



THOUGHTLEADERSHIP

Path Solutions' Thought Leadership series continue with iMAL*Sukuk

Path Solutions extends its comprehensive banking suite to cover the specialized arrangements, issuing and trading of Sukuk.

With the growth of the Islamic banking industry, Islamic fixed-income securities also emerged as significant instrument that provides investment diversification for both an institution and investors, and presents a source of funds for an institution.

Being an instrument under the Islamic finance products, Sukuk issuance and trading are governed by the Sharia rules and regulations. As part of its profound belief in the role of IT in Islamic banking operations and its imperative support for the industry's operations and growth, Path Solutions reaffirms its commitment to developing and delivering leading-edge banking applications by launching iMAL*Sukuk.

iMAL*Sukuk is part of a universal Islamic banking fully integrated and yet modular software system that covers Islamic fixed-income securities management. iMAL*Sukuk enables financial institutions to manage Islamic Sukuk opera-

tions, from the creation of the Sukuk to their maturity date.

The module covers the set up of Sukuk security instruments, their issuance, linking to related product, trading, recording profit accruals for the financial institution and its customers, to the settlement transactions along with the payment processes and the related accounting entries. The module also manages the issuance of Sukuk if the bank is issuer or arranger of customers issuing Sukuk. Using iMAL*Sukuk in the process of Sukuk issuance and trading will facilitate the unlocking of frozen funds for leading Sharia-compliant companies. iMAL*Sukuk provides financial institutions with the secured potential to broaden their financing sources while being consistent with Islamic principles and concordant with the AAOIFI rules and regulations.

As part of our Thought Leadership, a series of articles will be published regularly attesting Path Solutions' commitment to the Islamic finance industry by presenting newly launched modules, additional coverage, or projects undertaken. The next topic will be on iMAL*Liquidity Management System. ■

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(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

Path Solutions named Best Islamic Technology Provider by REDmoney for the second year in a row

January 15, 2010 – Path Solutions, a Kuwait-based provider of Islamic banking software solutions, has been adjudged as the Best Islamic Technology Provider in the 2009 Islamic Finance News Poll conducted by REDmoney. The poll confirms the leadership status for Path Solutions in the information technology systems for Islamic banking.

Commenting on the win, Naji Moukadam, President of Path Solutions said, "We are honored to be named for the second year in a row Best Islamic Technology Provider. This recognition certainly acknowledges our market position and contribution in the field and will help us consolidate our presence further. We would like to offer a special thank you to our growing list of customers for their continuous support and loyalty and to our teams in the different countries who are the heroes within our organization. We reiterate our commitment to providing best-of-breed AAOIFI-certified software solutions and services of the highest quality and value to our customers."

Winners of the Islamic Finance News Poll will receive the prestigious awards at two special Awards Ceremonies: The first will take place on the evening of the 3rd March 2010 at the Mandarin Oriental Hotel in Kuala Lumpur, followed by another at the Emirates Tower Dubai on the 8th March 2010.

The Islamic Finance News Awards Polls are the most transparent, definitive and competitive awards in Islamic finance. They are based on a unique poll which is the true reflector of the global Islamic financial markets. The fifth annual Islamic Finance News Poll results are in after 2,657 votes were cast over a month-long period.

Path Solutions is a worldwide provider of technology solutions and consulting services addressing the whole spectrum of the global finance industry and in specific the Islamic finance industry.

Path Solutions is dedicated to the satisfaction of its clients and employs leading edge technologies while guaranteeing reliable performance and levels of excellence in the quality and efficiency of its services.

Path Solutions' achievements and contributions to the Islamic finance industry have earned it numerous awards over the years and reinforced its position as the world's leading IT firm. ■

Midclear Lebanon selects iMAL

December 22, 2009 – Midclear S.A.L., the Custodian and Clearing Center of financial instruments for Lebanon and the Middle East selects Path Solutions -a multi-award winner global provider of banking software and the first IT firm certified by AAOIFI- as its key technology partner.

Midclear was on a quest to find a comprehensive solution that would be able to sustain its diverse operational requirements in the administration of mutual funds, multi family funds, SPVs while ensuring that the acquired solution will support Midclear's future offerings and overall growth plan.



Midclear's Chairman Fouad El Khoury commented: "We are very pleased and furthermore confident in our choice, having undertaken a thorough selection process and many proof of concepts, that only lead to the conclusion that Path Solutions constitutes the ideal partner on more than one level. Its business and technical expertise, as well as its task force of over 600 IT specialists, where 300 of them are located in the Center of Research and Development in Beirut, make it indisputable. iMAL developed by Path Solutions responds specifically to the needs of our different banking activities, thanks to its broad functional coverage. iMAL will enable us to offer a complete innovative and integrated range of services to our different customers, whether banks, custodians or broker/dealers".

Apart from insuring the efficient exchange of information between the managers of mutual funds and Midclear, Midclear will also use iMAL for transforming and routing transactions.

Midclear builds, manages, and operates a central securities depository, central registrar and clearing and settlement of Lebanese securities in an efficient and cost effective manner, which benefits the interests of the securities and financial industry in Lebanon.

"Partnering with Midclear marks a significant step for us in consolidating our position in the Lebanese market. It is as well a great testament to Path Solutions' cutting-edge technologies, project management capability and key contribution to the global banking sector," stated Naji Moukadam, President of Path Solutions.

"We operate on a global scale but pride ourselves on local knowledge and know-how. We are confident that our iMAL solution will significantly reduce Midclear operating costs. Moreover, our highly functional state-of-the-art software system will allow them to remain at the forefront of technological innovation".

About Midclear

Midclear S.A.L. (www.midclear.com.lb) is a Lebanese joint stock company with a capital of 2.8 Billion LBP, established and governed by the provisions of the Lebanese Commercial Code and other regulations in force in the Lebanese Republic. Midclear was appointed Central Depository for Lebanon by Law No 139 of October 1999, and Central Registrar for all Lebanese banks shares, by Law No 308 of April 2001.

Midclear's Members are:

- * The Central Bank of Lebanon
- * Local and Foreign Banks
- * Local and Foreign Financial Institutions
- * Foreign Central Securities Depository and Clearing Houses
- * Issuers
- * Mutual Funds.

Midclear was established to address a variety of operational and risk issues related to the safekeeping and settlement of financial instruments in general. Its main functions include:

- Safekeeping of securities for participants
- Immobilization of physical securities
- Book-entry clearing and settlement of transactions in a secure and cost effective environment
- Accurate, timely and cost effective means of collecting, distributing and accounting for dividend and interest payments
- Maintaining shareholders registers: By Law No 308 of April 3rd 2001, Midclear was appointed Central Registrar for all Lebanese banks shares
- Administering Mutual Funds
- Official numbering agency for Lebanon (ANNA member). ■

Path Solutions empowers Islamic banking operations at Al Baraka Bank Syria

December 7, 2009 – Path Solutions, a leading provider of information technology solutions to the Islamic financial services industry, today announced that Al Baraka Bank Syria has selected Path's Islamic banking solution to meet the growing industry demand.

