

Recent Islamic finance developments in the UAE



UAE

By Rima Mrad

The international Islamic economy continues to grow and Dubai made good progress towards its ambitious aspiration to become the leading Islamic business hub. This article is a summary of the progress and the major transactions made in the UAE lately.

Dubai International Financial Center (DIFC)

The Dubai International Financial Center has designed a 10-year strategy to reinforce its position as an international center for legislative and Islamic financial services, in line with the Dubai Plan 2021. Its 2024 strategy outlines plans that will triple its size in terms of number of firms and workforce.

New GCC Shariah compliant legislation

A new family business legal framework in line with Shariah will be submitted to the GCC governments this year in order to streamline the transition of power and business to the next generation smoothly. The new laws will be presented under the umbrella of the Family Business Network (FBN), a GCC-focused non-

profit organization. Expected to attain approval by the GCC governments in two to three years' time, the legal document will be distributed to FBN GCC network members at the annual summit in Dubai.

Federal Shariah Committee in the UAE

The Central Bank of the UAE has proposed a Higher Shariah Authority to complement and oversee Shariah boards of individual Islamic banks. Raised during a recent UAE Banks Federation meeting, the association also confirmed in a statement that it has appointed a new independent monitoring agency for the implementation of its Code of Conduct by member banks, as well as four new specialized committees in audit, operations and payments, IT, and fraud.

Latest deals

- Pacific Controls is a Dubai-based global provider of ICT-enabled services and has successfully closed a financing facility deal worth AED750 million (US\$204.15 million). The transaction is part conventional and part Islamic, that makes it the company's first involvement in Islamic finance.



- Topaz Energy and Marine secured one of the largest ship finance deals which consisted of a mix of Islamic and conventional components. The US\$550 million multi-tranche facility will be used to refinance existing debt and fund expansion plans.
- Dar Al Takaful was added as a new Dubai Health Authority participating insurer with a mandate to provide health insurance coverage to low-income categories with salaries below AED4,000 (US\$1,088.92) within the guidelines of the Dubai Health Authority. (📌)

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Türkiye Finans CEO quits after corruption rumors



TURKEY

By Ali Ceylan

Derya Gürerk, CEO of Türkiye Finans Participation Bank, submitted his resignation on the 12th June 2015 amid news reports published on several media outlets claiming that he was involved in corruption.

The corruption allegations published in a Turkish finance website claimed that Gürerk had assigned his friend Hüseyin Cankurtaran's company (Standart Değerleme) as a mediator in the purchase of land worth TRY200 million (US\$73.27 million) for the building of the bank's new headquarters in Umraniye/Istanbul. The bank also signed a construction agreement with Akasya Yapı regarding the construction of the headquarters in the amount of US\$48.7 million.

According to several finance websites, Derya replied that his resignation is not related to the purchase of the land located in Umraniye and although Hüseyin is a friend of his but Standart Degerleme is a company certified by the Capital Markets Board of Turkey (SPK) and there is nothing wrong with the transaction.

Hüseyin previously faced a lawsuit with his partner and it was claimed that they were using their company Menkul Kıymetler for their own personal benefits. SPK filed a bankruptcy case against the company in 2001. The bank said in a statement released on its website that the executive vice-president Osman Çelik will temporarily take over the reins while the bank looks for a permanent replacement.

Derya has been serving as CEO of



Türkiye Finans Participation Bank and was a board member since June of 2011. He also serves as the board president of the Participation Banks Association of Turkey, which brings together banks applying Islamic finance principles in their products and services. (📌)

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