

Eleventh Harvard University Forum on Islamic Finance
Takaful and Alternative Cooperative Finance
Challenges and Opportunities

April 25 - 27, 2014
Harvard Law School, Austin Hall

PRE-FORUM

Friday, April 25, 2014

2:30 – 4:00p.m.

Parallel Session I:
Islamic Finance: The New Products

Ames Courtroom

CHAIR: Rashid Alvi, *Deputy Director*, Islamic Legal Studies Program, Harvard Law School

PAPERS:

Islamized Postal Savings in Jordan: A Model for State-Society Collaborative Risk-Sharing
Sarah A. Tobin, *Postdoctoral Fellow*, Freie Universität, Berlin, Germany

What Does it Mean to be "Shari'a-Based"? Separation, Authenticity, Welfare
Ryan Calder, *Ph.D. Candidate*, University of California, Berkeley, California

Micro-Takaful in India: a Path towards Financial Inclusion and Sustainable Development

Mohammad Faisal, *Assistant Professor*, Aligarh Muslim University, Aligarh, India

Asif Akhtar, *Assistant Professor*, Aligarh Muslim University, Aligarh, India

Asad Rehman, *Assistant Professor*, Aligarh Muslim University, Aligarh, India

M. Abdul Samad, *Assistant Professor*, Salman bin Abdulaziz University, Al Kharj, Saudi Arabia

Islamic Socio-Legal Institutions and Poverty Alleviation in Indonesia

Tanvir Ahmed Uddin, *S.J.D. Candidate*, University of Sydney, Australia

Maaz Rahman, *Graduate Student*, University of New South Wales, Australia

2:30 – 4:00p.m.

Parallel Session II:
Islamic Finance: The New Perspective

Austin North

CHAIR: Elsayed Elsiefy, *Professor*, University of Alexandria, Egypt
Associate Professor, University of Hamad Bin Khalifa, Doha, State of Qatar

PAPERS:

Commonalities and Differences between Halal Food Certifications and Islamic Finance Shari'a Boards
Cedomir Nestorovic, *Professor*, ESSEC Business School Asia Pacific, Singapore

The Effects of Law, Culture and Political Risk: New Evidence from Mutual Fund Performance, Risk Taking and Fees

Meryem Mehri, *Ph.D. Candidate*, Dauphine University, Paris, France

Kauother Jaouber, *Assistant Professor*, Dauphine University, Paris, France

Maqasid Shari'a - Perspectives of Sharing Risk in a Risk Transferring Paradigm
Muhammad Nadeem Aslam, Head, Islamic Bank Meethaq, Muscat, Sultanate of Oman

Unveiling IFRS Standardization Projects and the Position of Takaful Industry; a Literature Study
Murniati Mukhlisin, Ph.D Candidate, Glasgow University, United Kingdom
Mohammad Hudaib, Senior Lecturer, Glasgow University, United Kingdom

The Untold Story of Profit-and-Loss Sharing in Islamic Finance: An Economic Analysis of Islamic Contractual Liability
Youcef Maouchi, Ph.D. Candidate, CERGAM, Aix-Marseille University, Provence, France

4:00 to 4:15p.m.

BREAK

4:15 – 6:30p.m.

Parallel Session III
Islamic Finance: The Emerging Themes

Ames Courtroom

CHAIR: Abdel-Rahman Yousri Ahmad, Professor, University of Alexandria, Egypt
Professor, University of Hamad Bin Khalifa, Doha, Qatar

PAPERS:

Challenges and Opportunities in Developing Micro-Takaful in Muslim Majority Country: A Case Study of Indonesia

Raditya Sukmana, Head, Islamic Economics Program, Universitas Airlangga, Indonesia

Sutan Emir Hidayat, Assistant Professor, University College of Bahrain, Kingdom of Bahrain

Strategic Opportunities for Islamic Finance: The French Legal Framework on Venture Capital and Cooperative Finance

Matri Dorsaf, Ph.D. Candidate, Sorbonne Law School, Université Paris I Panthéon-Sorbonne, Paris, France

Umar A Oseni, Assistant Professor, International Islamic University Malaysia, Kuala Lumpur, Malaysia

Achieving Financial Inclusion of Muslim Minorities Through Alternative Shari'a-Based Cooperative Finance Models

Abdul Qadir Buhari, Chairman, B.S. Abdur Rahman University, Chennai, India

Blake Goud, Chief Compliance Officer, Marquam Capital, Portland, Oregon

Saif Ahmed, Managing Partner, Infinity Consultants, Bangalore, India

On the Issues of Development of Islamic Finance in Emerging Markets: Case of the Republic of Kazakhstan

Golib A. Kholjigitov, Kazakh-British Technical University, Almaty, Kazakhstan

Kenneth P. Charman, Professor, Kazakh-British Technical University, Almaty, Kazakhstan

Lyubov Sartakov, Research Associate, Kazakh-British Technical University, Almaty, Kazakhstan

4:15 –6:30p.m.

