

DA AFGHANISTAN BANK
(CENTRAL BANK OF AFGHANISTAN)
Shariah Board Members' Assessment Manual

Shariah Board Members' Assessment Manual

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

DA AFGHANISTAN BANK, SHARIAH BOARD MEMBERS'
ASSESSMENT MANUAL

Assessment of Shariah Board Members

Note: This Assessment Form and its contents are to be treated as strictly private and confidential.

Part I: Preamble

1. This Shariah Board Members' Assessment Manual (hereinafter referred to as "the Manual") is issued by the Da Afghanistan Bank (hereinafter referred to as "DAB") which shall be adopted and become the guiding principles for Islamic Financial Institutions, Financial Institutions operating with an Islamic Window and Financial Institutions operating with an Islamic Unit (collectively referred to as "the Bank") in the Islamic Republic of Afghanistan offering Islamic financial products.
2. This assessment of the Shariah board members (hereinafter referred to as "the Shariah Board") of Banks in the Islamic Republic of Afghanistan shall be carried out to fulfill the requirements of the National Shariah Governance Framework (hereinafter referred to as "the NSGF") of the Islamic Republic of Afghanistan under **Section 6.4.3** of the NSGF.
3. The duty to conduct the assessment of the Shariah Board members shall be performed by all of the following people:
 - a. The individual Shariah Board member himself as a self-appraisal; and
 - b. Amongst the other Shariah Board members themselves as a peer review on each other's performance; and
 - c. Head of the Shariah Department (for full-fledged Islamic Financial Institutions) and the Islamic Banking Department/Unit (for Islamic Window or Islamic Unit operations) (collectively hereinafter referred to as "the Shariah Department") of the Bank OR in his absence or due to other specific circumstances which does not allow him to conduct the assessment, a member of a Special Committee which

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shall be created by the Board of Directors of the Bank specifically for the purposes of such assessment;

Hence, each Shariah Board member shall be subjected to 3 categories of assessment under category (a), (b) and (c) respectively with the panel for the assessment under category (b) comprising of more than one person. Category (b) and (c) known as "independent assessment" will use the same assessment form while category (a) known as "self-appraisal assessment" will use a different and separate form, both assessment forms are set out in Part III of this manual.

5. Assessment under category (a) will account to twenty percent (20%) of marks available in the assessment total while under category (b) and (c), each will account to forty percent (40%) marks available in the assessment total respectively. The final result for each Shariah Board member shall be the total points achieved by the candidate in category (a) and (c) together with the mean of the marks achieved by the candidate in category (b).
6. The assessors are to take into consideration the contents and requirements of the Terms of Reference (hereinafter referred to as "the TOR") of the DAB Shariah Supervisory Board ("SSB") as updated from time to time and **[*ancillary guidelines]** or applicable regulations when conducting their assessment.
7. This assessment is mandatory and shall be conducted on an annual basis or upon considering the re-appointment of the Shariah board member to the Shariah Board.
8. All Banks operating within the Islamic Republic of Afghanistan shall have its own assessment manual. However, the Banks may use this DAB assessment manual as a guiding precedent or reference and may develop their own more rigorous assessment manual and have same approved by their respective Shariah Board.
9. The particulars and scope of the assessment shall be in accordance with the details as set out under Part III of this manual.
10. In the event that a specific matter or issue is not covered in the assessment questions as set out herein and where the assessor believes, in good faith, that such information is significant, whether for the benefit of the Bank or in mitigating reputational damage for the Bank, assessors may provide additional comments as they deem appropriate.

