The Five Pillars of Islam are the five obligations that every Muslim must satisfy in order to live a good and responsible life according to Islam. These Five Pillars are:

- **Shahadah**: sincerely reciting the Muslim profession of faith.
- **Salat**: performing ritual prayers in the proper way five times a day.
- **Zakat**: paying an alms (or charity) tax to benefit the poor and needy.
- **Sawm**: fasting during the month of Ramadan.
- **Hajj**: a pilgrimage to Mecca.
When doing business in predominantly Muslim countries, we must also take into account activities that are expressly forbidden by the Koran, the sacred book of Islam.

- Prohibited activities and products include alcoholic beverages, pork products, gambling, tobacco, pornography and weapons.

- Financial activities are among those most influenced by the precepts of Sharia as both interest (riba) and uncertainty or chance (gharar) are regarded as usury and are therefore illegal.
A new movement has emerged in recent years that attempts to adapt financial operations to Sharia rules. The principles on which these business practices are based mean that institutions that adopt them have been more successful at escaping the Asian crisis of the 1990s and the global crisis that began in 2007.

Products and concepts in Islamic finance:
- Mudharabah
- Takaful
- Tubarru

Financial activities and Sharia

Charging any interest (riba) is forbidden.

Mudharabah: the idea of borrowing is replaced by that of joint operation.
- Both parties share the risk of the operation.
- If there is a profit, the investors will receive compensation for their participation. Any losses will also be shared.
- Both parts gain from the investment; each participant is entitled to a stipulated percentage of the profits.

How does mudharabah work?
Insurance activities and Sharia

Insurance policies are another product that is regarded with suspicion in Islam because of the diverging interests of the insurer and the insured.

Al Gharar (uncertainty) is regarded in a similar way to Al Maisir (gambling).

- **Takaful** means ‘guaranteeing each other’ or ‘joint guarantee’.
- These practices are acceptable because they do not allow individuals to benefit from the misfortune of others.
- Mutual insurance funds are based on the idea of **tubarru**, which means ‘gift’.