

Published: Oct 25,2010

## **Eleven central banks and two multilateral organisations participate in International Islamic Liquidity Management Corporation initiative facilitated by the IFSB**

Kuala Lumpur, 25 October 2010 – Eleven central banks and two multilateral organisations today signed the Articles of Agreement for the establishment of the International Islamic Liquidity Management Corporation (IILM) marking their collaboration in a landmark global initiative that is aimed to assist institutions offering Islamic financial services in addressing their liquidity management in an efficient and effective manner. In addition, the initiative would facilitate greater investment flows for the Islamic financial services industry.

To this end, the IILM will issue high quality Shari`ah-compliant financial instruments at both the national level and across borders, in an integrated manner, thereby enhancing the soundness and stability of the jurisdictions in which they operate.

The signatories of the IILM Articles of Agreement are governors and their representatives from the central banks or monetary agencies of Indonesia, Iran, Luxembourg, Malaysia, Mauritius, Nigeria, Qatar, Saudi Arabia, Sudan, Turkey and the United Arab Emirates. The Islamic Development Bank and the Islamic Corporation for the Development of the Private Sector are the multilateral organisations participating in the initiative.

The signing ceremony of establishing this new supranational entity was witnessed by Malaysian Prime Minister, Dato' Sri Mohd Najib Tun Haji Abdul Razak; Crown Prince of Perak Darul Ridzuan and Financial Ambassador to the Malaysia International Islamic Financial Centre, Raja Dr. Nazrin Shah Ibni Sultan Azlan Muhibbudin Shah and Islamic Financial Services Board (IFSB) Secretary-General, Professor Datuk

Rifaat Ahmed Abdel Karim. Malaysia has been selected as the host country of the IILM.

The IILM initiative was facilitated by the Council of the IFSB in line with its mandates to: a) enhance and coordinate initiatives to develop instruments and procedures for the efficient operations and risk management; and b) encourage cooperation amongst member countries in developing the Islamic financial services industry.

“The IFSB is honoured to have facilitated the establishment of the IILM, said Professor Datuk Rifaat Ahmed Abdel Karim, in his remarks at the signing ceremony.

“It is our hope that the establishment of this new entity in the Islamic financial services industry will support the ever going efforts by the central banks and the monetary authorities to enhance the efficiency of institutions offering Islamic financial services in managing their liquidity”.

The Memorandum of Participation for the IILM was signed on 7th October 2010 in Washington on the sidelines of the IMF-World Bank Annual Meetings. The signing of the Articles of Agreement today signifies the official establishment of the IILM.