THE RISALAH

CHARTERED INSTITUTE OF ISLAMIC FINANCE PROFESSIONALS™

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LEVELING UP

Leveling Up

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Leveling Up

Dr. Azura Othman, CEO of The Chartered Institute of Islamic Finance Professionals

Assalamu'alaikum and welcome to the final issue of The Risalah for 2017.

2017 has been quite an eventful year. While there has been a lot happening around the world with respect to economic and political developments, here at the CIIF we continue to strive towards creating value for our members. In this past year, we have arranged more events and activities for members, such as various university and industry roadshows, participation in forums and career fairs, culminating in the second event collaboration between the CIIF and the MII (Malaysian Insurance Institute) on Takaful. As usual, highlights of recent events are included in this edition of the Risalah, including the CIIF's **Food for Talk** with Prof Dr Abbas Mirakhor entitled "Metaphysics of Islamic Finance" – the first in a series of lunchtime networking and knowledge-sharing events between CIIF members and keen practitioners of the industry. We will be arranging more such activities and events in the future in 2018, and we look forward to having more CIIF members be part of these initiatives.

Speaking of the future, the CIIF recently previewed its new professional programme during the 3rd Annual Symposium on Islamic Finance, organised by the World Bank, the Islamic Research and Training Institute (IRTI) of the Islamic Development Bank (IDB) and Guidance Financial Group, in collaboration with the International Centre for Education in Islamic Finance (INCEIF) held on 12th December 2017. The **Chartered Professional in Islamic Finance (CPIF)** is the CIIF's new core professional programme that will also signal a new beginning for professional education in the Islamic finance industry, and is slated for launch in March 2018. A phased implementation of the CPIF will see the introduction of the **Foundation** level of the programme, with the remaining levels being rolled out over the course of the year.

With the introduction of the CPIF, members of the CIIF may be required to undertake additional modules in order to determine areas of focus, for example modules focused on Islamic banking versus modules focused on Takaful. Further details will be revealed in 2018, and members are encouraged to stay tuned. In addition to the CPIF, we are anticipating a major initiative for the Islamic finance industry in Malaysia that will reinforce the importance of the CIIF as the professional body for practitioners in the Islamic banking sector. As we gear up for the new year, the CIIF is making the necessary preparations to support the **Leveling Up** of the industry workforce, beginning with the professional programme.

Best wishes from the team, and we look forward to your continued support in 2018, and beyond!

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2017 SUMMARY EVENTS & ACTIVITIES

January
- 1st Anniversary Dinner & Charity Night at Pullman Hotel, Kuala Lumpur

February
- First CPD Session for EDP Candidates at Standard Chartered Saadiq
- CIIF Engagement Session at INCEIF

March
- CIIF University Engagement and Roadshow at University Utara Malaysia, Kedah
- CIIF University Engagement and Roadshow at Universiti Sains Malaysia, Penang
- CIIF Training Series I: A Primer on Etiquette and Efficiency at Work, at Sasana Kijang, Kuala Lumpur
- CIIF Industry Discourse I: IFSA 2013 – Its Significance from Regulatory and Industry Players' Perspectives at Sasana Kijang, Kuala Lumpur

May
- CIIF University Engagement & Roadshow at Universiti Malaysia, Kelantan

June
- CIIF 1st Annual General Meeting (AGM) at GTower Hotel, Kuala Lumpur

July
- FSI Aidilfitri Celebration at Lanai Kijang, Kuala Lumpur
- CIIF Workshop Series I: Transforming Work to Worship at Sasana Kijang, Kuala Lumpur

