



THOUGHTLEADERSHIP

Path Solutions' Thought Leadership series continue with the release of iMAL 12

Path Solutions enhances its suite of financial services applications and their functionality coverage as a testimony for its continuous commitment to consistently improve Islamic financial operations.

We, at Path Solutions take pride in announcing the successful completion of the development, testing and issuance of iMAL 12. The latest version contains over 400 enhancements from our 70+ customers spread in the different countries in addition to many internally initiated enhancements on the system. It has been certified for usage with the latest technologies such as Windows 7, Sybase 15, and Sybase clustering. With 400+ enhancements, the functionality got richer.

Our aim is to continually improve the coverage, functionality, reliability, and availability of the product so that to strengthen confidence among our customers.

The purpose of the below is to present to our readers an update on the major enhancements and new features that are already available in this new release. The below will also present a summary of the new modules that have been added to our standard list of products.

iMAL 12 New Functionality and Enhancements Coverage

The customer service management functionality coverage was expanded to include multiple enhancements at the service level including enhancements at the level of requests, remittances, safe box management, all made available in the iMAL*CustomerServiceManagement module. The release also includes enhancements at the Anti-Money laundering related level such as SWIFT messages filtering for checking the names of all parties involved in transfers of funds against blacklists, including all the needed details as per FATF Special Recommendation VII issued in October 2001, and tracking hidden relationships.

In terms of computation of distributable profits to non-restricted investment accounts holders, the major enhancements cover Zakat deduction, Nisab application, and profit distribution in advance and subsequent computation of final values and adjustments accordingly on a monthly basis. All are available in the iMAL 12 release of the iMAL*IslamicProfitCalculation module, in addition to its primary functionality of profit distribution computation according to the Sharia rules and regulations.

As to the Islamic financing and collection operations coverage, enhancements and new functionality covered global rate change and auto revaluation of floating rates in iMAL*IslamicInvest, in addition to major enhancements on two levels being limits management and provision. The added global provision functionality consolidates and unifies the risk of the counterparty across all transactions at the bank and books the provision accordingly. The limits management functionality has been expanded beyond the individual branch, client, and related group of clients to cover related parties and multiple other areas with the objective to empowering management to address concerns particularly in the areas related to the total exposure position and limits management for minimizing risks.

Major enhancements have been added to the Treasury module to support and enable world class treasury operations and transactions. Modifications covered all three treasury levels; front office, back office, and risk management (middle office). In addition, the risk management area took a quantum leap in iMAL 12 in terms of limit

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management, stress testing, and system analytics. For iMAL*Blotter, major enhancements include ability of dealers to submit Trade Deals in the blotter and their automatic implication in iMAL*Treasury.

At the level of investment banking, new financial instruments (Negotiable Islamic Debt Certificate and Islamic Accepted Bill) and limits control (Stop loss, Tenor Limit, and Issuance Limit) were introduced in iMAL*Assets, as well as the concept of margin trading, SBBA and reverse SBBA.

The support of the trade finance operations is enhanced via modifications and added functionality to cover **»P. 02**

the Shipping Guarantee and revolving LC in addition to multiple enhancements at the different products levels.

Major enhancements to the financial accounting and reporting area include the support of IFRS disclosures in the new release of *iMAL*Accounting* module. This functionality enables the financial institution to automatically issue the financial statements along with the required disclosures from the system.

Other enhancements have been made to *iMAL*Connect* such as online registration, financing repayments, and utility bill payments. The release also includes additional enhancements such as those related to the interface and its administration, new reports, security, as well as a new feature whereby all account numbers are displayed in IBAN representation. Customers are entitled to use their IBAN account numbers in the financial transactions and requests.

New Offerings

With its commitment to further strengthen and empower the Islamic banking industry by providing world-class IT solutions, Path Solutions offers a series of new modules listed below to address complex IT and business requirements.

The *iMAL*Collection* system empowers financial institutions to track overdue accounts. Equipped with a powerful functionality, the financial institution is able to set different collection strategies, different collection teams, monitor and follow up the collectors assigned tasks, and utilize reports that intelligently support the tracking of the collection process status and efficiency.

The *iMAL*BusinessIntelligence* - Basel II component offers end-to-end integrated risk management solution covering the three types of risks: Credit, Market, and Operational risks. The component allows the computation of the capital adequacy ratio and the identification, and measurement of Credit, Market, and Operational risks according to various approaches as set in the Basel II framework.

Reports/dashboards are generated in various forms like tabular and graphical presentations and heat maps.

The *iMAL*CashFlowMonitoring* system is a web-based Treasury front office engine empowering the institution

to gain a comprehensive view of its entire liquidity position. Dashboards and reports allow generating real-time, detailed information on cash inflows and outflows, in addition to the planned transactions / simulated commitments with the ability to drill down to the individual transactions or commitments. The system also generates trend analysis reports, caters for Cash Forecasting, Projected vs. Actual Receipts, What-if Analysis, and sending automated alerts on funding thresholds.

The *iMAL*Sukuk* enables managing Islamic Sukuk operations, from the creation of the Sukuk to their expiry date. *iMAL*Sukuk* provides financial institutions with the guaranteed potential to broaden their financing sources according to the AAOIFI rules and regulations.

The *iMAL*IPO* empowers financial institutions with a fully automated solution for IPOs management covering the full life cycle of an IPO from portfolio creation, estimation of best offering price, red herring procedures, to the management of information about underwriting firms. The system allows financial institutions to record and track the first issuance of the securities to their further issuance of shares via right issues, along with the recording of actual investments and the trading of the stocks in the secondary market. *iMAL*IPO* allows financial institutions to tap a wide pool of stock market investors and also to provide them with large volumes of capital for future growth.

For further details and demonstrations on the new modules listed above, please contact the sales manager representative for your territory.

Disclaimer: Statements concerning Path Solutions' plans and product releases are by nature, forward-looking statements that involve a number of uncertainties and risks, and cannot be guaranteed. Based on the market and customers' needs and requirements, changes in the stated plans and products may be done. ■

RECENT NEWS

Maldives Islamic Bank to deploy *iMAL* Islamic core banking solution

November 30, 2010 – Path Solutions and Maldives Islamic Bank Pvt. Ltd.

("MIB") today announced that MIB, the first Islamic bank to be set up in Maldives, has selected Path Solutions' *iMAL* for its core banking solution to infuse innovation and accelerate growth. By virtue of this agreement, Path Solutions shall roll out its sophisticated *iMAL* suite including Islamic Invest, Trade Finance, SWIFT, and reporting modules.

