



# Understanding ISLAMIC FINANCE

## From Capital Markets to Real Estate

19th & 20th September 2007  
Ramada Park Hotel ★★★★★  
Geneva, Switzerland

Outstanding panel  
of Islamic Finance Experts  
sharing with you  
their knowledge  
and insights

Conference Chairman

**Jean Mandelbaum**  
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**Dr Sabahuddin Azmi**  
**Emirates Institute for Banking and  
Financial Studies Sharjah**



**Dr Sabahuddin Azmi** (United Arab Emirates)  
**Emirates Institute for Banking and  
Financial Studies Sharjah**



**Mr Tarek El Diwany** (United Kingdom)  
Partner; **Zest Advisory LLP**



**Dr Nabil Charaf** (Switzerland)  
Attorney at law;



**Dr Gaffar Abdalla Ahmed** (United Kingdom)  
Visiting Research Fellow; **University of Durham**



**Mrs Imane Karich** (Belgium)  
Senior Consultant; **Finalyse**



**Mr Umer Majid** (United Kingdom)  
Director; **HHal Investments**



**Mr Elwaleed M Ahmed** (Kuwait)  
Legal Consultant, Head of Foreign Affair  
Department;  
**Yaqoub Al-Munayae & Aisha Al-Shaiji Firm**



**Mr Keith Leach** (United Kingdom)  
Head of alburag;  
**ABCIB Islamic Asset Management**



**Mr Mohamed Bakkar** (Lebanon)  
Attorney at Law;  
**Bakkar Advocates and legal consultants**



**Mr Ahmed Fazel Ebrahim** (South Africa)  
Specialist research Scholar on Islamic Law



**Mr Renat Bekkin** (Russia)  
Senior Research Fellow,  
**Institute for African Studies,  
Russian Academy of Sciences**



**Mr Brian Kettell** (United Kingdom)  
**Islamic Banking Training**



**Mr Ramy Torbey** (Lebanon)  
Associate;  
**Torbey Touma Al-Jarbou LLP**



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# Programme

## DAY ONE 19th Sept 2007

### 08:55 Chairman's welcome & opening remarks

### 09:05 Introduction to the Islamic Law

- Basis of Islam
- Inheritance Islamic law



**Dr Nabil Charaf** (Switzerland)  
Attorney at Law

### 09:20 Understanding the main terms used in Islamic Finance

- Explanations of such terms as: Riba (interest), Gharar (ambiguity and uncertainty in business contracts), Mysir (risk and gambling)
- The main focus will be on highlighting the implications of these prohibited institutions in Islamic finance operations
- Explaining the other terms as musharakah (joint venture), mudarabah (partnership), murabaha (cost-plus financing) salam (advance sale) istisna' (contract for manufacturing), ijarah (leasing) etc.



**Dr Sabahuddin Azmi** (United Arab Emirates)  
Lecturer, Islamic Banking and Finance Unit  
Emirates Institute of Banking and Financial Studies

### 10:05 Implications of Shari'ah for Investment Methodology

- Some key contractual principles in traditional understandings of Shari'ah
- How do Islamic contractual principles affect investment objectives?
- Structuring investment products to meet traditional interpretations of Shari'ah
- Are modern legal interpretations undermining the objectives of Shari'ah?
- Case study: Islamic Leverage
- Case study: Synthesising an interest-based return
- Case study: A total return swap
- A revenue sharing infrastructure bond
- A capital risk sharing property financing product
- Issues in structuring an Islamic venture capital fund
- Minimising reputation risk in Islamic investment management



**Mr Tarek El Diwany** (United Kingdom)  
Partner; Zest Advisory LLP

### 10:50 Coffee

### 11:10 Musharakah equity participation finance through the banking system: Theory and evidence from Sudan

- Introduction about Islamic Banking and Profit and loss sharing theory
- Musharakah and Islamic Jurisprudence Fiqh
- Theoretical Framework for Financing Entrepreneurs through Musharakah Scheme in the Banking System
- The Sudanese Banking Industry: History and Performance Overview

