

Course title	Islamic Finance Law				
Responsible person to enter grades	KAWASHIMA Fujio		開講区分	単位数	
			2nd semester	2.0	
Numbering Code		Day・Period, etc.	Thurs1(対面)	Timetable Slot Code	3J366

Lesson topic

What happens when an entire legal system says that charging interest is prohibited — and means it? Islamic financial law is not a theoretical curiosity or a niche specialty. It governs a global industry that reached eight trillion in 2025, driven by a compound annual growth rate of 12 %. It operates across more than 80 countries and is growing faster than conventional finance in many parts of the world. Islamic finance is no longer confined to the Muslim world. London is one of the leading global hubs for Sukuk issuance. Luxembourg and Ireland host major Islamic investment funds. Banks in the United States and Germany offer Shariah-compliant products. It is important to note that Islamic finance extends well beyond banking. It is a comprehensive framework that governs every form of business relationship and commercial exchange — from trade and investment to partnerships, leasing, and insurance. Wherever money, risk, and obligation meet, Islamic law has something to say about how that transaction should be structured. This course takes you inside those principles. You will study how Islamic law approaches money, risk, and economic exchange — why interest is banned, why uncertainty in contracts matters, and how lawyers and scholars have built a sophisticated body of financial instruments that comply with Shariah while meeting the demands of modern markets.

Lesson target

This course aims to introduce students to Islamic financial law and its application in contemporary financial markets.

By the end of this course, students will have a basic understanding of the Shariah principles governing financial (business) transactions and the legal structures through which those principles are applied in practice. Students will also acquire an appreciation of how Islamic finance operates across different regulatory environments, and how jurisdictions are adapting these frameworks to their own legal and economic contexts.

Syllabus and plan

The course consists of fifteen lectures covering the following topics:

1. Faith and Finance — Why Islamic Law Has Its Own Economic Logic
2. Sources of Islamic Law — Quran, Sunnah, Ijma, and Qiyas in Financial Contexts
3. The Prohibition of Riba — Interest, Usury, and the Foundation of Islamic Finance
4. Risk-Sharing as a Legal Principle — Gharar, Maysir, and the Ethics of Uncertainty
5. The Law of Sale — Foundations of Valid and Void Contracts in Islamic Law
6. Murabaha and Cost-Plus Financing — The Most Widely Used Islamic Finance Instrument
7. Musharaka - Joint Venture and Equity Participation, and other Partnership Structures
8. Mudaraba — Silent Partnership and the Law of Profit-Sharing Capital
9. Ijara — Islamic Leasing and Its Application in Asset Finance
10. Sukuk — Islamic Bonds and the Architecture of Islamic Capital Markets
11. Takaful — Islamic Insurance and the Mutual Guarantee Model
12. Islamic Banking Regulation — Licensing, Supervision, and Shariah Governance Frameworks
13. Shariah Boards and Fatwa Authority — Who Decides What Is Permissible?
14. Dispute Resolution in Islamic Finance — Courts, Arbitration, and Governing Law Clauses
15. Final Exam

The topics and schedule may be slightly adjusted depending on the progress of the course.

Evaluation method

Your final grade will be calculated as follows: Class attendance and participation (50%) and In-class test (50%).

Evaluation baseline

Students will be evaluated on their understanding of Islamic financial law principles and their ability to analyze and apply these principles to practical legal and financial scenarios.

The in-class test will be 30 minutes in duration and will take the form of a questions and answers test, assessing students' knowledge and understanding of the core concepts, principles, and instruments covered throughout the course.

Class attendance and participation will be assessed on the basis of regular attendance and the frequency and quality of verbal contributions during class discussions.

Notice (include info. on related class)

No prior background in Islamic law or finance is required. Students with a basic understanding of contract law or financial markets will find the material more accessible. The course is open to students from all legal and academic backgrounds.

Review and preparation

Before each lecture, students are expected to read the assigned materials. Relevant legal texts, fatawa, regulatory documents, and case materials will be distributed during the lecture or made available in advance.

After each session, students should review their notes and make sure they understand the key principles and instruments covered. A practical tip: keeping a running glossary of Arabic legal terms alongside their legal definitions and practical applications will be invaluable — both for the exam and for working in this field.

Office hour • Contact information

Contact details will be announced during the first session of the course.

Message for student

Islamic finance is one of the fastest-growing areas of global law and finance — and one of the least understood outside specialist circles. That gap is an opportunity. Lawyers and advisors who genuinely understand both the Shariah foundations and the legal architecture of Islamic financial instruments are in short supply, and in high demand from Kuala Lumpur to Dubai to Tashkent.

This course will challenge you to think about law and economics from a different starting point. The prohibition of interest is not a technical rule to be worked around — it reflects a coherent moral and legal philosophy about how wealth should be created and shared. Whether or not you share that philosophy, understanding it deeply will make you a better lawyer, a better negotiator, and a more informed participant in an increasingly interconnected global economy.

Come prepared to engage with ideas that may be unfamiliar. The final exam is a case analysis — the goal is not to memorize definitions, but to learn how to think through a problem using the tools this course gives you.

Improvements in Teaching

Text

No textbook purchase is required. Course materials, including selected legal texts, regulatory frameworks, and academic readings, will be distributed before each session.

Reference Material

An Introduction to Islamic Finance / Mufti Muhammad Taqi Usmani : Kluwer Law International ,2002 ,ISBN:
Islamic Finance: Law, Economics, and Practice / Mahmoud A. El-Gamal : Cambridge University Press ,2006 ,ISBN:

Classroom Language

English

Keywords