

ISLAMIC BANKING AND FINANCE



GENTEX[®]
TRAINING CENTER



Introduction

The Islamic Banking and Finance Training Course builds a practical understanding of financial services that operate without interest. Islamic finance has grown into a global industry with its own contracts, governance arrangements, and risk profiles. This course explains the principles behind the model and then works through the instruments that banks actually use. It covers Murabaha, Ijara, Mudarabah, Musharakah, and Sukuk. Furthermore, it addresses Sharia governance, risk management, accounting, and regulatory expectations. As a result, participants gain the confidence to work on Islamic finance transactions, products, and controls.

Islamic Banking and Finance Course Objectives

- Explain the principles of Islamic finance and the prohibition of Riba, Gharar, and Maysir.
- Distinguish Islamic banking models from conventional banking practice.
- Apply contract structures including Murabaha, Ijarah, Salam, and Istisna.
- Evaluate partnership contracts: Mudarabah and Musharakah.
- Explain Sukuk structures, issuance mechanics, and asset backing.
- Apply Sharia governance frameworks and the Sharia supervisory board role.
- Assess Sharia-compliant screening and purification requirements.
- Interpret profit distribution, profit-sharing ratios, and profit rate benchmarking.
- Apply risk management concepts specific to Islamic finance.
- Apply accounting and reporting standards for Islamic financial institutions.

Course Methodology

- Interactive lectures with real Islamic finance and Sukuk case studies.
- Product structuring workshops using contract templates.
- Sharia screening and profit distribution calculation exercises.

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- Governance and Sharia review simulation activities.
- Structured peer discussion with facilitator feedback on structuring decisions.

Who Should Take This Course

- Banking professionals in Islamic and conventional banks.
- Product managers and business development teams.
- Sharia compliance and governance officers.
- Risk, audit, and finance staff in Islamic finance.
- Legal advisors and contract specialists.
- Consultants and regulators covering Islamic banking.

Islamic Banking and Finance Course Outlines

Day 1: Principles and Foundations of Islamic Finance

- Core prohibitions: Riba, Gharar, and Maysir.
- Profit-and-loss sharing versus interest-based lending.
- Asset backing, real economic activity, and risk sharing.
- Historical development and global market landscape.
- Sharia sources and the role of scholarly interpretation.
- Differences from conventional banking operations.
- Case study: how an Islamic bank structures a financing need.

Day 2: Islamic Financing Contracts

- Murabaha: cost-plus sale and deferred payment structures.
- Ijarah: leasing structures, operating and finance lease variants.



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- Salam and Istisna: forward sale and manufacturing contracts.
- Tawarruq and commodity Murabaha mechanics.
- Working capital and trade finance using Islamic contracts.
- Contract sequencing, ownership, and risk transfer points.
- Workshop: structuring a Murabaha and an Ijarah transaction.

Day 3: Partnership Contracts and Sukuk

- Mudarabah: capital provider and manager relationship.
- Musharakah: joint venture and diminishing partnership models.
- Profit-sharing ratios and loss allocation principles.
- Sukuk types: Ijarah, Mudarabah, Musharakah, and Wakalah.
- Sukuk issuance process, special purpose vehicles, and asset transfer.
- Investment accounts and unrestricted versus restricted mandates.
- Workshop: assessing a Sukuk structure and its asset backing.

Day 4: Sharia Governance and Compliance

- Sharia governance framework and the Sharia supervisory board.
- Fatwa issuance, internal Sharia review, and Sharia audit.
- Sharia-compliant screening criteria and financial purification.
- Profit distribution mechanics and profit rate benchmarking.
- Handling non-compliant income and remediation procedures.
- Disclosure and transparency expectations.
- Workshop: running a Sharia review on a proposed product.

Day 5: Risk Management, Accounting, and Reporting



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- Credit, market, liquidity, and operational risk in Islamic banking.
- Equity investment risk and displaced commercial risk concepts.
- Risk mitigation tools acceptable under Sharia principles.
- AAOIFI and IFRS alignment considerations.
- Financial statement presentation for Islamic financial institutions.
- Regulatory expectations, capital treatment, and reporting.
- Course review, assessment, and action planning.

Conclusion

By successfully completing Islamic Banking and Finance, participants will gain a thorough understanding of Islamic finance principles, financing and partnership contracts, Sukuk structures, Sharia governance, and risk management. They will also acquire practical skills in contract structuring, Sharia screening, profit distribution, and Islamic finance reporting. In addition, the course prepares them to contribute to Sharia-compliant transactions with confidence. Gentex Training Center delivers this programme with a strong focus on applied Islamic finance practice and measurable capability improvement.

FAQs for Islamic Banking and Finance course

Q1 What is the "Islamic Banking and Finance" course about?

It is a five-day programme on financial services operating without interest. It covers Islamic finance principles, financing contracts such as Murabaha and Ijarah, partnership contracts including Mudarabah and Musharakah, Sukuk structures, Sharia governance, screening, profit distribution, and risk management.





Q2 What are the key benefits of the "Islamic Banking and Finance" course?

Participants gain a working command of Sharia-compliant structures rather than a superficial overview. The course improves product structuring quality, strengthens Sharia governance and compliance discipline, reduces the risk of non-compliant income, improves profit distribution accuracy, and prepares teams for regulatory, audit, and Sharia review.

Q3 What skills will I gain from the "Islamic Banking and Finance" course?

Participants gain Islamic financing contract structuring and documentation, partnership contract and Sukuk structure assessment, Sharia screening, governance and profit distribution calculation, and Islamic finance risk assessment and reporting. These four skills cover the practical core of Islamic banking work.

Q4 What tools, methods, or standards are covered in the "Islamic Banking and Finance" course?

The course covers Murabaha, Ijarah, Salam, Istisna, Tawarruq and commodity Murabaha contract structures, Mudarabah and Musharakah partnership models including diminishing Musharakah, Sukuk types including Ijarah, Mudarabah, Musharakah and Wakalah Sukuk, special purpose vehicle arrangements, Fatwa issuance and internal Sharia review processes, Sharia audit procedures, Sharia-compliant screening criteria and financial purification, profit-sharing ratios and profit rate benchmarking, displaced commercial risk concepts, AAOIFI standards, IFRS alignment considerations, and Islamic financial institution reporting requirements.



Q5 How is the "Islamic Banking and Finance" course applied in real-world practice?

Participants apply the methods to live transactions and products. They select and structure contracts, document ownership and risk transfer points, run Sharia screening, calculate profit distribution, prepare review submissions for the Sharia board, and support accounting and disclosure work. Many leave with contract checklists and structuring templates ready for immediate use.