



minarah
CONSULTING

ISLAMIC COMMERCIAL LAW & PRODUCT DEVELOPMENT EXECUTIVE TRAINING PROGRAMME

IF -ETP 2



OVERVIEW

This course will explore the main categories of contracts used in Islamic finance and look at the main issues pertaining to Islamic financial products and their supportive contracts.

By using case studies and analysis of specimen contracts in Islamic Finance this course endeavours to provide both a theoretical and practical aspects of contracts used in product development in Islamic Finance.

In addition, product development process; risk management and regulatory framework in Islamic finance shall be explored.



AIMS OF COURSE

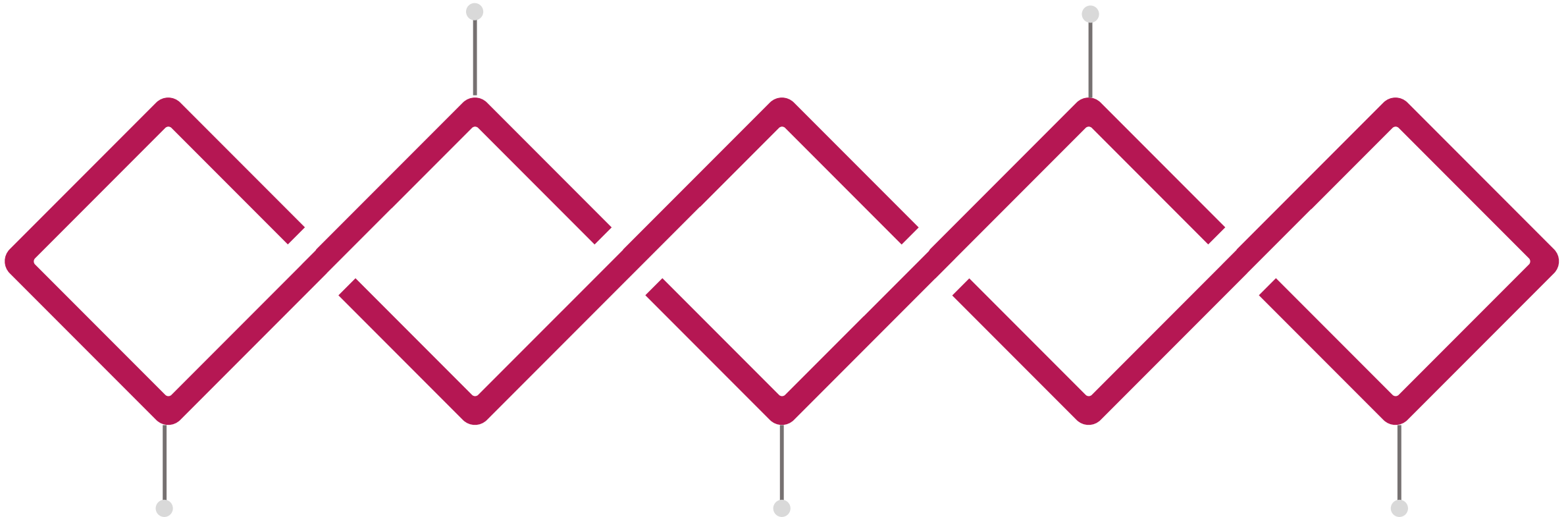
To briefly elaborate on the various facets of Islamic commercial law and its application amongst Islamic financial intermediaries.

To explain the basics of the Theory of Islamic Law of Contracts.

To introduce participants to the main concepts relating to the methodologies of Islamic rulings.

To discuss the various concepts used in Islamic finance for product development.

To give an overview of risk management for Islamic finance and regulatory framework for mitigating risk.



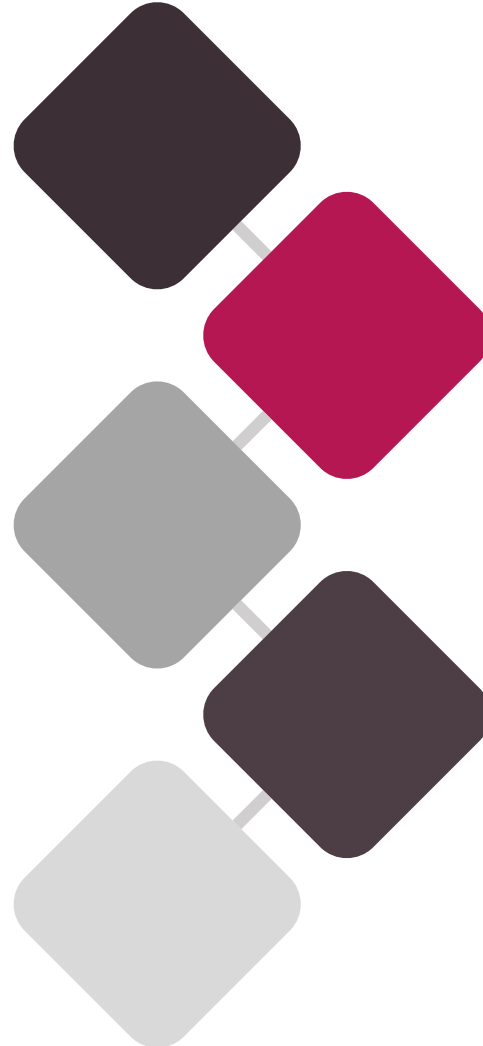
COURSE OUTCOMES

Upon completion of the programme participants:

Will understand how Islamic commercial law operates.

