

"It is, therefore, imperative that we assess and implement the right channels for the distribution of our products to ensure that the market has the best access to these quality takaful products." The sales manager has identified five major channels to distribute their Solidarity family-takaful products which include a direct-sales force, banks, independent brokers, the Internet and call centres. "It's paramount that we choose the right blend of distribution methods for each individual country to ensure that we adhere to legislation but also to the consumer wants and needs, he said. Solidarity has already signed an exclusive distribution contract in Qatar with Qatar Islamic Bank, and, in Bahrain, distribution is through both Shamil Bank and a direct-sales force. "We are immediately looking at building on the Bahrain and Qatar markets as well as entering the UAE, Saudi Arabia, Lebanon, Kuwait, Oman, Egypt and Britain," said Smith. "We are also looking closely at Morocco, Yemen, Iran, Pakistan, the European Union and the lucrative Far East markets."

Kuwait

KFH Launches Ijara Card

The Kuwait Finance House (KFH), Bahrain has recently launched Ijara card, first of its kind that allows for the purchase of durable goods from a list of pre-approved Bahrain merchants on a "lease-promise-to-own" Islamic Ijara basis. The Ijara merchant network is expected to consist of more than 100 top shops and some 200 locations throughout the Kingdom, offering consumers access to a broad range of products including household goods, boats and home accessories.

The launch was aimed at familiarizing merchants with the unique features of the new innovative card and ensuring that all vendors have the necessary tools and information to effectively serve cardholders. According to Abdulhakeem Alkhayyat, KFH general manager, "This is an exciting time as the institution continues to introduce new, compelling and never-before-seen Islamic financial products and services into the market.

We are pleased to offer both merchants and consumers in Bahrain new financing options and opportunities through the Ijara card that, in effect, gives hundreds of families in Bahrain the power to obtain durable products they'd otherwise not be able to access on a cash-and-carry basis. "Working with Bahrain's top merchants, we expect the Ijara card to quickly become Bahrain's premium choice in durable-products card finance."

مجلہ کے بارے میں اپنی رائے سے آگاہ فرمائیے۔

☆ کیا آپ کو معلوم ہے کہ: ☆ قانون شریعت ہی کا دوسرا نام فقہ اسلامی ہے ☆

Currently, Meezan Bank Ltd. is the only full-fledged Islamic bank in Pakistan, while six conventional banks have been allowed to open 18 Islamic banking branches.

Ayesha Ashraf Jangda, a spokeswoman of Bank Islami, said it would target retail business as its core activity, offering Sharia-compliant integrated financial solutions for the first time in Pakistan. The bank's focus on Sharia-compliant wealth management has generated considerable interest in the Middle East and elsewhere, she said.

The bank is primarily backed by Jahangir Siddiqui & Co. and the UK's DCD Group. Jahangir Siddiqui is a financial brokerage and investment banking firm while DCD Group has a track record of selling Islamic financial products in the UK.

Pakistan's Islamic banking sector has been steadily growing, with assets at newly emerged Islamic banks and branches almost tripling year on year to Rs.34 billion in the nine months to January this year.

Islamic bonds sale by year-end

Pakistan plans to sell its first Islamic bonds, Sukuk, by the end of the year to tap rising demand for securities that conform to Muslim law, said Dr Salman Shah, adviser to the prime minister on finance, here on Thursday.

Talking to APP at a conference on "Combating Corruption in South Asia", he expressed the hope that the launch of bonds in the international market would prove a success.

About the revenue generation, Dr. Shah said the revenue collection was going on very satisfactorily. When asked about the rise in oil prices in the international market, he said the government was closely monitoring the developments in the international crude oil market.

Bahrain

Solidarity Set to Enter 9 Countries in 18 Months

The Bahrain-based Solidarity, one of the Middle East's leading takaful (Islamic insurance) companies, is set to enter nine regional and international countries in the next 18 months as part of its global-focus strategy, according to Andrew Smith, head of sales, family takaful. The newly appointed sales manager predicts 15-20 per cent annual growth in the global takaful market which was worth \$678 million in annual premiums in 2001.

