

27<sup>th</sup> March 2018



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

**Kind Attention: Mr. Ahmed Bin Khalaf Al Otaiba**

**Dear Mr. Otaiba,**

**Re: Fatwa with respect to Product Documentation for Freehold Property Financing by way of Ijara Muntahia Bittamaleek.**

This Fatwa is being issued with regards to Freehold Property Financing by Siraj Finance PJSC to its Customer by way of Ijara Muntahia Bittamaleek (the **Product**).

Under the Product, the following documents are envisaged (the **Product Documents**):

- (a) Facility Offer Letter / Application
- (b) Promise to Lease
- (c) Terms and Conditions
- (d) Asset Purchase Agreement;
- (e) Title Agency Agreement;
- (f) Lease Agreement;
- (g) Service Agency Agreement;
- (h) Purchase Undertaking Deed; and
- (i) Sale Undertaking Deed.

Under the Product, the following process flow is adopted:

1. The Customer seeks Property Financing facility from Siraj by way of Murabaha.
2. Siraj Finance will issue a Facility Offer Letter to the Customer.
3. If the terms of the Facility Offer Letter are acceptable to the Customer, then the Customer will issue a Promise to Lease in favour of Siraj.
4. Siraj shall buy the property from the Customer or third party owner by way of Asset Purchase Agreement.
5. If the registered title to and possession of the property is to remain with the seller in the official land registry, then the seller shall sign a Title Agency Agreement with Siraj.
6. Upon acquiring title to and possession of the property, the Customer will enter into an Ijara contract with Siraj, whereby, the Customer will lease the property from Siraj for an agreed period and agreed rental on Ijara Muntahia Bittamaleek basis.
7. Siraj will appoint the Customer as its Service Agent through the Service Agency Agreement

to perform the following:

- (i) major maintenance of the property;
  - (ii) to procure takaful cover against partial and total loss; and
  - (iii) to handle ownership taxation related matters.
8. The Customer will issue a Purchase Undertaking in favour of Siraj, whereby it undertakes to purchase the property from Siraj in the event of default for an exercise price.
9. Siraj will issue a Sale Undertaking in favour of the Customer, whereby it undertakes to sell to the Customer the property at maturity of the lease for a nominal value provided that the Customer has fulfilled all its obligations under the financing documents.

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

Allaho A'alam.

Yours truly,



**Mr. Mian Muhammad Nazir,**

**On behalf of Sharia Supervisory Board, Siraj Finance PJSC**