



Suruhanjaya Sekuriti
Securities Commission
Malaysia

8th ISLAMIC MARKETS PROGRAMME

Widening Market Connectivity in Islamic Finance

26 - 29 August 2013 • Securities Commission Malaysia, Kuala Lumpur



Delivering Professional Excellence



About The SECURITIES COMMISSION MALAYSIA (SC)

The SECURITIES COMMISSION MALAYSIA (SC) was established on 1 March 1993 under the Securities Commission Act 1993. The SC is a self-funding statutory body with investigative and enforcement powers. It reports to the Minister of Finance and its accounts are tabled in Parliament annually. The SC's many regulatory functions include:

- supervising exchanges, clearing houses and central depositories;
- registering authority for prospectuses of corporations other than unlisted recreational clubs;
- approving authority for corporate bond issues;
- regulating all matters relating to securities and futures contracts;
- regulating the take-over and mergers of companies;
- regulating all matters relating to unit trust schemes;
- licensing and supervising all licensed persons;
- encouraging self-regulation; and
- ensuring proper conduct of market institutions and licensed persons.

Underpinning all these functions is the SC's ultimate responsibility of protecting the investor. Apart from discharging its regulatory functions, the SC is also obliged by statute to encourage and promote the development of the securities and futures markets in Malaysia.

ISLAMIC MARKETS PROGRAMME

The growth of Islamic capital market (ICM) products and services in Malaysia and elsewhere has been tremendous, for both financing and investment tools. Today, there are a variety of products, infrastructures, institutions, intermediaries and investors, contributing to the development and greater depth of the capital market.

To accelerate the growth of the ICM, human capacity building must be accorded with high priority in its development efforts. The ICM industry needs to be equipped with a new breed of regulators, innovators, intermediaries and industry practitioners who have the right blend of capital market knowledge and understanding of the Shariah principles. Furthermore, there is a great need to enlarge the pool of human capital in the areas of Islamic finance, legal and accounting in keeping abreast with the contemporary issues and challenges. The Islamic Markets Programme focuses on principles of Islamic finance based on which further innovation and solutions are made possible.

This programme is designed to cater to a wide audience of both experienced practitioners and new entrants into the world of Islamic finance. It is directed towards individuals involved in any aspect of Islamic finance and would be most helpful in preparing professionals dealing with Islamic products and institutions.

8th ISLAMIC MARKETS PROGRAMME

Widening Market Connectivity in Islamic Finance

26 - 29 August 2013 • Conference Hall, Securities Commission Malaysia

INTRODUCTION

Global Islamic financial assets surpassed the one-trillion dollar mark in 2011 and are expected to exceed USD1.8 trillion in 2013. The growing interest amongst Muslim and non-Muslim investors in Islamic investment amid the recent changes in political landscape as well as a new-found will to expand the sector in certain countries across the Middle East, Africa and Europe is expected to further advance Islamic investment markets. Islamic finance also presents significant appeal to the growing Socially Responsible Investment (SRI), sustainable investment and ethical finance sectors, especially in the West.

CHALLENGES

Despite the immense opportunities in Islamic finance, challenges lie ahead for the products and instruments to be universally accepted on the back of unclear tax and regulatory frameworks, limited familiarity with Islamic principles, insufficient talent, limited products/ instruments choice, illiquid secondary markets and lack of harmonisation between jurisdictions impeding the speed of growth.

Further, increased cross border financial flows have led to growing international participation in Islamic financial markets and an ensuing need to ensure its sustainability. At the same time, it is evident that the widening market connectivity fostered particularly by new financial centres in Asia and the Middle East has strengthened the foundations for intra- and inter-regional linkages in trade and investments, and is a tremendous benefit to nation building for these economies. To support the increase in market connectivity and harness the sustainability of international participation, a host of diversified and comprehensive Shariah-compliant financial solutions is required.

MOVING ON

Islamic finance's increasing worldwide acceptance and prominence after the global economic crisis coupled with continued growth buoyed by high levels of interest has led the industry to gain a unique opportunity through which greater connectivity can be achieved.

This in turn has created a new financial landscape requiring world-class business talent and well-qualified Islamic capital market (ICM) professionals to steer Islamic financial market connectivity, and to fulfil the rising demand for ICM products and services amid increasing market sophistication. It is hoped that a widened talent pool of ICM professionals would advance the transfer of knowledge within the industry and heighten awareness of the benefits of Islamic investments among investors.

