



Islamic Product Development And Financial Engineering

8 – 11 December 2012
Medina Munawara, Kingdom Of Saudi Arabia

By attending this course you will be able to:

- **Understand** key Islamic financial products and learn about Shari'ah principles in Islamic product design
- **Structure** appropriate rules for Islamic financial products and be aware of the principles of Islamic securitisation, Islamic bonds and certificates
- **Build** hybrid Islamic financial contracts, Islamic Mutual Funds, REITs and hedge funds with confidence



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Course Timings Registration will be at 07:30 and the course will commence at 08:00 and conclude at 14:30. There will be two networking and refreshment breaks at approximately 10:30 and 12:30 and lunch will be served at the end of each day's session.

Course Introduction

Islamic finance is one of the fastest growing and most innovative financial disciplines in the international financial market. It is growing at a rate of 15% each year, and is expected to be about \$2 trillion in size by 2012. It is one of the least understood disciplines both by the western financial community and indeed by those in Islamic communities. This course offers a clear and understandable examination of this dynamic area of finance and is essential for bankers, lawyers, institutional investors and corporate executives. This course will help delegates to fully understand the fundamental religious principles underlying modern Islamic finance and banking.

It will offer the opportunity to understand the religious principles and their interpretation, as well as the diversity and adaptive mechanisms of Islam. This course will primarily focus on financial innovations in Islamic finance.

Day One

Islamic Law Of Contracts

- Principles of Islamic business
- Classification of contracts
- Contracts of exchange
- Contracts allowing the use of usufructs
- Partnership contracts
- New contracts and stipulations
- The nominate contract scheme
- Mutually onerous contracts
- Gratuitous contracts and accessory contracts
- Four principles of Islamic contract law important in modern financial practice
- The non-binding (Jaiz) verses binding (Lazim)
- Risk of loss (Daman) verses trust (Amana)
- Rules governing delay in payment and in performance – the sale of Dayn (debt) for Dayn
- The promise (Wa'd) in Islamic law

Basic Constructs Of Islamic Financial Innovation

- Combination of contracts
- Distinction between tying arrangements and combination of contracts
- Tying arrangements (Ishtirat Aqd Fi Aqd) and combination of contracts (Ijtima Al-Uqud)
- Prohibition of Ishtirat Aqd Fi Aqd or Bay'tayn Fi Bay'ah transactions

- Legal ruling of combination of contracts
- Determining combinable and non-combinable contracts
- Principles of freedom of contracts
- Terminology based criterion
- Objective-based criterion
- Quality-based criterion
- Criteria for unilateral termination
- Legitimacy of combination of contracts
 - Combination must not violate Shari'ah
 - Impermissible transactions
 - Combination must not involve contradictory contracts

Case Study Of Combination Of Contracts

- Loan and Musharaka
- Loan and Mudaraba
- Two sales in one deal
- Money exchange and money transfer
- Prepayment and combination of contract
- Wakala (agency) and Kafala (guarantee)
- Mudaraba and Musharaka
- Musharaka and Kafala
- Mudaraba and Kafala

Day Two

Islamic Derivatives And Structured Products

- Derivatives-forwards, futures and options
- Shari'ah permissibility of futures contract
- Shari'ah permissibility of options
- Synthetic currency forward
- Islamic profit rate swaps
- Ijarah rental swaps
- Al-Istijrar
- Islamic structured products
- Examples of Islamic structured products:
 - Equity-linked notes
 - Bond-linked notes
 - Index-linked notes
 - Currency-linked notes
 - Interest rate linked notes
 - Commodity (contracts) linked notes
 - Credit linked notes
 - Economic perspectives of financial products

Day Three

Islamic Fund And Asset Management

- Principles and constraints of Islamic investing
- Islamic fund essentials
- Rules of Shari'ah-based investing
- Islamic investment products

- Primary and secondary equity market
- Shari'ah view on stock investing
- Investing in primary issues
- Stock selection process
- Secondary stock trading
- Incorporation, authorisation and regulation
- Shari'ah committee and fund management
- Types of Islamic funds: Murabaha, and Ijara funds
- Islamic equity funds
- Primer of Islamic investing: ethical versus financial screen
- Performance evaluation of Islamic funds
- Capital-protected equity funds
- Liquidity management in Islamic funds
- Marketing and distribution of Islamic funds
- Regulation of Islamic funds
- Shari'ah compliance of Islamic funds management
- Product development in Islamic asset management
- Case study

