

Islamic Funds and Investment Products

Practical and Interactive Approach for Optimum Understanding to Enhance Your Skill on Equity Funds, REITs, Hedge Funds, Structured Products, Derivatives and Sukuk Products & Instruments from Islamic Principles

15 - 16 June 2009 ♦ Crowne Plaza Mutiara, Kuala Lumpur

Expert Course Trainers

- **Assoc. Prof. Dr. Engku Rabiah Adawiah**
Ahmad Ibrahim Kulliyah of Laws
International Islamic University Malaysia
- **Dr. Aznan Hasan**
Ahmad Ibrahim Kulliyah of Laws
International Islamic University Malaysia

“ **Not only Islamic financiers will benefit from this short and comprehensive workshop. Conventional financiers would also benefit extensively if they want to expand their client base to Islamic clients as well** ”

By attending this workshop you will learn:

- Fundamentals of Islamic Capital Market
- Islamic Equity Market (Shares) and Unit Trusts
- Islamic Real Estate Investment Trusts (REITs)
- Islamic Private Equity
- Islamic Hedge Fund
- Islamic Structured Products
- Islamic Derivatives Instruments
- Islamic Principles Framework for Sukuk
- Islamic Securitization: Scope, Process and Procedures
- Legal and Regulatory Framework for Sukuk
- Debt-based Sukuk - Murabahah, Istisna' and Salam
- Equity-Biased Sukuk: Sukuk al Ijarah
- Equity-Based Sukuk: Mudarabah and Musharakah Sukuk
- Islamic Asset-backed Sukuk
- Securitization of Hybrid / Mixed Assets / Exotic Sukuk

ABOUT THE WORKSHOP

Today, the Islamic financial market runs parallel to the conventional financial market and provides investors with an alternative investment philosophy that is rapidly gaining acceptance. The fact that the Islamic financial market does not prohibit participation from non-Muslims creates unlimited upside to the depth and breadth of this market. The growing awareness of and demand for investing in accordance to Islamic principles on a global scale has created a flourishing Islamic capital market, more so today due to increasing wealth in the hands of Muslims worldwide who are actively involved in corporate and business activities. Globally, Islamic finance is growing at phenomenal rates. In 2000, there were only three sukuk available worldwide worth USD336 million. As at end June 2007, the size of the global sukuk market stood at USD57 billion. The market capitalisation of the Dow Jones Islamic Market Indexes now totals more than USD10 trillion.

Well-developed Islamic capital markets will not only be beneficial for borrowers and institutional investors, they can also further enhance the stability of Islamic financial institutions, providing them with improved portfolio, liquidity and risk management tools. Ultimately, all these developments will contribute to integrating Islamic financial markets, as well as the people who form these markets, into the framework of the broader conventional international financial system.

Therefore, CERT takes this opportunity to organize this workshop that has been exclusively designed to provide comprehensive and practical knowledge on Sukuk and Islamic Investment Products i.e. Islamic equity, Islamic hedge fund, Islamic REITs, Islamic structured products and derivatives instruments. The workshop will enable you to understand more about Islamic Capital Market products and instruments.

Presented by learned and experienced course leaders, this workshop will definitely give benefit and more confidence to the delegates on the distinct features of Islamic capital market; products, instruments and structures. A dedicated and knowledgeable course leader, will provide the delegates with optimum satisfaction and understanding on the subject matters in Sukuk and Islamic investment products i.e. Islamic equity funds, Islamic REITs, Islamic hedge funds and Islamic structured products. The aims of this workshop is to combine the theory and practice. This will provide the delegates with knowledge, skills and techniques in real-life situation of structuring Islamic securities products.

Course Timing

The workshop will commence at 0900 promptly everyday and finish at 1730. Registration will take place at 0830 on Day One. There will be 3 breaks at appropriate intervals for refreshments and lunch. Morning coffee will also be provided at 0830.

