

## IJARAH (LEASING) CONTRACT CUSTOMER INFORMATION FORM

This Information Form has been created for information of customers in line with the BRSA Communiqué<sup>1</sup>.

**1. Contract Type:** Ijarah (Leasing)– Labor/Service Leasing

**2. Key Features of Contract:**

Labor/Service Leasing is one of the ijara types.

Labor/Service Leasing refers to the leasing of the labor/service procured by the participation bank (lessor) from the seller upon request by the customer (lessee).

In case of Labor/Service leasing contract, the buyer, seller, and the nature/cost of the labor/service under the contract should be clearly specified and be in line with the participation bank principles, and the parties' declaration of will should have been obtained (proposal-acceptance).

**3. Compliance of the Product or Service with the Interest-Free Banking Principles and Standards**

Labor/service lease is an ijara (leasing) contract, and its legitimacy is based on the key principles of the Islamic law. Transactions performed by participation banks in this connection comply with the interest-free banking principles and standards.

**4. Position of the Customer under the Contract:**

In case of Labor/Service Leasing contract, the customer is in the position of lessee, whereas the participation bank is in the position of lessor.

**5. Process and Operation:**

The Customer sends its financing request for labor/service to the participation bank. The participation bank allocates a limit to the customer. The customer is appointed as agent in order to procure the labor/service on behalf of the participation bank. The labor/service procured on behalf of the participation bank shall be leased by the bank to the customer. The participation bank shall conduct the necessary works and procedures with the suppliers either on its own or through its agent customer, and pay the amount of the funds to the supplier either on its own or through its agent customer.

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

The customer agrees and declares to make the financing payments in line with the payment schedule created for the labor/service lease.

The participation bank shall be responsible for the payment of the cost of the labor/service to the supplier following the duly performance of transactions (or for its payment to the customer in order to be ultimately paid to the supplier).

**7. Rights and Obligations Imposed by the Agency on the Parties:**

In addition, the participation bank may appoint the customer as its agent in order to procure and deliver the labor/service, and make payments to the supplier, and to perform other procedures.

In case of transactions based on agency, the labor/service should not have been provided to the customer or no payment should have been made to the supplier (down payment, check, notes payable, etc.) or no document subject to transaction (invoice, etc.) should have been issued by the supplier to the name of the customer before the participation bank appoints the customer as agent.

Since the customer acts by proxy on behalf of the participation bank, it shall be responsible for latent or patent defects that may arise in relation to the labor/service.

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<sup>1</sup> Communiqué on the Principles and Procedures Governing the Information of Customers and the Public in line with the Interest-Free Banking Principles and Standards issued by the Banking Regulation and Supervision Agency (BRSA) and published in the Official Gazette dated 30 November 2021 and numbered 31675

Before the agent performs a final lease contract, it may not make any disposition for leasing the labor/service to a third party or changing it.

**8. Delivery of Documents Subject to Lease to the Participation Bank:**

The customer agrees and undertakes to provide the participation bank with the documents related to labor/service leasing (invoices, contracts, etc.) when they are requested by the participation bank.

**9. Bank Application in case of Late Payment:**

It is in line with the interest-free financing principles to add a provision to the contract stating that a delay penalty shall be collected by the participation bank in the event that the debts are not paid on the dates determined; however, the participation bank and customers may not benefit from these amounts collected as delay penalty. These amounts collected shall be classified according to the Uniform Chart of Accounts, and be used in line with the interest-free banking principles and standards.

**10. Corporate Website Address where the Customer Can Get Further Information on the Products and Services:**

For more information and consent certificates related to our products and services, please visit our Bank's website at [www.turkiyefinans.com.tr](http://www.turkiyefinans.com.tr)

Information Form Delivery Date: ... / ... /.....

**Name and Last Name/Trade Name of the Customer:** .....

**Turkish Identity Number/Tax Identity Number:** .....

(Information may be provided either face to face or via remote communication means/in the electronic environment/by remote communication, and in case of face-to-face information, you will need to write the following on the form in your handwriting: "**Verbal and written information has been provided to me, and my declaration of will has been obtained**".)

**Stamp/Signature:**