

DA AFGHANISTAN BANK
(CENTRAL BANK OF AFGHANISTAN)
Terms of Reference for Shariah Supervisory Board

Terms of Reference for Shariah Supervisory Board

Accountable Executive & Custodian	Islamic Banking Department
Policy Owner	Head of Islamic Banking Department

Approved by DAB Governor:	Date	DAB Board Secretary
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ISLAMIC REPUBLIC OF AFGHANISTAN

TERMS OF REFERENCE FOR SHARIAH SUPERVISORY BOARD

1. Preamble

- 1.1. The compliance with Shariah principles is paramount in Islamic banking and finance. An effective and conducive Shariah framework is imperative in assuring such compliance and will harmonize Shariah interpretations and strengthen the regulatory and oversight of the industry.
- 1.2. To achieve the above objectives, Da Afghanistan Bank (hereinafter referred to as "DAB") is committed to establish its Shariah Supervisory Board (hereinafter referred to as "the SSB") as the sole and ultimate Shariah authority in Islamic banking and finance in the Islamic Republic of Afghanistan.
- 1.3. To effectively play its role, the SSB will operate as an independent body. An independent body SSB with a high level of integrity will command public confidence and will boost the industry to greater heights.
- 1.4. These Terms of Reference ("TOR") set out the relationship between the various organs of DAB and its SSB. DAB hereby under Article 2.2 of the Afghanistan Bank Law gazetted on 12/17/2003 (corresponding to 30/10/1382) in relation to the powers of DAB to regulate and supervise Banks in the Islamic Republic of Afghanistan (and any amendments thereto) is vested with the authority to establish the SSB as the sole and highest Shariah authority in all matters relating to Islamic banking and finance at the national level in the Islamic Republic of Afghanistan.
- 1.5. The SSB shall have an oversight authority on product and services of every Islamic Financial Institution ("IFI"), Financial Institution operating with an Islamic Window ("Islamic Window Operation") and Financial Institution operating with an Islamic Unit ("Islamic Unit") (hereinafter collectively referred to as "the Banks") operating within the Islamic Republic of Afghanistan and under DAB's purview. The term "Shariah Board" is defined in Article 1.52 in the Law of Banking of the Islamic Republic of Afghanistan as follows:

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Shariah Board means the group of Shariah scholars that advises an Islamic bank or an Islamic banking window regarding compliance with Shariah of banking activities and products in accordance with Shariah principles”

- 1.6. Pursuant to Clause 87.4 of the Law of Banking:

“Islamic banks and their Shariah Boards shall be responsible for all matters relating to compliance with Shariah; Da Afghanistan Bank shall have no responsibility in this regard.”

Accordingly, the responsibility for Shariah compliance, or lack thereof, of a Bank rests with the Bank and its Shariah Board. The SSB shall assist the Banks and their Shariah Board to carry out their responsibilities.

- 1.7. For the time being, pending the enactment of the laws contemplated in Clause 1.4 hereto, the SSB shall, as set out in Clause 1.6 above, merely **assist** the Banks in their Shariah compliant business activities wherever relevant and requested by the Banks.
- 1.8. To effectively play its role, the SSB will operate as an independent body that shall report directly to the Supreme Council of DAB. DAB believes that an independent SSB with a high level of integrity will command public confidence in the Islamic Financial system and attract the unbanked and under-banked Afghan citizens and foreign nationals in the Islamic Republic of Afghanistan to participate in Islamic banking and finance for the benefit of the Islamic Republic of Afghanistan economy as a whole.
- 1.9. The SSB shall be a separate and independent entity of DAB which shall consist of esteemed and reputable Shariah scholars under a contract for service to be appointed by the Supreme Council of DAB.
- 1.10. According to the Accounting and Auditing Organization for Islamic Financial Institutions (“AAOIFI”), Shariah Supervisory Board is defined as:

“(A)n independent body of specialised jurist in Fiqh al Muamalat (Islamic Commercial Jurisprudence). However, the SSB may include a member other than those specialised in Fiqh al Muamalat, who should be an expert in the field of Islamic Financial Institutions and with a knowledge of Fiqh al Muamalat. The SSB is entrusted with the duty of directing, reviewing, and supervising the activities of the Bank in order to ensure that they are in compliance with Islamic Shariah rules and Principles...”