Both Al Baraka Bank Algeria and Al Baraka Bank Sudan are currently using Path Solutions' iMAL system. With the establish-

ment of Al Baraka Bank Syria, the bank has recognized new opportunities to play a catalyzing role in the country, providing innovative and pioneering Islamic banking products to its diverse clientele.



"The partnership with Path Solutions is an opportunity to be the dynamic leader in providing a wide range of innovative Sharia-compliant products to the Syrian community," said Mamoun Darkazally, General Manager of Al Baraka Bank Syria. "The system will contribute towards our objectives of effective and efficient Islamic banking operations," Darkazally concluded.

Al Baraka Bank Syria is a banking unit of Al Baraka Banking Group, a leading international Islamic bank that offers retail, corporate and investment banking and treasury services strictly in accordance with the principles of the Sharia. The authorized capital of ABG is US\$1.5 billion, while the total equity amounts to about US\$1.52 billion.

Al Baraka Bank Syria is the 4th Islamic bank in Syria to run on iMAL. The bank joins a growing list of Islamic financial institutions that have adopted Path Solutions' iMAL, an enterprise-wide solution developed from scratch to address all Islamic banking requirements.

"We are very pleased that Al Baraka Bank Syria has selected iMAL solution, after Al Baraka Bank Sudan and Algeria," commented Naji Moukadam, President of Path Solutions. "This proves that banks eager to achieve competitive advantage and optimum customer focus and responsiveness go for Path Solutions' unique iMAL system. We believe that the capabilities of our technologies are unrivalled".

Al Baraka Bank Syria is fully committed to ensuring it is using pure Islamic banking software. The decision of the bank to deploy iMAL is further validation of Path Solutions' mission to be the IT provider of choice for Islamic financial institutions worldwide. ■

SWIFT and Path Solutions partner to create messaging system standard for Islamic banking products

November 13, 2009 – Path Solutions, the global provider of Islamic banking software, announced today that it has signed an agreement with SWIFT, a worldwide provider of secure financial messaging services, aimed at the development of cutting-edge new standard messages for Islamic products to constantly meet industry needs.

SWIFT's first step into the Islamic finance world will be demonstrated by the automation of Treasury Murabaha messages. This will result in replacing the current paper driven process used across the industry with ISO message standards.

SWIFT has held several discussions with its customers such as banks, brokers, application vendors, Islamic finance industry organisations and Shariah scholars based in the United Kingdom, Middle East and Malaysia and many confirmed that ISO 15022 messages for use in Murabaha transactions will meet their needs. The Pilot phase is underway with banks based in the UK, the Middle East and Malaysia.

Commenting on the joint agreement, Patrik Neutjens, Head of Partner Management, SWIFT, says: "SWIFT is pleased to welcome Path Solutions into our Partner Program. Path is a key vendor in the Islamic finance industry, and together we can work towards standardizing and automating processes such as the Treasury Murabaha, thereby helping to reduce cost and risk associated with manual processing"

Path Solutions is the first software provider contacted by SWIFT because of its deep knowledge and industry-leading expertise. Path Solutions' flagship product iMAL is the first and only banking software to be recognized and officially certified by AAOIFI. Moreover, iMAL is built and developed from scratch to address specifically all Islamic banking requirements. It is an end to end solution running through a single version across all countries.

"We are delighted to collaborate with SWIFT on creating pioneering messages that will serve the special nature of the Islamic finance community," says Naji Moukadam, President of Path Solutions. "This partnership will create a powerful value proposition for our customers, enabling us to deliver flexible and cost effective Islamic banking solutions"

Once the pilot phase is achieved and its progress monitored, Path Solutions will be among the first to implement the new Islamic messaging system standard, allowing its clients to benefit as always from truly revolutionary products and upgrades to the Islamic financial marketplace.

About SWIFT

SWIFT is a member-owned cooperative

that provides the communications platform, products and services to connect over 8,500 banking organisations, securities institutions and corporate customers in more than 200 countries. SWIFT enables its users to exchange automated, standardised financial information securely and reliably, thereby lowering costs, reducing operational risk and eliminating operational inefficiencies. SWIFT also brings the financial community together to work collaboratively to shape market practice, define standards and debate issues of mutual interest. ■

PUBLISHED ARTICLES

The Hare and the Turtle: The Race in Islamic Banking – A Comparative Analysis of the Banking Acts of Malaysia and Pakistan



by **Rosmah Ismail, Executive Advisor of Islamic Banking in the Middle East**

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(...Continued)*

• The Banking Companies (Recovery of Loans) Ordinance, 1979

Likewise, Section 8 had been scrutinized by the Federal Shariah Court, in particular, Section 8(2) (a) and (b) relating to interest and mark up. These sections were declared repugnant to Shariah principles, recommendations were directed at enacting new rules to prohibit interest and incorporate Islamic modes of financing and investment for the country.

Other directly affected regulations such as the West Pakistan Money-Lenders Ordinance 1960, West Pakistan Money-Lenders Rules 1965, Punjab Money Lenders Ordinance 1960, Sindh Money Lenders Ordinance 1960, the Balochistan

Money Lenders Ordinance 1960, and the Co-operative Societies Act, 1925, had been repealed by March 31, 2000 due to their redundancy within Shariah.

In order to then move forward with an Islamic economy free of interest, riba and gharar, the Federal Shariah Court recommended that the following be put in place:

1. Strict austerity measures to curtail Government expenditure.
2. An Act to regulate and monitor public borrowings through the Federal Consolidated Fund and Public Account and Provincial Consolidated Fund and Public Account by the Parliament and the provincial Assemblies respectively.
3. Establishment of laws on prudential measures, freedom of information, privacy, financial services and ethics to promote greater transparency.
4. Establishment of a Serious Fraud Office to manage and prevent white collar crimes.
5. Establishment of credit rating agencies.
6. Establishment of Special Units within SBP for the following tasks:
 - (a) A Shariah Board to assist SBP with managing the economy, products and procedures.
 - (b) Establishment of a committee within SBP to provide technical assistance to financial institutions.
 - (c) Establishment of a Commission for Transformation to review and finalize recommendations by the task forces.
7. The Federal Government to appoint within one month a high level Commission within SBP consisting of economists, bankers, chartered accountants and Shariah scholars to oversee and lead the conversion to an interest free financial system.
8. The Commission shall then within two months draw up the strategy to evaluate, scrutinize and implement the reports of the Commission for Islamization of the Economy and the Raja Zafarul Haq Commission. The strategic plan shall be forwarded to the Ministries of Law, Finance and Commerce and all financial institutions for implementation.
9. The Ministry of Law and Parliamentary Affairs shall within one month form a task force comprising of its officials and two Shariah scholars from the Council of Islamic Ideology or from the Commission for Islamization of the Economy to:
 - (a) Draft a new law prohibiting riba and other relevant laws for implementing the new strategic plan.
 - (b) Review existing financial laws and other laws to bring into conformity with the requirements of the new financial system.
 - (c) Draft new laws to govern and provide legality to the new financial instruments.
10. All banks and financial institutions shall within six months, draw model agreements and documents for all their operations for presentation to and approval by the Commission for Transformation.
11. All joint stock companies, ■ » P. 04

mutual funds and firms seeking PKR1 million in banking facilities per year shall have to be rated by a neutral credit agency. 12. All banks and financial institutions shall be required to hold training programs and seminars to educate and train their staff and clients on the new financial system and its new requirements relating to products, procedures, documentation and legal implications.