- Research Methodology
- Sudanese Banks' Profile Analysis and Sample Characteristics and Analysis of the Opinions of Bank Personnel towards Banking Activities
- Musharakah Finance in the Sudanese Islamic Banking System: Preference and Performance of its risk and profitability
- Obstacles and Prospects for Equity Participation Finance (musharakah) in Sudan



**Dr Gaffar Abdalla Ahmed** (United Kingdom)  
Visiting Research Fellow; University of Durham

### 11:55 Islamic Finance in Europe: current situation and perspectives

- What is Islamic Finance? – Brief introduction
- European market potential – quick estimates
  - Demand potential
  - Current Supply
- Gap Analysis
  - Potential reasons
  - Obstacles to an increased supply
- Conclusion



**Mrs Imane Karich** (Belgium)  
Senior Consultant; Finalyse  
General Secretary; Cercle d'Etudes et de Recherches en Economie Islamique (CEREI)  
Collaborates on the Belgian Muslim Professionals Organization  
Prior: Internal Auditor; ING Bank

### 12:40 Lunch

### 14:00 Islamic Finance: a Halal model accomodating and driven by customer needs

- The emergence of the ethical investor and the need for Islamic Finance
- The Key principles underpinning islamic finance
- Islamic finance defined according to these principles key Quranic principles and the teaching of the prophet
- The Global Growth of Islamic finance
- Case study: The UK Market
  - A demand analysis
  - Uk government policy addressing the need to encourage the growth of Islamic Finance
  - Entry barriers
  - Overcoming entry barriers
  - Regulation-UK and EC- Its Impact on the islamic finance market identifying customer needs
  - Defining these customer needs according to shariah compliant products and services
  - Delivering a halal ethical experience to the customer Bridge builder model"



**Mr Umer Majid** (United Kingdom)  
Director; Halal Investments

### 14:45 The Essential Legal Regulation Reform For Islamic Finance's Accommodation and Growth in UK & US:



**Mr Elwaleed M Ahmed**  
Legal Consultant, Head of Foreign Affair Department; Yaqoub Al-Munayae & Aisha Al-Shajji Firm

## 15:30 Coffee

### 15:45 A technical analysis of the Murabahah financing technique as applied by Islamic Banks

- Islamic Definition of Murabahah
- Format of Application in Islamic Banks
- Is the Murabahah Contract Binding upon the customer/or "purchase orderer" who requests/instructs a bank to purchase an asset on his/her behalf with the objective of re-selling the same to the requesting customer
- Mathematical determination of the sale/purchase price
- A critical analysis of the Murabahah contracts applied by Islamic Banks and Islamic Windows in Non-Islamic Banks
- Allowing the bank's customer to act as an agent to buy the commodity which the latter requires on behalf of the bank. The bank then re-sells the same to the customer
- Areas where the Murabahah contracts are applied in Islamic Banks
- Other features of a Murabahah contract
- Imposition of penalties due to clients' default or deferred payment
- Iq lah (the cancellation or annulment of a sale) and the Murabahah contract
- Mathematics of profit distribution of returns from a Murabahah contract
- Contemporary and other Scholars who sanctioned the format of Murabahah contracts as applied by Islamic Banks
- Consideration of country-specific legal requirements pertaining to the Murabahah contract
- Aaoifi standards on the Murabahah contract
- Retail and wholesale forms of Murabahah contracts that also entail Islamic prohibitions
- Any conditions associated to the Murabahah contracts
- Murabahah as a competitor to Interest Financing
- Term structures in relation to Murabahah
- Murabahah and the taking of risks



**Mr Ahmed Fazel Ebrahim** (South Africa)  
Specialist research Scholar on Islamic Law

### 16:30 Shariah Compliant Real Estate Structuring

- Overview of the use of Islamic Finance in Real Estate
- Conventional Lender and Capital Markets considerations
- Most commonly used structures and strategies (Cash Purchase, Ijara Lease structure, Mudaraba, Musharaka, Diminishing Musharaka, Istina')
- Case Studies