MIB is a collaboration between the Islamic Corporation for the Development of the Private Sector ("ICD") - the private sector arm of the Islamic Development Bank - with 70% interest and the Government of Maldives which holds the remaining 30%. It received a banking licence to conduct Islamic banking business from the Maldives Monetary Authority ("MMA") in August 2010.

MIB Chairman Khaled Al Aboodi said the bank hopes to capture up to 25% of its local market share within three years or so by offering Islamic finance products targeting small and medium enterprises (SMEs) and fisheries.

Harith Harun, Managing Director of MIB commented, "MIB is focused on offering innovative Islamic banking products and solutions of international standards that meet the needs of corporate and retail clients, stimulating the demand for such services in the country. To meet its development requirements, MIB required a highly scalable, pure Islamic banking software system which could support faster product innovation and deliver a differentiated customer experience."

With a 100% Muslim population of some 330,000 in Maldives, Harun expects strong demand for Sharia-compliant products to drive the bank's future growth.

According to Mohammed Kateeb, Chairman & CEO, Path Solutions, "We are delighted to have signed this agreement with MIB. This partnership highlights Path Solutions' commitment to support Sharia-compliant banks all around the world. We are also excited to work with new banks in this segment and we believe in MIB mission. *iMAL* powerful capabilities in fostering innovation, increasing productivity and meeting diverse customer needs empower start up banks to match in their service large successful conventional banks following a record implementation time."

As part of the evaluation process, MIB considered several solutions from other major providers before selecting *iMAL* from Path Solutions, ■ » P. 03

the best fit for product performance, reliability and scalability. The extensive selection process focused on acquiring a new generation technology to support the bank's imperatives on Sharia compliance, customer centricity and time-to-market for business related changes. ■

International Development Bank of Iraq identifies Path Solutions as major strategic IT partner

November 29, 2010 – Kuwait's leading IT solutions provider, Path Solutions announced today that International Development Bank of Iraq had signed up for iMAL, its Islamic banking solution on September 26.

In accordance with the agreement, iMAL Core Banking solution will seamlessly integrate various aspects of the Iraqi International Development Bank's divisions through a single interface which includes Core Banking, Internet Banking, Investment banking, Branch Automation, Trade Finance, Islamic Treasury, Islamic Profit Calculation, Data Warehouse & MIS, Delivery Channels and Central Bank Reporting.

Speaking on the occasion, Path Solutions' Chairman & CEO, Mohammed Kateeb, said that the International Development Bank of Iraq win reaffirms Path Solutions' greater regional focus. "Signing up with IDB of Iraq is an important landmark for Path Solutions since it establishes a dominant place for iMAL core banking solution in the country. Over the past year, we have been in rapid client acquisition mode in Iraq, which we see as one of our key markets", he said. "We will continue to focus strongly on the Iraqi market, where we have already made our mark with two other clients, by providing best-of-breed AAOIFI-certified software solutions and services", Kateeb added.

Iraq of 2010 is getting ready to flourish and expects the financial sector to take its earning position to be an economic leader and a major player in the Middle East and respective markets. International Development Bank is proud to be one of the prime banks with the maximal capital. It is laying the foundation gradually; organizing its management, personnel and plans by means of modern, technical and professional systems; emerging and leading among

competitors; thus paving the way for enriching the banking culture to be worth of the legacy of the first country that invented writing, made laws and registered the first commercial transactions.

General Manager of the International Development Bank of Iraq Hussein Alhakim said, "IDB of Iraq is happy to associate with a globally renowned IT solutions provider such as Path Solutions which appeared with its end-to-end award winning software solutions as the best match for our anticipated IT initiatives. Our plans are totally focused in meeting current and evolving client needs towards sustainable business growth. This agreement is in line with the strategy of International Development Bank of Iraq to further strengthen its leadership position in the Islamic banking space not only in Iraq but the whole region".

Path Solutions' rapid success in Iraq is due largely to its impeccable implementation track record, providing Islamic banks and financial institutions with the flexibility to launch innovative and true Islamic banking products and services rapidly and cost effectively. ■

Path Solutions signs MoU with the International Islamic University of Malaysia

November 9, 2010 – Path Solutions, the leading provider of Islamic banking software solutions today announced that it has signed a Memorandum of Understanding with the International Islamic University of Malaysia to enable Islamic banking technology simulation for educational and training purposes.

Founded in 2004, the Institute of Islamic Banking and Finance at the International Islamic University of Malaysia is at the forefront of the Islamic banking industry and ranks amongst the most reputable educational institutions in the region. It is one of the prominent universities internationally devoted to providing education and research in Islamic Banking and Finance.

"This strategic collaboration with Path Solutions will significantly benefit the Institute of Islamic Banking and Finance with an Islamic banking system that will allow scholars to work on real simulations and practice the knowledge acquired from courses in Islamic

Banking and Finance", said Prof. Dato' Dr. Mohd Azmi Omar, the University Dean. "I am confident that through our combined efforts, we can make an important step forward towards our common goals in taking Islamic banking to a new standard of excellence".

Under this agreement, the institute will provide Path Solutions' community of users with specialized trainings in Islamic Finance and other Sharia advisory services as to pave the way for common approaches to capture growth and increase competitiveness.

"This groundbreaking collaborative partnership between Path Solutions and the Institute of Islamic Banking and Finance at the International Islamic University of Malaysia reaffirms our commitment to developing and promoting Islamic finance in South East Asia and particularly in Malaysia by combining our efforts to share knowledge, innovations and best practices for the benefit of the Islamic banking community", said Mohammed Kateeb, Chairman & CEO of Path Solutions. "It is a privilege to team up with the International Islamic University of Malaysia, who not only shares our vision, but also is in a leading position to help us deliver our growth potential", Kateeb concluded.

About IIBF - Institute of Islamic Banking and Finance

The Institute of Islamic Banking and Finance (IIBF) of the International Islamic University Malaysia was established in 2005 as one of the research and post graduate institutes of the university. The institute is unique as it brings together expertise from three different faculties, namely the Faculty of Economics and Management Sciences, Faculty of Revealed Knowledge and Ahmad Ibrahim Faculty of Laws. Such a diverse resource promotes multi-dimensional expertise in the area of Islamic Banking and Finance. This enables the institute to conduct research, provide consultancy services and produce graduates who are able to understand issues from the Sharia, Legal, Economics, Finance and Management perspectives.

