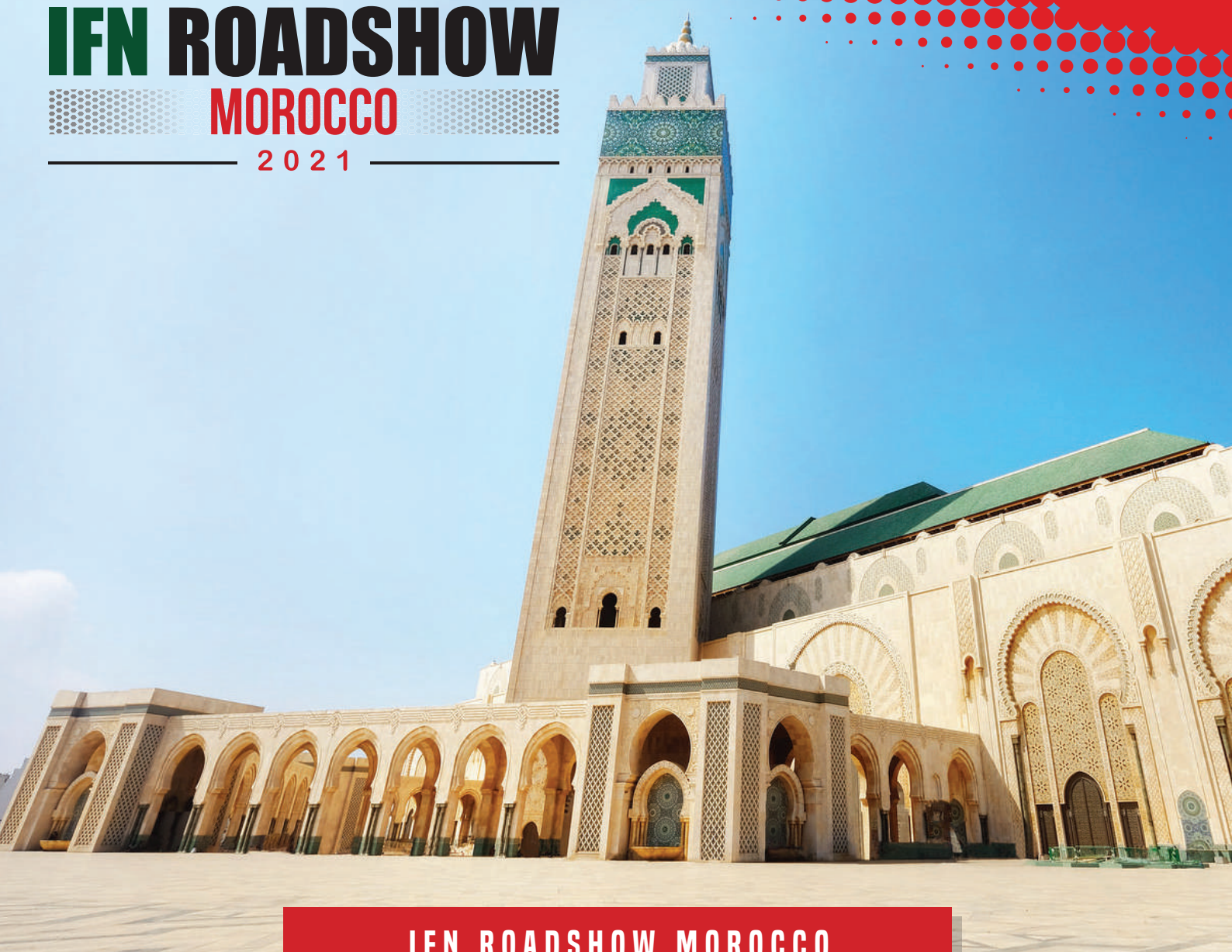


IFN ROADSHOW

MOROCCO

2021



IFN ROADSHOW MOROCCO
14TH APRIL 2021

LEAD PARTNER



BEDFORD ROW CAPITAL

MULTILATERAL STRATEGIC PARTNERS



THE ISLAMIC CORPORATION FOR
THE INSURANCE OF INVESTMENT
AND EXPORT CREDIT



itfc
International
Islamic Trade
Finance Corporation



PARTNERS

Akin Gump
STRAUSS HAUER & FELD LLP



MOODY'S
INVESTORS SERVICE

CONSULTANCY PARTNER





International
Islamic Trade
Finance Corporation



We advance trade,

to improve lives.