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

DAY ONE: 15 June 2009 (Mon)

FUNDAMENTALS OF ISLAMIC CAPITAL MARKET

- The Islamic Capital Market (ICM): An Introduction
- Overview of the ICM and Islamic funds
- Role of ICM
- Framework of ICM
- Overview of modern forms of Islamic investment transactions
- Islamic principles underlying the contracts in Islamic investment transactions (overview):
 - Equity market
 - Unit trusts
 - Sukuk market
 - Trading etc.
- The do's and don't's in ICM
- Some issues in ICM
- Standardisation and harmonisation in ICM

ISLAMIC EQUITY MARKET (SHARES) & UNIT TRUSTS

- Equity market
- Islamic equity vs conventional equity
- Islamic structure of equity products and instruments
- Islamic principles in share-holding
- Issues in share holding
- Islamic financial contracts – Mudharabah & Musharakah
- Why the need for Islamic stock selection?
- Islamic stock selection – screening process
- Method of selection (DJIM, FTSE, SC etc.)
- Islamic compliance criteria and their basis
- Islamic unit trusts
- Underlying contracts
- Issues in Islamic unit trusts

ISLAMIC REAL ESTATE INVESTMENT TRUSTS (REITs) : PROSPECTS & OPPORTUNITIES

- What is a REIT?
- Track-record of REITs in the Asian region
- Islamic REIT vis-à-vis conventional REIT
- Structure of Islamic REIT
- Islamic REITs in Malaysia: regulation & experience
- Global Islamic REITs: Issues & challenges?
- Taxation issues
- Prospects & opportunities for Islamic REITs
- Potential investor base

Case Studies:

- ◆ *Al-Aqar KPJ REIT*
- ◆ *Al-Hadharah Boustead REIT*

THE PROGRAMME

ISLAMIC PRIVATE EQUITY

- Islamic Private Equity Fund (IPEF)
- Structure of IPEF
- Shari'ah issues of IPEF
- Investment opportunities

ISLAMIC HEDGE FUND

- Why the demand for Islamic structured products?
- Hedge Funds: Higher Returns – Lower Volatility
- Shariah compliant fund of hedge funds
- Screening methodology for a fund of hedge funds
- Making compliance functional
- Continuing challenges ahead

ISLAMIC STRUCTURED PRODUCTS

- Structured finance : An overview
- Risk transfer instruments
- Illustration of securitisation
- Structured product under SC's Guidelines
- Leading structures of structured product
 - Option – call and put
 - Forward
 - Future
 - Swap
 - Securitisation (asset-backed securitisation)
- Interest/profit rate swap/exchange
- Features of interest / profit swap
- Islamic solutions methodology
- Proposed Islamic profit rate swap
- Islamic profit rate swap: an overview
- Equity Linked Notes (ELN)
- Note on Islamic option
- Futures contract
- Islamic forward FOREX
- Islamic solutions to FOREX
- Islamic structured products: The way forward

ISLAMIC DERIVATIVES INSTRUMENTS

- Islamic derivatives
 - Are Islamic derivatives a need
 - Islamic potential contracts
 - Principles for Islamic structured products
 - Shariah issues for deliberation
- Islamic derivatives instruments : The way forward

- The global sukuk market
- Sukuk & securitization
- The benefits of securitization
- Securitization - Taskik, Tawriq and Tasnid
- Sukuk: A definition (AAOIFI & Others)
- Sukuk vis-a-viz bonds
- Sukuk & conventional bonds: A comparison

TYPES OF SUKUK STRUCTURES

- Debt-based Sukuk (Islamic Debt Securities)
- Equity-biased Sukuk
- Equity-based Sukuk

THE ISLAMIC LAW FRAMEWORK FOR SUKUK

- What amounts to Shari'ah compliant Sukuk?
- What to be avoided?
- Some regulatory aspects of Sukuk
- AAOIFI Shariah Standard
- Various types of investment Sukuk under AAOIFI standard
- Guidelines on Islamic Securities 2004 (Malaysia)
- Malaysia SC's guidelines on offering of Islamic securities
- Issues & challenges

ISLAMIC DEBT-BASED SUKUK - MURABAHAH, ISTISNA' AND SALAM

- The phases in structuring Sukuk:
- Primary level - Debt creation via sale
- Shariah issues
- Secondary level - Debt securitization and trading
- Legal documentation & related issues