IIBF is also unique in terms of expertise as its faculty members comprise of academicians, banking practitioners, Sharia advisors for local and international financial institutions, pioneers in Islamic banks in Malaysia and advisors for the Central Banks. Such rich expertise imbued with multi-disciplinary approach produces students ■ » P. 04

equipped with both theoretical and practical knowledge of Islamic Banking and Finance. The institute's mission is one of IIUM's missions of developing balanced integrated personalities in all fields of knowledge. This is also in line with the aspiration of the country, Malaysia which has set 2020 as its vision of becoming a developed nation.

The institute offers highly acclaimed qualifications in Islamic banking and finance such as Ph.D, Masters, Post-graduate Diploma and Certificate. It also engages heavily in research, product development, consultancy and training, both locally and abroad. The IliBF has signed MoUs with local and international institutions engaged in Islamic banking and finance industry.

IliBF is well-known for its mixture of local and international staff and students. Currently the students come from around sixty countries. They are mostly bilingual, enabling them to use both English and Arabic to enrich their knowledge. Coming from different backgrounds, they are indeed an added value to the institute as they rely on their experiences and expertise in banking and finance, which they bring from their respective countries. ■

Yemen's SBYB live with iMAL Islamic core banking system

October 12, 2010 – Path Solutions, the world's number one provider of Islamic banking software solutions, today announced that Shamil Bank of Yemen and Bahrain ("SBYB"), the third largest Islamic bank in Yemen, with a fully paid capital of six billion Yemeni Riyals, has gone live with Path Solutions' iMAL Islamic core banking suite.

SBYB is focused on expanding the range of Islamic products available to retail and corporate customers and improving the level of customer experience. "We want to position ourselves as a leading provider of innovative products and customer-friendly Islamic banking services in Yemen", said Saeed Bazara, General Manager of SBYB. "Deployment of effective technology is a key element in enabling SBYB to deliver first-class banking services to its privileged clientele. We have been working closely with Path Solutions' project team to ensure a smooth transition from our bank's systems to iMAL, which we believe will address

the challenges of real-time availability, scalability, improved time to market and enhanced modern banking services to our customers"; Bazara confirmed.

SBYB has officially gone live on Saturday the 2nd of October, after turning off its old systems. The decision was taken after 2 successful weeks of parallel run. The delivery channel implementation consisted of 10 branches, 5 decentralized using iMAL *Safe and 5 others centralized connected directly to the HO.

"Path Solutions is proud to be the trusted strategic IT partner to SBYB, and this is a significant step towards consolidating our success in the highly challenging Yemeni Islamic banking market", said Alain Abou Khalil, VP Professional Services at Path Solutions. "The project is part of a modernization program for SBYB, and includes the deployment of a complete front-to-back-office solution with full branch automation, as well as trade finance, fixed assets, financial reporting, SWIFT messaging and e-banking modules. The system was delivered using Sun servers".

SBYB is now benefiting from the most advanced Islamic banking solution available on the market. With Path Solutions' iMAL, the bank has greatly enhanced its ability to process trade finance transactions and grow its trade business as well as improve its local compliance and performance management capabilities.

SBYB is now able to continue its expansion without the disruption that is normally associated with new systems deployment. ■

Path Solutions voted 'Best Islamic Technology Provider' for the third year running

October 11, 2010 – For the third year in a row, Path Solutions outperformed its competitors and was voted into the top spot by global readership of the industry's flagship publication IFN of Redmoney.

Path Solutions retained the leading position as 'Best Islamic Technology Provider' in the Islamic Finance news (IFN) Awards Poll for 2010, which were announced on October 6.

"Our long list of awards is a testament to our outstanding accomplishments in providing solutions to the Islamic financial services industry. Our commitments to our clients and partners remain our key drivers. We are honored to receive this distinctive award. This was only possible with our clients' continuous support", commented Mohammed Kateeb, Path Solutions' Chairman & CEO.

"Our strategy will continue to be based on developing leading-edge Islamic software solutions capable of supporting this evolving market; we will continue to consult closely with our clients to understand their changing requirements and to provide them with business solutions that give them the competitive edge they seek. With Islamic finance expanding rapidly throughout the world, we will also continue to expand our geographic presence and open up new markets", Kateeb concluded.

The IFN Best Service Providers Poll recognizes the best supporting providers to the Islamic financial services industry. The IFN Awards are a benchmark for performance in the Islamic finance industry and are considered to be the most accurate indicator of who is leading the market.

Thirteen categories were contested in the 2010 polls, and a total of 1,956 votes cast. Following due diligence 450 votes were discarded leaving 1,506 votes counting towards the final results.

Retaining their number one status again for 2010 were CIMB Islamic as the Best Islamic Fund Manager and Dow Jones Islamic as the Best Islamic Index Provider.

Winners of the IFN Best Service Providers Poll will receive the awards during two gala Awards Ceremonies taking place early 2011. The first will take place on the evening of the 24th of February in Kuala Lumpur, followed by Dubai on the 2nd of March. ■

TVNL signs reseller partnership agreement with Path Solutions

October 8, 2010 – Path Solutions, a leading Kuwait-based banking systems provider announced today that TVNL, one of the largest comprehensive IT solutions & services providers headquartered in Dhaka, ■ »P. 05

has signed a partnership agreement to resell, deliver and support iMAL software solutions in Bangladesh.

A private limited company, Tech Valley Networks Limited provides a range of IT solutions and services, including system integration, information systems outsourcing, implementation & maintenance for the corporate sectors as well as to global corporations in Bangladesh.

"TVNL will surely develop our customer base in Bangladesh. It has the kind of IT expertise we were looking for, coupled with the level of support local customers are accustomed to and would expect from us", said Drew Mitchell, Senior Vice President – Global Sales at Path Solutions. "We believe this partnership will bring value to both parties and our future customers will certainly reap the benefits of the service TVNL has to offer".

TVNL helps customers to plan, build, support, improve & manage their IT infrastructures with its highly skilled and experienced team in networking, security, data centre, storage, integration and managed service. TVNL's customer-centric, value added approach enables companies to realize efficiency, agility and service quality while reducing operational costs.

"TVNL is proud to begin a partnership with Path Solutions, the ideal complement to our current suite of tailored software solutions", said Mamnoon Rashid Shamim TVNL's MD. "It is particularly important to partner with the first AAOIFI-certified software firm that could deliver a complete, customized suite of banking software to local Islamic banks and financial institutions. We look forward to a valuable and rewarding relationship with Path Solutions".

Tech Valley Networks Limited (TVNL) emerged from Tech Valley Computers Limited, a leading ICT group in Bangladesh, and became a separate entity in 2007. The Network Division (known as TVNL) expanded its product range to address the local market needs and achieved to get partnership with world IT leaders such as Cisco, Sun, Dell, Oracle, Microsoft, Computer Associates (CA) and others.

