

General Council for Islamic
Banks and Financial Institutions



المجلس العام للبنوك
والمؤسسات المالية الإسلامية

Activities Report For the Year 2019

May 2020

General Council for Islamic
Banks and Financial Institutions



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Acronyms

1. **AAOIFI** Accounting and Auditing Organization for Islamic Financial Institutions
2. **AcB** Accreditation Board
3. **AGM** Annual General Meeting
4. **AIFC** Astana International Financial Centre
5. **BCBS** Basel Committee on Banking Supervision
6. **BOD** Board of Directors
7. **CBI** Central Bank of Iraq
8. **CD** Consultative Document
9. **CIS** Commonwealth of Independent States
10. **CSR** Corporate Social Responsibility
11. **EC** Executive Committee
12. **FSB** Financial Stability Board
13. **GABV** Global Alliance for Banking on Values
14. **GIBS** Global Islamic Bankers Survey
15. **GRI** Global Reporting Initiative
16. **IASB** International Accounting Standards Board
17. **IDB** Islamic Development Bank
18. **IFIs** Islamic Financial Institutions
19. **IFSB** Islamic Financial Services Board
20. **IFSI** Islamic Financial Services Industry
21. **IIFM** International Islamic Financial Markets
22. **IMF** International Monetary Fund
23. **IOSCO** International Organization of Securities Commissions
24. **MCG** Members Consultative Group
25. **MIFF** Mediterranean Islamic Finance Forum
26. **OIC** Organisation of Islamic Cooperation
27. **RSA** Regulatory and Supervisory Authorities
28. **SDGs** Sustainable Development Goals
29. **SWG** Sustainability Working Group
30. **UN** United Nations
31. **UNEP FI** United Nations Environment Programme Finance Initiative
32. **TIDA** Tatarstan Investment Development Agency
33. **ASCAME** Association of the Mediterranean Chambers of Commerce and Industry
34. **MSMEs** Micro, Small, and Medium Enterprises
35. **IAIS** The International Association of Insurance Supervisors
36. **CIB** The Certified Islamic Banker

About Us

The General Council for Islamic Banks and Financial Institutions (CIBAFI)

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

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 (IFSI) by providing specific activities and initiatives, aiming to strengthen the growth of the industry, deepening Shariah objectives in financial dealings and transactions, and facilitate cooperation between members and institutions of common interest.

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.

CIBAFI Strategic Plan 2019 – 2022

CIBAFI developed its strategic plan for the period 2019 – 2022 following the guidance from the Board of Directors and consultations with its members and stakeholders. The Secretariat has identified the following strategic objectives that will reflect its strategic direction:

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 launched its new Strategic Plan for the period 2019 - 2022 during the Annual General Meeting in Jeddah, 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. As part of the new approved initiatives, CIBAFI has also established 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.

Our Vision

To be the leading international organisation in supporting the Islamic financial services industry (IFSI), ensuring the attainment of inclusive and sustainable development.

Our Mission

To support the IFSI by providing specific activities and initiatives, aiming to strengthen the growth of Islamic financial services industry (IFSI), deepening Shariah objectives in financial dealings and transactions, and facilitate cooperation between members and institutions of common interest.

Our Core Values

CIBAFI establishes a set of ethical values that apply to all CIBAFI's activities and initiatives and every member of CIBAFI, which are:

Excellence – Excelling in all the activities and initiatives we undertake to achieve ethical financial transactions;

Transparency – Being transparent towards our stakeholders in general, our members in particular and towards ourselves in our activities and initiatives;

Accountability – Being accountable for the activities and initiatives that we undertake;

Commitment to Results – Being committed to achieve measurable results in the interest of the Islamic financial service industry and the development of the real economy.

Strategic Goals

CIBAFI identified the following strategic goals that reflect its strategic direction:

Strategic Goal 1: Spreading the concepts of Islamic finance through the realization and deepening of the foundations of Shariah objectives and promoting them internationally.

Strategic Goal 2: Coordinating between members and other institutions that support Islamic finance, such as the Islamic Development Bank (IDB), the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) and the Islamic Fiqh Academy, to share best practices and strengthen fatwas ruling in financial transactions.

Strategic Goal 3: Fostering economic growth and development by focusing on the value proposition of Islamic finance.

Strategic Goal 4: Equipping Board members, executive managers, and stakeholders with the understanding of sound Islamic financial practices, and training employees working in operations management, customer service and other departments.

Board of Directors

Chairman
H.E. Sheikh Saleh Abdullah Kamel*
 Group Chairman
 Al Baraka Banking Group

Vice Chairman
H.E. Abdulhameed M. Aboumoussa*
 Governor
 Faisal Islamic Bank of Egypt

Prof. Md. Nazmul Hassan
 Chairman
 Islami Bank Bangladesh Limited
 Bangladesh

Mr. Melikşah Utku
 General Manager
 Al Baraka Türk Participation Bank
 Turkey

Mr. Musa A. Aziz Shihadeh*
 Chairman
 Jordan Islamic Bank
 Jordan

Dr. Abdul Hameed Mohammed Jameel
 Board of Director Member
 Sudanese Bank Association
 Sudan

Mr. Reda Amin Dahbour
 General Manager
 Islamic Insurance Co.
 Jordan

Mr. Mohamed Taya
 Executive Director
 Banque Al Wava Mauritanienne Islamique
 Mauritania

Mr. Shadi Zahran*
 Group Chief Financial Officer
 Kuwait Finance House
 Kuwait

Dr. Abdul Rahman Mohammad Dirar
 General Manager
 Industrial Development Bank
 Sudan

Mr. Abdulla Zaid Al Shehhi*
 Head of International Expansion
 Abu Dhabi Islamic Bank
 United Arab Emirates

Mr. Hamza Bawazir*
 Senior Executive Vice President
 & Head of Shariah Division
 The National Commercial Bank
 Saudi Arabia

