

2-Day Workshop on

Risk Management in Islamic Finance

Practical Approach for Optimum
Understanding on Techniques and Strategies
to Mitigate Risks in Islamic Financial Services

1 - 2 March 2010 ♦ Impiana KLCC Hotel Kuala Lumpur, Malaysia

DISTINGUISHED COURSE LEADERS

- **DR SYED MUSA ALHABSHI**
Graduate School of Business
Univeristy Tun Abd Razak
(UniRazak)
- **DR. ENGKU RABIAH ADAWIAH**
Ahmad Ibrahim Kulliyah of Laws
International Islamic University
Malaysia (IIUM)
- **DR. ASYRAF WAJDI DATO' DUSUKI**
Head, Research Affairs
International Shari`ah Research Academy
for Islamic Finance (ISRA)

“ This workshop is
accompanied by case studies
and hands on issues to
achieve optimum
understanding on the
subject matters and led by
outstanding trainers ”

BY ATTENDING THIS EVENT YOU WILL LEARN

- Risk Management Process in Islamic Financial Services
- Risk in Islamic Financial Services: A Shariah Perspective
- Legal and Shariah Compliance Risk in Islamic Finance
- Risk Management and Governance in Islamic Financial Services
- Credit and Market Risks in Islamic Banking and Finance
- Managing Liquidity Risk in Islamic Financial Products and Instruments
- Reporting of Financial Risk: Reporting Standards & Transparency
- Operational Risk and Internal Shariah Control System
- Performance Measurement and Rate of Return Risk
- Capital Adequacy Ratio and Liquidity of Islamic Financial Institutions

About the Event

The course is exclusively designed to provide comprehensive and practical knowledge of Risk Management in Islamic financial services. It will also highlight and discuss relevant features, criteria, standards, policies, regulations as well as operations that related to the risk issues. What are the current developments and trends ahead for the Islamic financial institutions in mitigating risk in the sectors? What are the successes of managing risk in Islamic finance? What are the criteria and structure of Islamic risk in Islamic financial services? All these issues will be covered in this course.

By Completing The Event You Will

- **Understand** the framework and structure of Islamic Financial Services
- **Acquire** the knowledge of risk in Islamic Financial Services
- **Identify** types of risk in Islamic Finance
- **Identify** the criteria and principles in mitigating risk in structuring Islamic financial products and instrument
- **Examine** several Shariah and legal risks in documentation and structuring Islamic financial services - banking, securities and Takaful
- **Explore** and update current issues on risk in Islamic financial services
- **Review** and update the challenges of risk in Islamic Finance

**HURRY! Call us @ 603 41081439
for enquiry and registration**

DAY ONE : 1 March 2010 (Mon)

- 0830 Registration and Morning coffee
- 0900 Opening Remarks
- 0910 **NATURE OF RISKS & RISK MANAGEMENT
PROCESS OF ISLAMIC FINANCIAL
INSTITUTIONS**
- Risk behaviour
 - Types of risks
 - Credit risk
 - Market risk
 - Liquidity risk
 - Operational risk
 - Interest rate risk
 - Forex risk
 - Types of Islamic financial institutions
 - Types of financial risk exposures
 - IFSB standards, guidelines and principles
 - Unique risks of Islamic financial institutions
 - Risk management process
 - Some approaches of risk management for Islamic financial institutions
- 1030 Tea break
- 1100 **RISK IN ISLAMIC FINANCIAL SERVICES:
A SHARIAH PERSPECTIVE**
- Islamic theory of risk?
 - Risk & harm (darar)
 - Risk & uncertainty (gharar)
 - Risk & gambling (maysir)
 - Risk & liability (ghurm)
 - Islamic risk management?
 - Islamic management of risk?
 - Islamic hedging of risk?
 - Specific risks in Islamic financial services?
 - General commercial risks
 - Risk analysis of specific Islamic financial contracts
 - Other unique risks in Islamic financial services
- 1230 Lunch
- 1400 **LEGAL & SHARIAH COMPLIANCE RISKS IN
ISLAMIC FINANCE**
- What is legal risk?
 - Legal & regulatory framework: a broad classification

Practical approach for opt

THE PROGRAMME

- Specific legal risk in Islamic finance?
- Analysis of the specific legal risk in Islamic finance
- Risk of conflicts between legal & Shariah compliance
- What is Shariah compliance risk?
- Main Shari`ah compliance risks
- Mitigation of Shariah compliance risk?

