

## SOLUTIONS FOR ISLAMIC BANKING

Provide for a  
Growing Market

Enhance  
Your Brand

Grow Customer  
Loyalty

Grow your Islamic card business  
and help clients stay aligned with Sharia law



## SOLUTIONS FOR ISLAMIC BANKING

**The growing popularity** of Islamic banking globally opens opportunities for Banks to develop unique, innovative and key Islamic products that give them a competitive edge.



In the banking and retail sector, Sharia-compliant finance offers all the same benefits as conventional credit cards, but is structured in a way that aligns with Sharia principles.

The Islamic banking sector is growing fast: More than 330 financial institutions spread over 51 countries operate under Islamic principles. In the Gulf region alone, Islamic banks have more than \$300 billion Sharia-compliant assets and are poised for double-digit growth over the next ten years.

TSYS' inherent flexibility enables banks to issue and process credit card products while ensuring that all payments and repayment transactions are devoid of interest. It facilitates the complete account management lifecycle for Sharia card programmes, enabling a bank to tailor its solutions to meet its customers' needs in a transparent manner.

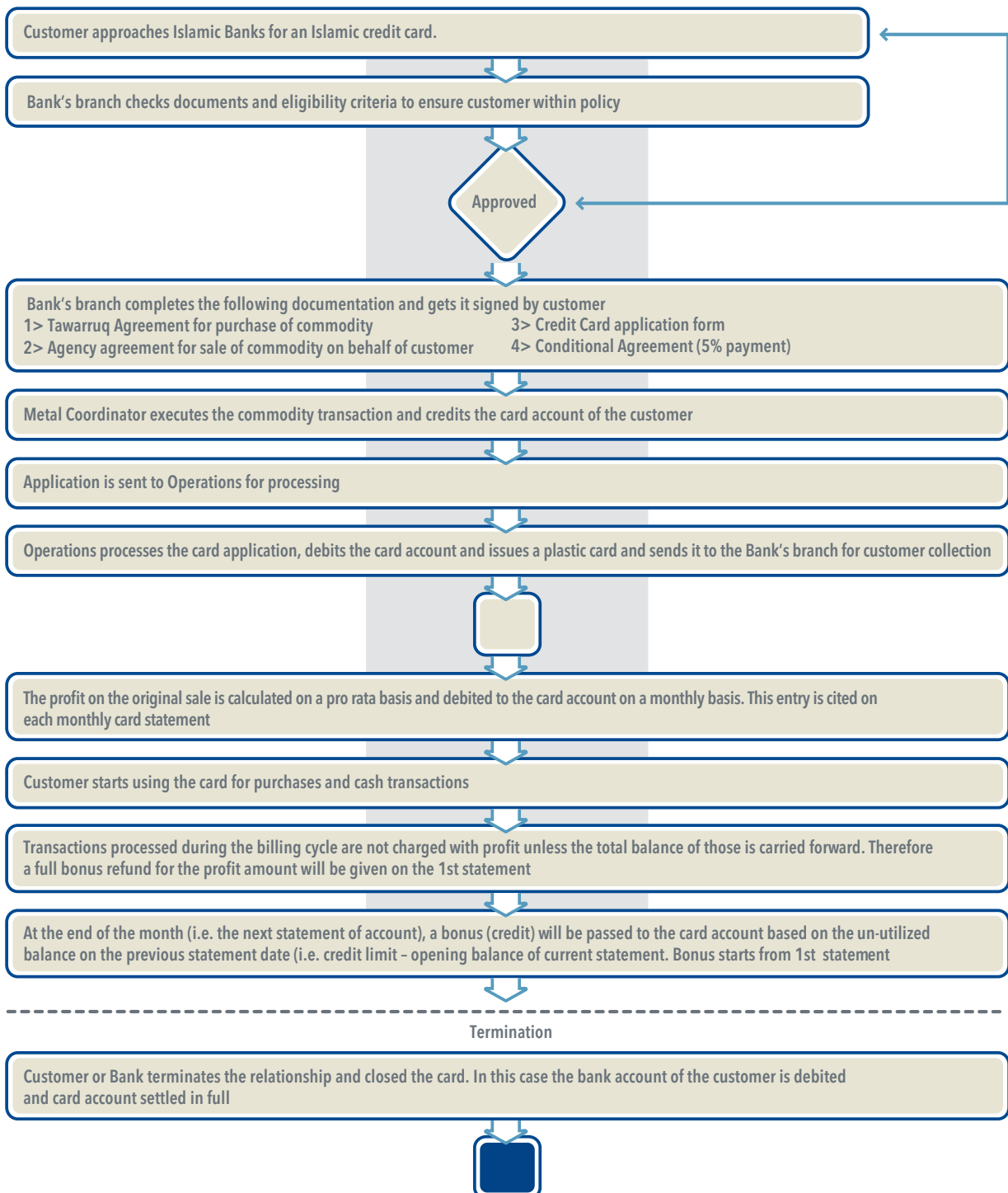
The following products and services are part of the TSYS Islamic-based card solution:

