

**In the name of Allah, the Most Gracious, the Most Merciful**

**ISLAMIC EXPORT BILLS UNDER LC - MUSHARAKA  
BY STANDARD CHARTERED BANK (PAKISTAN) LIMITED  
PRONOUNCEMENT OF THE SCBPL SHARIAH BOARD**

**All praise is due to Allah Almighty, the Cherisher of the World, and peace and blessing be upon the Holy Prophet of Allah on his family and all his companions**

The Shariah Board has reviewed the product agreements and process relating to SCBPL's Islamic Export Bills under LC – Musharaka.

The idea behind the Islamic Export Musharaka Product is to provide financing to the Customers against their export documents. A brief outline of the product structure is given below:

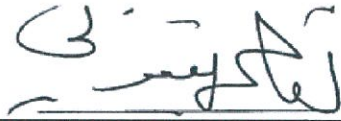
1. Bank enters into a joint investment arrangement with the Customer whereby the Bank agrees to invest funds in the Customer's business on a profit and loss sharing basis. The Customer will be appointed as the manager of the Musharaka.
2. Customer's equity (including paid up capital and equity reserves) in the business and financing (in any form) obtained by the Customer for the purposes of the business is treated as his investment in the Musharaka.
3. Bank performs a credit analysis of the Customer and sanctions a suitable financing limit.
4. It is agreed as per the terms of the contract that the Customer may utilize the funds from this limit against export documents presented to the Bank. Hence the Bank's investment in this business will vary from time to time subject to the maximum limit.
5. At the end of the year, average utilization of the limit will be used as the Bank's investment in the business.
6. The Profits from the business will be shared between the Bank and the Customer as per a pre agreed ratio. The profit sharing ration can be either a straight ratio (e.g. 40:60) or on a tiered structure with different sharing ratios at different levels of profit.
7. The profit and loss sharing will be done based on the audited results of the Customer's business at the end of the year upon finalization of the audited financial statements.
8. The Customer will be required to settle the finance and pay provisional profit during the year as per an agreed formula. This payment of provisional profit will, however, be subject to adjustment based on actual profit sharing as discussed in the last point.
9. The Bank may offer to pay performance bonus to the Customer in case Bank's actual profit comes out to be more than a predefined profit threshold level. In case the audited results show a loss in the Customer's business, the same will be shared between the parties in the ratio of their respective investments
10. The Bank will obtain security from the Customer to secure its obligations under the Musharaka agreement.

The Shariah Board has reviewed and approved the following document:

1. Musharaka Agreement

The Shariah Board confirms having reviewed and approved the Musharaka Agreement. The Shariah Board further confirms that the Islamic Musharaka Finance allowed for Export Bills under LC is in accordance with the principles of Shariah and Customers can take advantage of this facility which relieves them from interest-based products.

And Allah Almighty knows best.



**Shaikh Nizam Yaqouby**  
Chairman Shariah Board



**Mufti Muhammad Abdul Mubeen**  
Member Shariah Board



**Mufti Irshad Ahmad Aijaz**  
Member Shariah Board



**Mufti Muhammad Abdullah**  
Resident Shariah Board Member

**SCBPL Shariah Board**  
Date: March 30<sup>th</sup> 2016