic financial institutions,

and attempts to understand its causes specifically for Islamic financial institutions, its implications on the financial industry as a whole and suggest ways to tackle it as an increasingly important area of focus for correspondent banking relationships and cross-border transactions.

Upcoming sixth briefing is on banca-takaful and shall address banca-takaful as one of the important areas that requires awareness among the stakeholders of Islamic banking and financial industry. This CIBAFI Briefing is aimed to review recent developments in banca-takaful and explore importance of banca-takaful, distribution models and prospects and opportunities for Islamic financial institutions.

Strategic Objective 3: Awareness and Information Sharing

CIBAFI - IRTI Meeting of Directors of Operations and Investments in Islamic Financial Institutions



CIBAFI in collaboration with the Islamic Research and Training Institute (IRTI) launched the third Roundtable Meeting of the Directors of Operations and Investments of Islamic Financial Institutions (IFIs), with the theme: “Bringing Islamic Investment of IFIs to the Next Frontier”, on 22nd – 23rd March, 2017, in Manama, Kingdom of Bahrain. The delegates were welcomed by opening remarks of Mr. Abdelilah Belatik, Secretary General of CIBAFI, as well as Prof. Mohamed Azmi Omar, Director General of IRTI, followed by a welcoming address by Mr. Khalid Hamad, Executive Director of Banking Supervision, Central Bank of Bahrain.

The Meeting gathered nearly 40 C-Level Senior Executives of Islamic Investment and Operations from 17 countries to explore means to strengthen private banking and investment capabilities of Islamic Financial Institutions (IFIs).

CIBAFI Roundtable Meeting: “The Impact of Legal Framework on Islamic Financial Services Industry (IFSI) Development”



CIBAFI organised a Roundtable Meeting themed: “Impact of the Legal Framework on Islamic Financial Services Industry (IFSI) Development”, which was kindly hosted by Al Baraka Banking Group, on 2nd April 2017 in Manama, Kingdom of Bahrain.

The delegates were welcomed by opening remarks of Mr. Adanan Yousif, President & Chief Executive Officer of Al Baraka Banking Group, as well as of Mr. Abdelilah Belatik, Secretary General of CIBAFI.

The Roundtable Meeting aimed to gather academia and practitioners of IFIs across various countries, to discuss the importance of legal framework and its impact on further development of the Islamic Financial Services Industry (IFSI) by looking into 6 country case studies.



CIBAFI InFocus Session, Tatarstan



CIBAFI is preparing for the InFocus Session on 19th May, 2017 in Kazan, Tatarstan. The Session will be led by CIBAFI at KazanSummit 2017 which is organised by Tatarstan Investment Development Agency. It will bring together an international panel of distinguished Islamic finance industry stakeholders to discuss emerging opportunities, prospects and challenges that IFIs will need to tackle in the region.

This Session will provide a strategic perspective on a number of key factors that influence the progress of the Islamic finance sector in Commonwealth of Independent States (CIS countries). The attendees will share their insights on important discussions such as identifying the best approaches to help develop Shariah compliant SME market, to cope with the increasing demand for Islamic finance projects, and to increase Takaful penetration in the region. These are among several discussion topics that aim to promote the growth of the overall CIS Islamic finance industry.

Strategic Objective 4: Professional Development

Technical Workshop on Products Development & Financial Engineering for IFIs



CIBAFI held its Technical Workshop on Products Development & Financial Engineering for Islamic Financial Institutions (IFIs) on 24th – 26th January 2017 in Nouakchott, Mauritania. The Technical Workshop was kindly hosted by the Central Bank of Mauritania and supported by the Islamic Research and Training Institute (IRTI) of the Islamic Development Bank Group.

The aim of this Technical Workshop was to discuss how Islamic principles formulate the basis of contemporary Islamic financial products and examine the complex issues relating to products development processes.

The Technical Workshop was opened by H.E. Abdel Aziz Ould Dahi, Governor of the Central Bank of Mauritania and Mr. Abdelilah Belatik, Secretary General of CIBAFI both raising important views on Islamic finance in our contemporary financial environments.