Mr. Khairul Kamarudin
 Chief Executive Officer
 Bank Muamalat Malaysia Berhad
 Malaysia

Dr. Gaffer Khalid*
 Manager, Islamic Finance Advisory &
 Technical Assistant Division
 Islamic Financial Sector Development Dep.
 Islamic Development Bank
 Saudi Arabia

Mr. Nidal N. Barghouti
 General Manager
 Safa Bank
 Palestine

Accreditation Board



Dr. Abdul Salam Al-Abadi
 Secretary General
 International Islamic Fiqh Academy
 Saudi Arabia



Dr. Layachi Feddad
 Senior Shariah Specialist
 Islamic Development Bank
 Saudi Arabia



Prof. Dr. Mohamad Akram Laldin
 Executive Director
 International Shari'ah Research Academy
 for Islamic Finance (ISRA)
 Malaysia



Dr. Faisal M. Al-Atabani
 Assistant Professor of Law
 King Abdulaziz University
 Saudi Arabia



Dr. Mohamed Pres
 Director & Professor of Islamic Economics
 Saleh Kamel Center for Islamic Economics
 Egypt



Dr. Riyad Al-Hindawi
 Director of the Institute of Banking Studies
 Institute of Banking Studies
 Jordan

***Executive Committee Member**

Members' Consultative Group



Dr. Mohammed Burhan Arbouna
Executive Vice President
Head of Sharia Department
Al Salam Bank
Bahrain



Mr. Abdulwahab Issa Abdulwahab Al-Rushood
General Manager, Treasury
Kuwait Finance House
Kuwait



Mr. Mohammed Fawaz Sudqi Sadeq Imam
Head of Treasury and Banking Relations Department
Jordan Islamic Bank
Jordan



Mr. Abdulkareem Ersan Sukkari
Chief Risk Officer
Islamic International Arab Bank
Jordan



Mr. Md. Siddiqur Rahman
Executive Vice President
Islami Bank Bangladesh Limited
Bangladesh



Mr. Mohamed El Haiba Sidi Baba
Head of Electronics Department
Banque Al Wava Mauritanienne Islamique
Mauritania



Mr. Feyzullah Orman
Manager of the Board Reporting Department
Al Baraka Türk Participation Bank
Turkey



Mr. Mehmet Fehmi Eken
Islamic Finance Specialist
Islamic Development Bank
Saudi Arabia



Mr. Sohail Tohami
Senior Vice President & Head of Treasury and Investments
Al Baraka Banking Group
Bahrain

CIBAFI Secretariat

The Secretariat fosters to develop the IFSI.

The Secretariat works to implement CIBAFI activities set forth in the annual work plan that are within the framework of its overall strategic plan.

The Secretariat is committed to achieving the strategic goals, strategic objectives, outputs and outcomes, aligning with human and capital resources.

The Secretariat aims to delight the expectation of CIBAFI members and stakeholders.

CIBAFI Internal Committees

The Secretariat established three internal committees that aim to reinforce CIBAFI's role in promoting Islamic finance and strengthen its competencies for the achievement of better overall results.

CIBAFI Editing Committee:

This committee is responsible for editing CIBAFI publications' contents as well as revising the final design of the publications before their official issuance.

CIBAFI Sustainability Committee:

This committee is responsible for promoting sustainability initiatives by providing awareness, coordination and guidance to the Council for the implementation of sustainability policies and practices set for throughout the entire operational activities within the workplace and outside the organization, in venues where CIBAFI business activities such as workshops, meetings and conferences are held.

CIBAFI Strategic Planning Committee:

This committee is responsible to look at what the organisation was set up to do, where the organisation is at present, determining where it wants to get to, and mapping how to get there. Moreover, it aims to ensure that all concerned departments are directed towards the attainment of the organisation's Strategic Objectives.

Message from the Chairman



Praise be to Allah (swt) according to the noble verse in the Holy Quran:

الَّذِينَ يَأْكُلُونَ الرِّبَا لَا يَقْوَمُونَ إِلَّا كَمَا يَقْوَمُ الَّذِي يَخْتَبِطُهُ الشَّيْطَانُ مِنَ الْمَسِّ ذَلِكَ بِأَنَّهُمْ قَالُوا إِنَّمَا الْبَيْعُ مِثْلُ الرِّبَا وَأَحَلَّ اللَّهُ الْبَيْعَ وَحَرَّمَ الرِّبَا فَمَنْ جَاءَهُ مَوْعِظَةٌ مِنْ رَبِّهِ فَاتَّقِ اللَّهَ قَلِيلًا قَلِيلًا (Surah Al Baqara, verse 275).

"Those who consume Riba cannot stand [on the Day of Resurrection] except as one stands who is being beaten by Satan into insanity. That is because they say, "Trade is [just] like Riba." But Allah has permitted trade and has forbidden Riba. So whoever has received an admonition from his

Lord and desists may have what is past, and his affair rests with Allah. But whoever returns to [dealing in Riba or usury] - those are the companions of the Fire; they will abide eternally therein." (Surah Al Baqara, verse 275).

And peace be upon Prophet Mohammed (pbuh), who said, "If the Final Hour comes while you have a palm-cutting in your hands and it is possible to plant it before the Hour comes, you should plant it."

My brothers and sons, members of the General Assembly of CIBAFI.

On behalf of the Board of Directors, I would like to extend our warmest greetings on the occasion of the Holy Month of Ramadan. This year is different than the previous years' that even our meetings have to be conducted in a virtual way using innovative solutions. May Allah bless those who developed these solutions, making this meeting possible even during the current hard time that everyone needs to stay at their home.