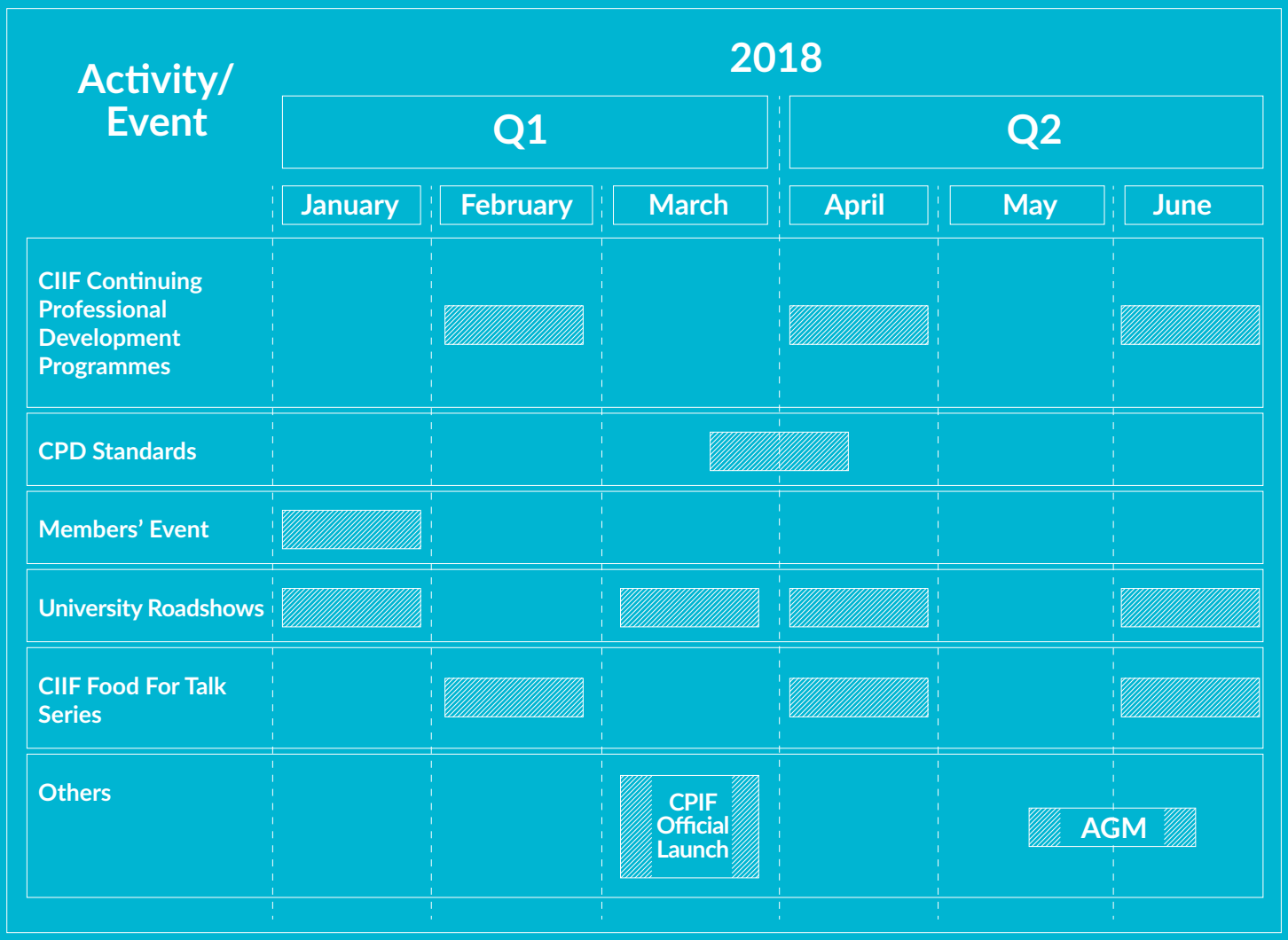
August
- TN50 Dialogue: Aspirasi Generasi Inovasi at Community Centre, Bukit Bandaraya, Kuala Lumpur
- AIF International Symposium 2017 at Sasana Kijang, Kuala Lumpur

September
- CIIF Industry Roadshow: Bank Muamalat, Kuala Lumpur

October
- CIIF University Engagement and Roadshow at Kolej Yayasan Pahang, Pahang

November
- Food for Talk: Metaphysics of Islamic Finance by Prof. Dr. Abbas Mirakhor, at Suria KLCC
- CIIF University Engagement & Roadshow at Universiti Sultan Azlan Shah, Kuala Kangsar
- Takaful: A Forum "Challenges in the Next Decade" at Seri Pacific Hotel, Kuala Lumpur
- IIUM Career & Study Fair ICAST 2017 at Gombak, Kuala Lumpu

2018 H1 Planned Events & Activities





12th December 2017, Sasana Kijang, Bank Negara Malaysia, Kuala Lumpur

The Chartered Institute of Islamic Finance Professionals (CIIF) previewed its forthcoming professional programme during the 3rd Annual Symposium on Islamic Finance, a key international gathering of industry players and institutions organised by The World Bank, Islamic Research and Training Institute (IRTI), and Guidance Financial Group, in collaboration with INCEIF, the Global University of Islamic Finance.