Parallel Session IV
Islamic Finance: The Emerging Markets

Austin North

CHAIR: Ibrahim Warde, *Adjunct Professor*, the Fletcher School, Tufts University, Medford, Massachusetts

PAPERS:

The Islamic Conception of an Institutional Framework for Islamic Financial Firms

Liza Mydin, *Ph.D. Candidate*, INCEIF, Kuala Lumpur, Malaysia

Abbas Mirakhor, *Distinguished Scholar and First Chair*, INCEIF, Kuala Lumpur, Malaysia

The Islamic Cooperative: an Alternative to Islamic Banking?

Richard Gonsalves, *Graduate Candidate*, International Islamic University Malaysia, Kuala Lumpur, Malaysia

Islamic Banking as a Solution for Solving Current Debt Problems

Behnam Gurbanzada, *Director, Islamic banking*, International Bank of Azerbaijan, Baku, Azerbaijan

Salman Alioglu, *Economist*

The Risk Between Islamic Finance and Western Finance

Saad A Jloud, *Doctoral Candidate*, Law School - Brunel University, London, United Kingdom

MAIN FORUM

April 26-27, 2014 (Saturday and Sunday)

Saturday, April 26, 2014

8:00-9:00a.m. **REGISTRATION AND RECEPTION** Austin Hall Lobby

9:00-9:30a.m. **OPENING SESSION** Ames Courtroom

WELCOME REMARKS

FORUM KEYNOTE ADDRESS

Samuel L. Hayes

Jacob H. Schiff Chair in Investment Banking Emeritus, Harvard Business School

9:30-12:00p.m. **PLENARY SESSION 1:** Ames Courtroom

Risk Sharing: Possible Forms and Consequences

CHAIR: Volker Nienhaus, *Visiting Professor*, University of Reading, United Kingdom; and
Adjunct Professor, INCEIF, Kuala Lumpur, Malaysia

DISCUSSION PAPERS

Risk Allocation and Management: Approaches and Implications for Islamic Finance

Habib Ahmed, *Professor of Islamic Finance*, Durham University, Durham, United Kingdom

Shared Risk and Shared Responsibility

Seamus P. Finn, *Director JPIC Ministry*, Missionary Oblates, Washington, D.C.

PANELISTS:

Jaseem Ahmed, *Secretary-General*, Islamic Financial Services Board, Kuala Lumpur, Malaysia

Khalid A. Al-Thani, *Chairman*, EZDAN Holdings, Doha, State of Qatar

Daud Vicary Abdullah, *President*, INCEIF, Kuala Lumpur, Malaysia

Zeine Zeidane, *Advisor*, International Monetary Fund, Washington, D.C.

Joe W. Bradford, *Shari'a Scholar & Senior Associate*, Bank of New York Mellon, Houston, Texas

12:00-1:00p.m. **LUNCH** Austin Hall Lobby

1:00a.m.-3:30

PLENARY SESSION 2:

Ames Courtroom

Mutuals: Solidarity Concepts and Business Models

CHAIR: Jaseem Ahmed, *Secretary-General*, Islamic Financial Services Board, Kuala Lumpur, Malaysia

DISCUSSION PAPERS

Mutuality, Reciprocity, and Justice within the Context of a Unified Theory of Riba and Gharar

Mahmoud El-Gamal, *Chair* in Islamic Economics, Finance and Management, Rice University, Houston, Texas

Recent Experience of Demutualization: Lessons for Takaful

Shariq Nisar, *Visiting Fellow*, Islamic Legal Studies Program, Harvard Law School

PANELISTS:

Ibrahim Warde, *Adjunct Professor*, the Fletcher School, Tufts University, Medford, Massachusetts

Khaled Al-Jasser, *Chief Executive Officer*, Bank Al Bilad, Riyadh, Saudi Arabia

Farmida Bi, *Partner*, Norton Rose, Fulbright LLP, London, United Kingdom

Taha Abdul-Basser, *Managing Partner*, Straightway Ethical Advisory LLC, New York, New York

3:30-4:00p.m.