About TVNL (Tech Valley Networks Limited)

- TVNL Bangladesh has been serving

various sectors & sub sectors of local IT market since 1993 and has evolved as an autonomous organization with the name of 'Tech Valley Networks Limited in 2007'.

- Since then, the company invested heavily on R&D and human resources and formed a modern, upgraded & fully equipped development centre in Dhaka with skilled & experienced support team.

- TVNL's strength includes 200 + personnel which comprises channel sales, business analysts, customer support engineers and system engineers with years of experience in system integration, support & maintenance, as well as experienced professionals from multinational companies to bring innovative and best industry practices. ■

Path Solutions announces roll-out of iMAL at Tadhamon International Islamic Bank Yemen

September 14, 2010 – Path Solutions, a leading Kuwait-based banking systems provider today announced that iMAL solution has been successfully deployed at Tadhamon International Islamic Bank (TIIB) Yemen.

TIIB implementation was completed on August 21st, 2010; subsequently the bank has dropped its legacy systems and is now fully operational on iMAL.

TIIB has gone through a complicated migration process where full data history was extracted, cleansed and migrated into iMAL database. This strategy was adopted to allow the bank benefit from its historical data through Business Intelligence dashboards and comparative analysis tools. Path Solutions rolled out state-of-the-art iMAL technology in just one year.

On this occasion, Salah El Tahami, Assistant General Manager-IT at TIIB commented, "The bank has geared itself to meet the challenges of difficult economic conditions witnessed the world over. We are reacting to these changed market circumstances by investing heavily in technology towards offering value added services to our customers. This is in line with our institutional intent to soar higher in terms of banking excellence. After

much research followed by an extensive evaluation process, we chose iMAL, the market leading and only AAOIFI-certified software solution that could eventually empower TIIB to offer its clientele optimized services and to compete head-to-head with larger banks in the region".

TIIB with over 23 branches all over the Republic of Yemen, offers banking services in conformity with the precepts of Islamic Sharia. It is the first bank in Yemen to implement Path Solutions' iMAL Islamic banking solution. Path Solutions believes that Yemen represents a huge growth opportunity for the firm.

"We are proud to see our iMAL solution getting foothold in Yemen. TIIB is our first live customer in the country" explained Alain Abou Khalil, VP Professional Services, Path Solutions. "Yemen is an important focus area for Path Solutions as we want to keep equip local banks with the best Sharia-compliant technology to enhance their competitive edge and customer focus".

Abou Khalil added: "We have worked closely with TIIB's IT department to harness the full potential of our iMAL solution. A steering committee was set up composed of representatives from both our companies to ensure all requirements were considered. A blueprint defining the project scope and plan, outlining processes, workflow, UAT and system test plans was then devised to guide the implementation process".

iMAL runs on TIIB's network using HP-UX 11v3 operating system with Oracle 11g release 2 database on the backend. The system supports also Arabic language functionality as requested by the bank.

About Tadhamon International Islamic Bank Yemen

- Founded in 1995, TIIB's Head Office is located in Sana'a with a network of 23 branches, 37 ATM machines and has the largest customer base in Yemen.
- TIIB is considered one of the leading banks in Yemen. The bank runs an estimate of 1.415 million USD of assets and its fixed capital is 100 million USD.
- TIIB plays a key role in bridging the gap between the modern banking requirements and the essential values of Islamic legislation ■ » P. 06

resulting in industrious developing standards.

• TIIB ranked first among the top Yemeni banks in the 2008 report issued by the Central Bank of Yemen. ■

Path Solutions' iMAL in production at Al Khaliji Al Islami Bank Qatar

31 August, 2010 – Path Solutions, the leading provider of software solutions to the Islamic banking industry is proud to announce the accomplishment of the second milestone in the implementation of iMAL solution at al khaliji al islami, the Islamic branch of Al Khalij Commercial Bank (al khaliji) Q.S.C. in Qatar.

A 4-month fast-track implementation approach was adopted by Path Solutions' project team at al khaliji al islami covering the following areas: Retail

Banking including Branch Automation, Commercial and Corporate Banking, Treasury, Trade Finance Operations, Credit & Facility Management, Accounting & Finance, Profit Calculation, Qatar Central Bank Reports and SWIFT interface.

Khalid Mahdi Al Ahabbi, Head of al khaliji al islami explained, "Today, we are processing all operations in real-time. Our branch is now optimized leading to increased productivity and greater efficiency. Thanks to a great team effort, we are now able to introduce innovative financial instruments that will help us become Qatar's leading provider of Sharia-compliant banking products and services".

Al khaliji al islami was officially launched on April 29, 2009, offering financial products and services to consumers, businesses, corporations and government institutions in the Qatar market. al khaliji al islami is committed to upholding Sharia compliance in all its operations, conducts and delivers Islamic

banking & finance products, solutions and services.

"We are extremely proud of this achievement. The commitment of all team members including the al khaliji al islami team was exemplary and the effort put in by both was phenomenal", said Alain Abou Khalil, VP Professional Services at Path Solutions. "With the rollout of iMAL system Phase 2, al khaliji al islami is taking a significant step forward in the administration of its banking activities, gaining a sustainable edge over its competitors. This project reinforces our partnership with Al Khalij Commercial Bank (al khaliji) Q.S.C ." Abou Khalil affirmed.

Al khaliji al islami joins a growing list of renowned Islamic banks and financial institutions where the iMAL enterprise Islamic banking and investment solution has been implemented. All projects were completed to the bank's satisfaction, regardless of their complexity and the stringent banking regulations. ■

PUBLISHED ARTICLES

The Tawarruq Controversy and the Credibility of Islamic Finance

by **Mohammad Shafique - Programme Development Coordinator at the Institute of Islamic Banking & Insurance, London**



The modern Islamic finance industry started with the Mit Ghamr experiment in the rural areas of Egypt and the Tabung Haji foundation in Malaysia in the early 1960s. After nearly five decades, it is still grappling with the Shari'ah authenticity of some of its most widely used financing structures, such as Organised Tawarruq - also referred to as 'Commodity Murabaha'. In April 2009, a statement by the International Council of Fiqh Academy (ICFA), a prestigious Shari'ah forum and an offshoot of the Organisation of the Islamic Conference (OIC), that Organised Tawarruq transactions were impermissible created shock waves in the Islamic

finance industry. The ICFA statement has far reaching implications for contemporary Islamic financial practices and it highlights a growing divide among the proponents of Islamic finance as to the future direction of this industry.

