

M&SME ISLAMIC BANKING MASTERCLASS PACKAGEE



ALMAALI ACADEMY
أكاديمية المعالي



Islamic banks have been operating in places such as Bahrain, Saudi Arabia, Malaysia, Dubai and some Western Countries for some time. Conventional bankers have traditionally viewed the sector as a small, exotic niche but recent years have seen a dramatic surge in popularity. A number of Western investment banks have started working with Muslim clerics to create new ranges of financial products designed for devout Muslims and non-Muslims, a large and growing market. Although estimates of the size of the Islamic finance industry vary greatly, everyone agrees that it is expanding rapidly everywhere and this is the perfect program package for anyone looking to understand and master the industry.

We believe that the aspirations of Islamic banking have not been fully realized yet. Islamic banks have a long way to go to prove that they are able to serve the world with new instruments based on justice and fairness. Meanwhile, M&SMEs are the engines for the global economic growth. Financing a microenterprise or a small business in today's Islamic banking is challenging. If your aim to develop or to diversify the range of Islamic Sharia compliant solutions for M&SME then you may consider us as your right partner. Our M&SME consultancy and training experts are structured to meet the Islamic Sharia compliant development in various sectors of the Islamic economy.



OUR VALUE PROPOSITIONS

1. Global, qualified and deep updated knowledge and know-how in Islamic banking
2. Unique operational and practical experience in Islamic banking and Finance,
3. Tailored courses replying to specific organizational needs
4. Full understanding of the Islamic finance & banking regulatory framework in GCC and beyond,
5. Full-fledged advisory services with respect to developing, implementing and marketing of Sharia compliant financial products and services
6. Tight collaboration with the major Sharia scholars in the GCC,
7. Tight collaboration with the major Sharia compliance services.
8. Training and consultancy in three languages (French, English, Arabic).
9. On-line services and membership of alumni club,



OUR PROGRAMS

SIE is the first social innovation firm providing exclusive training solutions in Islamic Banking and M&SMEs finance. It covers the key principles of Islamic finance and how they are applied in business, to equip the candidate with the understanding of Islamic financial products in banking, Microfinance, SMEs finance, Sukuk, Takaful and managerial issues in Islamic banking. Our courses cover the following areas:

1. An Introduction To Islamic Banking And Finance
2. The Basis Of Islamic Banking
3. Branding of Islamic Banking
4. Operational And Technical Challenges Of Islamic Microfinance
5. SMEs Islamic Finance
6. Islamic Finance Contracts
7. Islamic Banking Operations: Sources Of Funds & Uses Of Funds
8. How to excel in Islamic Banking Services
9. Introduction To SUKUK
10. Introduction to Islamic Takaful
11. Islamic Finance Corporate Governance
12. Converting Conventional Banks Into Sharia Complaint Banks.
13. Certified Islamic Banker
14. Managing Risks in sharia complaint Products and Services Contracting



VENUE

The venue will be a choice between Dubai and Bahrain.

VIP & IN-HOUSE TRAINING

We do provide the mentioned programs either in one-to-one scheme as VIP training or in-house training to groups of staff.

THE PROGRAMS

1. An Introduction To Islamic Banking And Finance

- *Description*

Introduction to Islamic Banking and Finance is a succinct program introducing the key characteristics of Islamic banking highlighting how these differ from conventional banking. This detailed program illustrates how Islamic banking is consistent with the Sharia, a key element of which is the prohibition on collecting and paying interest. This central religious precept appears to rule out most aspects of modern finance but it does allow money to be used for trading tangible assets and business, which can then generate a profit. The program looks at all aspects of Islamic banking, including on its creation and evolution through to detailed discussions of the issues involved in the Sharia contracts of Murabaha, Mudaraba, Musharaka, Ijara, Istisna'a, and Salam. Islamic insurance (Takaful) is also covered. Finally the program takes a look at Sharia law and Sharia boards, indicating the roles and responsibilities that come with membership.

2. Islamic Banking Principles

- *Description*

The Sharia prohibits the payment of charges for the renting of money (riba, which in the definition of Islamic scholars covers any excess in financial dealings, usury or interest) for specific terms, as well as investing in businesses that provide goods or services considered contrary to its principles (Haram, forbidden). While these principles were used as the basis for a flourishing economy in earlier times, it is only in the late 20th century that a number of Islamic scholars were trying to apply these principles to private or semi-private commercial institutions within the Muslim community.

The program looks at the major components of the sustained progress in Islamic finance, from regulatory framework, as Islamic finance does not and cannot exist in a vacuum, to the other elements of ecosystem of the industry. It covers topics like Takaful and Re-takaful, Islamic capital markets and wealth management (i.e. Sukuk, equities and funds), Islamic microfinance, Islamic venture capital and private equity, Islamic SRI (Socially Responsible Investing) and Impact Investing, Zakah and Waqf.

3. Branding of Islamic Banking

- *Description*

Whilst the importance of religion is a major driver in the choice of Islamic banking the fundamental differences between Islamic and conventional banking are poorly understood by the customers almost everywhere. Indeed, understanding bank selection from Muslim and non-Muslim customer's perspective can provide useful information to banks' senior management to help them allocate resources and design products that promise to attract and better satisfy customers. A strong Islamic brand reputation as well as better financial and banking services are the main factors which influence the selection of a brand. The program looks at the important questions like the design, methodology, approach of Islamic banking in dealing with their marketing strategies and imagining, as well as how to cement relationships with existing customers as well as how to gain new ones. It also provides some insight into the customers' awareness of Islamic banking and the processes involved in the selection of their preferred brand.

4. Operational and Technical Challenges of Islamic Microfinance

- *Description*

Islamic microfinance represents the confluence of two rapidly growing industries: microfinance and Islamic finance. It has the potential to not only respond to large demand but also to combine the Islamic social principle of caring for the less fortunate with microfinance's power to provide financial access to the poor. Unlocking this potential could be the key to providing financial access to millions of Muslim poor who currently reject microfinance products that do not comply with Islamic law. Islamic microfinance is still in its infancy, and business models are just emerging and the sector is still largely dominated by a few providers in a few countries that rely primarily on only two products (MURABAHA & MUSHARAKA). The program looks at the day-to-day operational challenges of Islamic microfinance institutions and technical problems in developing the Islamic microfinance sector. It will also provide concrete ground know-how on new products & change to and services developed recently to promote greater diversity in service providers and sustainable products, better tailored to meet the needs of the religiously observant Muslim poor.

5. SMEs Islamic Finance

- *Description*

Small and medium enterprises (SMEs) are widely recognized as engines of economic growth and key contributors to the sustainable gross domestic product (GDP) of all countries, including developing and emerging economies and creating employment opportunities for both skilled and unskilled individuals. The SMEs Islamic finance faces several problems in the countries and regions where Islamic finance is flourishing, negating one of the aspirations of Islamic finance: access to financing for all Sharia-compliant businesses irrespective of the size of business operations. Most SMEs do not have access to credit, or have limited access to credit. The program looks at the sources of the problem of SMEs' limited access to finance and the interaction of demand, supply, institutional, regulatory, and other policy factors that are a hindrance for the growth of SMEs finance. The program provides specific awareness and knowledge regarding Islamic banking products and what products may suit the requirements of such businesses and at what stage it would be needed. It will put more light on the major obstacles like sharia complaint based mistakes and challenges, the cost of credit charged by Islamic banks (which is known to be higher than conventional banks for the same sector), the qualification of working staff, the operational challenges, etc.

6. Introduction to Takaful

- *Description*

The concept of takaful, or Islamic insurance is in line with the principles of compensation and shared responsibilities among the community. It is generally accepted by Muslim Jurists as conventional insurance involves the elements of uncertainty (Al-gharar) in the contract of insurance, gambling (Al-maisir) as the consequences of the presence of uncertainty and interest (Al-riba) in the investment activities of the conventional insurance companies which contravene the rules of Sharia. Takaful is an alternative form of cover which a Muslim can avail himself against the risk of loss due to misfortunes. The program looks at the takaful industry, which is still not past its formative years, and the many problematic areas and sharia-based operational challenges. The program also covers areas like the creation of takaful funds, the global standardization of takaful terminology, the development of an acceptable form of life insurance (family takaful) and a common consensus for a system to determine profits (or surplus) distributable to participants and shareholders.

