



K&L GATES



ISRA

UKIFC & ISRA Thematic Workshop 2018

How Ethical is Islamic Finance?

Wednesday 21st February 2018

K&L Gates

One New Change

London EC4M 9AF

THEMATIC WORKSHOP OVERVIEW

The Islamic Finance Council UK (UKIFC) and the International Shari’ah Research Academy for Islamic Finance (ISRA) **2018 Thematic Workshop** will consider the **relationship between Islamic finance and ethical finance**.

The trend of positioning Islamic finance within the broader umbrella of ethical finance has gained momentum in recent years. Following Shari’a principles, it is argued Islamic finance is seen to be intrinsically interwoven with ethical finance values and strategies.

However, this view is not shared across the whole of the financial services industry. Critics of Islamic finance would challenge the notion of Islamic finance being ethical by questioning the creation of synthetic products to overcome textual restrictions with the result that the economic outcome and risk sharing profile is identical or very similar to that of conventional banks.

This conference will review and reflect on a number of key areas to explore the question of “How Ethical is Islamic Finance?”

EVENT DETAILS

| | |
|----------------|--|
| Title | ISRA & UKIFC Thematic Workshop 2018 – How Ethical is Islamic Finance? |
| Date | Wednesday 21 st February 2018 |
| Timings | 0930 – 1630 |
| Venue | K&L Gates, 1 New Change, London, EC4M 9AF |
| Cost | Free to attend - registration mandatory. To register, click here . |

THEMES

The event will cover several key themes including:

- THE SHARI’A SCHOLAR DEBATE: Is Islamic finance following the spirit of the law or just the letter?
- Is Islamic Finance an ethical alternative?
- What are the differences between Islamic Finance and ethical finance?
- The branding challenge – is the sector wrongly named?
- Plus UK and international case studies on innovation



ATTENDEE PROFILE

The workshop will be attended by over 150 Islamic and ethical finance professionals representing:

- Financial institutions (Islamic and conventional)
- ESG, SRI, Impact based investment and advisory firms
- Rating Agencies
- Islamic and Shari’ah advisory firms
- Regulators and standard setting Bodies
- Academic institutions and Islamic finance students
- Professional institutions
- Professional services firms
- Parliamentarians and Government officials



AGENDA

| ORDER | TIMINGS | OVERVIEW | FIRST NAME | SURNAME | ORGANISATION |
|-------------------|-------------|--|-----------------------|------------------------|---|
| Welcome / Keynote | 0930 - 1000 | Event MC | Jonathan | Lawrence | Islamic Finance Partner, K&L Gates |
| | | Organisers | Omar | Shaikh | Board Member, UKIFC |
| | | | Dr Akram | Laldin | Executive Director, ISRA |
| | | Keynotes | Lord Mohamed | Sheikh | Co-Chair, APPG on Islamic Finance |
| | | | Alderman Alastair | King | Chairman, Naisbitt King Asset Management |
| Session 1 | 1000 - 1115 | Islamic finance: is it an ethical alternative? | Mushtak (Moderator) | Parker | Editor, Economist & Independent Non-Executive Director, CIMB Principal Islamic Asset Management (Ireland) Ltd |
| | | | Charles | Haresnape | CEO, Gatehouse Bank |
| | | | Kamarul | Ariffin Bin Mohd Jamil | CEO, Affin Bank Malaysia |
| | | | Martina | Macpherson | Partner, Sustineri |
| | | | Stella | Cox | CEO, DDCAP |
| | | | Tarek | El Diwany | CEO, Kreatoc Zest |
| 1115 – 1135 BREAK | | | | | |
| Session 2 | 1135 - 1255 | The Shariah Debate - is Islamic finance following the spirit of the law or just the letter? | Nyra (Moderator) | Mahmood | CEO, Simply Sharia Human Capital |
| | | | Shaykh Ruzwan | Muhammad | Co-Founder Solas Foundation and Educational Director of the iSyllabus Islamic studies program |
| | | | Dr Akram | Laldin | Executive Director, ISRA |
| | | | Sheikh Essam M. | Ishaq | Renowned International Shariah Scholar |
| | | | Prof, Dr Engku Rabiah | Al Adawiyah | Shariah Advisory Committee, Central Bank of Malaysia |
| | | | Sheikh Badr | Al-Hasan | Partner, Dome Advisory |
| 1255 – 1345 LUNCH | | | | | |
| Session 3 | 1345 - 1430 | CASE STUDY 1 - Developing an inter-faith shared values framework CASE STUDY 2 - International perspectives: Innovative approaches from Malaysia | Shaykh Ruzwan | Muhammad | Co-Founder Solas Foundation and Educational Director of the iSyllabus Islamic studies program |
| | | | Graham | Burnside | Chairman, UKIFC |
| | | | Dr. Ashraf | bin Md. Hashim | Senior Researcher / CEO, ISRA Consultancy |
| Session 4 | 1430 - 1530 | The branding challenge for Islamic finance – have we named the sector all wrong? | Barry (Moderator) | Cosgrave | Islamic Finance Partner, K&L Gates |
| | | | Simon | Walker | Head of Retail Sales, Al Rayan Bank |
| | | | Shelina | Janmohamed | Vice President, Ogilvy Noor |
| | | | Stuart | Hutton | CIO, Simply Ethical |
| | | | Professor Iqbal | Asaria | Visiting Lecturer, Cass Business School |
| | | | Petr | Klimes | Group Marketing Director & Head of Digital, Abu Dhabi Islamic Bank |
| Session 5 | 1530 - 1630 | Sector too focused on Islamic banking - has this restricted its ability to provide more ethical and social responsible solutions? | Omar (Moderator) | Shaikh | Board Member, UKIFC |
| | | | Professor Mehmet | Asutay | Director, Durham Centre for Islamic Economics and Finance |
| | | | Harris | Irfan | CEO, Cordoba Capital |
| | | | Justin | Sykes | MD, Innovest Advisory |
| | | | Peter | Lovell MBE | CEO, Financing Sharia Enterprise |
| | | | Ajmal | Bhatty | Board Member UKIFC and CEO Qatar General Insurance and Re-Insurance Co |



