

Product Innovation in Islamic Finance

Examining the investment products and structuring techniques that maximise return

Central London, UK

29th & 30th
October 2007



“Discover how to **develop Sharia**

compliant investment products”

The investor potential for Islamic investment products is too big to ignore. Financial institutions have now started to keep pace with the growing demand for Islamic investment products. However there is still a huge gap in the market for more sophisticated products. This **marcus evans** event will examine the techniques and latest developments which have evolved investment products that are not only profitable but are also Sharia compliant. The conference will focus in detail on the different types of investment products available as well as address important issues like liquidity and standardisation within the industry. Key speakers will include Islamic scholars and experts from financial institutions from around the world.

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Gain insights into vital issues:

- Learn from an Islamic scholar the basics to having a Sharia compliant investment product
- Assess the current market developments and the growth potential within Europe
- Examine how to use structured products within Islamic finance
- Discuss the need for standards in the Islamic finance market and look at the possibility of harmonisation
- Understand the needs of the buy-side and the Islamic products they require
- Assess how to gain more liquidity in the Islamic financial markets

In the Chair:

Dr Mulham M. Alwani
Managing Director, Head of Middle East and Islamic Finance, Financial Markets
Royal Bank of Scotland

Your Expert Speaker Panel:

Dr Mohamad Akram Laldin
Assistant Professor
International Islamic University Malaysia

Mufti Barkatulla
Sharia Judge
Islamic Sharia Council, London

Dr Mohammed Abdel-Haq
Managing Director and Global Head
HSBC Amanah Private Banking

Dr Mulham M. Alwani
Managing Director, Head of Middle East and Islamic Finance, Financial Markets
Royal Bank of Scotland

Suhail Arain
Investment Director
Scottish Widows Investment Partnership

John Sandwick
Managing Director
Encore Management

Michael Walton
Chief Executive
Rynda Property Investors

Omar Kalair
Chief Executive Officer
UM Financial

Dr. Gaffar Abdalla Ahmed
Visiting Research Fellow, School of Government and International Affairs
University of Durham

Daniele Tohmeadet
Head of Indexed and ETF Development
BNP Paribas
Co-Head
Easy ETF Platform

Sabri Ulus
Associate Director, Structured Currencies and Commodities - Sharia Products
UBS Investment Bank

Ruggiero Lomonaco
Head of Islamic Investor Products
ABN AMRO

Muhammad Ikram Thowfeek
Head of Corporate Strategy
Commercial Bank of Qatar

Sheikh Esam M. Ishaq
Sharia Scholar

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Day 1

29th October 2007

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08:30 Registration and Coffee

09:00 Opening Address from the Chair

Dr Mulham M. Alwani

Managing Director, Head of Middle East and Islamic Finance,
Financial Markets

[Royal Bank of Scotland](#)

OVERVIEW OF THE ISLAMIC INVESTMENT MARKET

09:10 **Examining the basics to having a Sharia compliant investment product**

- The principles of Islamic finance
- Identifying common structures used for Islamic investment products
- Examining the developments in Sharia compliant investment products

Mufti Barkatulla

Sharia Judge

[Islamic Sharia Council, London](#)

09:55 **Assessing the current market developments**

- Assessing the growth of Islamic finance
- New developments within the industry
- Examining the different Islamic investment products on offer
- Assessing the growth potential within Europe

Dr Mohammed Abdel-Haq

Managing Director and Global Head

[HSBC Amanah Private Banking](#)

10:40 Morning Coffee and Networking Break

11:00 **Perceptions of profit and loss sharing (PLS) – Musharakh**

- Profit and loss sharing theory
- Profit and loss distribution in musharakh
- Guarantee (collateral) needed in musharakh
- Pecking order for Islamic finance instruments
- Perceptions of musharakh preference and performance
- Obstacles and prospects for equity participation finance

Dr. Gaffar Abdalla Ahmed

Visiting Research Fellow, School of Government and
International Affairs

[University of Durham](#)

11:45 **Innovative products line: ETFs**

- ETFs: Mechanism and wrapper
- ETFs for what allocation?
- The first ETF on Sharia compliant global index: How was it possible?

Daniele Tohmeadet

Head of Indexed and ETF Development

[BNP Paribas](#)

Co-Head

[Easy ETF Platform](#)

12:30 Luncheon

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ASSET MANAGEMENT

14:00 **Notes from a buyer of Islamic investment products**

- Issuers of Islamic investment products do not seem to focus on what the buyers want
- Islamic investment securities are heavily concentrated on structured products and equity funds
- Most of the world's managed wealth is in balance or income investment strategies
- These investment strategies are well known in traditional investing, and comprise clear and well-defined asset categories
- Islamic products fit only a few of these categories. Issuers barely give any consideration at all to the rest of a managed portfolio
- Given that issuers do not cater to the needs of professional portfolio managers, there is not much we can do today in Islamic asset management

John Sandwick

Managing Director

[Encore Management](#)

STANDARDISATION AND HARMONISATION

14:45 **Harmonisation vs. standardisation**

- Assessing the differences in Sharia standards for investment products from region to region
- Examining the possibility of harmonisation

Dr Mohamad Akram Laldin

Assistant Professor

[International Islamic University Malaysia](#)

15:30 Afternoon Tea and Networking Break

15:50 **Panel discussion**

Is standardisation needed to give Islamic products credibility?

- Gaining standards for structuring techniques
- Assessing the need for a central authority or global governing body
- Strengthening investor confidence in Islamic finance

Sheikh Esam M. Ishaq

Sharia Scholar

Dr Mohamad Akram Laldin

Assistant Professor

[International Islamic University Malaysia](#)

Mufti Barkatulla

Sharia Judge

[Islamic Sharia Council, London](#)

16:35 Closing Remarks from the Chair

16:45 Close of Day One

The Royal Bank of Scotland Global Banking and Markets (RBS GBM) division is the wholesale and investment banking arm of RBS. As part of its highly successful international growth strategy, and in response to the needs of its clients, RBS GBM is now also embarking on an ambitious project to become a leading presence in Islamic Finance globally.

I would like to thank everyone who has assisted with the research and organization of the event, particularly the speakers for their support and commitment.

Annette Purcell, Senior Conference Producer, **marcus evans**

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