

THE INTERNATIONAL CONFERENCE ON ISLAMIC CAPITAL MARKETS

REGULATIONS, PRODUCTS AND PRACTICES
WITH RELEVANCE TO ISLAMIC BANKING AND FINANCE

27—29 AUGUST 2007, SULTAN HOTEL JAKARTA-INDONESIA

Organizers:

Muamalat Institute
&
Islamic Research and Training Institute, Islamic Development Bank

Other Sponsors: **SESRTCIC** and **IDB**

Conference Highlights:

- **High Powered Panel Discussion with Security Market Regulators** from Indonesia, Malaysia, Turkey, and UAE to discuss “Helping the Growth of Islamic Capital Markets World-wide”.
- **High Powered Panel of Islamic Banks** to discuss “Linking Banking and Financial Markets”
- **Highly Interactive Fiqh and Finance Panel Discussion** on "Promise Based Tradable Financial Products – legitimacy and implications for the future"
- **Capacity Building Forum of Market Regulators**
- **Presentation of Latest Research** on: Islamic Financial Product Innovation, Islamic Derivatives, Risk and Return Analysis, Sukuk and Islamic Bond Market Issues, Performance of Islamic Mutual Funds and Stock Indices, Regulatory Issues and many more related subjects
- **Sharing of Ideas and Contacts** among practitioners, regulators, academics, researchers, universities and graduate students with three days of intensive discussions and sharing of ideas and contacts in more than 18 parallel sessions.



MUAMALAT INSTITUTE
Research, Training, Consulting & Policy



The Objectives:

Islamic capital markets are to become an important part of the Islamic financial system. While new products are steadily coming into the market and the Islamic investment funds are growing, Islamic capital markets still constitute a very small niche. For a discernible and beneficial impact of Islamic finance on the investment promotion, market stability, and equitable socio-economic development there is a growing need to accelerate the process of product development, to create conducive regulatory environment and to overhaul the market practices. This task requires development of new human capital and knowledge base.

With this larger objective, the immediate focus of this three days conference is on:

- 1. Islamic financial products for capital markets — analysis and new proposals.**
- 2. Identification of needs for and implications of market regulations for development of Islamic capital market.**
- 3. Evaluation of performance and inter-relationships of Islamic capital market segments across various countries.**
- 4. Encouragement of research in Islamic capital market issues.**

Some Key Speakers:

- The Vice President, Republic of Indonesia H. Excellency H. M. Jusuf Kalla
- Minister of Finance of Republic of Indonesia, Sri Mulyani
- Dr. Burhanuddin Abdullah, Governor, Bank Indonesia
- Mr. Fuad Rahmany, Chairman, BAPEPAM Capital Market Regulatory Body of Indonesia
- Dato Razib Abdul Kadir, Deputy Governor Bank Negara Malaysia
- Dr. Saleh Hariri, Director ROKL, Islamic Development Bank
- Mr. Mohammad Tariq, Director Treasury, IDB
- Dr. Mabid Ali Al-Jarhi, Ex-Director IRTI
- Prof. H. Amir R. Batubara, President Director BMI
- Mr. Raiwan Amin, President Director Bank Muamalat, Indonesia
- Dr. Hussain Hamid Hassan, Shariah Board Member on a number of IFIs
- Dr. Mulya Siregar, Bank Indonesia
- Dr. Sami Al-Suwailem, IRTI
- Dr. Salman Syed Ali, IRTI
- And many others

Diversity of Participants:

Speakers and presenters from more than 10 major organizations and more than 10 countries are represented. The organizations such as IDB, IMF, Security Commissions of Turkey, UAE, Malaysia, and Indonesia and major Financial Institutions with stakes in capital markets are present along with researchers from academia.

Venue & Contacts:

Sultan Hotel Jakarta, Jalan Gatot Subroto, Jakarta, Indonesia.

Conference Secretariat: (Muamalat Institute), Phone: (+62-21) 532 6744, Fax: (+62-21) 532 6735, E-mail: nurulbariahind@yahoo.com

Program:

TENTATIVE SCHEDULE AND TOPICS

THE INTERNATIONAL CONFERENCE ON ISLAMIC CAPITAL MARKETS REGULATIONS, PRODUCTS AND IMPLEMENTATION *with Relevance to Islamic Banking and Finance*