A well-thought out regulatory framework is also crucial to ensure the growth traction for the Islamic capital market. Hence, the role of regulators in establishing clear and comprehensive guidelines for new and existing products is pertinent to ensure efficiency and clarity for market participants. Broader regulations need to be drawn up for the overall Islamic finance industry, to create a proper environment to promulgate Islamic finance.

LEARNING OBJECTIVE

By the end of this four-day programme, participants will be able to evaluate the significance of Islamic finance products in universally accepted markets in accelerating the industry's growth momentum.

Participants will be able to:

- identify the philosophy, fundamentals and recent developments in Islamic finance
- identify an ideal architecture, its essential support pillars and pre-conditions to facilitate Islamic finance growth
- review current and recent regulatory developments in Islamic finance
- assess product innovations in catalysing the development of Islamic finance
- examine factors contributing to the development of the Sukuk market and its challenges
- distinguish the legal impediments and disparities across jurisdictions in Islamic finance transactions
- identify essential features in managing Islamic finance dispute resolution
- define ethical funds as an investment alternative
- assess issues related to Shariah governance
- explore ways of creating a sustainable talent pool of Islamic finance professionals

The 2013 Islamic Markets Programme gathers the experts, regulators and market participants from across the globe to share knowledge, experiences and to explore opportunities, insights and challenges amid this vastly expanding financial sector. Participants will be involved in inspiring discussions on issues of market complexities, diversity of products and regulatory constraints, intricacies of cross-border linkages and industry best practices.

WHO SHOULD ATTEND

Senior regulators and financial industry practitioners.

PROGRAMME SUMMARY

METHODOLOGY

The programme is delivered via multiple methodologies designed to create an environment of intellectual sharing such as:

- presentations
- panel discussions
- case studies
- country sharing sessions

PROGRAMME DIRECTORS

Wan Abdul Rahim Kamil Wan Mohammed Ali
ICM Consultant, Securities Commission Malaysia

Sivalingam Navaratnam
General Manager, Securities Industry Development Corporation

PROGRAMME DETAILS

Duration

26 - 29 August 2013 • 9.00am - 5.00pm

Venue

Conference Hall, Securities Commission Malaysia

CPE Points

10 CPE points

PROGRAMME FEES

Select from the following packages:

Package	Date	Fee	Details
A. Local Participants	26 – 29 Aug 2013	RM4,500	<ul style="list-style-type: none">• Full 4-day programme• inclusive of optional introductory workshop on 26 August
B. Foreign Participants	26 – 29 Aug 2013	USD2,300	<ul style="list-style-type: none">• Full 4-day programme• inclusive of optional introductory workshop on 26 August• 5-day-4-night stay• Roundtrip airport transfer
C. Local Participants	27 – 29 Aug 2013	RM3,500	<ul style="list-style-type: none">• Full 3-day programme• excluding optional introductory workshop on 26 August
D. Foreign Participants	27 – 29 Aug 2013	USD1,780	<ul style="list-style-type: none">• Full 3-day programme• excluding optional introductory workshop on 26 August• 4-day-3-night stay• Roundtrip airport transfer

PROGRAMME HIGHLIGHTS

INTRODUCTORY WORKSHOP (Optional)

Monday, 26 Aug 2013

OVERVIEW OF ISLAMIC CAPITAL MARKET (ICM)

By the end of this workshop, participants will be able to:

- define the philosophy and fundamentals of the Islamic capital market
- recognise the legal and regulatory framework governing Islamic finance
- relate the significance of new developments affecting the Islamic capital market

8:45 am	Registration
9:00 am	Doa Recital
9:05 am	Introduction to the Islamic Markets Programme 2013 Workshop
9:40 am	Refreshments and Networking
10:00 am	Insights into Islamic Finance <ul style="list-style-type: none">• Overview of the Islamic capital market and Shariah principles governing Islamic finance
11:00 am	Discussion and Question & Answer Session
11:15 am	Establishing Appropriate Institutional, Legal and Regulatory Frameworks: The Malaysian Experience
12:15 pm	Discussion and Question & Answer Session
12:30 pm	Lunch
2:00 pm	Introduction to Islamic Finance Products <ul style="list-style-type: none">• Unique features and characteristics of Islamic finance instruments
3:15 pm	Refreshments
3:30 pm	Country Sharing Session: <ul style="list-style-type: none">• Potential and progress developments• Domestic issues and challenges
4:30 pm	Discussion and Question & Answer Session
4:45 pm	Day Debrief
5:00 pm	End of Introductory Workshop

