

# CONFERENCE ON EMERGING FINANCIAL STABILITY FRAMEWORK

*Jointly Organised by*



**ISLAMIC  
DEVELOPMENT BANK**



**ISLAMIC FINANCIAL  
SERVICES BOARD**



**ISLAMIC RESEARCH AND  
TRAINING INSTITUTE**

*Hosted by*



**UK TRADE & INVESTMENT**

**Wednesday, 1 July 2009**

**Radisson SAS Hotel, Portman Square, London**

**Conference Event Manager: ICG-Events**

Time	Topics and Speakers
08.30 – 09:00	<b>Registration</b>
09.00 – 10.15	<b>Opening and Keynote session</b>
10.15 – 10.45	<b>Coffee break</b>
10:45 – 12:00	<p><b>Session 1: Structure of Islamic Financial Services Industry (IFSI) and Financial Stability</b></p> <ol style="list-style-type: none"> <li>Lessons of current crisis – Can the inherent characteristics of Islamic finance (link to real assets, risk sharing with fund providers, and limits on debt/fixed income financing) promote stability?</li> <li>What is the current structure of IFSI, in terms of how well commerce, banking, securities, and Insurance are operationally and legally linked in Islamic finance? What are the appropriate organisational structures for institutions that offer Islamic financial services (IIFS) (both banks and <i>Takāful</i>), in light of their inherent characteristics?</li> <li>Linking of Commercial /real estate activities and financial intermediation. What are the organisational and stability Implications? How to separate commerce and trade from financial intermediation?</li> <li>Governance and organisational implications of funding through profit sharing investment accounts (PSIA) and financing through profit sharing modes; should there be a separate subsidiary for PSIA and profit sharing financing? Or should a cooperative form of bank be favoured in which the PSIA holders would be the owners?</li> </ol>

Time	Topics and Speakers
12:00 – 13:15	<p><b>Session 2: Emerging Prudential Framework</b></p> <ul style="list-style-type: none"> <li>a. Supervisory and capital adequacy implications of PSIA</li> <li>b. Risk management – role of derivatives and other hedging products in Islamic finance; is on-balance sheet risk management an alternative to derivatives and off balance sheet hedging?</li> <li>c. Transparency and disclosure – cross-sectoral aspects</li> </ul>
13:15 – 14:30	<p><b>Lunch and Prayers</b></p>
14:30 – 15:45	<p><b>Session 3: Legal Infrastructure and Safety Nets</b></p> <ul style="list-style-type: none"> <li>a. Legal framework for asset securitisation – current practices and key issues.</li> <li>b. Deposit insurance and investor protection regimes for Islamic finance; valuation issues for PSIA under investor/ depositor protection schemes</li> <li>c. Insolvency regimes (with particular reference to the rights of PSIA holders and <i>Takāful</i> policy-holders), loan recovery, and asset restructuring with Islamic finance contracts.</li> </ul>
15:45 – 17:00	<p><b>Session 4: Liquidity Infrastructure</b></p> <ul style="list-style-type: none"> <li>a. Developing sovereign <i>Sukūk</i> markets and Islamic interbank money markets - key issues; need for a comprehensive approach; insufficient availability of assets for securitisation; the scope for regional/ international cooperation to build a pipeline of assets.</li> <li>b. Central bank's operations with IIFS - lender of last resort, OMOs, reserve and liquidity requirements etc., central bank's role in promoting primary dealers and secondary markets. How to ensure level playing field between IIFS and conventional banks in monetary operations?</li> <li>c. Integration of sovereign <i>Sukūk</i> in the overall public debt and asset management and money supply management- key issues.</li> </ul>
<p><b>End of Conference</b></p>	

**Programme Changes:**

*The IFSB reserves the right to make any necessary amendments/changes to the programme without prior notification.*