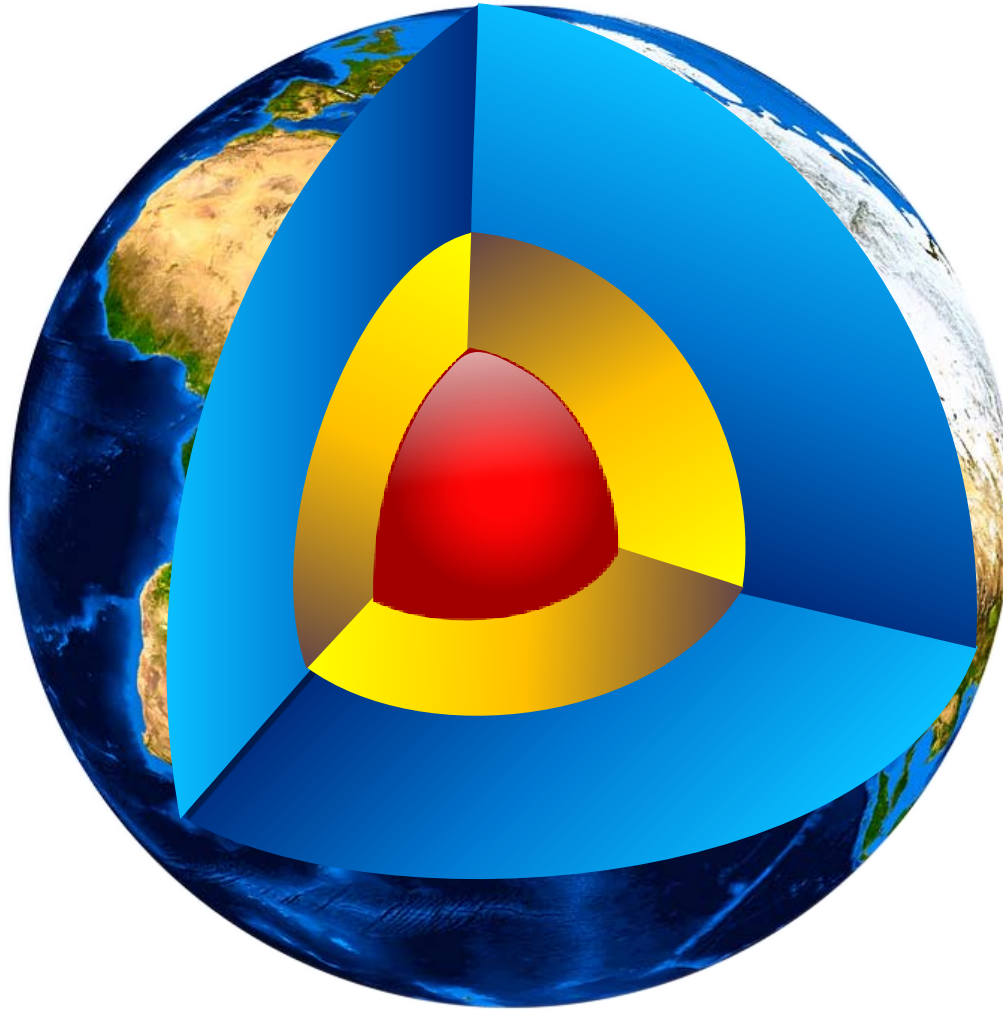




What Initiatives Exist To Develop Talent & Human Capital In The Islamic Finance Services

By: Dr Amat Taap Manshor
IFN Forum Asia
27 May 2014
Kuala Lumpur



Industry Overview of Islamic Finance

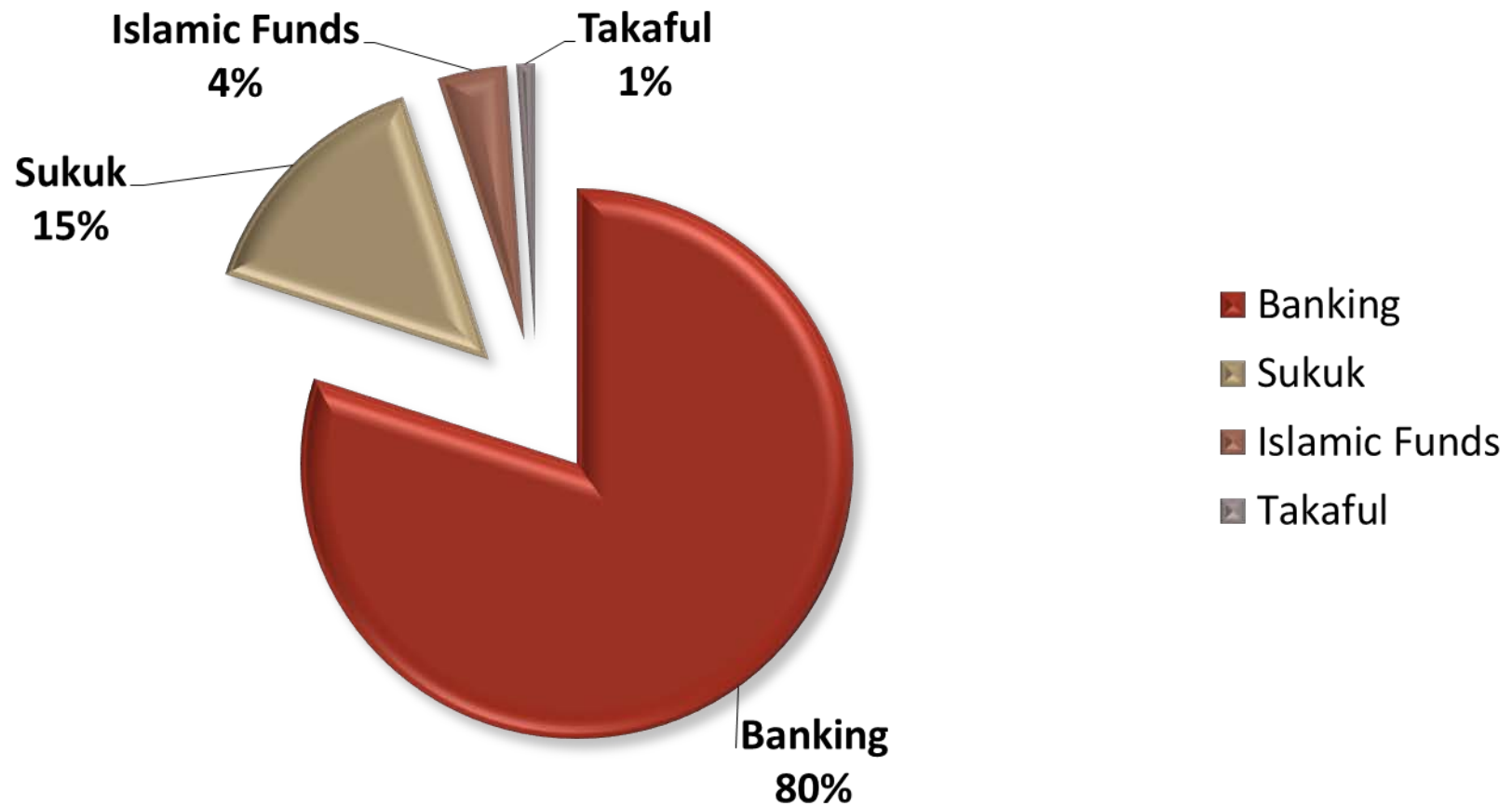


**Education & Training Services
– Industry Facts & Trends**



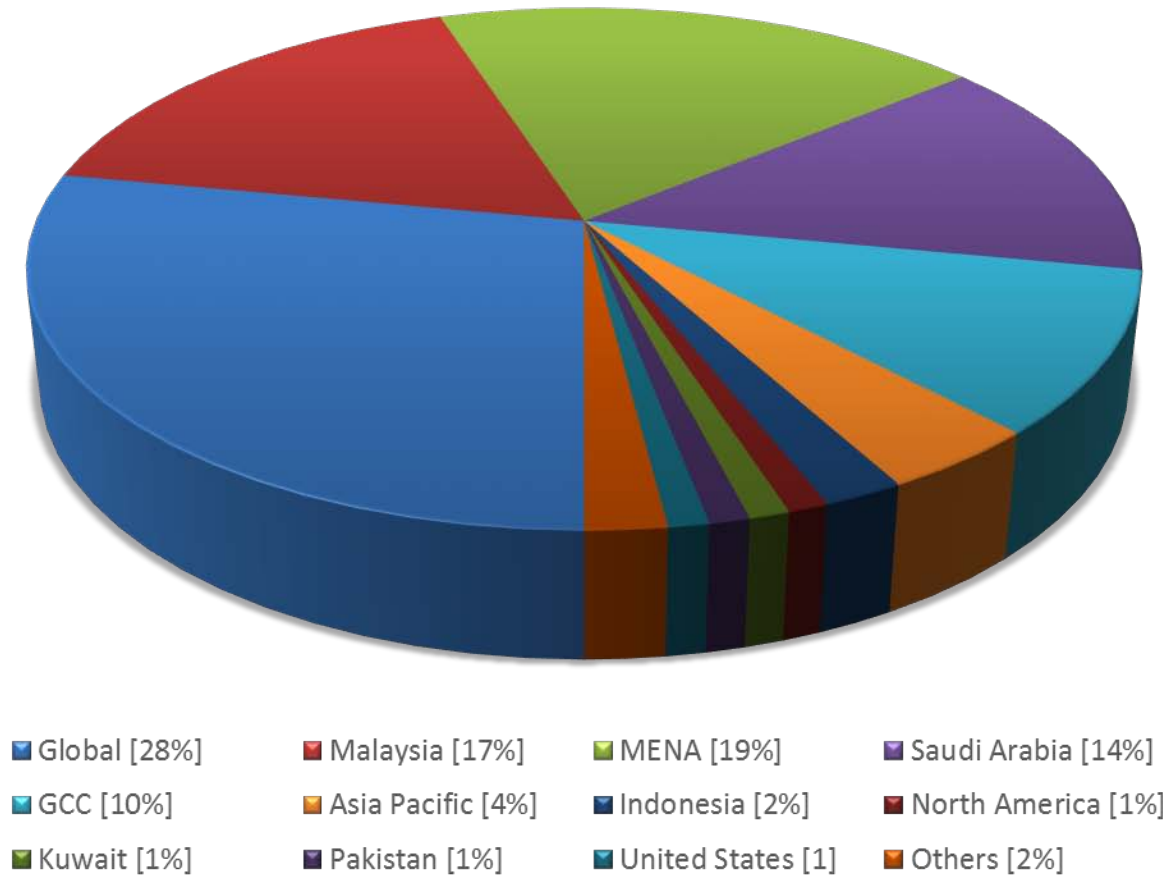
Assuring Quality of Human Capital in the IFSI

