STRUCTURING ISLAMIC TRADE FINANCE SOLUTIONS
Understanding the principles of Islamic banking and their application to trade finance

27th – 29th May 2015
KUALA LUMPUR

- Review the main principles of Islamic finance applied to trade transactions
- Analyze traditional collections and documentary credits in order to contrast them to Shariah principles
- Examine the documentary credit cycle and how Shariah compliant approaches may be structured applying LC Murabahah, LC Iistsnah and documentary collections
- Provide clear examples of Islamic finance structures applied to pre-export finance, export finance, manufacturing and shipping guarantees
- To illustrate the Shariah principles governing guarantees, bonds, and counter guarantees
- Foreign exchange issues, risk and accounting issues will be incorporated

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Expert Course Director
Abdulkader Thomas
CEO, SHAPE™ Financial Corp
Course Introduction

The Islamic trade finance operation is a specialized area of Islamic banking utilizing various concepts that need to be understood by the parties involved particularly bankers and traders. Islamic Finance Training presents a three-day program to provide a comprehensive understanding of products, financial instruments and issues relating to Islamic trade finance. By attending this course, participants will gain an in-depth understanding of the Shariah principles and contracts related to Islamic trade finance as well as learn how Islamic financial instruments are used in trade finance. The expert course director will also focus on how to develop and structure the various products used in Islamic trade finance and highlight the Shariah and legal issues relating to these products.

Expert Course Director

Abdulkader Thomas is president and CEO, SHAPE™ Financial Corp based in, Virginia and Kuwait. Abdulkader consults for financial institutions, regulators, and businesses about Islamic finance. Along with his team at SHAPE™, Abdulkader works on projects that include launching de novo Islamic banks and Islamic banking windows, policies and procedures including Shariah policies, Shariah compliance, product development and structuring. Clients include a diversified universe of financial institutions from North, the MENA region, Southeast Asia, Africa, America, and Europe. Abdulkader is a member of the International Advisory Committee for Islamic Capital Markets of the Securities Commission of Malaysia. He acts as moderator for the Islamic Finance News (MIF) Issuers and Investors Forum, an annual event produced by REDmoney Group highlighting capital markets activities for Islamic securities issuers and underwriters. Abdulkader is director of Alkhabeer Capital (Jeddah) and Vice Chairman of Alkhabeer International (Bahrain). Abdulkader has over 30 years of diversified financial services experience. A graduate of The Fletcher School of Law & Diplomacy in international trade, Abdulkader earned a BA with honors in Arabic and Islamic studies from the University of Chicago. Based in Kuwait, Abdulkader has worked in Bahrain (Citibank & Credit Lyonnais); New York (United Bank of Kuwait); London (Islamic Investment Banking Unit of the United Bank of Kuwait); Washington, DC (Guidance Financial) and Los Angeles (Sumitomo Bank Limited). Prior to consulting, Abdulkader served as a senior line manager in various international banks and dealt with the regulatory approval of various Islamic products in different countries. Abdulkader has also enjoyed a significant capital markets experience following stints in real estate finance and trade finance. Abdulkader is a frequent speaker and writer on Islamic financial and banking matters. He has co-authored or edited several works in the field including Structuring Islamic Financial Transactions with Stella Cox and Bryan Kraty (London: Euromoney, 2005); Islamic Bonds: Your Guide to Issuing, Structuring and Investing in Sukuk with Nathif Adam (London: Euromoney, 2004), Interest in Islamic Economics: Understanding Riba (Oxford: Taylor & Francis, 2005), Sukuk (London: Sweet & Maxwell, 2009), and Islamic Treasury & Derivative Operations.

Course Agenda

Day one

Review of Shariah foundations
- Refresher on key Shariah concepts and how Riba and Gharar are particularly important to trade finance: defining goods, inspection and managing FX risk
- Review of the main Shariah rules on contracting, promises, and possession and their impact on structuring trade deals
- Review of concepts to be applied in trade, collection, Letter of Credit (LOC) and Letter of Guarantee (LOG) transactions

Collections, Letters of Credit & Uniform Commercial Practice (UCP) Rules
- Review of the traditional collection and letter of credit processes
- Diagramming the main Shariah issues for conventional LOCs
  - Discussion of important terms: confirmed irrevocable, revolving, red clause credit, standby LOC/guarantees, back to back.
  - The role and nature of the Banker’s Acceptance (BA) and Bill of Exchange (BE)
- Discussion of common issues and defects in LOC

Kafalah, Wakalah and Import LOCs
- Diagramming the LOC and application of pure Kafalah by the bank
- Diagramming the LOC and application of pure Wakalah by the bank
- What does one do about the FX in the deal?