The new professional programme, the "Chartered Professional in Islamic Finance" or "CPIF", will begin its rollout in March 2018, starting with the Foundation level. During the 3rd Annual Symposium on Islamic Finance, Dr Azura Othman stated "The CPIF will be the flagship programme that will guide individuals towards attaining Chartered membership with the CIIF. It has been designed to equip Islamic finance practitioners with comprehensive knowledge that can be applied within a chosen area of focus in the industry, namely banking and takaful." She added that "CPIF is CIIF's contribution towards sustainability of human talent in the Islamic Finance industry."

For more information, please drop us an e-mail at **programmes@ciif-global.org**



CHARTERED PROFESSIONAL IN ISLAMIC FINANCE







TN50 Dialogue

18th August 2017, Community Centre, Bukit Damansara

The CIIF Associate Director, Mr Abdul-Samad Saadi attended the *"TN50 Dialogue: Aspirasi Generasi Inovasi"*, and was amongst a few of Malaysians who have shared their aspirations for Malaysia by 2050. His aspiration was "For Malaysians to elect the first woman Prime Minister before 2050." The dialogue session was led by YB Dato' Sri Hajjah Nancy Shukri, Minister in the Prime Minister's Department.







AIF International Symposium 2017

23rd August 2017, Sasana Kijang, Kuala Lumpur

The CIIF Management Team participated in the AIF International Symposium alongside other affiliate institutions, with this year's theme being, "Talent and Innovation: Enhancing Productivity and Performance".







CIIF Industry Roadshow at Bank Muamalat

13th September 2017, Bank Muamalat, Kuala Lumpur

The CIIF Management Team was invited by the Bank Muamalat's Human Resource Department to share about the CIIF and its current development, as well as what the CIIF can offer to the Bank Muamalat's staff and management. It was an honour to meet all of you!







CIIF University Roadshow and Engagement at KYP

10th October 2017, Kolej Yayasan Pahang

The CIIF would like to thank our Grand Councillor, Mr Wan Ahmad Najib Wan Ahmad Lotfi, for sharing his experiences with the students as well as lecturers of Faculty of Shariah Economics and Islamic Banking from Kolej Yayasan Pahang. Mr Wan Ahmad Najib was accompanied by Mr Mohd Aidzeef Ahmad and Mr Ahmad Mujahid Mohd Amar from the CIIF Management Team.

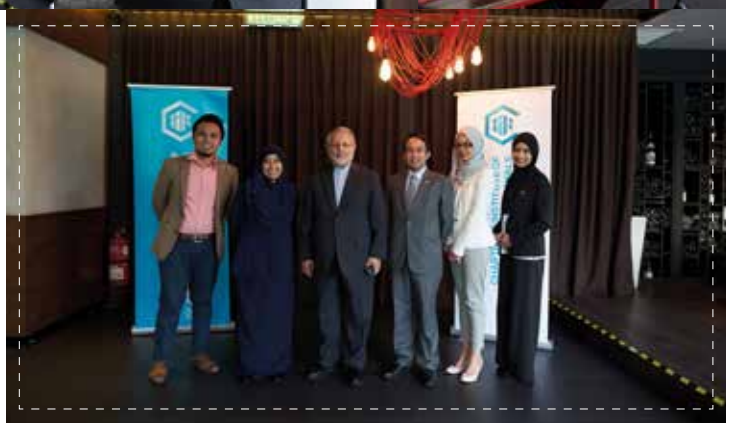




Food for Talk: Metaphysics of Islamic Finance

7th November 2017, Duddha Restaurant, Suria KLCC

The CIIF has recently introduced a new informal series of knowledge-sharing and engagements event for the members of CIIF as well as interested professionals in the Islamic finance industry. The first session was delivered by first holder of the INCEIF Chair of Islamic Finance, Prof. Dr. Abbas Mirakhor, at the Duddha Restaurant, Suria KLCC.







