

## Investigation of Compliance of the Prevailing Import Murabah'a to Sharia

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**Abstract :** One of prevailing modes of finance in emerging Islamic banking system is Murabah'a; a financial transaction in which cost and profit both must be recognized by buyer. Otherwise the transaction would become invalid. In this mainstream, import Murabah'a transaction is divergent in such a way that the cost is not recognized and identified due to execution of import transaction in foreign currency i.e. US Dollar and the next transaction of Murabaha'a with the client is executed in local currency. Since this transaction is executed in dual currency i.e. bank pays supplier in foreign currency and executes Murabah'a with its client in local currency and it is not allowed in according to Islamic Injunctions as mentioned in hadith narrated by Hazrat Ibn-e-Umar (May Allah be pleased with them) used to sell his camels with Dirhams and take dinars instead and vice versa. Upon revealing before the Prophet (SAW), he was advised that it must not be contingent in the agreement and the ready rate would be applied and possession of one of the consideration is compulsory. The solution in this regard is that the import Murabah'a transaction should be in single currency, however, other currency can be paid in payment at the time of payment in a very indispensable situation provided that ready rate would be applied. Moreover, some of other solutions have also been given in this regard.

**Keywords :** shariah compliance, import murabaha, islamic banking, product development

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