

## Shariah Compliance Certificate

### Forward FX Promise


*Forward Promise is a product offered by Islamic banks to their corporate customers. Customers use this product to hedge unwanted transaction exposure to FX fluctuations. Concept of unilateral promise is being used by one of the two parties involved, to purchase or sell the specified currency in future at a specified rate. The product follows the following basic structure:*

- *The credit limit should be established for the customer with whom the Bank wishes to deal.*
- *The customer discusses the rate of the FX vis-à-vis PKR with the Bank.*
- *The customer promises to buy/sell agreed currency and amount to the Bank.*
- *The Bank after acknowledgement, books the exposure as contingent exposure on the Customer.*
- *On the Value Date (Date of exchange of funds) the Bank will issue a notice to the Customer to perform its obligation under the Promise given to the Bank.*
- *The Customer will offer to enter into the transaction as per the promise made earlier.*
- *The Bank will accept the Offer.*
- *The customer will pay the currency to the Bank and the Bank will pay the counter currency to the customer immediately.*

*We have reviewed the product program manual along with its documentation and would like to confirm that it is in accordance with Sharia principles.*

  
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