

Islamic Finance in the UK

FINANCIAL SERVICES

Due to the complexities of the UK financial services environment, many of the challenges facing the global Islamic financial services industry become even more acute.

Some of the more significant of these include:

- Developing additional corporate governance procedures around compliance with Islamic Sharia'a in tandem with meeting the UK's existing intricate corporate governance requirements.
- Many Islamic products in the UK are a relatively recent offering. The corporate tax and indirect tax treatment of some of these products is yet to be resolved and can be disadvantageous to an institution's operating model when competing against conventional institutions. The challenge is to continue working closely with the UK tax authorities to build on recent corporate tax legislative developments in the Finance Act 2005 and the current Finance Bill, with the aim of providing a level playing field for Sharia'a compliant products and conventional finance.
- Similarly, applying UK GAAP and IFRS to these products can be complex.
- There is a shortage of qualified people with the necessary experience around offering Sharia'a compliant financial services in the UK.
- The Financial Services Authority (FSA) does not currently distinguish between its treatment of Islamic financial services providers and other financial services providers and the same rules apply to both.

Through the ongoing efforts of its Islamic financial services team, KPMG in the UK has wide ranging experience in this area and can help your organisation meet these challenges whether you are an existing provider or looking to enter the market now.



Team Contacts

KPMG's UK Islamic financial services team is one of the pioneers in helping bring Islamic financial services to the UK and Western Europe. Our multi-disciplinary team is comprised of accounting, regulatory, tax, forensics and financial advisory professionals who have a wide range of experience in providing advice and support to both independent Islamic institutions and conventional banks offering Islamic products.

Amongst the leaders in their fields in the UK, our team combines industry best-practice knowledge with a deep understanding of the model and concept of Islamic finance and many years of working together to provide a co-ordinated approach in assisting clients with the complex issues currently facing Sharia'a compliant financial services in the UK.

Our professionals also bring with them hands on and recent experience of working with Islamic financial institutions in the Gulf, South Asia and Malaysia, together with the ability to draw upon the resources of our global network, one of the largest global financial services practices in the world.

In addition to client service offerings, KPMG's Islamic financial services team continues to make a significant contribution to the development of the tax and regulatory environment surrounding Islamic finance through ongoing dialogue with the industry, the tax authorities, and the regulators.



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