CIIF University Roadshow and Engagement at USAS

11th November 2017, Universiti Sultan Azlan Shah, Perak

A special thanks to our Grand Councillor, Mr Wan Ahmad Najib Wan Ahmad Lotfi for spending a day with students of Universiti Sultan Azlan Shah, Kuala Kangsar, Perak. Accompanied alongside Mr Wan Ahmad Najib, was Mr Mohd Aidzeef Ahmad, from the CIIF Management Team. It was one of the most interactive and packed university visits we've had so far! We hope to see all the students join the Islamic finance industry soon!









Takaful: A Forum – Challenges in the Next Decade

14th November 2017, Seri Pacific Hotel, Kuala Lumpur

The second partnership event with The Malaysian Insurance Institute (MII), with a themed of "Challenges in the Next Decade", was successfully held at Seri Pacific Hotel, Kuala Lumpur. Two of the speakers were CIIF members, Mr Wan Ahmad Najib Wan Ahmad Lotfi (Grand Council), who was speaking about "Life Insurance & Family Takaful Framework – Applications to Family Takaful Operators", while Mr Elmi Dato' Haji Aman Najas (CEO AIA PUBLIC Takaful Bhd), was speaking about "Diversification of Distribution Channels – Establishment of Direct Channel (Online and Offline)".







IIUM Career & Study Fair (ICAST) 2017

20th & 21st November 2017, International Islamic University Malaysia, Kuala Lumpur

The CIIF was invited to participate at the IIUM Career & Study Fair for 2-days. The CIIF was there to guide the students on their career path in Islamic Finance through CIIF membership. It was a great pleasure to meet the students of IIUM as well as the Management Team and Lecturers.

PEOPLE'S WELLBEING: A STRIVE TO MEET MAQASID AL-SHARIAH By Dr Maznita Mokhtar



Introduction

GDP, often the proxy to measure progress and the cost and benefits of policies, does not fully reflect the wellbeing of the nation's people. Evidence shows that high growth in the last few decades does not translate into reduced poverty, inequality and unemployment. Almost 1.5 billion people in 91 developing countries live in poverty, deprived of health, education and living standards whereas 8.4% of the world's population owns 83.3% of global wealth[1]. Economists are calling for the need to operate market economy within a framework of values, i.e. to strengthen the moral dimension of capitalism, to ensure sustainability of people's wellbeing.

There have been disputes as to the validity of GDP per capita as a measure of people's wellbeing (Atkinson, 2012). In 2006, UK's Prime Minister James Cameron declared to focus on general wellbeing and not just the GDP. The Stiglitz-Sen-Fitoussi Commission report released in 2010 supports this notion and applies a shift emphasis from measuring economic production to measuring people's wellbeing, and declares that people's material living standards are better tracked through measures of household income (Stiglitz, Sen & Fitoussi, 2010). Over the last decade or so, a number of indices have been introduced to assess whether economic development is concurrent with improvements in people's lives, such as, the United Nations' World Happiness Index, OECD's Better Life Index, Quality of Life Index (QOL) by the Economist Intelligence Unit, and Bhutan's own holistic Gross National Happiness (GNH) Index, to name a few.

In Islam, we refer human wellbeing (*falah*) as the fulfillment of *Maqasid Al-Shariah* for each individual (Chapra, 2008). The religion not only requires the fulfillment of everyone's needs as it also emphasises the source of the earnings, as well as equitable distribution of income and wealth. Verse 65:3 of the Holy Quran states: *"And He provides for him from (sources) he never could imagine. And if any one puts his trust in Allah, sufficient is (Allah) for him. For Allah will surely accomplish his purpose: verily, for all things has Allah appointed a due proportion."*

The Shariah serves the purpose of helping mankind reform themselves as well as the institutions that affect them: *"…Verily never will Allah change the condition of a people until they change it themselves (with their own souls)…" (13:11).* Early Islamic scholars namely Al-Juwayni (d.478H/1085CE), Al-Ghazali (d.505H/1111CE), Al-Shatibi (d. 790H/1388CE), and Ibn 'Ashur (d. (d.1393H /1973CE), developed the *Maqasid* (objectives) of the teachings prescribed by *Allah* (swt) for individual humans and their societies.

