

Islamic Finance Foundation Certificate

In Luxembourg, Islamic Finance gains ground as an attractive alternative to conventional finance. After a very successful conference in May 2009 organized in collaboration with ALFI, LFF and PRIM, the IFBL now launches a certifying foundation training programme in partnership with ICMA Centre, University of Reading. The Islamic Finance Foundation Certificate programme covers the fundamental aspects of Islamic Finance, its concepts and uses. It is meant to be a first step towards a broader training offering which will focus on the practical aspects of different activities, such as investment funds, compliance, private banking and the like.

TRAINING CONCEPT

The courses will be developed, delivered and certified by ICMA Centre, University of Reading.

The programme is composed of four separate training units, each covering a different topic. These units may be booked as single courses and an optional examination can be taken after each one. Those candidates who have successfully taken all four examinations will be granted a certificate issued and validated by ICMA Centre, University of Reading.

PARTNERS

IFBL

With more than 10,000 registrations per year, IFBL is one of the leading providers of vocational training courses in Luxembourg.

The Luxembourg Institute for Training in Banking (IFBL) was created in 1991 as the training organ of the Luxembourg Bankers' Association (ABBL, www.abbl.lu) and has the distinctive mission to prepare, create, develop and promote any training means, programmes and actions in the interest of the financial centre of Luxembourg. More information on our site www.ifbl.lu

ICMA Centre

The ICMA Centre is one of the best established Finance departments in Europe. It was founded in 1992 and now has some 3,000 alumni from 117 countries of the world who have taken the Centre's bachelors, masters and doctoral programmes. The Centre benefits from a close association with the finance industry – through its collaborations with the International Capital Markets Association (ICMA), the Finance Industry Regulatory Authority (FINRA), the Professional Risk Managers' International Association (PRMIA) and Thomson-Reuters. In 2008, the Centre launched the first international collaboration in the field of Islamic Finance with its degree that is taught in collaboration with INCEIF (the prestigious Islamic Finance University, based in Kuala Lumpur and supported by the Malaysian Central Bank, Bank Negara).

TRAINERS

- Prof. Simon ARCHER, faculty member ICMA Centre
- Prof. John BOARD, director ICMA Centre
- Dr. Aly KHORSHID, Islamic Finance Scholar & Shariah Consultant
- Mr Brian LAWSON, banker

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ISLAMIC FINANCE: INTRODUCTION

Introduction to Islamic Finance

A detailed overview of Islamic finance from the perspective of conventional finance.

Understanding Shariah Law

- Principles of Shariah Law
- Shariah Law and economic systems
- Shariah compliant products

Characteristics of Shariah Financing Contracts

- Overview of Islamic contracts
- Permissible investment
- Islamic perception of money
- Islam and ethical investment

Principal Islamic Finance Contracts

- Ijara (operating lease)
- Ijara WA iqtina (finance lease)
- Mudarabah (participation or trust financing)
- Murabah (cost-plus financing)
- Musharakah (equity financing)
- Istesna'a (construction financing)
- Bai Salam (payment for future delivery)
- Arbun (pre-purchase of right to acquire asset)
- Sukuk (bond issue)

Securitization

- Definition of securitization in Islamic Shariah
- Asset backed securities
- Securitization of hybrid securities

Islamic Financial Engineering Sukuk

- Definition of Sukuk
- The market for Sukuk
- AAOIFI classification of Sukuk
- Sukuk and bonds
- Types of Sukuk
- Basic Sukuk structure

Hedge Funds

- Islamic view of hedge fund activity
- Hedge fund return
- Shariah compliant fund of funds

Islamic Capital Market Products

- Shariah compliant capital market products
- Islamic capital market in GCC and Malaysia
- Development of Islamic capital market in MENA

ISLAMIC FINANCE: SUKUK

Sukuk Contracts-Design, Issuance and Trading

A detailed examination of this most widespread type of Islamic finance instrument in comparison with conventional debt issuance and trading as well as the recent international actions to encourage Sukuk issue in conventional capital markets.