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1.11. For all intents and purposes, as per the laws contemplated by Clause 1.4 hereto, the resolutions and rulings of the SSB shall be binding on DAB.

2. Purpose and Objective

2.1 The SSB is established to achieve the following objectives:

- a) To provide clarifications and opinions and where relevant, issue resolutions on matters pertaining to both generic and specific issues associated with Shariah principles that require a Shariah opinion;
- b) To approve all products, manuals, policies and procedures submitted by DAB and/or the Banks in relation to Islamic Banking and Finance;
- c) To resolve any conflicting issues relating to Shariah matters from the Shariah Boards of the Banks;
- d) To perform an oversight role on any Shariah matters post-approval to ensure that all of the Shariah requirements as set out in its guidelines and resolutions are followed by the Banks. The SSB shall have access to all the relevant information to ensure such compliance by the Banks. The SSB shall be given the necessary materials by the Banks including but not limited to the on-site and off-site assessment reports. For all intents and purposes, the onus of ensuring compliance to the guidelines and resolutions shall rest with the Shariah Board of the Banks as governed within the Shariah Governance Framework adopted by the Banks;
- e) To be the sole point of reference and highest authority in all Shariah matters relating to banking and finance; and
- f) To advise on such other functions as may be prescribed by DAB from time to time only in relation to Shariah matters.

2.2 Pursuant to the laws stated in clause 1.4 above (and any amendments thereto), the SSB has an advisory role only in the Islamic Republic of

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Afghanistan. Until amended otherwise by the enactment of further additional laws and regulations, DAB hereby authorises the SSB to have, among others the following objectives:

- a) To issue opinions on how the Banks should address and rectify any Shariah non-compliant practices;
- b) To ensure that the SSB's guidelines and resolutions are followed by the Banks;
- c) To become the focal point of reference in developing new policies and regulations with regard to Islamic Finance in the Islamic Republic of Afghanistan;
- d) To manage and sustain the confidence of all stakeholders and the public at large in Islamic Finance in the Islamic Republic of Afghanistan;
- e) To be the authority on any matter concerning Islamic Commercial Law in the Islamic Republic of Afghanistan; and
- f) To be the deciding authority in cases of conflicting opinions on Shariah matters.

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3. Composition, Appointment and Re-appointment

- 3.1 The SSB shall consist of not less than five (5) members.
- 3.2 The majority of the members of the SSB shall hold a degree in Shariah or Islamic economics/finance from a recognised university or have attained the status of a recognised scholar in the Islamic Republic of Afghanistan's society. Accordingly, they must either have qualifications in or possess necessary knowledge, expertise and experience in the following fields:
- a) Islamic Jurisprudence (Usul-ul-Fiqh); or
 - b) Islamic transactions / commercial law (Fiqh – ul – Mu'amalat); or
 - c) Relevant experience and knowledge in Shariah and Islam.

Other members of the SSB shall consist of the following:

- a) One (1) lawyer with experience in Islamic financial contracts; and
 - b) One (1) accountant/ banker holding MBA/MSc in Economics and equipped with knowledge of Islamic Financial Accounting, financial standards and Shariah audit.
- 3.3 The Chairman of the SSB shall be appointed amongst the SSB member.
- 3.4 Each member of the SSB must fulfil the following conditions:
- a) Be a Muslim adult with full legal capacity; and
 - b) Be a person of acceptable reputation, character and integrity; and
 - c) Not a director or significant shareholder of any Islamic Bank or Window operation in the Islamic Republic of Afghanistan; and
 - d) Have at least three (3) years of experience in research and development in Islamic banking and finance; and
 - e) Neither been declared a bankrupt, nor had a petition under bankruptcy laws filed against him or is financially insolvent; and
 - f) Be a "Fit and Proper person" as defined under Article 1.14 of the Law of Banking and all subsequent amendments thereto; and