13. The Ministry of Finance shall within one month form a task force to convert domestic borrowings into project finance and to set up a mutual fund for government financing. The mutual fund may be subscribed by the public and tradable on the secondary market, existing government savings bonds would be converted into the mutual fund certificates.

14. The domestic intergovernmental borrowings and borrowings of the Federal Government from the SBP shall be structured to be interest free.

15. The Government shall negotiate to restructure all existing Federal Government loans to Shariah compliant modes of finance.

Draft Banking Act 2006

Taking Malaysia as an example of a country with established Islamic banking and finance legal framework, the SBP have issued a Draft Banking Act last year and had invited comments from specialists and the public. Below are some pertinent points relating to the Draft Banking Act 2006:

a) Licensing

• Definition of Bank, Banking business
Unlike Malaysia's BAFIA and IBA, the Draft Banking Act of Pakistan contains a very extensive list of definitions in its Preliminary Part 2:

A 'bank' is defined as "a company incorporated in Pakistan or overseas licensed to carry on banking business in Pakistan which is governed by the Companies Ordinance 1984. BAFIA on the other hand defines a bank as "a person which carries on banking business" whilst IBA stipulates that a bank is "any company which carries on Islamic banking business," whereby a person includes an individual, any corporation or incorporate or unincorporated entity.

In the SBP Draft Banking Act 2006, 'Banking business' means:

Accepting or receiving money on current account, deposit account or other similar account; Paying or collecting cheques drawn by or paid in by customers; Provision of finance and other business as may be prescribed by the SBP from time to time. Unlike Malaysia, Pakistan does not leave the permitted activities of a bank to be defined; Schedule 1 detailed out an almost exhaustive list all the activities that are permissible for a bank.

It may be useful in this occasion not to define all activities so narrowly as to endeavour to name all the permissible banking activities available in the country.

In an industry that has been moving and innovating at such a fast pace, the legislator's speed to update the list of services and products may not be speedy enough for the market. Hence, having a list such as Schedule 1 seems rather an impediment than a useful tool for practitioners and legislators alike.

In comparison with Malaysia, the entire IBA is to regulate the business of Islamic Banks. However, the definitions are not as detailed as SBP's. Islamic banking business is defined simply as "banking business whose aims and operations do not involve any element which is not approved by the Religion of Islam" whilst BAFIA's definition reflects the SBP's as the business of:

Receiving deposits on current account, deposit account, savings account or other similar account; Paying or collecting cheques drawn by or paid in by customers; Provision of finance; Any other business approved by the Ministry of Finance.

According to the SBP, 'Credit facility' includes the giving of any advance, loan or other facility in whatever form or by whatever name called by a bank whereby a customer of the bank has access to funds or financial guarantees; The above has the same meaning with BAFIA's.

The SBP also added to the above, 'Liabilities incurred by a bank on behalf of customer, modes of financing compliant with Shariah principles and any other dealings or transactions specified by SBP regulations' as credit facilities.

• Definition of Depositor, Customer

The SBP defines 'Creditor' to include any person from whom deposits have been received on the basis of participation of profit and loss and a bank from which credit facility has been received on the basis of participation in profit and loss, mark up in price, hire purchase, lease, or otherwise.

'Debtor' includes any person who is obligated or liable to pay a claim or demand, which is due or may become due; whilst 'Person' means an individual, corporation, statutory body, local authority, society, trade union, co-operative society, partnership and any other body, organization, association or group of persons whether incorporated or otherwise.

Similarly with BAFIA, 'Demand liabilities' means liabilities which must be met on demand; whilst 'Deposit' means a sum of money paid on terms under which it is to be repaid, either wholly or in part, with or without any consideration, either on demand or at a time or in circumstances agreed by or on behalf of the person making the payment and the person receiving it, and in any other circumstances as may be specified by SBP, but does not include Bona fide advance or part payment under a contract for sale or hire, or as security i.e. excludes down payment

or earnest money. The same is reflective and understood within BAFIA.

'Depositor' has been defined by SBP as a person who is entitled to repayment of a deposit. This reflects that the banking business relationship is a debtor-creditor, i.e. conventional banking. The same is provided for in BAFIA, however, the Islamic business is covered by IBA and in IBA however, depositor means a person who has an account at an Islamic bank, whether the account is a current account, a savings account, an investment account or any other deposit account. This goes to show that the Draft Banking Act 2006 has inadvertently excluded the Islamic depositor from its Act, or is the reader to assume that all depositors have been lumped under the umbrella of persons with entitlement of repayments? This would not be accurate and may have legal repercussions to claims in cases where the bank is under liquidation. In Malaysia, it is very clear that the Islamic depositor has a better standing than a conventional depositor in having back his deposits. The Malaysian Islamic depositor ranks above all creditors as the deposit account is based on Wa'adiah; unless the deposit account has been based on Mudarabah or Musharakah contract whereby he would rank parri passu with all the other creditors. The SBP Draft Banking Act therefore has not taken into account the position of the Islamic depositor.

At this juncture, we have to be reminded of the inapplicability of the Partnership Act to be invoked for protection of the Islamic depositors given its Section 6A amendment. Hence, Shariah compliant modes of profit and loss sharing contracts are not to be perceived as partnerships between the customers with the Islamic bank.

The SBP also defined 'Finance' to include an accommodation or facility provided on the basis of participation in profit and loss, mark-up or mark-down in price, hire purchase, equity support, lease, rent-sharing, licensing charge or fee of any kind, purchase or sale of any property including commodities, patents, designs, trade marks and copyrights, bills of exchange, promissory notes or other instruments with or without buy back arrangement by a seller, participation term certificate, musharika, murabaha, istisnaa or mudaraba certificates, term finance certificates; Facility of credit or charge cards; Facility of guarantees, indemnities, letters of credit, or any other financial engagement which a financial institution may give, issue or undertake on behalf of a customer, with a corresponding obligation by the customer to the financial institution; A loan, advance or cash credit, overdraft, packing credit, a bill discounted and purchased by other financial institutions to a customer; and any other facility availed by a customer from a financial institution.