He said that Solidarity family takaful's rapid expansion is prompted by the increasing requirement for takaful insurance products around the world. "Takaful products are in huge demand because they rely heavily on the virtue of fairness and are relevant to the teachings of Islam. As many markets are dynamic and diverse, numerous methods cause financial aggravation on an individual basis, so the need for these Shari'ah-compliant products and services is greater than ever," said Smith Rob King, general manager, family takaful, in announcing the appointment of Smith.

Islamic Banks In Pakistan May Launch New instruments

Pakistan government plans to allow banks, operating under the Islamic mode of banking, to launch some interest free instruments to raise capital to meet the Statutory Liquidity Ratio (SLR) of the State Bank of Pakistan and operate in a level playing field in competition with other commercial banks. According to Dr Ashfaq Hassan Khan, economic adviser to the federal government, the government had allowed establishment of Islamic banks in the country, whereby the existing commercial banks can also designate their separate branches or establish separate subsidiary to run parallel Islamic banking system, or establish new Islamic banks in the country,

"But now it is a matter of concern that since these Islamic banks cannot get into the interest-based banking and the requirement of 15 percent SLR for Islamic banking system was posing difficulties for which the government wants to launch instruments which would not be based on interest but would help the Islamic banks raise their capital without interest based system."

Dr Khan said he had discussed various options with the SBP officials, who gave detailed presentations on the launching of some interest free instrument (Ijara) for Islamic banks to raise capital and meet 15 percent SLR requirements of the SBP.

"The commercial banks outside Islamic banking get benefit of interest based return from SBP on the 15 percent SLR deposit with the SBP, but this contradicts with Islamic banking system, that is why the government is planning to launch an instrument known as Ijara Sukook," he said and added through these instruments Islamic banks can raise capital with interest free system and maintain 15 percent SLR and have the level playing field as well to cater to their clients. Dr Khan said that the government with the help of the central bank is working on the pricing mechanism for the Islamic debt instrument (Ijara Sukook), and recent presentations of the SBP also revolved around the same subject.

Meanwhile, the Islamic Banking Department at the SBP was working on an instrument which will be known as "Ijara Sukook," or lease certificates, for Islamic banking system. Ijara Sukook matches with Islamic banking practices and the banks, which intend to develop a parallel system (sharia-compliant investments), would be able to raise capital through this instrument.

Bank Islami to begin operations next year

Pakistan's second full-fledged Islamic bank, Bank Islami Pakistan Ltd., on Thursday said it expects to begin operations early next year.

The Securities and Exchange Commission of Pakistan (SECP) has approved the incorporation of the bank with an authorized capital of Rs.2.1 billion, the bank said in a statement. "The bank plans to commence its operation from Karachi by early next year," it said.

Practical Islamic Banking in progress.

Pakistan

Standard Chartered Launches Islamic Banking Offering in Pakistan

Standard Chartered Bank has also launched Islamic Banking services in Pakistan. The products offered are Islamic Current Account (ICA), Islamic Home Finance (IHF) and Islamic Auto Finance (IAF).

ICA provides end to end solution in complete compliance with Shariah principles. It facilitates a non-profit bearing deposit for customers and with the help of established Shariah principles, the bank will ensure that funds deposited in the account are deployed in a Shariah compliant venue.

IHF is based on diminishing musharaka concept, which is considered by all standards to be most preferred financing mechanism in Islamic Finance. It will work with Standard Chartered acting as participant in the property, where bank's share will diminish over time, leading eventually to 100% ownership of the property by customer. IAF is structured on profit-based Murabaha concept, wherein the bank will buy a vehicle and in line with established principles of Murabaha sell it at a price, which includes a disclosed profit. Chief Executive Standard Chartered Pakistan Badar Kazmi speaking at launching ceremony here said future of Islamic Banking in Pakistan is "extremely promising. We are strongly positioned to lead in it with support of our partners, especially State Bank of Pakistan through its proactive regulatory and promotional policies"

He noted that Islamic banking products are very important facilities for customers and offering of these products is a key initiative of bank. Head Consumer Banking Standard Chartered Bank Abid Sattar said bank also plans to introduce corporate banking related products in coming days. "We have forged strong relationships with stakeholders and built sound reputation of providing high quality banking products and services. In backdrop of this, future of Islamic Banking products in Pakistan is both exciting and challenging," he added.

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