

## Islamic Finance Consultative Group (IFCG)

Summary of meeting held on 30 November 2021 by video conference.

### Attendees

Faiz Azmi (Chair), PwC Malaysia  
Bruce Mackenzie (Vice-chair), IASB Member

### *IFCG members*

Omar Mustafa Ansari, Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI)  
Naweed Lalani, Dubai Financial Services Authority  
Darrel Scott, Former member of the International Accounting Standards Board (IASB), an IASB technical staff and a finance professional  
Abdelilah Belatik, General Council for Islamic Banks and Financial Institutions (CIBAFI)  
Syed Najmul Hussain, Institute of Chartered Accountants of Pakistan (ICAP)  
Mahfud Sholihin, Institute of Indonesia Chartered Accountants (IAI)  
Marjan Mohamad, International Shari'ah Research Academy for Islamic Finance (ISRA) [International Centre for Education in Islamic Finance (INCEIF)]  
Sami Ibrahim Al-Suwailem, Islamic Development Bank (IsDB)  
Datuk Mohd Nasir Ahmad, Malaysian Accounting Standards Board (MASB)  
Samet Arslan, Public Oversight, Accounting and Auditing Standards Authority (POA)  
Ahmed Al-Shenaiber, Saudi Organization for Chartered and Professional Accountants (SOCPA)

### *Observers*

Muhammad Bilal, CIBAFI  
Chan Hooi Lam, MASB  
Angus Thomson, MASB

### *Other IASB representatives*

Andreas Barckow, IASB Chairman  
Jawaid Dossani, IASB Technical Staff  
Mostafa Mouit, IASB Technical Staff  
Riana Wiesner, IASB Technical Staff  
Uni Choi, IASB Technical Staff  
Laura Kennedy, IASB Technical Staff

## Introduction

1. The Chair and Vice-chair welcomed the IFCG members and outlined the objectives of the IFCG (see [IFCG Terms of Reference](#)).
2. A draft version of the IFCG Terms of Reference was shared with members in advance of the meeting—no comments were received.

3. The Vice-chair explained that the IASB had begun one phase of the Post-implementation Review (PIR) for IFRS 9 *Financial Instruments* and expects to start working in the near future on the remaining phases and on the PIRs for IFRS 15 *Revenue from Contracts with Customers* and IFRS 16 *Leases*, which affect Islamic finance entities. The Vice-chair explained a PIR's objectives and process (see [details](#)) and encouraged members to see the PIR as an opportunity to inform the IASB about any relevant application matters and emerging issues. Members' comments would feed into IASB's standard-setting and ensure that the IASB appropriately considers any relevant issue.

### **Post-implementation Review of IFRS 9—Classification and Measurement (Agenda Ref 1)**

4. The IASB staff informed members about:
  - (a) the objective and timeline of the post-implementation review of the classification and measurement requirements in IFRS 9; and
  - (b) matters on which the IASB is gathering feedback.
5. The IASB staff responded to questions and encouraged members to respond to the *Request for Information: Post-implementation Review of IFRS 9—Classification and Measurement*.

### **IFRS 17 and Takaful (Agenda Ref 2)**

6. Darrel Scott provided members with an overview of IFRS 17 *Insurance Contracts* and factors to consider in applying IFRS 17 to Takaful contracts; and responded to questions.
7. The Chair observed that Takaful fact patterns vary between and within jurisdictions and interpretations of one fact pattern may not be suitable for others.
8. One IFCG member said the AAOIFI is working on a comprehensive Takaful project.

### **IASB Technical Update (Agenda Ref 3)**

9. The Vice-chair updated members on the IASB's:
  - (a) work plan;
  - (b) open consultations, recently closed consultations and other projects; and
  - (c) strategy and governance projects such as the Third Agenda Consultation.
10. The Vice-chair responded to questions.

### **Next Steps**

11. The Vice-chair said the group should aim to meet twice or three times in 2022 including meeting in person at least once, depending on travel guidelines and covid 19 restrictions. He encouraged members to submit topics for discussion at these meetings.

12. An update on the IASB's *Financial Instruments with Characteristics of Equity* project was identified as a potential topic for a future meeting. The Chair said he could update members on emerging financial instruments in the Islamic Finance sector.

**Close of the meeting**

13. The Chair and Vice-chair thanked members for their participation in a productive meeting.
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