This COVID-19 pandemic comes with a lot of unexpected matters. And even when Islam, and the other different religions, set a code of life, we have practiced it in inappropriate way. So in the economic aspects, we have witnessed a number of evidence proved by the following noble verses:

The importance of providing zero percentage financing confirm: "...cannot stand [on the Day of Resurrection] except as one stands who is being beaten by Satan into insanity - "الَّذِينَ لَا يَقْوَمُونَ إِلَّا كَمَا يَقْوَمُ الَّذِي - "يَخْتَبِطُهُ الشَّيْطَانُ مِنَ الْمَسِّ" (Surah Al Baqara, verse 275).

Postpone the repayment instalments (without additional profits) confirm: "And if someone is in hardship, then [let there be] postponement until [a time of] ease. But if you give [from your right as] charity, then it is better for you, if you only knew" "وَإِنْ كَانَ ذُو عُسْرَةٍ فَنَظِرَةٌ إِلَىٰ مَيْسَرَةٍ" (Surah Al Baqara, verse 280). and the sufficiency with capital confirms "But if you repent, you may have your principal - [thus] you do no wrong, nor are you wronged" "وَإِنْ تَبَيَّنْتُمْ فَلَكُمْ رُؤُوسُ أَمْوَالِكُمْ لَا تَظْلِمُونَ وَلَا تُظْلَمُونَ" (Surah Al Baqara, verse 279).

In this regard, CIBAFI has the main responsibility to correct the path and encourage the awareness of Islamic finance and the implementation of Maqasid Al Shariah in the financial transactions.

The noble Hadith, that I have mentioned in the beginning, could work as a treatment in these hard times as the Prophet Mohammed (pbuh) commanded us to be optimistic and thriving until the final hour and we must all seize the opportunity and should seek the treasures that God has set in his heavenly books and the clearest of the Prophets, peace be upon them. Then, we must develop and put a strong path that will show us the way in the next stage.

My brothers, a crisis has passed in the twentieth century as well the crisis in 2008 and we had an opportunity that we did not take advantage of and have lost it. So, please do not miss the opportunity at this time and be at the forefront of effective and loyal workers because our religion is the last and complete religion for all mankind.

I hope that we will all be responsible. As for CIBAFI's activities report, the attached report will present the activities for the full year.

I would like to extend my sincere thanks to my brothers the members of the Board of Directors and the Secretariat for their efforts.

**Yours Sincerely,
Sheikh Saleh A. Kamel
Chairman**

Message from the Secretary General



On behalf of CIBAFI, I am delighted to present this CIBAFI Activities Report for the year 2019 with our members and stakeholders. During the year 2019, CIBAFI made efforts to consolidate activities in accordance with its new Strategic Plan 2019-2022 and focused on deepening the value proposition of Islamic finance, fostering the real economic growth and facilitating cooperation between members as well as the promotion of responsible practices and sustainability within the Islamic Financial Services Industry (IFSI).

As an advocate of Islamic finance values and its related policies and regulations, CIBAFI has been actively involved in representing the IFSI with international standard-setting organisations, regulatory and supervisory authorities, such as the United Nations Environment Programme Finance Initiative (UNEP FI) and the Financial Stability Board (FSB) to voice the industry's concerns and ensure that their needs are taken into account when standards and regulations are being developed. Further, to strengthen the development of Islamic finance globally and foster sustainable growth, CIBAFI has established productive relationships and cooperation with leading 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). CIBAFI also continued organizing several regional and international events to create a platform through which members may share their experience and discuss issues and emerging challenges of the IFSI.

Under the second Strategic Objective "Research and Innovation", CIBAFI aims to promote exceptional practices and innovation in the IFSI through its publications and periodical reports that highlight opportunities to achieve sustainable development by following Shariah objectives. Moreover, CIBAFI issued a series of "CIBAFI Briefings" and "CIBAFI InFocus" in 2019, which covered important topics relevant to IFSI in the form of short and concise industry reports as well as updating our members and stakeholders on various activities and initiatives. To further support industry growth, CIBAFI announced the winner of its second CIBAFI Award 2019, "Investment Innovation in Micro, Small, and Medium Enterprises (MSMEs) Financing".

In view to our third Strategic Objective, "Training and Professional Empowerment", CIBAFI seeks to develop human resources not only to provide high quality services, but also to adhere to the ethics of Islam in practices and achieve the real economy. In this context, CIBAFI has organised various executive programmes, technical workshops, as well as professional trainings and certificates in various fields related to the IFSI in various jurisdictions.

Finally, to address the increasing demand of CIBAFI professional certificates from various markets, the Secretariat has translated four training materials from the existing Arabic language to English and French languages.

CIBAFI Secretariat looks forward to continuing its work to achieve the three strategic objectives of CIBAFI for the year 2020. I would like to express my sincere gratitude for the support that we are receiving from our members, our Board of Directors and from other stakeholders of the industry, in our effort to strengthen the IFSI globally.

**Yours Sincerely,
Abdelilah Belatik
Secretary General**

Introduction

CIBAFI has a unique role in the global architecture of Islamic finance as it is the only member-based organisation that exists to promote the interests of Islamic finance practitioners.

CIBAFI is envisioned as an organisation that sees its members as immediate stakeholders and believes that its services should evolve closely in line with its members' needs and priorities.

In line with its mission to represent the IFSI globally, CIBAFI also has a broader role to promote the industry and to raise the level of cooperation between members, in order to achieve the intended goals and interaction with key public sector authorities and multilateral institutions.

In the above context, CIBAFI has, under the direction of its BOD, developed and delivered an expanding set of activities and initiatives that provide members with a wide range of benefits.

The Secretariat is pleased to report on CIBAFI's various achievements in executing its Strategic Plan for the period from 1st January 2019 until 31st December 2019. The focus in the stated period was on the following strategic objectives:

1. Advocacy of Islamic Finance Values and Related Policies & Regulations

2. Research and Innovation

3. Training and Professional Empowerment



CIBAFI Meetings

During the year 2019, CIBAFI held two (2) Executive Committee (EC) meetings, three (3) Board of Directors (BOD) meetings, one (1) Annual General Meeting (AGM), and one (1) Members and Professional Development Agents Strategic Session.



