

Master Murabaha Agreement (MMA) (General Frame Work)

This Murabaha Agreement made at (Branch) this.....ofin the year..... by andbetween.....
(Client Name and Address), Hereinafter referred to as the "Client" which expression where the context shall so require admit, mean and include the said estate of the **ONE PART: and Muslim Aid Micro Credit (Guarantee) Limited** Registered Office at **22 School Lane Nawala Road Rajagiriya** hereinafter referred to as " the Investor" as the other part in the Democratic Socialist Republic of Sri Lanka

AND WHEREAS the Client is desirous of obtaining Murabaha facilities by which the Investor will from time to time procure the items of goods for the Client or shall appoint the Client to procure the goods on his behalf and sell the same to the Client at an agreed price as per the terms of an application/s made by the Client which shall constitute an integral part(s) hereof.

On the Investor deciding to grant the facilities requested by the Client, both parties hereto shall fulfill their respective obligations under this Agreement.

NOW THEREFORE THIS AGREEMENT WITNESSETH AND IT IS HEREBY AGREED BY AND BETWEEN THE PARTIES HERETO AS FOLLOWS:-

1. In this instrument unless the context otherwise requires –
 - (a) "due date" means the date on which the Murabaha sale price or any part thereof is due and payable by the Client to the Investor as per the "Letter of Offer to Sell".
 - (b) "goods" mean the articles, things or commodity that the Client wishes and requests the Investor to firstly acquire with title and then to sell it to the Client as more fully described in the Invoice(s).
 - (c) "invoice" means the confirmed order of the supplier in respect of supply of the goods to the Investor and affirmed by the Client in respect of its price and all its terms and conditions.
 - (d) "Murabaha sale price" means the price payable by the Client to the Investor with respect to the goods calculated to include the actual price paid by the Investor in respect of the items plus actual expenses, such as bank charges together with a return (profit/s) to the Investor as agreed upon between the two parties.
 - (e) "specific currency" means the currency in which Murabaha will be executed and payable by the Client to the Investor on the due date(s) according to the "Letter of Offer to Sell".
 - (f) "specification" means the technical or such other description (if any) of the goods as is contained in the Invoice.
2. The Client undertakes to indemnify the Investor against any claim, payment of additional customs duties, penalties etc that may arise in the process of customs and port clearance if such cost were to borne after the Murabaha sale was concluded. If the additional cost were to be borne before the conclusion of the sale, the Investor should bare all such costs and he may add them to the cost price of the goods.
3. The Client shall undertakes to purchase the goods from the Investor as per terms of this Agreement and any refusal to comply will be a violation of his obligation and undertaking, in which the Investor shall sell the goods in the open market. The Investor will have the right to claim from the Client any losses (the difference between the cost of acquiring the goods and the sale price in the open market) if any arising out of this transaction.
4. The goods , shall be at the risk of the investor, after the client has purchased and take possession the same on his behalf prior to the letter of offer to sell endorsed by both parts.
5. Transfer of ownership/title; The title of the goods shall pass from the Investor to the Client at the point where the Investor endorses the relevant papers i.e. letter of offer to sell, that constitute the title in favour of the Client and the Client accepts the same.
6. The Client shall be responsible for any losses/damages occurring to the goods after taking physical and/or constructive possession of the same after the transfer of title to his name.
7. The Client shall pay the Murabaha sale price in the specific currency on or prior to the due dates.

8. Either party hereto acting in violation of any financial obligation hereunder shall indemnify the other for the actual damage resulting from such violation, unless such violation was caused consequent to civil commotion, war or other force majeure.

9. As Islamic finance requires mutual trust and respect for due dates, in the event that the Client being in default of any obligation to pay a sum of money due under this Agreement or under any other contract or agreement between the Investor and the Client, the Investor may, by notice to the Client declare all the unpaid amounts immediately due and payable.

10. General:

10-1 a) This Master Murabaha Agreement undertaking may be amended or any term or condition waived only in writing executed by persons duly authorized, provided that no term or condition which has the effect of materially altering the agreement or which is otherwise repugnant to Shariah shall be added, deleted or waived.

b) Exhibits (if any) of this Master Murabaha Agreement shall be considered as an integral part thereof.

c) This Agreement has been executed in duplicate-one Original and the other counter-part. Each page of this Agreement and each Exhibit (if any) have been initialed by both Parties hereto.

d) The operation of the provision of this Agreement shall be subject to the laws of the country of incorporation of the company viz. Democratic Socialist Republic of Sri Lanka.

e) All matters related to this agreement are governed by the Islamic Sharia Law as interpreted by AAOIFI.

11. Securities/Guarantees/Collateral

The client shall furnish securities to the investor as per his request and this will be evidence by document as follows.

11.1 The Client provides the guarantees of the following two guarantors as security for this transaction guaranteeing due settlement of the Murabahah Sale Price under and in terms of this agreement;

11.1.1 Name of the 1st guarantor:

Address:

NIC No:

11.1.2 Name of the 2nd Guarantor:

Address:

NIC No:

11.2 The client and the Guarantors further agree to provide the investor with a Promissory Note to the full value of the Murabahah Sale Price.

11.3 The Client and his/her Guarantors hereby further undertake, covenant and agree that in the event of the default in payment of the Murabahah installment/s by the client, the investor shall have the right to;

11.3.1 Demand jointly and/or severally on the Promissory Note given by the client and the Guarantors jointly or otherwise,

11.3.2 Sue the client and the Guarantors either in one action or to sue the client in the first instance or to sue the Guarantors in the first instance at the sole discretion of the investor to recover the monies due to the investor under this agreement,

11.4 The Guarantors expressly agree and covenant that they hereby renounce the rights to which sureties are by law otherwise entitled to.

11.5 The Guarantors expressly agree and covenant that their guarantee given herein shall not be affected or diminished by any other security, lien and/or deposit of the Client held by the investor on account of this transaction or any other transaction.

In witness whereof the investor and the client and the guarantors have subsequent to having read and understood the contents hereof set their respective hands hereto and to another of the same tenor and date as these presents.

.....
For and on behalf of investor **Muslim Aid Micro Credit (Guarantee) Limited -GL 2097**

Title : Regional Manager / Branch Manager

.....
Client
Full Name :

1.....
GUARANTOR
Full Name :

2.
GUARANTOR
Full Name :

Witnesses :

1. Full Name :

Address :

NIC Number : EPF No-.....

Signature :

(On behalf of Muslim Aid Micro Credit – Micro Finance Officer/Admin Officer)

2. Full Name :

Address :

NIC Number :

Signature :

(On behalf of Client Family member)

Date (DD/MM/YYYY): __ / __ / ____

Time (HH/MM): __ / __ am/pm