

**Islamic Finance Qualification
Launch Event
November 2007**



Agenda for IFQ Launch Event

David Bowden

- Introduction and welcome

Dr Natalie Schoon CFA

- An overview of Islamic finance. What's it all about and why's it different?
- The emergence of Islamic finance across the globe
- The relevance and importance of Islamic finance in London and the UK
- What the course covers and what your employees can expect to learn from it?

Margaret Spong – SII

- An overview of the qualification
- Information on the examination – How long? How many questions? Where? When? How often?
- The level of this qualification with the Financial Services Skills Council (FSSC)
- The credibility and reach of the qualification and the status it carries

David Bowden

- Q&A

Dr Natalie Schoon CFA
Head of Product Management
Bank of London and The Middle East Plc

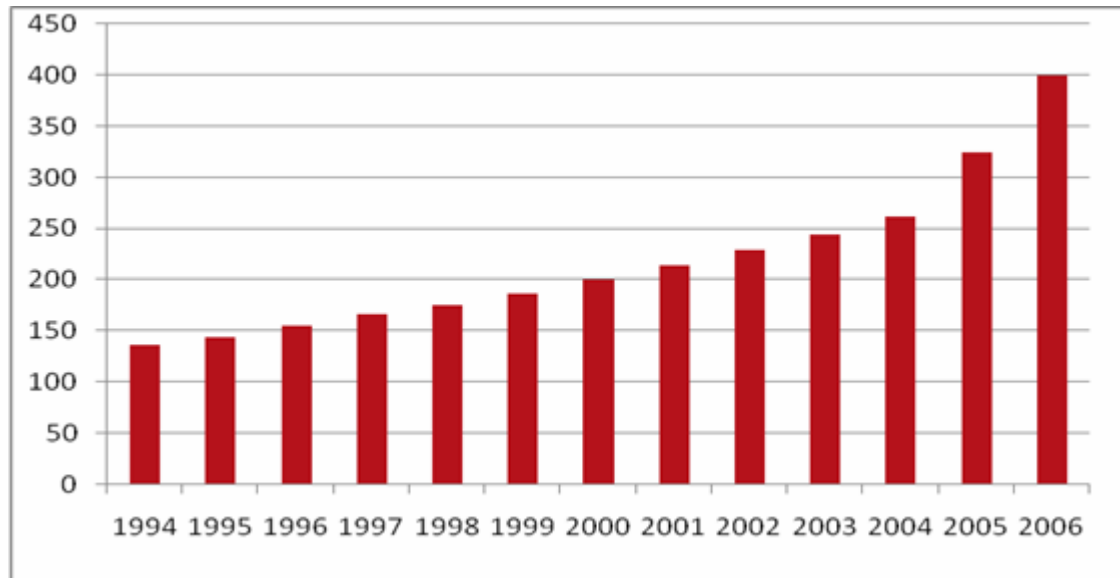


What is Islamic Finance?

- Prohibitions
 - No interest
 - No gambling or speculation
 - No Investment in prohibited assets
- Offer and Acceptance
- Underlying asset
- Profit share and loss distribution
- Merchant Banking

Global Growth

- Started in the 1970s
- Annual growth in the last 10 years 15 – 20% per annum
- S&P estimates the total market at \$400bn at the end of 2006
- Trend in Total Assets of Islamic Financial Institutions (in USD billion)



Relevance and importance of Islamic finance in London and the UK

- Largest centre for Islamic finance outside the Middle East and Asia
- Changes in tax regime
- Issue of UK Government Sukuk
- Growth in number of wholly Islamic Banks
- Islamic Finance Qualification introduced by SII

- Basic principles underlying Islamic contracts
- Different types of contracts available
- Asset Management
- Insurance
- Accounting and governance



Launch: IFQ - Islamic Finance Qualification BPP

Margaret Spong

2nd November 2007





The IFQ - Islamic Finance Qualification initiative

- Idea of the Central Bank of Lebanon
- SII working with ESA - Ecole Supérieure des Affaires – based in Beirut
- Industry needed a basic benchmark examination covering the breadth of Islamic finance



Who is the IFQ designed for?

The qualification is aimed at staff working in Sharia'a compliant finance, trade, investment and insurance, as well as individuals who want to know more about Islamic finance for general interest or because they want to move into this industry.





Who designed the IFQ?

