



Third International Conference on Islamic Banking and Finance: Risk Management, Regulation and Supervision

March 24-25, 2008
Karachi Pakistan

CALL FOR PAPERS

During the last 30 years Islamic banking and finance has contributed significantly to the development of financial sectors and deepening of financial markets in several countries thus contributing to economic development. As Islamic banking and finance is expanding worldwide, its systemic importance for the stability of national, regional and global financial system is also increasing fast. Since Islamic banking makes financial services relevant for a wide population segment, the combination of the premise of Islamic finance with the implementation of internationally accepted standards of best practices, is expected to enhance wider access to more efficient and stable financial services.

Therefore, the State Bank of Pakistan, the Islamic Development Bank/Islamic Research and Training Institute, Jeddah and the Islamic Financial Services Board (IFSB), Kuala Lumpur have decided to jointly organize the *Third International Conference on Islamic Banking and Finance: Risk Management, Regulation and Supervision*, to be held in Karachi Pakistan during March 24-25, 2008 in conjunction with the IFSB Council Meeting and Annual General Assembly. The first and second conferences in this series were respectively co-organized/hosted by Ministry of Finance Indonesia and Bank Indonesia during 2003 and Bank Negara Malaysia and the Islamic Financial Services Board during 2005. Objectives of the conference include: Taking stock of the relevance of Islamic banking and finance for inclusive financial sector development, banking and financial stability, studying the unique risks of Islamic banking and finance and facilitating the development of risk management culture in the Islamic financial institutions by prudential regulation and effective supervision.

Empirical as well as theoretical papers are invited in the following and related areas:

FINANCIAL STABILITY; Factors effecting financial stability, role of paradigm and support institutions in ensuring financial stability, empirical works on the stability of Islamic banks vis-à-vis traditional banks during financial distress, Southeast Asian financial crisis and relative performance of Islamic financial institutions, early warning systems such as the balance-sheet approach and their suitability for emerging economies,

COMPARATIVE FINANCIAL SYSTEMS; Comparing the paradigms of universal banking, Islamic banking and traditional banking and its implications for leveled playing field, cross-sector consolidation of activities and cross-sector risk transmission, implications for banking supervision,

UNIQUE RISKS OF ISLAMIC MODES OF FINANCE; Systemic risks, credit risks, market risks, fiduciary risks, liquidity risks etc., particularly stemming from the unique asset and liability structures of Islamic banks due to Shari'ah compliance, perception of banks and regulators regarding these risks, financial risks underlying Sukuk structures,

ISLAMIC FINANCIAL ARCHITECTURE; An in-depth analysis of the challenges facing the infrastructure institutions of the Islamic finance industry: (i) Shari'ah Supervisory Boards, (ii) Accounting and Auditing Organization for Islamic Financial Institutions, (iii) Islamic Financial Services Board, (iv) International Islamic Rating Agency, (v) International Islamic Financial Market, (vi) Arbitration and Reconciliation Center for Islamic Financial Institutions), interaction with the international financial architecture,

IFSB STANDARDS & BASEL II AND ITS IMPLICATIONS FOR ISLAMIC BANKS; Capital requirements, credit risk weighting of assets (standardized and internal rating based approaches), treatment of leases, micro finance, project finance, operational risks, market risks, securitization and Islamic banking and market disciplines, and implications of supervisory review process,

RISK MANAGEMENT INSTRUMENTS AND SYSTEMS; Case studies from Islamic banks, theoretical studies of risk management instruments and systems (risk reporting, internal rating systems, market and credit VaR, RAROC, collateral, loan loss provisioning, swaps and futures, credit derivatives, contractual risk mitigation etc),

CORPORATE & SHARIAH GOVERNANCE; corporate governance issues specially confronted by the different segments of the Islamic financial services industry

UNRESOLVED FIQHI ISSUES IN ISLAMIC BANKING AND FINANCE; Fiqh appraisal of risk management instruments and developing alternatives or adapting instruments, treatment of defaults, operating vis-à-vis financial leases, asset securitization, importance of managing bank capital and its implications for business risk etc,

CASE STUDIES IN REGULATION AND SUPERVISION OF ISLAMIC BANKS; Islamic banking regulation and supervision, Shariah compliance a matter of regulation or market discipline, Application of supervisory risk assessment tools (CAMELS etc), risk weighting of assets of Islamic banks, treatment of investment and current accounts, sources of capital, disclosure and transparency requirements, applications of international standards, financial reporting and disclosures, compliance with Core Principles etc, comparatives systems of effective Islamic banking supervision,

FINANCIAL INCLUSION & FINANCIAL SECTOR DEVELOPMENT POLICIES; supportive environment with special emphasis on financial inclusion - deposit insurance, legal & tax framework, market microstructures, monetary and fiscal policy response, LLR facilities etc for strengthening the Islamic financial institutions,

CHALLENGES OF SOVEREIGN WEALTH FUNDS

The rise of sovereign wealth funds, the changing nature of globalization and its implications for Islamic financial services industry

All submissions shall preferably be electronic and in MS Word format. Submissions should be original contributions and will go through a rigorous evaluation process. Most selected papers will be revised. Selected papers will be the copyright of the conference organizers.

One author of each selected paper will be provided by IRTI an economy class return ticket from his work place to Karachi Pakistan for paper presentation and hotel and local hospitality in Karachi for the period of the conference.

DATES TO WATCH:

Submission of Papers December 15, 2007

Decision on Paper December 25, 2007

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