



**Dr. Amat
Taap Manshor**
CEO – Finance
Accreditation Agency

Message from the CEO of Finance Accreditation Agency

Finance Accreditation Agency (FAA) is moving rapidly into an exciting new era. In alignment with the main agenda of developing high performing finance professionals in the financial services industry (FSI), FAA has pioneered many new initiatives since its establishment to achieve this goal. We started with the development of a quality framework and other related accreditation standards and processes. Since then we have received and accredited more than one hundred programmes from local and international training providers. This acceptance of accreditation by players in the FSI ensures that quality talent in the workforce remains competitive in the market. For this reason, the relevance of reforms to strengthen the growing Islamic banking and finance (IBF) industry is essential since the industry is exposed to competition and there is a need to develop a pipeline for professionals for IBF. There is also a need to ensure quality excellence in the process of developing talent.

Supported by Bank Negara Malaysia and Securities Commission Malaysia, FAA was formed as an independent entity to strengthen the development of quality talent for the financial sector as it continues to evolve in a rapidly changing environment. The FAA Quality Framework (FQF), for example, is a major component of the quality assurance and accreditation initiatives of FAA through which the FAA Learning Criteria (FLC) is established. The FLC forms a holistic approach to quality assessment of learning standards required in the design, development and delivery of learning programmes in IBF, thus raising the quality of talent. The FAA Learning Standards (FLS) are established to ensure consistency of learning content across the FSI according to internationally benchmarked industry requirements. They provide minimum Islamic banking, takaful and capital market standards for learning programmes across different sectors within IBF.

In the effort to strengthen the development of quality talent in IBF, FAA has started to develop the Finance Qualification Structure (FQS). The objective of FQS is to harmonise, integrate and streamline professional qualifications in the FSI into a single qualification framework. This integration of learning standards and qualifications into the FQS maps all obtainable qualifications and presents them in relation to each other. The framework helps to make the qualifications offered by training providers comprehensible and comparable across the world. This further enables mutual recognition from other accreditation bodies, both local and foreign, facilitating the career and academic mobility of FSI employees. Due for completion in 2014, the FQS will greatly enhance the professional development of talent in IBF.

With our relentless pursuit of quality talent, FAA is establishing its position as a global leader in ensuring quality learning in IBF. Establishing partnerships with relevant Islamic professional bodies and associations, regulators, institutions of higher learning and other accreditation agencies is on our agenda in order to create impact in financial learning programmes and best practices that interface across job levels. The mutual agreements are essential in bringing advancements to financial services delivery and practice. The appointment of FAA Accreditation Panel members who are subject matter experts in different fields of IBF from around the world ensures that the learning programmes submitted for accreditation are in compliance with the FQF and are relevant to the requirements of the entire chain. These panellists provide comprehensive and evidence-based analysis of the skills required which aligns to the needs of the industry.

Notably, FAA has moved rapidly towards global prominence by positioning itself as the frontier of quality learning across multiple disciplines. Our accreditation has received acknowledgment from global training providers such as the Chartered Institute of Securities and Investment (CISI) UK, Chartered Institute of Management Accountants (CIMA), Chartered Financial Analyst (CFA), International Centre for Education in Islamic Finance (INCEIF) and Islamic Banking and Finance Institute Malaysia (IBFIM). FAA's breadth and profundity of work has also garnered industry praise exemplified by the receipt of the Best Supporting Institution Award at the recent 3rd Global Islamic Finance Awards held in Dubai on 26 November, 2013. The award is in recognition of FAA's exceptional efforts in ensuring quality learning in the Islamic financial industry.