Will be equipped with the basic technique of product development

Will have an overview of the regulatory framework of Islamic finance.



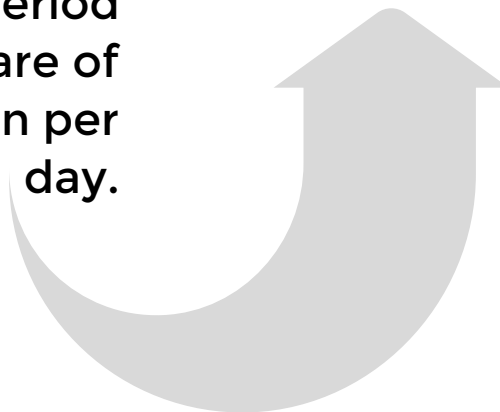
Will appreciate the Islamic Commercial Law of contracts and the jurisprudence (fiqh) of the various relevant contracts used in Islamic Finance

Will be able to analyse the main risks associated with the main Islamic products and how to mitigate these risks.

PROGRAMME STRUCTURE



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



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

TRAINING PROGRAM

Day One

An
Overview of Fiqh
Al-Mu'a malat



Session A Evolution of Islamic law & Islamic Finance

- Introduction to Islam
- Evolution of Islamic law & Jurisprudence
- Historical analysis of the Islamic financial Industry
- Islamic Financial Market and Financial intermediation

Questions & Answers followed by exercises

Session B Methodologies of deducting Islamic law

- Maqasid al-Shariah. (The Higher Objectives of Shariah)
- Usul al-fiqh (Principles of Islamic Jurisprudence)
- Qawaid Kulliyah Fiqhiyyah (Legal Maxims)

Questions & Answers followed by exercises.

Session C Introduction of the Theory of Islamic Law of Contract

- Definition of contract Unilateral (Tabarru'at) & bilateral (Mu'awadhat)
 - Genesis of the theory of contract
 - Types of Islamic commercial contract
 - Condition for 'Aqd al-mu'awadhah.(contract of exchange)
 - Conditions for the validity of contract
 - Prohibited contractual elements in Islamic law of contract: Riba (usury), gharar (uncertainty), maysir (gambling), ghaban fahish (excessive profit), jahālah (ignorance)
 - Different types of Khiyārāt (options) in contracts
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- Siyasaḥ al-Shariah
 - Ijtihad
 - Main organisations affecting rulings of Islamic finance: AAOIFI, IFSB and OIC

Questions & Answers followed by exercises.

TRAINING PROGRAM



Day Two

Main categories of Contracts used in Islamic Finance

Session A Main concepts pertaining to Islamic financial products

- Musharakah (active partnership)
- Mudharabah (dormant partnership)
- Ijarah wa iqtina (lease with option of purchase)
- Bay' al-Murabaha (cost plus sale)
- Bay' al-Tawarruq (inverse cost-plus sale)

• Questions & Answers followed by exercises

Session B Supportive Contents

- Kafala (surety shop)
- Rahn (pledge/lien)
- Jualah (commission)
- Hawalah (transfer/cession)

- Bay al-'Inah (buyback sale)
- Bay' Salam (spot payment sale)
- Bay' Istisna' (manufacturing contract sale)

Questions & Answers followed by exercises.

Session C Case studies & analysis of specimen contracts

- Bank Manager scenario
- Takaful Operator Scenario
- Fund Manager Scenario

Questions & Answers followed by exercises.

TRAINING PROGRAM

A professional business meeting scene. In the foreground, a person in a dark suit is holding a pen and looking at a document. Another person in a dark suit is pointing at a document held by a third person. A laptop is open on a desk in the foreground. The background is slightly blurred, showing more people in business attire. The overall tone is professional and focused.

Day Three

**Product Development &
Risk Management in
Islamic Finance**

Session A Product Development

- Product structuring
- Use of SPV
- Application of shariah in product development
- Main issues to consider in product development
- Application of some AAOIFI Standards

• Questions & Answers followed by exercises

Session B Introduction to Risk Management for IFIs

- Taxonomy of risk
- Characteristics of risk management in Islamic Finance
- Risk associated with Islamic products
- Risk Management Tools for Islamic finance
- Influence of FinTech on Islamic finance and its risk profile

• Questions & Answers followed by exercises.

Session C Regulatory Framework

- Basle II & III
- IAIS
- IOSCO
- Relevant AAOIFI & IFSB Standards

Questions & Answers followed by exercises.

CONTACT US



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