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- g) Not a member of any Shariah Board in the Islamic Republic of Afghanistan; and
 - h) Have completed the Form 1 attached at **Appendix A** hereto to the satisfaction of DAB.
- 3.5 The Supreme Council of DAB shall select and appoint members of the SSB from the list of names proposed by the Selection Committee and shall be responsible for their re-appointment, suspension and termination.
- 3.6 Each member of the SSB shall have an office term of three (3) years. Upon expiry of such term, the members whose office has expired may be re-appointed.
- 3.7 Notwithstanding the above, the Supreme Council of DAB may appoint new members to a post that becomes vacant in the SSB during the office term. The newly appointed member shall complete the term of his predecessor and may be appointed for a further term. The Supreme Council of DAB shall appoint a replacement of the SSB member within three (3) months from the official date of the vacancy.
- 3.8 The nature of the services rendered by each SSB member shall be that of an independent external consultant. Each SSB member will exercise his professional independence in his actions, judgments and opinions whether expressed orally or in writing and will hold himself to the highest standards of responsibility, trustworthiness and conscientious behaviour as reasonably expected of an eminent Shariah scholar and will be responsible for his independently attained and held judgment and opinions.
- 3.9 Each SSB member shall update their personal data per Section II of the Form 1 set out in **Appendix A** on an annual basis.

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4. Termination of Shariah Supervisory Board Members

- 4.1 The appointment of an SSB member shall terminate upon his death or serious physical and/or mental illness which prevents him from carrying out the duties of an SSB member or cease to become a "Fit and Proper" person as defined in Article 1.14 of the Law of Banking and all subsequent amendments thereto.
- 4.2 The Supreme Council of DAB shall provide the SSB member with ninety (90) days prior written notice terminating appointment of one or more of the SSB members. DAB shall be under an obligation in such circumstances to give the SSB member a reason(s) for such termination and shall be obliged to pay all monies owing to the SSB member at the time of termination but the SSB member shall not be entitled to any compensation for such termination.
- 4.3 Without prejudice to Clause 4.2 hereto, the appointment of an SSB member may be terminated forthwith by the Supreme Council of DAB within seven (7) days' written notice if in the opinion of DAB and after due process, the SSB member shall at any time:
- a) Commit any serious or persistent breach of any of the provisions herein contained; or
 - b) Be guilty of gross negligence or willful neglect in the discharge of his duties or lack of discipline bringing himself or DAB into disrepute; or
 - c) Is subject to any legal proceedings against him for any offences other than an offence which, in the reasonable opinion of DAB, does not affect the SSB members' service to DAB; or
 - d) Fails, without good cause, to attend two (2) consecutive meetings scheduled for the SSB or three (3) meetings within a year excluding situation of Force Majeure as defined under Clause 4.4 below; or
 - e) He has been declared a bankrupt by the Courts of Law.
- 4.4 Both parties may terminate the appointment due to any 'Force Majeure' circumstances by giving the other party fourteen (14) days prior written notice. For the purposes of this letter, 'Force Majeure' shall mean any unforeseeable circumstances beyond a party's control that would prevent him / her or it from performing its obligations under this letter of engagement.

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- 4.5 Either Party may terminate the appointment with immediate effect if the other party commits a material breach of any provision of this Agreement and does not remedy such breach to the satisfaction of the non-defaulting party within thirty (30) days of receiving the notification of breach.

5. Resignation of Shariah Supervisory Board Members

Any SSB member who intends to resign from the SSB must notify the Supreme Council of DAB and the Head of Islamic Banking Division of DAB (hereinafter referred to as "IBD") in writing within ninety (90) days' prior notice to effect such resignation. The SSB member shall not be under any obligation to give any reason for such resignation.

6. Rights and Responsibilities of the Shariah Supervisory Board

- 6.1. The SSB shall have full and unrestricted access to information, records, properties and employees relating to DAB. If the information provided is insufficient, the SSB may request for additional information, which shall be immediately provided by the relevant department of DAB.
- 6.2. The SSB has the right to check the Shariah-compliant assets and liabilities of DAB.
- 6.3. DAB shall be responsible for the accuracy and the validity of data and/or information provided to the SSB.
- 6.4. In the event that the SSB is not provided with information requested by it, the Supreme Council shall be informed of the fact and appropriate action shall be taken to rectify the situation. The Supreme Council may consider taking the necessary punitive measures against parties who intentionally failed to extend the requested information.
- 6.5. In the event that DAB are unable to provide information requested of it, which results in the SSB's inability to carry on its role and responsibilities, the

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SSB will submit a written report to the Supreme Council to look into this matter.