CIBAFI 36th BOD Meeting

CIBAFI held its first BOD Meeting for the year 2019 on 3rd April 2019. The 36th Meeting of the BOD which was kindly hosted by IDB in Marrakesh, Morocco witnessed the approval of CIBAFI activities report for the year 2018 as well as the audited financial statements for the year 2018. The meeting also facilitated a discussion on CIBAFI financial resources which is an important factor for CIBAFI to achieve sustainable growth and attain its strategic objectives. This discussion has resulted in a positive response from the members who suggested and proposed ways on how to improve CIBAFI financial resources.



CIBAFI 8th Executive Committee Meeting

CIBAFI held its 8th Executive Committee Meeting on 20th February 2019, which was kindly hosted by Al Baraka Banking Group (ABG) in Manama, Bahrain. During the meeting, the committee discussed CIBAFI's work plan for 2019 that marked the beginning of the implementation of its Strategic Plan for the period 2019 – 2022.



CIBAFI 9th Executive Committee Meeting

Following the 8th EC meeting, CIBAFI held its 9th Executive Committee Meeting on 2nd October 2019 in Cairo, Egypt, hosted by Saleh Kamel Center for Islamic Economics and Faisal Islamic Bank of Egypt. The meeting facilitated the discussion on CIBAFI's work plan and budget for the year 2020.

CIBAFI 37th BOD Meeting

On 13th May 2019, CIBAFI held its 37th meeting of the BOD during its Annual Meetings in Jeddah, 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).



CIBAFI 38th BOD Meeting

The third BOD Meeting for the year 2019 was held on 2nd December 2019. CIBAFI 38th BOD Meeting was held in Manama, Bahrain and was hosted by Al Baraka Banking Group. During the meeting, the BOD members approved the work plan and the budget for the upcoming year as well as the membership application of Sudanese Egyptian Bank.





CIBAFI 19th Annual General Meeting

CIBAFI held its 19th Annual General Meeting (AGM) in Jeddah, Saudi Arabia on 13th May 2019. During the meeting, CIBAFI extended its highest appreciation to Mr. Abdulrazzak M. Elkhaijry 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 meeting witnessed the presentation of 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) Report 2019. Moreover, CIBAFI presented its newly improved website, which will keep its members and stakeholders well-informed on all CIBAFI past and present activities.



Members and Professional Development Agents Strategic Session

On 12th May 2019, CIBAFI held a Strategic Session for CIBAFI Members, Professional Development Agents and Stakeholders in conjunction with CIBAFI Annual Meetings in Jeddah, Saudi Arabia. The session opened an interactive dialogue among 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.





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

In an increasingly complex regulatory environment, new regulations are being constantly developed and proposed in the financial sector. These regulations affect both Islamic and conventional financial institutions.

Therefore, in order to support the value proposition of Islamic finance and ensure that the needs of the industry are taken into account in the development of regulatory regimes, it is very important for CIBAFI to engage with these regulatory bodies to conduct constructive and proactive dialogues that highlight the challenges facing the industry and the different implications of the regulatory requirements on IFIs' business operations.

CIBAFI engages with international standard-setting organisations both conventional, such as the BCBS, IOSCO, IMF, FSB, IAIS, IASB; and Islamic, such as AAOIFI, IFSB, IIFM, etc.



CIBAFI 7th Members Consultative Group (MCG) Meeting

On 12th May 2019, CIBAFI held its 7th MCG Meeting in Jeddah, Saudi Arabia. The meeting generated a fruitful discussion on the findings of the Global Islamic Bankers' Survey 2019, and also facilitated 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 UNEP FI on the Principles for Responsible Banking



PRINCIPLES FOR
RESPONSIBLE
BANKING

CIBAFI submitted its comments to the United Nations Environment Programme Finance Initiative (UNEP FI) on the Principles for Responsible Banking on 10th April 2019. In its comments, CIBAFI expressed that it sees a very considerable positive overlap between the Principles and the underlying ideals of Islamic finance, which see finance as in the service of society and of human development. It mentioned that the Principles are of great interest to its members who are mainly smaller institutions in emerging markets and highlighted their need to be able to apply the Principles in terms of local action.

CIBAFI Updates the Financial Stability Board (FSB) on the Correspondent Banking Decline Affecting Islamic Banks



FINANCIAL
STABILITY
BOARD

On 24th April 2019, CIBAFI submitted updates to the Financial Stability Board on issues relating to Correspondent Banking relationships. CIBAFI highlighted the decline in Correspondent Banking Relationship as a result of 'de-risking' within Islamic banks over the last five years as well as the effect of this decline on the products and services of Islamic banks. The data comparison between year 2018 and 2019 allowed a comprehensive overview of the progress experienced in this regard as well as highlighted how far this agenda is a pressing issue in the Islamic banking industry.

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



During the third quarter of 2019, CIBAFI submitted its comments and recommendations to the Central Bank of Iraq 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.

Public Lecture on “Islamic Finance: An Ethical, Participative and Sustainable Finance”



On 26th November 2019, CIBAFI organised a public lecture on “Islamic Finance: An Ethical, Participative and Sustainable Finance” in Liège, Belgium. The lecture that aimed to raise awareness about Islamic finance, focusing on its role in achieving the SDGs and its potential in western countries was hosted by HEC Liège, Belgium. The lecture was actively participated by over 300 academics from all over the region.