There is no definition on what or who is

the 'Customer'. Curiously, the 'Customer' is neither also not defined in IBA nor BAFIA.

b) Business supervision and the Duties of a Banker

The business supervision provisions seem to be the rather standard provisions, the duties of a bank are similarly like Malaysia's, covering those activities within the maintenance of statutory requirements and the publishing of financials.

c) Shariah supervision

Part IV of the Draft Banking Act 2006 provides for the regulation of Islamic banks. Islamic banking business may be conducted via a branch, subsidiary or on basis that the business is not repugnant to Shariah principles. Such entities must ensure compliance with SBP's Shariah compliance standards and appoint a Shariah advisor who meets SBP's Fit and Proper Criteria. The Shariah advisor is required to provide a statement with each annual report of the bank. SBP also has a Shariah Advisory Council whose members are prohibited from being Shariah advisors to other banks. Where there is a conflict of opinion between a bank's Shariah advisor and the SBP's Shariah Advisor, the SBP's Shariah Advisory Board takes precedence and its opinions are binding upon the others. Article 5 of Part V specifies the minimum qualifications of Shariah advisors of Second Class Bachelor's Degree in Economics, or Fiqh with sufficient understanding of banking and finance, or postgraduate degree in Islamic Jurisprudence and experience in banking and finance, additionally at least 3 years of giving Shariah rulings or 5 years in Islamic banking and finance research with Arabic and English proficiencies. Malaysia, on the other hand, lacks Shariah expertise in the country, and as such is not in a position to dictate the minimum qualifications of a Shariah scholar. The Central Bank leaves it to the bank or the organization to appoint and be fully satisfied by the qualifications of its own Shariah board members.

Unlike Malaysia, the SBP has also released the Draft Shariah Compliance Risk Guidelines for financial institutions and organizations to refer for direction and measurement against what it would consider the acceptable standards. This is a commendable act and a useful tool especially for a multi-religious country such as Malaysia and we could do well to emulate such practice.

d) Customer protection

Notwithstanding the terms used such as banker, creditor, debtor, customer, Article 30 of Part IV provides that the banker-customer relationship of Islamic transactions shall be as per the particular transaction contract. SBP reserves the right to specify model contracts and corresponding responsibilities in relation to the transactions.

Depositor protection is provided for in Part XIII whereby a customer is provided up to 80% of his deposits if his bank becomes insolvent. The fund is contributed by banks as well as government funding. BAFIA provides up to 60% deposit protection through MDIC. IBA's Part XII Article 45 provides Islamic depositors top priority of other creditors. Customer protection is also provided for through the Banking Mohtasib, this is a person of judicial level whom the public may approach to investigate or arbitrate in any banking matters.

Risk Management

Operational risk management consists of legal, systemic, Shariah compliance risks:

- Systemic risk - Similarly to Malaysia and many countries, the SBP has provided for systemic risk management through the gradual adoption of the Basel I and II Accord. Both Pakistan and Malaysia have initiated the process of implementing the Basel II Accord.
- Shariah compliance risk - Shariah compliance risk is very well catered for with the comprehensive SBP's Shariah Compliance Risk Guidelines.

Corporate governance

a) Ownership control and transparency
The provisions are standard, similar to Malaysia's, the SBP lists out the senior management roles and qualifications according to its concept of 'fit and proper criteria'.

b) Banking secrecy and information

Part VI article 67 prohibits any removal of records or information outside of Pakistan in whatever form. All transaction records are to be kept in order at all times, no maximum retention period stated. Part VII, article 77 allows foreign supervisory bodies to conduct supervisory inspection with prior approval from the SBP. The SBP may also be requested to investigate any alleged breach of supervisory regulations; SBP may assist provided the cost is paid for or by mutual collaboration. Article 81 indemnifies the auditors of local bank's overseas branches when providing information under SBP directive. Part IX Article 91 provides the mandatory reporting of suspicious transactions relating to AML and terrorist financing and indemnifies information giver and the bank from any litigation.

Banking secrecy applies except in cases whereby SBP requires the information in order to write off certain loans, or where the customer has been declared a bankrupt anywhere in the world or where the customer is deceased and his heirs require the information, or where information is for credit bureau purposes or in criminal proceedings. Similarly BAFIA provides full secrecy except in cases of AML, terrorist funding, credit bureau and criminal proceedings.

c) Illegal banking activities

As the hawalah system is rife in Pakistan, Part VIII dedicates a long list of punitive provisions pertaining to this area. Basically, everything will be confiscated and wound up and all disclosure from the transgressor would be necessary in order for the government to squash the syndicates.

d) Remedial action

Part X provides for corrective action whereby the SBP will intervene in order to enforce corrective action plans in circumstances of a bank unable to meet its financial obligations or is not acting in the best interest of its depositors or is being used for criminal purposes. There are 18 remedial steps which the SBP may require the bank to take in order to have a fast turnaround of its situation.

Schools of Law

Given the strong tradition of jurisprudential expertise available in Pakistan, the enactments and products in Pakistan had been largely based on the Hanafi School of Law. In Malaysia, whilst a number of products are based on the Shafii School, Malaysia is acceptable of any schools of the Shariah (Hukum Sharak) as we lack local tradition in the area of Shariah. Historically, the Melaka Sultanate and Tanah Melayu had also looked at direction and guidance from scholars of the Middle East, Pakistan and Indonesia.

Strategic Plan 2005 - 2010

The Second Wave of Islamic banking revival in Pakistan brought with it Pakistan's Strategic Plans 2005-2010 and laid down a two prong Strategy as follows:

A. Functional Strategies

(i) Financial sector deepening and broadening of access through wider access of formal credit to middle and lower income groups such as the small and medium sized enterprises (SME) and micro enterprises through consumer financing, development of regulatory regime for infrastructure financing, strengthen home finance regime, enhance volume and scope of agriculture credit through new schemes, research and special studies of agriculture credit and microfinance, strengthen export finance regime and promoting outreach programs.

(ii) Proactive supervision and regulation of financial institutions through formulation of agile and proactive resolution mechanism for banking crisis, strengthen supervisory regime, streamline data reporting by banks and development financial institutions, development of regulatory framework for e-Banking, implementation of Basel-II Capital Accord, comply with anti money laundering (AML) regime, consolidated supervision of banks and developmental financial institutions and create consumer awareness. ■»P. 06

(iii) Privatization of the public sector banks and divestment of government shares in privatized banks through privatization of Islamic Development Bank of Pakistan (IDBP) and the SME Bank.

