

committee reports

ISLAMIC FINANCE



ISLAMIC FINANCE

Ahmad Taufiq Baharum (Chairperson) | Yasmeen Shariff (Deputy Chairperson) | Abdul Syaheed Ismail | Adham Jamalullail | Adzly Ab Manas | Allen Miranda Emmanuel | Al-Sabri Ahmad Kabri | Aminurasyed Mahpop | Andrew Khoo Chin Hock | Chong Siew Ean | Hazlina Ahmad | Mad Diah Endut | Mahendran Shunmugam Sundaram | Megat Hizaini Hassan | Mohamad Ezri Abdul Wahab | Muhammad Illiayas Seyed Ibrahim | Shamsuriah Sulaiman | Sharifah Mazwin Syed Abu Bakar | Tengku Hasmuddin Tengku Othman | Mazni Ibrahim (Officer-in-charge)

Legal education in Islamic finance

The objective of the Islamic Finance Committee (“IFC”) is to provide training for Members of the Bar in the area of Islamic finance. IFC seeks funding from the government and other sources to provide the best trainings at an affordable cost.

IFC held four meetings between February 2010 and January 2011 to discuss and organise various activities for the 2010/2011 term.

(A) Events organised

(1) **Workshop on legal documentation for Islamic financing**

The workshop on legal documentation for Islamic financing was held twice, in Malacca and Kedah, from 2 to 4 Apr and from 23 to 25 Apr 2010, respectively. A total of 89 lawyers attended both workshops. Based on the pre- and post-workshop assessments conducted by the trainers, the knowledge acquired by the participants on the subject matter improved tremendously.

IFC thanks all parties who have helped, in one way or another, in making both workshops a success. Special thanks go to the Malacca and Kedah Bar Committee Chairmen and their Secretariat staff for their assistance and support.

The web reports on the workshops can be accessed at Islamic Finance’s webpage at http://www.malaysianbar.org.my/islamic_finance/.

(2) **National Symposium on Islamic Banking and Finance**

In collaboration with Association of Islamic Banking Institutions Malaysia (“AIBIM”) and AAS, the final segment of the National Symposium on Islamic Banking and Finance series was held on 21 and 22 May 2010. It was hosted by the Kuching branch of AAS, and held in Sarawak.

(3) **Talk on Islamic banking and financing: *Tawarruq and Bursa Suq Al-Sila’***

IFC organised a talk on Islamic banking and financing entitled “*Tawarruq and Bursa Suq Al-Sila’*” on 7 Oct 2010, which was attended by 40 participants. The speaker, Norfadelizan Abdul Rahman, is the Vice-President of the Islamic Markets Division of *Bursa Malaysia Berhad*. He currently leads the development and marketing of *Bursa Suq Al-Sila’*.

Bursa Suq Al-Sila’, formerly known as Commodity *Murabahah* House, is a commodity trading platform that has

received numerous awards due to its ingenuity and exclusiveness. It is well received by banks locally and in the Middle East. In effect, *Bursa Suq Al-Sila'* integrates the global Islamic financial and capital markets with the commodity market.

The topic of *Bursa Suq Al-Sila'* was explained with much clarity and the participants, all Members of the Bar, had the opportunity to ask questions during the speaker's presentation.

A web report on the talk can be accessed at http://www.malaysianbar.org.my/islamic_finance/islamic_banking_and_financing_tawarruq_bursa_suq_al_sila_7_oct_2010.html.

(B) Courtesy visit

IFC visited Securities Commission ("SC") on 18 June 2010. The purposes of the visit were to gain an overview of the development of the Malaysian Islamic capital market; build a good working relationship with SC; and build a reservoir of materials for the Islamic banking resource centre, which will be set up at the BC library for the convenience of Members.

Tuan Haji Wan Abdul Rahim Kamil, Consultant in the Islamic Capital Market Department, and his team, warmly welcomed the IFC representatives. He provided a briefing on the recent developments pertaining to the Islamic capital market and on the purview of SC. He also talked on the need for investors to be protected and to maintain proper filing systems. As the main regulatory body for the capital market in Malaysia, SC aims to institute a comprehensive Islamic financial system in Malaysia, comprising a diversity of stakeholders and a wide range of products supported by appropriate legal, *Syariah* and regulatory frameworks.

At the end of the visit, SC kindly donated a book on *Sukuk* and a series of books on the Islamic capital market to the BC library.

A web report on the visit can be accessed at http://www.malaysianbar.org.my/islamic_finance/courtesy_call_to_securities_commission_malaysia_18_june_2010.html.

(C) Discussion on statements of claims

A meeting with bankers and representatives from AIBIM to discuss and draft standard claim criteria for three summonses – the *Murabahah*, *Ijarah* and *Bai Bithaman Ajil* – was held on 18 June 2010. The purpose of such criteria is to guide Members on the basic requirements when preparing documents on Islamic finance.

(D) Training programmes

IFC is in the midst of proposing modules for further training in the area of Islamic banking to Members. A small working group has been set up within IFC to look into creating the modules and the option of working with universities and local contributors.

Acknowledgment

My deepest appreciation goes to IFC members for their continuous support and contributions to IFC, and not forgetting Mazni Ibrahim, officer-in-charge, whose help facilitated the success of another fulfilling term.

Ahmad Taufiq Baharum
Chairperson

Date: 31 Jan 2011

For any enquiries, please email:
mazni@malaysianbar.org.my