



21st January 2016

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

Kind Attention: Mr. Ahmed Bin Khalaf Al Otaiba

Dear Mr. Otaiba,

Re: **COMMODITY MURABAHA FACILITY ON DMCC TRADEFLOW (ISLAMIC) PLATFORM**

This Fatwa is being issued with regards to Commodity Murabaha Facility on DMCC Tradeflow (Islamic) Platform (the Relevant Product).

Provision of Commodity Murabaha facility whereby the Customer is able to purchase Sharia compliant commodities (the **Commodities**) from Siraj Finance PJSC on spot delivery using the DMCC Tradeflow (Islamic) platform with ability to pay the purchase price on deferred payment basis (the **Commodity Murabaha Facility**). Subsequently, the Customer is able to liquidate the purchased Commodities on the DMCC Tradeflow (Islamic) platform using their duly appointed agent (a third party company Back Office Middle East to generate cash for its use).

In relation to the Relevant Product, the following documents are envisaged (the Transaction Documents):

- a) Customer Application Form and Promise to Purchase (to be executed by the Customer).
- b) Agency Agreement (to be executed between the Customer and its Agent).
- c) Murabaha Confirmation Agreement (Murabaha Sale Contract).

These documents are to be issued/executed by the Agent (on behalf of the Customer) and Siraj Finance as per the requirements of DMCC Tradeflow (Islamic) Platform.

Under the Relevant Product, the following process flow is adopted:

Process for executing the Commodity Murabaha Facility Documentation.

The following steps are entailed towards the execution of the Commodity Murabaha Facility Documentation:

- 1.1 Under the Customer Application and Promise (in case of Retail / SME Customer) or the Promise to Purchase (in case of Corporate Customer) in the form provided by Siraj Finance (as the case may apply) (to be referred as the **Promise Document**), the Customer shall irrevocably promise to purchase Sharia compliant Commodities at the cost price plus profit equal to the finance amount (the **Finance Amount**) on DMCC Tradeflow (Islamic) platform through its duly appointed agent (it is expected that this will be Back Office LLC) (the Agent).
- 1.2 The Customer shall also execute the Agency Agreement appointing the Agent for the purchase of the Sharia compliant Commodities from Siraj Finance on DMCC Tradeflow (Islamic) platform and (after it has acquired title and possession of the commodity) by selling the same on the DMCC Tradeflow (Islamic) Platform. Upon the execution by the Customer and the Agent this document will be considered valid and binding.
- 1.3 Based on the general understanding the following execution sequence shall be followed under the DMCC Documentation:
 - 1.3.1 Agent (on behalf of the Customer) shall issue the standard DMCC format promise to purchase to Siraj Finance as part of the DMCC Documentation.
 - 1.3.3 Siraj Finance will then issue a purchase offer to the relevant supplier(s). The Registered Supplier if they wish to accept the Purchase Offer and enter into the sale of the Specific Commodities will issue a purchase acceptance on the DMCC Tradeflow (Islamic) Platform (the Purchase Acceptance).
 - 1.3.4 Upon the issuance of the Purchase Acceptance, Siraj Finance shall have the ownership and constructive possession of the Specific Commodities.
 - 1.3.5 Subsequent to the Purchase, Siraj Finance if it wishes to conclude the Murabaha transaction with the Agent (on behalf of the Customer), shall issue notification to the Agent (on behalf of the Customer) by sending the Murabaha purchase offer to

the Agent (on behalf of the Customer) on the DMCC Tradeflow (Islamic) Platform (the Murabaha Purchase Offer).

- 1.3.6 Upon receipt of the Murabaha Purchase Offer, the Agent (on behalf of the Customer) shall conclude the sale by issuing a Murabaha purchase acceptance on DMCC Tradeflow (Islamic) Platform (the Murabaha Purchase Acceptance).
- 1.3.7 The Agent (after it has acquired title and possession of the commodity on behalf of the Customer) shall then liquidate the Specific Commodities by issuing a sale offer on the DMCC Tradeflow (Islamic) Platform to Eligible Registered Member. Upon receipt of the Sale Offer, the Eligible Registered Member shall conclude the sale by issuing a sale acceptance on DMCC Tradeflow (Islamic) Platform to the Agent (on behalf of the Customer) (the Sale Acceptance).
- 1.3.8 Upon issuance of the Sale Acceptance, the Eligible Registered Member shall have the ownership and constructive possession of the Specific Commodities.

We hereby confirm that we have reviewed the Transaction Documents for the Relevant Product and find the same to be in accordance with the principles of Sharia.

Allaho A'alam.

Yours truly,

A handwritten signature in blue ink, appearing to read 'Hassan', with a long horizontal stroke extending to the right.

Dr. Hussain Hamid Hassan, Chairman, Sharia Committee