- 6.6. All of SSB's decisions, pertaining to Shariah, shall be treated as final and conclusive and shall be binding on the Supreme Council of DAB, whilst the Supreme Council's recommendations on Shariah matters are not binding on them.
- 6.7. Should a dispute arise between the SSB and either the Supreme Council of DAB or the Executive Board of DAB in relation to whether a certain matter is or is not compliant with Shariah in relation to Islamic banking and finance only, then the view of the SSB shall prevail.

7. Decision Making Process

- 7.1. The SSB shall review all the relevant documents pertaining to the Shariah matters of Islamic banking and finance activities and services of DAB and/or the Banks. However, the SSB deliberation excludes issues related to strategic or economic aspects of the products and services and underlying policies.
- 7.2. The SSB shall also review and deliberate on any internal issue presented to it by the Shariah Board of any Banks in the Islamic Republic of Afghanistan or any conflicting issue or decision as raised by Shariah Board of the Banks and issue a final decision and resolution accordingly.
- 7.3. The head of IBD shall play the role in providing an executive summary to the SSB with respect to the Shariah matters before or during SSB meetings.
- 7.4. Cases with no established Shariah precedents shall be discussed and deliberated by the SSB and the final decision will be issued upon the deliberation by all the SSB members either through a physical meeting or any other modes of deliberation which may include telephone conferencing.

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8. Functions and Duties of the Shariah Supervisory Board

8.1. Shariah Supervisory Services include the following:

- a) To review, vet, deliberate and approve all Islamic banking and finance products and services if they are at a stage where they can be approved or revert with suggested improvements.
- b) To provide ongoing supervision and oversight on the operations, policies and activities of DAB (in relation to Shariah matters only).
- c) To provide such other advice and guidance relating to Shariah compliance of DAB and the Banks' activities as may, in its view, be relevant and applicable.
- d) To conduct reviews in accordance with the AAOIFI Governance Standards for Islamic Financial Institution (GSIFI) No. 2, where relevant and necessary, and submit annual reports or Shariah compliance certificate (as appropriate/required) to the Supreme Council.
- e) To undertake any other roles and functions as assigned to it by the Supreme Council from time to time.

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9. Meetings of the Shariah Supervisory Board

9.1 Meeting Administration - Islamic Banking Division of DAB / Shariah Secretariat

- 9.1.1. The IBD of DAB shall become the SSB's Shariah Secretariat. IBD shall ensure that all communications with the SSB shall be routed via IBD first and IBD shall, at the first instance, attempt to provide and resolve any arising Shariah-related matters and only when the circumstances require shall IBD bring the matter to the attention of the SSB for its decision.
- 9.1.2. IBD has the responsibility to ensure that the approvals, resolutions, and decisions of the SSB are duly communicated to the relevant parties.
- 9.1.3. IBD will coordinate and act as a liaison between DAB and the SSB on all Shariah matters and organize all SSB meetings.
- 9.1.4. All communication to and from the SSB shall be conducted through IBD.
- 9.1.5. IBD will provide all the necessary administrative support in managing DAB's Shariah related matters as and when needed which shall include but not limited to the following:
- a) Vetting the relevant documents, periodic review and facilitating the Shariah endorsement of DAB's products (if any) including all referrals from Banks;
 - b) Preparing the Shariah papers for the purpose of submission to the SSB and obtaining SSB's approval, resolution, decision or endorsement to be presented to the Supreme Council of DAB;
 - c) Co-ordinating and acting as a liaison between DAB and other stakeholders with the SSB on all Shariah related matters;
 - d) Coordinating, organizing and managing the Shariah review process by the SSB;
 - e) Reviewing all Shariah-related activities of DAB to facilitate the recommendation for an approval by the SSB;
 - f) Organizing and co-ordination of the SSB's meeting including the preparation of the SSB meetings' agenda and call for meetings and circulate it to the SSB;

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- g) Receiving inquiries by other DAB departments/divisions to be presented to the SSB;
- h) Coordinating meetings between the SSB and the Supreme Council pursuant to the SSB's request for clarification on certain issues;
- i) Preparing of minutes of the SSB meetings and obtaining the SSB's members' signatures on the minutes, opinions, approvals, and resolutions and disseminating them to the relevant departments/divisions of DAB;
- j) Compiling all approvals, resolutions, and decisions issued by the SSB and making them available as required by DAB;
- k) Endeavour, on best efforts basis to ensure that the SSB has all of the necessary documents to allow them to conduct their deliberations at a forthcoming SSB meeting at least seven (7) working days from the scheduled SSB meeting; and
- l) Ensuring that, whenever necessary, a duly translated approval, resolution or decision in whatever languages as required is in place, with such translation effected by a duly certified translator, and made available for execution on the date of the scheduled SSB meeting.

