

THE INTERNATIONAL



**ISLAMIC FINANCE
FORUM**

New Markets

The Growth Imperative



13 – 17 October 2008

**Çırağan Palace Kempinski Hotel
Istanbul, Turkey**

Alberto Brugnoni,

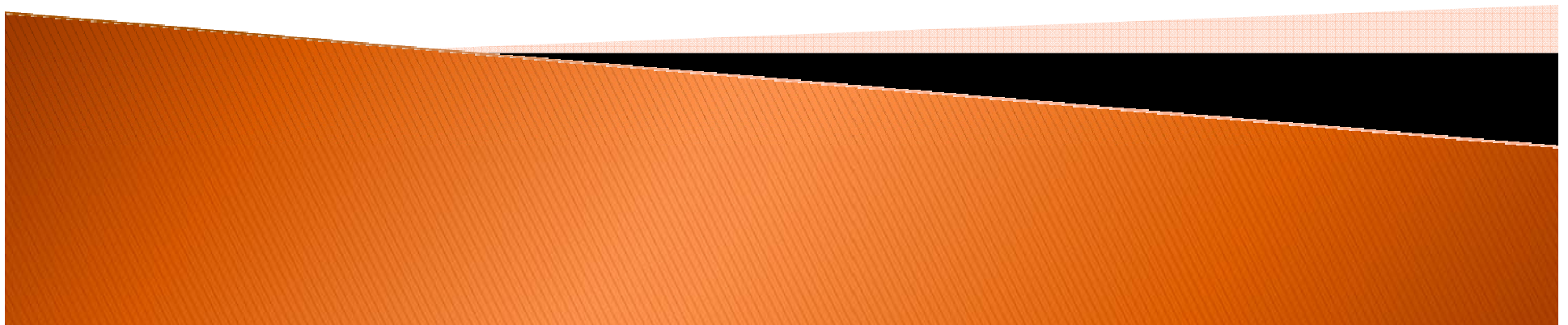
President and Founding Member

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ANCIENT VALUES CREEPING BACK INTO THE EUROPEAN ECONOMY

Alberto G. Brugnoli



Islamic finance on the rise in the EU

- a Middle Eastern HNWIs and institutions driven demand ...
- ... has moved to a secularized continent ...
- ... with a pent-up demand coming to light

Reasons for the awakening of this demand

- growth of a Muslim affluent middle class
- growing interest in *halal* finance products observed among non-Muslims
- governments' policy shifts
- Islamic finance as a lucrative business opportunity

Hurdles

- the European banking system is confronted with the emergence of models of credit brokerage based on principles that are religious in nature
- the financial products and concepts behind Islamic finance are basically unfamiliar to the regulators and the business community and they lack a precedent

Challenges ...

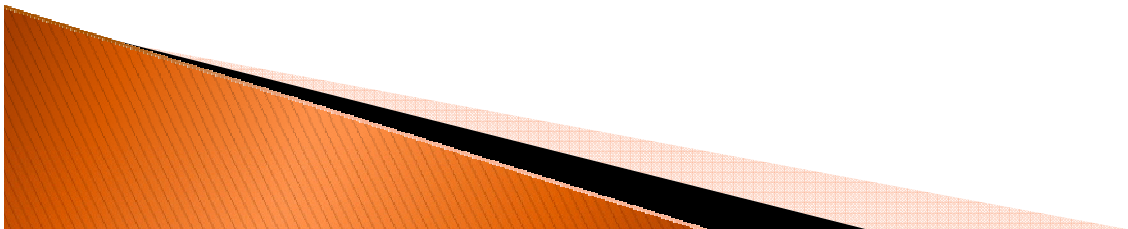
- ... to the legislator:
 - the creation of a uniform level playing field
- ... to the regulator:
 - how to assess Islamic finance products
 - the Shariah Supervisory Board
- ... to the banking industry:
 - market challenges
 - internal challenges

A look forward

- Reduction of legal or fiscal irritants
- Convincing the European public of the soundness of Islamic investments

Where to go from here?

- developments within Europe
- further EU enlargements: the Turkish case



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