

*In the Name of Allah, The Beneficent, The Merciful*

Date: 30<sup>th</sup> day of August 2015

### **FATWA WITH RESPECT TO WAKALAH INVESTMENT PRODUCT**

We, the undersigned, the scholars composing the National Bank of Fujairah PSC – Islamic Finance Division (“the Bank”) Shariah Supervisory Board (“SSB”) have been presented with the below mentioned structure and documents pertaining to the Wakalah Investment Product (“Product”) for our Shariah review and approval.

The Product is based on the Shariah concept of “Wakalah Bil Istithmar”. Under this Product, via a Wakalah Agreement, the Bank will become the Investment Agent (Wakeel) to its customers (Muwakkil) who will deposit their funds in the Wakalah Investment Account to be invested in Shariah compliant investments. The funds will be used to generate profit for the customer for instance by investing it in Islamic financing facilities to the Bank’s other customers or investing in other Shariah compliant investments activities.

The profit (if any) earned from the investment and financing activities, will be paid to the customers while the Bank will get its fixed Wakala fee. If the profit obtained exceeds the anticipated profit rate, the Bank will retain such amount as its performance fee. At the end of the investment tenure, the principal investment amount will be returned to the customer together with his share of profit (if any).

We have reviewed the following documents (“Documents”) in relation to the Product:

#### **Wakalah Investment Product based on the Shariah Contract of Wakalah Bil Istithmar**

1. Wakalah Investment Product Programme Guide dated the 24<sup>th</sup> day of August 2015 and all attachments thereto namely:

NBF Wakalah Investment Product



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- 1.1 Wakalah Investment Master Agreement
- 1.2 System Change Specification Document; and
- 1.3 Finance Procedure Manual

Pursuant to our review of the above Documents, we are of the opinion that the Wakalah Investment Product is in compliance with Shariah principles.

*Allah Almighty knows best.*

**APPROVED BY:**

**Dr. Mohamed Ali Elgari** (Chairman)



**Dr. Mohd Daud Bakar** (Member)



**Dr. Muhammad Amin Ali Qattan** (Member)



**Dr. Osama Al- Dereai** (Member)

