

al hilal bank مصرف الهلال



SHARIAH COMPLIANCE CERTIFICATE

Issued by the Fatwa & Shariah Supervisory Board of Al Hilal Bank For

"Ready Property Financing"

The Fatwa and Shariah Supervisory Board of Al Hilal Bank has thoroughly vetted the terms and conditions, documents and structure underpinning the Ready Property Financing as operated by Al Hilal Bank whereby the Bank leases properties to its customer through Ijarah Muntahiya Biltamlik, of which the modus operandi is as follows:

1. Customer applies to the Bank, stating, with detailed specifications, the property for which he requires the finance.
2. Upon the Bank's approval for finance, the customer submits a promise to rent the property from the Bank once purchased and owned by the latter.
3. The Bank purchases and owns the underlying property either from the customer or from a third party, and gets it registered in its own name or in the name of the customer on a trust basis, while getting it pledged in favor of the Bank so as to prevent the customer's disposition of the Bank's property except with the permission of the Bank.
4. The customer signs a lease (Ijarah Muntahiya Biltamlik) agreement for a given period for the property with the Bank, against a rental amount that incorporates the cost of the leased property and the profit margin of the Bank during the lease tenure. This rental may be linked to a variable but consistent index known to the two parties and that the variable index shall fall within an upper and lower limit, provided that the rental amount for the first rental period is numerically known.
5. The Customer submits a promise to purchase the property from the Bank in the event of any default or delinquency on his part with regards to the terms of the contract.
6. In favor of the customer, the Bank and customer sign a Donation Contract conditional to the latter's fulfillment of all its obligations under the lease contract. Alternatively, the Bank may promise to sell the property to the customer at a token price upon the latter's fulfillment of its outstanding liabilities or may indeed sell it to him prematurely at an agreed early purchase price through the exchange of an Offer and Acceptance, after which the lease contract will terminate.
7. Upon the customer's fulfillment of all the obligations under the lease contract, the property ownership transfers to him as per the Donation Contract Conditional upon the Leased Asset without the need for a fresh contract. In the case of a promise to sell at a token price, the property ownership transfers to the customer upon the signing of a Sale and Purchase agreement which clearly stipulates the token price.
8. The customer bears the cyclical and ordinary maintenance, whilst major maintenance and insurance expenses are the responsibility of the Bank, but may be assigned to the customer on behalf of the Bank, and thereafter could be incorporated in the subsequent rental upon the customer's consent.

The Board hereby concludes that the terms and conditions, documents and structure pertaining to Ready Property Financing as applied by Al Hilal Bank are in conformity with Shariah rules and principles.

Dr. Abdulsattar Abughuddah
Chairman

Sheikh Nedham Mohamed Yaquobi
Vice-Chairman

Dr. M. Abdulrahim Sultan Alolama
Member

Sheikh Esam Mohamed Ishaq
Member

مصرف الهلال، صندوق بريد 63111، أبو ظبي، الإمارات العربية المتحدة
Al Hilal Bank, PO Box 63111, Abu Dhabi, UAE

المهم أنت
it's all about you

600 522 229
alhilalbank.ae