

Introduction

Welcome to Islamic finance and the basic knowledge that you will need to write an Islamic finance contract. If you have picked up this book, it is either out of curiosity about what makes an Islamic finance agreement different from a conventional financial agreement or it is a practice that you or members of your firm are contemplating entering into.

There are several things we will discuss in order to help provide a fuller perspective of not only the practice, but also the theory of Islamic finance. Part I is dedicated to understanding what Islamic finance is, what sources are relied on, and what its place is in the current global financial markets. This section will also discuss the future possibilities of Islamic finance.

Part II is dedicated to understanding the important elements in any Islamic contract. These elements are the foundation of an Islamic finance contract and the basics for any contract that requires compliance with Islamic law. Finally, Part III will discuss the various types of Islamic contracts and how they are structured. In that part, we will discuss various elements that are used to distinguish the type of structural arrangement between the parties. Part IV, the conclusion, is necessary in any book.

In the back of the book you will find an Appendix with each type of structure outlined in a chart format to assist with your understanding of the various structures. Hopefully, you will find this book easy to read and useful in your daily practice or in training other lawyers in Islamic finance.