Vision

ITFC is the leading provider of trade solutions for OIC Member Countries' needs

Mission

ITFC is a catalyst for trade development among OIC Member Countries and beyond

The International Islamic Trade Finance Corporation (ITFC) is a member of the Islamic Development Bank (IsDB) Group. Commenced operations in January 2008, ITFC has provided more than US\$55 billion of trade financing to OIC Member Countries, making the Corporation the leading provider of trade solutions for OIC Member Countries' needs. With a mission of being a catalyst for trade development among OIC Member Countries and beyond, the Corporation helps entities in Member Countries gain better access to trade finance to support their critical sectors; and provides integrate programs: capacity building and trade development, which would enable them to successfully compete in the global market.

Member of Islamic Development Bank Group

P.O. Box 55335, Jeddah 21534, Kingdom of Saudi Arabia. T +966 12 646 8337 F +966 12 637 1064

www.itfc-idb.org



itfccorp



System Restart: Islamic Finance in Morocco

Panelists:



Dr Wail Mohamed Aminou — Chairman, Al Maali Group (*Moderator*)



Gonzalo Rodriguez — General Coordinator, SCIEF IE Business School



Hakim Bensaid — President, Moroccan Association for Participative Finance Professionals and Manager, Takaful Projects, Royale Marocaine D'Assurance



Ismail Filali Allach — Country Manager, Morocco, The Islamic Corporation for the Insurance of Investment and Export Credit



Dr Scott Levy — CEO, Bedford Row Capital

IFN focuses on dynamic Morocco once again after our last encounter in 2019, and dives into the current focus, developments and challenges in the country as the world economy activates its post-pandemic recovery plan.

The impact of the crisis has been particularly severe for the hospitality and transport industries, and for the manufacturing segments most exposed to international trade.

The government's response to the crisis has been appropriate, and the ambitious reforms being implemented could set the stage for a solid recovery which not only welcomes foreign investments but also increases the focus on international capital markets.

Morocco is blessed with a solid government which supports Islamic financial institutions to strive not only locally but also on the African continent and beyond. The central bank's participation in better access to financial solutions, regulations and fintech is seen as the beacon of hope for the Islamic finance industry, especially the SMEs which are the backbone of the country's economy.

Dr Scott Levy



Morocco is a well-respected, highly rated, stable country for investment. Conventional players have looked at Morocco as one of the most important MENA jurisdictions. Why should the global Islamic finance market see the country any differently? There is a great opportunity for Morocco to use its strong domestic market and its center of influence for western and sub-Saharan Africa to develop as a hub for regional Islamic finance. Fintech will play a key part of this. From central bank liquidity products to corporate issuers, Morocco should embrace its well-organized regulatory framework (which does need some further updating, admittedly) to create Salam products which can attract international capital. These new sources of capital can make a real impact on the domestic market as well as support the Kingdom's desire to be at the forefront of sustainable development goals investing in the region.

Dr Scott Levy is CEO of Bedford Row Capital.

According to the Global Islamic Fintech Report 2021, the Islamic fintech transaction volume within OIC countries is US\$49 billion. Morocco ranks 37th from 64 countries in terms of development in this report ranking index.

The new Morocco crowdfunding bill is a very good signal that proves that the Moroccan authorities support and understand that one of the drivers to develop the Islamic finance industry in the country must be the Islamic fintech ecosystem development. We must understand that innovation is the path but impact is the destination.

Morocco is still at the beginning of this path — the Islamic banking assets as a percentage of total banking assets represent no more than 2% in the country — and there are still some important inhibitors to achieve a better development of the industry in the country

Gonzalo Rodriguez



but I have identified some clear opportunities and solutions that, undoubtedly, will help to develop the industry in view of the increase in financial education and awareness of Islamic finance, improve the regulation and provide further incentives for Islamic finance providers.