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11. A copy of the Shariah Board members' application form and/or declaration form to the Bank for his appointment to the Shariah Board and his latest Curriculum Vitae ("CV") must be appended hereto for the assessor's reference and assessor shall, in his absolute decide to have regard to this information during the course of his assessment of the Shariah Board member.
12. In addition, assessors are to be provided by the Shariah Department of the Bank with a copy of pertinent communications from the Shariah Board members to any of the Bank key organs e.g. Management Board or Board of Directors, for example disclosures, requests, comments and complaints, as well as the communications from the Bank's organ members regarding the Shariah Board members (hereinafter referred to as "the Disclosures") that are relevant to the assessment exercise.
13. When making recommendations or findings based on the Disclosures in his report, the assessors shall make specific reference to such Disclosure.
14. The results of previous year's assessments shall not be taken into consideration by the assessors.
15. For the avoidance of doubt and for ease reference, words importing the masculine gender shall include the feminine gender wherever applicable.

SHARIAH SUPERVISORY BOARD MEMBER INDIVIDUAL ASSESSMENT FORM

Part II: General Information.

Name of the Shariah Board ("SB") member: _____

Date of first appointment to the SB: _____

Date of re-appointment(s) to the SB: _____

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Year of Assessment: _____

Area(s) of expertise: *Shariah/Law/Finance/Accounting & Auditing etc.*

Main occupation: *[Professor, lawyer, accountant etc.]*

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Part III: Assessment Questions

Please fill in the required information and answer the questions below by selecting an option(s) from the options set out and provide your comments (if applicable) in the space provided below for each question.

Each selection of an option comes with a certain number of points. The number of points stipulated for each question is based on the ranking of the importance of the subject matter on which he is being assessed.

The total number of points scored will result in a cumulative rating from the panel of assessors. For consideration for a reappointment to the Shariah Board, he cannot score less than a sixty five percent (65%) rating.

Assessment Ratings Guide (points):

Excellent (4)	Good (3)	Satisfactory (2)	Unsatisfactory (1)
Consistently exceeds expectation and demonstrates superior abilities	Accomplishes more than the required standards	Achieves/meets the required standards	Does not meet the required standards

**Once the substance of this assessment has been finalized, we can detail the scoring and rating system to be attached to these questions.*

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FORM 1- SELF APPRAISAL ASSESSMENT FORM

Select (√) at the relevant box

General

No		Excellent 4 Marks	Good 3 Marks	Satisfactory 2 Marks	Unsatisfactory 1 Mark
1	How do you grade yourself on your level of understanding of the majority of the Shariah issues discussed in the SSB meetings that you have attended?				
2	Have you used your best endeavours, to read and try to conduct your own research on the Shariah issues before each SB meeting?				
3	Do you feel that you have contributed significantly towards the discussion and decision making process in each of the SB meetings you attended?				
4	Do you use your best endeavours to respond to communications with the Shariah Department in a				

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	timely manner, or provide reasonable explanation to them when you are unable to do so?				
5	Have you, within the SB meetings or outside official duties, continuously tried to provide ideas and proposals to the Bank for the development and improvement of the Islamic banking and finance industry in the Islamic Republic of Afghanistan?				
Total score:		[]	Out of 20		

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FORM 2- INDEPENDENT ASSESSMENT FORM TO BE USED BY SHARIAH BOARD MEMBER AND HEAD OF SHARIAH DEPARTMENT FOR SECTIONS (B) AND (C)

Select (√) at the relevant box

1. Commitment to Duties and Responsibilities

No		Excellent 2 Marks	Good 1.5 Marks	Satisfactory 1 Mark	Unsatisfactory 0.5 Marks
1	Attendance at SB meetings			<i>(Attendance of at least 75% of meetings)</i>	
2	Demonstrates preparedness for SB meetings and other meetings				
3	Participates and engages actively during meetings				
4	Responds promptly and in a timely manner to queries, requests for information (e.g. his available times for the Bank to hold an ad-hoc meeting), returning circulated papers etc.				
5	Demonstrates clear understanding of his duties and responsibilities as				

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	an SB member				
6	Demonstrates clear understanding of expectations of the Bank's Board of Directors				
7	Is proactive in carrying out his duties by requesting the necessary action by or information from the Shariah Department				
Score:		[]	Out of 14		

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2. Level of Knowledge and Competence to be completed by the Shariah Board Member and Head of Shariah Department.

