

Shariah Compliance Certificate

Interbank Musharakah

Interbank Musharakah product shall be used for liquidity management for both placement as well as acceptance of funds in DIBPL on the basis of Musharakah. The target customer base for this product includes Islamic banks and Sharia Compliant Financial Institutions for short-term placement and acceptance requirements. The product follows the following basic structure:

- *Bank A sends Bank B an offer expressing its intention to place a specified amount of funds with Bank B for making Sharia compliant investments, for a specified time period, at a specified profit sharing ratio.*
- *Bank B sends Bank A, confirmation for the Musharakah, confirming the details of the transaction. The details shall include transaction type, amount, tenor, profit sharing ratio, estimated rate of return, deal maturity date, currency and details of counter-party.*
- *Bank B places the stipulated funds in a Musharakah Pool for the agreed period of time.*
- *At maturity, Bank B distributes the profit (if any) as per the pre-agreed profit sharing ratio. However, loss will be distributed as per the ratio of investments.*

The process of placement and acceptance of funds is identical to each other and differ only with respect to the movement of funds. A placement is an outflow of funds, whereas acceptance is an inflow of funds at inception.

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



Mian Muhammad Nazir
Member Shariah Board



Dr. Hussein Hamed Hassan
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Mufti Muhammad Hassan Kaleem
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