

€ TRAINING

Murabaha and Mudarabah Financing in
Islamic Banking

A group of four smiling business professionals (two men and two women) in a meeting. They are wearing white shirts and are seated around a table. The background is blurred, suggesting an office or conference room setting. A large blue curved graphic element is overlaid on the top right and bottom right of the image.

17 - 21 March 2025
London (UK)



Murabaha and Mudarabah Financing in Islamic Banking

REF: T2059 DATE: 17 - 21 March 2025 Venue: London (UK) - Fee: 5300 Euro

Introduction:

Murabaha and Mudarabah are two essential financing methods that underpin Islamic banking practices, offering ethical alternatives to conventional interest-based financing. These contracts promote transparency, fairness, and risk-sharing, aligning financial activities with Shariah principles. This training program delves into the principles, structures, and practical applications of Murabaha and Mudarabah, equipping participants with the skills needed to implement and manage these financing methods effectively within Islamic financial institutions.

Program Objectives:

By the end of this program, participants will be able to:

- Explore the principles and mechanics of Murabaha and Mudarabah.
- Identify the key differences between Murabaha, Mudarabah, and conventional financing.
- Structure and execute Murabaha and Mudarabah contracts according to Shariah guidelines.
- Manage risks and ensure compliance in Murabaha and Mudarabah transactions.
- Integrate these financing methods in banking and investment scenarios.

Target Audience:

- Islamic Bankers and Finance Professionals.
- Investment Analysts and Advisors.
- Shariah Compliance Officers.
- Risk Management Professionals.

Program Outline:

Unit 1:

Introduction to Islamic Financing Contracts:

- Overview of Islamic finance principles.
- The importance of Riba-free interest-free financing.
- Key concepts of risk-sharing and ethical finance.

- Introduction to Murabaha and Mudarabah.
- Comparative analysis with conventional financing methods.

Unit 2:

Murabaha Financing - Principles and Applications:

- Definition and structure of Murabaha.
- Essential elements and conditions of a Murabaha contract.
- Step-by-step process for executing a Murabaha transaction.
- Areas of applications of Murabaha in trade and asset financing.

Unit 3:

Mudarabah Financing - Principles and Applications:

- Definition and structure of Mudarabah.
- Roles and responsibilities of the capital provider Rab-al-Mal and entrepreneur Mudarib.
- Profit-sharing ratios and distribution mechanisms.
- Areas of applications of Mudarabah in investment and business financing.

Unit 4:

Risk Management and Compliance in Murabaha and Mudarabah:

- Identifying risks in Murabaha and Mudarabah contracts.
- Shariah compliance and regulatory considerations.
- Mitigating risks through proper documentation and oversight.
- Ensuring transparency and fairness in contracts.
- The role of Shariah Supervisory Boards SSB in contract approval.

Unit 5:

Advanced Strategies for Murabaha and Mudarabah Financing:

- Developing customized Murabaha and Mudarabah products.



- Integrating technology and digital solutions for efficient financing.
- Expanding Murabaha and Mudarabah offerings in different sectors.
- Enhancing customer engagement and satisfaction through tailored solutions.
- Strategies for sustainable growth in Islamic financing services.