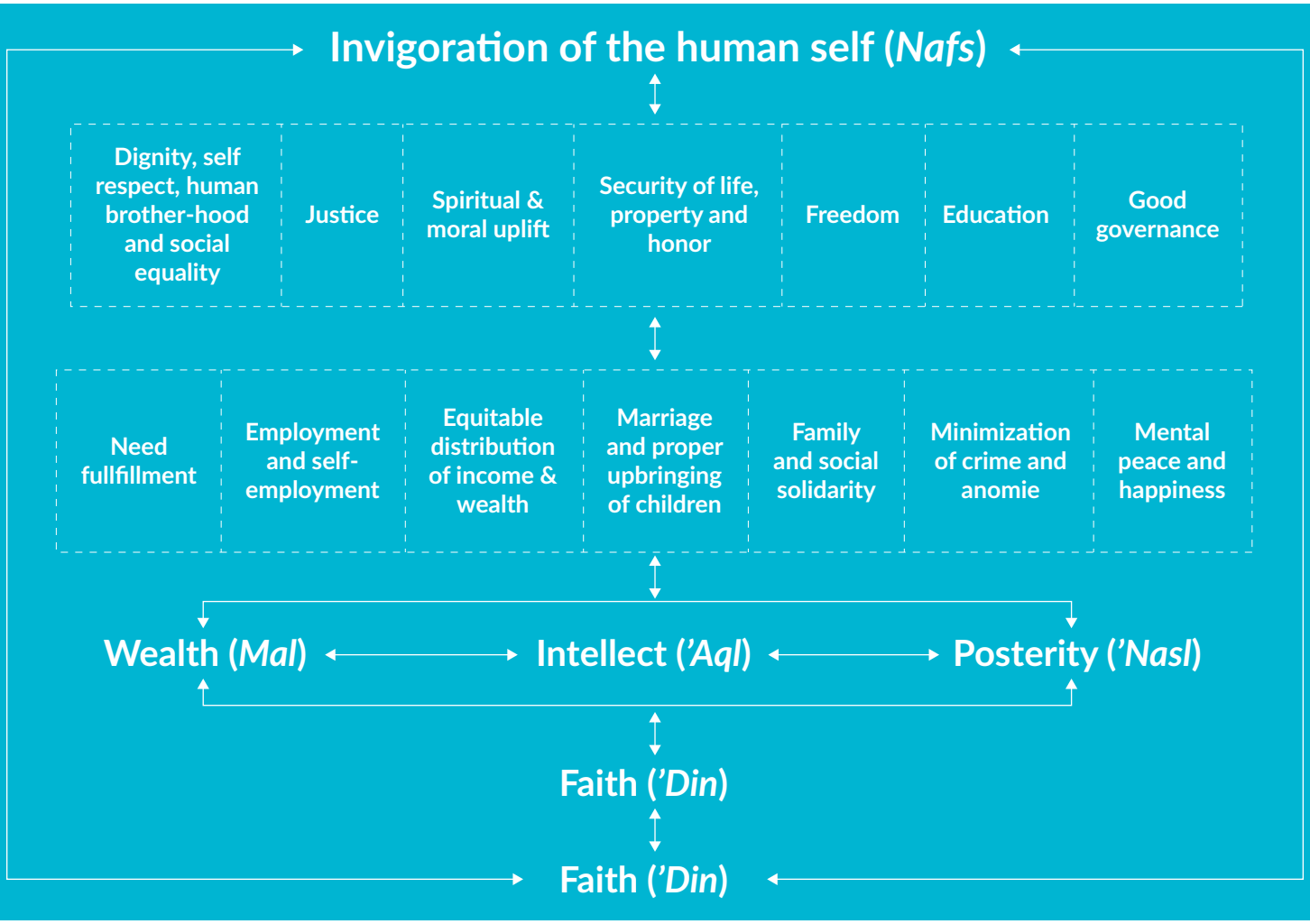
Based on his book, the *Muqaddimah*[2], Ibn Khaldun (1332-1406) analysed the rise and fall of civilisations and developed a model based on wise principles (*kalimat hikamiyyah*) that link these factors – government / political authority, beliefs and rules of behaviour or the Shariah, the people, wealth or stock of resources, development, and justice. All of these independent variables may be treated as dependent variables, suggesting that the trigger mechanism of a decline in an economy varies across all societies. In a Muslim society, justice is upheld by the role of the state by maintaining the rules of behaviour or Shariah, i.e. good governance, bringing about development and increasing wealth, which in turn uplifts the wellbeing of the people. Chapra (2008) expresses *Maqasid Al-Shariah* in terms of human development and wellbeing, i.e. to strive for enrichment of the five ingredients for each individual: the human self (*nafs*), faith (*din*), intellect (*'aql*), posterity (*nasl*) and wealth (*mal*) to enable them to play their role as vicegerents (*khalifahs*) of Allah. The linkages between the five ingredients to attain *Maqasid Al-Shariah* are shown in figure below.

