

Managing Shari'ah Non-Compliance Risk via Shari'ah Review, Shari'ah Audit and Shari'ah Risk Framework

24-25 May 2017 | Kuala Lumpur

Introduction

Inadequate attention to the whole process of shariah compliance triggers negative repercussions to Islamic banking industry. Over the last decade, a number of cases was brought to court to challenge the validity of the underlying contracts in Islamic banking products. Therefore, awareness of the nature of shari'ah non-compliance risk (SNCR) and its implications to Islamic financial institutions is important. This training will provide you the understanding on how to identify, measure & control SNCR.

Objectives

- To study the nature of shari'ah non-compliance risk (SNCR) and explore its implications in the Islamic banking sector;
- To comprehend the approaches in identifying SNCR from a contractual perspective and methodologies to deal with SNCR;
- To understand shari'ah review, shari'ah audit and shari'ah risk framework in mitigating SNCR.

Learning Outcomes

Participants will be able to:

- Identify potential shari'ah non-compliance risk (SNCR) and its implications to Islamic financial institutions
- Mitigate any occurrence of shari'ah non-compliant risk events and provide the rectification plan.
- Identify key areas and requirements in shari'ah review and shari'ah audit exercise

Our Trainers

Prof Dr Zulkarnain Muhammad Sori
Professor of Accounting, INCEIF

Dr Omar Kachkar
Manager of ISRA Consultancy Sdn. Bhd.

Dr Sa'id Adekunle Mikail
Researcher of ISRA

Target Audience

This course is targeted to:

- Shari'ah Department Officer/Manager
- Product Development Department Officer/Manager
- Learning and Training Department Officer/Manager
- Shari'ah Advisory Committee and Researchers
- Islamic Finance Market Player

Delivery Mode

Interactive classroom style delivery with active group discussions



REGISTRATION FORM

Name
Designation
Tel. No.
Email
H/P. No.

APPROVING OFFICER

Name
Designation
Tel. No.
Organisation
Address
Email

Fee : RM 2,385.00 per person

(A Group consists of more than 3 persons from the same organisation.
Early Bird - by **10 May 2017**).

Book your seat now! :
Special gift for early bird/group registration



Note:

A receipt will be issued upon full payment.
Registration fees must be paid before the commencement the event.

All cheques are made payable to:
ISRA Consultancy Sdn. Bhd.
Bank: CIMB Islamic Bank
Account No.: 86-0048555-4
Branch: Section 14, Petaling Jaya, Selangor
Swift Code: CTBBMYKL

Cheque No. / Bank: /

Bank-In

Cash (RM):

*No refund will be issued for cancellations. If you are unable to attend, you may nominate a substitute participant without additional cost. If there is no replacement available, you will be refunded after the deduction of actual cost.



For more information:

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Course Programme

DAY 1 (24 MAY 2017)

- 8.30 am Registration
- 9.00 am **SESSION I**
- **Type of risk exposed by Islamic Financial Institutions (IFI): An overview**
 - o Rate of return risk
 - o Displaced commercial risk (DCR)
 - o Credit & market risk
 - o Liquidity risk
 - o Operational risk
 - o Reputational risk
 - o Shari'ah non-compliance risk
- 10.30 am Refreshment and Coffee Break
- 10.45 am **SESSION II**
- **Identifying and measuring shari'ah non-compliance risk: A contractual perspective**
 - o *Murabahah* contract
 - o *Tawarruq* contract
 - o *Istisna* contract
 - o *Ijarah* contract
 - o *Mudarabah* contract
 - o *Musharakah* contract
- 12.30 pm Lunch and Zuhr Prayer
- 2.00 pm **SESSION III**
- **Selected cases on shari'ah non-compliance events in Islamic banks in Malaysia: Analysis of sample scenarios**
 - o BBA (home financing)
 - o *Tawarruq* (personal financing)
 - o *Istisnā'* (property financing)
 - o AITAB (car financing)
 - o *Mudarabah* (investment account)
- 3.30 pm **SESSION IV**
- **The implications of shari'ah non-compliance risk to IFI**
 - o Financial loss & reputational loss
 - **Methodology of dealing with shariah non-compliance events**
 - o Dealing with shari'ah non-compliance findings
 - o Managing shari'ah non-compliance events
 - o Treatment of tainted income
- 5.00 pm Refreshment / End of Day 1

DAY 2 (25 MAY 2017)

- 8.30 am Registration
- 9.00 am **SESSION I**
- **Shari'ah review in mitigating shari'ah non-compliance risk**
 - o The need of shari'ah review
 - o Shari'ah review framework of IFI
 - o Objectives & key areas of shari'ah review
 - o Key requirements in shari'ah review
 - o Methodology of shari'ah review
 - o Deliberation of findings
- 10.30 am Refreshment and Coffee Break
- 10.45 am **SESSION II**
- **Shari'ah audit in mitigating shari'ah non-compliance risk**
 - o The need of shari'ah audit
 - o Role and functions of auditors
 - o Areas of concern in shari'ah compliance role
 - o Objectives and key areas of shari'ah audit
 - o Key requirements in shari'ah audit
 - o Phases of shari'ah audit
 - o Deliberation of findings
 - o Audit report writing
- 12.30 pm Lunch and Zuhr Prayer
- 2.00 pm **SESSION III**
- **Developing audit plan and strategy**
 - o Audit plan
 - o Risk assessment
 - o Audit strategy and plan
 - o Gathering evidence
 - o Finalising
- 3.30 pm **SESSION IV**
- **Audit field work: simulation and case studies Discussion**
- 5.00 pm Refreshment / End of Session