Global Islamic Finance Asset by Segment (2013E)



Source: KFH Research, Islamic Finance Outlook 2014

Islamic Funds Asset by Geo Focus (2013)



Source: KFH Research, Islamic Finance Outlook 2014

Talent Shortage in the IFSI

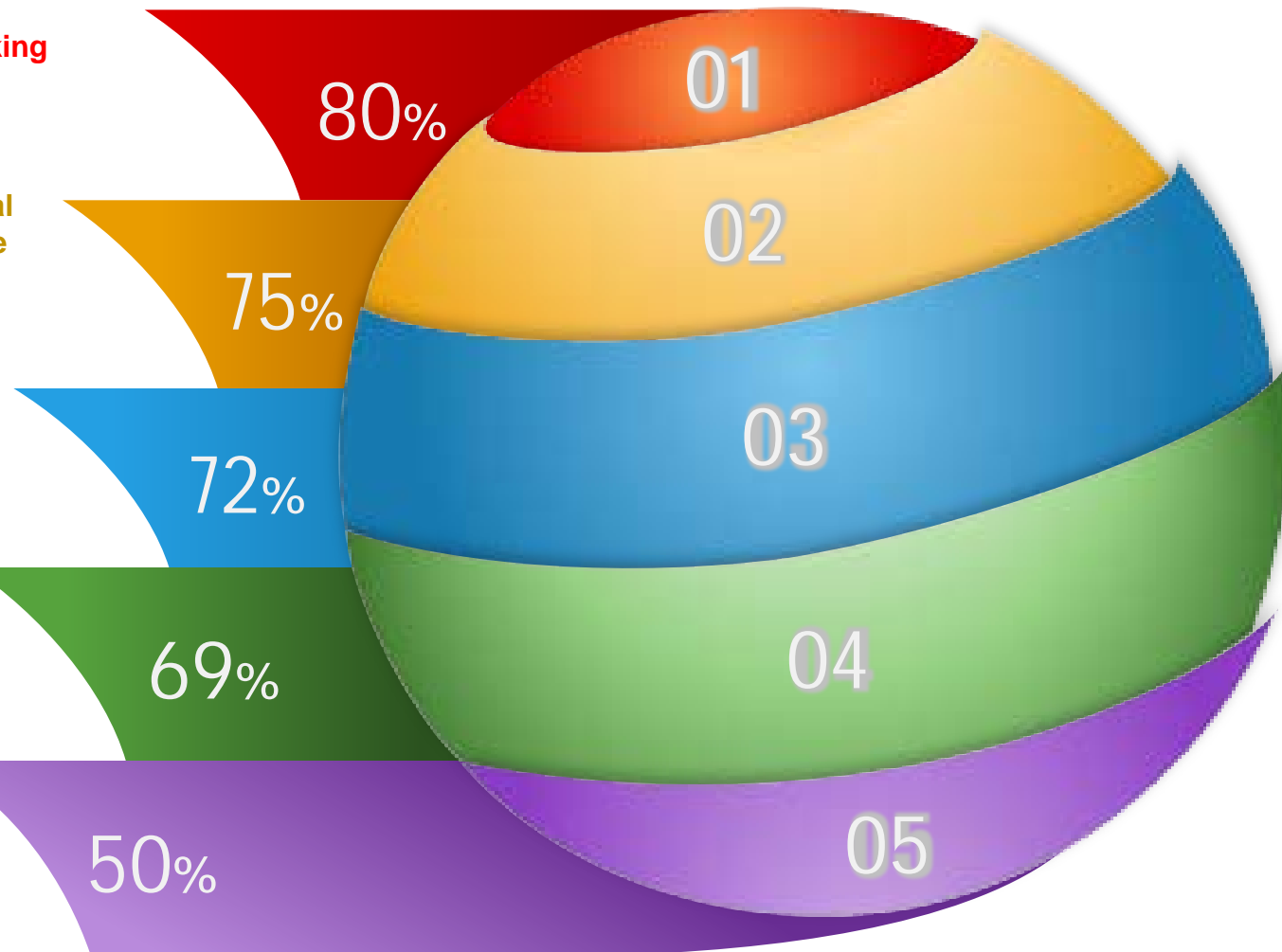
**No. of people currently working
in the IFSI is insufficient**

**Practitioners without a formal
qualification are less capable
of doing their job**

**Conventional bankers need
specific training before they
can perform an Islamic
finance-related role**

**Lack of Shariah expertise,
Islamic Finance Knowledge
& Practical Experience**

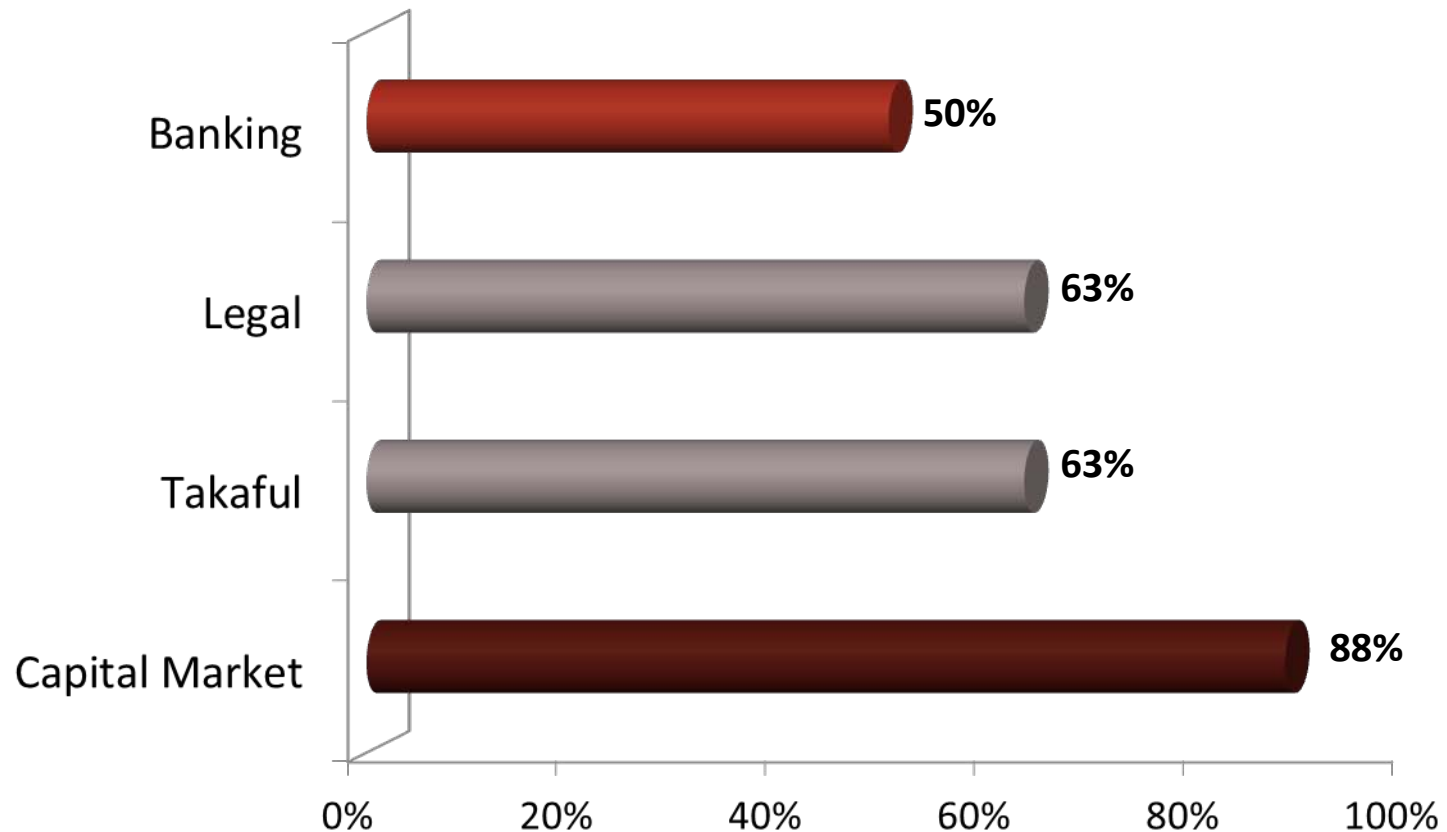
**Believe that technical
knowledge of Management
is only average**



Source: FAA-IFN Human Capital Development Survey: FEB 2014.

