

Course Overview

- Enable participants to apply the principles of Islamic finance
- Examine in detail the different Islamic retail banking products offered by Islamic banks in various jurisdictions including depository and wealth management solutions.
- Analyze different product structures, and other business related issues - regulatory, legal, marketing and implementation challenges in the US market.
- Compare and contrast the various Islamic products with their conventional financial equivalents
- At the end of the course, delegates will have a comprehensive understanding of the different tools applied by Islamic banks to finance retail consumer needs, and will be able to structure different solutions that are suitable for the US market.
- The course will use discussions, team exercises, and case studies to ensure delegates learn by doing.

COURSE DIRECTOR I

Abdulkader Thomas
President & CEO,
SHAPE® Knowledge Services

COURSE DIRECTOR II

Shabnam Mohamad Mokhtar
Vice President - Consulting,
SHAPE® Knowledge Services

About CIFA™

The Certified Islamic Finance Analyst (CIFA™) is a structured, assessment-based certification program that provides a practical blend of Sharia'a and financial expertise, allowing participants to develop key skills in the development, structure, use and risk management of a wide variety of Islamic financial products. Components of CIFA™ have been delivered through different mediums to financial institutions, multi-lateral agencies, and regulators in various key markets, including Europe, the Middle East and ASEAN countries.

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CIFA™ Retail Finance Specialist

11th – 13th June 2014 Rosemont (Chicago), Illinois

Course Agenda: Day One

Session 1: A Practical Refresher on Islamic Finance.

- Why Islamic finance?
- Overview of Islamic Finance market in the USA
- Forbidden transactions in Islamic commercial law – riba, gharar, maysir etc
- Theory of contracts – a practical framework to understand Islamic finance
- Key differences to conventional finance
- Review of main Islamic Finance tools

Session 2: Home Finance – Completed Properties

- Murabaha vs Ijara vs Musharaka Mutanaqisa for Home Finance
 - Bai Al-Ainah Who owns title?
 - Who will be responsible for maintenance and insurance?
 - Can we have floating rate financing?
 - Do we need a mortgage?
 - When does customer own the property?
 - Default? Late payment? Restructuring?
- Bank vs Non-banking Financial Institutions (NBFIs) delivery
- How are these instruments different from conventional home finance?
- Cash out and refinance challenges
- **Group Discussion: US Implementation Analysis**
 - Case analysis: understanding common clauses in home finance documents, and consumer protection and US implementation issues.

Group Discussion: US Implementation Analysis

- Case studies relating to secondary markets for Islamic home finance and the role of Freddie Mac

Session 3: Home Finance – Properties Under Construction

- Istisna'a vs Murabaha
- Ijara Muntahiyya Bi Tamleek (IMBT) vs Ijara Mawsoofa Bi Zhimma (IMBZ)
- Istisna'a vs IMBZ application for Home Finance under construction
- Who will have construction risk?
- Will there be any payment during construction? Is this income to the financial institution?
- What is refund risk and when do we face this?
- Will Musharaka Mutanaqisa be different for financing property under construction?
- Default? Late payment? Restructuring?
- How are these instruments different from conventional home finance?
- **Group Exercises and Discussions:**
 - Overdraft (Refinance conventional loan) US Implementation Analysis for financing property under construction
 - Analysis of Istisna'a & IMBZ in the context of OCC Murabaha approval
 - Combining Istisna'a and Ijara to manage refund and construction risk.

Course Agenda: Day Two

Session 1: Auto Finance

- Common solutions for Auto Finance: Murabaha and Ijara
- What is Hamish Jiddiya, Khiyar al-Shart & Khiyar al-Wasf? How do these affect auto finance?
- How are these instruments different from conventional auto finance?
- When does the customer own the vehicle?
- **Group Exercises and Discussions: US Implementation Analysis**
 - Sharia'a analysis of a conventional US auto loan agreement
 - Develop Murabaha and Ijara Auto Finance Solutions

Session 2: Personal Finance

- Common solutions for personal finance in the global market:
 - Goods Murabaha
 - Commodity Murabaha i.e. Tawarruq
 - Ijara for Services
- What are the differences?
- When would we use one compared to other solutions?
- Which solution is widely used? Why?
- Default? Late payment? Restructuring?
- How are these instruments different from conventional personal finance?

Group Exercises and Discussions: US Implementation Analysis

- Is Tawarruq feasible in the US?
- Ijara for Services - do we need to modify anything for US implementation?
- Case Analysis: Salam for personal finance - how does it work, can we apply this in the US?

