

# THIRD HARVARD UNIVERSITY FORUM ON ISLAMIC FINANCE

*LOCAL CHALLENGES, GLOBAL OPPORTUNITIES*

Austin Hall, Ames Court Room

Harvard University

**OCTOBER 1, 1999**

**7:30 a.m. Registration**

**8:30 a.m. Opening Session**

**Introduction:** Taha Abdul-Basser (Graduate Advisor, Harvard Islamic Society)

**Welcome:** Thomas D. Mullins (Exe. Director, Harvard Islamic Finance Information)

**Forum Chairman's Address:** Samuel L. Hayes, III (Jacob Schiff Professor Emeritus, Harvard Business School)

**Forum Opening Address:** Prince Mohamed Al Faisal Al Saud (Chairman, Dar Al-Maal Al-Islami Trust).  
A Review of Islamic Finance

**Special Keynote Address:** M. Ishaq Dar (Minister of Finance and Trade, Government of Pakistan)  
Pakistan's Venture into Islamic Finance

**Keynote Speaker: The Shari'ah:** Shaykh Nizam Yaquby (Shari'ah Advisor)

The Required Conditions for Conventional Banks to Establish Islamic Banks, Windows, or Funds

**Keynote Speaker: Islamic Economics:** Professor M. Nejatullah Siddiqi (Professor of Economics, King Abdulaziz University) Islamic Finance and Beyond: Premises and Promises of Islamic Economics

**10:00 a.m. Break**

**10:30 a.m. Islamic Finance: Current Trends and Future Outlook**

Chairman: Samuel L. Hayes, III (Jacob Schiff Professor Emeritus, Harvard Business School)

I. Malcolm Burnett (President and Chief Executive Officer, HSBC Bank USA)

Emerging Trends and Opportunities in the Islamic Finance Industry

David E. Moran (President, Dow Jones Indexes)

The Role of the DJIM Index in Islamic Finance

Abdullah Sulaiman Al Rajhi (General Manager, Al Rajhi Banking and Investment Corporation)

Islamic Banks: Technology and Global Challenges and Opportunities

Philip Wellons (Deputy Director, Program on International Financial Systems, Harvard Law School)

International Financial Regulations: The Debate about Capital Adequacy Rules

**12:15 p.m. Lunch**

**2:15 p.m. Simultaneous Session A: Shari'ah Issues in Islamic Finance**

Chairman: Shaykh Nizam Yaquby (Shari'ah Advisor)

Yusuf Talal DeLorenzo (Shari'ah Scholar, Islamic Index Group, Dow Jones Indexes)

Shari'ah Screens in the Dow Jones Islamic Market Index

Gohar Bilal (Visiting Research Scholar, Harvard Islamic Finance Information Program)

Different Forms of Partnerships under Islamic Law: A Brief Overview

Michael J.T. McMillen (Partner, King & Spalding)

A Rahn-'adl Collateral Security Structure for Project and Secured Financings

Shaikh Abdul Hamid (Assistant Professor of Finance, New Hampshire College)

Investing in Equities: Some Issues from the Islamic Perspective

**2:15 p.m. Simultaneous Session B: Islamic Economics and Finance**

Chairman: Professor M. Nejatullah Siddiqi (Professor of Economics, King Abdulaziz University)

Mahmoud A. El-Gamal (Professor, Rice University)

An Economic Explication of the Prohibition of Riba in Classical Islamic Jurisprudence

Mohammed Obaidullah (Associate Professor, Xavier Institute of Management)

Designing Islamic Contracts for Financing Infrastructure Development

Waleed El-Ansary (School of Islamic and Social Sciences)

Recovering the Islamic Economic Intellectual Heritage: Problems and Possibilities  
Abdullah Yavas (Associate Professor of Business Administration, Penn State University)  
Experimental Tests of the Homo Economicus: The Implications for the Research on Islamic Economics

**2:15 p.m. Simultaneous Session C: Venture Capital and Partnership Finance**

Chairman: Dr. Yahia Abdul-Rahman (Founder, American Finance House – LARIBA)  
Ibrahim Warde (Lecturer, University of California, Berkeley)  
The Revitalization of Islamic Profit- and Loss-sharing  
Koshy Zacharia Karuvelil (Financial Controller, The International Investor)  
Trends in Islamic Banking  
Masudul Alam Choudhury (Professor of Economics, King Fahd University of Petroleum and Minerals)  
Islamic Venture Capital: A Critical Examination  
Mohammad S. Al Omar (Assistant General Manager, Kuwait Finance House)  
Islamic Project Finance: A Case Study of the Equate Petrochemical Co.  
Rudy Yaksick (Principal, Financial Engineering and Risk Management)  
The Islamic Commodity Trust: With Application to Crude Oil Forward Sales

**4:00 p.m. Break**

**4:30 p.m. Simultaneous Session A: Waqf and Property**

Chairman: Mahmoud A. El-Gamal (Professor, Rice University)  
Monzer Kahf (Formerly of the Islamic Development Bank)  
Toward the Revival of Awqaf: A Few Fiqhi Issues to Reconsider  
Khaled R. Al-Hajeri (Deputy Secretary General for Investment, Kuwait Awqaf Public Foundation)  
Abdulkader Thomas (Chief Executive Officer, Al Manzil Islamic Financial Services)  
Applying Waqf Formula on a Global Basis  
M.A. Mannan (Founder Chairman, Social Investment Bank Ltd.)  
Cash-waqf Certificate: Offering Global Opportunities for Developing the Social Capital Market in 21st-century Voluntary-sector Banking  
Abdel-Hameed M. Bashir (Assistant Professor of Applied Economics, Grambling State University)  
Property Rights in Islam

**4:30 p.m. Simultaneous Session B: Taxation, Ratings, and Capital Markets**

Chairman: Saleh J. Malaikah (CEO, Al Baraka Investment and Development Company)  
Robert W. Toan (General Counsel, Wafra Investment Advisory Group, Inc.)  
Cross-border Ijara: A Case Study in the U.S. Taxation of Islamic Finance  
Andrew Cunningham (Vice President and Senior Credit Officer, Moody's Investors' Service)  
Analyzing the Creditworthiness of Islamic Financial Institutions  
Saiful Azhar Rosly (Associate Professor of Economics, International Islamic University)  
Mohd. Azmi Omar (Dean of Kulliyah of Economics and Management Science, International Islamic University)  
Islamic Convertible Bonds: An Alternative to Bay' al-'Inah and Discounted Bay' al-Dayn Islamic Bonds for the Global Islamic Capital Market  
A. Rushdi Siddiqui (Director, Islamic Index Group, Dow Jones Indexes)  
Dow Jones Islamic Market Index: Transparency and Accountability in Islamic Asset Management

**4:30 p.m. Simultaneous Session C: Islamic Finance around the World**

Chairman: Dr. Benjamin C. Esty (Associate Professor, Harvard Business School)  
Iqbal Ahmad Khan (Managing Director, HSBC Global Islamic Finance)  
Creating the Country Framework for the Success of Islamic Finance  
Yahia Abdul-Rahman (Founder, American Finance House – LARIBA)  
Mike Abdelaaty (President, American Finance House – LARIBA)  
Gary S. Findley (President, The Findley Company)  
The Challenges of Offering a LARIBA Products and Services Window in an American Bank  
Ramin Cooper Maysami (Assistant Professor, Nanyang Business School)  
Islamic Banking and the Conduct of Monetary Policy: Lessons from the Islamic Republic of Iran  
Md. Abdul Awwal Sarker (Joint Director, Research Department, Bangladesh Bank)

Islamic Banking In Bangladesh: Growth, Structure, And Performance

**6:30 p.m. Tour of Harvard University**

**7:30 p.m. Reception and Banquet**

Opening Remarks

Professor David Gordon Mitten (Faculty Advisor, Harvard Islamic Society)

**Banquet Speaker:** Dr. Muzammil H. Siddiqi (President, Islamic Society of North America)

HIFIP DataBank Presentation

Mr. Taha Abdul-Basser (Graduate Advisor, Harvard Islamic Society)