The invigoration of the human self (*nafs*) encompasses 13 areas to be fulfilled, with many similarities to the indicators discussed above, in order to achieve human wellbeing (*falah*). When compared to the generic determinants, the unfilled gap is the **fulfilment of spiritual and moral uplift**. Hence, Chapra's first of four goals of Islamic economics is to achieve economic wellbeing within the framework of moral norms of Islam; the others are to uphold universal brotherhood and justice, to attain equitable distribution of income, and to attain freedom of the individual within the context of social welfare (Mohammad & Shahwan, 2013).

[1] UNDP's Multidimensional Poverty Index (UNDP, 2014); The Global Wealth Report (Credit Suisse Research Institute, 2015).

[2] The *Muqadimmah*("Introduction") constitutes the first volume of a 7-volume history called *Kitab Al-Ibar* ("The Book of Lessons and Record of Cause and Effect in the History of Arabs, Persians and Berbers and their Powerful Contemporaries").

The Islamic Vision of Development in the Light of Maqasid Al Shariah by Umer Chapra (2008)



Our estimation model for Wellbeing, based on theoretical framework, consists of 4 components:

(i) QY: quality of GDP growth, investigating the intrinsic value and inclusiveness of growth;
(ii) E: economic or material living standards, including aspects of income distribution and inequality;
(iii) QL: quality of life, or happiness, encompassing various aspects that affect living satisfaction, including health and education; and
(iv) S: Shariah fulfillment felt by the people, with specific measurements of governance and freedom indices to represent the level of economic and social justice.

Panel data estimation was applied on a sample of 22 nations, whose GDP per capita level was US$1,800 (within a 30% dispersion) in 1980. In 2015, based on World Bank's income classification, three of them are High Income Countries or HICs (South Korea, Hungary, Seychelles), and two are Low Income nations (Cote d'Ivoire and Republic of Syria). The rest are Upper Middle Income nations thus represent developing nations. Statistics show that GDP growth is not synonymous to the reduction of inequality in these countries.

Results and conclusion

Our empirical results show that wellbeing, in general, can be improved with intrinsic growth, influenced by economic stability, demand composition and sectoral composition. Additionally, key economic and quality of life factors - such as, broader income distribution, lower housing prices, lower infant mortality, effective health expenditure, higher education attainment and broadband access - are significant to households. However, these factors are short of the ethical dimension that impacts society greatly.

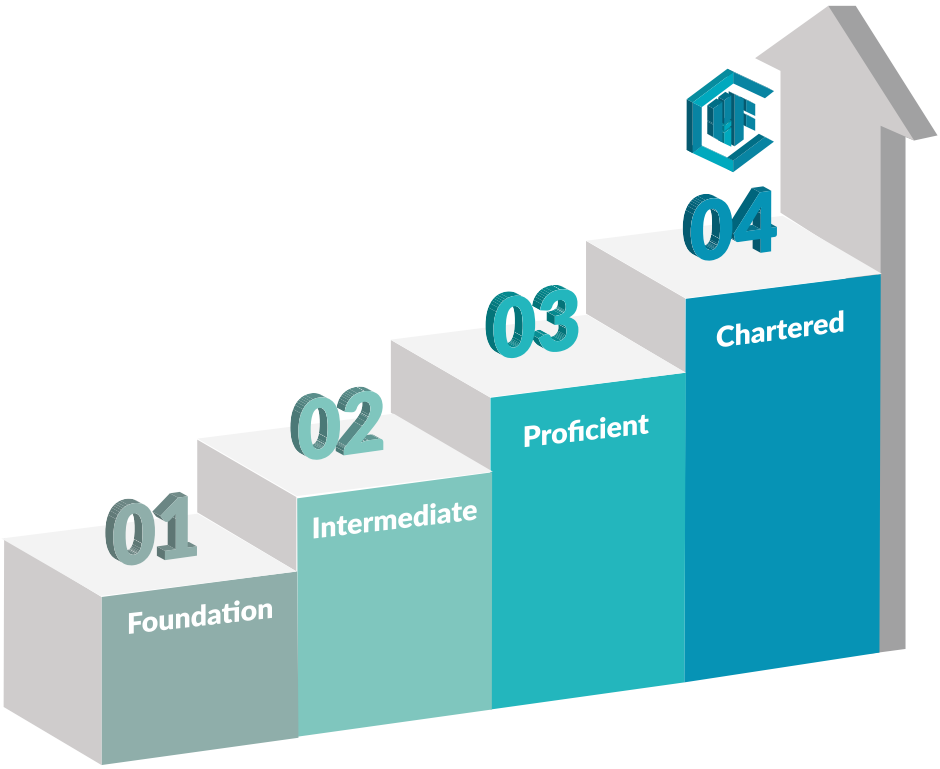
Ibn Khaldun's model of development calls for adherence to Shariah's rules of behaviour, interlinking the role of the government in providing resources for development and the role of wealth in economic activity, to uplift the society's wellbeing. Western literature, past and present, concurs with the same principles. Thus, our empirical results tell a similar story. Efficacy of the government, regulatory quality, the rule of law, government spending levels, voice and accountability, as well as fiscal and trade freedom, are key determinants of wellbeing across nations.