Session 3: Credit Cards

- Common credit card solutions in the global market:
 - Commodity Murabaha – funded vs unfunded options
 - Ujrah cards
 - Guaranty cards
- What are the differences?
- Which solution is widely used? Why?
- What fees are charged?
- How do the financial institutions make profit?
- Is there any restriction in where these cards may be used?
- How are these instruments different from conventional credit card?
- Group Exercise – Ijara based credit card & US Implementation Issues

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Course Agenda: Day Three (Separately Bookable)

Session 1: Non-Remunerative Deposits

- Common solutions for non-remunerative deposits: Qard, Wadia
- Is there differences between Qard & Wadia?
- Is there any difference between conventional and Islamic current account?
- **Group Discussion: Do we need to change anything in a conventional current account for Islamic deposits?**

Session 2: Remunerative Deposits

- Common solutions for remunerative accounts: Mudaraba, Wakala, Murabaha
- What are the differences and similarities?
- Is your deposit guaranteed?
- Do depositors enjoy pre-determined profit?
- How are these different from conventional deposits?
- How are Islamic term investments structured?
- What is the profit equalization reserve and when do we use it? What about the investment risk reserve?
- How is early encashment dealt with? Is there any penalty for breakage?
- How are these different from conventional term deposit?
- Comparison of all deposit instruments
- **Group Exercises and Discussions: US Implementation Analysis**
 - Regulatory issues with Islamic deposits in the US - State vs Federal Regulator Concerns
 - How can we apply Mudaraba or Wakala deposits (PSIA) in the US

Group Exercises and Discussions: US Implementation Analysis

- Is a “Murabaha” deposit feasible in the US?

Session 3: Deposit I: Sharia’a Compliant Wealth Management Solutions

- Snapshot of the Islamic fund market
- Basic Islamic fund structures
- Different Sharia’a compliant asset classes
 - Equity Funds including Exchange Trade Funds (ETF)
 - Money Market Funds
 - Fixed Income Fund
 - Real Estate Funds & REITs
- **Group Exercises and Discussions: US Implementation Analysis**
 - What is Shares Murabaha? Is it different from commodity Murabaha? OCC vs FINRA analysis - where is Shares Murabaha an easier fit?
 - Suitable assets for Islamic funds in the US

Session 4: Takaful

- Sharia’a analysis of conventional insurance
- How does Takaful work?
- Takaful compared to Stock and Mutual Insurance models
- What have been the challenges for Takaful implementation in the US
- Can your conventional insurance provider in the US deliver a Takaful alternative?

Course Wrap Up & Conclusion

CIFA™ Assessment

All CIFA™ exams will be invigilated at selected locations. CIFA™ exam is designed to be taken following classroom-based preparatory sessions.

Assessment: 2 hours 15 minutes

Delegates will undertake:

- Part A: 50 multiple choice questions
- Part B: 3 structured cases

A mock test and exam guide will be provided earlier for interested candidates. Those who reach the passing mark of **70%** will be awarded the **CIFA™ Retail Finance Specialist Certificate**.

Those who do not sit for the assessment will be awarded a **Certificate of Attendance**.

CIFA™ Guide

The **CIFA™ Guide** is a self-contained, 50 pages companion to the Foundation of Islamic Banking & Finance program. The Guide is a detailed and comprehensive self-study reference tool that provides examples and in-depth descriptions of the key Islamic financial products and concepts. It is an essential reference point for those new to the Islamic finance sector or who wish to update their knowledge and understanding of Sharia-compliant products.

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Course Director I

Abdulkader Thomas, President & CEO - Based in Kuwait, Abdulkader has over 30 years of diversified financial services experience in major markets including Bahrain, New York, London, Los Angeles and Washington, D.C. His areas of activity have included trade finance, real estate finance, securities, and alternative finance at various global and regional financial institutions.

As the general manager of a foreign bank branch in New York, he was responsible for securing the first US banking regulatory approvals of alternative financial instruments in the mortgage and installment credit/sale as banking instruments. Later as the founding member of a de novo bank project, he secured US regulatory approval for Islamic profit sharing deposits.

He is an authority on Islamic deal structures and securities. Along with his team at SHAPE®, Abdulkader works on projects that include launching de novo Islamic banks and Islamic banking windows, policies and procedures including Shariah policies, Shariah compliance, product development and structuring. Clients include a diversified universe of financial institutions from North America, the MENA region, Southeast Asia, Africa, and Europe.