This controversy shows no sign of dying down as in Sep. 2010 Sheikh Mohammed Mukhtar Al Salami, a eminent Shari'ah Scholar from the Islamic Development Bank (IDB) reiterated the ICFA position that Organised Tawarruq, as practiced today in the industry, is impermissible. The critics of Islamic finance are using the example of Tawarruq transactions to question the credibility of contemporary Islamic finance practices.

What is Tawarruq?

The word Al-Tawarruq is derived from the Arabic root noun 'al-wariq', which literally means 'silver', although this term encompasses the broader provision of cash to a borrower in the form of gold, silver or any other currency.

Classical Versus Organised Tawarruq

Classical Tawarruq

The classical Tawarruq transaction involved the purchase of a commodity by a Buyer 'B' from a Seller 'A' on a deferred payment basis, followed by the resale of this commodity in the market to a third party, 'C' to generate cash. The end buyer 'C' and the seller 'A' were not connected parties

and both sales were independent. Therefore, there was no prior collusion or understanding, implicit or explicit, to generate cash for the first Buyer 'B'. The end result of this arrangement, with two independent sales and three parties, was that the first buyer 'B' got the required cash with an obligation to pay back more cash later (in the form of a deferred price) to the Seller 'A'. It was possible that if Buyer 'B' held the commodity for some time, Buyer 'B' would make a profit (or loss) depending on the favourable (or otherwise) movement of the market price of the commodity.

According to the ICFA, a Tawarruq transaction is permissible provided that the commodity is not sold back either directly or indirectly to the original seller. Both the ICFA and the Accounting and Auditing Organisation for Islamic Financial Institutions (AAOIFI) has permitted this Tawarruq transaction.

Organised Tawarruq

In contrast, let us consider the workings of an Organised Tawarruq transaction, referred to simply as Tawarruq here. A client of an Islamic Bank, i.e. Buyer 'B' in the above example of the classical Tawarruq transaction, is in need of cash and approaches an Islamic Bank for a specific amount. The intention of the client is

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clear from the beginning and the amount required by the client is also known. The Islamic Bank will buy the commodity from a broker and then sell it on to the client on a Murabaha (cost plus mark-up) basis, with deferred payment. The client, in turn, sells this commodity to the same broker (or another in the market), with the Islamic bank fully assisting this second sale, in order to get the requisite amount of cash. Normally, the commodity is never actually seen by the client and rarely moves from storage.

As stated earlier, Classical Tawarruq is permissible because the commodity is not sold back either directly or indirectly to the original seller. It is difficult to observe this with regard to Tawarruq, since it is precisely the feature of returning the commodity to the original seller without involving any physical movement (via 'netting' or other set-off arrangements) which is the primary source of cost-saving and profitability for the parties involved in the transactions, namely, the Islamic banks and the metal brokers. So the ICFA's restriction is rarely followed, since in one way or the other, the commodity ends up in the hands of the same broker that sold it on to the Islamic bank in first place, while the same metal is used again for further Tawarruq transactions. It appears that the intention of the contracting parties, as inferred from the arrangement, is to find a way around the prohibition of riba (interest).

Uses of Tawarruq

Broadly speaking, the Tawarruq structure is applied by Islamic banks to achieve the following three purposes:

1. Offer cash in hand to their clients (both individuals as well as corporates) as explained above.
2. Accept deposits: this transaction is the mirror image of the above transaction, with the bank, rather than the client, receiving cash at the end of the transaction, with an obligation to pay more cash to the client at a later date. This is also termed 'reverse Tawarruq'.
3. Liquidity Management Operations by Islamic banks, such as inter-bank deposits.

Permissibility based on necessity (Daroora)

The Islamic banks are operating in a legal and regulatory environment which was not developed for them. They are small and have little influence. Islamic banks are commercial entities, and if their products become expensive because they are using structures which attract higher operational costs, regulatory capital

charges or unfavourable tax treatment, then these products may lose their commercial appeal.

An analogy can be drawn with Islamic equity funds where a strict adherence to the prohibition of interest will exclude all companies which have conventional debt on their books and so reduce the 'investable' universe for Islamic funds to virtually zero, Shari'ah scholars have suggested certain tolerance criteria for both the business and financial screening of companies. Their justification is to allow the Islamic finance industry to get a 'foothold' and 'compete' with the conventional industry. The theory is that as more Shari'ah-compliant operations develop, Islamic investment managers will increasingly be able to phase out this practice.

Similarly, the opponents of Tawarruq argue that it was allowed on the basis of necessity (Daroora) to meet the genuine needs of Islamic banks' clients as well as for their liquidity management operations. Islamic banks do not necessarily have viable alternatives to Tawarruq to meet the cash-in-hand (i.e. liquidity) needs of their clients, for example in a jurisdiction such as UK due to taxation, legal and regulatory issues related to 'real' trading transactions. Islamic banks don't have the array of liquidity management tools available to their conventional counterparts. Therefore, they face considerable problems in investing their surplus funds in liquid assets. Tawarruq has facilitated the provision of cash for Islamic banks' clients, as well as liquidity management solutions for Islamic banks, in a cost-efficient manner.

'Exception' Versus 'Norm'

If Tawarruq was allowed on the basis of 'Daroora', then the share of such transactions should have been small in the Islamic finance industry. Opponents of Tawarruq argue that permissibility based on 'Daroora' is fine, but has enough been done to move away from this structure? However, an analysis of Islamic financial transactions data reflects that over time, the share of Tawarruq transactions has multiplied. As Tawarruq transactions can be structured to achieve a risk/reward profile comparable to a conventional inter-bank deposit or interest bearing loan, according to opponents, this makes it even more difficult to move away from Tawarruq.

Controlling Excessive Credit

An important feature of the Islamic finance industry is to contain excessive credit creation by avoiding the overuse of debt-based structures such as Tawarruq.

This type of credit creation has created many problems for society over the years and was one of the main reasons underlying the recent financial crisis. An economic analysis of Tawarruq transactions would make two points very clear: firstly, that it is a contract for exchanging money now for more money later; and secondly, that it encourages debt creation.

The prohibition of the use of legal means to achieve illegal ends is a well recognised Shari'ah principle. It is argued that, based on this principle, Tawarruq should be prohibited as it leads to mimicking interest-based loans.

