



SHARIA DEPARTMENT

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Query:

In order to be sure that all the transactions and deals of DIBPL are Shari'a compliant, some of our clients like to see a fatwa from the Shari'a Board to that effect.

Would appreciate if Shari'a Board provides a comprehensive fatwa.

Pronouncement:

Dubai Islamic Bank is an Islamic bank established under a license from State Bank of Pakistan for Islamic banking. The Bank has a Fatwa and Shari'a Supervisory Board which is comprised of internationally reputed Shari'a scholars who have vast knowledge of Shari'a and financial markets and transactions. The Shari'a Board supervises all the transactions of the Bank, vets and approves the entire documentation and provides Shari'a compliant structures and solutions for the proposed transactions.

Under the provisions of the Memorandum of Association and the Bank's license, the Bank is not allowed to enter into any Shari'a repugnant transaction. The Articles of Association of the Bank clearly stipulate Shari'a supremacy in all the affairs of the Bank as the decisions of the Shari'a Board are binding on the Management.

The Shari'a Board is assisted by Shari'a Advisor and a full-fledged Shari'a Department which looks into the day-to-day affairs of the Bank and coordinates between the Management and the Shari'a Board. For each transaction, the Management submits a detailed information sheet and seeks Shari'a guidance on the structure and documentation. The Bank enters into a transaction only after the Shari'a Board/Advisor approves it. As far as retail banking is concerned, the entire product is standardized and approved by the Shari'a Board before its launch.

Shari'a auditors conduct post-transaction audit to ensure that the transactions have been executed in line with the fatwa and process flow given by Shari'a Board. In case of any Shari'a repugnancies, the realized 'profit' is segregated, deposited in a charity fund and distributed, under Shari'a supervision, to needy individuals and charitable organizations.

The Shari'a Board confirms that all the transactions of Dubai Islamic Bank are fully Shari'a compliant.

Shaikh Dr. Hussain Hamid Hassan
Chairman,
Fatwa & Shari'a Supervisory Board
DIB Group