Wakalah / Kafalah Case Study
- Case study 1: Wakalah / Kafalah case study
- Case study 2: Wakalah / Kafalah document problem

Murabahah Refresher
- Diagramming a sales contract and shifting it into a credit instrument
- A practical sales case
- Pure Murabahah import LOC
- Agency Murabahah LOC
Day two

Other Import LOC Tools
- Musharakah LOC
- ELN (equity linked note) compared to Musharakah based security

Complex FX
- Promise strategies for FX

Case study:
Musharakah import AED/JPY;
A Musharakah deal involving the importation of goods to the UAE (AED = UAE Dirham) and payment to supplier in Japanese Yen (JPY)

Case Studies
- Case study 1: Shipping guarantees
- Case study 2: Collection processes

Day three

Forfaiting
This session will examine prior cases and look at the exporter’s side and what are the current methods applied to give the same economic affect as forfaiting. It will re-examine our prior work and look at solutions used by a number of Islamic banks

Export Credit Agency
The expansion of project finance in key markets using Islamic finance means that export credit agency from Western and Asian nations must either apply Islamic finance solutions or have an understanding of how to manage defaults when Islamic financiers have claims on projects

Default in Islamic Transactions
Default issues and litigation: Discussion of actual default cases involving Islamic trade transactions

Review of prior cases and default risks
- Documentation review
- Choice of law, role of Shariah
- Cross default, material adverse change
- Offer & acceptance, agency, waivers
- Late payment and fees
- What happens in our cases in the event of default: review of prior case studies

Murabahah to purchase order LOC
Tawarruq compared to Murabahah, when would Tawarruq be used for trade finance
Murabahah forward strategies for FX

Murabahah Case Study
- Case study 1: Murabahah Letter of Credit (LC) case study
- Case study 2: Murabahah LC document problem

Guarantees & Bonds
- Defining the character of a guarantee or bond
- Discussion of various Islamic Methods
- Challenges for income generation

Case studies
To be solved sequentially by the delegates based on actual business problems in the GCC and ASEAN markets
- Case study 1: Post import finance
- Case study 2: Performance bond
- Case study 3: Payment guarantee
- Case study 4: Discounting
- Case study 5: Non payment 1
- Case study 6: Call of Bond, non payment 2

Regulatory Issues
- Modernization of processes
- LCR (liquidity coverage ratio)
- Alternatives to traditional trade services

Summary and Conclusion of Course

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Structuring Islamic Trade Finance Solutions  
27th – 29th May 2015, KUALA LUMPUR

BOOKING DETAILS

I am booking: 

☐ 1 delegate  
☐ 2 delegates  
☐ 3 delegates

Pricing  

MYR 7,550  
MYR 12,835  
MYR 18,120

Early bird offer: registrations received on or before 29th April 2015 shall attract a 2.5% discount. No discounts shall be given to registrations received after this cut-off.

Please note: A late booking fee of MYR 150 will be imposed on registration received within 14 days of the course start date. Fees include training materials, refreshments and lunch. Accommodation is not included.

☐ Yes, I would like to subscribe to Islamic Finance news for the 25% discounted price of just US$938.

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WHO TO INVOICE AND CONTACT?

Please tell us who we should invoice. It is also helpful for us to have the name of an administrator with whom we can liaise directly.

Contact person for invoicing: ________________________________  Job Title: ________________________________
Email: ________________________________________________  Tel: ________________________________
Contact person to send administration details: ________________________________  Email: ________________________________  Tel: ________________________________
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Payment can be made by cheque or bank transfer. A notification will be sent to you once payment has been received.
I wish to pay by: ☐ Cheque/bankers draft  ☐ Telegraphic transfer  ☐ Credit Card
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To process your registration we require the name and signature of a manager who is authorized by your organization to approve training expenditure.

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Authorizing signature: ____________________________________________________________ (mandatory)

Yes, I have read and understood the booking and cancellation policy below.

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By email: enquiry@REDmoneytraining.com By fax: +603 2162 7810
You may also book online at http://www.REDmoneytraining.com
Please call us on: +603 2162 7800 or +603 2162 7802 if you require assistance.
Our address is: REDMoney, Suite 22-06, 22nd Floor, Menara Tan & Tan, 207, Jalan Tun Razak, 50400 Kuala Lumpur

Booking, Payment and Cancellation Policy – important, please read carefully

By completing, signing and sending us this registration form you are confirming delegate places on the course. You are also confirming your understanding of our Booking, Payment and Cancellation Policy.

Cancellation: If delegates cannot attend the course replacement participants are always welcome. Otherwise delegates must request in writing (letter, fax or email) to cancel registration/s or transfer to a different course at least 21 days before the course start date to be eligible for a refund, less a 5% administration fee. Delegates who cancel within 21 days of the course start date, or who do not attend, are liable to pay the full course fee and no refunds will be given. Instead fees will be converted to a REDmoney Training course voucher equivalent to the original fee, less a 15% administration charge. This voucher is transferable within your organization and must be redeemed within one year of issue or become void. If a course is postponed for whatever reason delegate bookings will be automatically transferred to the new course date. Delegates who wish to transfer to a different course will be subject to the same terms as above and charged the difference in course fees. No refunds or course vouchers will be issued for a no-show.

Payment Terms: All course fees are to be received before the course start date. REDmoney shall receive the full course fee with no deductions of any description. All telegraphic transfer fees, taxes and levies (domestic or otherwise) shall be borne by the sponsoring organization.

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Course Venue: Full details of the venue will be sent to you upon registration.