9.2 Frequency

- 9.2.1. The SSB shall meet at least six (6) times a year. The SSB members are expected to contribute and allocate adequate time and efforts to discharge his duties effectively. The SSB members must attend at least sixty six percent (66%) of the SSB meetings held in each financial year with exceptions to situations of Force Majeure as defined under Clause 4.4 hereto, wherever relevant. Where necessary, the participation of the SSB members can be facilitated by means of video, telephone conferencing, VOIP (Skype) or any other electronic means of communication. .
- 9.2.2. It is intended for the short to medium term to have an SSB meeting on a monthly basis. The SSB meeting shall take one (1) full day. On an exceptional basis, SSB meetings may take place over two (2) full working days.
- 9.2.3. Notwithstanding the above, should the need arises, the head of IBD or the Chairman of the SSB may request for an ad-hoc meeting in addition to the

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fixed meetings but with at least fourteen (14) days of prior notice given to all SSB members.

9.2.4. Meetings of SSB may be held at a mutually convenient location for the SSB members on occasion as determined by the IBD.

9.3 Quorum

9.3.1. The quorum for a meeting of the SSB shall be three (3) of its members, and decisions shall be made on the basis of simple majority of the members present.

9.3.2. Notwithstanding clause 9.3.1 above, in the event that a quorum is three (3) members, two (2) of the members of the quorum must be members with the expertise in Shariah.

9.4 Approval via Email and Telephone

9.4.1. For decisions made via email or telephone calls or any other viable means of communication, decisions are deemed achieved when the majority of the SSB members have approved, subject to the proviso that the Chairman must have also approved the decision.

9.4.2. The decision shall be presented at the subsequent SSB meeting for ratification.

9.5 Voting Rights

9.5.1. All approvals for a fatwa of the SSB shall be adopted by a simple majority vote; each member having one vote. In case of equality of votes, the Chairman shall have a casting vote.

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10. Disclosure of Interest

- 10.1. Any member of the SSB who directly or indirectly through himself, his spouse or children has any interest, pecuniary or otherwise, in any specific matter of discussion in the SSB meeting shall disclose the existence of his interest and the nature thereof.
- 10.2. A disclosure under clause 10.1 above will be recorded in the minutes of the SSB meeting and after such disclosure the member may be present in the meeting and contribute to the discussion but shall not participate in the decision making process.
- 10.3. Where the Chairman has declared a conflict pursuant to clause 10.1 above, he shall recuse himself as Chairman of the SSB for the duration of the discussion and be excluded from voting on the matter.
- 10.4. Where the Chairman recuses himself in accordance with clause 10.3 above, the SSB members shall elect one among them to assume the Chair and preside over the proceedings of the SSB meeting relating to the matter.
- 10.5. After completion of the specific matter, provided that no further conflict pursuant to clause 10.3 above arises on the subsequent matters in the same SSB meeting, the Chairman shall resume his role as Chairman of the SSB.

11. Power to Invite Relevant Individuals /Parties or Agencies to Sit in Meetings

The SSB may, subject to prior consultation with IBD, invite any relevant individual / parties or agencies to sit in SSB meetings to offer clarification and consultation on the subject matter of deliberation.

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12. Remuneration and Allowances

12.1 For their services, the SSB members shall be remunerated by DAB as follows:

- a) Annual Shariah Supervisory Board member allowance fee; and
- b) Meeting allowances of each SSB meeting that the member attends; and
- c) Travel expenses which include return flight ticket or cash reimbursement for actual expenses paid by the SSB member; and
- d) Hotel accommodation during the meeting period in addition to one day before and after the meeting (including food expenses) and out of pocket expenses; and
- e) Any miscellaneous expenses as incurred by the SSB member in the course of discharging his duties.

12.2 Payment to the SSB member shall be made by DAB via IBD within fourteen (14) days of receipt of invoice from the SSB member.