(iv) Strengthen the financial sector through strengthening capital base of financial system, introduction of safety nets in banking system, encouragement of private sector Credit Bureau, augmenting the "fit and proper" regime for professionals and development of the human resource base of banking industry.

(v) Promote Islamic Banking as a Parallel and Compatible system through the promotion and strengthening of the Islamic Banking regime.

(vi) Conduct forward looking policy analysis through developing a framework for forward looking policy analysis via macro modeling, improving the use and effectiveness of data to support policy and research and enhancing coverage of monetary aggregates.

(vii) Enhance effectiveness of monetary policy implementation through better liquidity management by introduction of Liquidity Adjustment Facility and creation of an effective Monetary Policy Committee in place of existing Monetary and Exchange Rate Policy Committee (MEPRC).

(viii) Improve research and data dissemination capability through improving quality and dissemination of research, and improving interaction with stakeholders.

(ix). Deepening of financial markets through improved quality and dissemination of research, better interaction with stakeholders, listing of government securities on Stock Exchange, introduction of additional variants of financial derivatives, the development of Islamic Money Market, revision and replacement legislation for government securities, provision of regulatory support for supranational local currency bonds e.g. ADB and proactive public debt management in co-ordination with Public Debt Office and the MOF.

(x) Prudent foreign exchange rate and reserves management through in-house reserve management through capacity building of front, middle and back office, enhancement and unification of risk management process in SBP, alignment of Foreign Exchange Regulation Act (FERA) 1947 with current context, on-line reporting of listed companies, develop documentation mechanism and policies for all cash transactions, integration of capital account liberalization in phases and develop policy and the mechanism to prevent all speculative activities impacting the foreign exchange market.

B. Management Strategies

Among the key strategies are to:

(i) Development of Real Time Gross Settlement System (RGTS).

(ii) Development of Public Key Infrastructure and Digital Certificate Infrastructure.

(iii) Implement e-Banking and e-Commerce.

(iv) Establishment of Electronic Clearing House.

(v) Integration of Payment System with other settlement systems (local and foreign).

(vi) Development of Securities Settlement System for secondary market.

(vii) Information Technology upgrades.

(viii) Effective Communication Strategy with all stakeholders.

(ix) Active in corporate citizenship initiatives.

(x) Strengthening of legal framework by preparation of substantive legislation, rules and regulations.

(xi) Strengthening of contingency mechanisms such as Business Continuity Process (BCP) with establishment of Disaster Recovery Centre (DRC).

(xii) Business process re-engineering to be in sync with implementation of technology and RTGS.

(xiii) To improve use and effectiveness of data to support policy and research.

(xiv) Enhance efficiency and reporting of information relating to Government Accounts.

(xv) Remove hurdles for seamless co-ordination between policy and operations in Accounts, Audit and Exchange Policy.

(xvi) Implement Risk based audit.

The above 5 year strategy looks like something out of Malaysia's many financial sector plans. The Pakistan Plan above is more consolidated and is a financial master plan rather than just an Islamic banking plan for a country. It is also interesting to note that Islamic banking and finance is positioned as a "as a Parallel and Compatible system" rather than a financial system that is to replace an existing one. No doubt the implementation and development would depend very much on the leadership which unfortunately is currently grappling to stay elected rather than focusing on delivering any religious ideals to its people.

Conclusion

The paths of the two countries have been invariably different although each derived its legislative and judicial tradition from its Commonwealth origins. Malaysia on the one hand is more inclined to go surefooted and slowly, having in its path the various government entities to contend with in order to obtain consensus, but are we moving much too slowly? Malaysia had left the BAFIA and IBA general rather than detailed, so that new areas and issues may be handled and resolved without having to opt for numerous amendments in the future, the legislative approach being more sectoral and functional than all encompassing.

Pakistan on the other hand has a wealth of Shariah expertise to its disposal with strong Shariah traditions, however, the

country's political breadth and width play a significant role in directing the outcome of the developments in the country, financially, economically and socially; currently, Islamic banking and finance has become but a small portion of the ruling power's agenda. Hence, the Banking Act 2006 may see another couple of years as Draft, having not incorporated as yet the above requirements of their 5 Year Strategies. For example, if the DFIs were to play a key role in the dissemination of finances to the SMEs and other Micro corporations, the Draft Banking Act should extend itself not only to Banks but also to other non-bank financial institutions. This has not been taken into account as yet in its current definition of banks.

The strategy has also somewhat changed in that Islamic banking and finance is not ambitiously flagged as the replacement to conventional banking, but rather an alternative for its Muslim population. The Finance Minister, in his 2002-03 Budget speech "reiterated the intention of the government to promote Islamic banking in the country while keeping in view its linkages with the global economy and existing commitments to local and foreign investors." SBP in its 2001-02 Annual report stated that "The SBP is itself committed to promoting Islamic banking in Pakistan on a parallel basis."

The path of eliminating interest and live by a riba free economy is not misguided, as in the words of Keynes, "If I am right in supposing it to be comparatively easy to make capital goods so abundant that the marginal efficiency of capital is zero, this may be the most sensible way of gradually getting rid of many of the objectionable features of capitalism... it is to our best advantage to reduce the rate of interest to that point relatively to the schedule of the marginal efficiency of the capital at which there is full employment." i.e. interest rate is zero. ■

INTERVIEW

Mr. George Wong Chief Financial Officer Al Jazeera Finance – Qatar



• *When did Al Jazeera start looking for a new system?*

Al Jazeera has been planning to acquire a new system since 2003. However, it wasn't until March 2008 that Al Jazeera began to meet prospect vendors and started the selection process.

• **How the system was selected (RFI, RFP, Gap Analysis etc)? Who participated in the selection process?**

Our selection process consisted of RFP and Gap Analysis. The CEO and the heads of each department participated in the selection process.

• **What were the criteria and main requirements for choosing the system?**

Al Jazeera needed a system that strictly followed the Islamic banking regulations and one that would help assist and sustain the company's continuous growth in the region.

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

The short listed vendors were of course, Path Solutions, Misys and Avansys (Microsoft Dynamics).

• **Why did you choose iMAL?**

iMAL was built ground up with the Islamic compliance in mind. Most other vendors implemented the Islamic compliance upon their existing systems.

• **Who participated in the implementation process (bank, vendor, third parties)?**

Both, the bank and the vendor.

• **Did you test the system during the implementation?**

Yes, testing was made at almost every phase in implementation.

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

The system is based on Sybase using Microsoft Server 2003.

• **What internal/external applications was the system interfaced to or integrated with?**

None.

• **Is the new system centralised?**

Yes, the system is centralised between 3 of our branches across Doha.

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

The system was adapted very closely to our bank's requirements. Although we had to develop quite a few business requirement documents and modifications in order to fully localise our new system.

• **Which modules were implemented?**

Customer Service Management, Facility Management, Financial Accounting Management, Financial Template Reports, Fixed Assets System, Islamic Investment & Treasury, Report Designer and Nostro Vostro.

