Islamic Financial Services Board (IFSB)

18th MEETING OF THE COMCEC FINANCIAL COOPERATION WORKING GROUP
(October 3th, 2022, Virtual Meeting)

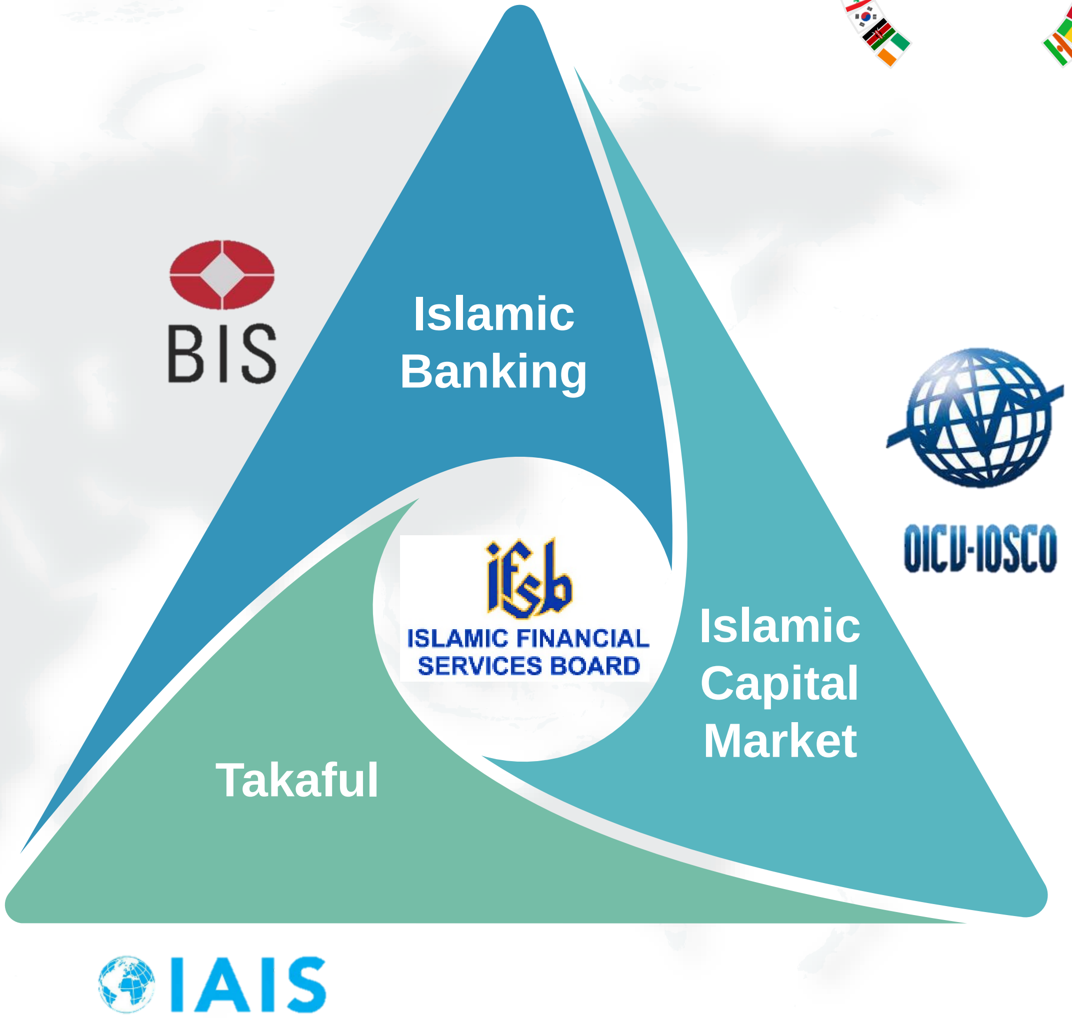
Presentation on the Standards-Development work of the IFSB

Amany Ahmed
Head of Standards Development

QUICK GLANCE…

- IFSB was established in November 2002 and started operations in March 2003.

- As an International standard-setting body for prudential regulation to ensure the soundness and stability of the Islamic financial services industry, covering Islamic banking, Islamic capital market and *Takāful* sectors.



IFSB Main Mandate …

… The IFSB looks at the global regulatory framework and **fill crucial gaps for the Islamic Financial Services Industry ..**

…..to ensure that regulatory frameworks adequately address the **specificities and unique features related to Islamic finance ..**

….which are complementary to and fits within **the existing international regulatory frameworks** for the financial services industry ..