13. Official Reference of Shariah Principles and Interpretation

13.1. The official reference for any deliberation on Shariah matters will primarily be based on the Hanafi School of Jurisprudence. Efforts must be made to find the authority in the Hanafi School of Jurisprudence to underpin any approval of the SSB.

13.2. However, where circumstances necessitate, the Shariah interpretation by the other schools of jurisprudence may be taken into consideration on a case by case basis to facilitate the growth and development of Islamic banking and finance in the Islamic Republic of Afghanistan.

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14. Approval and Maintenance of Terms of References

- 14.1. These Terms of Reference shall be reviewed by the SSB and approved by the Supreme Council of the DAB.
- 14.2. The custodian of the official and updated document shall be IBD and it shall not be amended without prior consultation with the SSB and DAB Executive Board.

15. Responsibilities of Da Afghanistan Bank

Pursuant to the establishment of the SSB, DAB shall have the following responsibilities:

- 15.1 To refer all Shariah issues relating to Islamic banking and finance operations to the SSB for the final decision on the subject matter. This will include explaining all the processes involved, documents to be used and all other necessary information;
- 15.2 To adopt the SSB's decision and advise and treat it as the highest and final decision and take all the necessary measures for its implementation;
- 15.3 To provide access to relevant documents, transactions, manuals or any other relevant information as required;
- 15.4 To provide SSB with sufficient resources such as adequate meeting space, reference materials and other logistic assistance;
- 15.5 To provide any related orientation and training whenever required; and
- 15.6 To remunerate SSB members commensurate and reflective of their roles and functions.

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16. Effective Date of the Document

The Effective date of this TOR is the _____ day of _____ 20____

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CONFIDENTIALITY

1. The SSB members or their representatives, shall not disclose to any third party without the prior written consent of DAB and/ or the Bank (if applicable), any confidential information which is received from DAB, its employees, agents, representatives, or any of its other advisors which have been obtained in the course of their duties.

"Confidential Information" means any non-public information which is disclosed or made available by either party to the other party which is expressed to be confidential or which by its nature is intended to be confidential.

2. The limitations on reproduction, disclosure or use of the Confidential Information shall not apply if:
 - (i) Confidential Information was lawfully known to the other Party; or,
 - (ii) Has been lawfully received from other sources, provided such other source did not receive it due to a breach of an agreement with the owner of the Confidential Information and the receiving party knows of such breach.
3. The obligation of confidentiality set out herein shall survive the appointment of the SSB members save and except for information that becomes generally known to the public.
4. The confidentiality obligations set out herein shall extend to the IBD or its representatives, and the IBD undertakes to procure that each of its members or representatives, will be bound (to an equivalent degree) by the same confidentiality obligations set out herein.
5. In the event of a breach of any part of the confidentiality provisions set out herein, the SSB member or the IBD shall be fully liable for the said breach and shall fully indemnify DAB and its affiliates, directors, officers and employees from any and all liabilities, losses, costs, damages, and expenses (including reasonable attorney's fees and expenses) arising out of (whether directly or indirectly) or in connection to the said breach.

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APPENDIX A

Application Form to Be a Member of the Shariah Supervisory Board

Notes on the completion of Form 1

1. This application form should be completed by referring to the TOR.
2. Applicants should satisfy themselves that they meet the requirements of the TOR before submitting an application. This form contains the principal elements that are required, but should applicants consider that there is additional evidence of relevance to the application; it should be submitted together with this form. It should not be assumed that information is known to the DAB merely because it is in the public domain or has previously been disclosed to the DAB or another regulatory body. If there is any doubt about the relevance of information, it should be disclosed.
3. Complete all sections as fully as possible, attaching supporting documentation and continuation sheets where appropriate. The application should be written in ink in BLOCK CAPITALS or typed. It must be signed by the applicant in ink in a colour other than black.
4. Failure to provide all the required information may result in significant delays in processing. DAB does not accept responsibility for any loss caused to the applicant by any delay.
5. All documentation provided to the DAB must be in either the Dari or Pashtoo languages. Any documentation in a language other than Dari or Pashtoo must be accompanied by a certified Dari or Pashtoo translation thereof.
6. The application form must be accompanied by certified copies of original identification documents which contain a photograph of the concerned

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applicant, the applicant's full name and details of date of birth. These would include passport and/or identity card from home country of the applicant. Any document copied for the purpose of identification verification must be original. Certification must be performed by an official of the concerned licensee (if already licensed), a lawyer, or a Government body such as an Embassy or Ministry. Certification may also be made at the DAB subject to the submission of the original documents. The certification must include the words "original sighted" together with a date and signature of the concerned authorised official (along with corporate stamp where applicable). The certifier's contact details should be clearly available (e.g. business card) with the certification.