About Chartered Professional in Islamic Finance (CPIF)

CHARTERED PROFESSIONAL IN ISLAMIC FINANCE

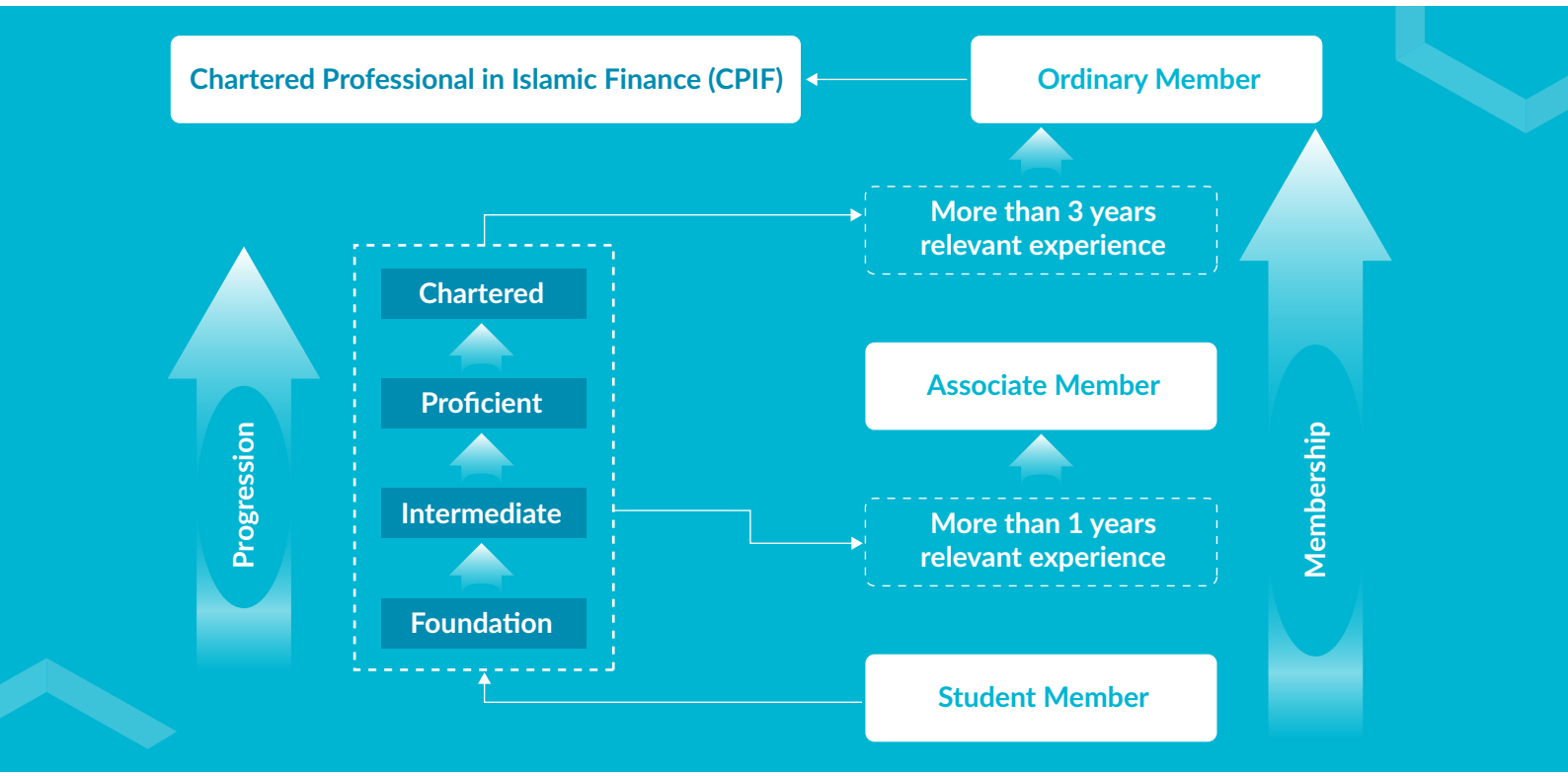
The "Chartered Professional in Islamic Finance" is a professional qualification leading to the attainment of the "CPIF" professional designation, aiming to develop future leaders for the Islamic Finance industry.

