

ISSC Resolution		 إدارة الرقابة الشرعية الداخلية Internal Sharia Control Division	قرار لجنة الرقابة الشرعية الداخلية	
The Fatwa of Issuance of Letter of Guarantee			فتوى إصدار خطابات الضمان	
Date	13/7/2023		٢٠٢٣/٧/١٣	التاريخ
Ref. No.		89-2023-SR-Siraj		الإشارة

بسم الله الرحمن الرحيم
الحمد لله والصلاة والسلام على نبينا محمد وعلى آله وأصحابه أجمعين ومن والاه الى يوم الدين.

The Internal Sharia Supervision Committee of Siraj Finance (the "ISSC") reviewed the fatwa issued by the previous ISSC regarding the Issuance of Letter of Guarantee, Annexed to the request:	اطلعت لجنة الرقابة الشرعية الداخلية لشركة سراج للتمويل ("اللجنة") على الفتوى المرفقة والصادرة عن اللجنة الشرعية السابقة بشأن إصدار خطابات الضمان:
- Fatwa of Issuance of Letter of Guarantee.	
The ISSC Resolution:	قرار اللجنة:
The ISSC decided to endorse the attached Fatwa subject to:	قررت اللجنة اعتماد الفتوى المرفقة شريطة:
(1) fulfilling the guidelines given by the Higher Sharia Authority as per the HSA resolution number 136/6/2020, dated: 7/12/2020, via notice number CBUAE/BSN/2020/5329, dated: 10/12/2020,	(١) اتباع تعليمات الهيئة العليا الشرعية للمصرف المركزي الواردة في قرار الهيئة العليا الشرعية رقم: ٢٠٢٢/٦/١٣٦ المؤرخ: ٢٠٢٠/١٢/٧، اشعار المصرف المركزي رقم: CBUAE/BSN/2020/5329 المؤرخ: ١٠ ديسمبر ٢٠٢٠م،
(2) amendment in clause (B), sub-clause (a) to be read as following: "Siraj Finance shall issue a guarantee in favour of certain beneficiary pursuant to ensuring that the purpose of guarantee is Sharia compliant by obtaining approval from the Internal Sharia Control".	(٢) تغيير البند B، البند الفرعي a، على ان يقرأ على النحو التالي: "قبل إصدار خطاب ضمان لصالح مستفيد؛ تقوم "سراج للتمويل" بالتأكد من توافق غرض الضمان مع أحكام ومبادئ الشريعة من خلال أخذ موافقة الرقابة الشرعية الداخلية".
And, Allah knows the best	والله اعلم بالصواب.

لجنة الرقابة الشرعية الداخلية
Internal Sharia Supervision Committee


فضيلة الشيخ / عبد الناصر احمد
المناعي - عضو اللجنة


فضيلة الشيخ / محمد بحر الدين بن بدري
نائب رئيس اللجنة


فضيلة الشيخ الدكتور / فضل رحيم عبد الرحيم
الرئيس والعضو التنفيذي للجنة

Attachments:

- (1) Copy of the Fatwa of Issuance of Letter of Guarantee
(2) Copy of the CBUAE Notice and HSA Resolution

المرفقات:

- (١) نسخة من فتوى إصدار خطابات الضمان
(٢) نسخة من اشعار المصرف المركزي وقرار الهيئة العليا الشرعية



31st July 2016

M/S Siraj Finance
P.O.Box 63622
Abu Dhabi
United Arab Emirates

Kind Attention: Mr. Ahmed Bin Khalaf Al Otaiba

Dear Mr. Otaiba,

Re: Issuance of Letter of Guarantee by Siraj Finance

This Fatwa is being issued with regards to the Issuance of Letter of Guarantee (the “**Guarantee Product**”).

In relation to the Guarantee Product, the following documents are required (the “**Transaction Documents**”):

- Application Form
- Siraj Finance Terms & Conditions in relation to Letter of Guarantee
- Letter of Guarantees

Under the Relevant Product, the following process flow is adopted:

A. Procedures for issuance of a Guarantee

After scrutiny and approval of the customer's application (the “Applicant”) and signing the required documents (including the terms and conditions), Siraj Finance will issue the following types of guarantees for different transactions undertaken by their customers.

1. Financial Guarantee;
2. Bid Bond / Tender Bond;
3. Performance Bond;
4. Advance Payment Bond;
5. Retention Money Guarantee;
6. Maintenance Guarantee;
7. Counter Guarantee in favour of local/foreign banks; and
8. Shipping Guarantee.

B. Procedure for utilizing the Letter of Guarantee

- a) Siraj Finance shall issue a guarantee in favour of a certain beneficiary pursuant to ensuring that the purpose of guarantee is Sharia compliant. Siraj Finance will refer the matter to Dar Al Sharia for further guidance should there be any doubt or concern as to the purpose of guarantee.
- b) Upon the scrutiny and approval of Siraj Finance to Applicant's request, the Applicant shall sign the application form and the other related documents, if any, provided by Siraj Finance, along with the counter-guarantee form, and to provide any cash margin, fixed deposit under lien, pledges or mortgage over an asset or property etc. as the case may be (the "Security").
- c) Siraj Finance will obtain the required fee and Security (if needed) from the Applicant, or deducts it from Applicant's account with Siraj Finance.
- d) If the Applicant fulfills all its obligations towards the beneficiary and the guarantee period gets completed without beneficiary's claim against the guarantee, the guarantee's purpose will be achieved and guarantee will no more be valid. In such case, the Applicant shall be responsible to collect the original guarantee from the beneficiary to be returned to Siraj Finance.
- e) If the Applicant is in breach of its obligations under the underlying contract for which Siraj Finance has issued the guarantee, the beneficiary will claim under the guarantee by sending a demand notice to Siraj Finance, together with the stipulated document(s) if required under the Siraj Finance guarantee, for payment of the guaranteed amount as per the terms of the letter of guarantee.
- f) All claims received from the beneficiary are stamped for date and time as soon as received and reviewed/checked by the designated Siraj Finance officers to ensure that all required formalities and conditions have been fulfilled before the claim is acknowledged and processed for payment.
- g) The Applicant is also informed immediately regarding the demand/claim lodged by the beneficiary.
- h) Payment against the claim is made in accordance with the terms of the guarantee.
- i) However, if the guarantee provides a condition that Siraj Finance shall be obliged to pay to the beneficiary only after it is proved that the Applicant has not been able to fulfill its obligation, the beneficiary will be requested to furnish such proof.
- j) The Applicant is immediately, required to pay to Siraj Finance the amount which Siraj Finance has paid to the beneficiary. The amount so paid by Siraj Finance is recovered from liquidating the Security and the shortfall, if any, is recovered from applicant's current account with Siraj Finance. If sufficient funds are not available in the Applicant's account to cover the shortfall, the Applicant shall be asked by Siraj Finance to provide the funds from Applicant's other resources.
- k) If the Applicant's account with Siraj Finance does not have sufficient funds to cover the claim and as a result the account shall be overdrawn, Siraj Finance will not charge the Applicant any amount on account of cost of funds on the overdrawn balance since it will tantamount to interest.

We hereby confirm that we have reviewed the Transaction Documents for the Relevant Product and find the same to be in accordance with the principles of Sharia.

Allaho A'alam.

Yours truly,

A handwritten signature in blue ink, appearing to read "Hassan", with a long, sweeping flourish extending to the right.

**Dr. Hussain Hamid Hassan, Chairman,
Sharia Committee**