

# Amazing services of dubai islamic bank

[Finance](#)



The Dubai Islamic Bank is really popular and it is popular because it provides some amazing services, this paper will shed light upon the services provided by the Dubai Islamic Bank.

An Istisna agreement is usually signed between the representatives of the bank and a person who wants to construct a certain building on an area owned by him. The bank is paid in full according to the agreement after the building has been constructed; this facility is a very good facility. A person who owns land and wants to construct a hotel can simply approach the bank and get the hotel constructed. This is hassle free and very convenient.

However, there are some very important things which must be kept in mind. 25% down payment on the expected constructions cost is necessary and this sounds very genuine too, there is hardly anything unreasonable about it. The transaction period can be up to 10 years and a lot can change in 10 years.

“ We adopt Istisna mode of financing to fulfil your financing requirements in relation to properties, buildings, and villas, etc. Following is a brief outline of this mechanism. If you own, or have a usufruct of, a plot of land and want to construct a property on it and need financing for this purpose, we will sign an Istisna agreement with you to sell the property and then construct the building as per your specifications at our own cost and will get the sale price from you on a deferred payment basis.” (Real Estate Istisna)

Murabaha on Land is another service or product that the Dubai Islamic Bank offers and this is another very intriguing product. “ Literally, Murabaha means selling on profit.” (Murabaha on Land)

This product is intriguing because the bank buys a piece of land for a client who approaches the bank and the same piece of land is sold to the client and the bank makes a profit in this transaction. The buyer is free from risk

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because the bank takes the risk for the buyer and this is one great thing. Anyone who is too scared of buying a piece of land because of fraud can approach the bank and buy it after the bank buys it for the client and this is how a client can remain perfectly risk free and can get a good deal. The down payment has changed when compared to the earlier product, it is 50% now but it was 25% on the earlier product. The transaction period has also changed, it was 10 years on the earlier product but it is 5 years on this one.

To conclude it is very fair to say that the bank offers some really great products and a lot of money can be made using these products, it is completely risk-free because a bank is involved in it and it is also completely risk-free because the bank hires professionals who know what is to be done and what is not to be done.

## References

Murabaha on Land (2011). Dubai Islamic Bank. Web. Retrieved from: Real Estate Istisna (2011). Dubai Islamic Bank. Web. Retrieved from: