

**CUSTOMER INFORMATION FORM  
(FUNDING- ATTORNEYSHIP)  
WITHIN THE SCOPE OF INTEREST-FREE BANKING PRINCIPLES AND STANDARDS**

This form has been created to inform customers within the scope of the BRSA Communiqué.<sup>1</sup>

**1. Type of Contract:** Sales and Attorneyship

**2. Basic Features of the Contract and Compliance with the Principles and Standards of Interest-Free Banking:**

Capacities and Statuses of the Parties: The Customer acts on their own behalf and account (as a seller) during the procurement/production and sale of the Goods to the Bank, within the pre-allocated limit and in accordance with the Bank's working principles; during the sale of the said Goods to the Final Buyer, they act as the (Attorney) of the Bank and sell and deliver the Goods to the Final Buyer for the settlement.

An attorneyship is when a natural or legal person authorizes another person on their behalf to perform a job on a paid or unpaid basis.

In the attorneyship contract, the parties, the subject of the contract and the declaration of intention of the parties (offer-acceptance) must be present. The attorneyship is a binding contract on both sides after the transaction starts.

In attorneyship transactions, the participation bank is the client and the authorized customer is the attorney.

The attorney contract is based on the basic principles of Islamic law. Regarding the attorneyship contract, financing investments made to be used in transactions deemed acceptable within the framework of Islamic principles are in accordance with the principles and standards of interest free banking.

**5. Process and Functioning:**

The customer submits the request to use the seller financing to the participation bank. The participation bank allocates a limit to the customer. The customer sells the goods that they have produced or that they will produce to the participation bank at an advance price, which is confirmed by the Bank that it complies with the principles of participation banking. The Bank gives the client a power of attorney to sell this product on its behalf to the final buyer on a term basis. The participation bank will collect the payment from the buyer in the term.

**6. Rights and Obligations Enforced on the Parties by the Contract:**

Participation bank is obliged to transfer the financing amount to the customer's account, while the customer is obliged to take the maximum care that a prudent merchant should show when procuring goods and services and choosing a buyer for a sale to be made on behalf of the bank. The customer fulfills the obligations of correctly supplying / loading the goods sold to the participation bank within the agreed time frame.

The bank has the right to make the customer indemnify the bank in accordance with the principles and standards of interest-free banking for damages caused by the buyer's failure to pay the debt due to the customer's failure to fulfill the attorney's care liability and/or the customer's negligence and defect in the customer's actions related to the goods.

No fee is paid to the Customer by the participation bank under the name of attorneyship fee.

**7. Bank Practice in Case of Delayed Payment:**

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<sup>1</sup> Communiqué on Procedures and Principles Regarding Informing Customers and the Public Within the Scope of Interest-Free Banking Principles and Standards that was written by the Banking Regulation and Supervision Agency (BRSA) and published in the Official Gazette dated 30 November 2021 and numbered 31675

A clause may be included in the forward trading finance contract stating that the participation bank will receive a certain amount as a penalty for delay if the debts are not paid on the specified dates. However, the participation bank cannot benefit from the portion of this amount, that it receives as a delay penalty, above the inflation rate and the compulsory expenses incurred for the collection of its receivables. These amounts collected are classified according to the Uniform Accounting Plan of the participation banks and put into good use in accordance with the principles and standards of interest-free banking.