



minarah
CONSULTING

FUNDAMENTALS OF ISLAMIC BANKING & FINANCE EXECUTIVE TRAINING

IF -ETP 1



OVERVIEW

This three day course explores the fundamental pillars of Islamic Banking and Finance within a context of financial intermediation. It will introduce and explain the basic pillars of Shariah Law as applied to finance, The programme discusses the functions of the Islamic Financial System including their products and services such as Cost-plus sale (Murabaha), Investment financing partnership (Mudarabah), Silent Partnership (Musharakah), Spot Payment sale (Bai' Salam), Manufacturing contract (Istisna) and Operational lease (Ijarah).

The course further introduces the Structure of Islamic law of contract & variable rate of return modes of financing in Islamic Banking and conclude by providing a concise insight into the various fixed rate of return modes of financing that are utilized in the sector.



AIMS OF COURSE

To equip participants in understanding the fundamental underpinning concepts for the development of Islamic Banking.



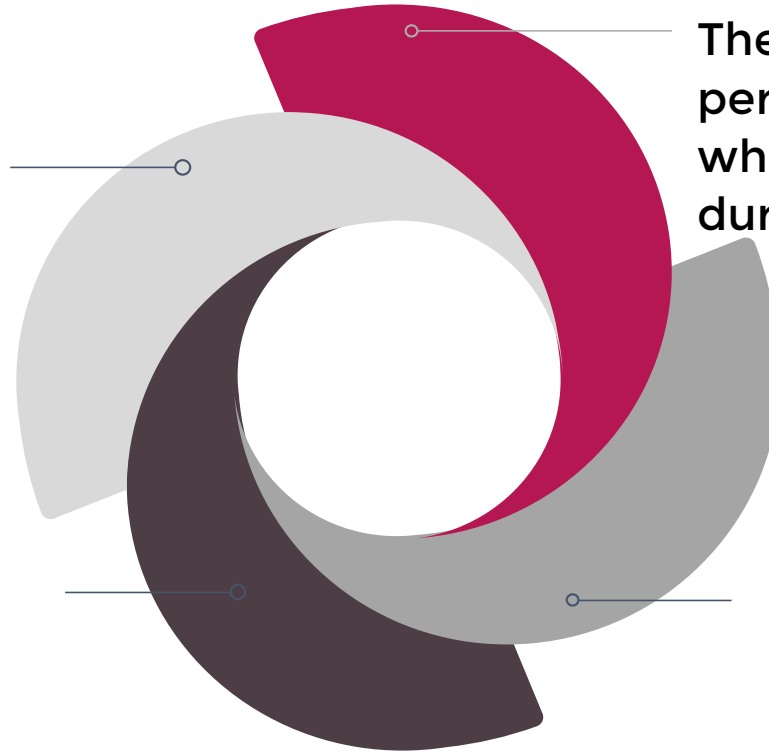
To critically analyse the differences between Islamic banking and conventional banking.

To help participants in grasping the main Islamic Banking products available on the market and their associated Islamic jurisprudential issues.

PROGRAMME STRUCTURE

To critically analyse the risks associated with the Islamic Banking products and the potential solutions to mitigate those risks

Some models of Islamic Banking product contracts will be analysed.



The course is extended over a 3-day period and comprises of 4 sessions which are one and a half to two hours in duration.

The presentations will be interactive and involves practical applications followed by Q & A.

COURSE OUTCOMES

Upon completion of the programme participants:

Discover the major financial market instruments used by Islamic institutions

Understand how the Islamic economic and financial systems function



Identify risks in the Islamic financial system and ways to manage the

Understand the basic prohibitions and allowances under Shari'ah Law

TRAINING COURSE

Day One

Discussion on the Underpinning Islamic Banking Concepts



Session A Historical Development of Islamic Banking

- The formative period of Islam till the Ottoman Caliphate
- Colonisation and decolonisation of Muslim world
- 1960's -1980's era
- Post 1980's era

Questions & Answers followed by exercises

Session B Brief overview of Islamic Financial Economies

- Concept of money & wealth in Islam including Cryptocurrencies discourses
- Higher Objectives of Shariah (Maqásid of Shari'ah)
- Role of Fiqh al-Mu'ámalat and banking in Islamic economics
- Differences between Islamic Banking & Conventional Banking

Questions & Answers followed by exercises.

Session C Riba VS Profit as the main issue in Islamic Banking

- Definition of Riba (interest)
- Types of Riba
- Harm of Riba
- Islamic Normative Theory of Profit

Questions & Answers followed by exercises.

Session D Prohibited contractual elements in Islamic law - Gharar (excessive uncertainty) & Maysir (game of chance)

- Definition of Gharar
- Types of Gharar and its manifestation in electronic sale
- Definition of Maysir
- Other prohibited contractual elements

Questions & Answers followed by exercises.

TRAINING COURSE



Day Two

Introduction to the Structure of Islamic law of contract & viable return modes of financing in Islamic Banking

Session A Murabaha (cost plus sale)

- Definition of Murabaha
- Conditions for validity of Murabaha
- Criticism against the LIBOR benchmark
- Analysis of Murabaha Products

Questions & Answers followed by exercises

Session B Ijarah (leasing)

- Definition of economic commodity (mal mutaqawwim)
- Definition of Ijarah
- Types of ijarah/leasing
- Conditions for validity
- Analysis of Ijarah Products

Questions & Answers followed by exercises.

Session C Bay'-al Salam (spot payment sale) & Istisna' (manufacturing contract)

- Definition of wealth
- Definition of Salam
- Conditions for validity of Bay'al-Salam
- Definition of Istithna'
- Conditions for validity of Istithna'

• Questions & Answers followed by exercises.

Session D Bay'al- Tawarruq (reverse cost- plus sale)

- Definition of Tawarruq
- Conditions for validity of Tawarruq
- Fiqh issues regarding Tawarruq
- Analysis of Tawarruq Products

Questions & Answers followed by exercises.

TRAINING COURSE

A blurred background image showing a business meeting. In the foreground, a hand is pointing at a tablet displaying a bar chart and a table. In the background, two people are shaking hands. The overall scene is dimly lit, suggesting an indoor office environment.

Day Three

**Introduction to
fixed mode
return of financing**

Session A Murabaha (cost plus sale)

- Definition of Murabaha
- Conditions for validity of Murabaha
- Criticism against the LIBOR benchmark
- Analysis of Murabaha Products

Questions & Answers followed by exercises

Session B Ijarah (leasing)

- Definition of economic commodity (mal mutaqawwim)
- Definition of Ijarah
- Types of ijarah/leasing
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- Analysis of Ijarah Products

Questions & Answers followed by exercises.

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Questions & Answers followed by exercises.

CONTACT US



CEO: Sheikh Dr Faizal Ahmad Manjoo

Email: faizalm@minarahconsult.com

Mobile no: +44 79071 28005