

## Message from Secretary General

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Welcome to the 14<sup>th</sup> edition of the InFocus, CIBAFI's newsletter that aims to keep our stakeholders informed about our activities and initiatives.

Islamic finance is regarded today as an increasingly important part of the global financial system due to its rapid development within the industry. As the official global representative for Islamic financial institutions (IFIs), CIBAFI continually supports the Islamic financial industry through specific activities and initiatives which will promote growth, uphold ethical practices and Islamic finance values in all financial dealings and transactions, and facilitate cooperation between members and institutions of common interest.

In line with this mission and following the implementation of its new Strategic Plan 2019 - 2022, CIBAFI's goal is to reinforce the value proposition of Islamic finance, promote sustainability and responsible business practices within the Islamic financial services industry (IFSI), and address the real concerns and challenges facing the industry.

As an Advocate of Islamic Finance Values and Related Policies and Regulations, which is first among its objectives, CIBAFI has been expanding relationships with international organisations such as the United Nations for the promotion and attainment of the Sustainable Development Goals (SDGs) through Islamic finance. As a result of these collaborative discussions, CIBAFI and the United Nations plan to organise several initiatives during this year. CIBAFI will continue to work with international organisations and other infrastructure institutions of similar nature to promote the value proposition of Islamic finance and support the development of the IFSI.

Through Research and Innovation, CIBAFI seeks to promote best practices within the industry through its publications, periodical reports and events. CIBAFI successfully launched the Global Islamic Bankers' Survey 2019 Report, "Sustainability, Growth Drivers, and the Regulatory Challenge" during its Annual General Meeting on 13<sup>th</sup> May 2019. On the same day, CIBAFI also concluded its CIBAFI Award 2019: "Investment Innovation in MSMEs Financing". CIBAFI is committed to undertaking initiatives for the exchange of ideas, discussing current challenges within the industry, and finding innovative solutions for IFSI development.

CIBAFI's third Strategic Objective of Training and Professional Empowerment aims to support the development of human capacities within the industry. CIBAFI is preparing to conduct executive programmes in partnership with leading business schools, and plans to continue working with its accredited agents, strategic partners and other stakeholders in various jurisdictions to provide technical workshops and professional certifications.

On behalf of CIBAFI, I would like to express our sincere thanks to our Board of Directors, members and stakeholders for their continuous support and encouragement in achieving our mandate and initiatives for the betterment of the Islamic finance industry.

Yours Sincerely,  
**Abdelilah Belatik**

## CIBAFI Meetings

### CIBAFI 37<sup>th</sup> Board of Directors Meeting



13<sup>th</sup> May 2019 | CIBAFI held its 37<sup>th</sup> meeting of the Board of Directors during its Annual Meetings in Jeddah, Kingdom of Saudi Arabia.

During the meeting, BOD members approved new institutions into CIBAFI membership. As a new initiative under the CIBAFI Strategic Plan 2019 – 2022, the meeting also witnessed the approval of the establishment of CIBAFI Sustainability Working Group (SWG). The new working group aims to enhance the Environment, Social and Governance principles of Islamic financial institutions (IFIs). Its purpose is to guide IFIs to attain sustainable development while keeping instilled values of Islamic finance in their practices.

### Members and Professional Development Agents Strategic Session



12<sup>th</sup> May 2019 | CIBAFI held a Strategic Session for CIBAFI Members, Professional Development Agents and Stakeholders

in conjunction with CIBAFI Annual Meetings in Jeddah, Kingdom of Saudi Arabia.

The included session opened an interactive dialogue between shareholders from various jurisdictions who shared their experiences and perspectives. This exchange of views shed light on the possible ways in which CIBAFI can support its Professional Development Agents to achieve common objectives.

CIBAFI launched its new Strategic Plan for the period 2019 - 2022 during the Annual General Meeting in Jeddah, Kingdom of Saudi Arabia.

This strategic plan has three main focuses: enhancing the value proposition of Islamic finance, promoting sustainability and responsible business practices within the industry, and addressing the real concerns and challenges facing the Islamic finance industry.

CIBAFI is adaptive to the ever-changing landscape of the financial industry. The strategic plan amplifies involvement in promoting the values of Islamic finance along with inclusive and sustainable development of the Islamic finance industry. CIBAFI identified three new strategic objectives which reflect its enhanced mission for the coming years:

### CIBAFI 19<sup>th</sup> Annual General Meeting



13<sup>th</sup> May 2019 | CIBAFI held its 19<sup>th</sup> Annual General Meeting in Jeddah, Kingdom of Saudi Arabia. During the meeting, CIBAFI extended its highest appreciation to Mr. Abdulrazzak M. Elkhrayji and Dr. Sami Al

Suwailem for their active participation and contributions as members of CIBAFI Board of Directors during their terms, from 2012 until 2018.

