

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

**ISLAMIC LC CONFIRMATION 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**

Islamic LC Confirmation operates on the principles of Kafalah. The product is essentially a guarantee by the bank (Confirming Bank) to make payment of an LC which has been opened by some other Bank (Issuing Bank) upon failure of the Issuing Bank to honor its commitment under the LC.

The key features of this product are as follows:

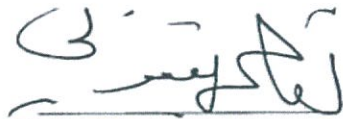
- Payment or receipt of interest is not applicable on this product.
- Service Charges will be levied to the customers to cover the following expenses:
  - Credit Assessment procedures
  - Operational procedures
  - Processing and issuing of confirmation
- Charges should be taken as a fixed percentage of the confirmation amount based on the duration of the guarantee (e.g. 2% per quarter). Bank at its sole discretion may waive or give a discount on the service charges to certain customers on a relationship basis.
- Tiers/slabs may be created based on the amount of the guarantee for which different service charges will be obtained. For guarantee amount within a specific tier respective service charges will be taken from the customer based on the duration of the guarantee. Bank at its sole discretion may waive or give a discount on the service charges to certain customers on a relationship basis.

The documentation for this product also includes (in case of Silent Confirmation):

1. Master agreement for commitment to honour or negotiation without recourse

The Shariah Board confirms having reviewed and approved the process and above mentioned agreement. The Shariah Board further confirms that the Islamic Export LC Confirmation based on Kafalah 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