

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

## SHARIAH COMPLIANCE CERTIFICATE

### “Prime Minister’s Kamyab Jawan Youth Entrepreneurship Scheme (PMKJ-YES)”

The Government of Pakistan (GoP) has launched “Prime Minister’s Kamyab Jawan Youth Entrepreneurship Scheme” (PMKJ-YES) to provide concessional financing to youth for establishing or expanding business enterprises, thereby promoting entrepreneurship and reducing unemployment and poverty in Pakistan. Under the Scheme, BankIslami Pakistan Limited (BankIslami) will provide financing at the applicable rate to Customers categorized in three tiers i.e. Tier 1 (T1) financing from Rs. 100,000/- to Rs. 1 Million, Tier 2 (T2) financing which is above Rs. 1 Million and up to Rs. 10 Million and Tier 3 (T3) financing which is above Rs 10 Million and up to Rs 25 Million.

Customers will make profit payments at subsidized rate (as per applicable financing tenor and terms of conditions of PMKJ-YES). The financing documentation to be signed by the customers will accordingly reflect only the amount payable by them. The amount to be paid as a subsidy by the GoP will be considered as a *Tabarru*. Since funds from the General Pool of BankIslami will be utilized for this program, the subsidy received from the GoP will be tagged with the General Pool for onward distribution to depositors.

BankIslami will offer this Scheme under Diminishing Musharakah, Ijarah and Bai Muajjal (Tawarruq using Islamic Mutual Fund units) products/modes of financing as per the approved process flows in the Product program. In cases where the above products/modes of financing are not feasible, other existing Shariah Board approved products/modes of financing may also be offered to facilitate Customers. Documentation as already approved by Shariah Board for the products/modes will be used.



**Absence of Bai Inah in Bai Muajjal (Islamic Mutual Fund units) product:**

BuyBack or *Bai Inah* is prohibited as per Shariah rulings. In the proposed Bai Muajjal (Tawarruq using Islamic Mutual Fund units) product, the following measures will ensure that there is no possibility of Bai Inah:

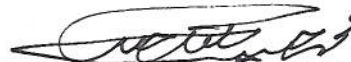
- The Asset Management Company (AMC) – Management Team is only the Investment Agent for the fund, while the owner of the funds are the investors of the Mutual Fund i.e. the actual sale and purchase of Mutual Fund units will be with the investors. Since the pool of investors may change from time to time, the investors from whom the Mutual Fund units were purchased and to whom they were sold may be different.
- The Net Asset Value (NAV) at which the Bank first purchases the Mutual Fund units from the AMC and the NAV at which the Customer will redeem will not be pre-agreed and therefore will not necessarily be the same.
- Once the Bank has sold the Mutual Fund units to the Customer, the Customer cannot sell it back to the Bank.

*“..... We, therefore resolve that the program and its features defined above is according to the dictates of Shariah.....”*

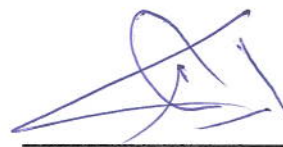


01/12/2020

**Mufti Javed Ahmad**  
Resident Shariah Board Member



**Mufti Muhammad Husain**  
Member, Shariah Supervisory Board



**Mufti Irshad Ahmad Aijaz**  
Chairman, Shariah Supervisory Board

01/12/2020