Case Studies:

- ◆ *RM760 Million World Bank Sukuk*
- ◆ *RM425 Million Sarawak Specialist Hospital & Medical Centre Istisna' Serial Bonds*
- ◆ *RM5.6b SKS Power Istisna' MTN*
- ◆ *Bahrain Salam Sukuk*

EQUITY-BIASED SUKUK: SUKUK AL IJARAH

- Sukuk al Ijarah: Definition
- Structuring Sukuk al Ijarah
- Nature of Sukuk al Ijarah – debt or equity?
- Securitization of leased asset or securitization of rental receivables?

SUKUK AL IJARAH: OBSERVATIONS AND ISSUES

- Tradability
- Ownership issue
- Purchase undertaking in Sukuk al Ijarah?

DAY TWO: 16 June 2009 (Tue)

INTRODUCTION - CONCEPTS AND DEFINITION

- Sukuk - the ever growing market

- Rental rate
- Redemption of Sukuk al Ijarah – at par value?
- Buy-back arrangement
- Risk profile of Sukuk al Ijarah
- Lease and lease back?
- Head lease & Sub lease?

Case Studies:

- ◆ RM522 Million Segari Energy Ventures (Malaysia)
- ◆ USD600 Million Malaysian Global Sukuk (Malaysia)
- ◆ SR98 Million Caravan One Sukuk (Saudi Arabia)
- ◆ €100 Million Saxony-Anhalt Sukuk (Germany)

EQUITY-BASED SUKUK: MUDARABAH SUKUK & MUSHARAKAH SUKUK

- Definition of Mudarabah and Musharakah Sukuk
- Basic Structure
- Nature & features of Mudarabah Sukuk & Musharakah Sukuk
- Risk & return features
- Risk Profile of Sukuk al Musharakah / Mudarabah
- Managing the risks in Sukuk al Musharakah / Mudarabah
- Observations and issues in Mudarabah Sukuk & Musharakah Sukuk
- Guarantee on capital/profit?
- Issuance at a discount?
- Taking collateral/security?
- Default situation & obligation of issuer
- How to word the redemption clause?

Case Studies:

- ◆ RM80 Million PGM Mudarabah Sukuk (Malaysia)
- ◆ SGD25 / SGD35 Million MUIS Musharakah Sukuk (S'pore)
- ◆ RM200 Million Vastalux Musharakah Mutanaqisah Sukuk
- ◆ USD550 Million Wings FZCO Musharakah Sukuk (UAE)
- ◆ USD3.5 Billion Dubai Port Convertible Sukuk (UAE)

ISLAMIC ASSET-BACKED SUKUK

- Definition of asset-backed securities
- Islamic asset-backed securities: Basic structure
- The criteria for the assets that can be securitised as IABS
- What are needed for IABS structure?
- True sale criteria
- The special purpose vehicle
- Benefit of asset backed securitization
- Challenges in issuing IABS

SECURITIZATION OF HYBRID / MIXED ASSETS

Case Studies:

- ◆ RM2.5 Billion Musharakah One Asset-Backed Sukuk (M'sia)
- ◆ USD400 Million IDB Sukuk al Istithmar (IDB)
- ◆ RM2.05 Billion Cagamas MBS Sukuk (Malaysia)

OTHER EXOTIC SUKUK

Case Studies:

- ◆ USD750 Million Khazanah Exchangeable Sukuk (M'sia)
- ◆ USD200 Million 2006 Tabreed Sukuk (UAE)
- ◆ Sukuk al Intifa' - ZamZam Tower Sukuk (Saudi Arabia)

Other Aspects to be considered:

- Issuing Sukuk:
- Cost efficiency
- Taxation issues
- Cheaper cost of funds
- Credit rating
- Investing in Sukuk
- Return on investment
- Risk & return profile
- Liquidity & tradability of the Sukuk

Legal Issues

- Effective legal documentation
- Transparent dealings
- Adequate investor protection

Group Exercise

In this session, delegates are asked to structure Islamic investment products using several Islamic financial contracts based on the case studies given. The general aim is to equip delegates to understand and how to structure of the following Islamic securities products:

