

IFSB Plots Future of Global Islamic Financial Services Industry at its 6th Annual Summit in Singapore in May 2009

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Kuala Lumpur, 18 March 2009 - The theme of this year's 6th Islamic Financial Services Board (IFSB) Summit "The Future of Islamic Financial Services" could not be more pertinent given the crisis which the global financial markets are witnessing. The Summit, due to take place on 5th – 8th May 2009 in Singapore is held under the kind patronage of Singapore's Senior Minister, Goh Chok Tong. The Monetary Authority of Singapore is hosting the Summit.

IFSB Secretary-General Professor Rifaat Ahmed Abdel Karim cannot overstate the timeliness and importance of the Summit theme, given the rapid projected growth of the Islamic financial services industry (IFSI), and the recent developments in the global financial markets. "Whilst the current IFSI structure is considered sufficient to support the industry's development," stresses Professor Rifaat, "it is necessary to examine whether this structure will continue to be relevant to cater for the future growth and expansion of the industry. More importantly, whether the industry can remain competitive and continue to uphold its resilience and stability as the services and products it offers expand and its stakeholders become increasingly sophisticated."

As such, a core aim of the Summit is also to highlight the role of the various stakeholders towards developing a robust future for the IFSI. This is reflected in the key issues to be discussed, which include the:

- position of the Islamic financial services industry in terms of its current level of development and soundness;
- key issues that must be addressed to further raise competitive elements of institutions offering Islamic financial services;
- roles of the relevant stakeholders in raising the competitiveness of domestic IFSI environment;
- challenges and obstacles facing the Islamic capital market and non-bank financial institutions (NBFIs) and Islamic banking business;
- implications of harmonisation and adopting minimum standards for regulatory policies;
- infrastructure required to support the future growth of the industry; and
- assessment of whether the IFSI can develop competitive and sustainable revenue models in the future, and the impediments in achieving this.

Eight governors from the central banks of Bahrain, Jordan, Korea, Malaysia, Qatar, Saudi Arabia, Singapore and the United Arab Emirates, as well as the President of the Islamic Development Bank, have all confirmed their participation in the Summit. Given the impact of the financial crisis on development, senior officials the World Bank and the Asian Development Bank, as well as other leading market players, academics and representatives from major corporate and end-users have also confirmed their participation.

The participation of regulators from new markets such as Korea is indicative of the growing interest in Islamic finance in East Asia and the potential leadership role that Asia can play in the sector.

The Summit will be preceded by two traditional events – Public Hearing on IFSB Exposure Drafts (ED) and IFSB Country Showcases, both of which have proved popular and informative in the past. The Public Hearings will held on 5th May 2009 on:

- i. ED 8 - Guiding Principles on Governance for Islamic Insurance (Takâful) Operations;
- ii. ED 9 - Conduct of Business for Institutions Offering Islamic Financial Services; and
- iii. ED 10 - Guiding Principles on the Sharî'ah Governance System.

The IFSB EDs 8, 9 & 10 are scheduled for adoption by its Council towards the end of 2009, with the Public Consultation period ending 15 May 2009. Indeed the Council in February 2009 adopted two standards – one on 'Guiding Principles on

Governance for Islamic Collective Investment Schemes (IFSB-6)' and the other on 'Capital Adequacy Requirements for Sukûk Securitisations and Real Estate Investment (IFSB-7)'.

The Country Showcases, by Korea and Malaysia on the 6th May 2009, provides a platform for selected countries to portray their Islamic finance initiatives and experiences in adopting and promoting the growth of a sound and stable Islamic financial services industry. It is also an excellent opportunity for networking and opening doors to potential investments and business partnerships - from among the IFSB members as well as the local, regional and international financial community - specifically those attending the Summit.

For further information on the Summit, please see the Summit website at www.ifsbsingapore2009.com.

The IFSB is an international standard-setting organisation that promotes and enhances the soundness and stability of the Islamic financial services industry by issuing global prudential standards and guiding principles for the industry, broadly defined to include banking, capital markets and insurance sectors. The standards prepared by the IFSB follow a lengthy due process as outlined in its Guidelines and Procedures for the Preparation of Standards/Guidelines, which includes the issuance of exposure drafts and the holding of workshops and, where necessary, public hearings. The IFSB also conducts research and coordinates initiatives on industry-related issues, as well as organises roundtables, seminars and conferences for regulators and industry stakeholders. Towards this end, the IFSB works closely with relevant international, regional and national organisations, research/educational institutions and market players.

The 178 members of the IFSB comprise 42 regulatory and supervisory authorities, 6 international inter-governmental organizations and 130 market players and professional firms operating in 34 jurisdictions.

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