

Islamic Risk Management Products & Treasury Procedures

Duration: 5 Days

Language: en

Course Code: IND12-104

Objective

Upon completion of this course, participants will be able to:

- Identify the nuances of Shari’a Law regarding finance department management and treasury.
- Understand the most effective Islamic tools to identify risk areas correctly.
- Highlight potential risks and develop mitigation tactics.
- Make a comparative analysis of various treasury applications in different jurisdictions.
- Apply Islamic toolkits to various money markets.
- Manage currency and foreign exchange without creating extra risk.

Audience

This course is designed for anyone required to make financial decisions according to Sharia Law or those required to highlight potential risk areas to finances or assets using treasury reporting. It would be most beneficial for:

- Business Owners
- Financial Managers
- Chief Financial Officers
- Treasurers
- Accountants
- Property Investors
- Bank Managers Issuing Sukuk
- Financial Account Managers
- Investors in Sukuk

Training Methodology

This course uses various adult learning techniques to aid full understanding and comprehension. Participants will review videos and participate in interactive presentations to understand the differences imposed on financial institutions when complying with Shari’a Law.
They will work in groups to overcome real-world challenges, utilise Islamic tools to flag risk areas, and develop innovative solutions to minimise financial loss and increase investment and turnover.

Summary

Under Shari'a Law, managing finance and assets requires avoiding credit or debt processes. Businesses need a well-defined treasury setup and project plan with risk prevention measures. In an Islamic Financial Institution (IFI), staying updated on terminology, trading implications, and Sukuk-influenced treasury procedures is crucial. Reviewing the money market, liquidity management, long-term funding, and capital adequacy is essential to mitigate financial risks. Understanding Islamic financial tools for forex and rate risks helps secure funding and create low-risk, long-term investment opportunities.

Course Content & Outline

Section 1: Money & Treasury Implications

- Sarf contract rules.
- Riba Al-Nasiah.
- The Sharia perspective.
- Traditional money marketing activity and the variation with Islamic activity.
- Interbanking transactions.
- Tradable instruments, repossession, and effects on a business.

Section 2: Islamic Tools

- Quad and Wadiah deposits and a summary of the rules.
- Remunerative deposit tools.
- Mudarabah, Wakalah, and Murabaha deposits.
- Transfer banking and funding possibilities.
- The intra-banking relationship.
- Inter-branch pricing (IBP).

Section 3: Islamic Interbanking Tools

- Murabaha and Tawarruq pricing strategies.
- Reverse Murabaha and the implications.
- Shari’a brokers, OTC, and active warrants.
- Back values, breakages, and compounding assets.
- Suq-al-Sia.
- Standardised documentation IIFM and AIBIM.
- Islamic funding leakage and implications.
- Dar vs. Blom banking.
- Wadiah for Hibah and points.

Section 4: Tradable Instruments Under Sukuk

- Traditional trading tools.
- T-Bills
- Banker’s acceptance bills.
- Commercial papers and accurate record keeping.
- Yield vs. discount.
- Short-term issuance against Basel III.
- Short-term and long-term Sukuk options.
- Tradability Shari’a guidelines.
- Global vs. Islamic tenure.
- Fixed-rate and floating rate.

- Understanding conventional repo.
- Islamic market influencing.

Section 5: Repossession & Managing FX Risk

- Cross currency challenges.
- Balance sheet solutions.
- Long Murabaha.
- A traditional FX swap and hedging.
- Arbun, promises, and Juala.
- Effective break-even strategies.
- Islamic market Put Option and Put Spread.
- Unilateral promises and bilateral promises.
- Executing changes against a risk framework.

Section 6: Managing Rate Risk

- An analysis of data using Shari'a tools.
- Forward rate Agreements (FRA) and funding futures.
- Conducting an interest rate swap.
- Interest rate swaps, collars, and floors.
- The future of Islamic finance.
- Reviewing balance sheets, business accounts, and asset-focused transactions.

Certificate Description

Upon successful completion of this training course, delegates will be awarded a Holistique Training Certificate of Completion. For those who attend and complete the online training course, a Holistique Training e-Certificate will be provided.

Holistique Training Certificates are accredited by the British Assessment Council (BAC) and The CPD Certification Service (CPD), and are certified under ISO 9001, ISO 21001, and ISO 29993 standards.

CPD credits for this course are granted by our Certificates and will be reflected on the Holistique Training Certificate of Completion. In accordance with the standards of The CPD Certification Service, one CPD credit is awarded per hour of course attendance. A maximum of 50 CPD credits can be claimed for any single course we currently offer.

Categories

Banking and Finance, Finance, Accounting & Budgeting, Management & Leadership

Tags

finance, fund, Sukuk, Islamic, Islamic Risk Management, Treasury, Forward rate Agreements, FRA, Murabaha, money

Related Articles



Treasury Risk Management Insights You Need to Know

Explore treasury risk management—its role, examples, and best practices. Learn how skilled managers protect financial health and reduce exposure.

YouTube Video

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