All contracts of exchange, however, whether Tawarruq, Murabaha or Ijara, lead to debt creation. Then why Tawarruq is singled out? The view of the opponents of Tawarruq is that even though Murabaha or Ijarah transactions create debt, they are more 'real', since they may be based on the genuine use of finance for actually purchasing or renting goods. In the case of Tawarruq, the transaction is artificial, since no real trade happens.

Potential Alternatives

- It has been suggested that Salam may be used as an alternative to Tawarruq for offering cash to clients or for liquidity management. This, however, would require a proactive and positive attitude from the regulators. There would also be operational hurdles which would need to be overcome; and an additional infrastructure would be required to ensure such transactions are completed in smooth and cost efficient manner.

Also, Salam's use for advancing cash to clients needs to be done with great care to avoid the exploitation of clients.

- Developing the Sukuk market: It is hoped that the Sukuk is the long-term way forward to enable Islamic banks to manage liquidity efficiently. This requires an active Sukuk secondary market to be in place before it can claim to be an effective liquidity management solution. The AAOIFI's 2008 statement and restrictions on the trading of certain Sukuk certificates, coupled with the small market size, limited range of maturity profiles and a 'buy and hold' attitude from the investors are key issues which are hindering the growth of the secondary market.

The necessary infrastructure is in place in key Islamic finance markets such as Malaysia and Bahrain, but certainly more needs to be done to achieve a deepening of the market to provide effective liquidity management solutions for Islamic banks.

- The use of Qard Hasan should be encouraged, where possible.

In conclusion, if statements against Organised Tawarruq from well respected bodies such as ICFA and leading supporters of the Islamic finance industry are not taken up seriously, there will be confusion about the Shari'ah authenticity of Islamic finance among investors, regulators and members of the public, the credibility of the Islamic finance industry will be at stake. So, the focus should be on developing instruments which create linkages between the financial economy and the real economy and on facilitating new trade flows. This would certainly require a shift to minimise the use of Tawarruq-like structures in years to come. ■

INTERVIEW



Mr. Anas Kharrat
IT Manager
Al Baraka Bank Syria

Al Baraka Bank Syria has successfully deployed Path Solutions' iMAL enterprise banking and investment system with full service offerings to its customers in just 6 months. The implementation of iMAL at Al Baraka Bank Syria covered the following areas: Retail Banking including Branch Automation, Commercial Banking, Corporate Banking, Credit & Facility Management, Automated Teller Machines, Accounting & Finance and Profit Calculation.

• When did Al Baraka Bank Syria start looking for a new system?
Al Baraka Bank Syria started looking for core banking system in April 2009.

• How the system was selected and who participated in the selection process?
The selection process was derived from Al Baraka Banking Group methodology and guidelines. It was also closely monitored by the Group IT steering committee, and it consisted of the following:

* Vendors were requested to respond to an RFP detailing Al Baraka Bank Syria requirements and submit an official proposal.

* Vendors were requested to present a 2-day live demonstration of their systems based on predefined test scripts, and the request was sent well before the demonstration date.

Based on the above, few vendors were shortlisted for site visits.

• What were the criteria and main requirements for choosing the system?
A structured weighted approach was

adapted to ensure thorough and consistent evaluation of all systems with the involvement of various stake holders.

• Which other software vendors were short listed? Were there any foreign systems?

Only few vendors were invited in the first place. Of course the list contained foreign systems.

• Why did you choose iMAL?

Based on our predefined selection criteria, the system seemed to fulfil our business needs; in addition the system was the only Islamic core banking system certified by AAOFI at that time.

• When did Al Baraka Bank sign the contract with Path Solutions? When did the implementation begin?

We have signed the contract in October 2009, and the implementation started one month later.

• Was the implementation process divided into stages?

We have followed a phased approach that consisted of 3 major phases.

• How long did the first stage last and what did it consist of?

The first stage was finished within six month time. It consisted of customer service, profit calculation, Islamic financing, limit management, ATM/POS interface, swift, and security management modules.

• Who participated in the implementation process?

The bank management and staff, in addition to vendor, and few third parties, participated in the implementation. The implementation was also monitored and supported by Al Baraka Banking Group.

• Were there lot of people involved? What were the responsibilities of each?

Several teams were engaged in a variety of tasks. Like business rules definition, gap analysis, implementation, and users acceptance testing.

• Did you test the system during the implementation?

Indeed, we went through two cycles of UAT sessions for each module.

• Was the User Acceptance Test devised in advance or in the course of implementation?

The UAT stage was planned in advance, however, for quality related issues, we had to introduce few ad hoc improvements to the cycle, along the way.

• What hardware/platform/DBMS is the system based on?

We have selected Sybase, on a Windows OS as our platform.

• What internal/external applications was the system interfaced?

The system was interfaced with an ATM/POS switch, in addition to swift.

• Is the new system centralised?

The system is centralized.

• Was the system localised/adapted according to your bank's requirements? What were the requirements and the changes?

We had several regulatory requirements that we had to adhere to. In addition we requested few amendments on the system so it can comply with Al Baraka Banking Group's vision and reporting requirements.

• Does Al Baraka Bank Syria plan to expand the module range?

Will it continue to collaborate with Path Solutions?

Indeed such cooperation will continue to grow, as we are exploring new business areas.

• When did the system go live? Was the project complete on time and on budget?

The bank went live on the 1st of June 2010 with phase 1, which was completed on time and on budget.

• How were the users trained?

Path trainers trained our product champions (super users for each module) upon the implementation of the different modules. Then we have arranged for training sessions for the end users, which were delivered by the product champions of our bank.

• Was it hard to train the staff to use the new system?

It was not hard; however, it required a certain level of discipline and commitment from the users' side.

• Did you face any problems in the course of the project?

Indeed we came across few obstacles along the road, which we have overcome through cooperation and executive management sponsorship.

• What advice can you give to other banks embarking on a new core system project?

Selecting the rightly fit solution based on the business needs could be the most important thing that can produce successes afterwards. ■

EVENTS&CEREMONIES

Path Solutions hosts high level breakfast meeting in KL

December 13, 2010 – Top-level Malaysian bankers met over breakfast at The Westin Kuala Lumpur on December 8 to discuss Islamic finance new growth paradigms.



This invitation-only breakfast dialogue has brought together some of Malaysia's most influential Chief Executive Officers in an insightful discussion on the Islamic banking industry's rapid growth and the importance of technology to Islamic banks' operations.

The welcoming address was given by Mohammed Kateeb, Chairman & CEO of Path Solutions who spoke briefly about the company's new strategy, vision and expansion plans with special focus on Malaysia and the region.

