



Islamic Treasury and Liquidity Management

Course: Commodity Murabaha, Wa'd and Hedging



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Introduction:

Islamic treasury and liquidity management, covering commodity murabaha, wa'd and hedging, is a 5-day course for treasury dealers, ALM analysts and corporate treasurers in Shariah-compliant entities, ending with an Islamic Treasury Liquidity and Hedging Plan for a case organisation. Idle balances, placements documented out of sequence, sukuk that fail liquid-asset tests and unhedged profit-rate or currency exposure leave Islamic banks, Islamic windows and Shariah-compliant companies short of cash or margin when markets move. Nominees already book placements or run liquidity reports and build the plan as a model. CoreConcept Training Center delivers this Islamic treasury and liquidity management course.

Course Objectives:

- Map an Islamic treasury desk's money market, liquidity and hedging activities and screen each dealing ticket against riba and gharar tests
- Execute and document interbank commodity murabaha and wakala placements using the IIFM master agreements and a correct commodity purchase sequence
- Classify sukuk and other Shariah-compliant instruments for the liquidity buffer and calculate LCR and NSFR effects of Islamic placements and deposits
- Structure profit-rate and currency hedges with wa'd, Islamic profit rate swaps, Islamic FX forwards and cross-currency swaps
- Review Tahawwut Master Agreement elections, close-out terms and counterparty limits before a hedge or placement line is approved
- Build an Islamic Treasury Liquidity and Hedging Plan with a placement ladder, buffer projection and hedge programme for a case organisation

Target Audience:

- Staff responsible for booking and confirming Islamic money market placements and interbank deals
 - Staff responsible for measuring liquidity gaps, buffers and liquidity ratios in Islamic banks and Islamic windows
 - Staff responsible for hedging profit-rate and currency exposure in Shariah-compliant balance sheets
 - Staff responsible for investing surplus cash and arranging Shariah-compliant facilities in companies
 - Middle office and treasury operations staff responsible for deal documentation, limits and settlement
 - Shariah review staff responsible for checking treasury transactions before and after execution
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Course Outline:

Day 1: Islamic Treasury Mandate, Money Market Landscape and Current-State Review

- Islamic Treasury Desk Mandate Across Placements, Buffers and Hedging
- Riba and Gharar Screens Applied to Treasury Dealing Tickets
- Islamic Interbank Money Market Participants and Instrument Map
- Liquidity Mismatch Profile of an Islamic Window Balance Sheet
- Treasury Current-State Diagnostic for a Shariah-Compliant Entity

Day 2: Commodity Murabaha, Wakala and Interbank Placement Documentation

- IIFM Master Murabaha Agreement Deal Flow and Offer Notices
- IIFM Master Agency Agreement Commodity Purchase and Broker Sequencing
- Commodity Possession, Title Transfer and Eligible Commodity Checklist
- IIFM Unrestricted Master Investment Wakalah Expected Profit Mechanics
- IIFM Master Collateralized Murabahah Agreement Collateral and Default Terms

Day 3: Liquidity Buffers, Sukuk Eligibility and Liquidity Ratio Treatment

- Sukuk Eligibility Screening Against HQLA Level Criteria
- Central Bank Islamic Liquidity Facilities and Standing Placement Windows
- LCR Calculation With Islamic Placements and Wakala Deposit Outflows
- NSFR Funding Factors for Investment Accounts and Murabaha Receivables
- Corporate Surplus Placement Policy With Shariah Counterparty Limits

Day 4: Wa'd-Based Hedging, Profit Rate Swaps and Tahawwut Documentation

- Single Binding Versus Dual Unilateral Wa'd Promise Structures
- Mubadalatul Arbaah Profit Rate Swap Fixed and Floating Legs
- ISDA/IIFM Islamic Foreign Exchange Forward Exercise and Settlement Steps
- ISDA/IIFM Islamic Cross-Currency Swap Two-Sale Cash Flow Mapping
- Tahawwut Master Agreement Schedule Elections and Close-Out Review

Day 5: Modelling Build of the Islamic Treasury Liquidity and Hedging Plan

- Case Data Pack for an Islamic Window and Manufacturer
 - Commodity Murabaha and Wakala Placement Ladder for Case Surplus
 - Liquidity Buffer and LCR Projection Model With Sukuk Holdings
 - Profit-Rate and Currency Hedge Programme Using Wa'd Instruments
 - Islamic Treasury Liquidity and Hedging Plan Completion and Review
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Skills You Will Gain:

- Shariah Screening of Dealing Tickets
- Commodity Murabaha Execution
- Wakala Placement Documentation
- Liquid Asset Eligibility Testing
- Islamic Liquidity Ratio Projection
- Wa'd Hedge Structuring
- Profit Rate Swap Analysis
- Hedging Agreement Review

Why Attend This Course:

- Deliver an Islamic Treasury Liquidity and Hedging Plan to the head of treasury or the asset and liability committee for approval
- Decide which placement tenor, sukuk holding or wa'd hedge suits a given surplus, buffer shortfall or exposure
- Avoid placements voided by a broken commodity sequence, sukuk rejected from the buffer and hedges that fail Shariah review
- Brief dealers, operations staff and Shariah reviewers on the agreements, deal steps and checks behind each treasury product

Conclusion:

Back at work, the participant presents the Islamic Treasury Liquidity and Hedging Plan to the head of treasury, the asset and liability committee or the finance director of a Shariah-compliant company. The plan supports decisions on placement tenors and counterparties, the size and make-up of the liquid asset buffer, and which profit-rate and currency exposures to hedge through wa'd-based instruments. After the first quarter of use, the unit should compare actual placement returns, liquidity ratio results and hedge outcomes against the plan and adjust limits, tenors and hedge ratios.

Frequently Asked Questions FAQ:

What should participants know before an Islamic treasury and liquidity management course?

Participants should already book placements, prepare liquidity reports or manage company cash in a Shariah-compliant entity. A working knowledge of murabaha and wakala basics helps. Bringing anonymised placement, sukuk or exposure data makes the modelling build closer to their own desk.

How does Islamic treasury and liquidity management differ from a general Islamic banking course?

It concentrates on the treasury desk: interbank commodity murabaha and wakala placements, liquid asset buffers, liquidity ratios and wa'd-based hedging. General Islamic banking courses cover retail and corporate financing contracts, deposit products and Shariah governance, which this course treats only as background.

Why does wa'd matter in Islamic treasury and liquidity management hedging?

A wa'd is a unilateral promise that lets two parties fix a future exchange without a forward sale, which Shariah rules restrict. Islamic FX forwards, profit rate swaps and cross-currency swaps use single or dual wa'd structures to hedge exposures.

What do participants take back from the Islamic treasury and liquidity management course?

Participants take back an Islamic Treasury Liquidity and Hedging Plan for a case organisation, with a commodity murabaha and wakala placement ladder, a liquid asset buffer and LCR projection, and a wa'd-based hedge programme ready to adapt to their own institution.