1530 Tea Break

1600 **FINANCIAL CONTRACTS, RISK MANAGEMENT AND CORPORATE GOVERNANCE IN ISLAMIC FINANCE**

- Review of commercial contracts
- Types & nature of deposit funds
- Islamic financial products
- Review of Islamic financing contracts
- Types of financial intermediation
- 15 guiding principles of risk management
- Risk management approaches

1730 **END OF DAY ONE**

DAY TWO : 2 March 2010 (Tue)

0845 Morning coffee

0900 **CREDIT, MARKET & EQUITY INVESTMENT RISKS IN ISLAMIC FINANCE**

- Credit risk management of Islamic financial institutions
- Comparative risk issues between Conventional & islamic financial institution
- Nature & transformation of risk
- IFSB guiding principles for credit risk
- Equity investment risk management of Islamic financial institutions
- Murabahah purchase orderer: credit & market risk mitigation
- Salam: credit & market risk mitigation
- Musharakah & equity investment risk
- Risk perspectives: terms of trade & terms of finance
- Highlights on IFSB prudential guidelines on Musharakah

1030 Tea Break

1100 **REPORTING OF FINANCIAL RISK: REPORTING STANDARDS & TRANSPARENCY**

- Role of financial reporting of Islamic activities

- vis-a-vis Risk management
- Financial reporting objectives
- Financial reporting considerations
- Financial reporting, auditing & governance standards
- Corporate & Shariah governance
- IFSB standard on corporate governance
- Transparency & market discipline
- Disclosure principles to promote transparency & market discipline
- Prudential & structural Islamic finance indicators
- Integrated approach to regulation and governance

1230 Lunch

1400 **OPERATIONAL RISK, SHARIAH COMPLIANCE & INTERNAL CONTROL SYSTEM**

- Principles of operational risk
- Level of Shariah compliance behaviour
- Areas of concern in Shariah compliance
- Guiding principles on Shariah governance
- Risk management and government in Islamic financial services
 - An analysis of IFSB and AAOIFI standards
 - Performance measurement
 - Rate of return risk profile & strategy
 - Risk analysis & perspectives
- Analysis and application of Islamic financing contract

1530 Tea break

1600 **CAPITAL ADEQUACY RATIO & LIQUIDITY OF ISLAMIC FINANCIAL INSTITUTIONS**

- Capital structure and equity of unrestricted IAH
- General principles of capital adequacy
- Comparison of the approach: credit risk
- Approach of Basel II
- Comparison of the approach: market risk
- Comparison of the approach: operational risk
- IFSB Capital Adequacy Standard
- IFSB's and AAOIFI's Approach to CAR
- Illustration of IFSB's and AAOIFI's CAR formula
- Risk Sharing Mitigated by PER & IRR
- Impact of the IFSB standards on regulatory capital of IIFS
- Displaced Commercial Risk (DCR)

1730 **END OF EVENT**

ABOUT THE COURSE LEADERS



DR. SYED MUSA is an associate professor at Graduate School of Business, University Tun Abd Razak (UNITAR). He was previously the principal consultant of International Institute of Islamic Finance (IIIF). He obtained Diploma in Business Studies (Financial) from Ngee Ann Polytechnic, Singapore and was employed as an audit assistant with Coopers & Lybrand. He pursued and completed Bachelor of Business Administration with a First Class Honours from International Islamic University. He joined the Kulliyah of Economics and Management Sciences, IIUM and pursued M.Sc. in Finance in U.K. He completed DBA (Accounting & Finance) from University of Strathclyde, U.K. As a former member of the Accounting, Auditing, Organization of Islamic Financial Institutions (AAIOFI) in Bahrain he was directly involved in the standard setting process of Accounting, Auditing, and Governance Standard for Islamic Financial Institutions. In Malaysia he is currently involved in the development of Malaysian Accounting Standards Board (MASB) standards particularly for Islamic financial and banking activities. His research cum consultancy projects includes development of prudential standards for IFSB, contract parameters for the industry and CIMA in Islamic finance as a global qualification.



DR. ENGPU RABIAH ADAWIAH is currently an Associate Professor at Ahmad Ibrahim Kulliyah of Laws, International Islamic University Malaysia (IIUM). She obtained her LLB (First Class Honours) and LLB (Shari'ah) (First Class Honours) from the IIUM. Shortly thereafter, she successfully completed her Masters of Comparative Laws (MCL) with distinction from the same university. She was conferred with PhD in Law (Securities Regulation) from the University of Aberdeen, United Kingdom. She teaches both Shari'ah and civil law; particularly on the subjects of Islamic transactions, company law, law of contracts and Islamic banking and securities at both undergraduate and postgraduate levels. Her research interest is in securities regulation, company law, Islamic law of transaction, and Islamic banking and finance. Her publications include articles in some journals and periodicals in Malaysia and international. She also serves as a member of Shariah advisor and consultant to several financial institutions and legal firms. Currently, she is a member of the Syariah Advisory Council (SAC) of Bank Negara Malaysia, and an independent Shariah advisor for Islamic securities issuance, approved by and registered with the Malaysian Securities Commission. In addition, she is also a member of the investigation tribunal for the Malaysian Bar Council.



