

## CUSTOMER INFORMATION FORM ON MUSAWAMAH CONTRACT

This form was issued for the purpose of providing information to the client under the scope of the communique<sup>1</sup> of Banking Regulation and Supervision Agency (BRSA).

**1. Contract Type:** Musawamah (Bargain Sale) - Inventory Financing

### **2. Basic Features of the Contract:**

Musawamah is a type of sale where the seller does not disclose the cost of the good to the customer. In other words, it is a sale where the customer does not know how much profit or loss the seller has made from the purchase.

On the other hand, musawamah for inventory financing is the purchase of a good in the stock of the customer in cash, by bargaining method, by the participation bank.

Musawamah contract entails that the buyer, seller, the good subject to the contract must be specific and available, and must comply with the principles and standards of the interest-free banking and forward sales, and also that the parties must have presented a declaration of intent (offer and acceptance).

### **3. Compliance of the Product or Service with the Principles and Standards of Interest-Free Banking:**

The legitimacy of musawamah is based on the basic principles of Islamic law. The transactions made by the participation banks under this scope comply with the principles and standards of interest-free banking.

### **4. The Capacity of the Customer under the Scope of the Contract:**

In the inventory financing transaction, the customer shall be acting under the capacity of the seller and the participation bank shall be acting under the capacity of the buyer. After the goods are sold to the participation bank, the customer becomes the agent of the participation bank for the sale of the goods to third parties.

### **5. Process and Functioning:**

The customer submits its request for financing the sales of good in its stock to the participation bank. Participation bank allocates a limit for the customer. The financing request is approved over the agreed price and the participation bank transfers the price of the goods to the customer's account and completes the sales contract.

After this transaction, the customer sells the good subject to financing, which it holds under its custody, to third parties within the period specified in the contract and with the agreed profit rate, and transfers the price to the participation bank.

In the contract made, the customer accepts, declares and undertakes that in the event the goods cannot be sold by the end of the maturity, it will buy the relevant goods back from the participation bank at the agreed amount.

### **6. Rights and Obligations of the Parties Arising from the Contract and Agency Contract (Wakala):**

The participation bank is responsible for paying the price of the goods to the customer in duly carried out transactions, on the other hand, the customer is responsible for selling the good available in stock on consignment in accordance with the contract and the power of attorney for sales, and selling them

to third parties within the specified period.

In the event that the good cannot be sold to third parties and is taken back, the customer agrees and declares to repay its debt within the framework of the payment plan created at the beginning, based on the promise of buy-back.

#### **7. Delivery of the Documents Subject to Purchase & Selling to the Participation Bank:**

A purchase and sale contract is signed between the customer and the participation bank regarding the sale of the stock goods subject to financing to the participation bank.

#### **8. Bank practice in case of late payment:**

It is in conformity with the principles of interest-free finance to insert an article imposing a delay penalty by the Participation Bank in case of the failure to pay the debts on due dates, however, the participation bank and customers may not benefit from these amounts which are collected as a delay penalty. These amounts collected shall be classified according to the uniform account scheme of the participation bank and evaluated in conformity with the principles and standards of interest-free banking.

#### **9. Corporate Website through which the Customer may obtain more Comprehensive Information about the Products and Services:**

You may have access to more comprehensive information about our products and services and permission (ijazah) certificates through the website of our Bank at [www.ziraatkatilim.com.tr](http://www.ziraatkatilim.com.tr).

**Information Form Delivery Date: ..... /..... /.....**

**Name/Surname/Title of the Customer** :.....

**Turkish ID Number/Tax ID Number** :.....

(Information may be provided face-to-face and remotely through remote means of communication/in electronic environment/from a distance, and while providing information face-to-face, the expression **“I was provided verbal and written information and my declaration of intent has been received”** must be inserted and undersigned on the information form with your handwriting.)

**Seal/Signature:**

<sup>1</sup> *Communique on the Principles and Procedures Concerning Providing Information to the Customers & Public under the scope of the Principles & Standards of Interest-Free Banking Published by Banking Regulation and Supervision Agency (BRSA) in the Official Gazette on November 30, 2021.*