These are significant milestones for the Agency. Greater detail on how FAA's role in addressing the shortage of talent in IBF is explained in greater depth in the Special Focus chapter of this Report titled 'Assuring Quality of Human Capital in the Islamic Finance Services Industry.' To this end, we are greatly encouraged by the support of the industry and academia for our key initiatives to drive quality excellence in learning. Many have raised questions regarding the challenges of delivering quality learning at various conferences or forums. FAA would like to hear from you and welcome you to use our website as a platform to exchange viewpoints, thus enriching discussions and assisting us in continuing our efforts to ensure quality learning in IBF. I am confident that with widespread support for improving quality in learning initiatives, the enhancement of talent efficiency equipped with specific competencies and skills can be achieved to support an organisation's pursuit of excellence.

Message from the CEO of Dubai Islamic Bank

Over the past couple of years, we have witnessed a slow but definite recovery in the banking industry since the financial crisis that hit the global economy in 2007. The upturn, though sluggish in certain markets as the industry copes with the raft of regulatory requirements that have swept across the sector, is seemingly becoming a more sustainable phenomenon. While the adverse consequences of the crisis have been particularly evident for conventional banks, the Islamic financial industry, on the other hand, has been able to distinguish itself by showing a higher degree of resilience, growing at a steady pace and increasingly positioning itself as a key component of the global financial landscape.

Consequently, the sector has been able to ride out the financial crisis and emerge in a better position today than conventional lenders. This has been a monumental achievement for an industry that formally began less than 40 years ago with the establishment of Dubai Islamic Bank (DIB) in 1975. Since then, we have seen the sector make significant progress through the proliferation of Islamic financial institutions across the world and the evolution of innovative banking services that now compete on an equal footing with the leading conventional banks.

As Islamic finance continues to mature, the opportunities for growth in this area seem quite promising to say the least. GCC, in particular, has made huge advancements with asset growth of Islamic financial institutions outpacing that of their conventional peers. A report from Standard & Poor's illustrates that asset growth of Islamic banks rose more than 15% in 2012, compared with the 10% growth of conventional lenders. Among other factors, this is being driven by support from national governments, growing sentiment across the globe for a fair alternative to conventional banking and the GCC's role as the hub of the increasingly influential global Islamic economy.

Countries across the world are all aspiring to become the centre of this industry, in order to capitalise on a market that is worth approximately US\$6.7 trillion and provides access to over 1.7 billion Muslims. To this end, His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of

the UAE, and Ruler of Dubai, announced in 2013 his aim of making Dubai the capital of the global Islamic economy within three to five years. This has seen Islamic banking evolve from an ancillary area of focus to one that is central to the country's growth strategy and long-term ambitions.

Since Dubai already enjoys a position as a pioneer and a leader in the industry, it is well placed to succeed in this initiative. The emirate has already made significant progress in establishing product structures, guidelines and institutions and is well on its way towards achieving this goal. Further strengthening Dubai's position in supporting this endeavour is its aim to becoming the leading centre for the Islamic debt capital market. Dubai already forms a critical component of this market, where sukuk issuances are expected to exceed, globally, US\$100 billion. The recent Global Islamic Economy Summit and the announcement that Dubai will host the next World Islamic Economic Forum (WIEF) are further examples of the steps the city has taken in order to succeed in its initiative to become the centre of the Islamic economy.

DIB aims to play a critical role in supporting this vision, given the bank's heritage and vintage, and its role as industry leader. By riding out the financial crisis through a deliberate focus on consolidating its operations and developing its core businesses, the bank is in a perfect position to leverage the strong financial position it is in today and embark on a new phase of growth. This will allow DIB to take advantage of the improving macroeconomic situation in the UAE, and ensure that it is perfectly positioned to become the cornerstone of Dubai's long-term objectives.

While there continue to be challenges to the growth of this sector, including the lack of standardisation of regulations governing Islamic finance across the world, there has been considerable progress to date. Even as the continually changing landscape of the interconnected global economy will test the resilience of this industry, we strongly believe in its potential and envision that, with stakeholders' interest at its core, Islamic finance will enter a new period of expansion over the next few years.



Dr. Adnan Chilwan
CEO – Dubai Islamic
Bank



بنك دبي الإسلامي
Dubai Islamic Bank