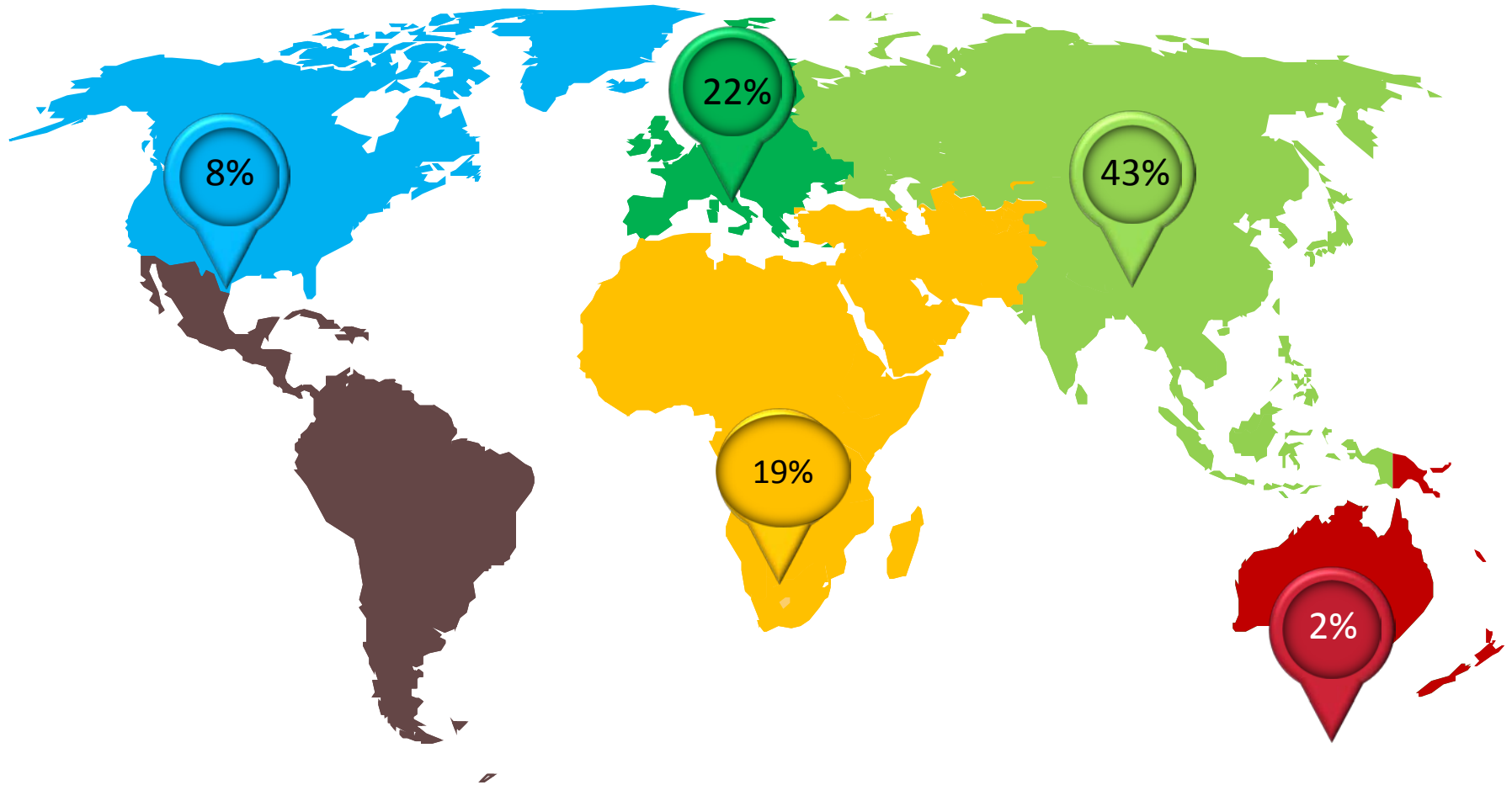
Shortage of Islamic Finance Professionals by Sector

Shortage of Islamic Finance Professionals by Sector



Source: Report of the Islamic Finance Task Force of the COMCEC Capital Market Regulator 2013

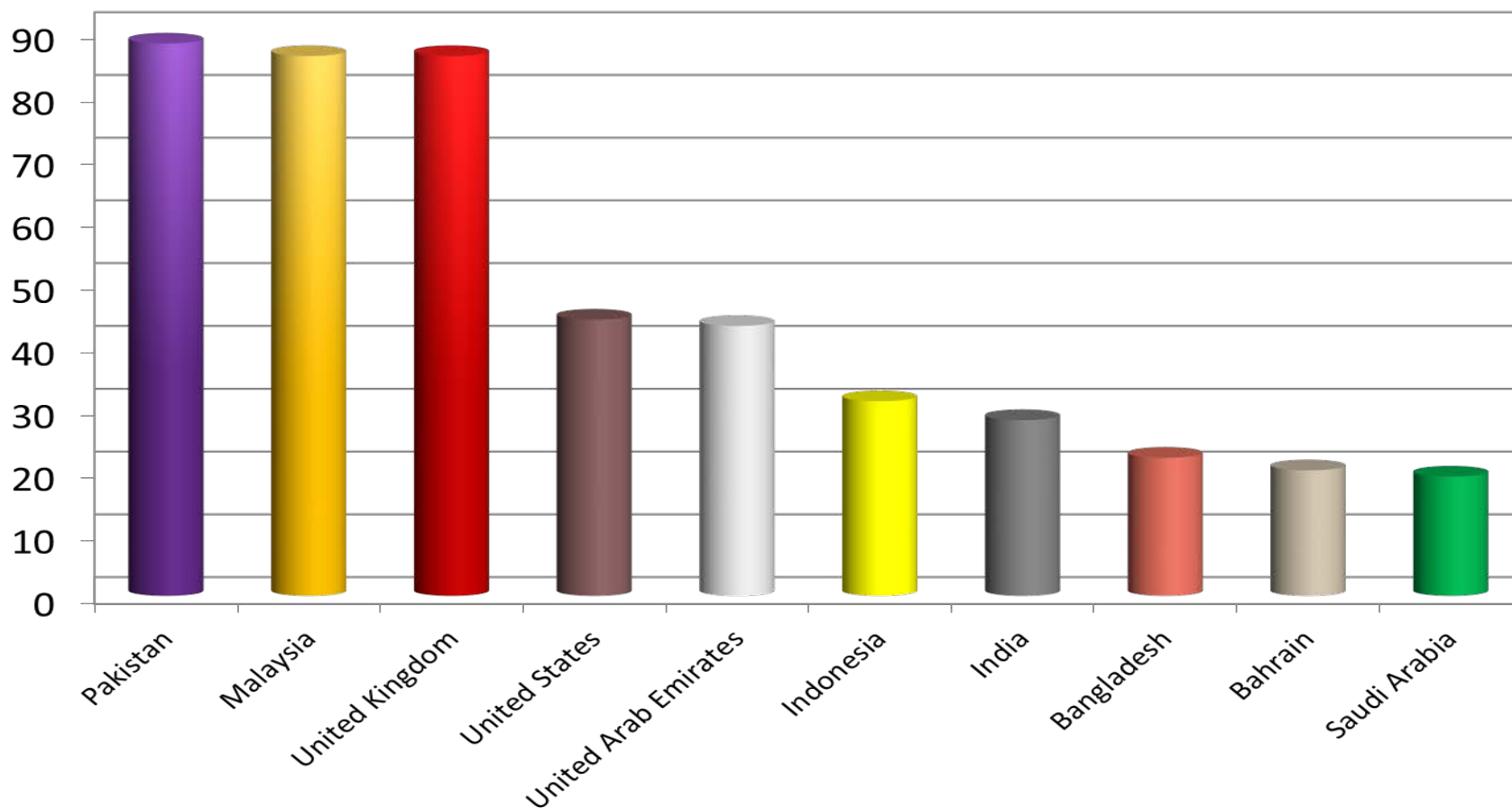
Islamic Finance Training Providers



Source: Yuriz, *Global Islamic Finance Education Report 2013: Special Report*

Top 10 Countries by No. of Islamic Finance Education & Knowledge Service Providers

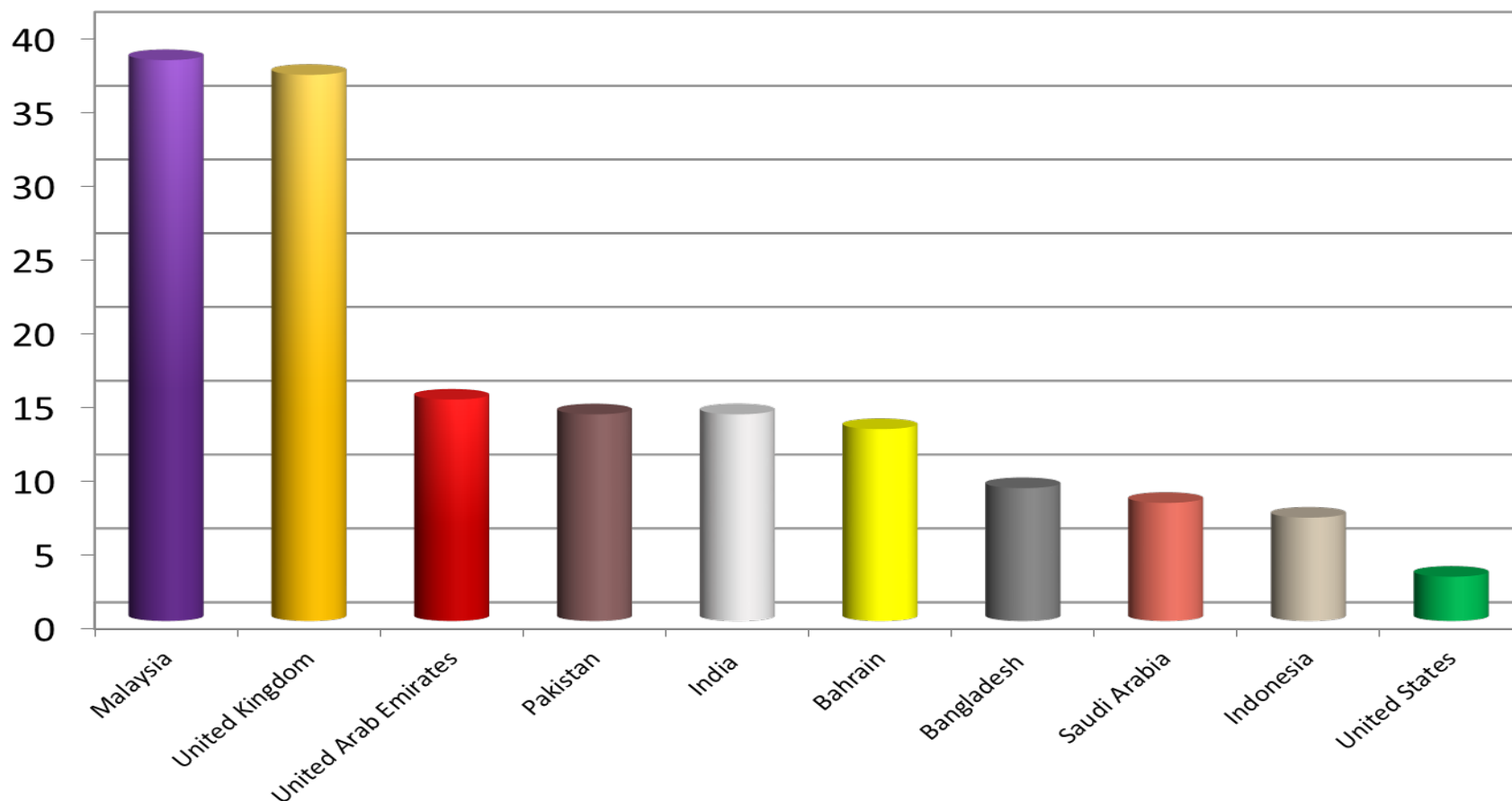
Academics & Higher Learning



Source: Yuriz, Global Islamic Finance Education Report 2013: Special Report

Top 10 Countries by No. of Islamic Finance Education & Knowledge Service Providers

