

Islamic finance and community development



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Introduction

- Islamic finance
- Community
- Development



Why we need Islamic finance

- Fulfil Islamic ruling
- Social justice
- Meet community needs
- Ethics in business



Fulfil Islamic ruling

- Usury
- Garar
- Prohibited product
- Injustice



Social justice

- Zakat
- Charity
- Rights
- How to Tackle the hardship



Meet community needs

- Response to economic development
- Opportunities creation
- Finance community needs
- Diversity of financial product



Ethics in businesses

- Transparency
- Honesty
- Advice
- Good manners



Origin of Islamic finance product

- Deferred Sales (*bay' al-mu'ajal*)
- Mark-up (*al-murabaha*)
- Commission to manufacturing (*al-istisna'*)
- Forward Sale (alsalam)
- Partnership (*al-musharaka*)
- Leasing (*al-ijar*)

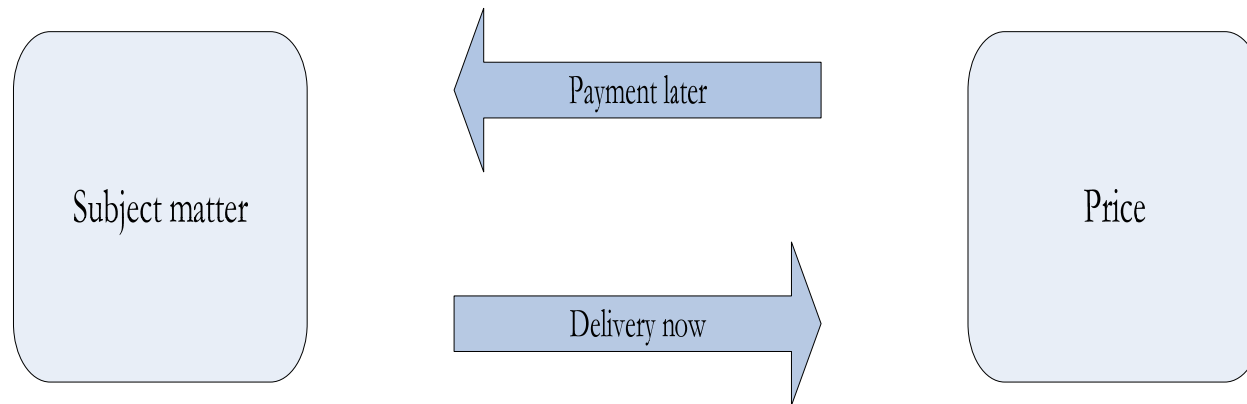


Deferred Sales (*bay' al-mu'ajal*)

- Sales divisions in terms of time of payment
- Ruling of deferred sales
- Scholars views in increasing the price due to deferment

