DIB WAKALA DEPOSITS

DIB, in addition to its Mudaraba based deposits, accepts Customers deposits on the basis of Investment Wakala. Investment Wakala is an agency or a delegated authority where a Depositor (as Muwakkil) appoints DIB (as Wakil) to invest the Depositor’s fund on behalf of the Depositor (as Muwakkil).

1. Under this structure, the depositor will enter in to a Wakala agreement with the Bank whereby the Depositor (as Muwakkil) provides Wakala capital to the DIB (as Wakil), who invests the Wakala Capital in a Sharia compliant manner and according to the feasibility study/investment plan submitted to the Depositor (as Muwakkil) by the DIB (as Wakil).

2. The Depositor (as Muwakkil) is entitled to all the profits earned as a consequence of investment of Wakala fund. In the meanwhile, Wakil shall perform its obligations according to the instructions of the Depositor (as Muwakkil) and shall act in good faith and use reasonable care and skill when performing its functions.

3. The funds provided by depositors are invested in Wakala Pool designated specifically for this.

4. The DIB (as Wakil) shall indicate an anticipated or expected profit rate to the Depositor (as Muwakkil) based on its historical profit generated by the Wakala pool or portfolio. DIB (as Wakil) cannot undertake fixed profit rate nor guarantee any minimum investment profit rate as expected.
5. Depositor (as Muwakkil) is entitled to all the profit generated by the Wakala investment and DIB (as Wakil) is entitled to a pre-agreed agency fee for carrying out the duties of the Wakil under Wakala Contract.

6. Any loss sustained by the Wakala investment shall solely be borne by the Depositor (as Muwakkil) unless it is proven that DIB (as Wakil) had been negligent or had breached the terms of agreement by investing in an instrument, which had no potential to generate the minimum profit.

7. It is permissible to stipulate under the Wakala Contract that the Wakil, in addition to the Wakala fee, is entitled to all or part of any amount over and above the expected profit as a performance incentive.

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