

# Corporate Governance for Islamic Finance

Corporate Governance structures and mechanisms in  
Islamic Financial Institutions



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## Course Objectives

The aim of this four day workshop is to equip the participants, firstly, with knowledge and understanding of Corporate Governance (CG) principles and their application in the operation of Islamic Financial Institutions (IFIs); and secondly, with knowledge and understanding of high-level corporate management principles, global practices and current issues usually encountered by management of financial institutions and IFIs world wide; and finally their relationships with the ethical codes of conduct, social responsibility and morality.

Presentations, discussions, exercises and case studies will provide the participants with the knowledge, skills and exposures required to manage IFIs effectively. Further more with exposure acquired throughout this four-day course the participants are also more prepared to handle aggressive objectives of IFIs in a presently very competitive global market.

## Course Outcomes

Participants in this course will

- Be exposed to Islamic ethical foundation of business activity;
- Be able to understand and appreciate distinctive CG structure and operation in IFIs vi-as-vis conventional financial institutions;
- Be knowledgeable and to a certain extent will be able to acquire some skills in strategic management, risks management and other corporate matters.

## Who should attend?

This course is designed for anyone involved in managing IFIs. This includes:

- Shareholders or/and potential shareholders of IFIs
- Chief Executive Officers & Managing Directors of IFIs
- Members of Board of Directors of IFIs
- Senior management members of IFIs, including branch managers & departmental managers
- Members of all Board of Directors' Committees such as Audit Committee, Nomination Committee
- Internal Auditors
- Investment Bankers
- Risk Management Professionals
- Commercial Product Development Teams
- Shariah Advisory Officials

## Program Schedule

### Day one – Introduction to Business Ethical Codes of Conduct, CG and CSR

8.15 – 8.30	<b>Opening and introduction to the Seminar</b>
8.40 – 9.30	<b>Ethical Foundations in CG and CSR</b> This session covers definition and concept of ethics, corporate social responsibility, theories and foundations of ethics and CSR, and practices of ethics and CSR: historical as well as contemporary.
9.30 – 10.20	<b>Ethical Foundations in CG and CSR (cont.)</b> This session covers ethics and CSR from perspective of Islam (Islamic worldview orientation), concepts, principles and doctrines, and relevant of ethics and CSR to the IFIs.
10.30 – 12.00	<b>CG and CSR in FIs and IFIs</b> The session covers principles and rationales of CG and CSR in the operation of FIs and IFIs, stakeholders vs. shareholders theory of CG and CSR, and risks management framework.
12.30–14.00	<b>Group Presentation and Discussion</b> This is a mini forum. Four participants will be picked up by the organizer (BIBF) to make 10 minutes presentation to the class on the topics which will be distributed 3 weeks (at least) before the course begins. Two questions will be given. Each question will be handled by 2 panellists. The institute will decide which question goes to which panellist. For the next half-an-hour or so the forum will be opened for Qs & As.

### Day two – Operation of CG and CSR in the Institutions Offering Islamic Financial Services

8.30–10.00	<b>Initiatives Undertaken by Multilateral Organizations</b> This session covers various initiatives undertaken by multilateral organization such as OECD, Bank of International Settlement (BIS), World Bank (WB), IMF and recently established Islamic Finance Services Board (IFSB), domestic institutions and regulatory authorities.
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10.30-12.00	<p><b>Overview of IFSB Guiding Principles on CG</b>  This session covers scope of IFSB's CG Guiding Principles, approaches adopted by IFIs in implementing the CG Guiding Principles, Rights of Investment Account's holders and reporting and disclosure of depositors' funds.  12.30-14.00</p>
12.30-14.00	<p><b>Case study sessions: Implementation of IFSB's Guiding Principles in IFIs</b>  Two cases will be discussed in this session:  XYZ Holding Sdn Bhd and a second case will be given later.</p>

## Day Three – Frauds & Investigation, Shari'ah Frameworks and Internal & External Audit

8.30-10.00	<p><b>Frauds and Investigation</b>  This session covers frauds and investigation subjects. It begins with definition and concept, some notable frauds cases as examples, and why the frauds occurred. Second part of the session covers bank frauds. It includes common causes of bank frauds, ways to mitigate the frauds, and policies and procedures to mitigate the frauds. Third part of this session covers investigation.</p>
10.30-12.00	<p><b>Shari'ah Frameworks</b>  The session covers the rules and regulations in the establishment of Shari'ah Committees (SC), scope of duties and responsibilities of SC, relationships with Board of Directors, management and other departments of IFIs and the relationships with authorities and regulators.</p>
12.30-14.00	<p><b>Internal and External Audits in the IFIs</b>  This session covers mainly audit of critical areas: credit operations, treasury operations, derivatives, investment in securities, commodity murabahah, accounting and information system, Takaful underwriting, and Takaful claims.</p>

## Day Four – Prospects and Challenges in Creating Shari'ah-compliance and High Ethical-Standard Financial Industry.

8.30-10.00	<p><b>XYZ Country Case Studies</b>  Illustrations of the issues and problems encountered in creating Shari'ah-compliance and high-ethical-standard financial system.</p>
10.30-12.00	<p><b>XYZ Country Cases Studies (continuation)</b>  Possible approaches in creating the Shari'ah-compliance and high-ethical standard financial system.</p>

## The Facilitator :

### Mustapha Hamat

Mustapha Hamat has over 30 years experience in the banking and finance industry, with 23 years in the Islamic banking field. His major contributions to the industry include the setting up of the first Shariah-based bank in Malaysia. His involvement in the industry started long before the incorporation of the first Shariah-based bank in Malaysia. He was deeply involved in laying the framework for the successful implementation of Shariah-based banking system in Malaysia as well as internationally.

