

What is Murabaha?

“Murabaha is an Islamic mode of financing structure in which an intermediary buys the commodity (the goods) with free and clear title. This kind of financing mode is most commonly used for a short-term trade. In other words, Murabaha principle is a particular kind of sale where the seller expressly mentions the cost of the commodity purchased and sells it to another person by adding some profit thereon. Thus, Murabaha is not a finance (loan) given on interest; it is a sale of a commodity for cash/deferred price.”

How it works

A contract of sale between Insaaf and its customer whereby Insaaf promises to sell the commodities and the customer promises to buy the commodities from time to time on an agreed ratio of profit added to the cost. In other words, a contract of sale between Insaaf and its customer for the sale of commodities (the Goods) at a cost price plus an agreed profit margin /mark-up. In some cases, Insaaf appoints the customer as its agent for purchasing the commodity on its behalf.

For more information, please visit our website: www.insaaf.com.au/resources where you can find “an introduction to Islamic finance” (page 65-108) by Mufti Muhammad Taqi Usmani.

Eligibility

- Citizen or permanent residence of Australia
- Valid Australian driver license (Learner is not acceptable)
- Insaaf membership number
- Good credit score
- A guarantor (Citizen of Australia) Note that Insaaf reserves the rights to accept or reject the Guarantor
- Minimum 20% upfront (Based on finance assessment, it could be more than 20%)
- Any vehicle from authorized sellers (for example car dealer, auction etc). We do not accept any private seller.

Vehicle Finance – Required Documentation

Please follow the steps below for your finance application

Step 1	Step 2
<p>Be a member of Insaaf Australia Ltd</p> <p>Membership fee \$100.00 (non-refundable)</p> <p>Please fill out the membership application form and send it back to info@insaaf.com.au</p> <p>Please find the attachment</p>	<p>Security</p> <p>\$500.00 (Refundable)</p> <p>Must be paid before submitting the application</p> <p><i>The refund will be issued either at the end of the term (whenever fully paid off), or if you choose not to proceed with the financing, or if the financing application is rejected.</i></p>

Application and supporting documentation

Documentation from Insaaf (will be given after becoming a member)
<ul style="list-style-type: none"> • Vehicle finance application form • Privacy policy form • *KYC form with certified Australian driver license and Australian passport (If you do not have Australian passport, you can provide your overseas passport) • *Statutory declaration form • Vehicle checklist <p>*These documents must be pen-signed. Please keep the original documents that will require during the finance settlement time.</p>

Documents to prove your income, which is as follows

PAYG Members – Income Verification	Self Employed Members – Income Verification
<ul style="list-style-type: none"> • 3 most recent consecutive payslips (latest less than 14 days old from day of submission) • Most recent Notice of Assessment (NoA) or • Individual tax return • Latest 3 months bank statements from a financial institution in the name of the employee showing regular salary credits from the employer 	<ul style="list-style-type: none"> • Most recent taxation returns and financials or Profit and Loss summary from an Accountant • Business Activity Statements (BAS) for the most recent period or Income certificate from an Accountant • 3 months personal and business bank statements <p>We only accept finance applications from individuals/sole traders; we do not provide finance under company or trust names.</p>

Additional documentation may be necessary for the finance assessment process.

- If you have other income, e.g., Centrelink benefit or other benefits, please provide the documents

Vehicle Finance – Required Documentation

Liabilities

- Last statement for each credit card (if you have one)
- Any account closure letters from past 3 months (if you have one)
- Last 3 months statement on any other debts (Mortgage, vehicle finance, personal finance etc) (if you have one)

Proof of citizenship/residency

- Australian Passport or
- Proof of permanent residence

Proof of your residential address

- Any utility bills (e.g., gas, electricity, council tax, etc.) with your name and address on them. **or**
- Rental agreement

Application processing fee

It varies \$175.00 to \$750.00 GST excluded (Please note that the application processing fee is non-refundable. Therefore, we kindly ask you to make your decision carefully before proceeding with the transfer.)

Application processing time

Estimated 7-10 business days. (Please make sure that you have provided all the required documentation, otherwise it could get delayed.)

Documentation format

Please ensure that your documents are complete and high-quality scan of the original document. A high-quality scan is one that is clear, legible, and should be free from poor contrast, shadow, obstruction, blurry and with no cropping or pixilation.) Please all the documents in PDF format.

Finance Limit

The Insaaf contribution/borrowing amount is up to \$40,000, subject to eligibility based on our assessment.

Vehicle Valuation and Inspection (if applicable)

If a vehicle is more than 5 years old, we may require an inspection by a certified mechanic. In such cases, the inspection cost will be borne by the applicant.