



Learning  
Resource Network



# **QUALIFICATION SPECIFICATION**

## **LRN LEVEL 4 CERTIFICATE IN ISLAMIC BANKING**

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## BACKGROUND TO LRN

Learning Resource Network (LRN) is an awarding organisation that offers qualifications to candidates, educational institutes, training providers, schools and employers who can access qualifications either through registered educational institutions. In producing its qualifications the project team drew upon the experience and expertise of academics, professionals working in the pertinent industries and colleagues with a wealth of practice and knowledge of validation, verification, delivery and assessment.

A full list of LRN qualifications can be found on the register [of regulated qualifications](#).

LRN London head office is supported by a team of representatives around the world.

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## INTRODUCTION

This specification provides an overview to the LRN Level 4 Certificate in Islamic Banking for candidates, centres, administrators, employers, teachers and examiners. The specification outlines the key features and administrative procedures required for this qualification.

## OBJECTIVE

The LRN Level 4 Certificate in Islamic Banking is designed to help candidates in developing their understanding and knowledge in the Islamic financial sector.

## CANDIDATE CATEGORY

Candidates for the LRN Level 4 Certificate in Islamic Banking will include those who:

1. have an in-depth knowledge of how the Islamic financial system works;
2. create awareness of the variation between Islamic financial principles and practice;
3. have a range of transferable skills that will be of value in employment and self-employment within the Islamic banking sector.

## ENTRY REQUIREMENTS

Candidates should have:

- ☐ One or two GCE (A to C grade) qualifications (or equivalent);
- ☐ Advanced GNVQ with a specific grade or equivalent;
- ☐ Advanced qualification in Finance/Accounting.

Candidates should also have a speaking, listening, reading and writing ability which is commensurate to CEFR Level B1 (or equivalent). This to ensure they meet the communication requirements for this qualification. Candidates should be familiar with the Islamic banking sector or at least have an interest in furthering their career within this sector.

## MODE OF DELIVERY

This qualification has been constructed to be delivered within centres, either by classroom based delivery or via centres offering. Centres will need to demonstrate to LRN, through the centre recognition processes, that they have the resources, facilities and competence to deliver through either method. Centres may apply to offer through both means if so desired. However, centres must be able to demonstrate, in line with LRN's criteria, that they have the means, capability, capacity and resources (including suitably qualified centre staff) to deliver by the method chosen by the centre.

## PROGRESSION

The LRN Level 4 Certificate in Islamic banking has been designed to reflect the wide variation in candidates' origins, levels of education and career aims. Progression opportunities may, therefore, take a variety of paths. Depending on the level of qualification achieved, it may be appropriate for the candidate to progress to:

- LRN Level 5 Certificate in Islamic Banking
- Other higher level qualifications in Islamic Banking
- A higher level of any qualification – E .g. Degree
- Vocational qualifications

## RECOGNITION OF PRIOR LEARNING

Please refer to LRN's policy on the Recognition of Prior Learning to determine whether previously achieved qualifications meet LRN's policy on possible exemptions.

## LANGUAGE OF ASSESSMENT

LRN aims to use English that is plain, clear, free from bias and appropriate to all candidates. LRN will ensure the assessment materials, stimuli and the assessment itself is carried out in English.



# QUALIFICATION OVERVIEW

The LRN Level 4 Certificate In Islamic Banking is a single unit qualification. This qualification is assessed by written assignment, which is externally set and marked by LRN. The qualification has a credit value of 15.

1		KNOWLEDGE AND UNDERSTANDING OF ISLAMIC BANKING			
<b>Unit Aim</b>					
The aim of the unit is designed to enable candidates to demonstrate the required level of knowledge and understanding in the field of Islamic Banking.					
UNIT LEVEL		4	CREDIT VALUE	15	UNIT REFERENCE NUMBER H/508/0749
GLH	60	UNIT GRADING STRUCTURE		FAIL/PASS	
Assessment Guidance		Assessment is externally set and externally marked by LRN.			
Learning Outcomes - The learner will:				Assessment Criteria - The learner can:	
1. Understand Islamic finance and the fundamental principles of Islamic banking.			1.1	Define the principles on which Islamic finance is based especially major prohibitions in Islam (Riba and Gharar).	
			1.2	Explain the importance of adapting communication methods and styles to different audiences.	
			1.3	Differentiate between the Islamic and conventional banking systems.	
			1.4	Differentiate between the key Islamic regulatory bodies.	
2. Understand the sources of Fiqh (Islamic Law).			2.1	Explore the two main sources of Islamic law	
			2.2	Differentiate between primary & secondary sources of Islamic law.	
			2.3	Compare the branches of Islamic Law.	
			2.4	Explain the principles of Maqasid Shariah/Islamic Law.	
3. Understand the Islamic law of contract.			3.1	Describe the Islamic law of contract.	
			3.2	Define a sales contract and types of sales based on validity.	
			3.3	Describe the elements of sale contracts.	
			3.4	Examine the elements of sale contracts.	
4. Understand how Islamic financial instruments are applied.			4.1	Explain how Islamic banks operate and manage their funds.	
			4.2	Analyse different Islamic instruments towards the Liability Side.	
			4.3	Analyse different Islamic instruments towards the Asset side.	
			4.3	Analyse how Islamic Instruments are used by Islamic banks.	

## QUALIFICATION OVERVIEW

5. Understand the function of Sukuk.	5.1	Explain the purpose of a Sukuk.
	5.2	Examine the differences between a Sukuk and other conventional bonds
	5.3	Explain how to structure a Sukuk by using different financial instruments.
	5.4	Examine the Murabaha and Ijarah Sukuk models.
	5.5	Explain why a Sukuk is used by Islamic Banks

## ASSESSMENT

The assessment consists of written assignment externally set and marked by LRN. The marking of assignments will be carried out in accordance with the marking criteria listed in the assignments and within the accompanying mark scheme. To ensure a rigorous quality assurance model is applied, each of the marked assignments will be moderated.

## TOTAL QUALIFICATION TIME (TQT)

Guided learning hours (GLH)	600	
Self-study (SS)	200	
Formative Assessment	20 hours	Total Assessment Time (TAT) 40 Hours
Summative Assessment	20 hours	
Total Qualification Time	840 hours (GLH + SS + TAT)	

Please note the timescales above are indicative and should not be considered representative for the duration each candidate will take to achieve the qualification.

## GRADING

Results are reported as pass or fail grades

## RESULTS

The timescales in which LRN will issue its results up to 6 weeks.

## SAMPLE ASSIGNMENTS

LRN will provide a sample assessment to its approved centre through the centre portal.



## Endorsement

The LRN Level 4 Certificate in Islamic Banking is endorsed by Financial Skills Partnership (FSP). FSP is an organisation with a single goal: to proactively support the development of a skilled workforce in the UK's financial, finance and accountancy sectors. FSP partners include HSBC, RBS, KPMG, PWC, Barclays and BPP Professional Education.