

Structure for (Earned Wage Salary) Charge Card using Abhi platform

Background:

Abhi is a FinTech platform that is in the business of providing technology-based solutions with the objective to allow, Employers (SMEs) & employees alike to get instant access to Islamic digital financial services. Abhi-Salary, is targeted at SMEs to allow their employees to have easy and instant access to their earned salaries before pay day by subscribing for Abhi Charge Card for Salary. Employees can instantly request card limit up to 50% of their earned salaries,

Shariah Structure:

Abhi Salary card is based on a Shariah Compliant charge card as per AAOIFI standards on Charge card (AAOIFI Shariah Standard No 2). It could be used to withdraw (borrowing) cash without interest, and a limit of withdrawal (borrowing) will be based on Customer's earned salary that would be accounted for Free as security against that withdrawal (borrowing) and agreed with the customer and employer to allow Abhi to collect customer's (Employee) salary on his behalf. Since Abhi will be acting as an agent to collect the Salary on customer's behalf, Abhi will charge an agency fee (collection charges) based on collecting salaries from customer's employer for his employee (customer), different amounts as mentioned in slabs in digital platform and will be agreed by the customer. Customer also authorizes Abhi to settle the amount received as salary may adjust or settle his loan withdrawn through his charge card.

In short this product is based has three steps:

1. Interest free charge card to provide interest free credit.
2. Agency/service with a fee to collect the salary.
3. Settlement: Once Salary which was construed as security is collected by Abhi, the customer authorizes Abhi to adjust or settle that amount against his borrowings or credit from Abhi

Procedure of issuance of card;

In order to provide this earned wage salary access facility to employees, following charge card based solution is being proposed. As a core mechanism the whole process shall be run digitally either via mobile application.

Step 1: Applying for Abhi charge card for salary

1. Abhi charge card may be issued by in prescribed digital form and will be sent to customers registered email address. The Abhi shall be entitled at its sole discretion to accept or rejected such requests that do not fulfill the requirements of Abhi's Policy.
2. The customer acknowledges and agrees that only one Abhi Charge Card Service will be availed per CNIC, and other given details and ABHI Salary limits shall be applicable as per Abhi Rules and policies.

3. Any person applying or availing ABHI Salary is deemed to have read, understood, and accepted these terms and conditions.
4. Each Abhi Salary customer shall possess a distinctive number, and which shall be quoted in all correspondence with the ABHI relating to Abhi Salary Card for the purpose of availing the services.

Step 2: Customer's responsibility and Representation

1. The customer irrevocably and unconditionally undertakes to ensure the following:
 - a) Is it recommended that the SIM of the mobile number provided by the customer for use of ABHI Salary Services, is registered in the name of the customer
 - b) To not leave his/her mobile phone unattended. Someone having access to the customer's phone may use it wrongfully.
 - c) The customer indemnifies Abhi from any loss or damage accrued due to any breach of terms and conditions, negligence, or inaction by the customer, or due to any network disruption occurring at the cellular service provider end.
 - d) The Abhi shall not be held responsible for any service issue(s) faced by the Customer due to mobile network portability (MNP).
2. Customer shall pay relevant fees for these services on time and in full according to the charging requirements published by us. Charging standards and requirement shall be subject to the change as published and notified by us time to time.
3. After receiving customer's Abhi Salary Card Requests, ABHI shall have the right to deduct Upfront relevant specified fees from customer as per published SOC before executing relevant Instructions.
4. ABHI can modify SOC for these ABHI Services by sending announcements or issuing notices on our website or other ways, and customer may choose whether to accept the modified SOC. If customers refuse to accept the modified SOC, they may give written notices to us to demand termination of all/part of ABHI Services pursuant to relevant procedures (if any) to us.

Two types of fee is charged against two different services

- a. Charge Card Subscription fee with different features and fees
- b. Collection Agency fee to collect the amount from employer as per attached fee slabs





Date: 21-Nov-2024

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Shariah Pronouncement:

It is hereby certified that the Process flow of Charge Card attached herewith, is Shariah Compliant and based on a Shariah Compliant charge card as per AAOIFI standards on Charge card (AAOIFI Shariah Standard No: 2). To execute and implement it properly, we need to certify again for its complete compliance to this process flow.

It could be used to withdraw (borrowing) cash without interest, and a limit of withdrawal (borrowing) will be based on Customer's earned salary that would be accounted for Free as security against that withdrawal (borrowing) and agreed with the customer and employer to allow Abhi to collect customer's (Employee's) salary on his/her behalf.

Since Abhi will acting as an agent to collect the Salary on customer's behalf, Abhi will charge an agency fee based on collecting different amounts as mentioned in slabs and agreed with the customer.

In short this product is based has three steps:

1. Interest free charge card to provide interest free credit.
2. Agency/service with a fee to collect the salary.
3. Settlement: Once Salary which was construed as security is collected by Abhi, the customer authorizes Abhi to adjust or settle that amount against his/her borrowings or credit from Abhi.

While the responsibility of ensuring Shariah Compliance in all transaction lies with management of Abhi.

Usmani & Co Shariah Advisors will be reviewing the implementation of this product to evaluate the level of Shariah Compliance on time to time basis.

This certificate is valid for 6 months only.

And Allah knows the best

For and on behalf of:

Usmani & Co Shariah Advisors (Pvt) Ltd.