Project Finance

- Issues relating to Islamic finance
- Capital raising – conventional and Islamic approaches

Conventional Bond Design

- Coupon, maturity and yield
- Issuance processes
- Secondary trading
- Bond risks
- Regulation

Sukuk

- Why Sukuk?
- The Sukuk growing market
- Definition of Sukuk
- AAOIFI classification of Sukuk
- Sukuk and bonds

Types of Sukuk

- Ijara Sukuk
- Mudaraba Sukuk
- Istisna Sukuk
- Musharaka Sukuk
- Salam Sukuk
- Murabahah Sukuk

Sukuk Issuance

- Asset-backed or project-based
- Zero or limited liquidity
- Limited size of primary market
- Limited tenors
- Shariah committee interface, costs, frequency
- Regulatory interface
- Stamp duties & taxation costs

Sukuk Development

- Convertible Sukuk
- Sukuk securitization
- Sukuk yield curve
- Secondary Sukuk trading

Islamic Indices

- Dow Jones Islamic Market Index (DJIM)
- FTSE Global Index Series
- KLSE National Shariah Council
- Bespoke Screens

ISLAMIC FINANCE: RISK MANAGEMENT

Risk Management and Product Innovation

Analysis of two related topics – the management of risk and the creation of new, usually securitized products.

Risk Management in the Conventional Financial Market

- Types of risk
- The failure of risk management
- The increasing importance of operational and liquidity risks
- Regulatory focus

Risk Management in Islamic Finance

- Risks on Islamic finance
- Islamic finance and riskpro
- Balance sheet analysis on Islamic finance
- Risk management on Profit and Loss sharing financial products
- Gap analysis for Islamic finance
- Credit, market, operational risk analysis on Islamic finance
- Basel II implementation for Islamic finance
- Capital adequacy
- Case studies

Liquidity Management

- Importance of liquidity
- Liquidity in Islamic markets
- Shariah restrictions on interbank trading
- The role of central banks and lender of last resort

New Products in Islamic Finance

Bonds and the Future of Securitization

- Review of securitization
- Credit risk management
- The failure of securitization and its reemergence
- Regulatory concern
- Operational issues

Islamic Innovation

- Review of Shariah rules of Islamic finance
- Impediment to growth of the Islamic profit sharing products
- Types of Sukuk and their characteristics
- Prohibition selling debt in Islam
- AAOIFI & Shariah standard of Sukuk
- Securitization of hybrid & mixed assets
- Case study

ISLAMIC FINANCE: INSURANCE

Insurance and Takaful

Presentation of the rapidly emerging field of Takaful, or Islamic insurance.

Conventional Insurance

- Conventional insurance
- Insurance issues in Islamic countries
- The need for Shariah products

Introduction to Islamic Takaful and Insurance Markets

- History of Takaful
- The need for Takaful
- Takaful and insurance market

Mutual Insurance

- Mutual insurance in Europe and USA
- Islamic approach to mutual insurance
- The concept of Takaful
- Mutual risk structures

Takaful and Insurance Market

- Types of Takaful and comparison with conventional insurance in Islamic countries
- Considerations for market expectation and perception of Takaful
- Overview about recent issues of Takaful and the market demand
- Market growth, demand factors in Takaful

Takaful and Conventional Insurance Cooperation

- The grounds of cooperation
- Insurance contract versus Takaful contract
- Conventional market acceptance of Takaful business
- Takaful and reinsurance

Re-Takaful Business

- The needs for Re-Takaful
- Market size of Re-Takaful
- Who are the players in the Re-Takaful

Risk Management in Takaful

- Risk management in conventional insurance
- Risk management in Takaful differs from conventional insurance
- Recent cases of lack of risk management

Solvency and Capital Adequacy

- Special issues for Takaful

Waqf and Islamic Trusts

- Insurance and Waqf
- Insurance and Islamic trusts

PRACTICAL INFORMATION

DATES AND PRICES OF COURSES AND EXAMINATIONS

Sessions	Dates	IFBL members (3% VAT)	IFBL non-members (3% VAT)
Islamic Finance: Introduction	12 & 13 October 2009	620,- €	775,- €
Islamic Finance: Sukuks	7 & 8 December 2009	620,- €	775,- €
Islamic Finance: Risk Management	18 & 19 January 2010	620,- €	775,- €
Islamic Finance: Insurance	22 & 23 February 2010	620,- €	775,- €
Examination (1 session per course)	1 hour	30,- €	40,- €

Exam sessions take place every Tuesday and every last Thursday of each month except on school holiday weeks in Luxembourg. The participant's choice is to be indicated on the registration form.

Our prices include course material, coffee breaks and lunch.

SCHEDULES

9 a.m. to 1 p.m. / 2 to 6 p.m.