The Secretariat also presented the CIBAFI Activities Report for the period 2015 - 2018 and the audited financial statements for the year 2018. The meeting also included the CIBAFI Award 2019 Ceremony, the official launch of CIBAFI Strategic Plan 2019 – 2022, and CIBAFI's annual flagship publication: the Global Islamic Bankers' Survey (GIBS) 2019. Moreover, CIBAFI presented its newly improved website, which will keep its members and stakeholders well-informed on all CIBAFI activities past and present in a user-friendly online space. The meeting concluded with positive feedback from the members, who congratulated the Secretariat for successfully executing CIBAFI mandate.



### CIBAFI Strategic Plan 2019 – 2022

- **Strategic Objective 1:** Advocacy of Islamic Finance Values and Related Policies & Regulations
- **Strategic Objective 2:** Research and Innovation
- **Strategic Objective 3:** Training and Professional Empowerment

CIBAFI is also establishing new working groups and internal committees that aim to reinforce CIBAFI's role in promoting Islamic finance and strengthen its competencies for the achievement of better overall results. These working groups will focus on specific issues of importance to the IFSI and will include selected representatives from CIBAFI member institutions to engage in high-level discussions and propose real solutions for the development of the industry.

## Strategic Objective 1: Advocacy of Islamic Finance Values and Related Policies & Regulations

### CIBAFI 7<sup>th</sup> Members Consultative Group (MCG) Meeting



12<sup>th</sup> May 2019 | CIBAFI held its 7<sup>th</sup> Members Consultative Group Meeting in Jeddah, Kingdom of Saudi Arabia.

The meeting generated a fruitful discussion on the findings of the Global Islamic

Bankers' Survey 2019, and also held a brainstorming session on the possible themes for the upcoming CIBAFI Global Islamic Bankers' Survey 2020, along with other upcoming CIBAFI publications.

### CIBAFI Comments to the Central Bank of Iraq (CBI) on the Guide for Principles and Regulatory Framework for Islamic Windows

CIBAFI submitted its comments and recommendations to the Central Bank of Iraq (CBI) on the consultative document of the Guide for Principles and Regulatory Framework for Islamic Windows.

The comments included points on the general obligations, the requirements of licensing, Shariah governance, capital adequacy, auditing, accounting standards and risk management for Islamic windows, as well as on the structure and presentation of the components of the Guide.

### CIBAFI's Engagement in the International Arena



As an international non-profit organisation representing Islamic financial institutions around the world, CIBAFI is keen to establish productive relationships and cooperate with other international organisations to further the development of the Islamic financial services industry while adhering to the values of Islamic finance.

These include international bodies such as the United Nations (UN), Global Reporting Initiative (GRI), Global Alliance for Banking on Values (GABV) and the Astana International Financial Centre (AIFC). The discussions aim to explore areas of interest between institutions to promote the value proposition of Islamic finance and reinforce its position in the global financial system.

CIBAFI looks forward to future collaborations with international bodies to raise awareness and engage with key issues such as sustainability and Islamic finance value proposition in the international arena.

## Strategic Objective 2: Research and Innovation

### Global Islamic Bankers' Survey 2019: "Sustainability, Growth Drivers and the Regulatory Challenge"



The CIBAFI Annual General Meeting witnessed the launch of the Global Islamic Bankers' Survey (GIBS) 2019 Report themed, "Sustainability, Growth Drivers, and the Regulatory Challenge".

This year's report reflects the views of 106 Heads of Islamic Banks from 33 countries globally. It provides insights into the main issues facing Islamic financial institutions in the coming years, the necessary factors for business growth as well as the main regulatory challenges constraining them.

The report shows that industry leaders from all regions have expressed sustained confidence in both the future of Islamic

finance in their jurisdictions, as well as the banking and finance sectors in general.

Nevertheless, they also conveyed concerns for the coming years, notably regarding Shareholders' Value and Expectations; Customer Issues; and Information Technology. Islamic bankers also revealed their top risks as being Cyber security risk; Liquidity risk; and Foreign exchange risk.

The report also asked banking officials to identify the factors they perceived to be important for facilitating growth. Respondents across all regions identified product innovation and market penetration as drivers for advancement.

In addition, the report examines the contribution that Islamic banking is making to sustainable development, featuring a special article by the United Nations on the current financing gap of the UN agenda and the role of Islamic finance as an alternative mode of financing.

Finally, Islamic banks cited the UN Sustainable Development Goal 8, Decent work and economic growth, as important to promote in the coming years. Nonetheless, regional priorities were quite diverse, reflecting the unique situations of each region.



## CIBAFI Award 2019: "Investment Innovation in Micro, Small, and Medium Enterprises (MSMEs) Financing"

During the Annual General Meeting in Jeddah, Kingdom of Saudi Arabia, the Secretariat commemorated this year's winner of the CIBAFI Award 2019.



