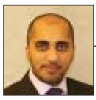
# A busy year-end



**QATAR**

*By Amjad Hussain*

**2017 was a year that has certainly transformed the basic framework of the Qatari economy as a result of the ongoing geopolitical events in the GCC. The banking sector continues to be strong and banks have ended the year on a high note, with transactions and landmark announcements being made.**

QIIB launched the headquarters of Umnia Bank in Morocco. Sheikh Dr Khalid Thani, the chairman of QIIB, said that Umnia Bank represents a continuation and strengthening of the strong partnership between Qatar and Morocco and it will serve as an additional bridge that can make new economic partnerships that benefit the economies of both countries. Umnia bank is jointly owned by CIH and CDG and currently has 12 branches in Morocco.

QInvest announced the successful exit of a real estate mezzanine Murabahah transaction in the US. The transaction, backed by a diversified portfolio of 17 assets, generated an investment return of 14.9% (representing a 1.23x multiple) over 20 months. Tamim Hamad Al-Kawari, CEO of QInvest, said that while 2017 was notable for adverse market conditions in the region, QInvest witnessed continuing investor appetite for the international real estate sector, with particular interest in the US market.

Qatar First Bank also recently announced that its wholly-owned subsidiary in the Cayman Islands, Astro AD Cayman, has sold its shares in Amanat Holding, founded in the UAE and listed on the Dubai Financial Market for AED150 million (US$40.83 million).

In recent news, the Qatar Stock Exchange (QSE) and Qatar Development Bank (QDB) signed an MoU to promote collaboration between the two sides. The MoU was signed by the QSE's CEO, Rashid Ali Al-Mansoori, and Abdulaziz Al-Khalifa, CEO of QDB. The two parties pledged to work together to collaborate in identifying SMEs for possible listing on the Qatar Exchange Venture Market.

The Qatari banking sector continues to maintain its strong and stable position despite the ongoing events in the region. It is hoped that the sector will continue to grow and diversify during 2018.

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# Mutual insurance companies to carry out Takaful operations in Europe

**TAKAFUL & RE-TAKAFUL (EUROPE)**

*By Ezzedine Ghlamallah*

**In France, the Insurance Code allows mutual insurance companies to practice both General Takaful and Family Takaful while remaining faithful to the principles of mutualism and philanthropy.**

Mutual insurance companies fulfill the conditions of the Takaful cooperative model (non-profit, solidarity, variable contributions, recall and contribution rebates) and they are also essentially in keeping with the spirit of Waqf.

This specificity enables the possibility of creating a Takaful fund in the French legal framework of mutual insurance, with a fund established in the form of a Waqf. Thanks to the European passport, the company, once created, is able to offer its covers throughout the European market.

By creating a mutual insurance company and investing its assets in accordance with the rules of Islamic finance, and with a Shariah supervisory board as recommended by AAOIFI and IFSB standards in force, a model with a consensus on its compliance can be obtained, allowing consumers to have greater confidence.

The term 'sustainable development' was first mentioned in 1987, as defined by the United Nations World Commission on Environment and Development in the Brundtland Report: "Forms of development that meet the needs of the present without compromising the ability of future generations to meet theirs." This concept is reminiscent of the Maqasid Shariah that seeks to promote everything that contributes to the preservation of creation.

In this respect, the Takaful company, which will wish to perfect its implementation in Europe, will also have to apply these principles and be at the cutting-edge of corporate social responsibility (CSR). In addition to being certified in accordance with European law and Shariah law, it will also need to ensure that the recommendations of ISO 26000, which specifies the integration of social responsibility, governance and ethical standards, are implemented within organizations.

As an example of Islamic financial institutions that have integrated the principles of CSR into their management, we can mention Saudi asset manager SEDCO Capital which integrated the environmental, social and governance (ESG) criteria into two of its equity funds; and Arabesque Asset Management, which also incorporated the ESG principles that allow its funds to be marketed to socially responsible investors.

To be at the forefront of CSR, Takaful companies of European law will also have to make investments that are both in accordance with the rules of Islamic finance and those of socially responsible investment, in a way that not only respects the letter of the Islamic law but also embodies the spirit. This will appeal to people who are attracted by Muslim ethical compliance and those who are looking for an alternative model closer to the values of solidarity, sharing and responsibility.

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