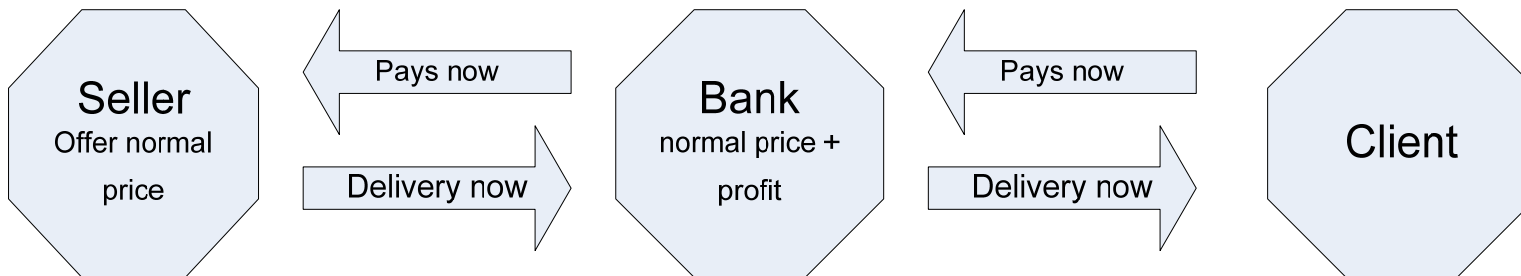


Deferred sales



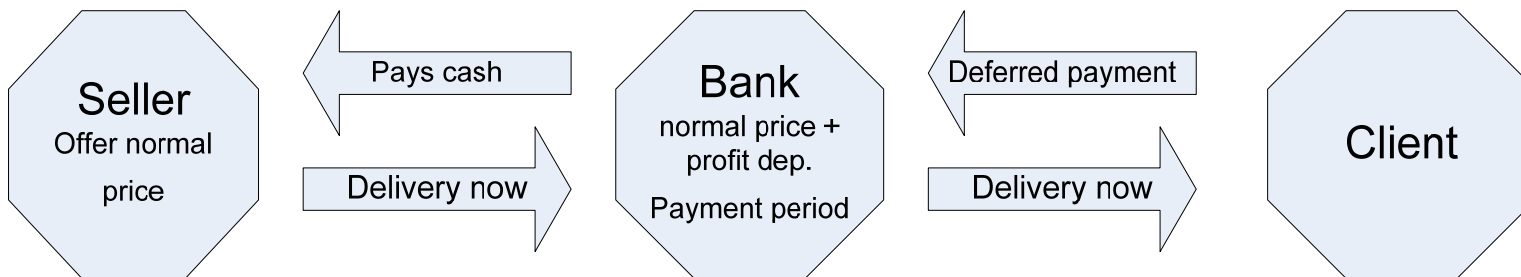


Mark up (*Murabaha*)



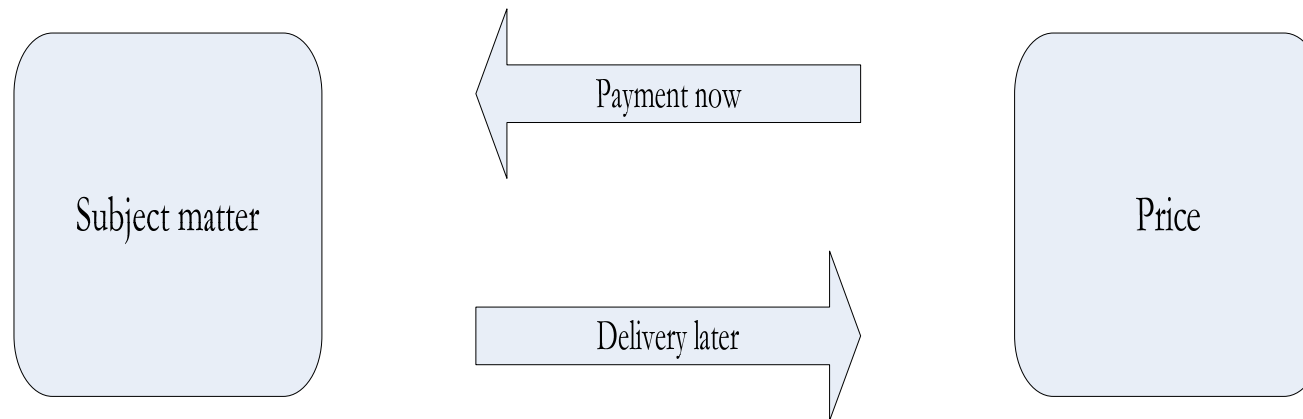


Mark up (*Murabaha*)

