



Lotus Capital

ETHICAL INVESTMENTS

Structuring Islamic Finance & Investment Products

12 - 16 January, 2009

Who Should Attend?

- Finance Sector Regulators
- Banking & Investment Professionals
- Pension Fund Administrators
- Capital Market Operators
- Insurance Practitioners
- Legal Practitioners
- Investment Consultants

What You'll Learn

- An understanding of the new global wave of Islamic Finance & Investment banking
- The founding principles of Islamic Finance & Investments
- The differences between Islamic & Conventional Finance
- An understanding of Islamic bonds and securitization
- Structuring Islamic Insurance / Takaful products
- Islamic Finance product development

Facilitator

Prof. Monzer Kahf

Consultant/Trainer/Lecturer, Islamic Banking, Finance and Economics

Writer: Several books on Trusts' (Awqaf), Zakah, Islamic finance and banking and other areas of Islamic economics.

Senior Research Economist: Islamic Research and Training Institute (IRTI) of the Islamic Development Bank (IDB). Jeddah, Saudi Arabia, 1995 - 1999.

OBJECTIVES

- Understand the foundations of Islamic finance
- Introduce the Islamic financial instruments and structured products, discuss their relationship with
- Conventional financing Instruments Understand Islamic finance contracts
- Provide in-depth understanding of the growing Islamic investment funds, their structure and growth
- Understand Islamic Finance contracts
- Study the rising Islamic bonds and Islamic securitization
- Understand the Shari'ah issues involved in investment funds of their investments

DAY 1: THE ROAD AHEAD: REALISING THE POTENTIAL OF ISLAMIC FINANCE & INVESTMENT

Why Islamic finance?

- Islamic Finance and Islamic Economics
- Islamic Finance and the Islamic Economic System:

Classical Islamic Finance Contracts

- Musharakah
- Mudarabah
- Muzara'ah
- Deferred-payment sale
- Salam
- Leasing

Kinds of Islamic investment funds:

- General equity Investment funds
- Real Estate Investment funds (REIT)
- Islamic Ijarah Funds
- Salam funds

DAY 2: ISLAMIC FINANCE CONTRACTS

- ▶ Characteristics of Islamic Finance Contracts
 - Of sharing contracts:
 - Of exchange Financing Contracts
 - Of lease Contracts
 - Of contributory Contracts:
- ▶ Currency Transactions and Riba al Fadl
- ▶ Prohibition of Riba (interest) and certain others such as Gharar
- ▶ Gambling, Gharar and its effects on financial products
- ▶ Basic requisites for structuring Islamic financial products: Understanding the objectives and scope of Shari'ah
- ▶ Knowing the fundamental elements of finance contracts in Shari'ah
 - Aptitude
 - Consent
 - Balance
 - Moral commitment! Ethical Foundation
 - Shari'ah permissibility
 - Viability /reality
- ▶ Understanding the characteristics of different categories of financial contracts in Shari'ah
- ▶ Methodology of creating new products

DAY 3: SUCCESSFUL SHARI'AH COMPLIANT PRODUCT STRUCTURING

- ▶ Structured Hybrid Islamic Financing Contracts
 - Traditional Islamic hybrids:
 - Murabahah
 - Installment Sale
 - Investment Deposit
 - Current Account Deposit
- ▶ Non-Traditional Islamic hybrids:
 - Three party Istisna'
 - Leasing to the purchase orderer
 - Lease/Purchase
 - Buy/lease back
 - Local Tawarruq
- ▶ Commodity market (International) Tawarruq
- ▶ Basic rules of Structuring Islamic Financial Instruments and Products
 - Combination of Contracts
 - Third party Guarantee
 - Redemption Guarantee: Open Offer
 - The Rules of Bundling
 - Relying on Flexible contracts
 - Output-Sharing Products,
 - Ijarah Instruments
- ▶ Sale and lease contracts
 - Long-term lease
 - Purchase/lease
 - Lease-Financing of Construction projects
- ▶ Corporate Finance In Malaysia and the Middle East
- ▶ Personal Finance in Malaysia and the Middle East

DAY 4: LOTUS CAPITAL DAY 4 BREAKFAST SEMINAR & ISLAMIC INSURANCE(TAKAFUL)

A.M. Session: 1st Edition of the LOTUS CAPITAL SEMINAR SERIES

Theme: ISLAMIC FINANCE: An Alternative Approach to Project Finance & Infrastructure Development

Sub Theme: Structuring Liquidity instruments in Islamic Finance

Venue: Agip Hall, MUSON Centre **Time:** 9am - 12pm

P.M. Session: ISLAMIC TAKAFUL & RETAKAFUL

- Definition of Takaful
- How is Takaful different from conventional insurance
- Practical illustration of the distinction between conventional insurance & Takaful
- Various types of Takaful
- Management models of Takaful
- What is retakaful

DAY 5: CREATING INTEREST FREE BONDS

- ▶ Islamic financing versus interest-based financing
- ▶ Principles of Islamic Securitization, Islamic Bonds and Certificates
- ▶ Assets that can be securitized:
 - Fixed physical assets
 - Inventory
 - Rights to a material flow
 - Usufructs
 - Services
 - Physical debts: Salam, Istisna'?
 - Bundles (packages)
- ▶ Shari'ah conditions for negotiability.
- ▶ Objectives of securitization.
- ▶ Agents of securitization, who can securitize?
- ▶ Islamic and conventional banks
- ▶ Central banks and monetary authorities Government and government agencies
- ▶ International development financing agencies
- ▶ Process and steps of securitization, Case Studies
- ▶ Ijarah Sukuk Service Bonds
- ▶ Variable-income securities Output Sharing Securities Salam Sukuk
- ▶ Potential of securitization

For more information contact:

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