CIBAFI InFocus Session on “Islamic Finance in the CIS Region: A Path for Integration in the Financial System to Achieve Economic Growth and Sustainable Development”

Following the success of CIBAFI’s signature InFocus Session held in conjunction with the annual KazanSummit 2017 in Kazan, Tatarstan, the Secretariat held its CIBAFI InFocus Session with theme “Islamic Finance in the CIS Region: A Path for Integration in the Financial System to Achieve Economic Growth and Sustainable Development” during the 11th International Economic Summit, “Russia - Islamic World: Kazansummit 2019”. CIBAFI InFocus Session held on 25th April 2019, brought together an international panel of distinguished speakers and Islamic finance industry stakeholders to discuss emerging opportunities, prospects and challenges for the integration of Islamic finance within the CIS region. It discussed how Islamic finance is represented as a means for the achievement of sustainable development within the region and determined the key milestones needed for its effective implementation.





CIBAFI – UN Executive Knowledge - Sharing Forum on “The Role of Islamic Finance in Achieving the Sustainable Development Goals: Opportunities and Challenges”

CIBAFI and the United Nations (UN) have successfully launched the first series of their joint Executive Knowledge - Sharing Forum on “The Role of Islamic Finance in Achieving the Sustainable Development Goals: Opportunities and Challenges” in Manama, Bahrain. The forum ran for two days from 4th – 5th December 2019. The Opening Ceremony of the forum has witnessed welcoming remarks from Dr. Abdelilah Belatik, Secretary General, CIBAFI; H.E. Mr. Amin El Sharkawi, Resident Coordinator, UN Bahrain; and H.E. Dr. Shaikh Abdullah bin Ahmed bin Abdullah Al Khalifa, Undersecretary of International Affairs, Ministry of Foreign Affairs, Bahrain. During the Forum, UN officials from the MENA region and beyond met with senior executives of IFIs across various countries, to share views and perspectives regarding sustainability, governance and social responsibility and how to promote these values within the Islamic financial services institutions (IFSI) and worldwide. The forum’s main topics revolved around the alignment between sustainability and Islamic finance and the contributions of IFIs in achieving the SDGs.



5th Mediterranean Islamic Finance Forum (MIFF): “Leveraging on Islamic Finance for Sustainability, Innovation, and Economic Development”

On the 21st November 2019, CIBAFI, together with the Association of the Mediterranean Chambers of Commerce and Industry (ASCAME) organised the 5th Mediterranean Islamic Finance Forum, themed “Leveraging on Islamic Finance for Sustainability, Innovation, and Economic Development”. This forum was part of MedaWeek Barcelona 2019 in Barcelona, Spain. It witnessed a large audience of industry leaders seeking to take advantage of the high-growth prospects of Islamic finance across the Mediterranean, Europe, Middle East and Africa. The forum focused on the potential of Islamic finance in the Mediterranean region for the attainment of sustainability and economic development. It looked particularly at Islamic finance as an ethical and responsible mode of financing and uncovered the key steps needed for its effective adoption in the region. The Forum also discussed the role of Sukuk, Takaful and innovation as key instruments for Islamic finance adoption as well as the role of Fintech in achieving increased financial inclusion.





Strategic Objective 2: Research and Innovation

Islamic finance market-related research has an important role to play in providing guidance and shaping the way forward for the financial sector. Research is a crucial element of progress, which is a necessity at the current stage of the IFSI development. In this context, CIBAFI seeks to promote exceptional practices and innovation in the industry through its publications and periodical reports that highlight opportunities in the industry and means to achieve sustainable development by following Shariah objectives within Islamic finance practices.

CIBAFI's development strategy focuses on encouraging research and innovation through the development of a specific process that ensures Islamic finance's independency of conventional products and promotes good practices and innovation within the industry.



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

During CIBAFI AGM in Jeddah, Saudi Arabia, the Secretariat announced the winner of the CIBAFI Award 2019 on Investment Innovation in Micro, Small, and Medium Enterprises (MSMEs) Financing. 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”. CIBAFI Award 2019 honoured 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. The 2019 Award was given to Islami Bank Bangladesh Limited, who put forth exceptional efforts in innovative MSMEs financing.

Global Islamic Bankers’ Survey 2019: “Sustainability, Growth Drivers and the Regulatory Challenge”

CIBAFI AGM witnessed the launch of the Global Islamic Bankers’ Survey (GIBS) 2019 Report themed, “Sustainability, Growth Drivers, and the Regulatory Challenge”. GIBS 2019 Report reflected the views of 106 Heads of Islamic Banks from 33 countries globally. It provided insights into the main issues facing IFIs in the coming years, the necessary factors for business growth as well as the main regulatory challenges constraining them. The report showed 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 Cybersecurity risk; Liquidity risk; and Foreign exchange risk.

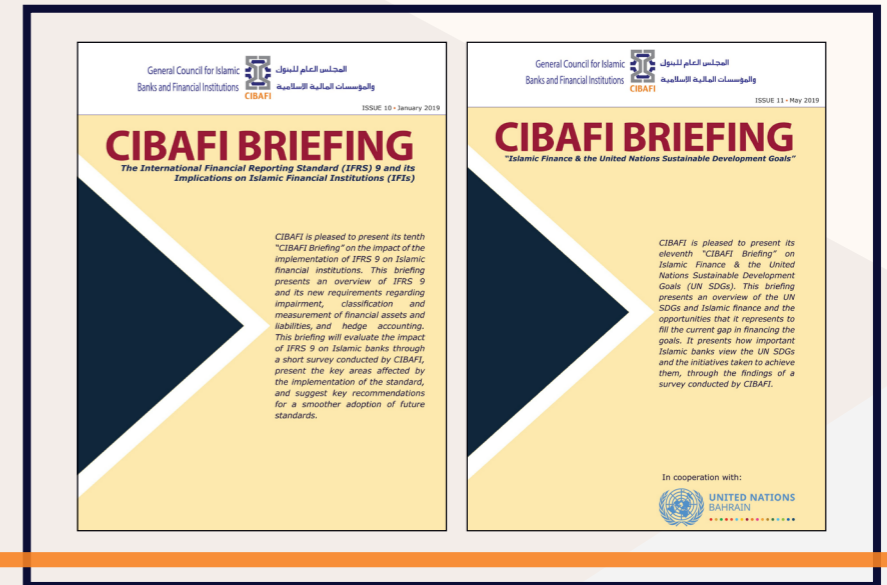
The report also asked banking officials to identify the factors they perceived to be important for facilitating growth. Respondents across all regions identified product innovation and market penetration as drivers for advancement. In addition, the report examined the contribution that Islamic banking is making to sustainable development, featuring a special article by the UN 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 Briefings