7. If any question is not applicable given your particular circumstances, please clearly indicate by marking 'N/A', with an explanation as to why it does not apply. Please provide a full explanation for any question that cannot be answered at this stage. Please note that failure to provide the required information may prejudice an application and will cause delay.
8. Where the request for approved person status forms part of a new license application, the original completed form, together with supporting (certified) documentation, should be submitted to:

[]

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Form 1: Section I -DECLARATION

I _____ hereby certify that the information in this Form 1 is accurate and complete to the best of my knowledge and belief and that there are no other facts relevant to this application of which Da Afghanistan Bank (DAB) should be aware.

I authorise DAB to make such enquiries and seek further information it deems necessary in considering this application for approved person status.

I confirm that I will not assume the responsibilities of the approved person for which this application is being submitted prior to obtaining such approval.

I undertake to inform the DAB of any changes material to the application which arise while DAB is considering this application.

I further undertake that, in the event that the approved person status being sought is granted, I will notify the DAB of any material changes to or affecting the completeness or accuracy of, the information provided in this Form 1 as soon as possible, but in any event no later than twenty one (21) days from the day that the changes come to my attention.

Name of applicant

Signature of applicant
(Do not sign in black ink)

Date

Note: The use of the term “applicant” throughout this form refers to the individual seeking to be a member of the DAB Shariah Supervisory Board.

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Form 1: Section II – PERSONAL DETAILS OF APPLICANT

Please provide full contact details:

Name:

Title:

Tel:

Fax:

E-mail:

**Please delete wherever applicable*

1. Have you had any previous name (s) by which you are known? Yes /No

If yes, please specify:

2. Date and place of birth:

Place:

Date:

3. Nationality:

4. Beginning with the applicant's current address please list all previous private addresses during the last 10 years with relevant dates:

Date:

Address:

Date:

Address:

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Date:

Address:

5. Identity card number:
Personal Mobile number:
National Insurance number:
and/or Social Security number and country of issue:
6. Passport Number on the case of a non-Afghan national:
Place of issue:
Date of issue:
Date of expiry:

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Form 1: Section III – QUALIFICATION & EXPERIENCE

1. Please provide details and certified copies of any professional qualifications and the year and place in which these were obtained (with originals or certified copies of certificates and translations if not in Arabic or English).

Original or Certified Copies Attached: Yes/ No

Membership No.:

Professional Qualification:

Year Obtained:

2. Please provide details and certified copies of any further relevant qualifications (not covered in Question 1) and the year and place in which these were obtained (with originals or certified copies of certificates and translations if not in Dari or Pashtoo).

Original or Certified Copies Attached: Yes / No

Qualification:

Educational Establishment:

Year Obtained:

3. Please provide details of current membership of any relevant professional bodies, their address(es) and the year of admission.

Name of Professional Body:

Address:

Year of Admission:

*If additional professional bodies, please complete an additional sheet.

4. Beginning with your present employment, please provide details of all occupations and employment over the past 10 years, including the full name and address of the employer, the nature of the business, the position held and the relevant dates (please enclose curriculum vitae). Please account for any gaps in employment history.

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a) Period Covered:
Name of Employer 1:
Address Nature of Business:

Position Held:

b) Period Covered:
Name of Employer 1:
Address Nature of Business:

Position Held:

c) Period Covered:
Name of Employer 1:
Address Nature of Business:

Position Held:

*If additional employment experience, please complete an additional sheet.
*If self-employed, mark as self-employed.

5. Please provide details of any body corporate of which the applicant is currently a director, controller, manager, or company secretary, and the countries in which they are registered. Please state whether any of these positions will be retained if you obtain the role as a member of the DAB SSB.

a) Name of Corporate Body:
Position Held:
Country of Registration:

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b) Name of Corporate Body:
Position Held:
Country of Registration:

c) Name of Corporate Body:
Position Held:
Country of Registration:

*If additional corporate positions are held, please complete an additional sheet.