Organisers



www.ukifc.com

The UKIFC is a specialist advisory and development body focused on promoting and enhancing the global Islamic and ethical finance industry. The organisation was launched in 2005 as a not-for-profit by a group of likeminded professionals who sought to make a contribution to the development of the Islamic finance industry. The UKIFC specialises in four core areas:

- 1) Ethical finance - helping to promote better co-ordination and understanding of the shared values between Islamic finance and the broader ethical finance arena
- 2) Advisory - specialist capability in advising government agencies, regulatory bodies and financial institutions on creating enabling frameworks for Islamic finance
- 3) Executive training – delivering bespoke capacity building programmes aimed at practitioners and regulators focused on commercial issues
- 4) Thought leadership – authoring reports, community education and providing industry comment towards influencing regulation and encouraging the development of the sector based on strong research and insights.

UKIFC - Leaders in Ethical Finance

Within the Islamic finance arena, the UKIFC has been the first body to focus on the contemporary ethical finance market identifying areas of synergy and co-ordination since 2010. Over eight years the UKIFC has pioneered many initiatives which have become internationally acclaimed and award winning moving the debate in Islamic finance to consider the broader ethical finance thematic which has encouraged other organisations to join the dialogue.

Our work includes:

- Designing and launching the Ethical Finance Hub, the UK’s first dedicated platform for ethical finance
- Initiating the world’s first joint venture between Islamic finance and the Church
- Establishing and successfully running (for several years) the award-winning Edinburgh Ethical Finance Round Table Series which has become the country’s leading platform for ethical finance
- Convening the international Global Ethical Finance Forum supported by government and RBS

Our experience and expertise gives the UKIFC unique insight into both the Islamic and ethical finance markets to a depth unparalleled by any other Islamic finance organisation. As such, we are regularly approached by stakeholders, in both mainstream ethical finance and Islamic finance, for advice and support. Our capabilities include:

- UN SDGs – advising, capacity building and monitoring tools for all financial institutions with a special tool kit for Islamic financial institutions
- Advising on integrating Islamic with broader ethical finance strategies for product design to widen product appeal
- Advising conventional ethical finance bodies on adding an Islamic finance dimension to tap into new markets
- Planning, organising and supporting Islamic, ethical and interfaith finance events/conferences for publicity, product launches, educational and awareness purposes.



www.isra.my

ISRA is an autonomous body set-up under the direction of the Central Bank of Malaysia (Bank Negara Malaysia) to promote applied research in the area of Shari’ah and Islamic finance. ISRA provides a platform for greater engagement amongst practitioners, scholars, regulators and academicians via research and dialogue, in both the domestic and international arenas. Through pioneering research and rigorous intellectual dialogue, ISRA aims to promote innovation and dynamism and thus extend the boundaries of Islamic finance.

In line with the nature of our organisations, our work is designed to empower stakeholders and encourage progressive developments within the Islamic finance sector. The collaboration of applied Shari’ah expertise of ISRA and the conventional audit experience represented within the UKIFC team provides valuable insights in this report from both aspects.



Host Partner

 K&L GATESwww.klgates.com

K&L Gates is a fully integrated global law firm and has one of the largest genuinely international Islamic finance practices, which is led by lawyers in our Doha, Dubai and London offices. We advise principally on English, United Arab Emirates, Qatari, Dubai International Financial Centre (DIFC), and Qatar Financial Centre (QFC) laws as they touch Islamic-compliant transactions and structures. We work with other counsel to advise on local law issues in many countries, including Saudi Arabia, Malaysia, Egypt, Turkey, Bahrain, and Kuwait. Our team provides international and regional clients advice on local law security issues and has established a strong international trustee/agency practice as a result of acting on secured financings requiring agents for the banks in local jurisdictions.