CIBAFI Briefing is a need-based publication, covering the most relevant areas of the Islamic finance industry. It aims to keep its members and other IFIs informed about certain issues, updates, and practices in specific areas of interest to the industry. CIBAFI issued two (2) briefings in 2019.



- On 27th January 2019, CIBAFI issued its tenth briefing on "The International Financial Reporting Standard (IFRS) 9 and its Implications on Islamic Financial Institutions (IFIs)". This briefing presented an overview of IFRS 9 and its new requirements regarding impairment, classification and measurement of financial assets and liabilities, and hedge accounting. It also evaluated the impact of IFRS 9 on Islamic banks through a short survey conducted by CIBAFI, presented the key areas affected by the implementation of the standard, and suggested key recommendations for a smoother adoption of future standards.
- On 9th May 2019, CIBAFI issued its eleventh briefing on "Islamic Finance & the United Nations Sustainable Development Goals". This briefing presented an overview of UN SDGs and the opportunities that Islamic finance represents to fill the current gap in financing these goals. It presented how important Islamic banks view the UN SDGs and the initiatives taken to achieve them.

CIBAFI Activities Report 2015 – 2018

During the 19th AGM, 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 same period. CIBAFI, guided by its new Strategic Plan 2019 - 2022, will continue to support the IFSI with focus on current activities as well as initiatives for the future.

Launch of New CIBAFI Website

To keep its members and stakeholders well-informed and updated on its previous and upcoming activities more innovatively and effectively, 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 AGM. 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 Newsletter – InFocus

The Secretariat regularly issues a newsletter called "InFocus" that highlights CIBAFI's main activities and news for a particular period. The first newsletter was issued in December 2014. InFocus newsletter has reached 15 issuances as of December 2019 and will continue to be issued on a regular basis. Since its first issuance, the newsletter has constantly received positive feedback from both members and non-members alike.





Strategic Objective 3: Training and Professional Empowerment

Human resources development is a prerequisite for the development of the IFSI worldwide. With the rapid growth of the industry, there is a continuous need to develop human resources, not only to provide high-quality services to clients but also to adhere to the professional ethics, this being for various categories ranging from board members and senior shareholders to executive and administrative staff, mid-level staff and the general public. CIBAFI's professional development objective caters to this essential need by facilitating a number of executive programmes, technical workshops, and professional certificates.



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

In continuation to CIBAFI and Ivey Business School’s productive cooperation, the fifth series of the joint Executive Programme was successfully held in Manama, Bahrain on 5th – 6th November 2019. CIBAFI – Ivey Business School Executive Programme on “Strategic Thinking, Agile Leadership and Curiosity, and Application of FinTech Innovations” provided a combination of case studies and discussions on the recent thoughts on strategic thinking, innovation and financial technologies in the context of Islamic financial services industry. It also included discussions on sustainability and the Islamic financial institutions’ responsibility for safeguarding the highest ethical standards in banking. This year’s edition also included a pre-programme survey that gauged the participants’ level of leadership curiosity as well as it witnessed experience sharing sessions from industry leaders.



CIBAFI Seminar on “Credit Ratings: Focus on Islamic Banks and Sukuk Ratings Methodology”, in cooperation with S&P Global Ratings

Following the success of the first joint seminar in 2017, CIBAFI and S&P Global Ratings continued their cooperation for the second time to organise a Seminar on “Credit Ratings: Focus on Islamic Banks and Sukuk Ratings Methodology”, under the patronage of the Central Bank of Bahrain (CBB) in Manama, Bahrain. The seminar was held on 29th – 30th April 2019. The seminar provided a great opportunity to engage in the process, methodology, and outcomes of credit ratings, to understand their vital role in assessing the creditworthiness of sovereigns, Islamic banks, and Islamic financial market instruments; a fundamental understanding of the components that result in a high or low rating. It also highlighted innovations in Islamic finance, including prospects for green Sukuk issuance, which has attracted significant interest from investors in Islamic and traditional finance sectors.



CIBAFI Technical Workshop on “Sukuk Structuring and Legal Documentation”

In conjunction with the 5th MIFF which was held in Barcelona, Spain, CIBAFI conducted a 2-days Technical Workshop on “Sukuk Structuring and Legal Documentation”. The workshop ran from 20th to 21st November 2019. It tackled in detail, the different types of Sukuk, the regulatory requirements in Sukuk structuring and Shariah governance in Sukuk issuance among many other related topics. The workshop also provided case studies and hands-on exercises that made it more interactive for the participants.



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

CIBAFI organised a Technical Workshop on “Stress Testing for Islamic Financial Institutions (IFIs)” in Istanbul, Turkey. The workshop that was held on 11th – 13th June 2019 was kindly hosted by the Istanbul School of Central Banking of the Central Bank of the Republic of Turkey. The 3-days workshop facilitated 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 included 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 eight countries representing Islamic banks and financial institutions, international organisations as well as Regulatory and Supervisory Authorities (RSAs).