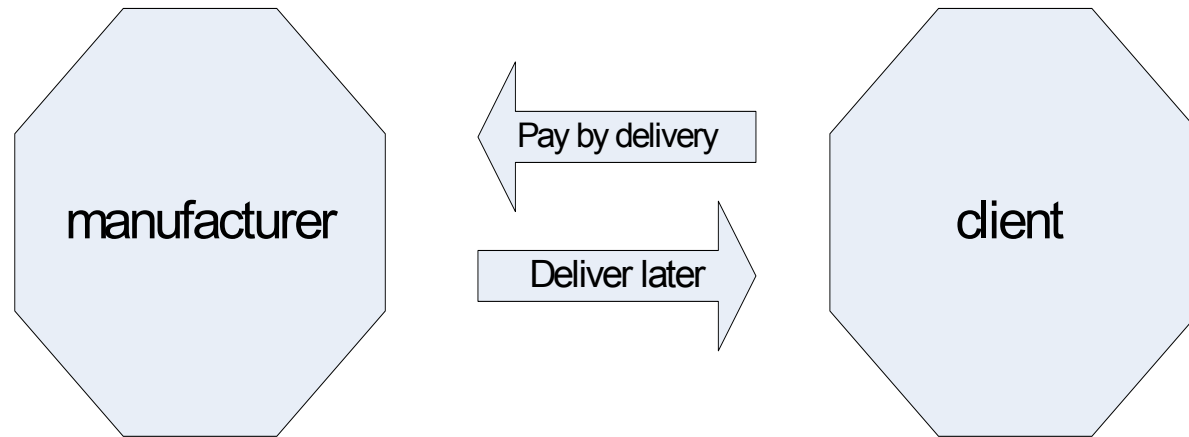




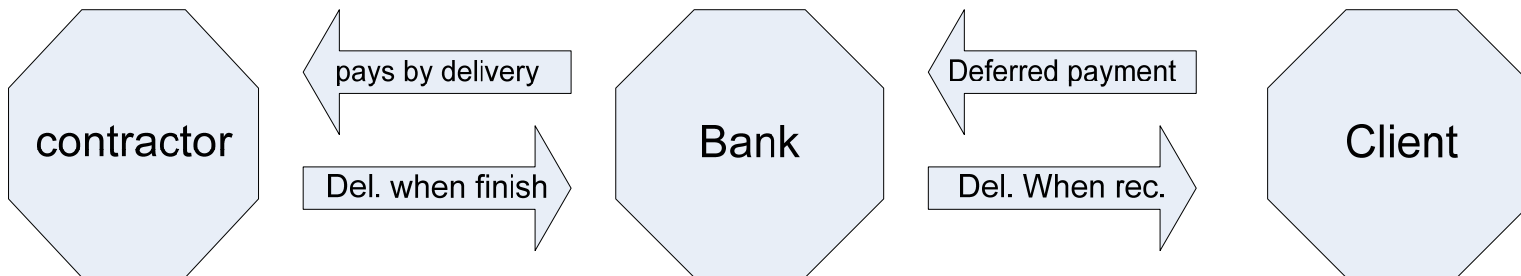
Forward sales (alsalam)



The concept of commission to manufacturing (*al-istisna'*)



al-istisna' wa al-istisna' al- muwazi

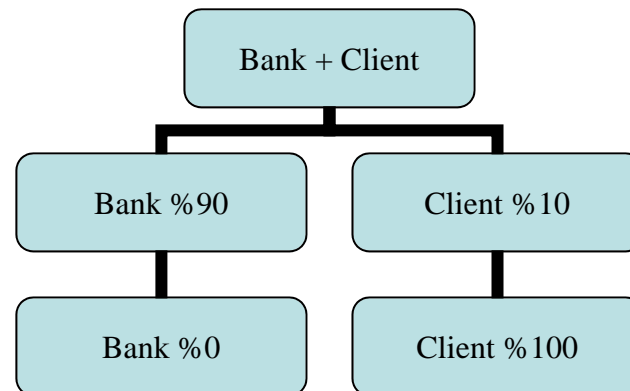




Partnership

- Definition of partnership
- Categories of partnership
- Risk in partnership
- Why scholars prefer partnership

Diminution partnership (*al-musharaka al-mutanaqisa*)





Leasing ending with ownership (*al-ijar al-muntahi bi al-tamlík*)

- Concept of Leasing ending with ownership (*al-ijar al-muntahi bi al-tamlík*)
- Categories of Leasing ending with ownership (*al-ijar al-muntahi bi al-tamlík*)
- Ruling leasing ending with ownership (*al-ijar al-muntahi bi al-tamlík*)



Categories of Leasing ending with ownership

- leasing ending with ownership by way of gift (*hiba*)
- leasing ending with ownership through transfer of title at the end of the lease for a token consideration or at a nominal price
- leasing ending with the ownership through sale prior the end of the lease term for a price that is equivalent to the remaining leasing (*al-ijara*) instalment



Ruling leasing ending with ownership

- The contract under the concept of two transactions combined in one.
- The difference between *al-muntahi bi al-tamlík* and *al-wa'd bi- al-tamlík*.
- Scholars view in leasing ending with ownership.



Modern Islamic financial approach

- Islamic capital Market
- Islamic banking
- Islamic insurance
- Islamic Mortgage
- Islamic investment fund



Islamic capital Market

- Sukuk
- Stock shares
- Commodity market
- Currency exchange



Islamic banking

- Retail
- Corporate
- Treasury operations



Islamic insurance

- Differences between insurance and takaful
- Car insurance
- Property insurance
- Health insurance



Islamic Mortgage

- Housing finance
- Real estate financing
- Real estate development



Islamic investment fund

- Conditions to be applied to Sharia
- Ruling in funds financial activities
- Eliminate non-complied investment
- Ethical investment fund



Thank you

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