Non – Academic (Training & Others)

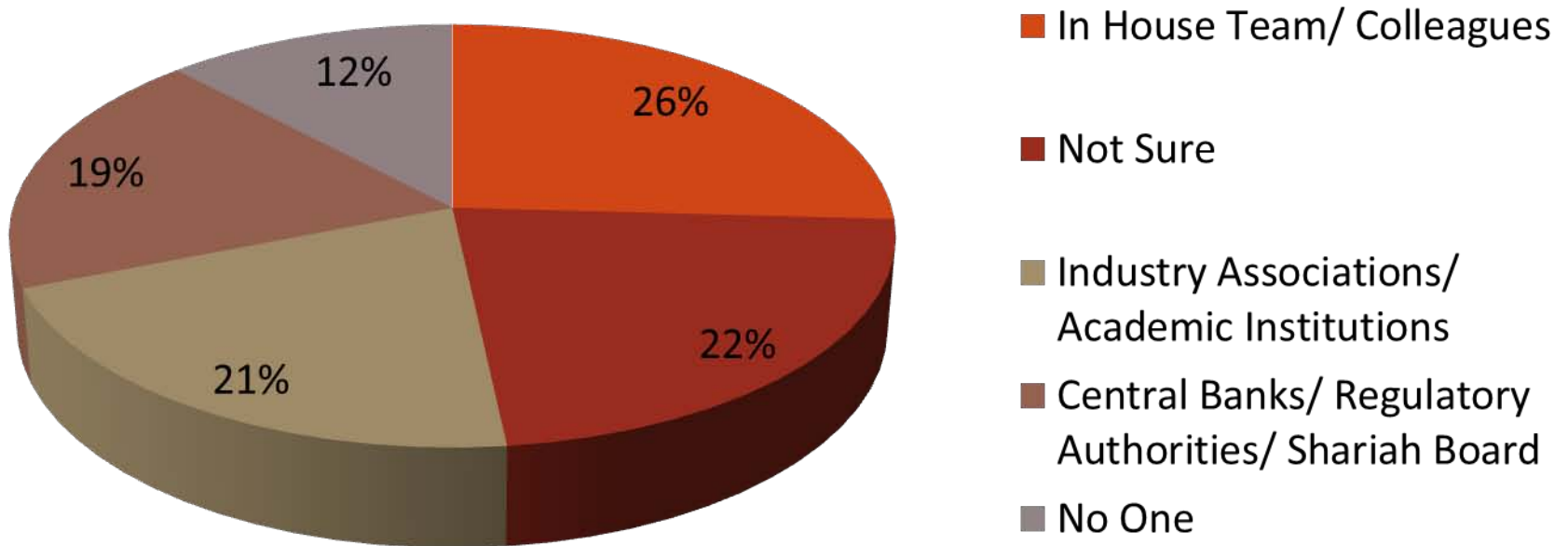


Source: Yuriz, Global Islamic Finance Education Report 2013: Special Report

Issues & Challenges in Developing Human Resources in Islamic Finance



Source of Reference for Learning Programme Standards in Islamic Finance



Source: FAA-IFN Human Capital Development Survey: FEB 2014.

Industry's Opinion on Accreditation

80% think that accreditation will ensure a high quality learning programme

80% agree that they would be more likely to send delegates to a training programme if it was accredited

83% believe that international professional recognition (through accreditation) would help meet expectations

69% believe accreditation guarantees quality



Source: FAA-IFN Human Capital Development Survey: FEB 2014.

Integrated and Coordinated Approach to Global Quality of Islamic Finance Talent Development



- An international and independent quality assurance and accreditation established in August 2012.
- Provides high quality assurance practices and accreditation of institutions, learning programmes and individuals in the financial services industry (FSI)
- Promotes the highest standards in the development of talent for the FSI.



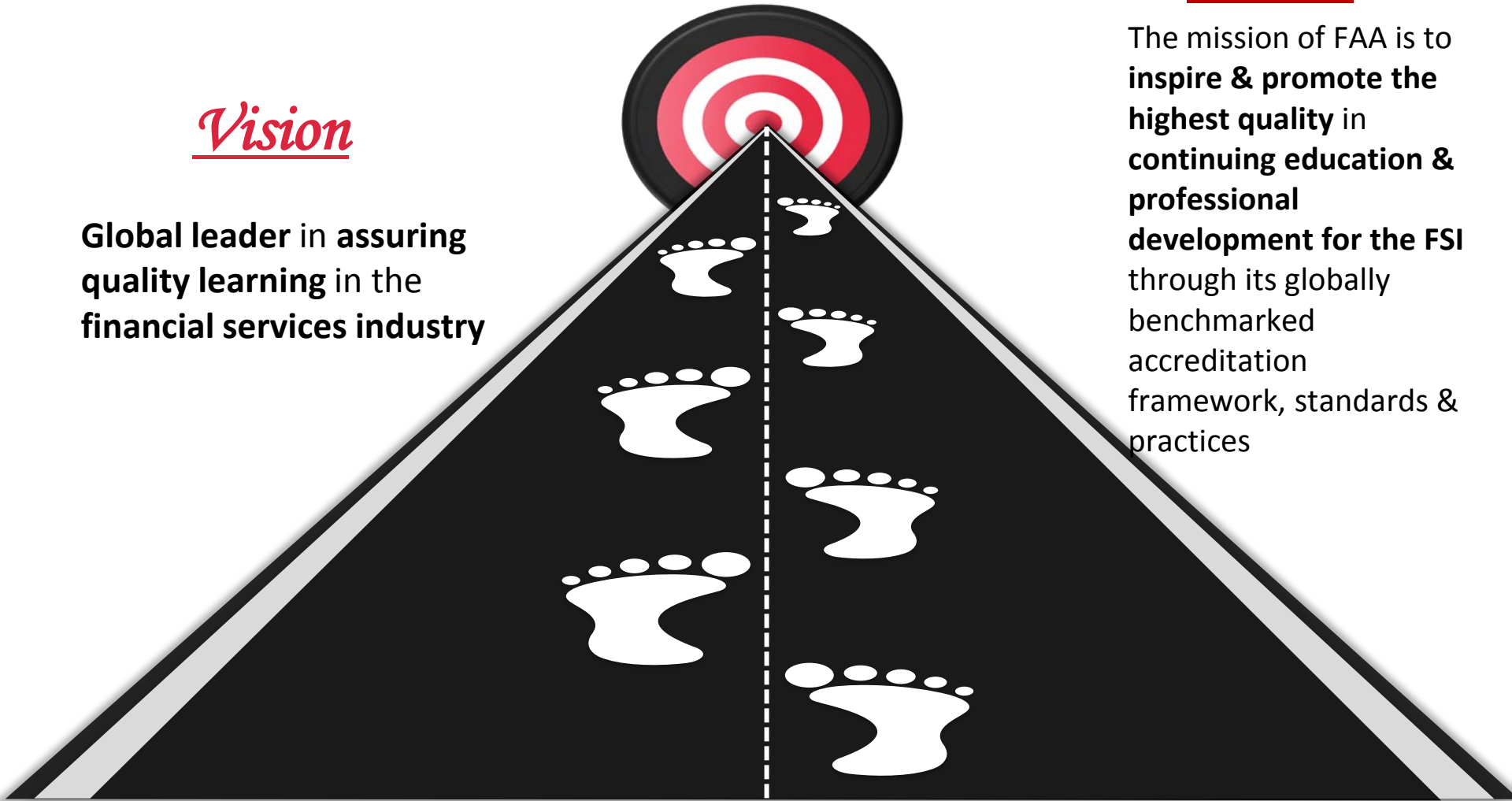
Finance Accreditation Agency - Vision & Mission

Vision

**Global leader in assuring
quality learning in the
financial services industry**

Mission

The mission of FAA is to
**inspire & promote the
highest quality in
continuing education &
professional
development for the FSI**
through its globally
benchmarked
accreditation
framework, standards &
practices



