

In the Name of Allah, the Merciful, the Compassionate

Resolution

# 3-C (SSB – 11– 2015)

**Subject: Shari’a Compliance Certificate of the Murabaha based Financing Products**

All praise to Allah and May peace and blessings be upon His messenger, his family, his companions and all followers of his guidance.

On Thursday the 29<sup>th</sup> of Muharram 1437 that corresponds to November 12, 2015 – meeting # (SSB – 11 – 2015), the Shari’a Supervisory Board (SSB) of Al Hilal Islamic Banking Services, Ahli Bank SAOG (the “Bank”) has reviewed the Murabaha based financing products’ (such as Retail Banking vehicle, Real Estate and Personal financing and financing to corporate and SME entities) structure and financing documents and ruled as follows:

**Structure:**

Murabaha is a sale transaction wherein the first party (Bank) sells to the customer a Shari’a compliant asset (goods, vehicle, machinery, real estate property and etc.) for cost plus a pre-agreed profit. In principle on the basis of an undertaking (Undertaking to Purchase) from the customer, the Bank purchases the goods/assets subject of the Murabaha from a third party and takes the possession thereof. Thereafter, it sells the goods/assets to the customer at cost plus the profit agreed upon. Following are the essential points to ensure that financing/transaction is made in-line with Shari’a guidelines:

- The Customer approaches the Bank and expresses its desire to purchase particular asset from the Bank on Murabaha basis.
- The Customer shall sign a “Undertaking to Purchase” to purchase the asset as soon as the Bank obtains its ownership.
- The Customer shall submit a quotation addressed to “Al Hilal Islamic Banking Services, Ahli Bank SAOG” that is considered as an offer of sale of the asset from the seller to the Bank.
- Customer shall pay to the Bank, in advance, a security deposit as Hamesh Jaddiyya as a security which can be considered as advance payment upon the purchase of the vehicle or a payment confirmation by the agency (as and when applicable).
- The Bank will purchase the asset from the seller through the Asset Purchase Contract or a Letter of Purchase that confirms an acceptance to the offer. The Bank thereafter will possess the asset physically or constructively.
- Once the asset purchase is confirmed, the Bank will execute the Murabaha Sale Agreement with the Customer and sell the asset to the customer.
- Customer can pay his financial obligation in installments.

**Financing Documents:**

1. Financing Application
2. Quotation/Invoice/Valuation of Asset
3. Undertaking to Purchase
4. Letter of Purchase/Asset Purchase Contract
5. Murabaha Sale Agreement
6. Delivery order and Asset Receiving Document

**SSB Ruling:**

Having reviewed the Murabaha based products structure and the legal documents as stated above, we the Shari'a Supervisory Board of the Bank confirm that the Murabaha based products of the Bank are in accordance with the dictates of Shari'a.

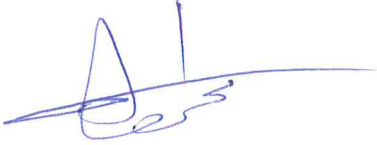
And all praise is due to Allah.

**Shari'a Supervisory Board**



**Dr. Ahmed Mohiyeldin Ahmed**

**(Chairman)**



**Dr. M. Taher M. Al-Ibrahim**



**Dr. Mustain Ali Abdul Hameed**



**Dr. Abdulrauf Abdullah Altubi**

**(Members)**