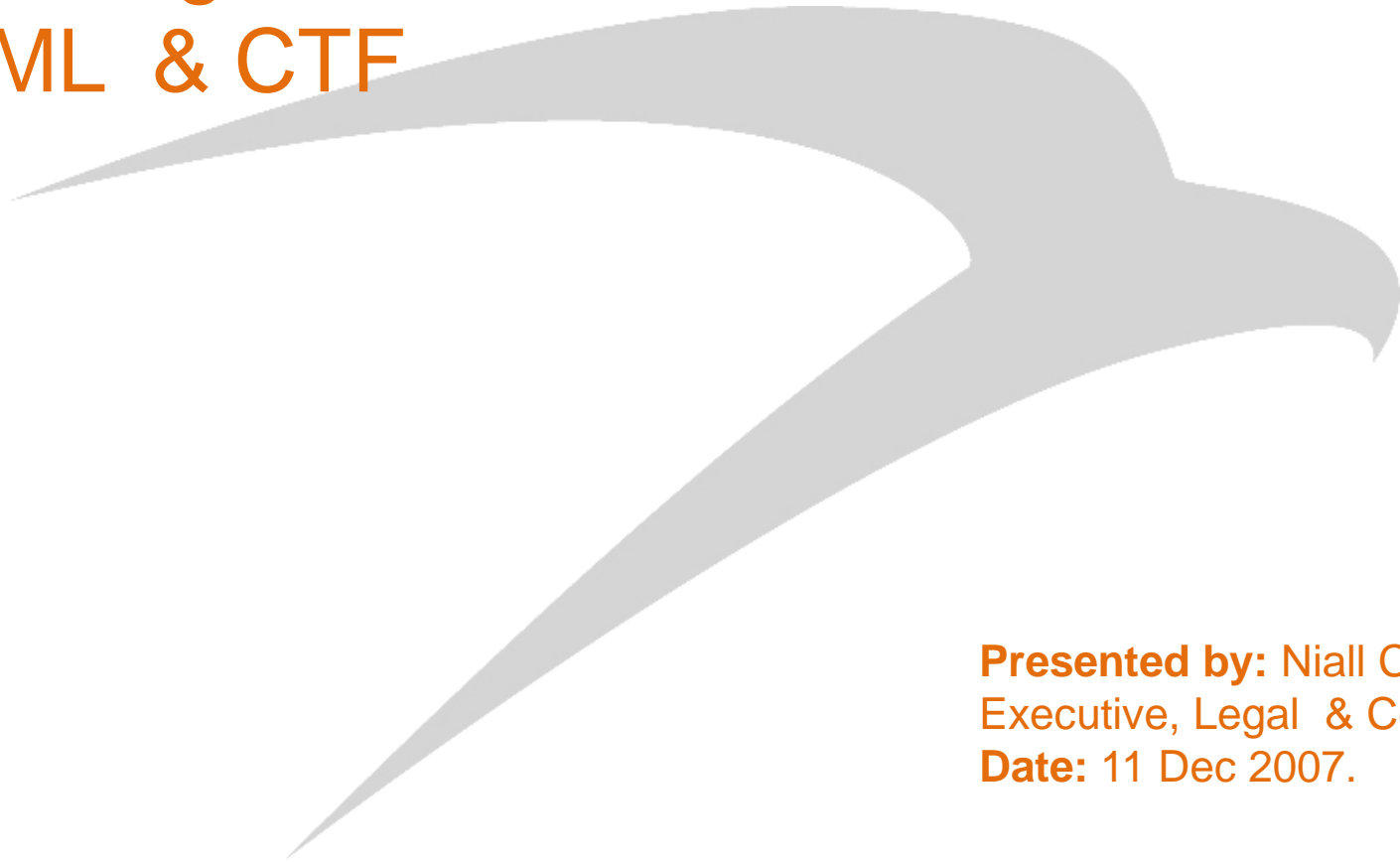


# Islamic Finance

## Dealing with AML & CTF



**Presented by:** Niall Coburn, Senior  
Executive, Legal & Compliance  
**Date:** 11 Dec 2007.

# Islamic Finance

Consider the AML/CTF prospective

1) Islamic Finance can operate in a regulatory structure like conventional Finance

