



## **FSD Africa announces development of landmark Islamic capital market framework for the West African Monetary Union**

*FSD Africa is providing technical assistance for the development and promotion of the Islamic capital market framework for the region. The project is spearheaded by Conseil Régional de l'Épargne Publique et des Marchés (CREPMF).*

**Wednesday, January 20, 2021:** FSD Africa, in partnership with Conseil Régional de l'Épargne Publique et des Marchés, is developing a regulatory framework that will help to establish an Islamic capital market in the WAMU region comprising Benin, Burkina Faso, Côte d'Ivoire, Guinea Bissau, Mali, Niger, Senegal and Togo.

The proposed new Islamic capital markets would work to spur growth in the region and increase financing of the Union's economies. This project will be carried out through 3 phases.

In the initial phase, it will be question of carrying an assessment whose conclusions will support proposals for an adapted legal and regulatory framework to implement Islamic capital market on the region. The result of this assessment will be a report proposing a regulatory framework that complies with Shariah and IFSB standards.

FSD Africa provides technical assistance for developing a roadmap to promote the regulatory framework and capacity building training workshops for the stakeholder of the ecosystem. The UK aid-funded organisation will then support CREPMF in identifying relevant laws to be adopted to implement an Islamic capital market, including possible adjustments to the current regulatory environment in the region. Local context will be carefully considered for each nation, while relevant stakeholders will be invited to comment on the draft regulations.

To succeed the reform and promote Islamic finance in the region, an action plan will be put into place, along with an educational guide and a capacity building programme to help each stakeholder. There will also be two workshops where local policymakers, industry players, regulators and financials sector experts will be invited to discuss their views on the current financial environment and learn more about the draft framework.

FSD Africa's support comes as part of its ongoing programme to strengthen Africa's capital markets. The programme is centred on the development of capital markets master plans, conducting institutional capacity assessments, and creating capacity for sustainable finance such as green bonds, helping markets to adapt to their operating climate.

**Evans Osano, Director of Capital Markets at FSD Africa, said:**

*"We must ensure that financial systems are as relevant as possible to their local operating context. We look forward to working with local stakeholders to understand the needs of the capital market ecosystem in the region as we implement this ambitious programme – a first for the region. Islamic finance will not only foster inclusive finance amongst a vast majority of the population in the West African Monetary Union but will also unlock significant growth-inducing capital from market participants keen on ethical investing."*



**Ripert Bossoukpe, Secretary General of CREPMF said:**

“This partnership is truly important for WAMU authorities and the market as a whole. It will also draw a new dawn for the market as more than 800 billion FCFA of Sukuk has already been raised through the securitization instruments. The authority is already engaged to take all the necessary provision to enable the new framework.”

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**About FSD Africa**

FSD Africa is a specialist development agency working to reduce poverty by strengthening financial markets across sub-Saharan Africa. Based in Nairobi, FSD Africa’s team of financial sector experts work alongside governments, business leaders, regulators and policy makers to design and build ambitious programmes that make financial markets work better for everyone. Established in 2012, FSD Africa is incorporated as a non-profit company limited by guarantee in Kenya. It is funded by UK aid from the UK government.

**About CREPMF**

CREPMF is an organ of the West African Monetary Union (WAMU) entrusted with protecting savings invested in securities and all other investment products publicly offered in all the member states of the Union. CREPMF was created on 3rd July 1996, by a convention signed by the States of the Union (Benin, Burkina Faso, Côte d'Ivoire, Mali, Niger, Senegal and Togo). Guinea Bissau joined the Union on 7th July 1997 after joining the Union's franc zone.