بسم الله الرحمن الرحيم

MANZIL

FATWA - SHARIAH COMPLIANCE CERTIFICATE

MANZIL MURABAHA MORTGAGE PRODUCT – ONTARIO

In the name of Allah, The Most Compassionate, The Most Merciful

To the stakeholders of Manzil (the "**Company**") / to whom it may concern.

In compliance with the Terms of Reference signed between us, the Shariah Supervisory Board, and the Company, we hereby submit the following statement:

We have reviewed the documents pertaining to Manzil Murabaha mortgage product (the "**Product**"), to be offered by the Company to clients looking for a Shariah compliant home financing in Ontario, to form an opinion on the Shariah compliance of the Product. The documents provided to us by the Company included the Product's underlying structure, legal agreements, processes, and procedures (the "**Documents**").

Product Structure

This Product is based on the Islamic financial principle of Murabaha. Under this Product, the client applies to the Company to finance their desired property. If all conditions are met, Manzil Mortgage Fund (the "**Fund**") purchases the property from the seller for the agreed purchase price. Once the Fund acquires the property and becomes the owner thereof and holds all associated risk therein, the Fund sells the property to the client for the sale price (being the sum of the purchase price and the Fund's fixed profit) and takes required security. The client pays the agreed sale price in instalments over the agreed mortgage term, and once all payments are made, the Fund discharges the security.

Product Implementation

It is the Company's responsibility to ensure that the Product is implemented in accordance with the agreed processes and procedures and using the approved legal templates, while the Shariah Supervisory Board's responsibility is to issue an independent opinion on the Shariah compliance of the Product. The Company shall appoint an independent external Shariah auditor to verify the correct implementation of the Product.

Opinion

Based on the statement above and the representations received from the Company, we confirm that:

- The overall structure and Documents of the Manzil Murabaha Mortgage product comply with general Shariah principles and relevant Shariah Standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI); and
- The ongoing Shariah compliance of the Product is subject to conducting relevant Shariah audits and the issuance of an annual Shariah Compliance Certificate after confirming satisfactory audit findings.

We beg Allah, the Almighty, to grant Manzil all the success.

This Fatwa no. **MZL-MUR-001-2020** is issued on **16.11.2020**

Dr. Shaher Abbas | **Mufti Faraz Adam** | **Dr. M. Anouar Gadhoum**

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