This section is to be assessed depending on the SB member's expertise for which he has been appointed, i.e. Shariah, finance, law, accounting etc.

No		Excellent 2 Marks	Good 1.5 Marks	Satisfactory 1 Mark	Poor .5 Mark
1	Understands the nature of products and services proposed and is able to apply Shariah knowledge to them				
2	Identifies Shariah issues in proposed structures and documentation				
3	Provides Shariah authorities and Islamic jurisprudential reasoning for positions and views he states				
4	Expresses only relevant and useful viewpoints/ideas and information for the matters being deliberated and does not frequently talk beyond the point				
5	Demonstrates understanding of the Bank's (operation and/or business and commercial fundamentals				
6	Demonstrates an				

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	understanding of the legal & regulatory framework for Islamic finance in general and within the Islamic Republic of Afghanistan in particular				
7	Requests clarification and further information when needed to ensure his understanding in deliberating products, services and issues tabled before the SB				
8	Demonstrates effort to upgrade and update knowledge in Islamic finance by undergoing training and attending relevant seminars and discourses				
9	Practices and proposes best practices, such as those recommended by the Islamic Financial Services Board (IFSB), Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) in carrying out his / her duties and responsibilities				

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Total	[]	Out of 180
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Comments:

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3. Character and Personality to be completed by the Shariah Board Member and Head of Shariah Department

No		Excellent	Good	Satisfactory	Poor
1	Demonstrates personal behavior and attitude towards others that befits an SB member				
2	Shows respect and empathy for others' views				
3	Is punctual in attending meetings				
4	Shows readiness to cooperate with management and personnel in carrying out his / her duties and responsibilities				
Total		[]	Out of 8		

Comments:

4. Has the SB member done any act or is in a situation that has affected or may affect his fitness as an SB member.

Yes/No.

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If your answer is yes, please explain below.

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Part IV. Results of Assessment

1. Total Points from assessor falling under category(a) – Self-appraisal:
___/20

Percentage:

Percentage from 20% (for final marking result):

Assessor's comments:

Assessor's Name: _____

Position & Department: Shariah scholar.

Date : _____

Signature: _____
[Print Name]

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2. Total Points from assessor falling under category(b) – Peer Review:
___/40

** Only one example provided for illustration purposes. The same form must be completed by the balance of the SB members.*

Percentage:

**Mean percentage from 40 Marks (for final marking result):*

**To be filled only after averaging marks attributed by the all other SB members*

Assessor's recommendation:

Assessor's Name: _____

Position & Department: Shariah Board member

Date : _____

Signature: _____
[Print Name]

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3. Total Points from assessor using Form 2 as his grading methodology falling under category(c) – Head of the Shariah Department or a member of a Special Committee: ___/40

Percentage:

Percentage from 40% (for final marking result):

Assessor's recommendation:

Assessor's Name: _____

Position & Department: Head of the Shariah Department/ member of Special Committee

Date : _____

Signature: _____
[Print Name]

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Final calculation result by Head of the Shariah Department:

Total cumulative percentage (adding percentages achieved by the SB Member in sections (a), (b) and (c) above):

(a): %

(b): %

(c): %

Total: %

Additional comments (if any):

Name: _____

Position & Department: Head of the Shariah Department.

Date : _____

Signature: _____
[Print Name]

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Custodian of the Document

This Shariah Board Members' Assessment Manual shall be under the safe custody of the Islamic Banking Division ("IBD") of DAB. Any changes to the Manual shall be made by the IBD with prior consultation with the SSB, as reviewed by the DAB Executive Board and upon approval by DAB Supreme Council. A copy of the amended SSB Assessment Manual shall be made available to all stakeholders and SSB members for reference and implementation.

Effective Date of the Document

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