In the official opening address, Dr. Mohd Azmi Omar of the International Islamic University Malaysia emphasized on the vital role of Islamic banking to generate growth in Malaysia as well as in neighboring countries. Malaysia's most recent Ten-Year Financial Sector Master Plan articulates the government's goals to serve as a catalyst for growth in the field.

Dr. Mohd Daud Bakar, CEO of Amanie Business Solutions Sdn Bhd gave the keynote address in which he presented a detailed report on Malaysia's measures to domestically develop Islamic finance into a full-fledged dual banking system by 2020.

In the end, a brief Islamic finance technology showcase demonstrated various features of *iMAL 12 Release*. ■

The Jakarta Islamic Finance Breakfast Dialogue was yet again a highly successful event

December 13, 2010 – The Islamic Finance Breakfast Dialogue organized by Path Solutions was held at the Grand Hyatt Jakarta on December the 9th. Among the participants were Mr. Mulya Siregar, Head Of Islamic Bank Research, Development & Regulations Bureau, Bank Indonesia and Dr. Subarjo Joyosumarto, President & CEO, International Center For Development In Islamic Finance (ICDIF).

Path Solutions' Chairman & CEO, Mohammed Kateeb provided a quick overview of Path Solutions' global accounts, the company strategic partnerships and new vision and strategy to a top level delegation of local bankers followed by a presentation on the Islamic banking sector in Indonesia given by Mr. A. Riawan Amin, President Asbisindo (Islamic Banks Association of Indonesia). A presentation on the latest *iMAL* version was also delivered by Fadi Yazbeck, Senior Manager PS at Path Solutions. ■

Path Solutions participates successfully at WIBC 17th meeting

November 30, 2010 – Known as the world's largest annual gathering of Islamic finance leaders, the WIBC 2010 edition was held on 22, 23 & 24 of November in Bahrain, where Path Solutions was present as a Silver Strategic Partner.

The conference stressed on Islamic banking and the new global financial landscape where specialists and Sharia scholars from around the globe debated on how to strengthen the industry foundations in order to sustain growth in a challenging climate.

The event was a wonderful and opportune occasion for Path Solutions to showcase its innovative technologies to a large number of market leaders, interested to learn more about the only AAOIFI-certified and Sharia-compliant software solution available in the market. ■

Global finance leaders gather for Beirut Islamic Financial Institutions Forum 2010

November 8, 2010 – Under the patronage of the Governor of Banque du Liban, H.E. Mr. Riad Salamé, Al Iktissad Wal Aamal Group and the Central Bank of Lebanon hosted the Beirut Islamic Financial Institutions Forum on 4-5 November at the Phoenicia Intercontinental Hotel in Beirut. The forum which was supported by the Islamic Development Bank (IDB), the Accounting and Auditing Organization for Islamic Institutions (AAOIFI) focused on the best way to integrate Islamic financial institutions in the Lebanese economy to play a paramount role in supporting productive sectors. Discussion topics included the Central Bank's perspective on current industry issues, regulatory initiatives and the main challenges facing Lebanese banks.



To confirm its long-held reputation as the leader in the provision of Islamic banking and investment software, Path Solutions has successfully participated in the Beirut forum by showcasing its next generation *iMAL 12 Release*. ■

Path Solutions guest speaker at Lahore Conference

November 6, 2010 – Organised by Al Huda CIBE, the 4th International Conference and Exhibition on Islamic Banking and Takaful is being held on 2nd November at Expo Centre, Lahore Pakistan providing a rare opportunity for extensive discussion on topical issues with industry guest speakers included Nasri Nasreddine, Business Development Manager at Path Solutions, who spoke about 'IT for Islamic Banking'. ■

Path Solutions appointed as Technology Partner of the 2nd WIRBC



November 4, 2010 – Sponsored by leading industry institutions and organized by Fleming Gulf, the 2nd Annual World Islamic Retail Banking Conference was held in Dubai from 25 to 27 October.

More than 200 global Islamic retail bankers and leading Sharia scholars were present to discuss the industry trends and exchange ideas about the impact of the global events on the Islamic banking sector.

This conference was as well an opportunity for bankers to understand how to spearhead change in their own Islamic retail banking strategy.

Path Solutions was present as a Technology Partner and has successfully demonstrated its unique technologies with high-efficiency capabilities to more than 60 visitors who stopped by at the booth. ■

The GIFF 2010 inaugurated in the presence of Path Solutions' delegation



November 3, 2010 – From October 25th to 28th, the Global Islamic Finance Forum opened its doors in Kuala Lumpur, Malaysia as a dedicated financial solutions fair and a meeting point for senior officials from regulatory agencies, statutory bodies, government agencies and financial institutions. Themed "Islamic Finance: Opportunities for Tomorrow", the GIFF 2010 offered delegates and visitors the chance to explore the lat-

est innovations, products and services from over 100 exhibitors.



Hosted by Bank Negara Malaysia, the forum was organized in collaboration with the Association of Islamic Banking Institutions Malaysia (AIBIM), Malaysian Takaful Association (MTA), the International Sharia Research Academy for Islamic Finance (ISRA) and the REDmoney Group.

The multi-track sessions of GIFF 2010 included a Global Business Leaders Dialogue, Public Lecture, Regulators Forum, Media Engagement Program, the IFN Issuers and Investors Asia Forum 2010, the International Sharia Scholars Forum by ISRA, the Global Islamic Liquidity Management Workshop by AIBIM and the Takaful rendez-vous by MTA. ■

Path Solutions taking part in IIFF Abu Dhabi, as a Silver Sponsor



October 14, 2010 – Top regional Islamic bankers met in Abu Dhabi on the 11th & 12th of this month for the kickoff of the International Islamic Finance Forum whereas Path Solutions was among the key sponsors.

The event witnessed high-level presentations and informative round table discussions with industry leaders and peers with a common interest of sharing expertise and exploring current industry challenges. ■

Finance Conventiennelle & Finance Islamique' seminar in Paris

September 27, 2010 – Kuwait-based banking software provider, Path Solutions together with Hiram Finance, a leading French consulting firm within the financial services sector organized on September 22 in Paris the 'Finance Conventiennelle & Finance Islamique' seminar which provided an overall view on the fastest growing retail and asset management segments in France and the latest development involving the practical and operational aspects of Islamic financing i.e. Sharia, accounting and legal.

The seminar opened with keynote speeches given by representatives of Paris Europlace and Baker & McKenzie on the legislative and regulatory structure governing the financial services industry in France and the latest government's proposals for reform.