Partners in Driving Quality Learning in FSI



**Driving Quality
Excellence in Learning
Programme Design,
Development &
Delivery**

01

**Development of
Integrated Quality
Assurance Framework
& Standards**

02

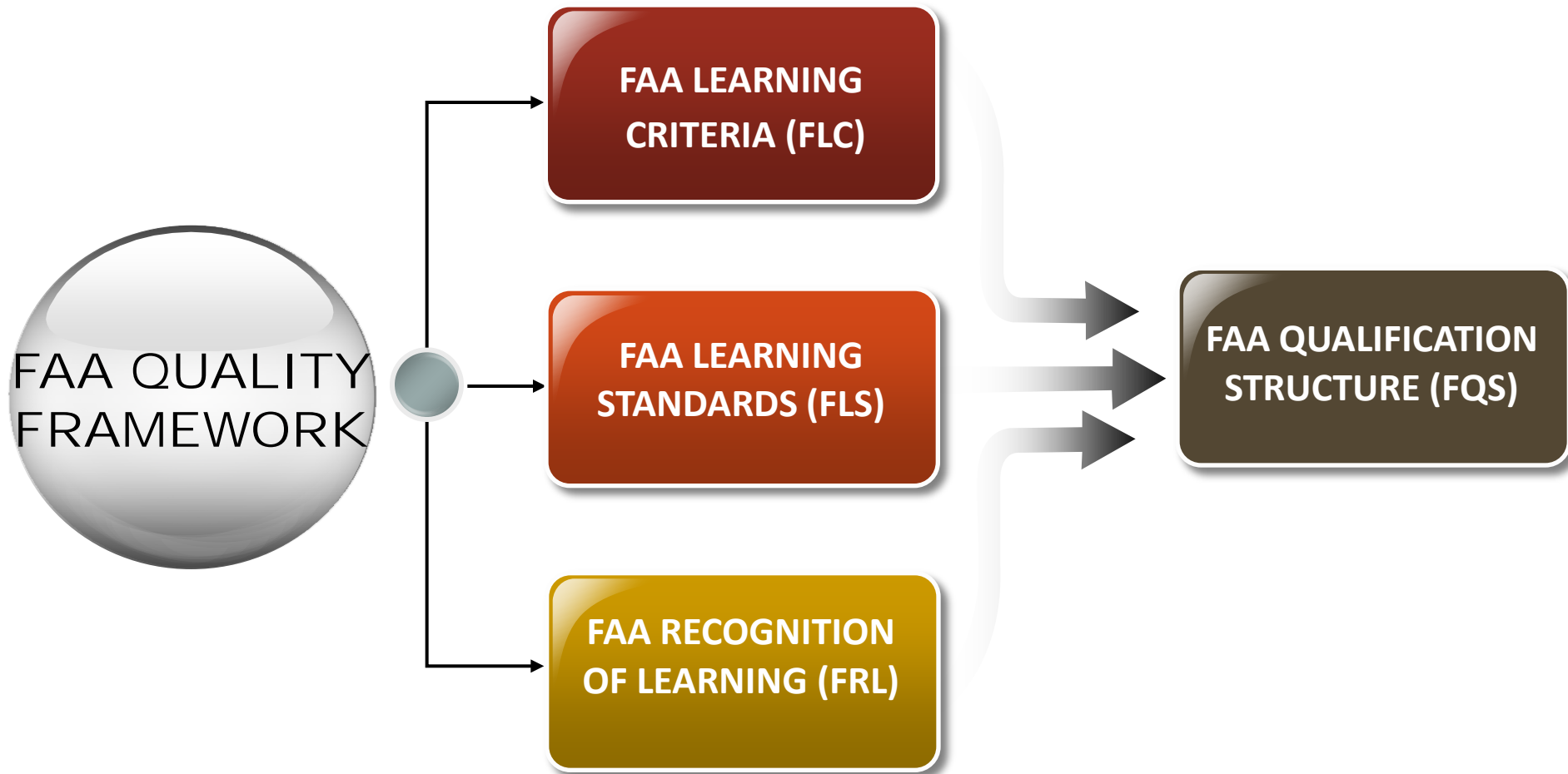
**Global Recognition of
Learning Programmes
in the FSI**

04

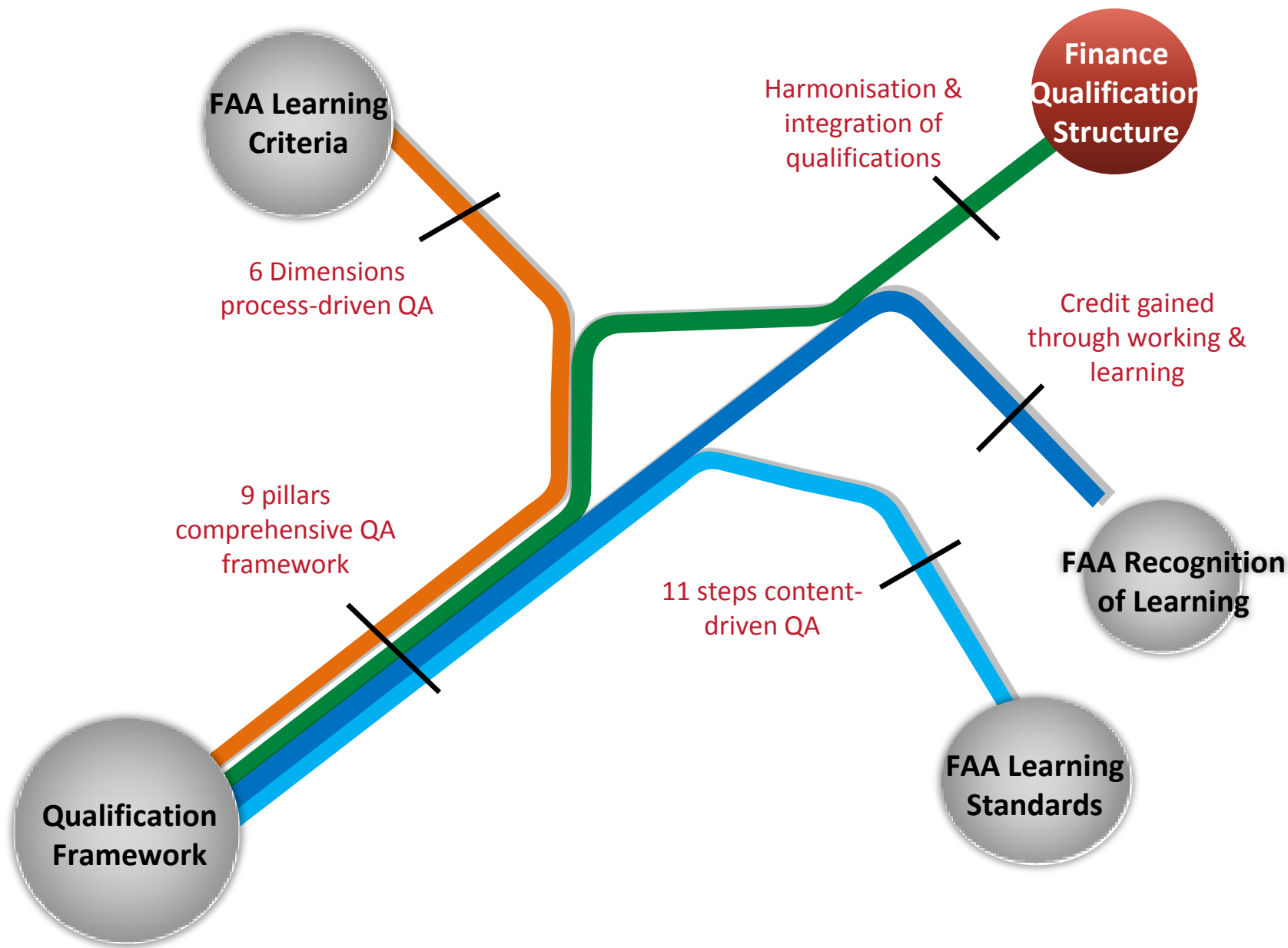
**Promoting Future
Practices in Talent
Development**

03

Integrated Quality Assurance Framework



Driving Quality Excellence



FAA Learning Criteria (FLC): Quality Dimensions

FAA Learning Criteria (FLC) is derived from FQF which are based on principles of quality assurance, inclusiveness, creditability and transparency. Comprising six dimensions, FLC allows for validity, reliability, fairness and flexibility in the design, development and delivery of learning programmes in the FSI.

1. Learning Programme Rationalisation

Establishment of a need for a particular learning programme

2. Competency Fulfillment

Development of learning programme that has to be closely related to competencies

3. Learning Programme Structure

Systematic design and development of learning programme

4. Learning Programme Delivery

Appropriateness of methodologies used particularly in adult learning environment

5. Learning Assessment

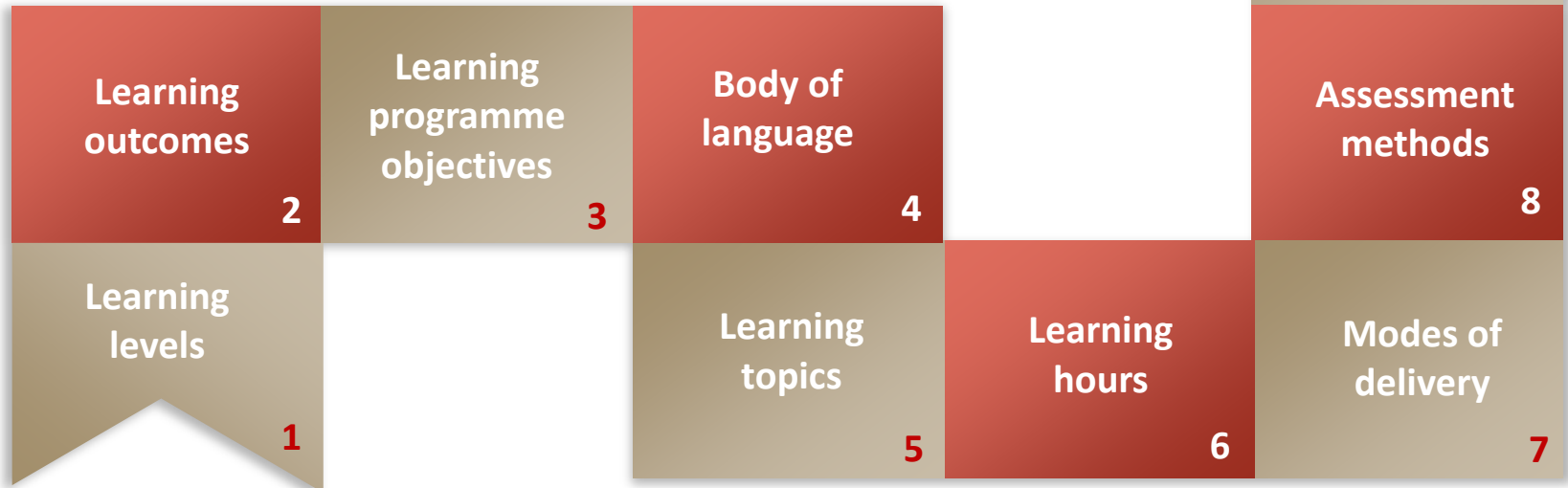
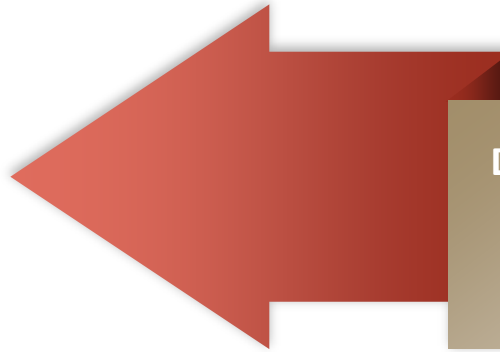
Assurance of learning and knowledge transfer taking place

6. Learning Programme Recognition

Acceptance of industry through points, exemptions, exchanges and affiliation, and awards

FAA Learning Standards (FLS)

The objective of FLS is to ensure consistency of learning contents across FSI according to internationally benchmarked industry requirements. FLS provides minimum standards for learning programmes across different sectors within financial services industry.



