



AL MABROOR  
PROJECTS

## VEHICLE FINANCE PRODUCT



### ABOUT THE FUND

Al Mabroor Vehicle Finance Scheme is a Shariah Compliant investment scheme offering investors the opportunity to invest in the vehicle finance market. Al Mabroor Investments have identified a market for financing those individuals who cannot qualify for vehicle finance according to normal vehicle finance – house standards. There remains a huge demand for vehicle finance for those individuals who can afford to pay monthly instalments but not according to banking credit vetting criteria. Al Mabroor has partnered up with Newfin Vehicle Finance to provide such customers an alternative for their financing needs.



# STRUCTURE

## Stage One - Funding

Al Mabroor Investments will raise funds from the public to fund the acquisition of the assets in the same manner as previous Al Mabroor Projects. The minimum investment required is R 100 000. The investors first make an application with Al Mabroor and sign an Investment Management Agreement with Al Mabroor upon approval. Al Mabroor then forms partnerships between 2 – 20 individuals depending on the invested funds and the cost of vehicles financed. Each investor's funds would be spread between 3 vehicles and tracked accordingly. Al Mabroor will report to each investor based on the performance of the specific vehicles. All partnerships will be based on a five year lock-in period. However, investors may exit, sell or trade in their portfolios during a special window period of two weeks determined by Al Mabroor once every year.

## Stage Two – Vehicle Acquisition

The customer first identifies a suitable vehicle at an auto-dealer that is processed and approved by Newfin. The customer then contacts Newfin and applies for vehicle financing through them. Newfin collects the necessary information from the customer and conducts a review of the customer's application. Upon successful credit vetting and approval of the customer's application, Newfin informs Al Mabroor. Al Mabroor then acting as the sole agent of the investment partnership purchases the vehicle from the dealer and takes legal title of the vehicle. Al Mabroor then appoints its agent to take possession of the vehicle from the dealer. Thereafter, Al Mabroor leases out the vehicle to Newfin at a fixed monthly rental and appoints its agent to deliver the vehicle to Newfin. Al Mabroor may cancel the lease with Newfin should Newfin default in making monthly rental payments.

## Stage Three – Vehicle Lease

Newfin subleases the vehicle to the customer in exchange of fixed monthly instalments over 48 months. Newfin will be in charge of adding all tracking devices, insurance, mechanical warranty and vehicle finance insurance to the vehicles without involvement of Al Mabroor or the customer. Al Mabroor will authorize Newfin to gift the vehicle upon maturity of the rental agreement. All customers would be required to pay a fixed deposit of R 10 000 upfront.



# SHARIAH ANALYSIS

## **Al Mabroor Vehicle Investment Scheme**

The Al Mabroor Vehicle Investment Scheme is based on Mushārah. Therefore all the rules and laws of Mushārah will be applicable. All the investors will be Shareek unto each other under a common partnership agreement. Each investor's funds will be spread over 3 vehicles and tracked accordingly. The investment scheme is based on a 5 year lock-in period. Investors will be allowed to sell, exit or trade in their partnership portfolios within a special window period of two weeks allocated by Al Mabroor every year. Al Mabroor will appoint a special agent who will collect all the vehicles and park them during the special window period. Al Mabroor will appoint an agent to collect and deliver the vehicles to Newfin.

Al Mabroor will distribute the profits to the investors based on the rental income earned from leasing the vehicles to Newfin. Al Mabroor will gift the vehicles to the client upon maturity of the rental agreement without any obligation between any of the three parties. Al Mabroor will remain the legal holder of the vehicles during the tenure of the rental agreement.

## **Newfin Vehicle Finance**

Newfin will sublease the vehicles to clients under a master lease agreement for a fixed period of 48 months. Therefore this agreement will be based on the concept of Ijārah and all the rules and laws of Ijārah will be applicable. Newfin will pay Al Mabroor fixed monthly rental instalments during the tenure of the rental agreement. Al Mabroor will transfer legal title to Newfin upon maturity whereupon Newfin will gift the vehicle to the client.



# CONTACT US

Whatever your query, our team is available to assist.  
Please contact us and we'll get back to you as soon as possible

## **Al Mabroor Projects**

info@almabroorprojects.com

021 2000 717

Technopark, Stellenbosch, 7600