BREAK

Austin Hall Lobby

4:00-6:30p.m.

TWO PARALLEL SESSIONS

PARALLEL SESSION A:

Ames Courtroom

Takaful: The New Paradigm for Financial Protection

CHAIR: Savas Alpaly, *Director-General*, Statistical Economic & Social Research Training Centre for Islamic Countries (SESRIC), Ankara, Turkey

PAPERS:

Fatwa and Its Role in Regulatory Capture and Arbitrage

Joe W. Bradford, *Sharia Scholar & Senior Associate*, Bank of New York Mellon, Houston, USA

The Takaful Impasse: A Practitioner's Plea

Ajmal Bhatty, *Chief Executive Officer*, Alinma Tokio Marine, Jeddah, Saudi Arabia

Corporate Governance in Islamic Insurance (Takaful)

M. Kabir Hassan, *Professor*, New Orleans University, New Orleans, Louisiana

Mervyn K. Lewis, *Emeritus Professor*, University of Southern Australia, Australia

Do well by doing good: Corporate Sukuk as a Sustainable Investment for the Takaful Sector

Luc Van Liedekerke, *BASF-Deloitte Chair on Sustainability*, University of Leuven, Belgium

Reza Zain Jaufeerally, *Researcher*, University of Leuven, Belgium

A Proposed Marriage Between Endowments, Insurance, and Islamic Law; The Key Role of the Waqf Model of Takaful for the Future Growth of the Industry

Abdullah Nana, *Shari'a Scholar*, Berkeley, California

A Critical Shari'a Review of Takaful Structures: Towards a More Sound Model

Abdulazeem Abozaid, *Associate Professor*, Qatar Faculty of Islamic Studies, Doha, State of Qatar

PARALLEL SESSION B:

Austin North

Risk Sharing vs. Risk Shifting: Lessons from Recent Past

CHAIR: Habib Ahmed, *Professor of Islamic Finance*, Durham University, Durham, United Kingdom

PAPERS:

Toward a Watershed in Takaful Dispute Resolution: From Litigation to Effective Dispute Management

Umar, A. Oseni, *Assistant Professor*, International Islamic University Malaysia, Kuala Lumpur, Malaysia

Innovative Risk-Sharing and the Challenges of Product Development

Farmida Bi, *Partner*, Norton Rose, Fulbright LLP, London, United Kingdom

Islamic Credit Unions and Social Capital

Mohamed El-Komi, *Assistant Professor*, American University of Cairo, Egypt

Mahmoud El-Gamal, *Chair in Islamic Economics*, Finance and Management, Rice University, Houston, Texas

Revisiting Profit and Loss Sharing: The Forgotten Islamic Financing Alternative

Mohammed H. Khatkhatay, *Chairman, TISIS, Mumbai, India*

Risk Sharing a Potential for Takaful's Growth and Development in OIC Countries

Mahmoud Mohieldin, *Managing Director, World Bank, Washington, D.C.*

Serap Gonulal, *Senior Financial Sector Specialist, World Bank, Washington, D.C.*

Ahmed Rostom, *Financial Sector Specialist, World Bank, Washington, D.C.*

The Nature of Retakaful: Risk Sharing or Transferring Risks

Abu Umar Faruq Ahmad, *Senior Researcher, ISRA, Kuala Lumpur, Malaysia*

Ismail Bin Mahbob, *Former President/CEO, MNRB Retakaful Berhad, Kuala Lumpur, Malaysia*

Muhammad Ayub, *Director of Research & Training, Riphah International University, Pakistan*

6:45-7:15p.m. RECEPTION (By invitation only)

Milstein East, Wasserstein Hall

7:15-9:00p.m. BANQUET (By invitation only)

Milstein East, Wasserstein Hall

BANQUET SPEECH

Iqbal A. Khan, *Chief Executive Officer, Fajr Capital Limited, Dubai, United Arab Emirates*

Sunday, April 27, 2014

8:00-8:30a.m.

REGISTRATION AND RECEPTION

Austin Hall Lobby

8:30-10:45a.m.