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Form 1: Section IV – PERSONAL BACKGROUND

1. Name of companies or businesses that the applicant or member of the applicant's family owns 20% or more or where the applicant has a controlling interest.

The term "family" refers to father, mother, husband, wife, children, grandparents and grandchildren.

- a) Name of Business:
Address:

Telephone Number:
Nature of Business:
Country of Incorporation:

- b) Name of Business:
Address:

Telephone Number:
Nature of Business:
Country of Incorporation:

- c) Name of Business:
Address:

Telephone Number:
Nature of Business:
Country of Incorporation:

*If additional businesses qualify, please complete an additional sheet.

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2. Please provide details of any outstanding litigation and/or any current proceedings against the applicant:

3. Details of any judgment against the applicant:

4. Has the applicant, or any corporate body, partnership or unincorporated institution to which the applicant has, or has been associated with as a director, controller, manager or company secretary, ever applied to any regulatory authority in any jurisdiction for a license or other authority to carry on insurance activity?

Yes/ No

If yes, please list all applications showing whether they have been successful or unsuccessful.

5. Has the applicant at any time been convicted of any offence by any court, including civil or military (excluding any minor traffic offence)?

Yes/ No

If yes, please give full particulars of the court by which the applicant was convicted, the offence and the penalty imposed and the date of conviction.

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6. Has the applicant ever been censured, disciplined or publicly criticised by any Court of Law or by any officially appointed enquiry whether in the Islamic Republic of Afghanistan or elsewhere or by any professional body or trade association to which the applicant has belonged or been the subject of a regulatory order?

Yes / No

If yes, please give full particulars of the action taken, where and when it took place and the party having taken this action.

7. Has the applicant, or any corporate body, partnership or unincorporated institution to which the applicant has, or has been associated with as a director, controller, manager or company secretary been the subject of an investigation by a governmental, professional or other regulatory body?

Yes / No

If yes, please give full particulars of the action taken, where and when it took place and the party having taken this action.

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8. Has the applicant ever been the subject of a disciplinary enquiry?

Yes/ No

If yes, please give full particulars of the action taken, where and when it took place and the party having taken this action.

9. Has the applicant ever been suspended from any office, or asked to resign?

Yes / No

If yes, please give full particulars of the action taken, where and when it took place.

10. Has the applicant been dismissed from any office or employment or barred from entry to any profession or occupation?

Yes/ No

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If yes, please give full particulars of the action taken, where and when it took place.

11. Has the applicant ever been disqualified from acting as a director of a company or from acting in the management or conduct of the affairs of any company, partnership or unincorporated association?

Yes / No

If yes, please give full particulars of the action taken, where and when it took place.

12. Has the applicant been adjudged bankrupt by a court in any country?

Yes / No

If yes, please give full particulars of the action taken, where and when it took place.

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13. Has the applicant ever at any time been declared bankrupt and/or have any money judgments been made against the applicant which have not been satisfied in full?

Yes / No

If yes, please give full particulars of the action taken, where and when it took place.

14. Has the applicant, in connection with the formation or management of any corporate body, partnership or unincorporated institution been adjudged by a court civilly liable for any fraud, misfeasance or other misconduct by the applicant towards such a body or company or toward any members thereof?

Yes / No

If yes, please give full particulars of the action taken, where and when it took place.

15. Has any corporate body, partnership or unincorporated institution with which the applicant is or was associated as a director, controller, manager, partner

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or company secretary been compulsorily wound up or made a compromise or arrangement with its creditors or ceased trading in circumstances where its creditors did not receive or have not yet received full settlement of their claims, either while the applicant was associated with it or within one year after the applicant ceased to be associated with it?

Yes / No

If yes, please give full particulars of the action taken, where and when it took place.

16. In carrying out his duties will the applicant be acting on the directions or instructions of any other person(s)?

Yes / No

If yes, please give full particulars.

17. Provide the name and address of one or more bankers as a reference for DAB to obtain information on the conduct of your financial affairs over the past 5 years:

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18. Has the applicant ever been a director, partner or manager of a corporation which has been liquidated or under administration?

Yes / No

If yes, please give full particulars of the situation, including where and when it took place.

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