

# Islamic Finance Has a Huge Potential in the Mediterranean

*CEO of FAAIF, Camille Paldi delivers presentation on Sukuk From A Mediterranean Perspective at the Malta Institute of Management in Valleta, Malta*

VALLETTA, MALTA, October 26, 2014 /EINPresswire.com/ -- CEO of FAAIF says that there is a unique opportunity in the Mediterranean for sukuk business due to the geographic location with proximity to continental Europe, Africa, and the Middle East, educated, multi-lingual, curious, and cosmopolitan populace, designated offshore status, sophisticated stock exchanges, and the existence of an established legal and regulatory framework including the MFSA Shariah Guidance Note for Islamic Funds (2009).

Paldi mentions that nations such as Malta would benefit greatly at the moment by issuing a green sukuk, launching a bonds and sukuk trading platform akin to Tadawul in Saudi Arabia, engaging in bilateral agreements with the financial services authorities of jurisdictions participating in the Islamic finance business such as the UAE DIFC and Malaysia, strengthening the international



strategy of the Malta Stock Exchange, implementing legislation to facilitate sukuk and Islamic finance transactions similar to Cyprus, increasing training and awareness on the island of Malta, and introducing an Islamic finance bankruptcy court in Malta as the sukuk default bankruptcy dispute resolution center for the Islamic finance industry. Paldi notes that the Malta Stock Exchange is listed by the SEC as a designated offshore securities centre, which makes it easy for US persons to trade and transact in Malta. In addition, it is quite easy to form an offshore company in this island nation. Paldi mentions that for these reasons and others, it is possible for Malta to secure SPV formation business for sukuk transactions in competition with the Cayman Islands. Malta could indeed become a European trading platform for sukuk.

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As a country, we are considering whether we should issue a Sukuk ourselves, to see what the reaction of the markets would be and to give a message that sukuk is an instrument we are in favour of...”

*Prime Minister Joseph Muscat*

Paldi notes the importance of Malta to become involved in the Islamic finance industry, as many European nations and competing nations are advancing. For instance, the UK and Luxembourg have issued sukuk of US\$500 Million each recently, which were both tremendously oversubscribed. In addition, Germany, France, and Spain are now engaging in Islamic finance business as well as Guernsey and Jersey. Paldi says that Ernst and Young predicts sukuk issuances to inflate to \$900 Billion in 2017.

Paldi emphasized these points in the Malta Institute of Management's Annual Mediterranean Economic Forum at the Xara Lodge in Valletta, Malta on 24 October 2014 in which the President of Malta, Her Excellency Marie-Louise Coleiro Preca gave the opening remarks. Paldi notices that the Maltese language descends from the Siculo-Arabic (the Arabic dialect that developed in Sicily and later in Malta, between the end of the ninth century and the end of the twelfth century). Therefore, Maltese contains many Arabic words and grammatical structures. Due to this linguistic harmony with Arabic and familiarity with Arab culture and the Islamic religion, Paldi says that the people of Malta and the Mediterranean may catch on to Islamic finance concepts and modes of finance quite quickly and easily. Paldi's presentation can be found at <http://www.slideshare.net/CamillePaldi/sukuk-from-a-mediterranean-perspective>.

Sheikh Eshmail Ibrahim whom gave a presentation about the Shariáh Issues in sukuk structures at the Mediterranean Economic Forum comments that it is important to comply with the Shariáh as we move forward with sukuk structures and issuances. Dr. Joseph Muscat, Prime Minister of Malta said, "As a country we are actually considering whether we should issue a Sukuk ourselves, a small one, to see what the reaction of the markets would be and to give a political message that this is the sort of instrument we are in favour of..." Camille Paldi can be contacted at [camille@faaif.com](mailto:camille@faaif.com).

FAAIF Limited is a legal and management consultancy firm servicing clients in Islamic banking, finance, and takaful. FAAIF Events is an events production and management company.  
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