



SHARIYAH
REVIEW BUREAU



SHARIA CERTIFICATE GUIDE

Simplifying What
Consumers Should Know

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SHARIA ADVISOR LICENSED BY
THE CENTRAL BANK OF BAHRAIN

ABOUT THIS GUIDE

This guide provides an understanding of the key components of our Sharia Certificate.

It helps explain:

1. What our Sharia Certificate is and how to verify it.
2. Important things to look at in our certificate when it is presented to you.
3. Key situations when our Sharia Certificate may be revoked or suspended.

Please note that this guide refers to the practice of certification issued by Shariyah Review Bureau. Other Sharia advisory firms have variant approach and applications and should be consulted accordingly.

INTRODUCTION

Today a growing community of customers will only invest in a product if it is certified as Sharia compliant*. This is why when we certify a product or transaction we expect the business to use approved documents along with guidelines issued by our scholars. This ensures that the proposed investment is holding itself accountable to Sharia compliance standards. With our Sharia certification, a company is telling you that it cares about you and will deliver results to the best of their abilities in a Sharia compliant manner.

There may be cases when a Sharia certificate may be outdated or no longer valid. So if you have invested with a business because it calls its product or transaction Sharia compliant then, you can and should double check that their certification is valid. This is the reason why we have prepared this guide so as to help you check the legitimacy of our Sharia Certificate and provide a breakdown of key information related to our certification.

*in some jurisdictions, certification by an authorized Sharia advisor is a legal or regulatory requirement.

Sharia Opinion

Our Sharia Certification constitutes as an opinion which is dependent on certain assumptions our Sharia scholars make based on their interpretation of the information contained in the product documents.

These opinions are not intended to be a prognosis or recommendation rather these should be considered as independent judgments of the participating Sharia scholar in light of standards like AAOIFI Sharia Standards or generally accepted principles of Islamic schools of thoughts.

You should note that, given the richness in difference of opinions that exists in Islamic jurisprudence, it is possible that a third party may reach a different opinion as to Sharia compliance given the same facts. This is why you should consider a variety of factors when considering Sharia compliance including your own Sharia scholars analysis.



TWO STEPS TO VERIFY CERTIFICATION

To ensure you are working with a legitimate business with Sharia compliant activity(s) you can take the following two steps:

Request a copy of the sharia certificate

When you are deciding to invest in a fund, product or investment transaction, you should ask for a copy of Sharia certification. This is not an inconvenience for a company as we issue a certificate for every product we review and also insist the company to show the certificate to every person that requests it. If the company has a valid Sharia certificate, then it should have no issue in delivering this request to you. Seeing a copy of the Sharia certificate is the best way to prove that the product or investment is certified. But this step alone is not sufficient.

This certification should be issued by Shariyah Review Bureau to which the product or investment will be registered. This will give you all the details of the certification, including list of documents reviewed, scope of the certification and specific Sharia guidelines (if any).

Authenticate certificate on the search engine

We're committed to providing a safe, secure, reliable and up-to-date information on the Shari'a compliance status and Sharia audit of your investment whenever you need it. So if you have been presented our certificate and you would like to learn more about the Shari'a compliance status of the investment, you can visit our online engine and enter the unique certificate identification number (UID Code) in the search tool* which can be found on the top left side of the certificate.



*This information will only be accessible to those whom our Shari'a Certificate has been presented by our clients.

WHAT TO LOOK AT IN OUR CERTIFICATE

Look at the Name of the Investment

Once you receive a copy of the Sharia certificate, you need to make sure the investment you are being proposed matches the name of mentioned in the certificate. One of the ways that Sharia certification may not be legitimate is through it being used for a different product or an investment with a similar name. As part of our certification process the respective product or investment documentation which is reviewed will be approved. There may be cases where an investment may be replicated to expand the variant demands of investors but this does not mean that if a certificate is issued for one product it can be used for another even if the investment objectives are the same. So be sure to cross-check the name and when in doubt ask questions.

Check the Date

Always remember to check the issuance date of the Sharia certificate. If a certificate is more than one year old then you should request for the Sharia audit report. Getting certified is a process in itself, but maintaining certification is just as challenging. It requires annual Sharia audit conducted on the executed transaction of the investment program. Many firms go through the efforts of maintaining their Sharia certificate by giving us access to their books and transactions. Because ongoing maintenance of Sharia compliance is a key component of meeting the standards of the certification, therefore Sharia audit requirements must continue to be met. So remember to check the date on the certification and request for an audit report to ensure that the certificate is still valid.