Day 1 Monday 27th August 2007

Time	Topic
09:00 – 10:00	<p>OPENING CEREMONY</p> <ul style="list-style-type: none"> • Opening and Welcoming Announcements by MC • Recitation and Translation of the Holy Qur'an • Welcoming Remarks : <i>Prof. H. Amir R. Batubara</i>, President Director of MI • Opening Speech: <ol style="list-style-type: none"> 1. <i>A. Riawan Amin</i>, President Director of BMI 2. <i>Representative of IDB</i> 3. <i>Sri Mulyani, Minister of Finance of Republic of Indonesia</i> 4. <i>Burhanuddin Abdullah</i>, Governor of Bank Indonesia <p>Launching of Al-Ijarah Finance Indonesia (ALIF), <i>Herbudhi S. Tomo</i>, President Director of ALIF</p> <p>Inauguration of the conference, His Excellency <i>H. M. Jusuf Kalla</i>, The Vice President of Republic of Indonesia</p>
10:0 – 10:30	<i>Coffee Break</i>
10:30 – 11:30	<p>Session 1 (Panel Discussion)</p> <p>Helping the Growth of Islamic Capital Markets World-wide</p> <p>Panelists:</p> <ol style="list-style-type: none"> 1. Chairman of Capital Market Regulatory Body of Indonesia (BAPEPAM) , <i>Fuad Rahmany</i> 2. Deputy Governor of Bank Indonesia 3. President of Capital Markets of UAE 4. President of Capital Markets of Turkey 5. President of Capital Markets of Malaysia
11:30 – 12:00	<p>Keynote Address:</p> <p>(Product Innovation and Economics of the Islamic Capital Markets) <i>Dr. Mabid Ali Al-Jarhi</i></p>
12:00 – 12:30	<i>Zuhur Prayer</i>
12:30 – 14:00	<i>Luncheon with Minister of BUMN</i>

14:00 – 15:30	<p>Session 2 (Panel Discussion)</p> <p>Linking Banking and Financial Markets – Issues and Prospects</p> <p>Panelists:</p> <ol style="list-style-type: none"> 1. Bank Muamalat, Indonesia, A. Riawan Amin 2. CIMB Islamic, Dato' Nazir Razaq 3. HSBC Amanah 4. ILIC
15:30 – 16:00	<i>Asar Prayer & Coffee Break</i>
16:00 – 17:30	<p>Session 3-A (Panel Discussion)</p> <p>Promised Based Tradable Products-Innovations, Legitimacy, and Implications for Future of Islamic Finance</p> <ol style="list-style-type: none"> 1. Dr Hussein Hamid Hassan, Shariah Consultant and Board Member 2. Dr. Sami Al-Suwailem, IRTI-IDB 3. TBA <p>Session 3-B</p> <p>Capacity Building Forum for Capital Market Regulators</p> <p>Regulators meeting with SESTRCIC</p>
	<i>END OF DAY ONE</i>

Day 2 Tuesday 28th August 2007

Time	Topic
08:30 – 09:30	Session 4 (Panel Discussion) <ol style="list-style-type: none"> 1. <i>Jakarta Stock Exchange: Erry Firmansyah</i> 2. <i>Director of Treasury-IDB: M. Tariq</i> 3. <i>Deputy Governor of Bank Negara Malaysia: Dato Razib Abdul Kadir</i> 4. <i>Director General of Tax: Dharmin Nasution</i> 5. <i>Dewan Perwakilan Rakyat: Komisi XI: Drajat Wibowo</i>
09:30 – 10:00	<i>Questions & Answers Session</i>
10:00 – 10:30	<i>Coffee Break</i>
10:30 – 11:30	Session 5 (Plenary Session, Papers) <ol style="list-style-type: none"> 1. Sukuk Market: Innovations and Challenges <i>Muhammad Al-Bashir Muhammad Al-Amine</i> 2. Derivatives in Islamic Finance <i>Andreas A. Jobst</i> 3. Intangible Asset: A New Asset Class to Structure Islamic Financial Products <i>Nurdin Ngadimon</i>
11:30 – 12:00	Questions & Answers Session
12:00– 13:30	<i>Zuhur Prayer</i>
13:30 – 15:00	Parallel Sessions: 6-A, 6-B and 6-C
	Session 6-A (Papers) <ol style="list-style-type: none"> 4. Shari'ah's Drive against Derivatives <i>Mohd Abdul Samad, Mohd. Akbar Ali Khan and Gulam Muntaqua</i> 5. Shari'ah-Compliant Derivative Instruments: Is Product Development Keeping up with the High Growth Rate of Islamic Finance? <i>Wafica Ali Ghoul</i>
	Session 6-B (Papers) <ol style="list-style-type: none"> 6. Modelling the Volatility of Shari'ah Index: Evidence from the Kuala Lumpur Shari'ah Index (KLSI) and the Jakarta Islamic Index (JII) <i>Hassanuddeen A. Aziz and Todi Kurniawan</i> 7. An Empirical Analysis of Islamic Stock Returns in Malaysia <i>Yulizar D. Sanrego and Hamdia Chapakia</i>
	Session 6-C (Papers) <ol style="list-style-type: none"> 8. Engine to Growth – Design and Use of Innovative Islamic Capital Market Products: Experience of Pakistan and Malaysia