DR. ASYRAF WAJDI is currently a Head, Research Affairs, International Shari'ah Research Academy for Islamic Finance (ISRA). He obtained his Bachelor of Accounting (Hons) International Islamic University Malaysia, 2000. In 2002, he successfully completed his Master of Science with Distinction (Islamic Economics, Banking and Finance) Loughborough, United Kingdom. He was conferred with PhD (Islamic Banking and Finance) Loughborough, United Kingdom in 2005. Currently, he is a Chairman, Shariah Advisory Committee, Affin Islamic Bank. He is also a Shariah Committee in Singapore-based IFIS Business Advisory Pte Ltd., member of Shariah Advisory Board, Chain Mender Limited (Mortgage Company), United Kingdom, a member of Board of Directors, AFTAAS Shariah Advisory Sdn. Bhd. also in Dinarius-Dirham Global Sdn. Bhd. He was formerly an Assistant Professor Islamic Banking and Finance in Kulliyah of Economics and Management Sciences, International Islamic University Malaysia and an Academic Coordinator, IIUM Institute Islamic Banking and Finance from 2000 until 2008. He is instrumental in developing Islamic banking and finance, Islamic Microfinance, Fiqh Muamalat, Islamic Accounting, Islamic Business Ethics, and Accounting for Islamic financial institutions as well as corporate and governmental entities in Malaysia.

WHO SHOULD ATTEND

- Central Bankers and Regulators
- Board of Directors
- Chief Financial Officers
- Senior Managers of Islamic banking
- Senior Managers of Takaful and Insurance
- Senior Financial/Auditor
- Chief of Risk
- Risk Management Manager
- Fund Managers
- Corporate Treasurers
- Financial Controllers
- Finance and Account Managers
- Fund Managers and Remisiers
- Accountants and Auditors
- Compliance Officers
- Academicians and Researchers
- Islamic Financial Consultant
- Shariah Advisor
- Corporate Lawyer
- Other interested parties

METHODOLOGY

- This training programme will be highly interactive with mini cases on specific related issues on risk in Islamic finance and hands on examples.
- Detailed training materials are provided which would be a useful set of reference for future practical undertakings.

PRE-REQUISITE

- Participants should have basic understanding of Islamic banking and finance products and instruments.

IN HOUSE TRAINING

Similar programme can be customised to the needs of your organisation. To finding more on our unique range of successful in-house programme, please do not hesitate to call us at: (603) 41081439/9012 or e.mail at info@cert.com.my (www.cert.com.my)

Hurry! Don't delay. The space is limited. Participation is based on "First Come First Served"

**CALL us at Tel: 603 41081439
or Fax: 603 41061549**

REGISTRATION FORM

2-Day Workshop on

RISK MANAGEMENT IN ISLAMIC FINANCE

1 - 2 March 2010

Impiana KLCC Hotel Kuala Lumpur

Dear Sir/Ms

Please register the following name(s) for this event :

1. Name: _____

Position: _____

Email: _____

2. Name: _____

Position: _____

Email: _____

(Please photocopy for more participants)

Approving Officer:

Name: _____

Position: _____

Organisation: _____

Address: _____


Tel: _____ Fax: _____


Email: _____

HOW TO REGISTER

 Tel: (+603) 41081439

 Fax: (+603) 41061549

 Email: zarina@cert.com.my

 Post your registration form duly signed by your nominating officer to:

Zarina (Senior Event Manager)
Cert Events Sdn. Bhd. (665109-H)
277, Jalan Bandar 11, Metro Melawati
53100 Kuala Lumpur, Malaysia
Website: www.cert.com.my

We will send you a confirmation note on receiving your registration form.

EVENT FEE

Your investment for attending this event is:

Early Bird Fee : (Payment by 15 February 2010)
- RM2,300 per person

Regular Fee : (Payment after 15 February 2010)
- RM2,800 per person

The fee includes lunch, refreshments, event documentation and certificate of attendance

HOW TO PAY

- Event fees must be paid before commencement of the programme.
- All cheques should be crossed and made payable to "Cert Events Sdn. Bhd."

After receiving payment a receipt will be issued. If you do not receive a letter outlining joining details two weeks prior to the event please contact the event coordinator at CERT.

SPECIAL GROUP DISCOUNT

- Discount of 10% for 2 participants from the same organisation.
- Discount of 15% for 3 or more participants from the same organisation.
- Special discount for shariah advisor and academic staff.

CANCELLATIONS

If you are unable to attend, a substitute is welcome at no extra cost. A complete set of event documentation and a 50% refund will be given for cancellation received in writing not later than 2 weeks prior to the event date. Unfortunately, only a 25% refund and documentation event will be given for cancellation received within 2 weeks before programme commencement.

We reserve the right to reschedule the event due to circumstances beyond our control

HOTEL ACCOMMODATION

Hotel is not included in the event fee. To reserve accommodation at the event venue, please contact hotel address below:

IMPIANA KLCC HOTEL

13, Jalan Pinang
50450 Kuala Lumpur, Malaysia
Tel: 60(3) 2147 1111 Fax: 60(3) 2147 1100
E-mail: info.impianaklcc@impiana.com

INCORRECT MAILING ADDRESS

If you have received multiple mailings of this brochure or incorrect company details on the address, please accept our apologies. If this occurs, kindly notify us so that we can update our database.

The organiser reserves the right to cancel/amend the programme in extreme circumstances. Should this occur, they will endeavour to advise delegates at the earliest opportunity but take no responsibility for any irrecoverable costs on the part of the delegates, eg. air fares, hotel costs. Obviously, attendance fees would, in such circumstances, be fully refundable at the delegate's option.

REGISTER NOW & FAX BACK TO (603) 41061549 (www.cert.com.my)