The CIBAFI Award 2019 succeeds the first CIBAFI Award on "Environmental and Social Responsibility" in 2017. CIBAFI Award encourages IFIs to adopt the value proposition of Islamic finance in order to achieve the final objectives of Shariah in financial dealings and transactions through topics and criteria that reflect the "Core Values of Islamic Finance". This year's CIBAFI Award honored the Islamic financial institution which most effectively used innovation to help MSMEs gain access to finance while promoting financial inclusion and economic development.

The distinctiveness of the CIBAFI Award lies in its process, which guarantees a "fair, transparent and objective" evaluation. Independent committees are appointed for assessment and selection, along with an external independent auditor to monitor the process.

During the screening process, the committee evaluated each application according to set criteria to ensure accuracy and transparency. The applicants were evaluated based on their involvement in MSMEs financing, their innovation in financing delivery, procedures and products and solutions, as well as their internal and social impact from innovative MSMEs financing.

The screening committee prepared a report detailing the results of their evaluation, which was presented to the independent Selection Committee who then decided on the final award-winning institution. The selection was validated and monitored by an independent external auditor who observed and supervised the processes and compiled the final score. Finally, due diligence was performed on the designated winning institution in its headquarters by a member of the screening committee.



This year's award was given to Islami Bank Bangladesh Limited, who put forth exceptional efforts in innovative MSMEs financing.

## CIBAFI Activities Report 2015 – 2018



During the 19<sup>th</sup> Annual General Meeting, CIBAFI launched its Activities Report for the period 2015 - 2018.

CIBAFI has been working closely to develop the Islamic finance industry in these years and continued to strengthen its position as a widely recognised advocate for the industry and constant contributor to its growth.

CIBAFI's Activities Report 2015 – 2018 provides a comprehensive overview of the activities and initiatives undertaken by CIBAFI during those four years, following the Strategic Plan for the period. CIBAFI, guided by its new Strategic Plan 2019 - 2022, will continue to support the IFSI with continued focus on current activities as well as initiatives for the future.

## Launch of New CIBAFI Website

In order to keep its members and stakeholders well-informed and updated on its previous and upcoming activities in a more innovative and effective way, CIBAFI opted for an overhaul of its website. Visitors will now have a new and improved experience navigating through the new website.

CIBAFI's revamped website was launched during the Annual General Meeting. The newly designed interface offers visitors a streamlined experience with new features such as online registration for events, online application for CIBAFI membership and many more. CIBAFI will continue to provide a leading edge experience for its members and stakeholders.



## Strategic Objective 3: Training and Professional Empowerment

### CIBAFI 13<sup>th</sup> Accreditation Board Meeting



12<sup>th</sup> May 2019 | CIBAFI held its 13<sup>th</sup> Accreditation Board Meeting in Jeddah, Kingdom of Saudi Arabia.

The agenda items included discussions on the development of new training materials as well as the possibility of adding updated certificates to accommodate the current professional development needs within the Islamic financial services industry.

### CIBAFI Technical Workshop on “Stress Testing for Islamic Financial Institutions (IFIs)”



11<sup>th</sup> – 13<sup>th</sup> June 2019 | CIBAFI organised a Technical Workshop on “Stress Testing for Islamic Financial Institutions (IFIs)”, which was held in Istanbul, Turkey, kindly hosted by the Istanbul School of Central Banking of the Central Bank of the Republic of Turkey.

The workshop ran for three consecutive days, opening discussions regarding the main guidelines underpinning sound stress tests. The workshop also featured a wide range of case studies, exercises and experience-sharing sessions facilitated by senior representatives from Islamic financial institutions and other international organisations. These include the International Monetary Fund (IMF), USA; Banking Regulatory and Supervisory Agency (BRSA), Turkey; Kuwait Finance House (KFH), Kuwait and PricewaterhouseCoopers (PwC), Turkey.

The workshop welcomed delegates from Azerbaijan, Bangladesh, Iran, Kazakhstan, Mongolia, Saudi Arabia, Sudan, Libya, Ghana, Ethiopia, USA, Kuwait and Turkey representing Islamic banks and financial institutions, international organisations as well as Regulatory and Supervisory Authorities (RSAs).

### Training of Trainers (ToT) Programme

CIBAFI is preparing to organise the third series of its Training of Trainers (ToT) Programme, which will be held on 15<sup>th</sup> - 17<sup>th</sup> October 2019 in Manama, Kingdom of Bahrain.

The ToT Programme is considered one of the integral programmes to enhance the skills of trainers through the usage of modern mechanisms to improve performance. This programme is also a fundamental requirement for trainers to be considered and approved as CIBAFI Accredited Trainers.

