Islamic Banking Functions and Governance Training Course

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Berlin (Germany)



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Why This Course

Islamic banking has become an important part of the global financial system, offering financial products and services that are guided by Shariah principles, ethical finance, asset-backed transactions, risk sharing, and responsible investment practices. As the industry continues to grow, professionals need a clear understanding of Islamic banking operations, governance structures, risk management, and regulatory expectations.

Unlike conventional banking, Islamic banking requires careful alignment between financial objectives and Shariah compliance. This includes product structuring, contract selection, risk controls, liquidity management, internal Shariah review, audit processes, and oversight by Shariah governance bodies.

This intensive 1-week course provides a comprehensive overview of Islamic banking functions and governance. Through practical examples, case studies, product structuring exercises, risk analysis, and governance discussions, participants will gain the knowledge and tools needed to understand Islamic banking operations, ensure Shariah compliance, and contribute effectively to decision-making in Islamic financial institutions.

What You'll Learn and Practice

By joining this program, you will:

- Understand the fundamental principles and objectives of Islamic banking.
- Explore the foundations of Islamic economics and finance.
- Compare conventional banking with Islamic banking models.
- Understand key Islamic finance contracts and concepts.
- Analyze Islamic banking products and service structures.
- Examine deposit mobilization, account structures, financing products, investment services, trade finance, and treasury operations.
- Evaluate risk management strategies specific to Islamic banking.
- Understand Shariah non-compliance risk and its impact.
- Explore liquidity management challenges and practical solutions.
- Understand capital adequacy and Basel III implications for Islamic banks.
- Examine Shariah governance frameworks and regulatory requirements.
- Understand the role of Shariah Supervisory Boards, internal Shariah audit, and compliance functions.
- Apply Islamic banking concepts to real-world scenarios and decision-making.
- Explore future trends, fintech opportunities, and innovation in Islamic finance.



The Program Flow

Day 1: Introduction to Islamic Banking

- Principles of Islamic economics and finance.
- Understanding the objectives of Islamic banking.
- Comparison of conventional and Islamic banking.
- Key differences in interest, risk sharing, asset backing, and ethical finance.
- Evolution and current state of the Islamic banking industry.
- Key Islamic finance contracts and concepts.
- Practical exercise: Comparing conventional and Islamic banking structures.

Day 2: Islamic Banking Products and Services

- Deposit mobilization and account structures.
- Current accounts, savings accounts, investment accounts, and profit-sharing arrangements.
- Financing products, including Murabaha, Ijara, Musharaka, Mudaraba, Salam, and Istisna.
- Investment and wealth management services.
- Trade finance and treasury operations in Islamic banking.
- Product structure, documentation, and Shariah compliance considerations.
- Workshop: Structuring a Shariah-compliant financing product.

Day 3: Risk Management in Islamic Banking

- Unique risks in Islamic banking.
- Credit, market, liquidity, operational, fiduciary, displaced commercial, and Shariah non-compliance risks.
- Shariah non-compliance risk management.
- Liquidity management challenges and solutions.
- Risk mitigation tools and governance controls.
- Capital adequacy and Basel III implications.
- Practical exercise: Developing a risk assessment approach for an Islamic banking product.

Day 4: Shariah Governance Framework

- Role and responsibilities of the Shariah Supervisory Board.
- Shariah review, supervision, guidance, and approval responsibilities.
- Internal Shariah audit and compliance functions.
- Product development and approval process.
- Shariah governance best practices and standards.
- Documentation, reporting, escalation, and corrective action processes.
- Workshop: Designing a Shariah governance and product approval workflow.



Day 5: Regulatory Environment and Future Trends

- Global regulatory landscape for Islamic banking.
- Understanding the role of national regulators in Islamic banking oversight.
- AAOIFI and IFSB standards.
- Regulatory compliance and reporting requirements.
- Fintech and innovation in Islamic finance.
- Challenges and opportunities in Islamic banking.
- Final activity: Presenting an Islamic banking governance and strategic improvement plan.

Individual Impact

- Strengthen your understanding of Islamic banking principles and operations.
- Improve your ability to analyze Islamic financial products and structures.
- Build confidence in identifying Shariah compliance requirements.
- Enhance your understanding of Islamic banking risk management.
- Gain practical insight into Shariah governance, audit, and regulatory expectations.
- Develop stronger capability to support strategic decision-making in Islamic banks.

Work Impact

- Improve product structuring and Shariah compliance practices.
- Strengthen Islamic banking governance and internal control processes.
- Support better risk identification, monitoring, and mitigation.
- Improve compliance with Shariah governance and regulatory requirements.
- Enhance confidence in Islamic banking operations, reporting, and decision-making.
- Support innovation while maintaining responsible and Shariah-compliant financial practices.

Training Methodology

This program uses a practical and industry-focused approach to help participants understand and apply Islamic banking concepts in real professional settings. Learning methods include:

- Interactive discussions and guided facilitation.
- Islamic banking product case studies.
- Conventional versus Islamic banking comparison exercises.
- Islamic contract and product structuring workshops.
- Risk management and Shariah non-compliance scenarios.
- Shariah governance and product approval simulations.
- Regulatory standards review and practical discussions.
- Group work, peer feedback, and practical action planning.



Beyond the Course

Upon completion, participants will be prepared to contribute more effectively to Islamic banking operations, governance, and decision-making. They will return ready to:

- Structure Shariah-compliant financial products.
- Apply Islamic banking principles to real-world financial scenarios.
- Strengthen risk management and Shariah governance practices.
- Support internal Shariah audit, compliance, and product approval processes.
- Understand regulatory and standard-setting requirements.
- Contribute to strategic growth and innovation in Islamic banking while maintaining Shariah compliance.

