

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

**ISLAMIC IMPORT FINANCE MUSHARAKAH  
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 following agreement relating to SCBPL's Islamic Import Finance Musharakah Facility:

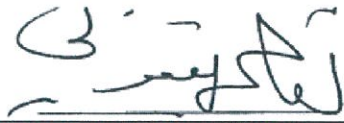
- Import Finance Musharakah Agreement

The idea behind the Islamic Import Finance Musharakah Product is to provide financing to the Customers in a Shariah compliant manner. 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 Musharakah.
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 Musharakah.
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 import business finance requirements. Hence the Bank's investment in this business will vary from time to time subject to the maximum limit.
5. The Customer raises the Drawdown Request as and when there is a financing requirement (Bank's investment).
6. The Customer would pay the financing amount plus provisional profit on the dates as provided in the Drawdown Request. 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 point 8.
7. At the end of the year, average utilization of the limit will be used as the Bank's investment in the business.
8. 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.
9. 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.
10. 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
11. The Bank will obtain security from the Customer to secure its obligations under the Musharakah agreement.

The Shariah Board confirms having reviewed and approved the Musharakah Agreement. The Shariah Board further confirms that the Islamic Musharakah Finance allowed against LC is in accordance with the principles of Shariah and Customers can take advance 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