TWO PARALLEL SESSIONS

PARALLEL SESSION C:

Ames Courtroom

Mutuality & Cooperation: The Long-term Sustainable Model

CHAIR: Mehmet Asutay, *Reader*, Durham University, Durham, United Kingdom

PAPERS:

Shari'a-compliant Crowd funding: an Efficient Framework for Start-ups and Small Enterprises development

Shehab Marzban, *Co-founder and Managing Partner*, Shekra Crowd Funding, Cairo, Egypt

Mehmet Asutay, *Reader*, Durham University, Durham, United Kingdom

Adel Boseli, *Co-founder and Managing Partner*, Shekra Crowd Funding, Cairo, Egypt

Theoretical and Empirical Analysis of Income Ratio and Risk-Sharing Structure

Seif El Din. I. Tag El-Din, *Professor*, Economics, Imam University, Riyadh, Saudi Arabia

Hylmun Izhar, *Economist*, IRTI, Islamic Development Bank, Jeddah, Saudi Arabia

The Takaful Box

Arslan Aïmen Bendimerad, *Project Manager*, Takaful department, AIDIMM, Paris, France

Islamic Co-operative: A Route to Poverty Alleviation & Economic Development

Mian Farooq Haq, *Sr. Joint Director*, Islamic Banking, State Bank of Pakistan, Islamabad, Pakistan

Bushra Shafiq, *Deputy Director*, Islamic Banking, State Bank of Pakistan, Islamabad, Pakistan

New Horizons: the Potential for Shari'a-Compliant Cooperative and Mutual Financial Services

Sara E.B. Carmody, *Senior Associate*, King & Spalding LLP, Dubai, United Arab Emirates

**PARALLEL SESSION D:
Financial Inclusion and Social Finance**

Austin North

CHAIR: **Luc Van Liedekerke**, *BASF-Deloitte Chair on Sustainability*, Universities of Leuven and Professor, University of Antwer, Belgium

PAPERS:

Islamic Finance and Takaful: Tool to Rebuild the Social Fabric of Afghanistan

Alberto G. Brugnoli, *Founder & Managing Partner*, ASSAIF, Kabul, Afghanistan

Feasibility of Takaful as an Alternative Insurance in India

M. Akbar Ali Khan, *Vice-Chancellor*, Telangana University, Nizamabad, India

Sudershan Kuntluru, *Associate Professor*, Indian Institute of Management Kozhikode, Kerala, India

Azhar Assankutty, *Assistant Professor*, Salman bin Abdulaziz University, Al Kharj, Saudi Arabia

Implication of Islamic Financial Services Act 2013 to Malaysian Takaful Industry: Appraising the Effects, Issues and Challenges Locally and Globally

Mohamad Akram Laldin, *Associate Professor & Director*, ISRA, Kuala Lumpur, Malaysia

Jinnah, Muhammad Ali, *Researcher*, ISRA, Kuala Lumpur, Malaysia

Furqani, Hafast, *Researcher*, ISRA, Kuala Lumpur, Malaysia

A Shari'a-Compliant High Watermark Protected Life Annuity in Family Takaful

Hiba Allam, *General Counsel*, FWU Global Takaful Solutions, Dubai, United Arab Emirates

Commercial Credit Takaful

Muhammad Al Bashir M Al Amine, *Head - Shari'ah Assurance Dept.*, Bank Alkhair, Kingdom of Bahrain

10:45a.m.

BREAK

Austin Hall Lobby

11:00-1:30p.m. **PLENARY SESSION 3:**

Ames Courtroom

Takaful and Cooperation: Socio-economic Impact

CHAIR: M. Shahab Ahmed, *Professor of Islamic Studies*, Harvard University

DISCUSSION PAPERS

Solidarity, Cooperation, and Mutuality in Takaful

Volker Nienhaus, *Visiting Professor*, University of Reading, United Kingdom; and
Adjunct Professor, INCEIF, Kuala Lumpur, Malaysia

Reimagining Takaful: A New Model for Social Banking

Hussam Sultan, *Manager*, HSBC Amanah Malaysia, Kuala Lumpur, Malaysia

Abdur-Rahman Syed, *Senior Associate*, Fajar Capital Advisor, Dubai, United Arab Emirates

PANELISTS

Mahmoud Mohieldin, *Managing Director*, World Bank, Washington, D.C.

Savas Alpay, *Director-General*, Statistical Economic & Social Research Training Centre for Islamic Countries, Ankara, Turkey

Waleed Hegazy, *Managing Director*, Hegazy & Associates/Crowell & Moring, Cairo, Egypt

Ashar Nazim, *Partner*, Ernst & Young, Manama, Kingdom of Bahrain

Suheil Laher, *Doctoral Candidate*, Harvard University

CONCLUDING REMARKS

1:30p.m.