QUICK GLANCE…

ISLAMIC FINANCIAL SERVICES BOARD

KEY OBJECTIVES

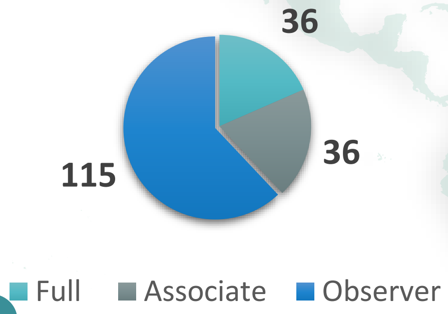
- **Develop standards** for regulation of IFSI & **recommend implementation**
- Facilitate **implementation** & development of human capital
- Establish a **database on Islamic Finance**
- **Provide guidance** on effective supervision and regulation
- Establish **cooperation with international standard-setting bodies** & member countries
- **Produce quality research**

IFSB MEMBERSHIP

187 members of the IFSB operating in 57 jurisdictions:

From **9** in **2003** to **187** members as of December **2021**

NUMBER OF MEMBERS



MEMBERSHIP TYPE

81 RSAs

96 Market Players

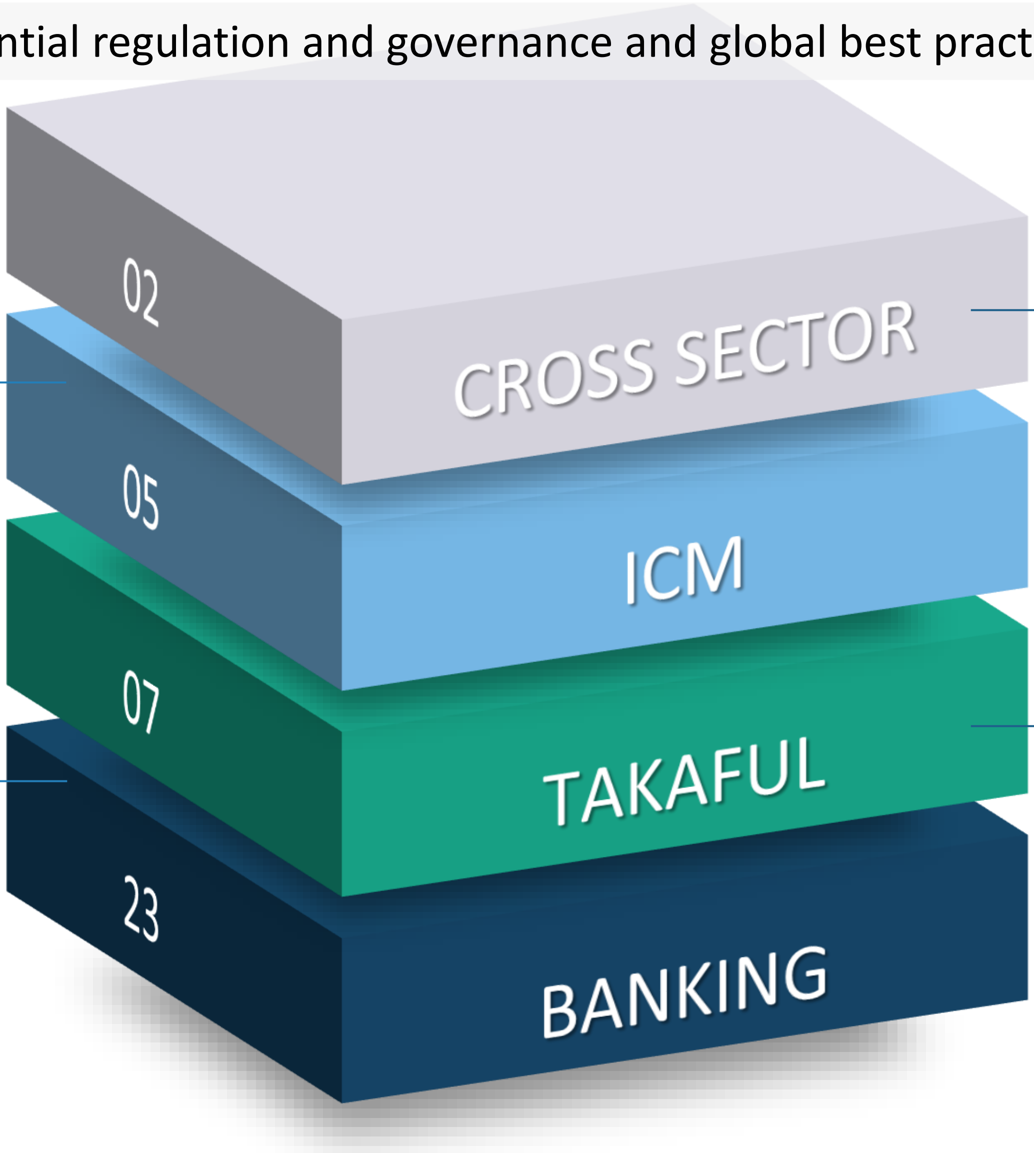
10 Inter-governmental

IFSB MEMBERS

10 INTER-GOVERNMENTAL ORGANISATIONS

PUBLISHED PRUDENTIAL STANDARDS, TECHNICAL NOTES AND GUIDANCE NOTES

Minimum benchmarks for prudential regulation and governance and global best practices