INTERNAL AUDIT

BASIC 1A & B: Understanding professional internal audit practices, ethics and technical and personal competencies to plan internal audit assignments

BASIC 2A & B : Executing Risk Based Audits and Reporting Audit Results

INTERMEDIATE : Mastering Audit Supervisory Technical and Personal competencies for Audit Team Leads

ADVANCE : Improvement, innovation and leadership competencies for Chief Audit Executives

COMPLIANCE

BASIC 1: Fundamentals on Regulatory and Non Regulatory Compliance, Governance and Control Frameworks

BASIC 2: Developing Compliance Programmes to manage compliance risks and financial crimes

INTERMEDIATE 1: Anti Money Laundering and Counter Terrorism Financing laws, provisions, cases and compliance

INTERMEDIATE 2: Basics of Fraud and Regulatory Investigation Techniques and Processes

TREASURY

BASIC 1: Functions and principles of Treasury within a guided legal environment and regulatory guidelines

BASIC 2 :Foreign Exchange Markets, its functions and operations and Money Markets (MM), its functions and operations

INTERMEDIATE 1 : Specialised knowledge and skills relevant to establish client relationship and provide solutions to clients.

INTERMEDIATE 2: specialised knowledge and skills to manage Treasury functions in a Financial Institution.

CREDIT

BASIC 1: Financial system & principle of Credit

BASIC 2: Business risks and Financial risk analysis

INTERMEDIATE 1: Credit evaluation and Credit Report writing

INTERMEDIATE 2: Syndicated Financing

RISK MANAGEMENT - ISLAMIC

BASIC 1: Introduction to risk management

BASIC 2: Risk Management processes in Islamic Banking

INTERMEDIATE 1: Credit, Market and Operational risk management program for Islamic Banking

INTERMEDIATE 2: Credit, Market and Operational risk management program for Islamic Banking

SHARIAH PRINCIPLES & PRACTICES

BASIC 1: Introduction to Shariah

BASIC 2: Application of Shariah Contracts in Banking products and Services

FAA Learning Standards for Islamic Banking



FAA Learning Standards ensures harmonisation of learning and certification across different disciplines & jurisdictions



For example: Guided by the FLS, a Risk Management Training at intermediate level offered in Kuala Lumpur is similar in terms of minimum contents & standards to one offered in Dubai, Hong Kong & London

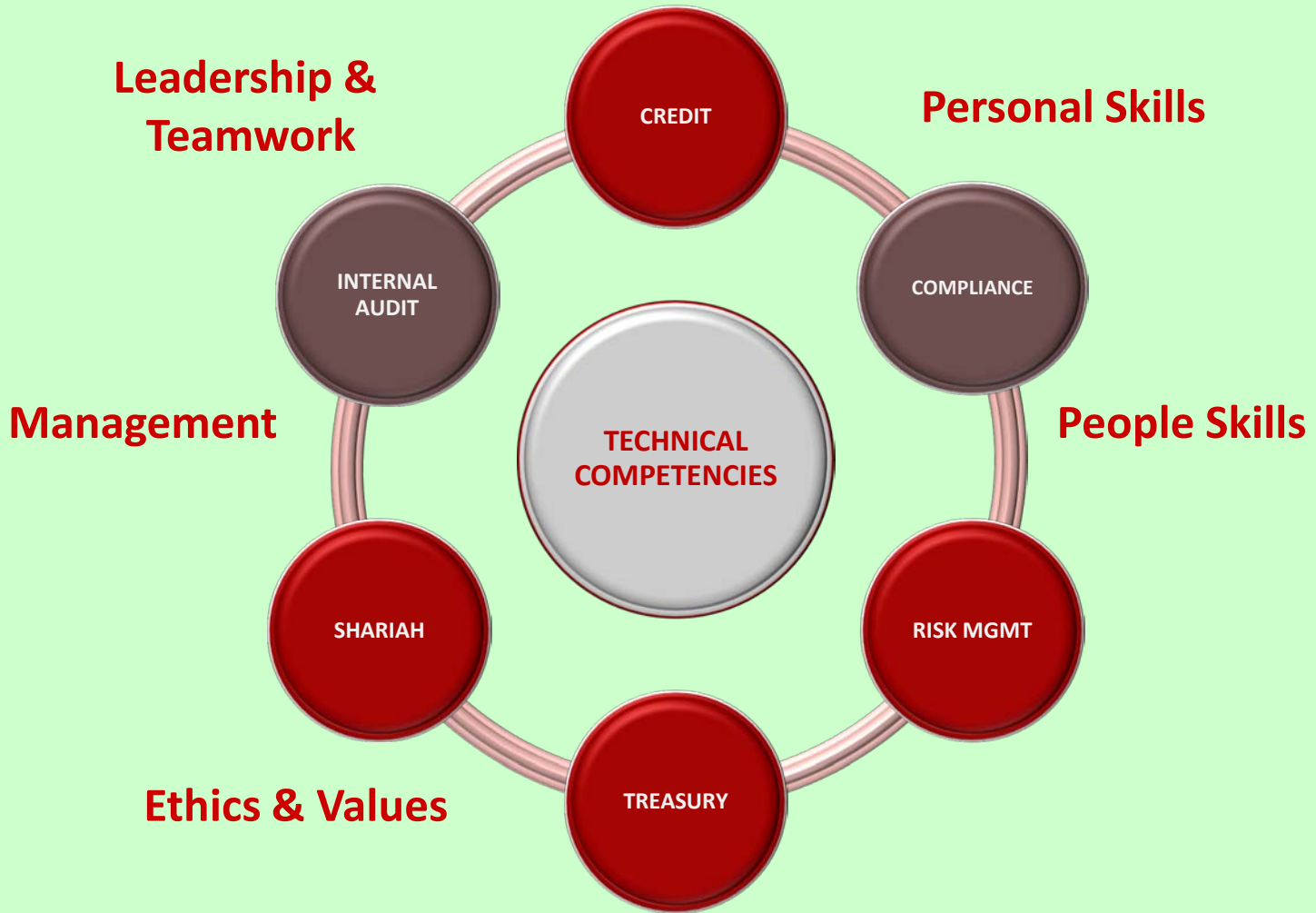


Furthermore, FLS is an in-depth standards as it covers all training levels in an organizational structure

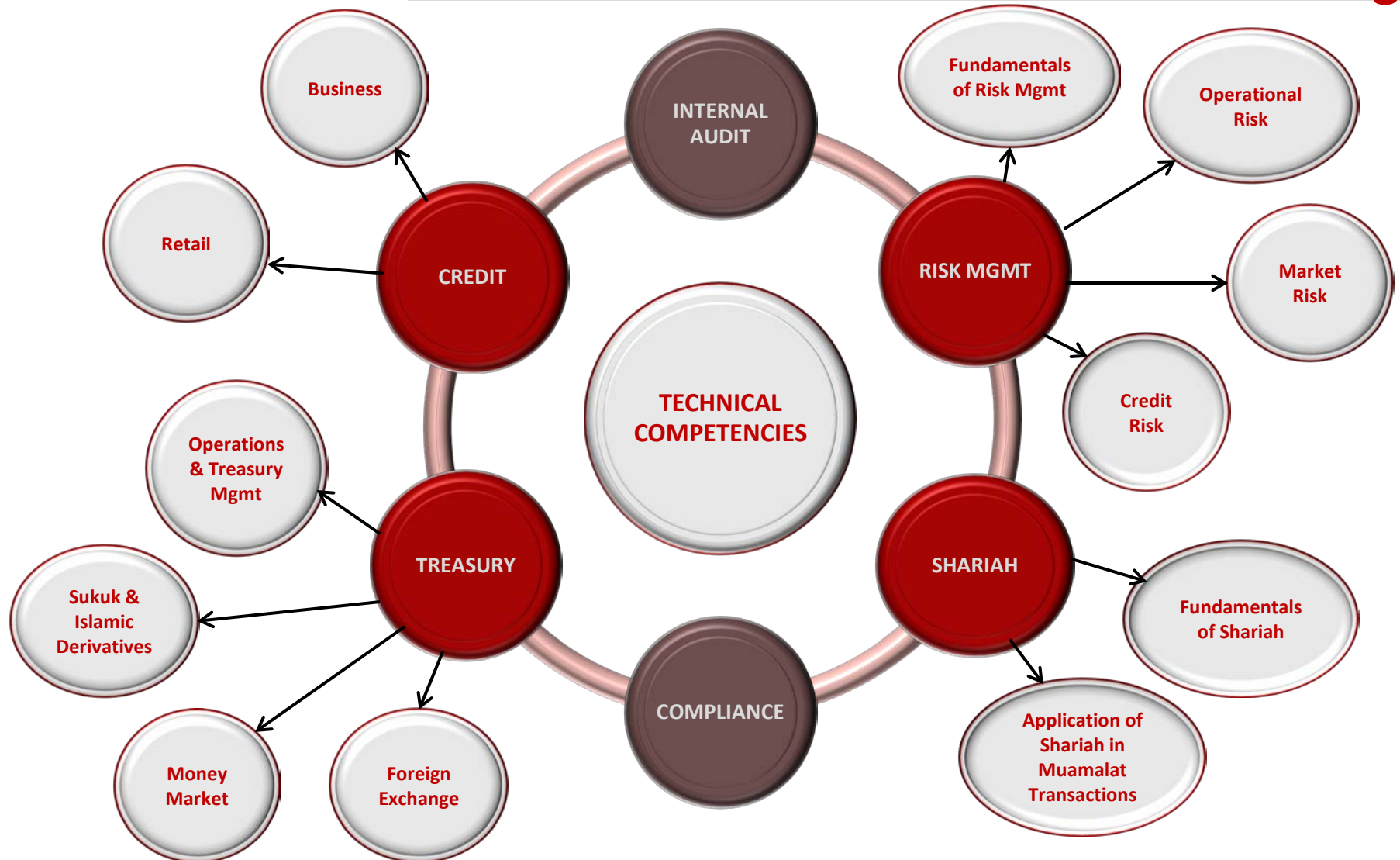
Critical Functional Learning Areas - Islamic Banking