See if the Documents Specified Matches the Deck Presented to You

Our Sharia certification is unique to the product or investment we approve. Accordingly, the documents we review as part of the process must be specific to the respective product and its transaction. A generic set of documents does not apply to each product we approve, so when reading our certificate, you should ensure to a the list of documents submitted to you as part of the product deck and match them with the documents approved by us.

Note: If the documents submitted to you do not match the list of documents stated on our certificate, then the company may not be adhering to the Sharia certification or the certification is not legitimate. Just because a company holds a certification for a list of documents for a specific investment, does not mean it also holds this for another. As part of diligence you have to be detail-oriented in this regard!

Look for Two Stamps

Every Sharia certificate we issue carries two stamps: one indicates that the Sharia compliance requirements have been met, and the other shows our official company seal. If there is none or if even one stamp is missing on the certificate, you should be suspicious of the certificate's validity. Apart from checking this on the search engine, the easiest way to verify is to call our company. We will be able to tell you if the certificate was issued by us along with other details related to the specific investment



OTHER IMPORTANT THINGS TO KNOW

Can Sharia certification be revoked?

Yes gross breaches of approved Sharia guidelines can result in the certification being revoked. Therefore institutions must meet the Sharia compliance requirements as laid down for the specific product or investment, or they'll lose the Sharia certificate.

Situations When a Certificate is Suspended or Revoked

If we revoke our Certification then all affairs related to the Sharia compliance of the Investment are not allowed to remain in use by the certified client. The basis for revoking and suspending certification status can be several but below are some of the reasons that may apply (as the case may be),

- > The certified client has persistently or seriously failed to meet Sharia compliance guidelines, including requirements for the effectiveness of liquidating non-compliant positions.
- > The suspended (and revoked) status of the Sharia certification is publicly accessible on our Search Engine and also communicated to the client in writing.
- > The certified client is not closing the documents and other Sharia compliance system requested by us within the stipulated time frame.
- > If within 30-40 days of suspension or the time limit set by the assigned Sharia scholars the issues are not resolved that have resulted in the suspension, then a decision may be taken for the withdrawal of the certification. In such a scenario the client is informed in writing and the Search Engine is updated accordingly.
- > The certified client failed to abide by the terms of our engagement.
- > As part of our engagement there are enforceable provisions with the certified client concerning conditions of suspension/withdrawal ensuring upon notice of certification that the client discontinues its use of all advertising matter that contains any reference to a certified status as per our agreement.
- > The certified client does not allow us to conduct Sharia audit at the required frequency as mentioned in our engagement agreement.
- > Remedial action on non-congruency that have been taken by the certified client are inadequate based on the Sharia scholars analysis.
- > The certified client has voluntarily requested a suspension from us due to adverse market conditions.
- > In case of suspension, the client's certification becomes temporarily invalid. During this phase the client is asked to refrain from further promotion of its Sharia certification.

HOW TO COMMUNICATE WITH US

We work hard to maintain the reputation of our Sharia certificate and the investments we supervise. This is why we are interested to hear from you if you feel that the Sharia certificate presented to you, is being misused. We take very seriously any complaint related to the misuse of our certificate, name or logo or false representation of products that have not been approved by us.

If you wish to report an organization or product claiming to be certified by us, please email review@shariyah.com with full details of the issue and how we can contact you.

If you have any questions about this guide please email review@shariyah.com or call +973 17215898



ABOUT SRB

Since our humble beginnings in the Kingdom of Saudi Arabia we've grown to include +100 companies across a host of industries, 50,000 transactional programs, 5 interdisciplinary teams and a scholarly workforce of +35 Sharia Scholars from 17 countries. And we're not done yet: our Sharia Audit and Sharia Advisory services will continue to improve—serving local and international businesses to help them maintain and manage Shari'a compliance.

Our combination of international and local market knowledge and multi-disciplinary perspective of Sharia give us an edge in the professional Sharia Advisory and Sharia Audit services industry in the GCC and beyond. The scope and value of our services, and the help they offer in building a thriving Islamic economy, keeps us excited.

The future of Sharia Advisory and Audit is exciting and we are very lucky to be a part of this business!