Gonzalo Rodriguez is the general coordinator at SCIEF IE Business School.

Dr Wail Mohamed Aaminou



In only three years of activity, Islamic finance has made important strides in Morocco. To illustrate, 50% of real estate financing in the country was performed by Islamic banks in 2020.

On the banking side, refinancing is probably the most acute challenge as deposits cover only half of Islamic banks' financings, hindering the development of the activity.

2021 will probably be the year in which Takaful starts after the completion of the legal and regulatory framework.

The growth of Islamic banking and Takaful will contribute to the development of Islamic capital markets especially in the Sukuk sphere.

Integrating sustainability into Islamic financial institutions' business models can help mitigate the impact of the crisis, improve the value proposition of Islamic finance and build a more sustainable and resilient economy.

Current fintech initiatives focus primarily on payments and crowdfunding. Morocco needs to complete and reinforce the existing fintech legal and regulatory framework.

Dr Wail Mohamed Aaminou is the chairman of Al Maali Group.

TESTIMONIALS

ISSAKA ABDUL-KARIMU

Ghana Institute of Islamic Finance and Economics

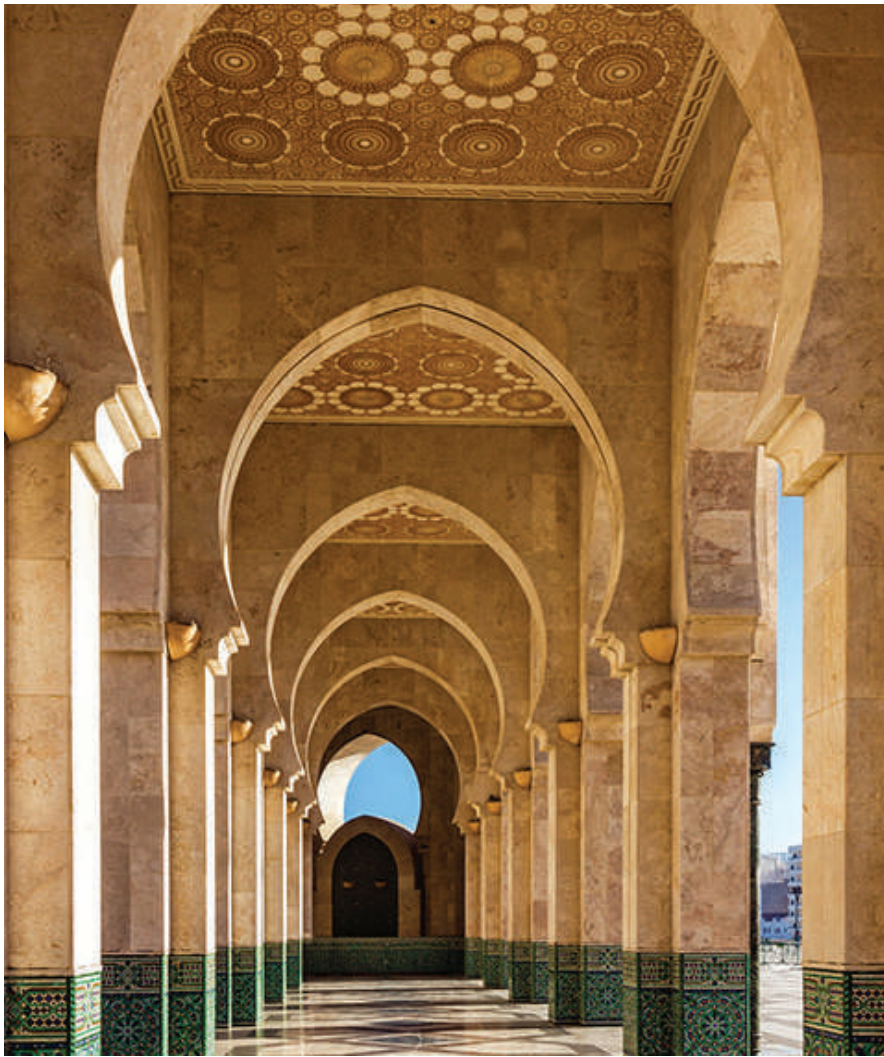
"Topics were excellently discussed."



