

TEN REASONS WHY YOU SHOULD USE ZERO FOR YOUR HOME FINANCING

Zero is dedicated to providing a Halal home financing option to Canadians.

Mufti Ismail Ebrahim Desai, Chief Halal Officer, Zero Global Limited (October 1st 2016)

- 1. INTENTION** Islam states that all actions are judged based on intention before God. Through the Zero process, all parties agree that a Musharakah agreement or partnership agreement is taking place and not a loan agreement. Our Funders have recognized the Musharakah contract between Zero and clients. Zero and the Funders have signed corporate contracts enabling them to collectively serve clients in the Musharakah process. In the legal commitment letter provided, the Musharakah contract is explicitly mentioned. This forms a part of the legal closing.
- 2. PRIMARY CONTRACT** The primary contract is the Musharakah contract, which is key to ensuring the Zero process is Halal. The Musharakah contract states the Halal Payment Amount, which does not constitute interest or Riba, because profit is paid as the beneficiary for the use of the property rather than profit on loaned money as is the case in a conventional mortgage. Secondary documents may use the other words, however, the reality is not that of usury but trade. In addition, in Islam the primary contract is the decisive factor. It is similar to Zabihah (Islamic Animal Slaughter) process where the first step must be according to Islamic law.
The contract between Funder and client bear some resemblance to traditional mortgage contracts, however, this is to look at only one part of the contract and ignore the primary Musharakah contract. The primary Musharakah contract is fundamental to setting out the relationship of the parties, and the Halal nature of the agreement. In many cases in Islam, things could be termed as Halal or Haram based on the primary contracts and processes such as sexual relations and meat consumption. A process initially takes place to make things Halal i.e. marriage and Zabihah respectively.
- 3. NO RIBA** No Riba (usury) is paid. The beneficiary pays a home payment amount for use of the property, with which the non-resident owner of the property makes a profit. Zero is not doing something new, the same concept is by Guidance Mortgages in the USA who recently surpassed \$4 billion in halal mortgages. Zero model closely resembles them and our scholars overlap.
- 4. WILL NOT PROFIT FROM LATE PAYMENTS** Zero and its Funders agree that late payment fees will not be a source of profit for them; rather they will donate the excess above the administration cost to charity.
- 5. ALL PARTIES AGREE TO FOLLOW HALAL** Zero and its Funders agree to handle defaults on Halal terms where in cases if the client is in genuine distress as determined by our Ethics Board, Zero will make payments on behalf of the client.
- 6. AAOIFI SHARIAH STANDARD** Zero has the honour of being the first Canadian company to follow the same Shariah standards of 200 Islamic banks with the Accounting and Auditing Organization for Islamic Financial Institutions(AAOIFI). AAOIFI stipulates that any institution providing Islamic financial products to the public should have an independent board that signs the Fatwa consisting of three scholars and two should be senior that they sit on other Islamic financial boards.
- 7. LEADING INDUSTRY SCHOLARS FATWA** Zero has the highest qualified Ethics board of leading industry scholars who have signed product fatwas. They are Mufti Dr. Zubair Usmani, Dr. Aznan Hasan and Shaikh Nizam Yaquby.
- 8. CHIEF HALAL OFFICER** We have a Chief Halal officer, Mufti Ismail Desai and senior advisor Sh. Omar Rahman to ensure document integrity. Mufti Ismail Desai as senior management will sign the Musharakah contract.
- 9. NO EXTRA COST OF BEING A MUSLIM** We do not charge a signup fee or setup fee. Our business model is such that if a client transfers from a major Canadian bank, the financial cost will be very similar and competitive.
- 10. HALAL BANK IN CANADA** Our goal is to work with the government agencies to make changes to terminology to reflect the true nature of a Musharakah contract. Our end goal is one day to move our clients into a Halal Bank. Zero and its partners have contractually agreed to these terms.

QURAN ON TRADE AND RIBA: Those who take riba (usury or interest) will not stand but as stands the one whom the demon has driven crazy by his touch. That is because they have said: "Trading is but like riba." And Allah has permitted trading, and prohibited riba. (Al-Baqarah 2:275)

HADITH ON TRADE AND RIBA: Narrated Abu Said al-Khudri: Bilal brought Barni (a kind of date) to the Prophet and the Prophet asked him, "From where have you brought these?" Bilal replied, "I had some inferior type of dates and exchanged two Sas of it for one Sa of Barni dates in order to give it to the Prophet; to eat." Thereupon the Prophet said, "Beware! Beware! This is definitely Riba (usury)! This is definitely Riba (Usury)! Don't do so, but if you want to buy (a superior kind of dates) sell the inferior dates for money and then buy the superior kind of dates with that money." (Bukhari 3:506)