

24<sup>th</sup> November 2017

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

**Kind Attention: Mr. Mohammed Fyroze Rusan**

**Dear Mr. Rusan,**

**Re: Leveraged Labour Guarantee Wakala Product (the Product)**

This is to certify the Sharia compliance of the Product and sets the modus operandi and process flow from a Sharia perspective.

**1. MODUS OPERANDI**

- 1.1. By utilizing this product the Customer will be able to generate leverage in a Sharia compliant manner using the Commodity Murabaha facility whereby Siraj Finance PJSC (the **Siraj Finance**) will sell Sharia compliant commodities (the **Commodities**) using the DMCC Tradeflow (Islamic) platform with ability of the Customer to pay the purchase price on deferred payment basis (the **Commodity Murabaha Facility**). The cost price under the Commodity Murabaha Facility shall be equal to the extent of "X"% of the cash margin (the **Commodity Murabaha Facility Amount**) required with respect to the issuance of the required labour visa guarantees (the **Labour Guarantee**) by Siraj Finance (the **Leverage**).
- 1.2. Using the Leverage of "X"% of the Cash Margin, the Customer will supplement "Y"% (i.e. 100 minus "X") of the Cash Margin through its own source and will deposit the 100% Cash Margin (the **Cash Margin**) as investment amount on Wakala basis with Siraj Finance (the **Investment Amount or Facility Amount**). The Investment Amount will cover 100% value of the aggregate issuance of the respective for issuance of the Labour Guarantees by Siraj Finance for the benefit of the Customer (the **Labour Guarantee Wakala Facility**).



## 2. PROCESS FLOW

The process flow under the Product is summarized as follows:

### 2.1 Promise to Purchase:

The Customer shall issue a promise to purchase in favour of Siraj Finance (the **Promise to Purchase**). Under the Promise to Purchase, the Customer shall irrevocably undertake to purchase Sharia compliant Commodities at the cost price equal to the Commodity Murabaha Facility Amount on DMCC Tradeflow (Islamic) platform.

### 2.2 Agency Agreement:

The Customer will appoint an Agent to enter into the Murabaha with Siraj Finance in relation to the Commodity Murabaha Facility (pursuant to its obligation under the Promise to Purchase) on the DMCC Tradeflow (Islamic) platform under an agency agreement (the **Agency Agreement**).

### 2.3 Creation of Murabaha:

Pursuant to the Agency Agreement, the Agent (on behalf of the Customer) shall act for and on behalf of the Customer and issue the relevant documentation on the DMCC Tradeflow (Islamic) platform in relation to the Commodity Murabaha Facility, including the entry into the Murabaha documentation and creating a Murabaha (in accordance with the terms set out in the Promise to Purchase) (the **Murabaha**).

Upon execution of the Murabaha on the DMCC Tradeflow (Islamic) platform, the Customer shall enter into a Murabaha confirmation agreement with Siraj Finance (the **Murabaha Confirmation Agreement**). The Murabaha Confirmation Agreement shall contain all the relevant details of the Murabaha concluded by the Customer (acting through its Agent) on the DMCC Tradeflow (Islamic) platform.

### 2.4 Commodities

Pursuant to the entry of the Murabaha, the Customer shall have purchased Sharia compliant commodities (the **Commodities**) from Siraj Finance PJSC using the DMCC Tradeflow (Islamic) platform under the Commodity Murabaha Facility.



- 2.5 Sale Proceeds of Commodities**  
Customer (acting through its Agent) will be able to liquidate the purchased Commodities (i.e. which will be equal to “X”% of the Cash Margin for Labour Guarantee) on the DMCC Tradeflow (Islamic) platform to generate cash, which will be used as Leverage.
- 2.6 Deferred Sale Price payable over period of time**  
The Customer shall be obliged under the Murabaha to pay the deferred sale price to Siraj Finance in accordance with the agreed deferred payment arrangement set out in the Murabaha Confirmation Agreement.
- 2.7 Labour Guarantee Wakala Deposit Form**  
The Customer will execute a duly filled Labour Guarantee Wakala Deposit Form (in the form provided by Siraj Finance) for the Investment Amount.
- 2.8 Investment Amount Deposited into Customer Account**  
The Investment Amount, comprising of the Leverage of “X”% Cash Margin and the Customer contribution of “Y”% Cash Margin through its own source amounting to deposit of 100% Cash Margin, will be deposited into the Customer Account.
- 2.9 Issuance of Labour Guarantee**  
Benefitting from the Cash Margin deposited into the Customer Account, Siraj Finance shall issue the requisite Labour Guarantee for the value of 100% of the Cash Margin.
- 2.10 Utilization of Investment Amount**  
Siraj Finance will invest the Investment Amount in a portfolio of assets and investments held with Siraj Finance on an unrestricted basis.
- 2.11 Investments by Siraj Finance**  
Siraj Finance will invest the Investment Amount in Sharia compliant portfolio of assets and investment.
- 2.12 Returns from Investments:**  
All returns from the Sharia compliance investments shall be accounted at the Siraj Finance level in order to determine the requisite actual realized profits made from such investments.
- 2.13 Proceeds from Portfolio of Assets and Investments**  
Proceeds from the Portfolio of Assets and Investments will be transferred to Siraj Finance



#### 2.14 **Investment Maturity Proceeds**

Following liquidation (on actual or constructive liquidation basis on the Investment Maturity Date or on the relevant Profit Payment Date), the Siraj Finance shall transfer the maturity proceeds of the Investment, on the maturity date in accordance with the terms set out in the Labour Guarantee Wakala Deposit Form. If the actual profit from the deployment of the Investment Amount exceeds the expected anticipated profit (set out in the Labour Guarantee Wakala Deposit Form), Siraj Finance shall be entitled to retain any such excess amount as a performance incentive. In case of any loss to the reasons not attributable to Siraj Finance, such losses will be borne by the Customer.

#### **General Notes**

- In addition, all transaction documents shall be in accordance with the AAOIFI Sharia standards.

Allaho A'alam.

Yours truly,

**For and on behalf of Sharia Supervisory Board**

Dr. Hussain Hamed Hassan

Chairman