	<p>Huma Ayub and Behzad S. Kawish</p> <p>9. Analysis of Risk Attitudes, Spirituality, and Shari’ah Consciousness of Investors and Prospective Investors of Islamic Capital Market (An Empirical Survey in Malaysia) Amy Mardhatillah, Ronald Rulindo and Sutan Emir Hidayat</p>
15:00 – 15:30	<i>Asar Prayer & Coffee Break</i>
15:30 – 17:30	<p>Parallel Sessions: 7-A, 7-B and 7-C</p> <p>Session 7-A (Papers)</p> <p>10. Enhancing the Role of Sukuk on Agriculture Sector Financing in Indonesia: Proposed Models Irfan Syauqi Beik and Didin Hafidhuddin</p> <p>11. Venture Capital Funds: A Venue for Growth of Islamic Capital Markets Farhan Hameed</p> <p>12. Shari’ah Alternatives to Non-Shari’ah Elements in Modern Commodity Futures Trading Mohammed Saleh Ali Ayyash</p> <p>Session 7-B (Papers)</p> <p>13. Modeling Foreign Portfolio Investments in Malaysia: A Comparison Between <i>Shari’ah</i> and Composite Indexes Rosylin Mohd. Yusof and M. Shabri Abd. Majid</p> <p>14. The Long-Run Performance of IPOs Under pricing: Comparison Between Shari’ah-Based Firms and Non Shari’ah-Based Firms Suherman and Agung D. Buchdadi</p> <p>15. The Performance Analysis of Islamic Mutual Funds – A Comparative Study Between Indonesia and Malaysia Ilham Reza and Miranti Kartika Dewi</p> <p>Session 7-C (Papers)</p> <p>16. Comparing The Development of Islamic Financial/Bond Markets in Malaysia and Indonesia Ascarya and Diana Yumanita</p> <p>17. Latest Roles of Islamic Financial Institutions in Enriching the Structure and Menu of Financial Instruments of the Fast Globalizing Islamic Capital Markets in the 21st Century Muhammad Iqbal Anjum</p> <p>18. Developing Capital Markets in Muslim Countries: Strategies and Policies for Securities Regulation and Corporate Governance Ali Adnan Ibrahim</p>
	<i>END OF DAY TWO</i>

Day 3 Wednesday 29th August 2007

Time	Topic
08:30 – 10:00	<p>Parallel Sessions: 8-A, 8-B and 8-C</p> <p>Session 8-A (Papers)</p> <p>19. Managing Risk of Islamic Equity Investments: Initiatives and Strategies <i>Rasem N. Kayed and Kassim M. Mohammed</i></p> <p>20. Islamic Finance Rate of Return Risk Management: Challenges and Propositions <i>Mohammed Burhan Arbouna and Dr. Hurriyah El Islamy</i></p> <p>Session 8-B (Papers)</p> <p>21. Practice and Prospect of Islamic Real Estate Investment Trusts (I-REITs) in Malaysian Islamic Capital Market <i>Asyraf Wajdi Dusuki</i></p> <p>22. Examining the Malayisan Shari’ah Guidelines for Islamic REITS <i>Abdulazeem Abozaid</i></p> <p>Session 8-C</p> <p>23. Investment in Stocks: A Critical Review of Dow Jones Shari’ah Screening Norms <i>Shariq Nisar and M. H. Khatkhatay</i></p> <p>24. Creating A Dynamic Islamic Capital Market: The Essential Role of Innovation <i>Sudin Haron</i></p>
10:00 – 10:30	Coffee Break
10:30 – 12:30	<p>Parallel Sessions: 9-A, 9-B and 9-C</p> <p>Session 9-A (Papers)</p> <p>25. An Inquiry into the Usage of Real Assets in Islamic Transactions and their Benchmarking - The Implications for Islamic Capital Markets <i>Zohra Jabeen and Memoona Rauf Khan</i></p> <p>26. Islamic <i>Sukuk</i> in Indonesia; Shari’ah Perspective <i>Cecep Maskanul Hakim</i></p> <p>27. Key Shari’ah Rulings on <i>Sukuk</i> Issuance in the Malaysian Islamic Capital Market <i>Shamsiah Mohamad and Mohd Fadhly Md Yusoff</i></p> <p>Session 9-B (Papers)</p> <p>28. Portfolio and Optimization of Islamic Bonds: Application of Barbell Strategy <i>Payal H. Bhatt, R. Ravindran and M. Shanmugam</i></p> <p>29. Dynamic Interdependence Among International Islamic Stock Market Indices: Evidence From 2000 – 2007 <i>Noer Azam Achsani, Jaenal Effendi and Zaenul Abidin</i></p> <p>30. Private Debt, Islamic Public Debt and Firm Characteristics <i>Ataina Hudayati and Achmad Tohirin</i></p>

	Session 9-C (Institutions Forum) (Contents to be notified)
12:30 – 13:30	<i>Zuhur Prayer</i>
13.30 – 14:00	Concluding Session
14:00 – 14:15	<i>Closing Ceremony and End of the Conference</i>
14:30 – 16:30	“TRAINING ON SUKUK” by Dr. Mabid Ali Al-Jarhi (Financial Expert, Structuring & Coordination Department Head, Emirates Islamic Bank, Dubai).
	<i>END OF DAY THREE</i>

Academic Contacts:

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