7. How to excel in Islamic Banking Services

- *Description*

This program adds to the series of programs on Islamic finance on the subject of an Islamic Sharia consistent requirement for exceling in Islamic Banking Services. It will provide ground experience on the switching behavior of bank customers from conventional banking framework, which is modeled together with perceived value and customer satisfaction. As the perceived value represents customer cognition of the nature of relational exchanges with their service providers, satisfaction reflects customers' overall feeling derived from the perceived value while there is an inter-linkage between perceived service value, customer satisfaction evaluation and intention to switch to other service providers. The suggested program will provide deep knowledge on critical Islamic SME banking challenges like: Prohibition of speculative behavior, Money as "potential" capital, Sharia-approved activities, sanctity of contracts, demand and supply of Islamic SME finance, Islamic financing options for SMEs, etc. The program is also emphasizing the strategies and tactics supporting the customer perceived value, customer satisfaction and loyalty towards financial institutions. Many cases studies and reports, from GCC and Malaysia will be used as practical examples.

8. Introduction To SUKUK

- *Description*

Sukuk is the Arabic name given to a financial certificate and its origins can be traced back to the Middle Ages. Although sukuk are sometimes referred to as Islamic bonds because they essentially replicate interest bearing bonds in a Sharia compliant manner, they are better described as an asset based investment as the investors own an undivided interest in an underlying asset in proportion to their investment and as such take the risk in, and benefit derived from, the underlying asset. This ownership interest is evidenced by sukuk certificates held by the investors. Sukuk in their modern Islamic finance form were invented in Malaysia around the year 2000. They are designed to have economic implications for the issuer and the investor which are essentially similar to tradable bonds, but without having any interest paid or received. According to a recent report by Thomson Reuters, the global sukuk market is expected to grow %141 to reach US292\$ billion in issuances by 2016, up from US121\$ billion in 2012

The goal of the program is to introduce the main concepts and procedures of creation of such financial instrument. It will provide necessary know-how on how to design the instrument and the major challenges or problems faced in dealing with it.

9. Islamic Finance Contracts

• *Description*

The foundation of Islamic finance is sharing the risks in all situations and avoiding undue advantage to either party and is therefore based on justice and ethics. It is also based on conducting business activities within the framework of the Holy Quran, and the word of Allah as revealed to his prophet Muhammad (PBUH). As Islamic finance permits trade and commerce, the contracts that are applied thereto are termed muamalat in the Sharia. Debt-based financing, which is the basis for agency relationship in conventional finance, does not exist in Islamic finance. Economic relations in Islam are based on property rights and contracts and therefore extend to stakeholder models rather than the narrow shareholder models in conventional finance. An economic relationship without a formal contract can be considered null and void in Islamic finance. Thus the programs is trying to provide the needed knowledge and first-hand experience on how to having transparent and firm contracts for all economic relations in Islamic finance, by elaborating proper contract. It will also provide the main concepts of contracting in Islamic banking and finance in order to mobilization of deposits, sanction finance or any other services or products.

10. Islamic Finance Corporate Governance

• *Description*

The governance in Islamic institutions is a subject with great value and have relation with many issues, especially issues related to the sharia Supervisory Board and its functionality. The objective of this program is to provide, in the light of the current discussion in many countries regarding the practices in Islamic banking, certain essential guidelines to improve corporate governance in these institutions and thereby enable them to not only maintain their momentum of growth and international acceptance but also safeguard the interests of all stakeholders. The program gives particular attention to the creation and management of mechanisms for corporate governance, including the Board of Directors, Senior Management, shareholders, depositors, and regulatory and supervisory authorities. It also focuses

on the effective management of risks and, in particular, on creating a supporting environment through moral uplift, social, legal and institutional checks, greater transparency, internal controls, and Sharia as well as external audit. More, one of the objectives of this program is to discuss, and create greater awareness of, some of the crucial issues related to corporate governance in Islamic financial institutions and the shared institutions that are needed for effective corporate governance.