KACEM DEBAR

MEC International

"Excellent organization good updates/insights into local and regional markets. Well done."



Morocco: Facilitating expansion

Morocco's fledgling Islamic finance industry has made great strides in the past three years to catch up with its peers, recording healthy growth in its different subsectors. NESSREEN TAMANO writes an overview of the nation's Shariah compliant financial landscape.

Regulatory landscape

An Islamic finance bill was passed in 2014 and a commission dedicated to Islamic banking was established by the Higher Council of Ulemas in 2015, paving the way for Shariah compliant transactions in Morocco. Soon after, in 2017, the Kingdom issued decrees approving five Islamic financial concepts and allowing the operation of Islamic windows, as well as giving the greenlight for Sukuk issuance and Takaful operations.

The government also published standards and regulatory requirements in support of Islamic banking, and in 2018, it amended its securitization law to accommodate a wider range of Sukuk structures and to facilitate the sale of these instruments. In the same year, a crowdfunding bill outlining regulations for Islamic platforms was also submitted for consultation.

Banking and finance

Eight banks in Morocco are licensed to offer Islamic products: Umnia Bank, Dar Al Amane (by Societe Generale Morocco), BTI Bank, Arreda (by Credit Agricole du Maroc), Bank Al Yusr, Al Akhdar Bank, Wifak Bank and Bank Assafa.

Umnia Bank, the result of a partnership between QIIB, Credit Immobilier et Hotelier and the Moroccan Deposit and Management Fund, was the first Islamic bank and the first to receive a license from the central bank, Bank Al Maghrib, to conduct participation banking.

One of the biggest challenges of participation banks in Morocco is the lack of a Shariah compliant clearing system. The central bank partnered in 2018 with the Central Shariah Board and the Moroccan Clearing System to assess the possibility of integrating Islamic banks.

Takaful

In July 2017, the government approved a draft decree on Takaful that allows authorities to establish regulatory provisions for Takaful contracts. In the same year, the Central Guarantee Fund announced plans to provide Shariah compliant solutions.

In August 2019, the House of Councillors approved a law allowing insurance companies to set up Takaful subsidiaries. Takaful operations were expected to commence within the first quarter of 2020, but official confirmation from the regulators that the law is pending 'final touches' and soon to launch was only announced in early 2021.

Sukuk

The Moroccan government was first expected to tap the domestic Sukuk market in 2017, but plans were delayed until October 2018, when the country's first Sukuk facility was issued, worth MAD1 billion (US\$111.97 million) and structured under the Ijarah concept with a tenor of five years and a 2.66% annual coupon rate. The paper, guaranteed by the government, was exclusively offered to domestic investors and later oversubscribed by MAD3.6 billion (US\$403.1 million).

There were other Sukuk issuances scheduled in 2018 but there have been no updates on them so far. The central bank is said to be planning the establishment of an Islamic interbank market as well as sovereign treasury Sukuk issuances to further support the Islamic finance industry.

Outlook

While the rapid growth of the Shariah finance industry in Morocco has been promising, especially given the governmental support it has been receiving, the absence of a developed Islamic finance infrastructure and the lack of public awareness are the two main factors expected to hold back progress in the sector. Despite this, however, local players are optimistic, and there has been some interest from international participants — for example in 2019, a Moroccan delegation started discussions with the Higher Shari'ah Authority of the Central Bank of the UAE on developing the Islamic financial industry in both countries.

