

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:

- Ayub, M. 2008, Understanding Islamic Finance, Wiley Finance Series, Wiley.
- Rayner, S.E. 1991, The Theory of Contracts in Islamic Law, Graham and Trotman, London.
- Abdullah, M. R. M., Hassan M. H. & Thani, N. N. 2003, Law and Practice of Islamic Banking and Finance, Thomson Sweet & Maxwell Asia.
- Habib, A. 2006, 'Islamic Law, Adaptability and Financial Development', Islamic Economic Studies, Vol 13, Islamic Development Bank and Islamic Research and Training Institute.
- Islamic Development Bank, Islamic Research and Training Institute 2000, Regulation and Supervision of Islamic Banks, Islamic Development Bank.
- Zaman, A. The Role of Financial Markets in Private Sector Development in IDB Member Countries, Islamic Development Bank, Occasional Paper 4.
- Rayner, E. E., The Theory of Contracts in Islamic Law, 1991, Graham & Trotman, UK.
- Saleh, N. Unlawful Gains and Legitimate Profits in Islamic Law, 1992, Graham & Trotman, UK.
- Usmani, M. An introduction to Islamic Finance, 2002, Springer.

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 (*Takâful*) Institutions and Islamic Mutual Funds).
- **IFSB-4:** Disclosures to Promote Transparency and Market Discipline for Institutions offering Islamic Financial Services (excluding Islamic Insurance (*Takâful*) 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 (*Takâful*) 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.aaofii.com
- www.ifsb.org
- www.isdb.org
- 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:

- Cox, S., Kraty, B. & Thomas, A (eds). Structuring Islamic Finance Transactions, 2005, Euromoney Books.
- Gatti, S., Project Finance in Theory and Practice: Designing, Structuring and Financing Private and Public Projects, 2007, Academic Press.
- Jaffer, S., Islamic Retail Banking and Finance: Global Challenges and Opportunities, 2005, Euromoney Institutional Investor.
- Abdel-Haq, M. & Al-Omar, F. Islamic Banking: Theory, Practice & Challenges, 1988, Oxford University Press.
- Abdullah, M. R. M., Hassan, M. H. & Thani, N. N., Law and Practice of Islamic Banking and Finance, 2003, Thomson Sweet & Maxwell Asia.
- Al-Harran, S.A.S., Islamic Finance: Partnership Finance, 1993, Pelanduk Publications, Kuala Lumpur.
- Archer, S. & Karim, R. A. A. (eds), Islamic Finance: The Regulatory Challenge, 2007, John Wiley & Son's (Asia) Pte Ltd.
- Jaffer. S., "Islamic Asset Management: Forming the Future for Shari'a-Compliant Investment Strategies", 2004, Euromoney International Investor.
- Khorshid, A., Islamic Insurance: A Modern Approach to Islamic Banking, 2007, Routledge.
- Nathif, A. & Thomas, A., "Islamic Bods: Your Guide to Structuring, Issuing and Investing in Sukuk", 2004, Euromoney Institutional Investor.
- Rosley, S. A., Critical Issues on Islamic Banking and Financial markets, 2005, Dinamas Publishing, Kuala Lumpur, Malaysia.
- 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 (*Takâful*) Institutions and Islamic Mutual Funds.

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

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

IFSB TN-1: Technical Note on Issues in Strengthening Liquidity Management of Institutions Offering Islamic Financial Services: The Development of Islamic Money Markets.

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.aaoifi.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:

- Hayes, S.L. & Vogel, F.E., Islamic Law and Finance, 1998, Kluwer law International.
- Khorshid, A. (ed), Sukuk and Securitization, 2009, Euromoney Encyclopedia of Islamic Finance, Euromoney Institutional Investor Plc, London.
- RAM Ratings Services Berhad, Malaysian Sukuk Market Handbook, 2008.
- Abdulkader, T., Cox, S. & Kraty, B., Structuring Islamic Finance Transactions, 2005, Euromoney Institutional Investor, London, UK.
- Abdulkader, T. & Nathif, A., Islamic Bonds: Your Guide to Structuring, Issuing and Investing in Sukuk, 2004, Euromoney Institutional Investor.
- Al Suwailem, S. Hedging in Islamic Finance, 2006, Islamic Development bank, Jeddah, Kingdom of Saudi Arabia.
- Archer, S. & Karim, R.A.A. (eds), Islamic Finance: The Regulatory Challenge, 2007, Wiley Finance, Chichester, UK.
- Iqbal, Z. & Mirakhor, A., An introduction to Islamic Finance: Theory and Practice, 2007, Wiley Finance, Chichester, UK.

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, July 2004, Guidelines on Offering of Islamic Securities, Kuala Lumpur, Malaysia.
- Securities Commission, Malaysia, August 2009, Securities Borrowing and Lending Guidelines.

- 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:

- Ali, E.R.A.E. & Odierno, H.S.P., Essential Guide to Retakaful (Islamic Insurance), 2008, CDIF Publication, Kuala Lumpur.
- Archer, S., Karim, R.A.A. & Nienhaus, V., Takaful Islamic Insurance: concepts & Regulatory Issues, 2009, Wiley Finance, UK.
- Ernst & Young World Takaful Report, 2009.
- Jaffer, S., Managing Takaful and Assurance Networks, 2007, Euromoney Books, Euromoney Institutional Investor Plc, London.
- Jaffer, S., 'The global reach of Islamic Banking and Takaful', 2009, Euromoney Encyclopedia of Islamic Finance, Khurshid, A. (ed), Euromoney Institutional Investor Plc, London.
- Korshid, A., Islamic Insurance: A Modern Approach to Islamic Banking, 2007, Routledge

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:

- Al-Bashir, M. Risk Management in Islamic Finance: An Analysis of Derivatives Instruments in Commodity Markets, 2009, Brill Academic Publishers.
- Greuning, H.V. & Iqbal, Z., Risk Analysis for Islamic Banks, 2007, World Bank Publications.
- Mahlknecht, M., Islamic Capital Markets and Risk Management, 2009, Risk Books, London, UK.

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-12:** Guiding Principles on Liquidity Risk Management for Institutions offering Islamic Financial Services.
- **IFSB-13:** Guiding Principles on Stress Testing for Institutions offering Islamic Financial Services.
- **IFSB GN-2:** Guidance Note in Connection with the Risk Management and Capital Adequacy Standards: Commodity *Murâbahah* Transactions.
- **IFSB ED12:** Guiding Principles on Liquidity Risk Management for Institutions offering Islamic Financial Services [excluding Islamic Insurance (*Takâful*) Institutions and Islamic Collective Investment Schemes].
- **IFSB ED13:** Guiding Principles on Stress Testing for Institutions offering Islamic Financial Services [other than Islamic Insurance (*Takâful*) Institutions and Islamic Collective Investment Schemes].
- Securities Commission, Malaysia: Guidelines on Islamic Fund Management

Useful Websites:

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