• **Does Al Jazeera plan to expand the module range? Will it continue to collaborate with Path Solutions?**

Yes, one of the key aspects that led Al

Jazeera to choose Path Solutions during the selection process was their wide range of modules. This will allow us to easily integrate any new modules in the future without the need to localise the system.

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

The project went live on time and within the budget in June 2009.

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

Some of the staff will always find that working with a new system, especially when they are accustomed to another, quiet cumbersome. Therefore, training the staff had its highs and lows. However, we were able to successfully and efficiently train all the staff in our company.

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

One of the issues we faced was the fact that there was no proper documentation in some other languages for the staff.

• **Looking back, what would you have done differently?**

We would create a more detailed RFP, as well as devised the UAT plan in advance.

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

Have a detailed RFP and gap analysis to start, create a structured training for the staff with a qualified trainer and spend more time on the UAT phase.

• **Do you think that the new system is a good value for money, time and efforts?**

The new system has made Al Jazeera a lot more customer-oriented and productive. In addition it continuously helps us grow and expand our market to unprecedented heights.

• **Are you satisfied with the work and the results?**

Overall, Al Jazeera team are satisfied with the work and results of the project.

EVENTS&CEREMONIES

Path Solutions seconds the 1st Islamic Finance Forum in West Africa

January 14, 2010 – Path Solutions has made its first visit to Dakar where it had silver sponsored the 1st Islamic Finance Forum held at the Hotel Le Meridien Président on 11 and 12 January.

In partnership with the Ministry of Econ-

omy and Finance and with the support of the Islamic Development Bank (IDB), the 1st IFIF in the UEMOA was presided over by H.E. Abdoulaye Wade, President of the Republic of Senegal and Mr. Ali Mohamed Ali, Governor of the Central Bank of West Africa (BCEAO) and President of the Islamic Development Bank.

As Islamic finance is not yet entrenched in Senegal, with only one bank fully Islamic, Dakar's forum tackled the questions relating to the further development of Islamic finance in the country and in West Africa in general.

Senegal president, Abdoulaye Wade said the increase of Islamic banks in Europe was to the detriment of African and Islamic nations. Speaking in his capacity as incumbent chairman of the Organisation of the Islamic Conference (OIC), Abdoulaye Wade claimed that Islamic finance appears to neglect Africa, a continent in much need of aid and assistance. ■

Path Solutions takes part in AAOIFI - World Bank Annual Conference



December 20, 2009 – Path Solutions participated as a Silver Sponsor of this year World Bank conference on Islamic Banking and Finance organized by the Accounting and Auditing Organization for Islamic Financial Institutions.

The event was held on December 14 & 15 in Manama under the patronage of the Central Bank of Bahrain. It included several topics such as Tawarruq transactions, Sukuk instruments, Derivatives and other developments in the Islamic finance sector. Discussions were led by several eminent members of the AAOIFI Sharia Board. ■

Path endorses the 11ème Forum Français de la Finance Islamique

December 10, 2009 – Gilles Saint Marc, Chairman of the Paris Europlace Islamic Finance Commission addressed the audience of the 3rd Annual French Conference on Islamic Finance, on the ■ » P. 08

topic "Legal and regulatory developments in Islamic finance".

The forum which was held on December 9 at the Club d'Iena - Maison des Arts et Métiers in Paris, was organized by Les Echos Conférences and sponsored by Path Solutions and attended by over 200 VIP delegates. ■

Path supports Bahrain's WIBC



December 9, 2009 – The World Islamic Banking Conference (WIBC) has become an iconic brand internationally recognized as the largest and most significant gathering of Islamic banking and finance leaders anywhere in the world.

The 16th Annual WIBC was held on the 6th, 7th & 8th of December 2009 in Bahrain where Path, a long-time supporter of the event, was the Silver Sponsor. Key decision makers and other industry experts visited Path Solutions' booth to find out more on the latest technological innovations for Islamic banking. ■

Path Solutions' delegation attends Fleming Gulf's Retail Banking Africa in Cairo



November 10, 2009 – Under the theme "Building Africa's most Lucrative Retail Bank", Path Solutions joined as a supporting sponsor of the prestigious Retail Banking Africa Conference held on November 2-4 in one of Africa's promising financial market that is Cairo.

The conference brought together over 100 high-profile bankers from the different countries' leading retail banks aspiring to cash in on the opportunity to ex-

pand their networks into Egypt emerging market and to check on the latest technological advances in the domain. ■

Significant success in Malaysia's KLIFF for Path Solutions



November 9, 2009 – Path Solutions sponsored and participated in Asia's largest Islamic finance forum (KLIFF) held on November 2-5 in KL.

The Kuala Lumpur Islamic Financial Forum is into the 6th year which, since inception in 2004, was attended by local, regional as well as international speakers and delegates specialising in Islamic banking and finance. The event was graced by the Prime Minister of Malaysia, Datuk Seri Najib Tun Razak who, in his address, said that Islamic finance was a strategic vital element in the world's recovery from a financial crisis that has shaken both finances and faith in banking institutions. ■

Path Solutions was the Silver Sponsor of Kuwait 3rd Fiqh Conference



November 6, 2009 – As reported by KUNA, the first session debates of Kuwait's 3rd Fiqh Conference for Islamic Finance Institutions were predominated with the issue of insolvency provisions of the bankruptcy of financial institutions. On its second day, the conference attendees discussed issues that concern the Islamic finance industry during the global financial crisis.

Issam Al-Enizi, a financial expert stressed on the importance of presenting an integrated model that shows the world that

Islamic banking is very flexible and able to overcome any obstacles and that the global financial crisis was a magnifier to those financial institutions to re-calculate their ways of investments and to seek better opportunities in the future.

As usual, Path Solutions' booth drew intense attention from expert visitors inquiring about the latest Islamic banking software. Finally, the conference was to wrap up with success its meetings later on Wednesday 4 November. ■

Path Solutions promotes Pakistan's largest Islamic banking conference

November 3, 2009 – With more than 22 worldwide known speakers, Pakistan's largest conference of its kind was held on November 2nd at Islamabad Convention Centre.

The "Third International Conference & Exhibition on Islamic Banking and Takaful" organized by AlHuda Centre of Islamic Banking & Economics and sponsored by Path Solutions, consisted of 8 sessions that covered topics on Islamic Banking, Islamic Insurance (Takaful), Sukuk, Islamic Funds, Islamic Microfinance and other related subject of Islamic Finance. The conference was also annexed with two days workshop on Takaful and Islamic Micro Finance held at NIBAF – State Bank of Pakistan, Islamabad. ■

CORPORATE ACADEMY NEWS

Servant Leadership



**Author : Joseph Moghabghab
VP Corporate Academy
Path Solutions**

Arrogance, rudeness and egotism are poisonous to leadership. True leaders can never be falsely humble. They are simply modest in their behavior. Modesty can be learned, and it is well suited to the examples the manager or chief executive should set.

