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Prominent Scholars Discuss Islamic Finance Solutions

Kingdom of Bahrain, Manama, 01 February 2010

The Bahrain Financial Exchange (BFX) and Bursa Malaysia, organised a forum to discuss matters related to Islamic liquidity management and financing and in particular contemporary issues relating to commodity *Murabaha* transactions and *Tawarruq* practices. This forum was part of a two-day event marking the inauguration of a commercial relationship between the two exchanges. The underpinning for this relationship is to provide financial products to Islamic market participants and strengthen bilateral ties between both organisations.

The event, held at the BFX offices, attracted over 50 key players from the Islamic financial markets and was graced with the attendance of three of the most eminent Shari'ah scholars within the industry. Dr. Mohd Ali Elgari, Sheikh Nizam Yaqubi and Dr. Aznan Hasan participated with the objective of providing insights and expert opinion on the concept of *Tawarruq* and its application and practices to facilitate Islamic liquidity management and financing.

Raja Teh Maimunah Raja Abdul Aziz, the Global Head of Islamic Markets, Bursa Malaysia, who was also the moderator for the panel discussion commented, "The use of *Tawarruq* and its role in money markets and risk management is important in further developing the industry and through discourses such as this, we hope to provide industry participants with greater understanding of the concept from a Shari'ah perspective as well as its commercial importance."

The event also introduced a newly developed regulated Islamic commodity trading platform to industry participants specifically designed to facilitate Islamic financing and liquidity management aimed at tightening the application and enhancing integrity of *Tawarruq* practices.

Tawarruq is a sale of an asset to a purchaser on deferred payment with an onward sale by the purchaser to a third party on cash.

"It gives me great pleasure to host such a high-profile panel and audience from the Islamic finance community," BFX director Arshad Khan said.

"I am confident I can say from all involved, that this was an extremely informative and thought-provoking discussion with the practitioner community."

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From Left Dr. Mohd Ali Elgari, Dr. Aznan Hasan and Sheikh Nizam Yaqubi.



About Bursa Malaysia

Bursa Malaysia Berhad is a public company limited by shares under the Companies Act 1965. Bursa Malaysia is an approved exchange holding company under Section 15 of the Capital Markets and Services Act 2007. Other companies in the Bursa Malaysia Berhad Group of companies include a stock exchange, a derivatives exchange, an off-shore international financial exchange, equity and derivatives clearing houses, a central depository, an information services provider and an Information Technology services provider.

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For more information on Bursa Malaysia, visit www.bursamalaysia.com.

About BFX:

Bahrain Financial Exchange (BFX) the first Multi - Asset exchange in the Middle East and North Africa, will be internationally accessible to trade cash instruments, derivatives, structured products and Sharia-compliant financial instruments. Launching in 2010, the BFX is regulated by the Central Bank of Bahrain (CBB).

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The BFX is a wholly owned initiative of Financial Technologies (FT), one of the largest global exchange network operators; The BFX set up its Clearing and Depository Corporation (BCDC).

The BFX Training Institute is an international standard in – house training facility, providing world class conventional and Islamic financial training and education courses.

The BFX is a member of the Futures and Options Association (FOA), the International Islamic Financial Market (IIFM), and a member of the Accounting and Auditing Organization for Islamic Financial Institution (AAOIFI).

For more information on BFX, visit www.bfx.bh

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