CIMA Advanced Diploma in Islamic Finance

Some Suggested Resources

In this document CIMA is advising some ‘suggested resources’ that should assist students engaged in learning and preparation for the CIMA Advanced Diploma in Islamic Finance. The suggested reading is not meant to be prescriptive, neither is it an exhaustive list.

The suggested reading is broken down into five broad subject areas which are further identified in terms of the related chapters of the CIMA study guide for the Advanced Diploma in Islamic Finance.
Shariah contracts, structuring process and financial environment

Chapter 1 Application of contracts in the structuring processes of IF products;
Chapter 2 Structuring processes and related challenges in the Islamic financial products;
Chapter 3 Regulatory and prudential requirements and the supervisory review process for the Islamic banking and financial products.

Suggested sources of information:

- Islamic Development Bank, Islamic Research and Training Institute 2000, Regulation and Supervision of Islamic Banks, Islamic Development Bank.
- Saleh, N. Unlawful Gains and Legitimate Profits in Islamic Law, 1992, Graham & Trotman, UK.

Standards, Guidance Notes and Technical Notes:

- AAOIFI Shariah standards 2010. Accounting and Auditing Organisation for Islamic Financial Institutions, Bahrain;
- AAOIFI Accounting, Auditing and Governance Standards (for Islamic Financial Institutions), 2010. Accounting and Auditing Organisation for Islamic Financial Institutions, Bahrain;
- IFSB-3: Guiding Principles on Corporate Governance for Institutions offering only Islamic Financial Services (Excluding Islamic Insurance (Takāful) Institutions and Islamic Mutual Funds).
- IFSB-4: Disclosures to Promote Transparency and Market Discipline for Institutions offering Islamic Financial Services (excluding Islamic Insurance (Takāful) Institutions and Islamic Mutual Funds).
- IFSB-5: Guidance on Key Elements in the Supervisory Review Process of Institutions offering Islamic Financial Services (excluding Islamic Insurance (Takāful) Institutions and Islamic Mutual Funds).
- IFSB-6: Guiding Principles on Governance for Islamic Collective Investment Schemes.
- Central Bank of Malaysia’s Shariah Governance Framework for Islamic Financial Institutions

Useful Websites:

- [www.aaoifi.com](http://www.aaoifi.com)
- [www.ifsb.org](http://www.ifsb.org)
- [www.isdb.org](http://www.isdb.org)
- [www.bnm.gov.my](http://www.bnm.gov.my)
Islamic Banking System and Products

Chapter 4 Structuring deposits, investment accounts and money market instruments
Chapter 5 Structuring financing facilities for working capital and consumer financing
Chapter 6 Project financing: structuring and strategic considerations.

Suggested sources of information:

- Usmani, M. T., An Introduction to Islamic Finance, 2002, Springer

Standards, Guidance Notes and Technical Notes:

IFSB-2: Capital Adequacy Standard for Institutions (other than Insurance Institutions) offering only Islamic Financial Services (IIFS).

IFSB-3: Guiding Principles on Corporate Governance for Institutions offering only Islamic Financial Services (Excluding Islamic Insurance (Takāful) Institutions and Islamic Mutual Funds.

IFSB-11: Standard on Solvency Requirements for Takāful (Islamic Insurance) Undertakings.

IFSB GN-5: Guidance Note on the Recognition of Ratings by external Credit Assessment Institutions (ECAIS) on Takāful and ReTakāful Undertakings.


BNM: Guideline on Minimum Capital Funds Unimpaired by Losses for Islamic Banks
BNM: Risk-Weighted Capital Adequacy Framework and Capital Adequacy Framework for Islamic Banks (General Requirements and Capital Components)
BNM: Capital Adequacy Framework for Islamic Banks (CAFIB) - Disclosure Requirements (Pillar 3)
BNM: Risk-Weighted Capital Adequacy Framework (Basel II) - Internal Capital Adequacy Assessment Process (Pillar 2)
BNM: Capital Adequacy Framework for Islamic Banks (CAFIB) - Internal Capital Adequacy Assessment Process (Pillar 2)

Useful Websites:
- www.aaofi.com
- www.ifsb.org
- www.isdb.org
- www.bnm.gov.my

Equity, Sukuk and Fixed-income Instruments

Chapter 7  Equity market regulations and issues of screening methodology for public-listed companies.
Chapter 8  Structuring and strategic issues for Islamic funds.
Chapter 9  Sukuk structuring and rating methodology.

Suggested sources of information:

Standards, Guidance Notes and Technical Notes:
- Securities Commission, Malaysia, July 2004, Disclosure Requirements to Investors Relating to Islamic Securities under Principles of Profit Sharing (Mudarabah)/ Profit and Loss Sharing (Musharakah), Kuala Lumpur, Malaysia.
• Securities Commission, Malaysia, November 2005, Guidelines for Islamic Real Estate Investment Trusts, Kuala Lumpur, Malaysia.

• IFSB-7: Capital Adequacy Requirements for Sukûk, Securitisations and Real Estate investment.

Useful Websites:

• www.aaoifi.com
• www.ifsb.org
• www.isdb.org
• www.sc.com.my

Takaful, Retakaful Models and Policies

Chapter 10 Takaful models and issues of legal and rating requirements.
Chapter 11 Retakaful and retro-takaful operations and industry in the global Retakaful market.

Suggested sources of information:


• Ernst & Young World Takaful Report, 2009.


Standards, Guidance Notes and Technical Notes:

• IFSB-2: Capital Adequacy Standard for Institutions (other than Insurance Institutions) offering only Islamic Financial Services (IIFS).

• IFSB-3: Guiding Principles on Corporate Governance for Institutions offering only Islamic Financial Services (Excluding Islamic Insurance (Takâful) Institutions and Islamic Mutual Funds).

• IFSB-12: Guiding Principles on Liquidity Risk Management for Institutions offering Islamic Financial Services.

• IFSB occasional papers: Issues in Regulation and Supervision of Takâful (Islamic Insurance) by IFSB and International Association of Insurance Supervisors. August 2006.

• BNM • Guidelines on Financial Reporting for Takaful Operators

Useful Websites:

• www.aaoifi.com
• www.ifsb.org
• www.isdb.org
• www.bnm.gov.my
Islamic Risk Management Tools and Strategies

Chapter 12: Islamic derivatives as risk management tools for the IF service industry.

Suggested sources of information:


Standards, Guidance Notes and Technical Notes:

- IFSB-1: Guiding Principles of Risk Management for Institutions (other than Insurance Institutions) offering only Islamic Financial Services (IIFS).
- IFSB ED12: Guiding Principles on Liquidity Risk Management for Institutions offering Islamic Financial Services [excluding Islamic Insurance (Takāful) Institutions and Islamic Collective Investment Schemes].
- IFSB ED13: Guiding Principles on Stress Testing for Institutions offering Islamic Financial Services [other than Islamic Insurance (Takāful) Institutions and Islamic Collective Investment Schemes].
- Securities Commission, Malaysia: Guidelines on Islamic Fund Management

Useful Websites:

- www.aaoifi.com
- www.ifsb.org
- www.isdb.org
- www.sc.com.my