



Sharia Board Fatwa Concerning Lease-To-Own (Ijara Muntahia Bittamleek)

All praise be to Allah, prayer and peace be upon our prophet Mohammed, his family and companions.

The Sharia Board reviewed the operational structure of the Lease-To-Own (Ijara Muntahia Bittamleek) submitted by Kuwait Finance House – Bahrain and on its terms and conditions, which is based on an independent promise given by the client to rent an asset (property or others) from KFHB after it is owned by the bank. KFHB takes ownership of the asset (property or others) by purchasing it from the property owner and then registering it in the Survey & Land Registration Bureau. KFHB will lease the asset (property or others) to the client through an Ijara contract and a promise from KFHB to transfer the ownership to the client upon the settlement of all commitments at the end of the agreed period. The entire Ijara terms and conditions will apply for the duration of the contract while the transfer of ownership at the end of the period will take place via an independent document irrelevant of the Ijara contract.

Upon such revision, the Sharia Board legitimizes and endorses this structure.

And Allah knows best. Prayer and peace be upon our prophet Mohammed, his family and companions.

Sharia Board Fatwa Concerning Murabaha Sale to the Purchaser

All praise be to Allah, prayer and peace be upon our prophet Mohammed, his family and companions.

The Sharia Board reviewed the operational structure and contract of the Murabaha to the purchaser as submitted by Kuwait Finance House – Bahrain and its terms and conditions, which is based on an independent promise by the client to buy a good from KFHB after it is owned by KFHB, whereby the ownership is transferred through sending a purchase order (LPO Offer) - that determines the specifications and designations of the goods - to the supplier who accepts the sale. KFHB then sells the goods by setting a Murabaha sale contract, with identified installment amounts and period, mentioning the costs and expenses of the goods as well as the profit in the contract. KFHB will then provide the delivery note to the client to receive the goods from the supplier.

Upon such revision, the Sharia Board legitimizes and endorses this structure.

And Allah knows best. Prayer and peace be upon our prophet Mohammed, his family and companions.

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