Minimum requirements to enrol for CPIF	:	Admission as CIIF Student Member
Expected duration	:	Candidates can expect to complete the CPIF within 2 to 4 years
Assessments	:	2 sessions of assessments per year
Exemptions	:	Except for "Professionalism & Ethics", some exemptions may be given, on a case-by-case basis



Chartered	:	Admission as CIIF Student Member
Proficient	:	Candidates can expect to complete the CPIF within 2 to 4 years
Intermediate	:	2 sessions of assessments per year
Foundation	:	Except for "Professionalism & Ethics", some exemptions may be given, on a case-by-case basis
Minimum entry requirements	:	Admitted as CIIF Student Member
Exemptions	:	Except for "Professionalism & Ethics", some exemptions may be given, on case-by-case basis. The CIIF may require applicants to undertake assessment to evaluate eligibility for exemption.

Road to Chartered Professional in Islamic Finance (CPIF)



CPIF (Banking)

CHARTERED
The candidate will develop management-level competencies in organisation strategy, risk, audit and compliance.

1. Strategic Management Practices
2. Enterprise Risk Management Practices
3. Audit & Compliance Practices

PROFICIENT
The candidate will develop core competencies in banking operations, product structuring, sales and marketing, covering areas such as retail, business and trade financing. The treasury module covers products and market operations.

1. Banking Operations **II**
2. Structuring Products
3. Sales and Marketing
4. Treasury and Fund Management

INTERMEDIATE
The candidate will build on Shariah knowledge and acquire basic knowledge in accounting and ethics. At this point, the candidate *will choose to specialise in either Banking or Takaful.*

1. Applied Shariah in Finance
2. Reporting for **IFIs**
3. Banking Operations **I**
4. Professionlism & Ethics

FOUNDATION
The candidate will acquire a basic understanding of the operating environment Shariah, economics, legal and product knowledge.

1. Shariah
2. Economics & the Financial System
3. Overview of Financial Products
4. Legal & Governance Framework of **IFIs**

CPIF (Takaful)

CHARTERED
The candidate will develop management-level competencies in organisation strategy, risk, audit and compliance.

1. Strategic Management Practices
2. Enterprise Risk Management Practices
3. Audit & Compliance Practices

PROFICIENT
The candidate will develop core competencies in banking operations, product structuring, marketing & distribution, covering both family and general takaful. The treasury module covers products and market operations.

1. Takaful Operations **II**
2. Sructuring Products
3. Marketing & Distribution Channels
4. Treasury and Fund Management

INTERMEDIATE
The candidate will build on Shariah knowledge and acquire basic knowledge in accounting and ethics. At this point, the candidate *will choose to specialise in either Banking or Takaful.*

1. Applied Shariah in Finance
2. Reporting for **IFIs**
3. Takaful Operation **I**
4. Professionalism & Ethics

FOUNDATION
The candidate will acquire a basic understanding of the operating environment Shariah, economics, legal and product knowledge.

1. Shariah
2. Economics & the Financial System
3. Overview of Financial Products
4. Legal & Governance Framework of **IFIs**

**This information is correct as at 30 November 2017*

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