- Steering Group has overarching responsibility for development and marketing
- ACIF - Advisory Council for Islamic Finance is responsible for technical aspects: syllabus, workbook and exams
- UK Technical Group for the IFQ supports development in the UK





ACIF

Dr Ahmad Jachi Chairman (Lebanon)

Dr Abdul Sattar Abu Ghuddah (SA)

Professor Simon Archer (UK)

Jean-Marc Riegel (Qatar)

Samir Salameh (Lebanon)

Mansoor Shakil (Dubai)

UK Technical Group for the IFQ

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Workbook contributors

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Imane Karich (Belgium)

Brian Kettell (UK)

Ahmad Sabbagh

Abdulkader Thomas (Kuwait)

Dr Mohammed Imran Usmani (Pakistan)

+ ACIF members



How was the IFQ exam created - 1?

‘Normal’ SII processes:

- ACIF established
- syllabus developed
- workbook written
- questions written
- test specification defined
- exam papers created





How was the IFQ exam created – 2?

- Pilot exams held:
 - Beirut and London
 - November and January
 - Performance in the examinations analysed to ensure questions are fair, unambiguous and good discriminators.
- Exam launched on CBT 19th March 2007
- Now monitoring performance in the examinations to ensure they continue to offer a valid, reliable and consistent test.
- Annual review of syllabus, workbook and questions to reflect changes in the industry.





A typical multiple choice question

Which ONE of the following statements about Riba is FALSE?

A Riba is prohibited in Quran and Sunnah

B Islamic banking regards interest payments as unfair income distribution

C Islamic principles permit profits earned by investors who carry the risk of and contribute to economic transactions

D Islamic principles treat money as having a value or price and this permits profits to be earned from loans to investors



What academic level is the IFQ pitched at?

**Comparable to
the SII
Certificate
programme at
NQF Level 3**

Securities & Investment Institute Qualifications Structure	
Introduction to Investment: The Foundation Qualification	Foundation Level
IT in Investment Operations (ITIO)	Professional/ Regulatory/ 'Qualifying' examinations
Investment Administration Qualification (IAQ)	
International Certificate in Financial Advice (ICFA)	
Islamic Finance Qualification (IFQ)	
SII Certificate in Corporate Finance	
SII Certificate Programme: Certificate in Derivatives Certificate in Financial Derivatives Certificate in Investment Management Certificate in Securities* Certificate in Securities & Financial Derivatives* <small>* Retail version of certificate available</small>	
Advanced Certificates in: Operational Risk Global Securities Operations Investment Schemes Administration	Advanced examinations
Specialist Diplomas in: Investment Compliance Investment Operations	
Securities & Investment Institute Diploma	



Who recognises the IFQ?

- **IFQ is expected to appear on the Financial Services Skills Council's new Recommended List of examinations**
- **Financial Services Skills Council has endorsed the IFQ and it is with the Qualifications and Curriculum Authority for accreditation**



Why is the IFQ special?

- It has been created by experts from major centres of Islamic finance around the globe.
- It covers both Sharia'a and technical aspects.
- It has a practical focus geared to preparing staff to do their job.
- It is the first global benchmark available through computer based testing.

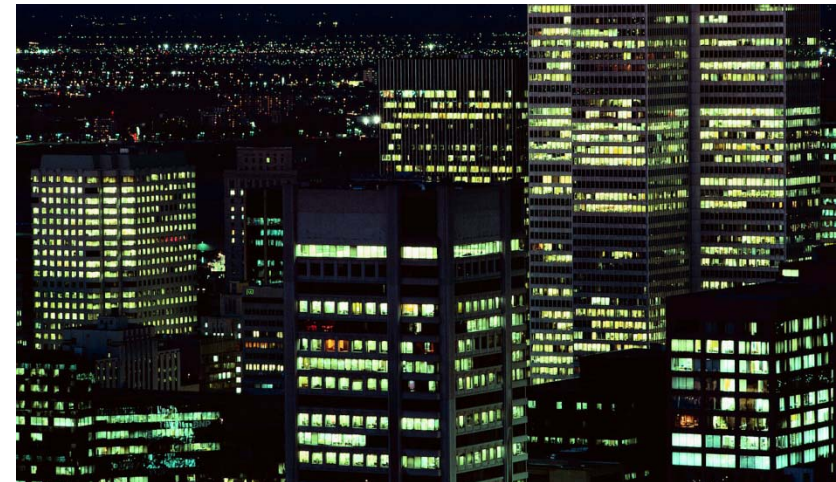




Which firms are using it?