- 1 > Monthly fee-based cards:** With this option, cards are based on a fixed monthly fee and not on "riba," or interest. There is speedy processing and approval, high spending limits and a competitive fixed monthly fee based on the spending limit of the card.
- 2 > Monthly fee-based cards with partial refund option:** Cards are also based on a fixed monthly fee and not on "riba." There is speedy processing and approval, high spending limits and a competitive fixed monthly fee based on the spending limit of the card. The Bank can elect a percentage of the monthly fee that can be refunded to customers.
- 3 > Monthly fee-based with full refund option:** Cards are also based on a fixed monthly fee and not on

## ISLAMIC RULES ON TRANSACTIONS

- Restricted to accepted deals under the principles of Sharia law
- Excludes alcohol, gambling and other products considered to be Haram
- Ethical and moral investing is encouraged
- Mandates sharing of profit and loss and the prohibition of riba

## Process Workflows







“riba.” There is speedy processing and approval, high spending limits and a competitive fixed monthly fee based on the spending limit of the card. One hundred percent of the monthly fee is refunded to customers.

#### 4> Cards based on a Murabaha

**agreement:** This card product’s spending limit is covered through a Murabaha agreement, which takes place between bank and customer. The monthly Murabaha profit is charged on a percentage of the total limit, and the customer gets a bonus refund on any amount not utilised. Customers pay the profit only for unpaid amounts, in similar fashion to conventional credit cards.

This card option can be offered with or without an annual fee, and includes high spending limits based on the customer profile.

TSYS is committed to helping financial institutions grow their Islamic card business and broaden their reach, demonstrated by its continued support and long-standing client relationships.

#### Examples of Islamic Compliant Transactions

- Profit Sharing (Mudharaba)
- Safekeeping (Wadlah)
- Joint Venture (Musharakah)
- Cost plus (Murabaha)
- Leasing (Ijarah)

#### GLOSSARY

**Sharia:** Religious rules regarding banking activity that are consistent with the principles of Islamic Law and its practical application. Islamic banks apply these principles to private or semi-private commercial institutions.

**Gharar:** This term means a risky or hazardous sale, which is forbidden by Islamic law.

**Haram:** This term is used to describe actions legally forbidden by Islamic law.

**Murabaha:** Similar to a rent-to-own agreement, this non-interest-bearing loan is an acceptable form or credit sale under Sharia.

**Riba:** This term means excess, increase or addition, which according to Sharia terminology, implies any unwarranted excess compensation.



### TSYS offers superior Islamic card products:

- 1> We tailor our implementation to meet the exact requirements of your Sharia committee.
  - 2> We deploy our online, real-time transaction authorisation system to automatically decline Gharar transactions.
  - 3> Our platform, PRIME, supports multi-currency and multi-institutional processing, allowing you to expand into new markets and issue Islamic cards anywhere in the world.
  - 4> Our suite of optional PRIME modules enables you to offer customers additional benefits such as prepaid cards and reward schemes.
  - 5> PRIME is a proven Islamic card solution, successfully deployed by the world's oldest and largest Islamic banks.
- Other Features:**
- Flexible Application Capture screen
  - Murabaha profit transaction details
  - Workflows/processes to ease the account creation
  - Account restrictions
  - Ability to block Haram merchant category codes or known merchants deemed to be Haram
  - Customised statement painting
  - Flexible fee structures
  - Ability to support additional regular fees for added services (e.g. Insurance, Sukuk-Islamic bonds)
  - Option to flexibly configure transaction fees e.g. no service fee on ATM withdrawal in Saudi during Hajj
  - Multi-language support
  - Single platform: All card types (Islamic and Conventional) supported under one system



## TO LEARN MORE

about our Islamic Finance solutions, contact your nearest regional office or contact our Dubai office on +971 (4) 391 2823. You can also visit us at [www.tsys.com](http://www.tsys.com).



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## About TSYS

TSYS (NYSE: TSS) is reshaping a new era in digital commerce, connecting consumers, merchants, financial institutions, businesses and governments. Through unmatched customer service and industry insight, TSYS creates a better experience for buyers and sellers globally, supporting cross-border payments in more than 85 countries. Offering services in credit, debit, prepaid, mobile, chip, healthcare, installments, money transfer and more, TSYS makes it possible for those in the global marketplace to conduct safe and secure payment transactions with trust and convenience.

TSYS' global headquarters are located in Columbus, Georgia, with other local offices spread across the Americas, EMEA and Asia-Pacific. TSYS serves approximately 400 clients in 85 countries, including relationships with more than half of the Top 20 international banks.

The people of TSYS are respected around the world for the spirit of true partnership they invest in every relationship and business decision. By the passion they bring to the world of payments, the people of TSYS are known as good people to do business with. Get to know us at [tsys.com](http://tsys.com), or contact us at +1.706.649.2307 to learn more about how we can serve as the trusted partner in your payment strategies.

### GET TO KNOW TSYS

AFRICA	ASIA-PACIFIC	COMMONWEALTH OF INDEPENDENT STATES	EUROPE	INDIA & SOUTH ASIA	JAPAN	MIDDLE EAST	NORTH & CENTRAL AMERICA, MEXICO & THE CARIBBEAN	SOUTH AMERICA
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