

ISSC Resolution		 إدارة الرقابة الشرعية الداخلية Internal Sharia Control Division	قرار لجنة الرقابة الشرعية الداخلية	
The Fatwa of LC Murabaha Financing			فتوى تمويل مرابحة الاعتمادات المستندية	
Date	13/7/2023		2023/7/13	التاريخ
Ref. No.	90-2023-SR-Siraj			الإشارة

بسم الله الرحمن الرحيم
الحمد لله والصلاة والسلام على نبينا محمد وعلى آله وأصحابه أجمعين ومن والاه الى يوم الدين.

The Internal Sharia Supervision Committee of Siraj Finance (the "ISSC") reviewed the fatwa issued by the previous ISSC regarding the LC Murabaha Financing, Annexed to the request:	اطلعت لجنة الرقابة الشرعية الداخلية لشركة سراج للتمويل ("اللجنة") على الفتوى الصادرة عن اللجنة الشرعية السابقة بشأن تمويل مرابحة الاعتمادات المستندية، وقد أرفق بالطلب ما يلي:
- Fatwa Of LC Murabaha Financing.	
The ISSC Resolution:	قرار اللجنة:
The ISSC decided to endorse the Attached fatwa.	قررت اللجنة اعتماد الفتوى المرفقة.
And, Allah knows the best	والله اعلم بالصواب.

لجنة الرقابة الشرعية الداخلية

Internal Sharia Supervision Committee



فضيلة الشيخ / عبد الناصر احمد
المناعي - عضو اللجنة



فضيلة الشيخ / محمد بحر الدين بن بدري
نائب رئيس اللجنة



فضيلة الشيخ الدكتور / فضل رحيم عبد الرحيم
الرئيس والعضو التنفيذي للجنة

Attachments:

(1) Copy of the Fatwa of LC Murabaha Financing.

المرفقات:

(1) نسخة من فتوى تمويل مرابحة الاعتمادات المستندية.

22nd November 2017

Siraj Finance PJSC
P.O.Box 63622
Abu Dhabi
United Arab Emirates

Kind Attention: Mr. Mohammed Fyroze Rusan

Dear Mr. Rusan,

Re: LC Murabaha Financing (the Product)

This is to certify the Sharia compliance of the Product and sets the modus operandi from a Sharia perspective.

The Structure

It may be permissible for Siraj Finance to provide financing to its Customer through Murabaha against confirmed letters of credit (LC).

Modus Operandi

1. Customer (the “**Customer**”) approaches Siraj Finance PJSC for export financing against confirmed letters of credits (“**LC**”). Siraj Finance and the Customer enter into a master Murabaha agreement (“**MMA**”). MMA sets out the mechanism for sale and purchase of commodities in the event Siraj Finance agrees to provide financing to the Customer against confirmed LCs.
2. Customer appoints an independent third party as the on-sale agent for sale of commodities the Customer will be purchasing under the MMA.
3. Importer Bank sends the LC to Siraj Finance in respect of the goods to be exported by the Customer. Siraj Finance advises the Customer of the LC. The Customer ships the goods and provides original documents to Siraj Finance.



4. Siraj Finance sends the original documents to the Importer Bank. Importer Bank confirms LC and releases the acceptance to Siraj Finance. Upon receiving SWIFT regarding the LC confirmation/acceptance, Siraj Finance advises the Customer in respect of confirmation/acceptance of LC and issues the Letter of Intent.
5. Upon receiving confirmation/acceptance of LC and the Letter of Intent, the Customer issues the Promise to Purchase (in the form set out in the MMA) and submits [original acceptance along with] an undertaking to assign the proceeds of the confirmed LC.
6. Siraj Finance purchases commodity from a third party broker (**Broker 1**). Upon acquiring title to and constructive possession of the commodities, Siraj Finance sends an Offer Notice to the Customer in the form set out in the MMA.
7. Customer Accepts the Offer Notice by issuing Acceptance Notice in the form set out in the MMA and Murabaha is concluded and the customer also assigns the proceeds of the confirmed LC in the form set out in the MMA.
8. Customer issues on-sale instructions to the Agent under the Agency Letter Agreement. The Agent on-sells the commodity to a third party broker (**Broker 2**). The Customer receives the sale proceeds as a result of the on-sale of commodity between Agent and the Broker 2. The Customer pays (as bullet or installments) the Murabaha purchase price under each Murabaha concluded as a result of exchange of Offer Notice and Acceptance Notice between Siraj Finance and the Customer.
- 10 Siraj Finance sets-off the Murabaha purchase price with proceeds of the LC received from Importer Bank.

General Notes

- All transaction documents shall be in accordance with the AAOIFI Sharia standards.

Allaho A'alam.

Yours truly,

For and on behalf of Sharia Supervisory Board


Dr. Hussain Hamed Hassan

Chairman