Day Four

Islamic Hedge Funds, Islamic REITs And Islamic Venture Capital

- Hedging in Islamic finance and investment
 - Impermissibility of common hedging tools and alternatives in Islamic finance
- Issues in management for Islamic investment funds
 - Shari'ah Committee
 - Liquidity management: short-term and long-term Shari'ah-compliant tools
- Shari'ah tenets on hedging: Salam, Murabaha, Arboon in margin and options
- Third party guarantee principle
- Shari'ah rulings on hedging stocks, commodities, currencies, derivatives and options
- Short sale
- Islamic hedge funds
- Establishment of Islamic hedge funds
- Islamic Real Estate Investment Trusts (REITs)
- Shari'ah foundation of Islamic REITs
- Amanah principle
- Waqf principle
- REITs and mutual funds
- Purpose of Islamic REITs
- Categories of Islamic REITs
 - Liability side
 - Asset side
- Investors in Islamic REITs
- Types of assets attracting REITs investment
- Advantages of Islamic REITs
- Case study
- Venture capital life-cycle
 - Fundraising
 - Funding sources
 - Venture fund structures
 - Investing
 - Identifying potential investments and due diligence
 - Structuring the transaction
 - Vesting
 - Covenants
 - Valuation
 - Exit strategies
 - Putting the venture capital ideas under Islamic perspective

Meet Your Expert Course Leader

Dr. M. Kabir Hassan is a financial economist with consulting, research and teaching experiences in development finance, money and capital markets, corporate finance, investments, monetary economics, macroeconomics and international trade and finance.



He has published five books, and over 70 articles in refereed academic journals. He has presented over 100 research papers in professional conferences in such countries as the United States, the United Kingdom, Australia, Canada, Malaysia, Turkey, Portugal, Morocco, Qatar, Oman, United Arab Emirates, Bahrain, Iran, Sudan, Saudi Arabia, Egypt, Kuwait, Indonesia, Brunei, South Africa and Bangladesh. He has also presided over many sessions at professional and international seminars.

He has great experience in the privatising process of public sector industries. He does his training through workshops, seminars, and formal classes.

He has worked on impact of globalisation of financial markets on developing countries, privatisation of commercial banks in developing countries, impact of trade liberalisation on the efficiency of industry, efficiency and performance analysis of commercial banks, financial sector reform in developing countries, euro impact of the MENA countries, and regional economic integration either as consultant of the USAID, the World Bank, IDB, ICDT, Government of Bangladesh, USIA and the Nathan Associates. Dr. Hassan visited International Monetary Fund (IMF) as a Visiting Scholar, and written on capital market, interest rate and monetary policies in developing countries. He has also visited Federal Reserve Bank of New York to work on Islamic banking and finance.

Dr. Hassan earned a B.A. in Mathematics and Economics with Phi Beta Kappa Honors from Gustavus Adolphus College (a four-year liberal arts college) in 1985 from Minnesota, a M.A. in Economics in 1987 from University of Nebraska-Lincoln, and a Ph.D. in Finance in 1990 from University of Nebraska-Lincoln. Dr. Hassan is a tenured Professor at the University of New Orleans. He was also Visiting Professors at Drexel University, USA, North South University, Bangladesh and American University-Beirut, Lebanon.

Dr. Hassan's primary teaching responsibilities are in the area of financial markets and institutions, corporate finance and international finance. Dr. Hassan teaches commercial bank management and financial management at the MBA level, financial markets and institutions and seminar in markets and institutions at the Ph.D. level. Dr. Hassan teaches Bank Management and Financial Administration in the Executive MBA program of UNO both in New Orleans and Jamaica. He runs executive development seminars on financial decision making, international banking and finance in the U.S., Jamaica and Bangladesh on a regular basis.

Who Should Attend?

- Accountants and Auditors
- Asset Managers
- Chief Financial Officers
- Company Secretaries
- Corporate Strategists, Developers and Planners
- Financial Analysts and Brokers
- Financial Directors/Managers
- Financial Planners
- Fund Managers
- Investment Analysts
- Merchant Bankers
- Pension Fund Trustees
- Policy and Strategy Directors
- Portfolio Managers
- Risk Directors and Managers
- Structured Finance Specialists
- Treasury Directors and Managers

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Event	Course Fee Before 30 September 2012	Course Fee Before 21 October 2012	Final Fee
Islamic Product Development And Financial Engineering 8 – 11 December 2012	US\$ 3,895	US\$ 4,395	US\$ 4,695

Course fees include documentation, luncheon and refreshments. Delegates who attend all sessions will receive a Certificate of Attendance.

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Cancellation

If you are unable to attend, a substitute delegate will be welcome in your place. Registrations cancelled more than 7 days before the Event are subject to a \$200 administration charge. Registration fees for registrations cancelled 7 days or less before the Event must be paid in full. Substitutions are welcome at any time.

Avoid Visa Delays - Book Now

Delegates requiring visas should contact the hotel they wish to stay at directly, as soon as possible. Visas for non-GCC nationals may take several weeks to process.

All registrations are subject to acceptance by IIR which will be confirmed to you in writing.

Due to unforeseen circumstances, the programme may change and IIR reserves the right to alter the venue and/or speakers.

Event Venue:

Medina Munawara, Kingdom of Saudi Arabia

Accommodation Details

We highly recommend you secure your room reservation at the earliest to avoid last minute inconvenience. You can contact the IIR Hospitality Desk for assistance on:

Tel: +971 4 407 2693

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