LUNCH

Austin Hall Lobby

General Information

The Forum: The **Pre-Forum** is scheduled on Friday, April 25 at 2:30p.m and ends at 6:30p.m. The **Main Forum** begins with registration at 8:00a.m and the opening session is scheduled for 9:00a.m. The Forum ends on Sunday, April 27 at 3:00p.m. Therefore, please plan your travel arrangements so that you've arrived in Cambridge, Massachusetts accordingly to attend Pre-Forum and Main Forum and then you may depart any time after 4:00p.m. on April 27. The nearest airport is Logan International Airport.

Registration: If you have not done so already, please register through the IFP website: http://ifp.law.harvard.edu/conf_registration/registration

Location: The Forum is scheduled to be held at Austin Hall, Harvard Law School which is located on 1515 Massachusetts Ave. This map can help orient you with the neighboring buildings: <http://www.law.harvard.edu/about/map.html>

Dress code: Please maintain **business attire**.

Directions from Logan Airport to Harvard Square: Boston's Logan International Airport is located near downtown Boston. It is well connected to all major means of transportation –taxis, subways, buses and airport shuttle buses. We suggest that you take one of the forms of transportation explained below, or ask your hotel's concierge whether it has courtesy buses to/from the airport. For a map of the Harvard area, please see (<http://map.harvard.edu/>).

Taxi: You may take a taxi from Logan Airport to the Harvard Law School (1515 Massachusetts Avenue). The cost is approximately \$45 and average travel time is between 30-35 minutes (depending on traffic).

Subway: To get to Harvard's main campus, take the Silver Line inbound to the Red Line at South Station. Take the Red Line outbound (train marked Alewife) to Harvard Square Station. It is possible to change lines without going to the ground level or paying another fare. The Silver Line stops outside every terminal at Logan Airport. Average travel time is between 45-60 minutes and the subway operates from 5:30 a.m. to 12:30 a.m.

Although the subway ride from the airport is cheap (\$2), it involves a transfer of trains and might be uncomfortable if you are carrying a lot of baggage.

If you have problems or questions upon arrival at the airport, go to the Public Information Booths in any of the terminals at Logan Airport. You may want to view a map of the Harvard campus prior to your arrival. For maps of Boston's subway system, please visit their web site (http://www.mbt.com/schedules_and_maps/subway/).

Directions to Austin Hall from Harvard Square: Austin Hall is located at the Harvard Law School approximately 5 minutes on foot from the Harvard Square. Walk north from the Harvard Square –this is away from the newsstands, office buildings, and shops on the Square and through the red brick buildings of Harvard Yard. Austin Hall is a maroon brick building located behind

and to the left of the Science Center. This map will assist you in locating the building:
<http://www.map.harvard.edu/>

Stay: Hotels in the Cambridge and Boston area are in high demand. The Forum does not designate a specific hotel for attendees to stay at; however, participants are encouraged to look into each for the best deal. The hotels closest to Harvard square are:

THE CHARLES HOTEL

<http://www.charleshotel.com/>

SHERATON-COMMANDER HOTEL

www.sheraton.com/commander

THE HYATT REGENCY CAMBRIDGE

<http://cambridge.hyatt.com/hyatt/hotels/index.jsp>

THE DOUBLETREE GUEST SUITES BOSTON

http://doubletree1.hilton.com/en_US/dt/index.do;jsessionid=A0BRG2BUCT010CSGBIYM22Q

MARRIOTT RESIDENCE INN

<http://www.marriott.com/hotels/travel/boscm-residence-inn-boston-cambridge/>

BOSTON MARRIOTT CAMBRIDGE

Please note that IFP does not endorse any of these hotels or websites.

The Cambridge Office of Tourism <http://www.cambridge-usa.org/> maintains a list of places to stay, as well as other useful information for visitors new to the area.

Refreshments and Lunch: Refreshments and self-serve buffet lunch will be served in Austin Hall.

Banquet: The Forum Banquet (by invitation only) will be held on Saturday April 26 at Wasserstein, Milstein East ABC, Harvard Law School from 7:00 p.m. to 9:00 p.m.

Proceedings: The books of previous forums will be available for purchase at the registration desk. Payment is accepted in U.S. dollars only (in cash, travellers' checks, or personal checks drawn from U.S. banks). Credit cards are not accepted.

Weather forecast: The weather forecast predicts a high of about 60 degrees Fahrenheit (10 degree Celsius) and a low of 35 degrees Fahrenheit (1.7 degree Celsius) for April 25-27. A light jacket and an umbrella would be appropriate.