Training of Trainers (ToT) Programme

The third series of the CIBAFI Training of Trainers (ToT) Programme was held on 15th to 17th October 2019 in Manama, Bahrain. CIBAFI ToT Programme introduced the participants to the importance of training as a fundamental developmental requirement and equipped them with different training patterns in addition to practical tools, strategies and techniques that will make their training dynamic, engaging and highly effective. As a result, the programme enabled its participants to fine-tune and update their training skills as well as to improve their communication and presentation skills.



CIBAFI 13th Accreditation Board Meeting

CIBAFI held its 13th AcB Meeting in Jeddah, Saudi Arabia on 12th May 2019. The agenda items included discussions on the development of new training materials as well as the possibility of updating the existing certificates to accommodate the current professional development needs within the IFSI.



CIBAFI 14th Accreditation Board Meeting

On 3rd December 2019, CIBAFI held its 14th AcB Meeting at CIBAFI headquarters, in Manama, Bahrain. During the meeting, the members had a fruitful discussion on how to develop and improve the new and existing CIBAFI training materials and professional certificates in order to cater to the current human development needs within the IFSI. Specifically, the members discussed a proposal to develop the accredited Certified Islamic Bank Manager material based on the agreed structure which focuses on the characteristics of various Islamic banking products and services as well as the necessary skills and knowledge required to become a successful Islamic Bank Manager. The members have also discussed the need to further develop the existing Certified Islamic Specialist in Accounting material to incorporate new standards and ensure the comprehensiveness of the content.



In-House Training Programme for Ahli Bank – Oman

Following a request from the bank, CIBAFI facilitated a Certified Islamic Banker programme for 20 employees of Ahli Bank in Muscat, Oman. The programme ran from 14th – 18th April 2019 and was delivered by a CIBAFI accredited trainer. The in-house CIB programme aimed to certify and provide participants with knowledge of Islamic finance and Islamic financial transactions.

Orientation Programme in Islamic Finance

CIBAFI in cooperation with the Iraqi Private Banks League conducted an Orientation programme in Islamic Finance in Baghdad, Iraq from 25th – 29th August 2019. The programme provided the participants with the basic foundations of Islamic banking and finance and exposed the participants to various theoretical and practical knowledge of sound Islamic banking practices. Over 20 participants from Iraq took part in this programme aiming to enhance their skills in Islamic finance, investment and many other Islamic financial services related topics.



CIBAFI Professional Certificates

CIBAFI offered its professional certifications through its network of 20 Global Professional Development Agents in 17 countries. A total of 55 training sessions with 866 trainees were held in the year 2019. The Certified Islamic Banker Certificate recorded the highest number of applications during the last years followed by the Executive Professional Master Programme.

CIBAFI In-House Training



CIBAFI's professional development agents also conducted several In-House trainings for Certified Islamic Banker programme as follows:

- 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.
- Institute of Banking Studies of the Central Bank of Jordan: for 20 employees from Al Rajhi Bank, Jordan.
- Al Salam Center for Training, Research and Consultancy: for 50 employees from Al Salam Bank, Somalia and 38 employees from Salaam Portland Bank, Somalia.
- Tala'e Arriyadah for Training and Consultancy: for 60 employees from Alinma Bank, Saudi Arabia.
- Kapital Transak "Financité": for 76 employees from Umnia Bank in Morocco.

CIBAFI and Jumhouria Bank – Libya signing of Memorandum of Understanding (MoU)



CIBAFI and Jumhouria Bank – Libya signed a Memorandum of Understanding (MoU) at the headquarters of CIBAFI in Manama, Bahrain on 4th November 2019. The signing of MoU reinforced both institutions' aim to provide skills and knowledge that will enable the bank's staff to effectively exercise their functions within the IFSI.

