

# Islamic Finance *briefings*

 A REDmoney Product

## Commodity Murabahah & Tawarruq

**Mandarin Oriental Hotel, Kuala Lumpur**  
**4<sup>th</sup> August 2009**  
**2.15pm - 5.15pm**

- Understanding the workings of Master Agreements for Treasury Placement (MATP) Initiative
- Examining the Latest Practice and Rulings on Tawarruq

### **Briefing Leaders:**

***Dr Mohamad Nedal Alchaar***

*Secretary General*

*Accounting and Auditing Organization for Islamic Financial Institutions  
(AAOIFI)*

***Ijlal Alvi***

*Chief Executive Officer*

*International Islamic Financial Market*

***Qudeer Latif***

*Partner & Head of Islamic Finance*

*Clifford Chance*

# Commodity Murabahah & Tawarruq

**Mandarin Oriental Hotel, Kuala Lumpur**

**4<sup>th</sup> August 2009**

**2.15pm - 5.15pm**

## Briefing Introduction & Objectives

Whilst being an increasingly popular and accessible liquidity management tool, the commodity Murabahah and its associated structures present challenges to market practitioners. The initiative to standardize commodity Murabahah documentation represents a significant step forward that, it is hoped, should allow for the mobilization of resources and permit scholars to devote more time to other more innovative liquidity management tools. The recently issued Master Agreements for Treasury Placement (MATP), an industry initiative led by *International Islamic Financial Market* (IIFM) and its member institutions, will contribute to the standardization of rules for the Shariah compliant commodities market, whilst at the same time facilitating the unification and growth of the Islamic financial services industry. The MATP is a benchmark document and a global first for the Islamic finance industry. It is hoped that the adoption of the MATP will enhance cost, time, and operational efficiencies of Shariah compliant deposit arrangements.

With the global commodity Murabahah market now turning over US\$1.2 trillion per annum, it is clear there are many opportunities on offer. This timely half-day seminar will guide you through the MATP, explaining all you need to know about its relevance to your business. Leading market practitioners will explain the principles of commodity Murabahah, where and how the new agreement fits and what opportunities it presents. Don't miss this chance to understand the MATP in detail and how your organization can put the agreement into practice.

The briefing will also address the important issue of **Tawarruq** and the implications of the recent ruling from OIC Fiqh Academy. What does this mean for the industry and for your business? What are the differences in practice and opinion between the GCC and Southeast Asia? What are the key Shariah issues and what are the main objections to Tawarruq? Can the structure still be used as a viable Islamic financing tool? Such questions will be explored and discussed by our panel. Don't miss this opportunity to discover for yourself the real-life issues.

## About Your Briefing Leaders

### **Dr. Mohamad Nedal Alchaar**

Dr. Mohamad Nedal Alchaar is the Secretary General of the Accounting and Auditing Organization for Islamic Financial Institutions which is an international organization consisting of over 160 institutional members from over 30 countries. Dr. Alchaar has a vast working experience in financial markets and institutions, in addition to his central banking experience in developing countries. He was Director of Market Performance Analysis at Fannie Mae, and previously Vice President at Johnson & Higgins in Washington D.C. Dr. Alchaar taught for several years at The George Washington University, where he received his Ph.D. Degree in Monetary Economics. He has also advised and given training on financial and securities markets. Dr. Alchaar has published several well-recognized books in the field of banking and financial markets, such as "Financial Markets", "Economic Inquiries" and "Fundamentals of Banking Operations", in addition to other scientific articles in the field of monetary policy and exchange rates analysis.

### **Ijlal Ahmed Alvi**

Ijlal Alvi is the Chief Executive Officer of the International Islamic Financial Market (IIFM). He has more than two decades of industry experience mainly in treasury, capital markets, financial institution set-up & re-organization, strategic planning and policy making.

Mr. Alvi has been involved in several working committees at international level, including drafting committee of the Islamic Financial Services Industry's 10 year Framework, member of Islamic Money Market Task Force and Islamic Financial Sector Development Working Group.

He currently manages IIFM's global working groups covering standardization of Islamic financial documents, products and practices. He has recently overseen the launch of IFSI's first standardized treasury Murabahah documentation.

## **Qudeer Latif**

Qudeer Latif is Partner and Head of Islamic Finance for Clifford Chance. He has worked in London, Dubai and Riyadh with Clifford Chance and his practice covers structuring and implementing Islamic instruments across a number of asset classes including the capital markets, project finance, structured finance and asset finance fields.

Clifford Chance has advised on more than US\$25 billion worth of Islamic finance transactions in 2007 across a number of asset classes including a number of deals in which Qudeer has been actively involved including the US\$2.53 billion Sukuk-al-mudarabah for Aldar (the first true exchangeable Sukuk in the Middle East to date), the AED 7.5 billion Sukuk-al-musharakah for JAFZA and the US\$425 million bai salam acquisition financing of EFC in Egypt.