The Mckinsey research on excellent companies, which ultimately became In Search of Excellence, found that modest executives "walk around" rather than holding all meetings in their own offices.

The late Robert Greenleaf, former Director of Managing Research for AT&T, developed a useful reminder for being a modest leader: "Servant Leadership." In a pamphlet and later in his book, *Servant Leadership*, he illustrated the concept with a German tale about a group of important men who went on a long journey into the wilderness, accompanied by a servant. They got lost and fell into deep trouble. The servant was particularly helpful and became the accepted leader of the group. They came to trust him because he demonstrated attributes of behavior that helped them get out of trouble. So their servant became their leader and the others became his constituents.

The seven pillars of Servant Leadership based on Greenleaf's key insights are organized as follows. A servant leader is a person

1. With a character that sustains honesty and builds his leadership traits by developing his character. He is a modest person in all of his dealings.
2. Who puts people first, mentor-minded, shows care and concern. According to Greenfield; the first and most important choice a leader makes is the choice to serve, without which one's capacity to lead is severely limited.
3. Who shows understanding, supports and gives feedback. It is a person who is an active listener.
4. Who builds a remarkable team with defined goals and roles, members' commitment, shared rewards and trust. He is a person who manages conflicts compassionately.
5. Who does not fail to foresee and is viewed as an ethical success; foresight being the central ethic of leadership. "A serious ethical compromise today is sometimes the result of a failure to make the effort at an earlier date to foresee today's events and take the right actions when there is freedom for initiative to act" – Robert Greenleaf.
6. Who demonstrates flexibility and can imagine different possible options.
7. "Who leads with the principled exercise of free choice, which almost always involves some form of sacrifice" – Stephen Covey.

An unassuming chief executive or manager is he who often stands in line at headquarters cafeterias and then joins a group at one of the general tables.

Servant Leadership portrays the leader as a servant functioning like a resource rather than as a slave to his colleagues. Servant Leadership is a mindset, an attitude and a way of being. It is not a set of techniques or practices. It is to lead as a resource to serve others. Colleagues will then serve the leader's mission and goals much more effectively and that is what leadership is all about.

Servant Leadership is becoming part of

the language. Walter Kiechel III, former Editorial Director of Harvard Business School Publishing, wrote in *Fortune* that the two words "Servant Leadership" are "a juxtaposition of apparent opposites meant to startle the seeker after wisdom into new insight: The leader exists to serve those whom he nominally leads, those who supposedly follow him."

Certainly having the Servant Leadership viewpoint helps any leader; be it a chief executive or manager, focus on company performance and the needs of constituents rather than his or her own performance or image. The chief executive or manager knows that he or she will get credit for good corporate performance as well as blame for poor performance. So the chief who is a leader can plunge wholeheartedly into leading other company leaders in improving overall company performance, knowing that his performance is always being carefully watched by everyone in the company.

Several executives just put "chairman" on their business cards and letterhead but not "chief executive officer", even though they hold both titles.

Any chief executive or manager seeking to be a leader will avoid the behavior of the chief executive depicted in the best-selling *Barbarians at the Gate* for Harper & Row. The book depicts the corporate life of the then chief executive of RJR Nabisco. The company's fleet of corporate jets was used freely for his own personal enjoyment, as well as the many golf clubs to which he belonged at company expense. His social life was supported by the planes, clubs, and corporate conferences, all paid for by the company.

No true leader will choose to play "the CEO game." the example he or she would set within the company would be devastating, as was the example set by the RJR Nabisco chief executive.

The genuine leader also steers away from showy corporate headquarters. In the past, the trend was to have the corporate headquarters located in elaborate buildings. Today, companies are joining a reverse trend. IBM being the first of these companies had put up for sale its headquarters office in Armonk, New York, a structure designed by prestigious architects, built on a hill overlooking landscaped grounds.

The Senior Vice-President of Human Resources and Administration at IBM told the *New York Times*: "Our view of corporate headquarters is that there should be as little of it as possible. There will have to be someplace for the Chairman, me and a few other people to sit. The big building on the hill is more and more a thing of the past."

This tells us something about the direc-

tion that the present Servant Leadership revolution in managing is taking. It also points up one of the differences between leaders and managers. Successful leaders are as modest in the surroundings they create - or tolerate - as they are in their behavior.

Casualness and informality contribute to a leadership culture. In some successful high-tech companies, everyone dresses and behaves informally; it's integral to the company culture. At General Electric, this is increasingly the pattern.

It is seriously suggested in this Servant Leadership revolution that everyone in a company be on a first-name basis. It may be corny but it helps drive out vestiges of past hierarchy. It improves cohesiveness and bonding significantly. It reinforces the one-firm concept. This brings us to the story of the two Ian MacGregors. On a visit to his London office, Marvin Bower of the McKinsey & Co. was provided with a car and driver to call on clients. On the way to the headquarters to see the unassuming leader, Sir Ian MacGregor, Marvin learned that the driver's name was also Ian MacGregor. After the visit, Marvin asked Sir Ian if he would come down to the car to meet the other Ian, which he was delighted to do. When they were introduced to each other, Sir Ian, characteristically, made an amusing remark that put the driver completely at ease. The next morning Ian, the driver, said that he had told his wife about the meeting. And he added, "she'll never look on me the same!"

And it is for sure that many other examples of Servant Leadership will come to one's mind, examples of chief executives and managers who think of themselves as chief servants of their companies.

If all the company leaders have an unassuming manner - with the casualness and informality that it produces - the resulting behaviors of people will fit naturally into a leadership culture.

Unassuming leaders surprise visitors and company people with their offices: pleasant, inviting, and functional, but completely ordinary in either size or decor. And they leave their desks to sit with visitors.

Stephen Covey; author of the best-selling book "The Seven Habits of Highly Effective People", in his forward to "Insights on Leadership" emphasized the competitive importance of Servant Leadership as it relates to the empowerment of employees. He said: "Servant Leadership is a fundamental timeless principle and I am convinced that it will continue to dramatically increase in its relevance..."

He added: "...You've got to produce more for less, and with greater speed than you've ever done before. The only

way you can do that in a sustained way is through the empowerment of people. And the only way you get empowerment is through high-trust cultures and through the empowerment philosophy that turns bosses into servants and coaches..."

"Leaders are learning that this kind of empowerment, which is what Servant Leadership represents, is one of the key principles that, based on practice, not talk, will be the deciding point between an organization's enduring success or its eventual extinction." ■

The Global Financial Meltdown, the Dubai Debt Crisis and Islamic Finance

December 20, 2009 - The Islamic financial sector has consistently experienced growth rates in the double digits and recently crossed the trillion-dollar mark. But new opportunities, challenges and threats have appeared with the global financial meltdown and the Dubai debt crisis.



