

The Islamic Financing Model for Startups: A Study of Al Salam Bank Algeria

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Abstract: This study highlights the pivotal role of Islamic financing in supporting startups, with a particular focus on Al Salam Bank Algeria. It examines the effectiveness of Sharia-compliant methods such as Murabaha, Deferred Sale, Salam, and Sale by Agency in addressing the financial and operational needs of startups. Adopting a quantitative approach, the study relies on data from 11 startups financed between 2020 and 2021. Findings reveal that Islamic financing provides essential liquidity, fosters revenue growth, and ensures full repayment of financial obligations. Moreover, the study underscores the compatibility of Islamic financing models with startup requirements while exploring opportunities for expansion into emerging sectors and the introduction of long-term financing solutions to promote sustainable growth.

Keywords Islamic Finance, Startups, Al Salam Bank, Murabaha, Salam (Advance Purchase)

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