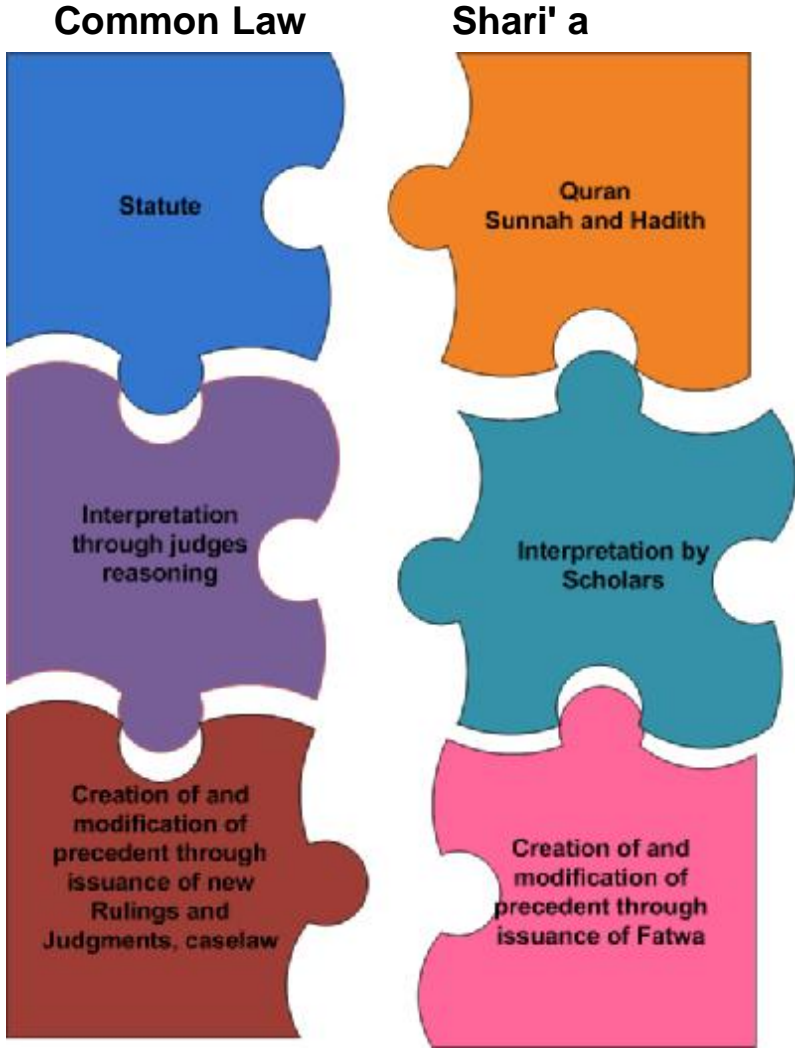
DIFC – SUKUK market.  
London – Islamic windows

2) AML FATF requirements have no difficulty in application to Islamic Finance

Source of funds  
System & procedures

# Legal framework

## The need for regulations, standardization & transparency



# Changing Landscape

The need for regulation, Standardization & Transparency

- Changing Landscape in Europe-Some Considerations



- » Integration of Islamic Finance
  - » Application of Shari' a
    - » Conflicts of Law
    - » Regulatory Remit
- » Separation of finance from Shari' a?

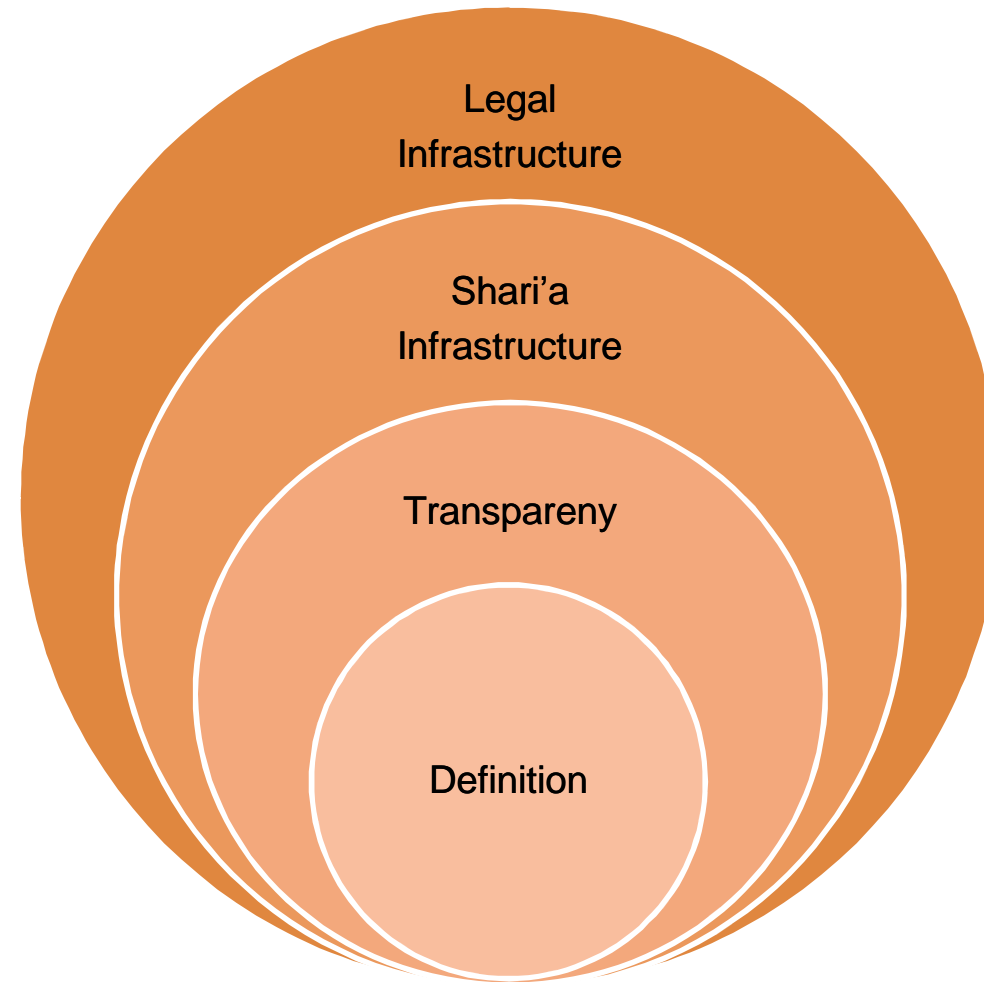
## Need for Demystification

- Need to have clearer definition of products going forward
- Funds may be invested in prohibited securities
- Purification - % of income generated & passed to charities – AML risk  
  
in charities
- Issue: Which charity gets these funds? For what purpose?

## Way Forward

- Jurisdictions must have consistent regulatory structures
- Appropriate systematic know-your-client mechanism
- More emphasis on compliance
- Transparent - Corporate Governance
- Consistent Shari' a & Fatwa determination

# Closing comments





**Thank you**