Overall Evaluation Online Event

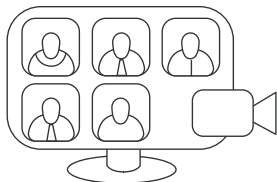


Speakers



Breakdown Delegate

97%
Delegates



■ ONLINE CONFERENCE ■

3%
Speakers

Job Title

12%
Board Level Management

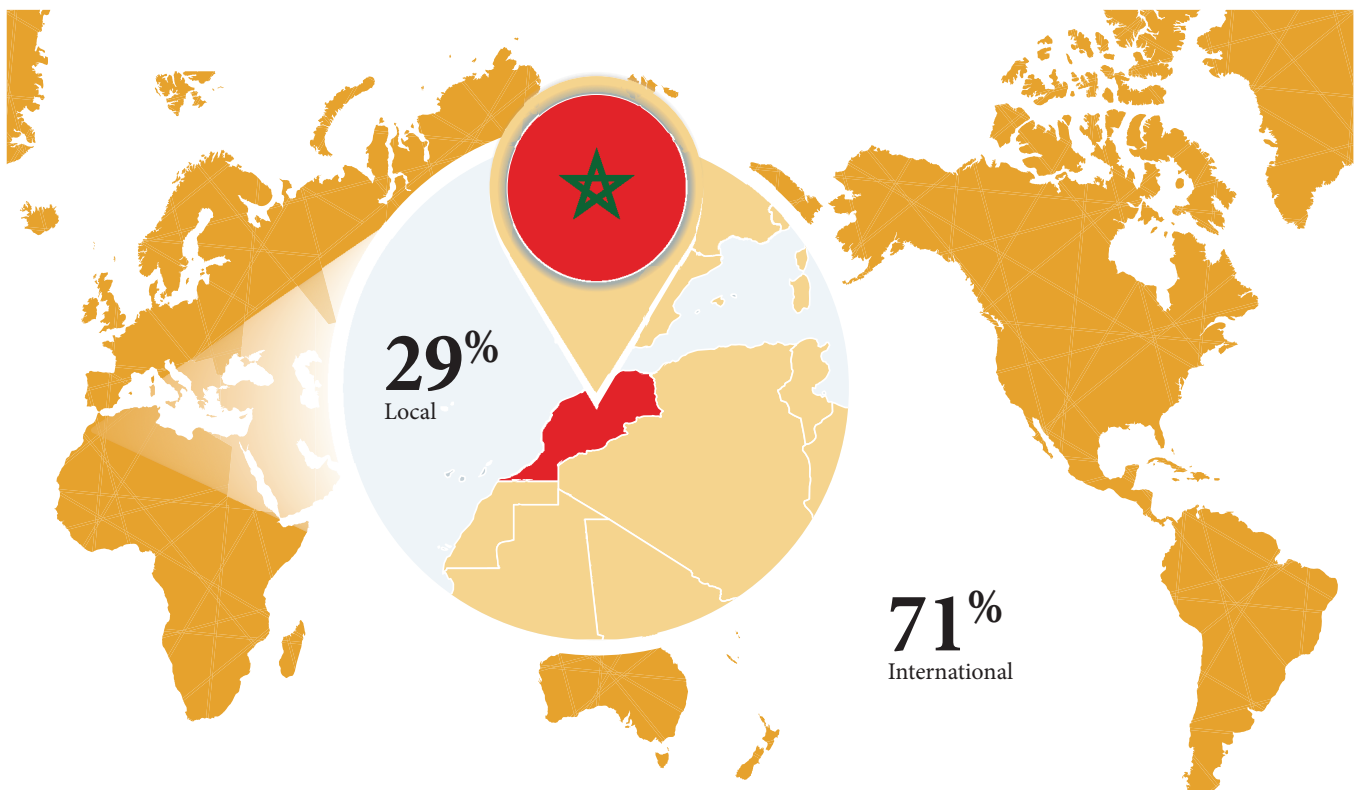
34%
Senior Management

38%
Management

7%
Executive

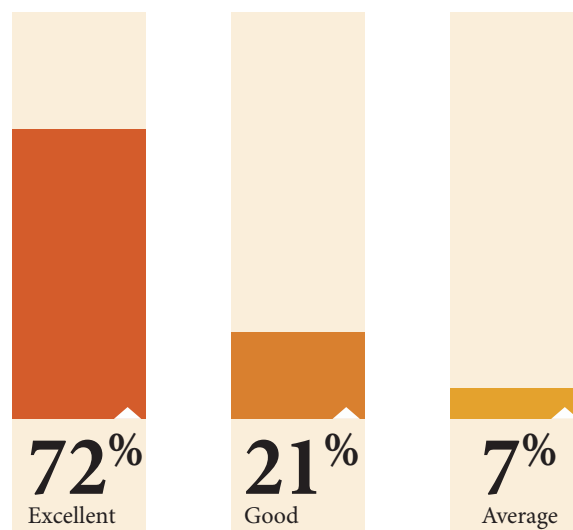
9%
Others

International & Local



Session Evaluation

System Restart: Islamic Finance in Morocco



Delegates Who Would Like to Attend IFN Morocco OnAir Roadshow 2022



Viewership



12peers	EBRD	Pairstech Capital Management
ADFI	Eiger Trading Advisors	Porus Capital
AFRIEF	Elite Partners	Prime Bank
Ahli United Bank	Eminence Global Asset Management	Prince Sultan University
Al Akhdar Bank	Ensany Global	Psalm Fiduciary
Al Maali Group	Envol Capital, Ethiopia	Qanaq Consultancy
Al-Arafah Islami Bank Training and Research Institute	Fineopolis Consulting	Ramid Law Firm
Alwaseet Travel WTTS	Finterra	Refinitiv
Aman Insurance	FRA	RHB Bank
Amundi Asset Management	Gate House Bank	Sakeenah Group
Andalusia Consulting	GES	SAL Group
Artvin Coruh Univrsity	Ghana Institute of Islamic Finance and Economics	Salim Megatama Indonesia
Assafa	Ghana Investment Fund for Electronic Communications	SCIEF IE Business School
Astana International Financial Centre (AIFC)	Global Educational Services	Serunai Commerce
Atos	Huriya Gold	SGMA
Attorney General's Chambers, Malaysia	IE Foundation	Shapoorji Pallonji
Ausepco	iEagle	Social Islami Bank