**Mr Ramy Torbey** (Lebanon)  
Associate ; Torbey Touma Al-Jarbou LLP

## 17:15 Cocktail

## DAY TWO 20th Sept 2007

### 09:00 Chairman's Introduction

### 09:10 Different principles governing Islamic Finance

- Principles that govern Islamic finance
- Profit and loss sharing
- Gain accompanies liabilities
- Prohibition of interest
- Uncertainty in contracts
- Gambling
- Unlawful investment
- Prohibition of debt trading
- Guidelines concerning dealing in money (liquid asset)
- Sanctity of contracts



**Dr Sabahuddin Azmi** (United Arab Emirates)  
Lecturer, Islamic Banking and Finance Unit  
Emirates Institute of Banking and Financial Studies

### 09:55 Sukuk "Islamic Bonds": its Unique Feature & the Challenges Facing its Growth & comparison between Islamic Sukuk "Asset backed Securitization" and Conventional Bond

- Sukuk's Definition
- Sukuk Formation
- Sukuk's Unique Feature:
- Comparison between Sukuk and Conventional Bonds



**Mr Elwaleed M Ahmed** (Kuwait)  
Legal Consultant, Head of Foreign Affair Department; Kuwaiti lawyer  
Firm- "KLF" (Yaquob Y Al-Munayae & Partners)

## 10:40 Coffee

### 11:00 How to create a Islamic finance department

- Case study Jordan Islamic Bank
- Risk management strategy
- Delivering a robust halal ethical solution
- What the future may hold



**Mr Umer Majid** (United Kingdom)  
Director; Halal Investments

### 11:45 Lebanon: Islamic Financial Centre of the Middle-East?

- Islamic Banking Law N° 575
- Circulars of Banque Du Liban concerning the operations of Islamic Banks in Lebanon : Murabaha, Musharaka ,Islamic collective investment schemes, Ijara and Ijara wa Tamalluk, Mudaraba, Salam, Istisna
- Securitization Law
- Fiduciary Law
- Banking Secrecy Law
- Lebanese Tax Law



**Mr Mohamed Bakkar** (Lebanon)  
Attorney at Law; Bakkar Advocates and legal consultants

## 12:30 Lunch



**14:00 Islamic finance: western and Russian approaches.**

- Short review of all attempts to establish Islamic financial institutions in Europe
- Who is the potential customer of Islamic financial services in Europe and Russia?
- Can UK serve as an example for Europe and Russia as far as development of Islamic finance is concerned?
- Withdrawal of the license for banking operations from the only Islamic bank in Russia: politics or economics?
- Islamic insurance: the lack of money or the lack of will?
- Waqf or Gift? some misconceptions about the nature of Waqf in Russia
- Russian 'Gold Dinar' project: key issues on asset management according to Shariah



**Mr Renat Bekkin** (Russia)  
 Senior Research Fellow, Russian Academy of Sciences  
 Prior: Director of Islamic Insurance Division, "Itil" Insurance Company Advocate; St. Petersburg United Bar Association

**14:45 Islamic finance in the UK, particularly the growing market for retail products and covering real estate (commercial and residential) as well as other products**



**Mr Keith Leach** (United Kingdom)  
 Head of alburag; ABCIB Islamic Asset Management  
 Founding member of the original Bank of England Working Party  
 Prior: Created Islamic products at The United Bank of Kuwait

**15:30 Coffee Break**

**15:45 Sukuk: The driving forces behind a new Islamic asset class**

- Definition and role within Islamic capital markets
- Does the Islamic community need another asset class?
- Drivers of the sukuk market: now and in the future
- The sukuk trap



**Mr Brian Kettell** (United Kingdom)  
 Islamic Banking Training  
 Prior: Adviser to the Bahrain Monetary Agency

**16:30 Close of the conference**

**Financial Events *International***

**Understanding Islamic Finance:  
From Capital Markets to Real Estate**



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