11. Converting Conventional Banks Into Sharia Complaint Banks.

- *Description*

Islamic banking is steadily moving into an increasing number of conventional financial systems. It is expanding not only in nations with majority Muslim populations, but also in other countries where Muslims are a minority, such as the United Kingdom, Germany, USA or Japan. Similarly, countries like India, the Kyrgyz Republic, and Syria have recently granted, or are considering granting, licenses for Islamic banking activities. Despite this consistent growth, many supervisory authorities and finance practitioners remain unfamiliar with the process by which Islamic banks are introduced into a conventional system. This program attempts to shed some light in this area by describing the main phases in the process, and by flagging some of the main challenges that countries will face as Islamic banking develops alongside conventional institutions. It will draw from the experience of several countries which have introduced Islamic banking over a period of time to delineate the main challenges faced by supervisors and practitioners at each stage. It also provides some of the main elements required to build a supporting financial infrastructure that conforms to Islamic principles.

12. Managing Risks in sharia complaint Products and Services Contracting

- *Description*

As Islamic banking is relatively new, the risks inherent in the instruments used are not well comprehended. Islamic banks can be expected to face two types of risks: risks that are similar to those faced by traditional financial intermediaries and risks that are unique owing to their compliance with the sharia. The Sharia-compliant nature of assets and liabilities distinguishes them from conventional banks while at the same time exposing them to similar market, credit, liquidity, operational, and legal risks. Notably, differences in opinion among religious scholars regarding the

Sharia compliance of specific financial arrangements can expose Islamic banks to the risk of noncompliance with Sharia principles. Further, operational differences across countries result in different permissible financial products, thereby raising legal uncertainty in the area of cross-border Islamic financial activities. Islamic financing is also subject to high judicial risk, as clients may turn to Sharia courts that rule on a case-by-case basis, as well as seek redress in regular courts. Additionally, Islamic financial institutions may confront commercial pressure to pay competitive rates of return that exceed returns on the assets that are actually being financed, with the result being that shareholders may have to forgo part, or all, of their share in profits to minimize the risk of funds withdrawal. The program will provide deep understanding of such types of risks and exposure of Islamic banks to them. It will provide also the latest techniques and methods elaborated in some countries to deal with such risks in order to mitigate their impact on the financials of the banks.

13. Certified Islamic Banker

- *Description*

Professional Islamic Banker today needs training program provides him with a knowledge and understanding of the core principles tradition of Islam and latest models and practices of Islamic banking, allowing him to engage with your career in Islamic finance and banking. With this professional elaborated program, patricians will receive a solid grounding in the different areas cover both the technical and Sharia perspective of finance transactions conducted by Islamic banks, as part of the vast growing Islamic finance industry. The purpose of this program is to inform participants of the range of services currently on offer in the Islamic finance market, including the more advanced techniques and original solutions available that address some of the risks inherent in the industry. The program aims also at improving the capabilities and skills of all those who work in Islamic banks, Islamic finance and investment organizations as well as individuals enrolled in the different activities of the Islamic economy. The different parts of the program cover topics in the Islamic finance and Islamic banking. it tries to satisfy various professional levels needs, and seeks to equip participants with the sound and integrated ground experience and know-how, on the foundations and bases of the Islamic banking industry. It also provides the professional expertise on the proper Islamic banking operations knowledge.

GOAL



EMENT



FOCUS



M&SME ISLAMIC BANKING MASTERCLASS PACKAGEE

M&SME ISLAMIC BANKING MASTERCLASS PACKAGEE

www.socialinnovationexpert.com



SOCIAL INNOVATION
EXPERT Bahrain

Tel : +973 17651260
Mobile: +97339168403
atef.alshabrawy@gmail.com
a.elshabrawy@socialinnovationexpert.com



ALMAALI
TRAINING & CONSULTANCY
للتدريب و الاستشارات

Tel : +971 4 2942242
Fax: +971 4 2942228
P.O.Box: 22749
Villa # 673, Jumeirah Beach Road, Umm Suqeim 2,
Opposite Umm Suqeim Municipality