



## Seminar on SUKUK



25 April 2011

Nasandhurapalace Hotel (Abaarana Hall) - Male' Maldives

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*Organised by the Islamic Development Bank in collaboration with the Capital Market Development Authority of Maldives*

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TIME	PROGRAMME
12:50	Arrival of Invitees
13:00 - 13:30	Recitation of the Holy Quran (Mr. Muslih Mohamed Ismail / Officer CMDA)  <i>Welcoming Remarks</i> <ul style="list-style-type: none"><li>• CMDA (Ms. Fathimath Shafeega / Chairperson)</li><li>• Islamic Development Bank ( Mr. Ahmed S. Hariri / Manager, Country Division-1, (W/Southeast Asia &amp; Surinam) Country Department)</li></ul>
13:30 – 14:45	Topic 1: <b>Islamic Finance</b> ( Mr. Wasim Abdul Wahhab, Senior Islamic Finance Specialist )  Topic 2: <b>Capacity Building, training and research in Islamic Finance</b> ( Mr. Osman Ahmed, IRTI Division Manager)  Topic 3: <b>Sukuk</b> (Mr. Mohamed Saeedullah, Principal – Capital Markets)
14.50 – 15.30	Q & A Session
15.30– 16:00	Coffee Break
16.00– 16:30	<i>Media Information Session</i>

## **Opening Remarks at the Sukuk Seminar Held by the Authority in collaboration with Islamic Development Bank**

By;

*The CEO, Ms. Fathimath Shafeega*

Capital Market Development Authority

Maldives

April 25, 2011

Assalaam Alaikum! And a very good Afternoon!

Brother. Ahmed Hariri, IDB Mission Leader and distinguished delegates from IDB!

Distinguished participants!

On behalf of the Capital Market Development Authority, I welcome all delegates to the Seminar on Sukuk, jointly organised by the Islamic Development Bank and the Capital Market Development Authority.

This seminar is held at an appropriate moment, as we all have recognized Islamic Finance as necessary and important component of the Maldives Financial Sector. Gatherings like this are very important for stakeholders to come together to deliberate on the key issues, form new partnerships and identify new opportunities. There is much work to be done to communicate the benefits of sukuk and other Islamic financial products and services.

Developing an Islamic capital market is a vision of CMDA. In 2008, CMDA hosted the very first inaugural seminar on Islamic capital markets jointly organised with the Islamic Financial Services Board. CMDA has continued to hold Islamic finance awareness programs during the last 3 years on a small scale. We have conducted 3 seminars and one study on the topic - developing a sukuk market in the Maldives with much participation from the stakeholders.

I am confident that, Islamic Finance will play a significant and vital role in shaping the future Maldivian Financial landscape.

Ladies and Gentlemen! With the establishment of the first Islamic bank in the Maldives we have passed an important milestone in our efforts to meet the demand for Islamic financial services in the Maldives. Furthermore, there is an immediate demand for the funds from the newly reformed pension system to be invested in Shariah compliant products such as sukuks. CMDA as the regulator of the pension industry recognize this urgent need for Islamic financial products. We believe that a healthy Sukuk market is absolutely necessary to add depth to the Maldives market.

In the face of the recent financial crisis which shook even the most established markets and forced us to rethink the way we do finance, the Islamic financial industry not only survived this crisis but emerged as a viable alternative to traditional methods of doing business. The global financial crisis also generated a lot of interest in Islamic finance as an alternative form of financial intermediation that can promote financial stability. This is due to the Shariah requirement of directly linking financial activities and the real sector, the prohibition of

speculation and interest-based structures, and the application of high ethical standards in business conduct. Market studies suggest that Islamic Finance could account for up to more than 40 percent of total deposits in countries with majority Muslim populations. This illustrates that Islamic finance is fast emerging as a viable and competitive form of financial intermediation.

A robust regulatory framework is required to build confidence and develop a healthy market. The issuance of Shariah-specific rules and guidelines is a significant enabler for the growth of an Islamic capital market, providing market participants with clarity and certainty on what is acceptable and what is not. I am pleased to announce CMDA's initiative in setting up a Shariah Committee for the purpose of shariah screening as part of our efforts in building a framework for sukuk issuance.

I call upon the government, the parliament, the private sector and other stakeholders to work together to address legal and regulatory impediments to establishing a healthy sukuk market in the Maldives.

In taking the Islamic capital market to its next phase, the role of the private sector becomes even more critical. Although, the Government and the regulators will continue to play their roles as catalyst and facilitator, product innovation and promotion must be pursued by the private sector. As such we should not undermine the importance of private sector participation.

The subject of today's discussion is one important part of our Capital Market Strategic Plan 2010 – 2014. This is an important step in our broader plans to slowly but surely create an environment that inspires investor confidence and provides Maldivians with an alternative choice for their finance and investment needs.

Before I finish, I would like to call upon the IDB, our developmental partners and donors to assist us shoulder our responsibility to develop an islamic capital market in the Maldives.

I trust that all the participants of this seminar will walk away better informed about the benefits of the "sukuk" product. I hope you will have a lively discussion with the experts from the IDB.

Thank You.

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