DAY 1

Tuesday,
27 Aug 2013

WIDENING THE SPECTRUM OF PRODUCTS

By the end of Day One, participants will be able to:

- review the recent development of Islamic capital market products and instruments
- examine the challenging factors surrounding the acceptance and viability of Shariah-compliant products
- assess the advantages and limitations of current Shariah-compliant instruments
- explore the potential of Sukuk and Exchange Traded Bonds and Sukuk (ETBS) in secondary markets

9:05 am	Welcome Remarks: Islamic Markets Programme 2013
9:15 am	IMP 2013 Programme Briefing
9:30 am	Photography Session and Refreshments
10:00 am	How does Islamic Finance Strengthen the Overall Financial Industry?
11:00 am	Discussion and Question & Answer Session
11:15 am	New Product Development in Islamic Finance: Viability and Competitiveness <ul style="list-style-type: none"> • Islamic Business Trust • Exchange Traded Bonds and Sukuks (ETBS) • Islamic structured products
12:15 pm	Discussion and Question & Answer Session
12:30 pm	Lunch
2:00 pm	Sukuk <ul style="list-style-type: none"> • Growing potential and demand from primary to secondary market • Case study: Internationalisation of Sukuk
3:15 pm	Refreshments
3:30 pm	Panel Discussion: Sukuk <ul style="list-style-type: none"> • Islamic hedging and securitisation
4:30 pm	Discussion and Question & Answer Session
4:45 pm	Day Debrief
5:00 pm	End of Day 1

DAY 2

Wednesday,
28 Aug 2013

STRENGTHENING THE ISLAMIC CAPITAL MARKET FRAMEWORK

By the end of Day Two, participants will be able to:

- recognise how Islamic screening methodologies and processes have evolved
- identify the rules and principles as well as areas for improvements in Shariah governance
- identify the essential features in managing dispute resolution
- interpret factual information and derive lessons from case discussions involving Sukuk

9:30 am	Shariah Screening Process and Benchmark Setting <ul style="list-style-type: none"> • How does it evolve? • Malaysian screening vs. Dow Jones Islamic Market (DJIM) screening
10:45 am	Discussion and Question & Answer Session
11:00 am	Refreshments
11:15 am	Shariah Governance <ul style="list-style-type: none"> • The rules and principles governing Islamic finance • The challenge of practising the theory
12:15 pm	Discussion and Question & Answer Session
12:30 pm	Lunch
2:00 pm	Dispute Resolution <ul style="list-style-type: none"> • Overview of i-Arbitration process • Equitability challenges • Court processes
3:00 pm	Discussion and Question & Answer Session
3:10 pm	Refreshments
3:30 pm	Case Discussions: Sukuk Default <ul style="list-style-type: none"> • Implications, lessons learned and going forward
4:30 pm	Discussion and Question & Answer Session
4:45 pm	Day Debrief
5:00 pm	End of Day 2

DAY 3

Thursday,
29 Aug 2013

BUILDING EFFECTIVE CROSS BORDER LINKAGES

By the end of Day Three, participants will be able to:

- identify the guiding principles and standards developed for the Islamic financial industry
- recognise ways of generating a sustainable supply of top talent in the Islamic capital market
- explore Islamic financial concepts and ideals in relation to ethical investing

9:30 am	Developing Universally Accepted Standards for the Islamic Financial Services Market <ul style="list-style-type: none"> • Integration of regulatory framework across borders • Why greater collaboration and discussions matter? • Areas for further harmonisation • Applicability of Malaysian Financial Reporting Standards (MFRS) to Islamic finance
10:30 am	Discussion and Question & Answer Session
10:45 am	Refreshments
11:05 am	Developing a Sustainable Talent Pool <ul style="list-style-type: none"> • Prospects, challenges and latest developments
12:05 pm	Discussion and Question & Answer Session
12:20 pm	Lunch
2:00 pm	Moving Forward Country issues and future plans in capacity building
3:00 pm	Discussion and Question & Answer Session
3.10 pm	Ethical Investment Funds <ul style="list-style-type: none"> • Appeal of ethical investment funds • Ethical investment funds vis-a-vis Islamic finance
4:10 pm	Discussion and Question & Answer Session
4.20 pm	Closing Remarks and Certificate Presentation
4.30 pm	Farewell Tea and End of Islamic Markets Programme 2013

All information on this brochure is correct at the time of printing. The SIDC reserves the right to amend the programme as deemed relevant, without prior notice.



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