

Published: Oct 07,2010

The IFSB announces the establishment of an International Islamic Liquidity Management Corporation

Washington, 7 October 2010 - The Islamic Financial Services Board (IFSB) today facilitated the signing of the Memorandum of Participation for the establishment of the International Islamic Liquidity Management Corporation (IILM). The primary objective of the IILM is to issue Sharī'ah-compliant financial instruments in order to facilitate more efficient and effective liquidity management solutions for institutions offering Islamic financial services (IIFS), as well as to facilitate greater investment flows of Sharī'ah-compliant instruments across borders.

This initiative is in line with the IFSB mandates (as stated in its Articles of Agreement) 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.

Governors and representatives of a number of central banks and multilateral organisations that are members of the IFSB participated in the signing ceremony of the Memorandum of Participation. The ceremony was held on the side of the IMF-World Bank Annual Meetings in Washington DC.

The establishment of the IILM is a major breakthrough in the Islamic financial industry development as it will provide liquid short-term Sharī'ah-compliant instruments that would promote further the competitiveness and resilience of IIFS globally.

The official establishment of the IILM is set to take place on 25 October 2010 in Kuala Lumpur, Malaysia, which has been selected to be the host country for the IILM.