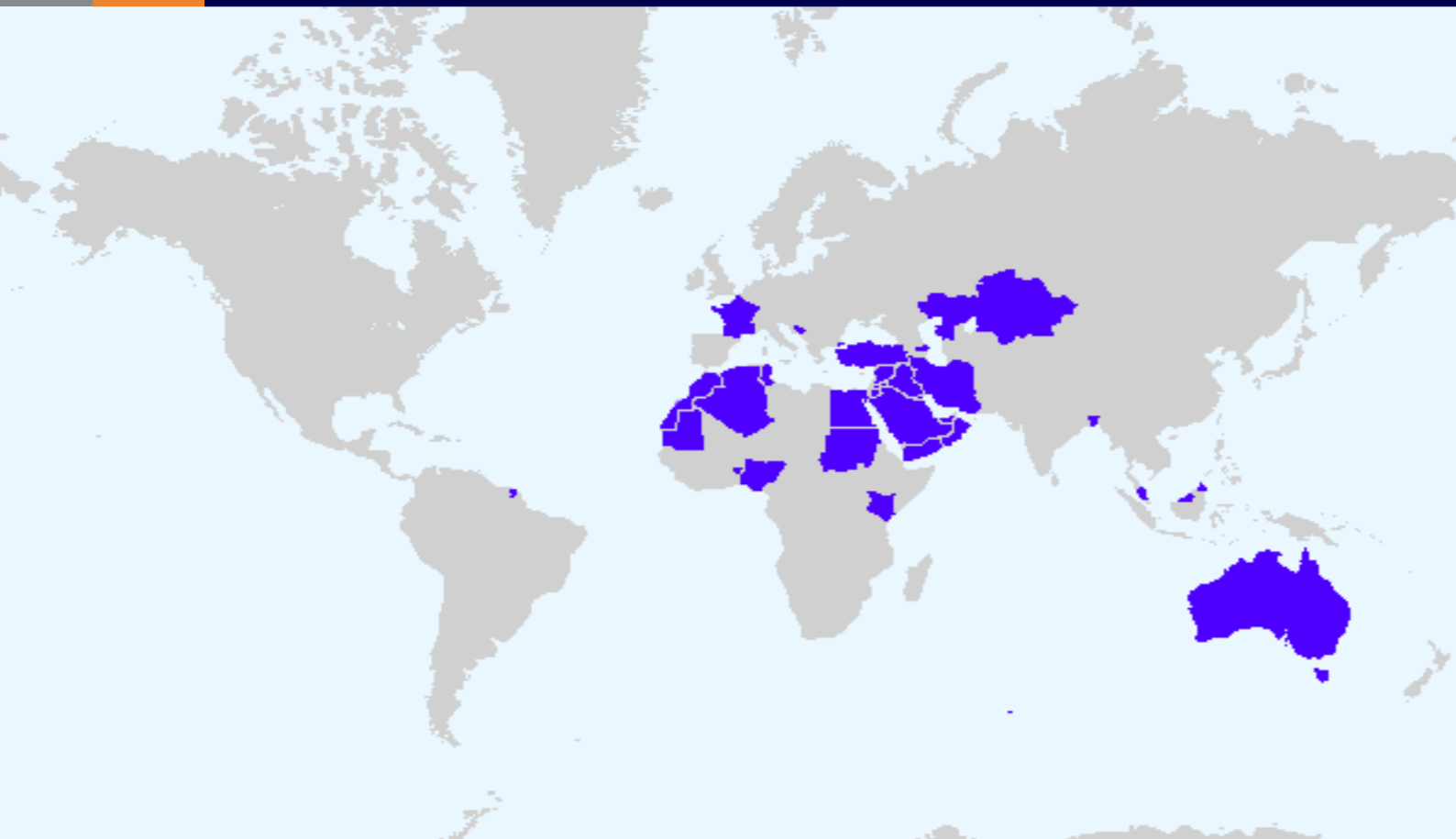


Translation of CIBAFI Professional Development Training Materials

In line with the increasing demand to provide CIBAFI professional development training materials in various other languages, CIBAFI Secretariat has completed the translation of part of the professional training materials from the existing Arabic language to English and French languages, with support from the Islamic Development Bank and Umnia Bank - Morocco.

The Secretariat is pleased to inform that it has translated the following materials:

- Certified Islamic Banker
- Certified Islamic Specialist in Risk Management
- Certified Islamic Specialist in Trade Finance
- Certified Islamic Specialist in Capital Market



CIBAFI Membership

Expanding CIBAFI's Membership year by year

We are working hard to spread awareness of Islamic finance by being more active and innovative in achieving our goals as well as expanding our presence in different countries around the world

CIBAFI has over 130 members from more than 34 countries from the Middle East, Africa, Europe, South Asia and Central Asia. Membership includes Islamic financial institutions, multilateral banks, standards-setting institutions and specialized service institutions. CIBAFI continues to focus on expanding its membership geographically with the assistance of the Board of Directors and its other members in order to enter new markets of Islamic finance.

2019 at a Glance



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

- 1 Members Consultative Group (MCG) Meeting
- 1 CIBAFI Comments to the Central Bank of Iraq (CBI) on the Guide for Principles and Regulatory Framework for Islamic Windows
- 1 CIBAFI Comments to the UNEP FI on the Principles for Responsible Banking
- 1 CIBAFI Updates the Financial Stability Board (FSB) on the Correspondent Banking Decline Affecting Islamic Banks
- 1 CIBAFI InFocus Session 2019 on "Islamic Finance in the CIS Region: A Path for Integration in the Financial System to Achieve Economic Growth and Sustainable Development "
- 1 CIBAFI – UN Executive Knowledge - Sharing Forum on "The Role of Islamic Finance in Achieving the Sustainable Development Goals: Opportunities and Challenges"
- 1 5th Mediterranean Islamic Finance Forum (MIFF) on "Leveraging on Islamic Finance for Sustainability, Innovation, and Economic Development"
- 1 Public Lecture on: "Islamic Finance: An Ethical, Participative and Sustainable Finance"
- 703** Delegates from 36 countries participated in CIBAFI Advocacy Programmes
- 74** International experts spoke at CIBAFI Advocacy programmes and events



Strategic Objective 2: Research and Publications

- 1 Global Islamic Bankers' Survey 2019: "Sustainability, Growth Drivers and the Regulatory Challenge"
- 1 CIBAFI Award 2019: "Investment Innovation in Micro, Small, and Medium Enterprises (MSMEs) Financing"
- 1 CIBAFI Activities Report 2015 – 2018
- 1 Launch of New CIBAFI Website
- 2 CIBAFI Briefings
- 3 CIBAFI Newsletter – InFocus



Strategic Objective 3: Training and Professional Empowerment

- 1 CIBAFI – Ivey Business School Executive Programme on "Strategic Thinking, Agile Leadership and Curiosity, and Application of FinTech Innovations"
- 1 CIBAFI Seminar on "Credit Ratings: Focus on Islamic Banks and Sukuk Ratings Methodology", in cooperation with S&P Global Ratings
- 2 CIBAFI Technical Workshop
- 1 Training of Trainers (ToT) Programme
- 2 CIBAFI Accreditation Board Meetings
- 1 Orientation Programme in Islamic Finance
- 1 CIBAFI and Jumhouria Bank – Libya signing of Memorandum of Understanding (MoU)
- 91** Staff of Islamic Banks took part in Technical Workshops
- 25** Delegates attended C - Suit level Executive Programme from 6 countries
- 866** Professionals certified with CIBAFI professional certifications

General Council for Islamic
Banks and Financial Institutions



المجلس العام للبنوك
والمؤسسات المالية الإسلامية

General Council for Islamic Banks and Financial Institutions (CIBAFI)

Jeera 3 Tower, Office 51, Building No. 657, Road No. 2811, Block No. 428, P.O. Box No. 24456

Manama, Kingdom of Bahrain.

Telephone No.: +973 1735 7300

Fax No.: +973 1732 4902

www.cibafi.org