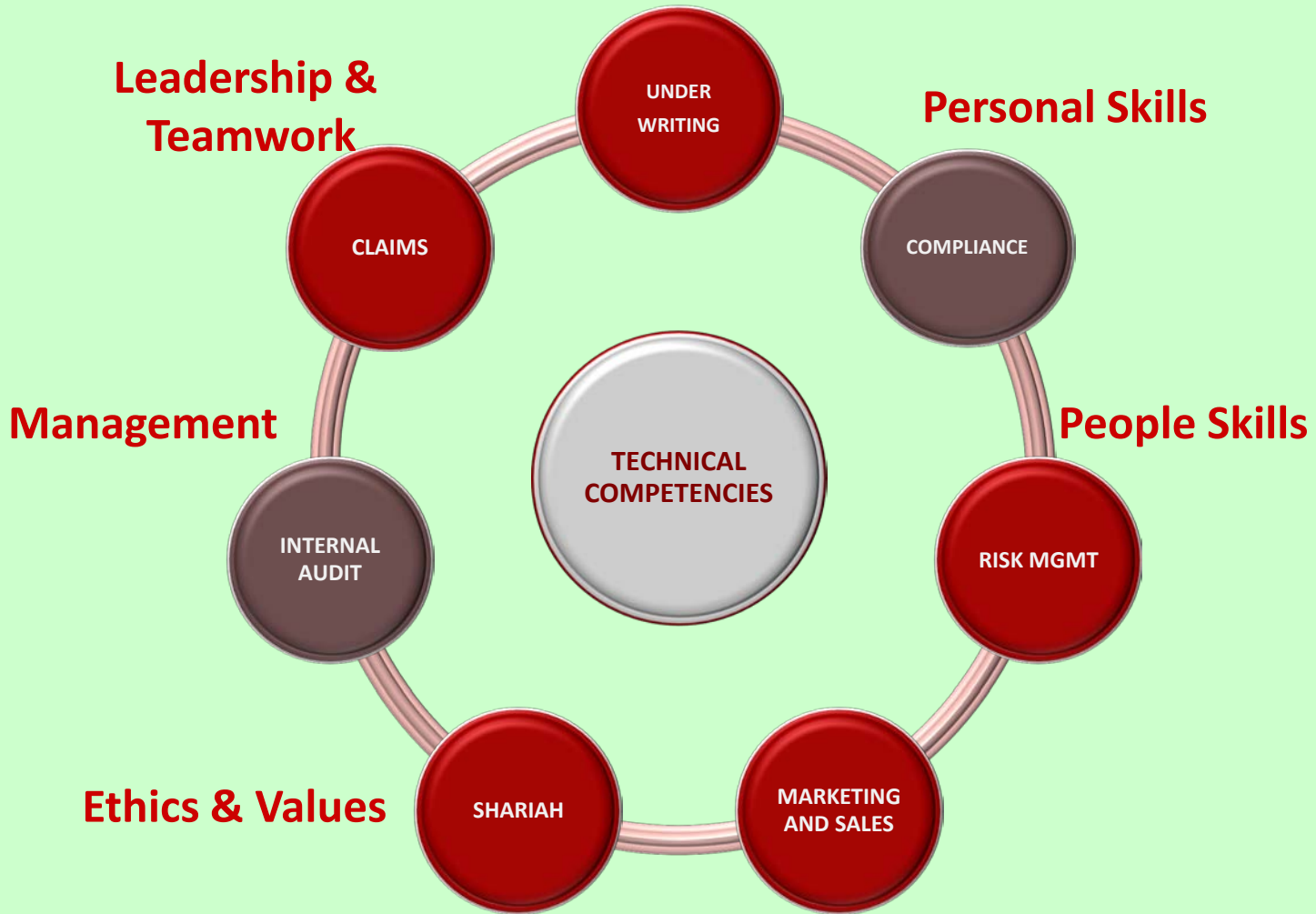
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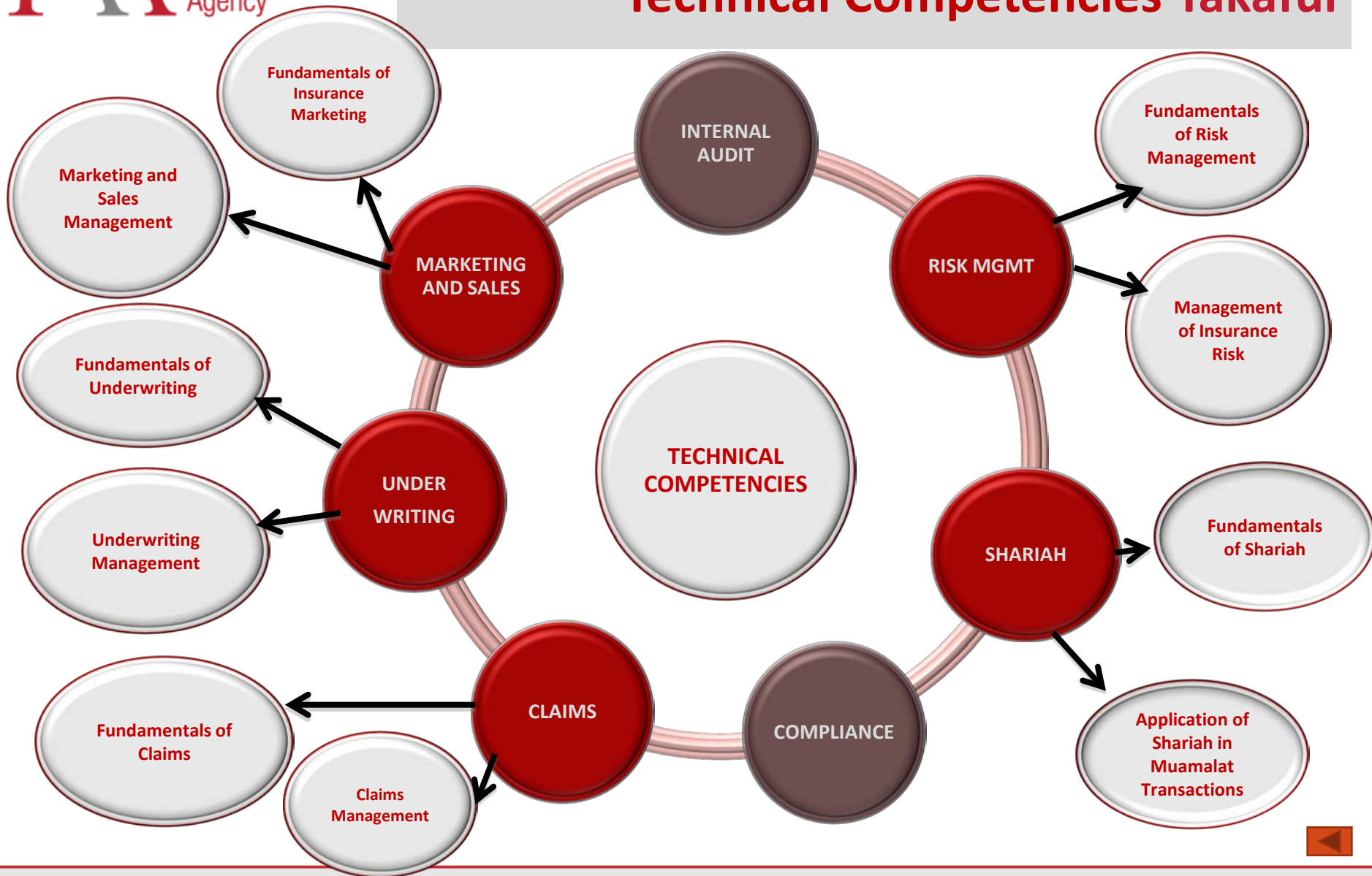


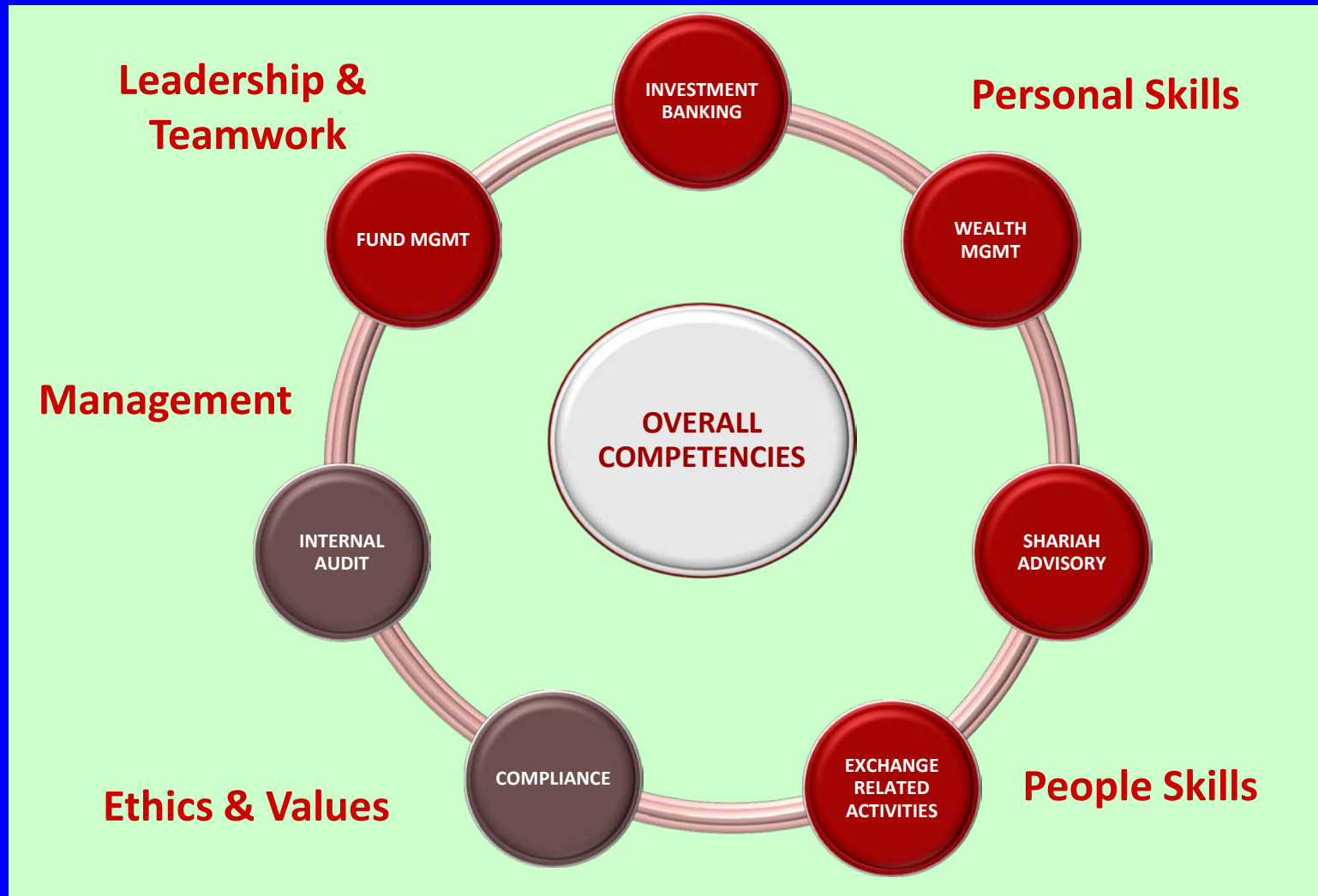
Technical Competencies for Islamic Banking