He is the co-author of Structuring Islamic Finance Transactions (Euromoney 2005), Islamic Bonds (Euromoney 2004), Sukuk (Sweet & Maxwell 2009), and Managing Funds Flow Risks and Derivatives: Applications in Islamic Institutions (Sweet & Maxwell 2012) and Housing the Nation (Cagamas 2013). Abdulkader serves as a technical expert on the Sharia'a boards of Bank Muscat Meethaq (Oman), Sterling Bank (Nigeria) and University Islamic Financial (USA). He also serves as a director of Al-Khabeer Capital in Jeddah, chairman and director of Al-Khabeer International in Bahrain, as well as acting as a member of the international advisory board of the Securities Commission of Malaysia. Abdulkader speaks English, Arabic, French and Spanish.

Course Director II

Shabnam Mokhtar, Vice President (Consulting) - Spearheads research and development activities including financial analysis, strategic & business plan formulation, design and implementation of customized survey, research and training for different clients at SHAPE®. Formerly, she was heading the capital markets research for the International Shariah Research Academy (ISRA), an institution established by the Central Bank of Malaysia. Her focus area was case study based research projects in the Sukuk market.

Shabnam successfully completed her Master of Accounting with distinction from University of Illinois at Urbana Champaign, USA. Her prior positions include a faculty member teaching accounting, finance and bank management courses at University Putra Malaysia. She has conducted various training programs on Islamic banking, sukuk & Islamic capital market products, risk management and financial reporting for clients in the ASEAN region, GCC and the European market.

Shabnam has contributed chapters in Housing the Nation (Cagamas 2013), Managing Fund Flows, Risks and Derivatives: Applications in Islamic Institutions (Sweet & Maxwell 2012), Islamic Financial System: Principles & Operations Market (ISRA, 2011), Sukuk (Sweet & Maxwell 2009), and Partnership Accounting, Principles and Practice (McGraw Hill). She is currently a member of the Sharia'a Board of Malaysian Ratings Corporation (MARC). Shabnam divides her time between Kuala Lumpur and Kuwait.

Booking, Payment & Cancellation Policy: *Please read carefully*

Booking: By completing, signing and sending the registration form, you are confirming delegate's place for the course. You are confirming your understanding on our Booking, Payment and Cancellation Policy

Payment: All course fees must be received before the course start date. All telegraphic transfer fees, taxes and levies (domestic or otherwise) shall be borne by individual / sponsoring organization. Please be sure to email us the successful wire transfer slip with the completed registration form.

Cancellation: Replacement candidates are welcome if delegates are unable to attend the course. Please notify us of the change. No refund will be made. If the course is postponed by SHAPE® for whatever reason, delegates booking will be transferred to the new course date. No refund will be issued for no-show.

SHAPE® reserves the right to amend and course outline or speaker due to unforeseen circumstances. In the event of course cancellation, SHAPE® is liable only to refund the cost of the course.

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Email zahidah@learnCIFA.com for registration and group package

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REGISTRATION FORM

Please complete and email to zahidah@learnCIFA.com

I am interested in:

Standard Registration (three days training) USD2250 (until 10th June 2014)

Early Bird Fees (on and before 31st May) US2000

Day 3 Only USD1000

Three or more delegates from the same company USD1700 per delegate

CIFA™ Guide to Foundation of Islamic Banking & Finance USD50 per guide

CIFA™ Retail Finance Specialist Examination (Required in order to be officially certified) USD250

Note: Fees include training materials only. Refreshment and accommodation are not included

DELEGATES DETAILS

<u>Full name</u>	<u>Job Title</u>	<u>Mobile</u>	<u>Email</u>
1. _____	_____	_____	_____
2. _____	_____	_____	_____
3. _____	_____	_____	_____
4. _____	_____	_____	_____
5. _____	_____	_____	_____

INVOICING & PAYMENT

Please tell us who should we invoice:

Full name: _____ Job Title: _____

Email: _____ Tel: _____

I have read, understood and agree to the Booking, Payment & Cancellation policies, and booking a place for the course.

Signature: _____ Date: _____

Payment Option: Payment by ACH & Online

Account Title/Beneficiary : SHAPE Financial Corporation

Address : University Bank, 2014 Washtenaw
Avenue, Ann Arbor, MI 48104

Routing number : (072413722)

Account Number : 2686252

Reference : CIFA USA

Payment Option: Checks (Please send to)

University Bank, 2014 Washtenaw
Avenue, Ann Arbor, MI 48104
(SHAPE Financial Corporation)

Note:

- Please indicate "CIFA USA" as your reference
- Your booking will be confirmed upon clearance of the check.

Next Step: Please email the signed copy of the form and copy of payment transfer slip / check to zahidah@LearnCIFA.com to complete the registration.

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Course Venue: Full details of the venue will be sent to you upon registration