



minarah  
CONSULTING

# Islamic Law of Contract Executive Training Programme

**IF -ETP 3**



# OVERVIEW

The Islamic Law of contracts programme will address a complex issue as there are no texts that set out an all-embracing theory of contract law in Islam which applies to all types of contracts.

This course offers a brief guide to the typology of Islamic commercial contracts and its application within a secular legal system. The focus would be on the formation, dissolution, breach and remedies for breach of contracts under Islamic law and its compatibility with secular law.



# AIMS OF COURSE

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To analyse the classifications of Islamic business contracts.

To look into the main legal elements affecting the formation, dissolution and breach of contracts under Islamic law and the appropriate remedies



To draw a brief conceptual framework of the Islamic law of contract compared to the English common law of contract

To discuss the main contractual issues in Islamic finance.

# COURSE OUTCOMES

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Upon completion of the programme participants:

Will be able to appreciate what is an 'aqd (Islamic contract) and its different levels of classification in Islamic law.

They will be equipped to understand the various contractual issues arising in forming and dissolving contracts and what are the remedies for breach of contract under Islamic law.



They will be in a position to critically assess the sale and lease contract in Islamic law.

They will also be engaged with modern contractual issues affecting Islamic finance.

# PROGRAMME STRUCTURE

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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.

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

# TRAINING PROGRAM

Day One

# CONTRACT

**Conceptual Framework &  
Formation of Contracts  
under Islamic Law**



## Session A Conceptual Framework of Contract under Islamic Law

- Definition and comparison of 'aqd, 'ahd and contract
- Meaning of business contract
- Islamic doctrine of contract and its effects for society
- The nature of the law of Islamic business contract as compared to its common law counterpart: Case law studies

Questions & Answers followed by exercises

## Session B Classification of Business Contracts

- Genesis of Islamic law of contract
- General theory of Islamic law of contract
- Classification of contracts according to their nature
- Classification of contracts according to their circumstances
- Classification of contracts according to their legal consequences

Questions & Answers followed by exercises.

## Session C Classification of Business Contracts

- 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 Formation of Contract

- Pillars (arkán) of an Islamic contract
- Promise and Contract (Dhimmah versus dayn)
- Conditions for valid contracts
- Theory of 'iwadh (counter value)

Questions & Answers followed by exercises.



# TRAINING PROGRAM

Day Two

Dissolution, Breach &  
Remedies for Breach of  
Contract

## Session A Theory of Obligation (Dhimmah)

- Contractual Warranty (Dhaman al-'aqd)
- Áqd and Iltizám (Theory of obligation)
- Doctrine of consideration in Common law
- Nominate Contracts

Questions & Answers followed by exercises

## Session B Dissolution of Contract in Islamic Law

- Grounds for dissolution
- Iqálah (dissolution by mutual consent)
- Automatic dissolution
- Al-Faskh (Dissolution of contract by revocation & termination)
- Dissolution due to impossibility of performance

Questions & Answers followed by exercises.

## Session C Remedies for Breach of Contract

- Rescission
- Damages
- Specific performance
- Injunctions
- Restitution remedies
- Quantum merit
- Problems and possibility for applying Islamic law of contract under common law
- Beximco, Symphony Gem and Blom case law

• Questions & Answers followed by exercises.

# TRAINING PROGRAM

A close-up photograph of a person's hand holding a dark pen with a gold-colored tip, writing on a document. The hand is positioned in the center-left of the frame. The background is blurred, showing another hand resting on the document. The overall lighting is soft and focused on the writing action.

**Day Three**

**Analysis of specific commercial contracts & modern Contractual Issues in Islamic Finance**

## Session A Contract of sale

- Definition of Bay' (Sale) and the various types under Islamic law
- Conditions for validity
- Sale of debt issue

Questions & Answers followed by exercises

## Session B Contract of Lease

- Definition of Ijarah (lease) and the differences with common law lease
- Conditions for validity of Ijarah
- Ijarah contracts in Islamic Banking

Questions & Answers followed by exercises.

## Session C Modern Contractual issues in Islamic Finance

- Wa'ad Iltizami (Mandatory Promise)
- Derivatives & options
- Tahawwut contract
- Protection of Intellectual property

• Questions & Answers followed by exercises.

# CONTACT US

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