Staff taking the IFQ work for:

- Regulators, including Banque du Liban, FSA and others
- IMF
- Islamic banks
- UK banks with Islamic banking arms
- Accountancy firms
- Law firms
- Investment houses





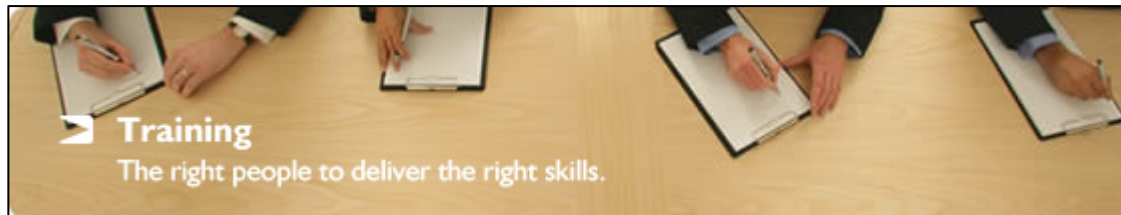
Who is offering training?

Workbook designed to be used on its own.

BUT

Individuals without any understanding of, or involvement in, Islamic finance will benefit from a course.

Courses are being offered by BPP





Where can it be sat?



Globally!

So far candidates have sat in: Canada, Dubai, Egypt, Italy, Lebanon, Singapore, South Africa, Switzerland and the UK

And workbooks have been sold to candidates in:
Australia, Bahrain, Belgium, Channel Islands, France, Germany, India, Kuwait, Luxembourg, Netherlands, Ireland, Qatar, Saudi Arabia, Scotland, Switzerland, UAE and US



When can it be sat?

**During normal
working hours
depending on the jurisdiction.**



**Resits subject to the SII's normal
resit policy.**



Details

- IFQ is 100 multiple choice questions answered in 2 hours
- The workbook price is £75
- The examination fee is £150
- **Training course fees available from BPP**

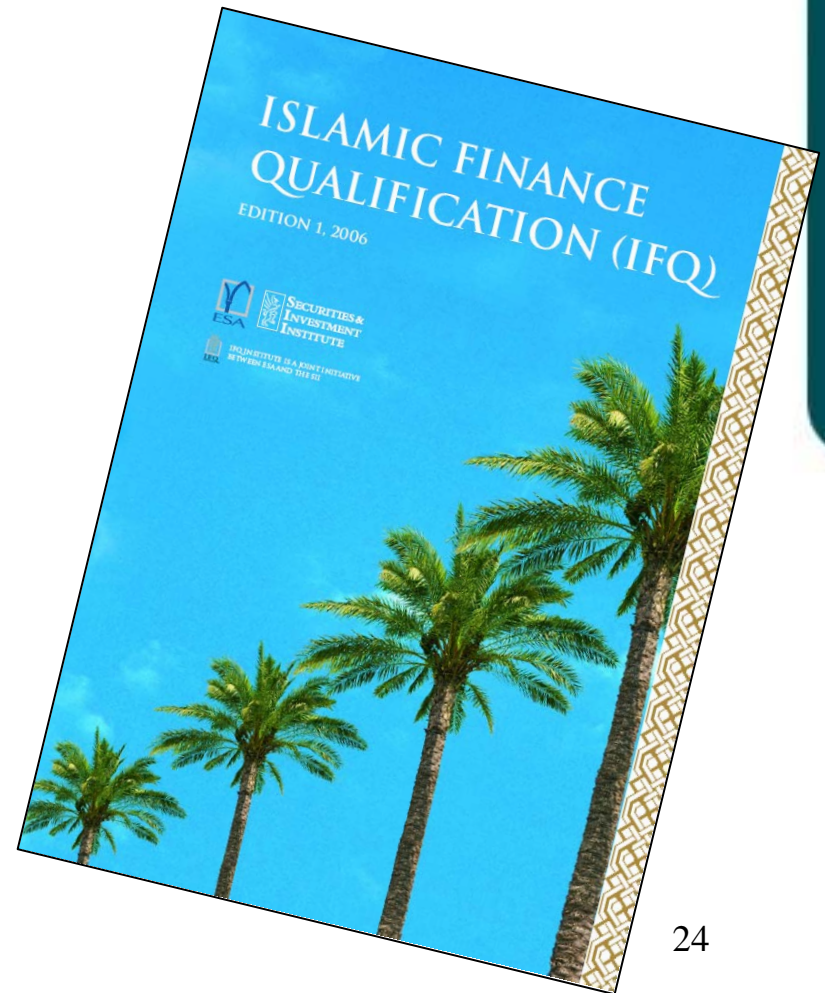




Subliminal advert

Ijara
Istisn'a
Mudaraba
Murabaha
Musharaka
Salam
Sukuk
Takaful

Don't forget the IFQ -
Islamic Finance
Qualification



Any questions ?