Technical Workshop on Governance, Risk and Compliance for Islamic Financial Institutions

CIBAFI is preparing for a Technical Workshop on Governance, Risk and Compliance for Islamic Financial Institutions in Kenya. This first CIBAFI Programme in the region will be kindly hosted by the Kenya School of Monetary Studies (KSMS) of the Central Bank of Kenya. The Technical Workshop will take place on 26th – 28th April in Nairobi and will cover areas such as Shariah Governance in Islamic Financial Institutions (Framework, Structure & Shariah Board), Shariah Compliance in Islamic Financial Institutions, and Shariah Non-Compliance Risk in Islamic Financial Institutions. This Technical Workshop aims to provide a platform for a mid-level staff capacity development of CIBAFI member institutions and regional regulators in East Africa region.

Training of Trainers Programme



CIBAFI launched a 5 days Training of Trainers (ToT) Programme on 12th March, 2017 in Manama, Kingdom of Bahrain.

“Training of Trainers (ToT) Programme” is considered as one of fundamental programmes that professional trainers of Islamic finance courses and programmes are required to undertake. It is an important continuous learning process that aims to enable professional trainers to enhance their soft skills, delivery skills, and enhance their abilities to better build concepts and deliver them.

Programme focused on vital training topics such as strategic planning methods for training, leaving a lasting professional strong impression, guidelines on adults’ learning curve, creating a comprehensive result based training content, setting up an effective learning environment, exploring the elements and pillars of successful training and key skills of successful trainers, and evaluating the training process. In an aim to increase the quality of CIBAFI professional development programme delivery, this type of ToT training shall become mandatory for CIBAFI accredited trainers, as they renew their accreditation with CIBAFI Accreditation Board.



CIBAFI Agents Training Programmes Update: January – March 2017

CIBAFI offers its professional certifications through its 30 professional development agents in 15 countries around the globe. And we are pleased to update our members that from January till March, CIBAFI Agents have organized 6 training session and have thus facilitated professional certifications for 100 trainees.

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15th ANNIVERSARY 2001 - 2016

CIBAFI Global Forum

8 - 9 May 2017 | Amman, Jordan

**“Essential Renovation of Banking Practices
Towards Resilience and Shared Prosperity”**



**Join us at this Global Forum and be part of the most important
transformation agendas of the Islamic finance industry.**

**We look forward to
meeting you in Jordan!**

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MARK YOUR CALENDER

26 - 28 April 2017 | Nairobi, Kenya

Technical Workshop on Governance, Risk and Compliance for Islamic
Financial Institutions

Hosted by: Kenya School of Monetary Studies (KSMS) of the Central Bank of Kenya

8 - 9 May 2017 | Amman, Jordan

CIBAFI Global Forum: "Essential Renovation of Banking Practices
Towards Resilience and Shared Prosperity"

Patronage: Central Bank of Jordan

8 May 2017 | Amman, Jordan

CIBAFI 31st Board of Directors Meeting (BOD)

9 May 2017 | Amman, Jordan

CIBAFI 4th Members Consultative Group Meeting (MCG)

19 May 2017 | Kazan, Tatarstan

CIBAFI InFocus Session: "Prospects for Islamic Finance in the CIS Region:
Focus on SME, Takaful and Sukuk"

Hosted by: Tatarstan Investment Development Agency

4 June 2017 | Jeddah, Kingdom of Saudi Arabia

CIBAFI 32nd Board of Directors Meeting (BOD)

CIBAFI 17th Annual General Assembly Meeting (AGM)

CIBAFI Agents Strategic Session

CIBAFI Members Strategic Session

28 - 29 September 2017

CIBAFI - Union of Arab Banks Islamic Finance Forum

7 - 8 November 2017 | Manama, Kingdom of Bahrain

CIBAFI - Ivey Business School Executive Programme

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 over 120 members from 31 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.

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