In the real estate sector, we build on our strong real estate finance practice in London to provide advice to banks and investors looking to structure Islamic-compliant whole facilities or tranches of facilities. We have strong debt capital markets and structured products capabilities, both internationally and regionally, and have developed innovative structures for clients facilitating access to the local equities and asset-based markets and mitigating foreign ownership restrictions and local law issues. We also have a unique offering in Shari’ah-compliant derivatives with members of our team having gained trading floor experience at a major international financial institution in Dubai.

We can service structures that have regulatory requirements regardless of their location from our offices in the Middle East, Europe, Asia or the United States.

We also regularly provide a one-stop solution for clients who are looking for legal and Shari’ah advice on new products and documentation. We work with a number of Shari’ah scholars based in different jurisdictions who are able to provide Shari’ah law guidance, input, and ultimately *fatawa* for clients across a number of schools of thought in Islamic jurisprudence.

Sponsors

www.ddcap.co.uk

Headquartered in central London, with an office in the DIFC in Dubai and a presence in Saudi Arabia, DDCAP Group (“DDCAP”) is positioned as a leading market intermediary and financial technology and systems solutions provider to the Islamic Financial Services Industry, extending value-added services to its global institutional clients across a diverse range of products.

DDCAP is a direct investor in Islamic financial sector initiatives, amongst those its multi award winning Sharia’a compliant financial technology, the ETHOS Asset Facilitation Platform™ (“ETHOS AFP™”). ETHOS AFP™ is a bespoke real-time trading platform with 24hour coverage, enabling clients worldwide to purchase commodities and other assets via a secure, web based portal as an alternative to traditional transactional processes. ETHOS AFP™ encompasses Sharia’a and business focused operational requirements across treasury, capital markets, asset management, client consumer banking portfolios and takaful.

Along with adherence to Sharia’a stipulations, ETHOS AFP™ supports DDCAP’s stated intention to incorporate Sustainable and Responsible Investment (“SRI”) and financing principles alongside efficiency and governance requirements. In 2016, DDCAP became one of the first Islamic financial sector signatories to the UN supported Principles for Responsible Investment (“PRI”). DDCAP is also a member of the RFI Foundation which is a think tank for the Responsible Finance community. These developments demonstrate the commitment that DDCAP has made to meet the growing demand from global investors seeking to integrate SRI principles within their core investment and allocation strategies.



www.bahrainedb.com

The Bahrain Economic Development Board (EDB) is an investment promotion agency with overall responsibility for attracting investment into the Kingdom and supporting initiatives that enhance the investment climate.

The EDB works with the government and both current and prospective investors to ensure that Bahrain's investment climate is attractive, to communicate the key strengths, and to identify where opportunities exist for further economic growth through investment.

Supporters



The All-Party Parliamentary Group on Islamic Finance (APPGIF) has strong cross-party interest with 10 officer bearers and a number of supporters engaged from across the Commons and Lords. Our aim is to promote the understanding and development of Islamic finance both domestically in the UK and overseas as well as look at the role Islamic finance can play in the wider ethical finance sector.

At a domestic level our focus has been on financial inclusion issues in areas such as student finance, start-up loans and export finance. At the global level we are keen to position the UK as a western hub for Islamic finance highlighting opportunities relating to FDI instruments such as Sukuk and building and developing relationships with new trade partners.

The APPGIF provides a powerful and influential platform to connect industry, academic and community stakeholders with the Government.

TheCityUK

www.thecityuk.com

TheCityUK is the representative body for the UK-based financial and related professional services industry. In the UK, across Europe and globally, we promote policies that drive competitiveness, support job creation and ensure long-term economic growth. The industry contributes nearly 11 per cent of the UK's total economic output and employs over 2.2 million people, with two-thirds of these jobs outside London. It is the largest tax payer, the biggest exporting industry and generates a trade surplus greater than all other net exporting industries combined.

www.ethicalfinancehub.org

The Ethical Finance Hub (EFH) is a Scottish Government-backed, industry-led initiative that emerged from the UKIFC's award-winning Edinburgh Ethical Finance Round Table series. Against a backdrop of the 2008 financial crisis round table discussions around sustainability, climate change and social justice themes, led to a collective desire to create a more responsible financial sector that operates on a transparent and ethical basis. The EFH, launched in 2016, aims to connect individuals and organisations interested or active in the ethical finance market to: raise awareness, educate and facilitate practical activities (such as research, events and projects) that support the growth of the sector. This will help create a fairer, more inclusive and socially responsible financial system as well as improve the environment, social and governance performances of businesses.