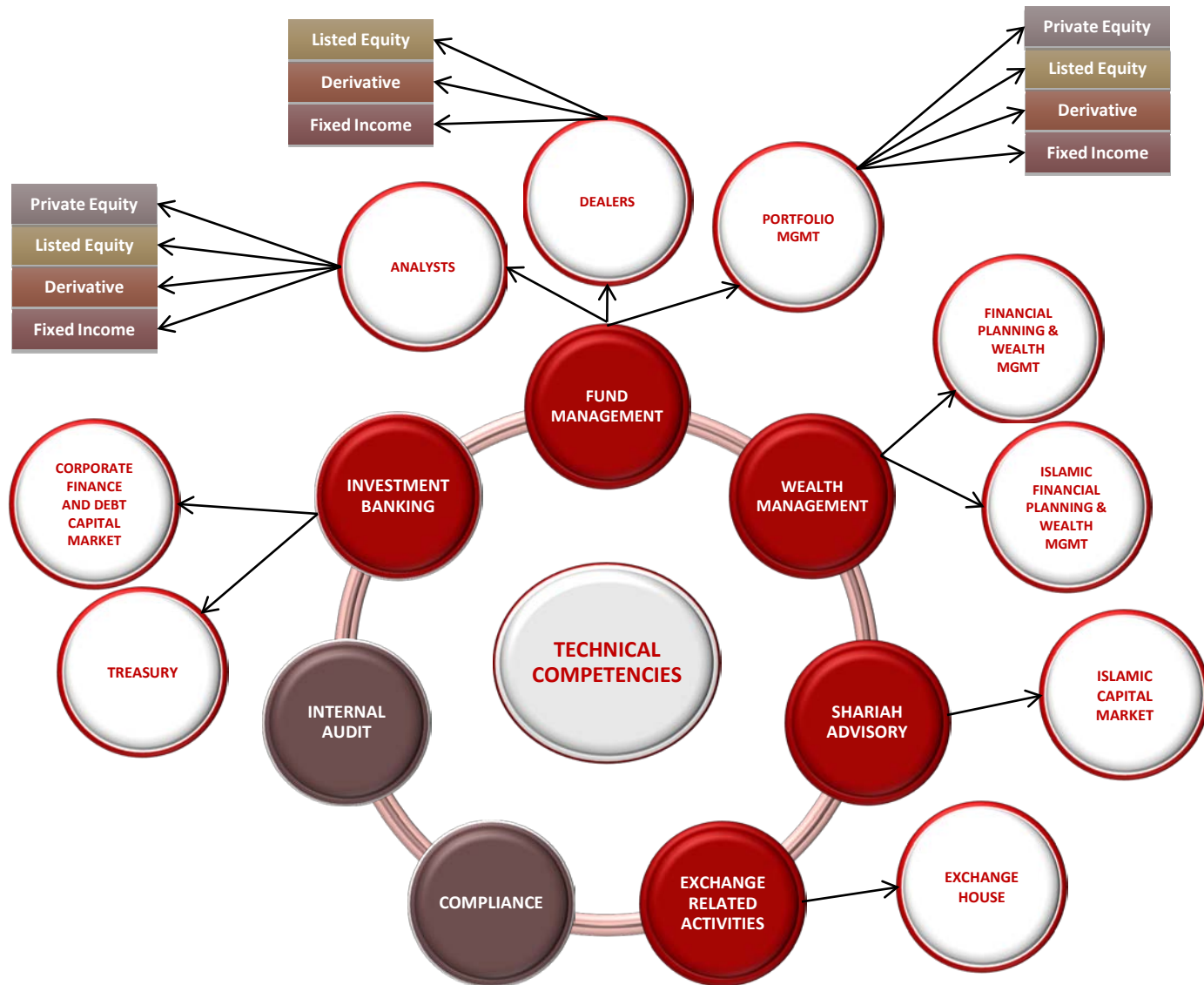


Technical Competencies Takaful





Technical Competencies for Capital Market



Objectives of FQS



The objective of FQS is to **harmonise & integrate qualifications** in the FSI into a **single qualification structure**.

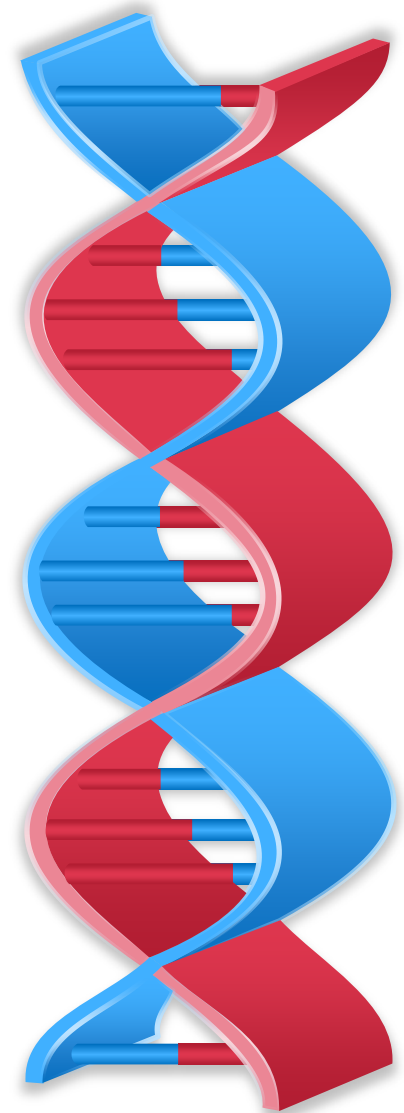
The integration of all the professional qualifications in the FQS enables **mutual recognition** from other accrediting bodies locally & abroad.

FQS enables equivalency of the different levels of professional qualifications to be mapped against the various frameworks and industry standards for the purpose of **mobility of the FSI employees** both career wise & for seeking higher academic qualifications.

Added Value of the FQS



Consists of **six qualification levels** which describe the complexity and depth of **knowledge, skills and their applications** in the progression of a job role. Alternatively, an individual can move diagonally and across the FQS levels as required by the job or learning needs. Each level will be described by the **Qualification Descriptors (QDs)** which explains the knowledge, skills and application components as well as the broad **Learning Outcomes** intended for the respective levels.



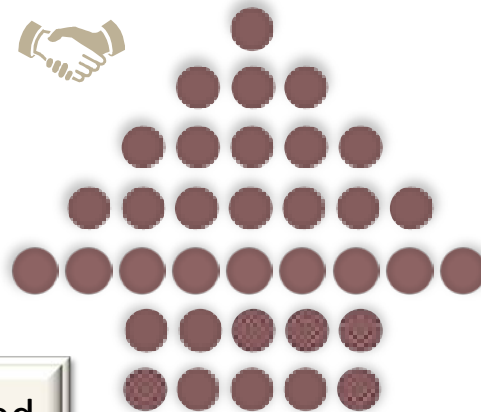
FAA Qualification Structure

Mapping of Qualifications

Academic Frameworks	Qualifications				FQS Levels	Recognition of Prior Learning
	Banking	Insurance/ <i>Takaful</i>	Capital Market	Wealth Management		
8					6	
7						
6	List of Qualifications in Financial Services Industry				5	
5	Chartered Banker	CII	CFA		4	
4	IQIF	CQIF	AdvQIF		3	
3	IFQ	CIT		IFP	2	
2					1	
1						

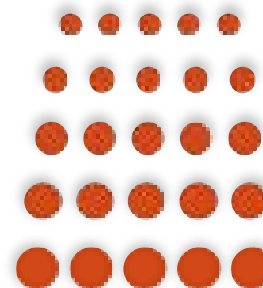
Proposed Finance Qualification Structure

Qualification Levels	Areas of Specialisation						Qualifications
	Credit Specialist	Comp Specialist	RM Specialist	Treasury Specialist	Sharia Specialist	Int Audit Specialist	
6	Specialisations						Professional Qualification in Islamic Banking
5							
4							Advanced Qualification in Islamic Banking
3							
2							Certificate in Islamic Banking
1							
Areas of Specialisation	Credit	Comp	Risk Mgmt	Treasury	Sharia	Int. Audit	Generalisations

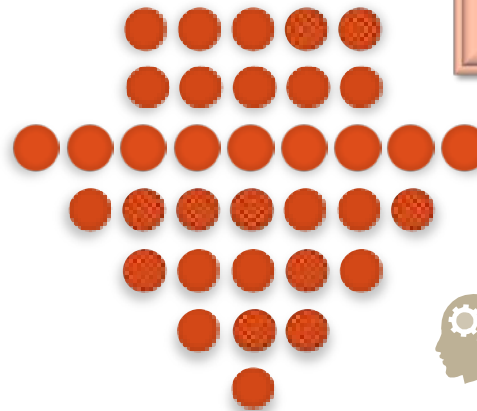
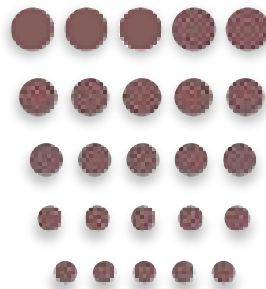


1

Strong concentrated effort between education providers and industry players in improving training and learning to meet expectation of the industry is essential.



2



Quality of Talent is critical to the development of the Islamic Finance Industry. This can be achieved through harmonisation of learning standards across IFSIs according to internationally benchmarked industry requirement.

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