5 Standards

Governance
Disclosure Requirements
Core Principles for ICM
Investor Protection
Core Principles for Financial Market Infrastructures

2 Standards

Shariah Governance
Conduct of Business

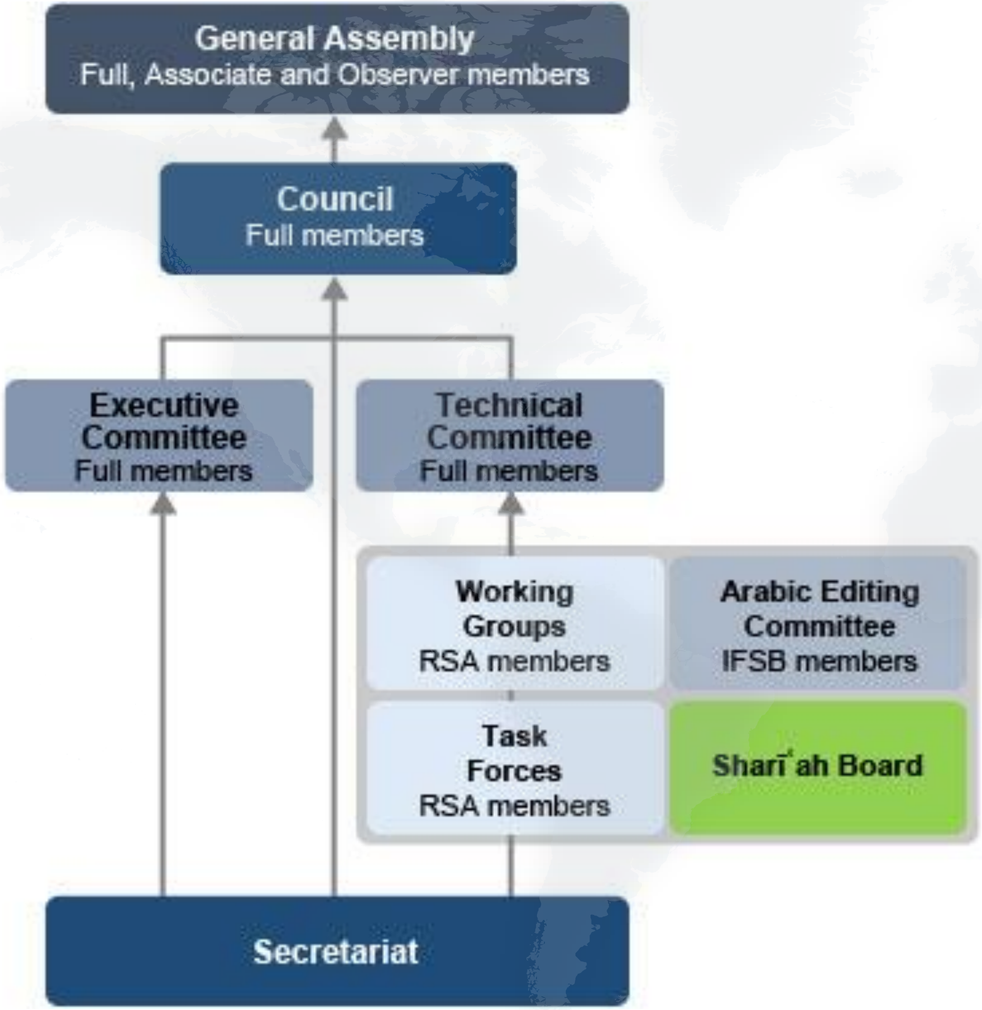
23 Standards

Risk Management
Capital Adequacy
Liquidity Risk Management
Recovery and resolution
Corporate Governance
Supervisory Review Process
Core Principles
Stress Testing
Transparency and Market Discipline
Deposit Insurance,
Financial Safety Nets