- Musharakah or Mudarabah Sukuk
- Sukuk al Ijarah
- Islamic asset-backed securities
- Islamic stock screening and equity funds

Who Should Attend

- Central Bankers and Regulators
- Board of Directors
- Chief Financial Officers
- Head of Credit
- Head of Legal
- Head of Product Development
- Head of Corporate Banking
- Financial Controller
- Treasurers
- Fund Managers / Investments
- Finance and Account Managers
- Fund Managers and Remisiers
- Accountants and Auditors
- Compliance Officers
- Academicians and Researchers
- Risk Management
- Corporate Lawyer

YOUR EXPERT COURSE TRAINERS



DR. ENSKU 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 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. Currently, she is a member of the Syariah Advisory Council (SAC) of Bank Negara Malaysia and LOFSA, and an independent Shariah advisor for Islamic securities issuance, approved by and registered with the Malaysian Securities Commission. She is also a member of the Shariah Advisory Board for Khazanah in relation to both its exchangeable sukuk of 2006 and 2007 respectively. In addition, she had also served as a Shari'ah advisor to several financial institutions and had advised on a number of Sukuk issuances in Malaysia. She is also a member of the investigation tribunal for the Malaysian Bar Council; a board member of Malaysian Institute of Islamic Understanding's (IKIM) Board of Directors and she sits in the Investment Committee for the board.



DR AZNAN HASAN is currently a lecturer at the Islamic Law Department, Ahmad Ibrahim Kulliyah of Laws, International Islamic University Malaysia (IIUM). He received his first degree in Shariah from from University of Al Azhar, Egypt. He then successfully completed his Master Degree in Shariah from Cairo University with distinction and the board of examination has recommended that his thesis be published. He then obtained his PhD in Islamic Law from the University of Wales in United Kingdom. He also serves as a member of Shariah advisor and consultant to several financial institutions. He taught several subjects such as Islamic legal theory and Islamic law of transactions. Currently he is a Shariah adviser to the Bursa Malaysia, and an independent Shariah advisor for Islamic securities issuance, approved by and registered with the Malaysian Securities Commission.

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BY COMPLETING THE WORKSHOP YOU WILL:

- **Acquire** the knowledge on Shariah principles in Islamic securities and securitization
- **Understand** the framework and structure of Sukuk and Islamic Investment products in global market
- **Identify** products and instruments in Sukuk and Islamic Investment products securities
- **Identify** the criteria and principles in developing Islamic Capital Market
- **Examine** several Shariah and legal issues in structuring Islamic securities - bonds and Sukuk
- **Explore** and update current issues on regulatory and legal aspects in Islamic securities
- **Review** and update the challenges and opportunities in the implementation and development of Islamic securities and investments around the globe.

**HURRY! DON'T
DELAY. THE SPACE
IS LIMITED.
PARTICIPATION IS
BASED ON
"FIRST COME FIRST
SERVED"**

REGISTRATION FORM

2-Day Workshop on

Islamic Funds and Investment Products

15 - 16 June 2009

Crowne Plaza Mutiara Kuala Lumpur

Dear Sir/Ms

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

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: ana@cert.com.my



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

Ana (Event Coordinator)

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.

WORKSHOP FEE

Your investment for attending this workshop is:

Early Bird Fee : (Payment by 29 May 2008)
- RM2000 / USD600 per person

Regular Fee : (Payment after 29 May 2008)
- RM2,500/ USD750 per person

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

HOW TO PAY

■ Workshop 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 academic staff.

CANCELLATIONS

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

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

HOTEL ACCOMMODATION

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

Crowne Plaza Mutiara Kuala Lumpur

(at Raja Chulan Monorail)

50250 Kuala Lumpur, Malaysia

Tel: +603 21463883 Fax: +603 21463895

Attn: Sophia Fong (Crowne Meeting Manager)

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.

DISCLAIMER

The organiser reserves the right to cancel/amend of its published programme due to unforeseen circumstances.

Register Now & Fax Back to (603) 41061549 (www.cert.com.my)