Bank Al Yousr	IFAAS	South Eastern University of Sri Lanka
Bank Assafa	IILM	Spektr konsalt
Bank Negara Malaysia	ING Insurance	Squire Patton Boggs
Barclays	International Finance Solutions Associates	Standard Bank
Bedford Row Capital	International Islamic University Malaysia (IIUM)	State Bank of Pakistan
BIIT	Islamic Corporation for the Development of the Private Sector (ICD)	STL Trustees
Blida 2 University	Islamic Development Bank ICIEC	TAIF Digital Institute
BMCi Najmah	Islamic Global Services	Takaful Outsource, Netherlands
BML Istisharat	Jaiz Bank	Takaful Project, Royale Marocaine D'Assurance
BNP Paribas	Kuveyt Turk Participation Bank	TCIB
Bursa Malaysia	Labuan IBFC	TDEB
Bylur GmbH	Labuan Reinsurance	Terrabiz
Cap	Licungo University	The City Bank
Capital Banking Solutions	M3T Consulting	The Dairo Family Group
Cardiff Metropolitan University	Maghreb Titrisation	The Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC)
Casa Árabe	Majalat Consulting	Treasury Dept Kwara State, Ministry of Finance
CAT, France	Makanikin rai enterprises	UIA
Clifford Chance	MAMDA	UIN
Clyde & Co	Marmara University	Um5
Colourcove	Mastercube IoT	UM5 Rabat
ConexCap Finance	MEC International	US REO Fund
DDCap	Ministry of Finance	Vardanyan, Broitman & Partners
Dentons UK & Middle East	Mistry Advisors	Vigeo.Eiris, Affiliate of Moody's
Deshbandhu Group	MOI MEME	Wafa Assurance
DigiAlly	NIS Rating	Wineo AM
Distinct Model Schools	OCBC NISP	Zamzam Bank
DLA Piper		
DMCC		