### CIBAFI – Ivey Business School Executive Programme on “Strategic Thinking, Agile Leadership and Curiosity, and Application of FinTech Innovations”

CIBAFI and Ivey Business School, in their fifth year of constructive collaboration, will bring this year’s Executive Programme on “Strategic Thinking, Agile Leadership and Curiosity, and Application of FinTech Innovations”, which will be held on 5<sup>th</sup> – 6<sup>th</sup> November 2019 in Manama, Kingdom of Bahrain.

This programme will include a practical deep-dive into application of strategic thinking, which is crucial for the progress of business leaders in this rapidly changing and uncertain world, as well as deep reflection on how one may re-engineer his or her mindset to strengthen leadership curiosity, among many other topics.

### 5<sup>th</sup> Mediterranean Islamic Finance Forum & CIBAFI Technical Workshop

CIBAFI, together with the Association of the Mediterranean Chambers of Commerce and Industry (ASCAME) and the Chamber of Commerce of Barcelona, is co-organising the 5<sup>th</sup> Mediterranean Islamic Finance Forum on the 21<sup>st</sup> November 2019, themed “Islamic Finance (IF) in the Mediterranean Region: Leveraging on IF for Sustainability, Innovation, and Economic Development”. This forum will be part of MedaWeek Barcelona 2019 in Barcelona, Spain.

In conjunction with the 5<sup>th</sup> MIFF, CIBAFI will conduct a 2-day Technical Workshop on 20<sup>th</sup> - 21<sup>st</sup> November 2019. The Technical Workshop will involve a more in-depth and detailed discussion on Sukuk structuring and legal documentation.

### CIBAFI Network of Global Professional Development Agents Update: May – August 2019

CIBAFI offers its professional certifications through its network of 20 Global Professional Development Agents in 17 countries. We are pleased to announce to our members that from May to August, CIBAFI Accredited Agents have organized 10 training sessions which provided professional certifications for 168 trainees.

During the same period, CIBAFI Accredited Agents also executed a number of In-House Certified Islamic Banker training programmes for universities and their students:

- Institute of Banking Studies of the Central Bank of Kuwait - Kuwait, for 36 students from Kuwait University.
- Proactive Solutions for Consultation & Training - Palestine, for 33 students from An-Najah National University.

Finally, CIBAFI together with the Iraq Private Banks League has conducted an Orientation Programme in Islamic Finance. The programme has gathered more than 20 participants and was held over five consecutive days in Baghdad, Iraq.

## MARK YOUR CALENDAR

**2<sup>nd</sup> October 2019**  
**Cairo, Egypt**

9<sup>th</sup> Executive Committee Meeting

**15<sup>th</sup> – 17<sup>th</sup> October 2019**  
**Manama, Kingdom of Bahrain**

Training of Trainers (ToT) Programme

**21<sup>st</sup> – 22<sup>nd</sup> October 2019**  
**New York, United States of America**

CIBAFI Technical-level Workshop on “The Role of Islamic Finance in Achieving the Sustainable Development Goals”

**5<sup>th</sup> – 6<sup>th</sup> November 2019**  
**Manama, Kingdom of Bahrain**

CIBAFI – Ivey Business School Executive Programme on “Strategic Thinking, Agile Leadership and Curiosity, and Application of FinTech Innovations”

**20<sup>th</sup> – 21<sup>st</sup> November 2019**  
**Barcelona, Spain**

5<sup>th</sup> Mediterranean Islamic Finance Forum (MIFF) & CIBAFI Technical Workshop

**2<sup>nd</sup> December 2019**  
**Manama, Kingdom of Bahrain**

Executive Meeting for Board of Directors & Shariah Scholars

**2<sup>nd</sup> December 2019**  
**Manama, Kingdom of Bahrain**

38<sup>th</sup> CIBAFI Board of Directors Meeting

**3<sup>rd</sup> - 4<sup>th</sup> December 2019**  
**Manama, Kingdom of Bahrain**

Roundtable on Sustainability, Governance and Social Responsibility

## About CIBAFI

CIBAFI is an international non-profit organisation founded in 2001 by the Islamic Development Bank (IDB) and a number of leading Islamic financial institutions. CIBAFI is affiliated with the Organisation of Islamic Cooperation (OIC).

CIBAFI represents the Islamic financial services industry globally, defending and promoting its role, consolidating co-operation among its members, and with other institutions with similar interests and objectives.

With over 130 members from more than 34 jurisdictions all around the world, CIBAFI is recognised as a key piece in the international architecture of Islamic finance.

Its mission is to support the Islamic financial services industry as the leading industry voice in advocating regulatory, financial and economic policies that are in the broad interest of its members and that foster the development of the Islamic financial services industry and sound industry practice.

CIBAFI is guided by its Strategic Objectives, which are: 1) Advocacy of Islamic Finance Values and Related Policies & Regulations; 2) Research and Innovation; and 3) Training and Professional Empowerment.

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## Get to know more about CIBAFI's activities



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