



# CCIRI

Canadian Centre for Islamic Research and Iftā

[www.cciri.ca](http://www.cciri.ca)

[info@cciri.ca](mailto:info@cciri.ca)

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

29<sup>th</sup> Rabī Al-Ākhar 1443  
4<sup>th</sup> December 2021

**As-salāmu ‘alaykum wa-rahmatullāhi wa-barakātuh.**

## **RE: EQRAZ Halal Mortgage**

The Founder and CEO of EQRAZ Inc., Syed Zuhair Naqvi, requested the Canadian Centre for Islamic Research and Iftaa (CCIRI) to review EQRAZ’s home financing model.

We were granted access to all of their documentation and processes for our review. This included the following documents among others.

- ❖ The Offer Letter
- ❖ The Murabaha Agreement
- ❖ The Legal Mortgage Charge
- ❖ Process Manual
- ❖ Product Guide

According to our understanding of the model from the documents in reference,

- ❖ The client approaches EQRAZ and expresses their intention for EQRAZ to finance a property
- ❖ EQRAZ reviews client’s application, which includes a credit assessment
- ❖ Once approved, EQRAZ sends client an Offer Letter explaining the terms & conditions of the financing.
- ❖ The client returns signed Offer Letter to EQRAZ to lock-in the offer
- ❖ The client then selects property for purchase, obtains an accepted Offer of Purchase & Sale with property vendor, and provides this to EQRAZ
- ❖ EQRAZ conducts property appraisal and, subject to satisfactory appraisal, EQRAZ instructs the lawyer to proceed with the closing

- ❖ EQRAZ and the client sign the financing documents (Murabaha Agreement and Mortgage Agreement)
- ❖ As part of the agreement, the client appoints an independent agent to engage in individual periodic Murabaha transactions.
- ❖ The lawyer disburses the proceeds of the initial transaction to purchase the client's property of choice.
- ❖ EQRAZ ensures every step is carried out correctly and that ownership is reflected in each step.
- ❖ The property is mortgaged as security (rahn) against the payment of the Murabaha price.
- ❖ The customer makes monthly payments over the agreed term.
- ❖ According to the agreed terms, transactions occur throughout the financing period through the appointed agent.
- ❖ Once all payments have been made in full, the mortgage security is discharged.

The documents in reference as well as the mode of finance adopted by EQRAZ are **Shariah Compliant**. However, as our review is solely based on their documentation, the practical implementation of the procedure is equally important to ensure Shariah compliance. This is the responsibility of the Shariah board. We are aware that EQRAZ has an appointed Shariah Supervisory Board for this purpose. Hence, we expect the correct protocol for audits will be carried out accordingly. To this effect, EQRAZ will provide CCIRI access to all of their internal processes, yearly audits, and documentation, to maintain our satisfaction regarding Shariah-Compliance.

**And Allah Ta'āla Knows Best**

**Mufti Mirza-Zain Baig, CSAA**  
**Mufti Hammad Jogiat**

**Canadian Centre for Islamic Research and Iftā**

**cciri.ca**