Prior to joining IBFIM as its CEO, he was the Senior Consultant at the Malaysian Accounting Standards Board (MASB) developing among others, Islamic Accounting Standards for the country. Prior to his stint at MASB, he was the General Manager of the Finance Division and later the Retail Banking Division of Bank Islam Malaysia Bhd. (BIMB), the first Islamic bank in Malaysia.

Mustapha is an accountant by profession. He obtained a Master of Business Administration from Brunel University, United Kingdom in 1990. He holds a post-Graduate Diploma in Accounting and a Bachelor in Economics from the University of Malaya. He also has the Shahada Ulya from Kolej Islam Malaya

<b>Fees</b>	BD 500 for levy payers
	BD 550 for non-levy payers
<b>Timing</b>	8.30 am – 2.00 pm
<b>Venue</b>	BIBF, Kingdom of Bahrain



## Background of the Center for Islamic Finance

The Center for Islamic Finance was established in 1997. Since then, it has grown to offer a full range of professional courses across both MENA and Asia, including a Professional Diploma for banking executives. These courses are either offered internally by BIBF professionals or externally by industry practitioners. The Center is also involved in Shari'a based product development consulting and high level policy advice for Islamic Financial Institutions and supporting organizations.

## Background of BIBF

The Bahrain Institute of Banking and Finance (BIBF) is the leading professional training institute in Bahrain and the Gulf region. It was founded in 1981 to provide essential training for the banking community in Bahrain. Since then, it has evolved into an internationally recognized training and development organization where over 100,000 students have attended courses since its inception. In 2006, more than 13,000 participants attended BIBF programs resulting in approximately 400,000 participant hours. Thirty percent of all these participants were from outside Bahrain. BIBF now offers courses in most major business disciplines including Insurance, Management, Professional Studies and Banking. Most of these courses are accredited by top business school partners of BIBF in Europe and the United States including Darden Graduate School of Business Administration (University of Virginia), DePaul University, Bentley College, Cambridge University and Wales University. In addition, BIBF offers preparatory courses in most major professional designations including but not limited to CFA, CPA, CMA, CIA, ACII, FRM.

# BIBF

معهد البحرين للدراسات المصرفية والمالية

Shaping tomorrow's financial leaders today

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## Corporate Governance for Islamic Finance

### REGISTRATION FORM

Duration: 4 days ( 12-15 December, 2010 ) Timings: 8:30 am - 2:00 pm

Venue: BIBF Kingdom of Bahrain

Fees: BD 500 for levy payers -- BD 550 for non-levy payers

Organization Sponsored  Self Sponsored

Name of the participant (s):

1. (Mr/Mrs/Ms):

First Name

Middle Name

Last Name

Position

Department

Nationality

Tel

Email

2. (Mr/Mrs/Ms):

First Name

Middle Name

Last Name

Position

Department

Nationality

Tel

Email

3. (Mr/Mrs/Ms):

First Name

Middle Name

Last Name

Position

Department

Nationality

Tel

Email

Contact Person

(Mr/Mrs/Ms):

First Name

Middle Name

Last Name

Position:

Department:

Organization:

Nationality:

Address:

Telephone:

Fax:

Email:

Signature & Stamp:

Date:

#### Methods of Payment

1.  Please find enclosed a cheque for \_\_\_\_\_ made payable to BIBF

2.  Please debit my credit card:  Visa  MasterCard

Card No: \_\_\_\_\_ Expiry date: \_\_\_\_\_

Cardholder's name: \_\_\_\_\_ Signature: \_\_\_\_\_

Please forward this form together with course fee to:

The Registrar

The Bahrain Institute of Banking & Finance - BIBF

P.O. Box 20525, Manama, Kingdom of Bahrain.

Tel: +973 17815555 / 17815518 Fax: +973 17729928 / 17916420/17916444

E-mail: registrar@bibf.com Website: www.bibf.com

**IMPORTANT NOTICE:**

All courses are subject to demand. The Institute reserves the right to cancel or postpone courses at short notice at no loss or liability where, in its absolute discretion, it deems this necessary.

**CANCELLATION AND REFUND OF FEES:**

In the case of cancellations by delegates, fees will only be refunded if a written notice of cancellation is received by the Institute not less than two weeks prior to the commencement of the course/program in question. Course/program fees already paid or invoiced may not be refunded and invoices will be due and payable. Substitute delegates are permitted.

**VISA PROCEDURES:**

GCC nationals and residents do not require a visa for the Kingdom of Bahrain. All others should have an entry visa, which BIBF can arrange. Should you wish that the Institute obtains an entry visa for you, please mail or Fax (+973 17 916402) our Information Desk, a copy of your passport at least 15 days prior to the course/program starting date. Visa costs will be charged to the participant.

**ACCOMMODATION & TRANSPORTATION:**

Hotel accommodation and transportation costs are the participant's own responsibility. Should you wish that the Institute arrange accommodation for you, please Fax (+973 17 916402) our Information Desk or Email [infodesk@bibf.com](mailto:infodesk@bibf.com) for assistance.