"This private seminar targeted financial institutions with potential interest in strategic advisory services and Islamic banking technologies for increasing their competitiveness and productivity and to accelerate innovation", commented Rosie Kneid, Head of Corporate Communications & Marketing at Path Solutions. "There is a strong potential for Islamic finance in France, but key obstacles persist. Nonetheless, France enjoys the necessary advantages to develop in the near future a thriving market for innovative Islamic banking products".

The 'Finance Conventiennelle & Finance Islamique' seminar was attended by about 40 participants, among them representatives from the French government, senior bankers, IT experts and academics. ■

Islamic Accounting and Financial Concepts Workshop



The 'Islamic Accounting and Financial Concepts' workshop took place on the 4th, 5th and 6th of October 2010 at Path Solutions' Beirut office. Given by Joseph Moghabghab, with more than 25 years of experience in the training field, this workshop introduced participants to the latest practices in accounting and reinforced their awareness of the fundamental Islamic instruments and concepts. It also emphasized on AAOIFI concepts associated to CIPA (Certified Islamic Professional Accountant) examination designed to equip candidates with the requisite technical understanding and professional skills on accountancy for international Islamic banks and financial institutions. ■

Another 'Train the Trainer' Seminar



The second 'Train the Trainer' seminar took place on September 17th, 2010 at Beirut R&D centre. During the seminar, our Corporate Academy Director was keen to ensure that the trainers' knowledge is being appropriately harmonized with the practice of good communications skills; all aiming towards equipping our senior employees with the necessary knowledge and skills in transmitting comprehensive messages.

'Train the Trainer' seminar is part of the Trainer Certification Program during which the trainer goes through several required steps in order to be certified as a Black Belt holder in his field to match evolving industry standards. ■

A Quick Guide to Email Etiquette

Email is the most common form of written communication in the business world, and the most commonly abused. It has been generally used as an informal means of communication. However, as it is increasingly popular, employees need to take time to think through the content of their mails and address correctly the messages that they might be sending to colleagues and clients in order to gain their respect.

Our Corporate Academy revised its people skills, making sure to bring good manners back to track.

Through 3 sessions given from 20 to 22 October 2010, more than 40 employees were reminded of concepts usually taken for granted in this prompt work environment. ■



The Gulf African Bank Training

With the aim to empower its staff, nurture their in-built talent, enhance their knowledge and skills, Gulf African Bank decided to provide training to some of its members from the renowned Path Solutions' Corporate Academy.

Series of iMAL technical training sessions specially catered to the needs of GAB team were run on-site during the

months of October and November 2010 given by our black-belt certified trainers, Rami el Rai and Elie Aramouni to our esteemed clients.



In the current market, it is admirable that a financial institution would put such resources in employee training. ■

18 Ways to improve Your Personality



After the first session of 'The 7 Pow-

erful Habits in Personal Change' that kicked in Beirut R&D centre last April, the wind of change has blown in Bahrain. In anticipation of high demand spurred by Stephen Covey's Best Seller, an adaptation of the novel was delivered by our VP Corporate Academy, Joseph Moughabghab to Bahrain office employees from the 16th to the 19th of August. Obviously, a well planned and thought of activity is most likely to deliver positive results! ■

PATH SOLUTIONS' EVENTS CALENDAR 2010

EVENT	DATE	LOCATION	ORGANIZER	SPONSORSHIP
Annual Conference on Islamic Banking and Finance	1 & 2 December	Bahrain	AAOIFI	Silver Sponsor
IFN Roadshow	6 December	Korea	RedMoney	Technology Sponsor
Islamic Finance CEO Breakfast Dialogue	8 December	Malaysia	Path Solutions	Official Sponsor
Islamic Finance Breakfast Dialogue	9 December	Indonesia	Path Solutions	Official Sponsor
Islamic Finance Growth Seminar	12 December	KSA	Leoron	Delegate

ISLAMIC BANKING COURSES

Islamic Finance training

REDmoney Group

Modern Islamic Commercial Banking Products

This 4-day course will give delegates highly valuable insights into why Islamic finance is necessary, the Sharia principles it is based on, and how it compares and contrasts to conventional finance.

The program will cover in detail key Islamic commercial banking products and contracts, how they can be structured, and the risk management issues of each. The intermediate-level course assumes some understanding of Islamic finance principles and concepts and will build on this in developing more complex commercial financial products. Key concepts throughout the course will be liquidity and risk management: accounting, risk-adjusted return on capital (RAROC) and risk weighting will be discussed in detail for each product structure examined. Important regulatory and Sharia issues will be covered throughout the course.

Advanced Islamic Capital Markets & Investment Banking Structures

In three days the Advanced Islamic Capital Markets & Investment Banking Structures course will cover the intricacies of Sharia-compliant corporate finance, investment banking, Sukuk and Islamic capital markets. Using existing Islamic contracts, the course will allow delegates to structure highly tailored wholesale financing solutions for specific client requirements. Case studies and exercises will allow delegates to test various structures and situations, and work towards innovative but ultimately Sharia-compliant structures. The course will also cover specific advisory related transactions such as various merger situations undertaken using Sharia-compliant funding, and a bank conversion process.

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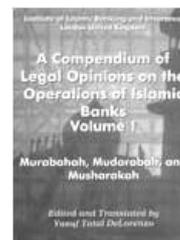
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BOOKS

A Compendium of Legal Opinions - Volume I

Author Yusuf Talal Delorenzo
Paperback 269 pages
Publisher Spiramus Press
Language English
ISBN 1 898420 35 1

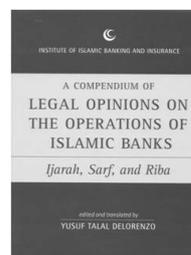


A unique subject-wise collection of 'Fatwas' (legal opinions), relating to the operations of Islamic banks.

The Compendium is based on Fatwas issued by the religious boards of Islamic banks. It is the first collection of legal rulings on the operations of Islamic banks that have been put together and will become a unique form of reference for Islamic banks, lawyers, accountants, researchers, academic and business organisations on this topic.

It took two years to collect, classify and translate the Fatwas from Arabic to English. The Arabic and English texts appear in the Compendium side by side.

A Compendium of Legal Opinions - Volume II



Author Yusuf Talal Delorenzo
Paperback 258 pages
Publisher IIBI London
Language English
ISBN 1 898420 55 6

This volume compliments the first, which provides a unique subject-wise collection of Fatwas (legal opinions) relating to the operations of Islamic banks.

These two volumes provide a much-needed reference to Islamic banks, lawyers, accounts, researchers, academics, business organizations and all others interested in Islamic finance.