Qudeer is recognized as a leading global Islamic finance lawyer by a number of independent journals and directories.

## **Briefing Program**

2.15–2.45

### **Introduction & Welcome**

- A reminder of important Islamic finance principles and concepts
- The objectives of today's session

### **Key Transactions: Commodity Murabahah & Tawarruq**

- Key transactional concepts
- Uses, structures and styles; regional differences and Shariah
- Problems and challenges with Murabahah
- The challenge with Tawarruq

2.45–3.30

### **An overview: the Initiative to Standardize Commodity Murabahah Documentation**

- Why and how?
- The work and objectives of IIFM
- Introduction to the workings of the Master Agreements for Treasury Placement (MATP)
- Benefits and advantages of MATP as a benchmark document
- Operational Issues of the MATP
- MATP Interpretations and FAQs

3.30–3.45 Coffee

3.45–4.15

### **Important Legal and Documentary Issues of MATP**

- History and background to the product with developmental timeline
- Structural overview of the two placement structures
- Walk through the various product documents and various clauses contained therein
- Q&A

4.15–4.45

### **Key Issues with Tawarruq**

- Recapping Tawarruq and the recent ruling from OIC Fiqh Academy: what this means for the industry
- Key legal and Shariah issues
- AAOIFI ruling

4.45–5.15

### **AAOIFI Presentation & Discussion**

5.15–5.30

### **Group Discussion, Q&A**

### **Review of the Day**

# Commodity Murabahah & Tawarruq

Mandarin Oriental Hotel, Kuala Lumpur

4<sup>th</sup> August

2.15pm - 5.15pm

Contact us at

Tel: +603 2162 7800 Fax: +603 2162 7810

## 1. Delegate details

Register before 10<sup>th</sup> July 2009

RM 1,760

Register after 10<sup>th</sup> July 2009

RM 1,825

Name

Job Title

Email address

1	_____ / _____ / _____
2	_____ / _____ / _____
3	_____ / _____ / _____
4	_____ / _____ / _____
5	_____ / _____ / _____

## 3. Who to invoice and contact?

Please tell us who we should invoice. It is also helpful for us to have the name of an administrator with whom we can liaise directly.

Contact person for invoicing: ..... Job Title: .....

Email: ..... Tel: ..... Fax: .....

Contact person to send administration details: .....

Job Title: ..... Email: ..... Tel: .....

Payment can be made by cheque, bank transfer or credit card. A notification will be sent to you once payment has been received.

I wish to pay by:  Cheque/bankers draft  Telegraphic transfer  Credit card

Please note all telegraphic transfer fees are to be borne by the sponsoring organization.

Payment made by foreign cheque will be charged additional bank fees of 1% of the invoice amount.

## 4. Approving Manager

To process your registration we require the name and signature of a manager who is authorized by your organization to approve training expenditure.

Name: ..... Job Title: .....

Organization name: .....

Email: ..... Tel: .....

Authorizing signature.....(mandatory)

Yes, I have read and understood the booking and cancellation policy below.

## 5. Send us your registration!

By email: [info@islamicfinancetraining.com](mailto:info@islamicfinancetraining.com) By fax: +603 2162 7810

You may also book online at <http://www.islamicfinancetraining.com>

Please call us on: +603 2162 7800 or +603 2162 7802 if you require assistance.

Our address is: REDmoney, 21/F, Menara Park, 12 Jalan Yap Kwan Seng, Kuala Lumpur, 50450, Malaysia

### Booking and Cancellation Policy – important, please read carefully

By completing and sending us this registration form you are confirming delegate places on the course. If delegates cannot attend the course replacement participants are always welcome. Otherwise delegates must request in writing (letter, fax or email) to cancel registration/s or transfer to a different course at least 21 days before the course start date to be eligible for a refund, less a 5% administration fee. Delegates who cancel within 21 days of the course start date, or who do not attend, are liable to pay the full course fee and no refunds will be given. Instead fees will be converted to an REDmoney course voucher equivalent to the original fee, less a 15% administration charge. This voucher is transferable within your organization and must be redeemed within one year of issue or become void. If a course is postponed for whatever reason delegate bookings will be automatically transferred to the new course date. Delegates who wish to transfer to a different course will be subject to the same terms as above and charged the difference in course fees. No refunds or course vouchers will be issued for a no-show.

© REDmoney reserves the right to amend the published program or speaker. In the event of course cancellation by REDmoney due to unforeseen circumstances, REDmoney is liable only to refund the cost of the course.