Path Solution's Corporate Academy attended the Islamic Finance Workshop entitled: "The Global Financial Meltdown, the Dubai Debt Crisis and Islamic Finance" provided by Mr. Ibrahim Warde which took place on Friday, December 18th at ESA - Beirut. Mr. Warde is adjunct professor of International Business

at the Fletcher School of Law and Diplomacy, Tufts University. He is also course director for Euromoney Training and a consultant for major global financial institutions. ■

Malaysia, a key Islamic finance centre



December 8, 2009 - On Friday, December 4th the Ecole Supérieure des Affaires in Lebanon (ESA) organized a conference entitled "Islamic Finance in Malaysia: Evolution and Current Development", by PhD Zaha Rina Zahari.

Malaysia is currently one of the most exciting and innovative Islamic financial markets in the world. In this regard, what course of action did Malaysia undertake to reach such a position in the global financial market? Zaha Rina Zahari explained how Malaysia set up the necessary foundations to structure and develop such a dynamic Islamic financial market. She covered topics such as the institutional framework set up by Malaysia in

order to develop its Islamic financial market, the establishment of the Malaysian Financial Islamic Center, the importance of a competitive and adaptable Islamic financial market and the key imperatives going forward.

Joseph Moghabghab, Lara Ghaleb and Sebouh Gurunlian, Path Solutions' Corporate Academy team were there and were highly surprised by the new knowledge gained from the informative sessions as well as the high level of productivity they achieved in networking with other industry participants. ■

The Islamic Financial Concepts Seminar



November 1, 2009 - The Islamic Financial Concepts Seminar was a good initiative for those looking for advanced knowledge and guidance in developing their skills in Islamic finance. The seminar took place on the 19th of October at Path Solutions' Beirut premises. It specially catered to the needs of our Translation Team, where the attendees had the opportunity to reinforce their awareness of the fundamental Islamic instruments and concepts. ■

ACTIVITIES

Path Solutions to house charity collection box scheme



As the Christmas holidays bring joy to many, it also reminds others of the troubles they face... A pioneering charity collection scheme was launched by Path Solutions' Lebanon team targeting NGO "Sisters of Charity" in Lebanon, to buy medicine and heating fuel. With the generous support of all teams, Path Solutions made Christmas a special time for the "Sisters of Charity". Donations helped lift part of the burden off their shoulders. It also helped ensure that everyone can experience the warmth and joys of Christmas. ■

"The Best Christmas Decoration" competition



At Path, we have blown out the true spirit of the holiday season by inducting an amusing departmental competition. The departmental Christmas decoration competition entailed evaluating the creativity and the team efforts made to come up with innovative and festive decorations in every department. The 3 selected judges were Nathalie Bekaii, Mirella Sahyouni and Jad Katra. They are the people who possess a strong artistic flare!

Having evaluated the glazed and gilding decoration at each department, the results came as follows:

Rank	Department	Score
1	Corporate Academy	21.3/25
2	Support Help-Desk	19.3/25
3	R&D and System Engineering	19/25





Path Solutions proves continuing success and growth thanks to our customers' valuable support and loyalty.

Path Solutions has been adjudged for the second consecutive year

“Best Islamic Technology Provider”

in the 2009 Islamic Finance News Poll

conducted by REDmoney



Powering Islamic Financial Markets

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PATH SOLUTIONS' EVENTS CALENDAR 2010

EVENT	DATE	LOCATION	ORGANIZER	SPONSORSHIP
The Pan-African Islamic Banking and Finance Summit	11 & 12 February	Nigeria	MNCapital	Delegate
9th Annual Islamic Finance Summit	23 & 24 February	UK	Euromoney	Bronze
The First Islamic Finance & Investment Forum for the Middle East	2 & 3 March	Jordan	IFIF	Exhibitor
The 5th Islamic Banks and Financial Institutions Conference	22 & 23 March	Syria	Al Salam	Technology
Khartoum International Fair for Services & Banking Technology	4 & 10 April	Sudan	Utopia International Co.	Exhibitor
MEFTEC	20 & 21 April	Bahrain	Media Generation Exhibitions	Silver

ISLAMIC BANKING COURSES



Founded in 1990

3rd Annual One-Day Workshop Sukuk, Their Applications & Challenges

Tuesday 27 April 2010

National Skill Academy Financial Services

George Green Building

155 East India Dock Road, London, E14 6DA, UK

The workshop presented by industry experts will acquaint the participants with:

- Most popular Shariah-compliant contracts used in Sukuk structuring
- Issues arising in structuring Sukuk Transactions, with help of case studies
- How Sukuk may be used for project financing
- Process of Shariah compliance certification from the Shariah boards
- Key points of AAOIFI's standards on Sukuk
- Taxation issues for UK-based Sukuk issuers and investors.

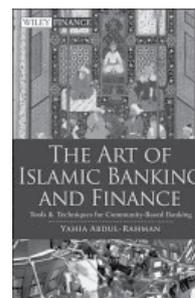
4th Annual Three-Day Residential Workshop Structuring Innovative Islamic Financial Products Friday 30 July – Sunday 1 August 2010 Churchill College, University of Cambridge, UK

The workshop aims at introducing the participants to the developments in structuring products in an interactive environment. Case studies of different types of Shariah-compliant structures will assist the participants to develop practical skills for innovating in the future.

- The 2010 program will cover the following:
- The important role that Shariah and ethics can play in financial innovations
 - Innovations in Islamic financial structures
 - New developments in the Islamic financial sector
 - Legal issues in structuring Shariah-compliant products
 - Skills required for innovating in Islamic finance
 - Examples of different types of innovative structures
 - Obstacles and challenges in product development.

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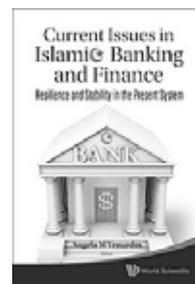
BOOKS



The Art of Islamic Banking and Finance

Tools and Techniques for Community-Based Banking

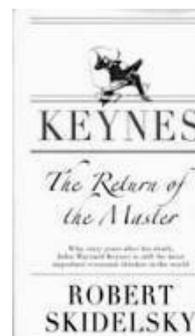
Authors Yahia Abdul-Rahman - John Wiley & Sons Ltd.
Binding Hardback - 432 pages
ISBN 0470449934



Current Issues in Islamic Banking and Finance

Resilience and Stability in the Present System

Author Angelo M Venardos
Publisher World Scientific Publishing Company
Number of Pages 300



The Return of the Master

Author Robert Skidelsky
Publisher Allen Lane
ISBN-10 184614258X
ISBN-13 978-1846142581

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