TRAINING LOCATION

Centre de Formation IFBL/Chambre de Commerce,
7, rue Alcide de Gasperi, Luxembourg/Kirchberg

REGISTRATIONS

Customer Service IFBL
Fax: 46 50 19 / customer@ifbl.lu

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REGISTRATION FORM Islamic Finance Foundation Certificate

Course name	Date	Duration (hours)	Fees IFBL members/non-members	Course registration	Exam registration	Exam date*
Islamic Finance: Introduction	12 & 13 October 2009	8	€ 620,-/775,- (+ 3% VAT)	<input type="checkbox"/>	<input type="checkbox"/>	
Islamic Finance: Sukuks	7 & 8 December 2009	8	€ 620,-/775,- (+ 3% VAT)	<input type="checkbox"/>	<input type="checkbox"/>	
Islamic Finance: Risk Management	18 & 19 January 2010	8	€ 620,-/775,- (+ 3% VAT)	<input type="checkbox"/>	<input type="checkbox"/>	
Islamic Finance: Insurance	22 & 23 February 2010	8	€ 620,-/775,- (+ 3% VAT)	<input type="checkbox"/>	<input type="checkbox"/>	

(*) Exam sessions take place every Tuesday and every last Thursday of each month except on school holiday weeks in Luxembourg.
The participant's choice is to be indicated above.

Duration of exam sessions: 1 hour; Registration fees: 30 EUR for IFBL-members; 40 EUR for non-members.

REGISTRATION

- PROFESSIONAL (both sections Participant and Employer to be completed)
 PRIVATE (non-member's price)

PARTICIPANT

Name	First name
Date of birth	
Address	
Work phone	Home phone
E-mail (for notification of all details)	Fax

EMPLOYER

Name	<input type="checkbox"/> Member	<input type="checkbox"/> Non-member
Name of Training Manager	First name	
E-mail (obligatory) (for notification of all details)		
Billing address		
Phone	Fax	

By signing the registration form, the signatory declares that she/he accepts the general terms and conditions mentioned hereafter.

Date	Signature (Employer's stamp is obligatory)
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INFORMATION AND REGISTRATION CONDITIONS

Place	<p>Unless stated otherwise in our confirmation of registration, our courses take place at:</p> <p>Institut de Formation de la Chambre de Commerce</p> <p>Adress: 7, rue Alcide de Gasperi Luxembourg</p> <p>Buses: from train station: line 1 und 16 from city: line 7, 12 und 13</p>
Food and drink	<p>Coffee, mineral water, etc. served during coffee/tea breaks as well as lunch are included in the price of the course.</p>
Registration	<ul style="list-style-type: none">– Online registration: via our E-catalogue on our website (www.ifbl.lu)– Registration form is downloadable from our website (IFBL / Documents à télécharger) send completed form to Customer Service by fax (465019)– E-mail registration: send form to customer@ifbl.lu <p>The IFBL reserves the right to reject incomplete forms.</p>
Cancellation	<p>Cancellations must be made in writing. Full course fees are payable if the cancellation is received less than 5 working days before the start of the course and if no medical certificate has been handed in. For cancellations received before this deadline, 20% of the registration fees will be charged, with a minimum amount of 50 EUR and a maximum amount of 1,200 EUR.</p> <p>A course participant can be replaced by another participant at any time without additional charges. This must be notified to us in writing.</p> <p>Cancellations or postponements of examinations are fully charged, unless a medical certificate is handed in.</p> <p>For organisational reasons or in the event of force majeure, the IFBL reserves the right to postpone or cancel a course.</p>
Certificate	<p>On succesful completion of the examinations, a certificate will be sent to the postal address given on the registration form. A certificate of attendance can be issued on request.</p>
Course material and copyright	<p>Any documentation used by us is automatically considered to be course material. It will be distributed exclusively to course participants and may not be sold, copied or otherwise disseminated.</p>
Payment terms	<p>Payment must be made on the basis of an invoice sent separately after confirmation of the course. The invoice is payable within 30 days of receipt. Any objections must be made within 5 days of receipt.</p>
Data protection	<p>By signing, the company warrants that it has obtained authorisation from the participant to pass on personal details for data processing. The bank must also ensure that the participant has been advised of the third parties to whom these details are sent: the employer, the course provider, and where applicable, the training institutions working together with the IFBL.</p>
Contacts	<p>IFBL - Customer Service 7, rue Alcide de Gasperi L-1615 Luxembourg T. 46 50 16-1 F. 46 50 19 E. customer@ifbl.lu www.ifbl.lu</p>