
Islamic Finance (Wrap-up Session)

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Learning Outcomes

01

CLO1: Analyse the development regulatory framework of Islamic finance and its application

02

CLO2: Demonstrate the necessary basic skills in Islamic finance

03

CLO3: Display necessary skills relating to Islamic Finance for future career opportunities.

Introduction to Islamic Banking and Finance

Overview of modern financial management of banking, insurance and capital market.

Theories of Islamic Economic.

History of Islamic banking and finance. The establishment of Islamic banks worldwide both in the Muslim and non-Muslim countries.

Salient features of Islamic banking and finance.

Regulatory authorities

Regulatory structures

The Basis of the Introduction of Islamic Banking System

The Prohibition of Usury, Maysir, Gharar and Khatar in Islamic Commercial Law.

Foundational axioms: *adl* (social justice), *rububiyah* (nourishment and directing things their perfection) and *tazkiyah* (growth with purification)

The Islamic Commercial Contracts

Gratuitous Contracts: Hibah, waqf, Qard, Ibra'

Trading Contracts: Ijarah, Murabahah, Istisna' etc;

Investment Contracts: Mudharabah, Musharakah;

Supporting Contracts; Wakalah, Kafalah, Hawalah, Jua'lah, etc.

Rationale for Regulations

Protecting the interest of depositors

Ensuring compliance with Shari'ah

Supporting the integration of IFIs in the financial system

Shariah Supervision

Law and guidelines for Shari'ah Governance

Shariah Supervisory Board- Role and Responsibility.

Shariah Compliance Review, Audit and Governance

AAOIFI's Audit and Governance Standards

IFSB Rules and Guidelines

Regulations on Islamic Banking and Finance in Malaysia

The Role of Central Bank of Malaysia in both Conventional and Islamic Banking.

Important Provisions of the Islamic Financial Services Act 2013

The Central Bank of Malaysia Act 2009 and DFIA 2002

Related Laws on Islamic Banking and Finance, Legal Issues

Jurisdiction of the Malaysian Courts in Islamic Banking and Finance

Federal Constitution

Cases Decided by the Malaysian Courts on Islamic Banking and Finance

Cases decided in other jurisdictions: United Kingdom, United States, GCC Countries, India and etc.

*Legal Issues on
Islamic Financial
Products*

Debt-based financing

BBA, Inah,
Murabahah, Istisna,
Salam, Ijarah and etc.

Home financing,
project financing,
corporate financing,
investment financing.

Cases Commentaries

Equity-based
Financing:
Musharakah and
mudharabah

Deposit Products:
Saving account,
current account and
investment account

Takaful

Concept of Insurance

Concept of Takaful

Why conventional insurance is not accepted by Shari'ah

Shari'ah ruling on Takaful

Riba, gharar, maysir and other prohibited elements.

Differences Between Takaful and Insurance

IFSB Standards

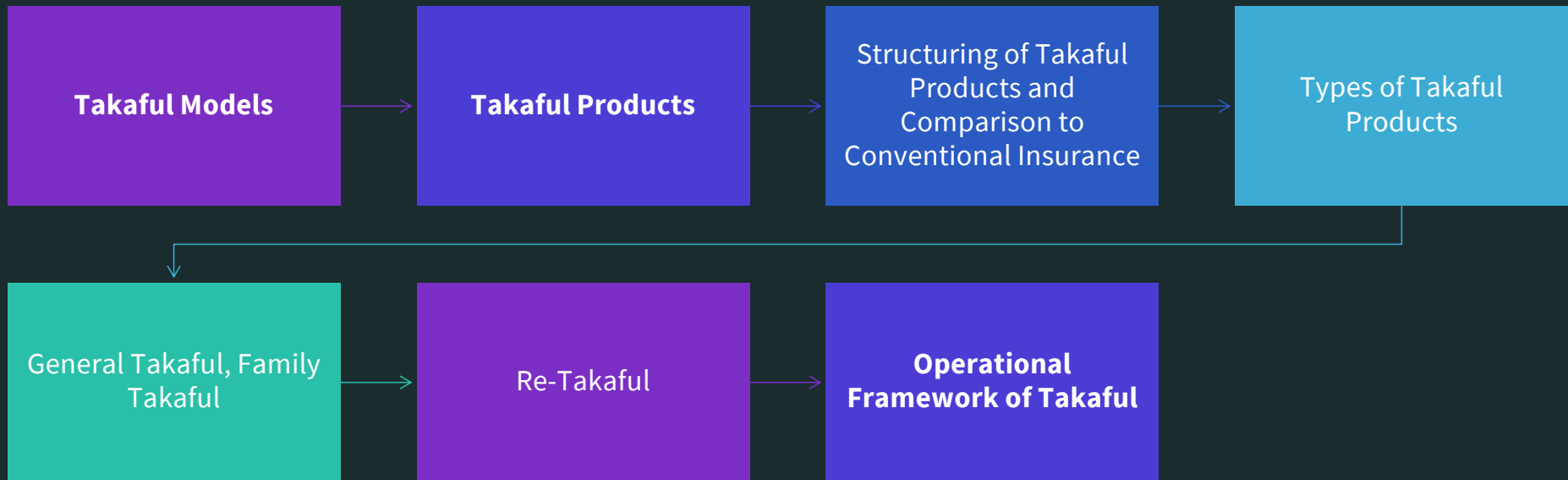
Laws Relating to Takaful

Salient features of Takaful Act 1984

The Islamic Financial Services Act 2013 and Takaful.

Shari'ah Governance and Supervision

Takaful Models



Legal Framework of Takaful

IFSA 2013, CBMA 2009 and TOF

Legal Documentation on Takaful

Participant benefits, Utmost good faith, Insurable Interest, Insurable Risk, Proximate Cause, Indemnity

Shari'ah and Legal Issues Relating to the Application of Takaful

Assessment

Mid semester exam = 10%

Presentation/Ethics= 10%

Written assignment/ Publication = 10%

Community Engagement = 20%

Final examination = 50%

Essay Question

Introduction

- Background of the questions, definition, conceptual framework, history, statistical facts and etc.

Contents

- Point 1
 - Authority-
- Point 2
 - Authority
- Point 3
 - Authority
 - Authority means “nusus, statutes, SAC and SC resolution, cases, rulings of fatwa institutions such as AAOIFI and others, text books, journal articles and research paper”.

Conclusion

- Summary, findings, recommendations, solutions and observation.

Problematic Question

Introduction

- Background of the questions, summary of the facts, summary of the decision, summary of the resolution, list of highlighted issues, and etc.

Contents

- Issue 1 and analysis
 - Authority-
- Issue 2 and analysis
 - Authority
- Issue 3 and analysis
 - Authority
- * Authority means “*nusus*, statutes, SAC and SC resolution, cases, rulings of fatwa institutions such as AAOIFI and others, text books, journal articles and research paper”.

Conclusion

- Summary, findings, recommendations, solutions and observation.

Open-Ended Question

Introduction- Background of the questions, summary of the facts, summary of the decision, summary of the resolution, list of highlighted issues, and etc

Contents

- Roles of Islamic Finance
 - Tenets Bounds- Shariah
 - Principles Based- Ethics and values
 - Real Economy- Asset backed, infrastructure.
 - Society and Market Service- Community and socio-economic dimension
- Financial Instruments Eg Banking products, Takaful Products, Islamic Capital Market.
- Any other relevant answers eg. Maqasid Shari'ah.

Conclusion- Summary, findings, recommendations, solutions and observation.