

# Islamic Naya Pakistan PKR Certificate

## Terms and Conditions (Mudarabah Agreement)

### Definitions:

**Special Purpose Vehicle (SPV)** means an SPV formed by the GoP, acting through MoF for Islamic NayaPakistan Certificate (INPC)

**Investors** means eligible Resident/Non Resident Pakistanis who invest as Raab ul Maal in the Shariah Compliant Business as well as participating commercial banks.

**Islamic Naya Pakistan Certificate (INPC)**– a certificate representing a proportionate share of the Investor in the Mudarabah based investment pool.

### 1. Mudarabah relationship between SPV& Investors

For all Islamic Naya Pakistan Certificate (INPC) whether in PKR or USD or any other foreign currency as notified by the MoF/Finance Division, the relationship between the SPV and Investor(s) shall be based on the principles of Mudarabah, where the Investor(s) is the Raab-ul-Maal and the SPV is the Mudarib. SPV as the Mudarib may invest or disinvest, at its sole discretion, monies/funds received by it from the Investors only in Shariah Compliant activities/assets (The “Business”) of the SPV. Additional features in respect of INPC as may be applicable from time to time shall be stipulated in product brochures and at the website of the SPV/SBP/agent banks.

### 2. Profit & Loss sharing

2.1 Profit Sharing Ratio between Mudarib (SPV) and Raab ul Maal (Investors) will be agreed at the outset.

2.2 The SPV, as Mudarib, shall share in the profit on the basis of a predetermined Profit Sharing Ratio (PSR) of the Gross Income of the Business, after deduction of allowed expenses. (the “Mudarib Share” respectively). The “Gross Income” of the Businesses defined as profit earned on utilizing Investors’ fund. The Mudarib Profit Sharing Ratio (PSR) may be varied from time to time and the same can be obtained from the SPV upon request as well as shall be available on the website of SPV/SBP/ agent bank.

2.3 All the Investors/INPC Holders shall be assigned weightages based on the features of the INPC held by them, such as tenor, profit payment options and other applicable features for the purposes of calculation of profit. The weightages applicable to all INPC shall be announced every month and shall be available at the website of the SPV / SBP/ agent bank. The weightages shall be announced before the beginning of the period/month concerned and shall not be changed during the period.

2.4 The Profit calculation of investment pool shall be done, under this Mudarabah, at the end of every month by the SPV.

2.5 Profit calculation method for INPC is on a daily product basis. Profit payment will be made at maturity for three, six and twelve month INPCs and on six monthly basis for thirty-six month and sixty month INPCs.

2.6 In the event of loss on the capital in respect of the Business, all investors of the investment pool shall share such loss in proportion to their investments. However, if loss has been caused by the negligence or willful default of the SPV, the INPC holder will not be liable to share in such loss.

2.7 Redemption/Encashment of any amount by the INPC investor shall mean the transfer of its respective share in the Business along with all related risks and rewards. The redemption shall be of the principal value of the investment, subject to the provisions in respect of Profit in Clause 2.1, 2.2 and Loss in Clause 2.6 hereof.

2.8 Each INPC shall be valid from the date of issue for the tenor as per the instructions of the applicant. The last day of the term of such INPC shall be hereinafter referred to as "Maturity Date". The term "Maturity Date" shall also mean and include the date at which such INPC are redeemed.

2.9 The SPV shall redeem/encash in accordance to the clause 2.7 as per the instructions of the Investor. At the time of redemption/encashment of share of Investors and payment of applicable profit, each party will, based on good faith, waive any of its remaining rights and return, on the principle of mutual benefit.

2.10 The SPV shall pay profit, if any, that has accrued on INPC within 7 days of the profit payment date of INPC.

2.11 No early redemption/pre-mature encashment is allowed before completion of 1 month of investment. However, post 1<sup>st</sup> month, investor would be able to redeem his/her /INPC as per the redemption schedule notified by SPV

### **3. Amendments**

3.1 The SPV/MoF may from time to time revise and/or change any Terms and Conditions related to operational modalities pertaining to the INPC. Such revisions and / or changes shall be effective from the date specified by the SPV and will either be notified to the Investor(s) who are maintaining such INPC through mail/email or by affixing a notice at the website

### **4. Governing Law & Shariah Compliance**

4.1 This Mudarabah Agreement will be governed by the Terms and Conditions agreed above and all laws, regulations, rules, decrees, by-laws applicable to SPV and laws of Islamic Republic of Pakistan in line with the principles or rules of Shariah (as defined and approved by the reputed Shariah Advisor of the SPV).

4.2 No business or activity can be undertaken by SPV under this Mudarabah Agreement which does not comply with the rules of Shariah and SPV is responsible to ensure Shariah Compliance of the Business as advised by the Shariah Advisor or Shariah Board of SPV.

### **Investor Acknowledgement & Acceptance**

I have read & understood and accept the Terms & Conditions as mentioned above.