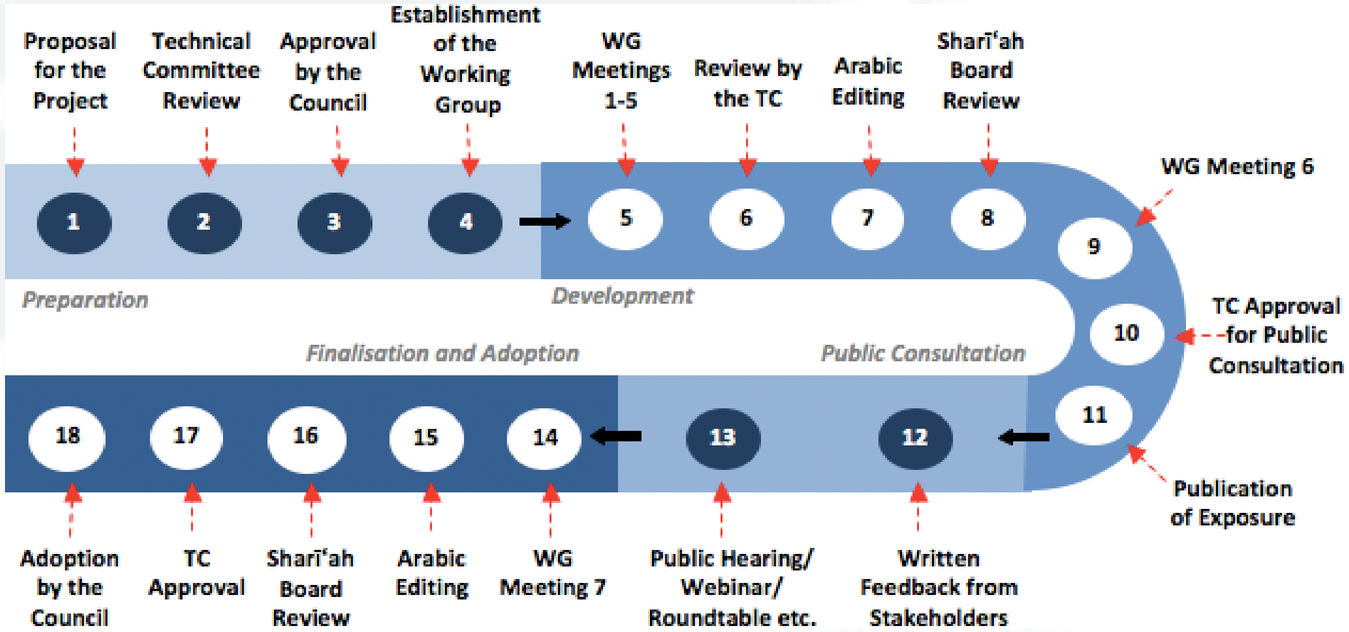
7 Standards

Governance
Risk Management
Solvency
Retakaful
Supervisory Review Process
Transparency and Market Discipline

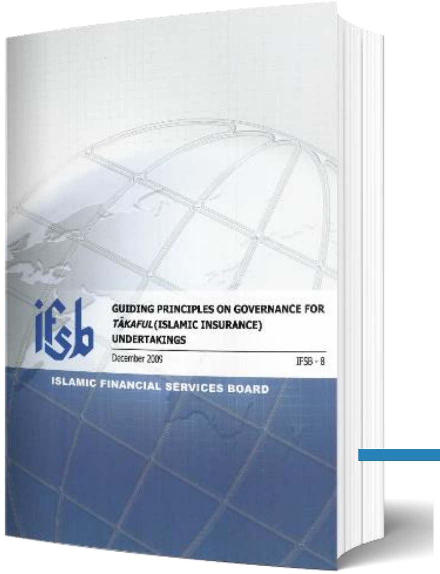
Governance Structure



The standards development follow a rigorous due process



NEW STANDARDS UNDER DEVELOPMENT



Ongoing Working Groups and Task Forces....

New Standards

1. IFSB-AAOIFI Revised Shari'ah Governance Framework
2. Conduct of Business and its Prudential Supervision in Takaful

Revised Standards

1. Revised Solvency Standard for Takaful/Retakaful Undertakings
2. Revised Guiding Principles on Corporate Governance for IIFS (Banking Segment)

Technical Notes

1. Technical Note on Shari'ah-compliant Liquidity Management Tools
2. Technical Note on Macroprudential Tools for IIFS

Guidance Notes

1. Guidance Note on Deepening the Islamic Capital Market
2. Guidance Note on Sustainability-related issues and disclosures in the Islamic Capital Market

Global endorsement of standards:

MILESTONE

01

In May 2018…IMF endorsement

The IMF approved the endorsement of the **IFSB-17 "Core Principles for Islamic Finance Regulation" (CPIFR) for banking sector** and their assessment methodology for the purposes of undertaking **financial sector assessments** and preparing Reports on the Observance of Standards and Codes (ROSCs)

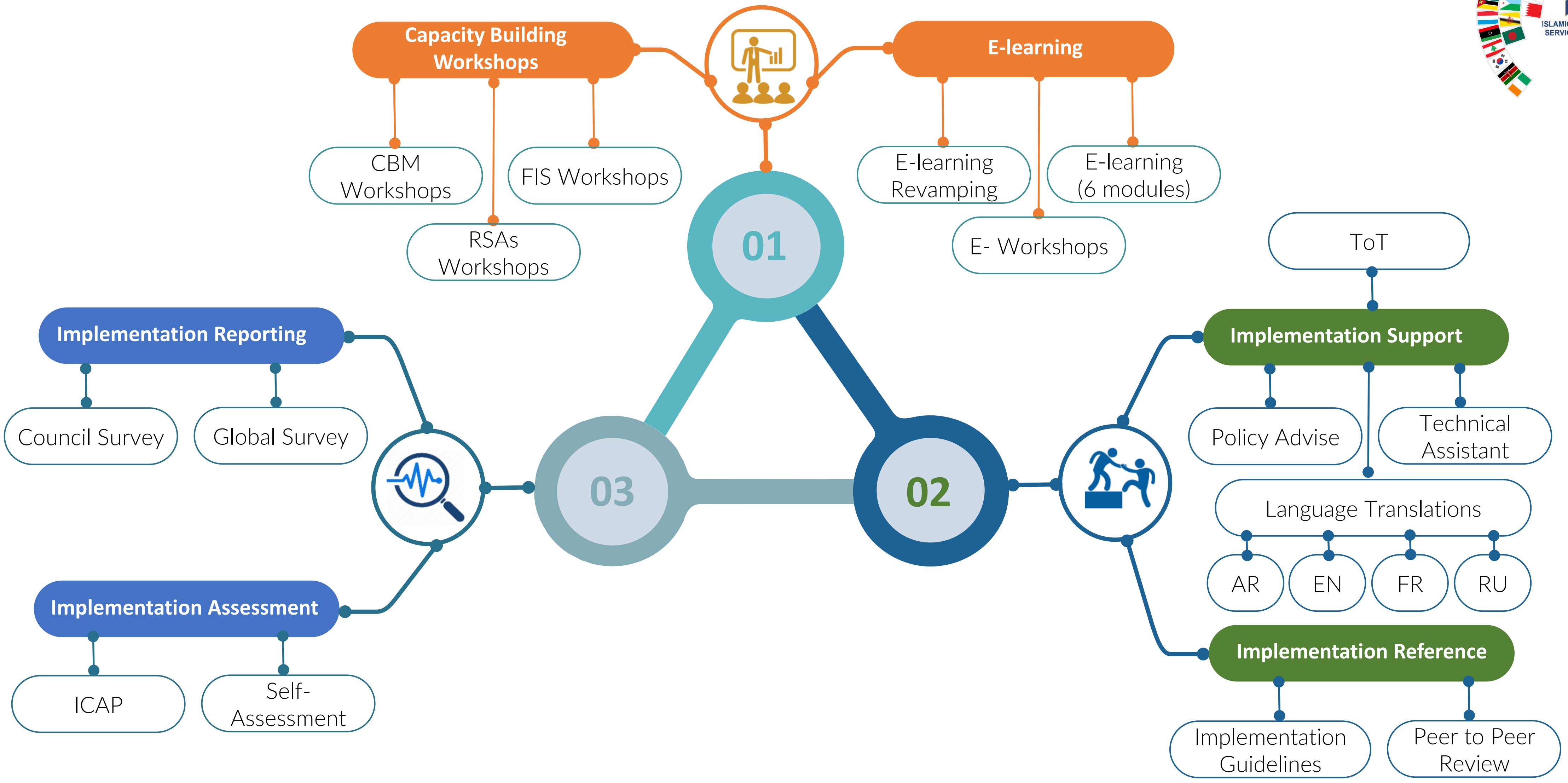
MILESTONE

02

In December 2019…FSB Compendium of Standards

In December 2019, the Standing Committee on Standards Implementation (SCSI) of the Financial Stability Board (FSB), **approved the inclusion of the IFSB-17: Core Principles in Islamic Banking Regulation – Banking Segment into the Compendium of Standards**.

STANDARDS IMPLEMENTATION FRAMEWORK



ISLAMIC FINANCIAL SERVICES BOARD

Thank You

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