

Press Release

Islamic Financial Institutions show keen interest in Murabaha Contract to be offered by PMEX

Pakistan Mercantile Exchange (PMEX) held a briefing session on Murabaha contract, a product exclusively designed by the Exchange for the Islamic Financial Institutions (IFIs). The session was attended by senior officials from various IFIs such as Al Baraka Bank, Bankislami Pakistan, Dubai Islamic Bank, Habib Metropolitan Bank, MCB Bank, Meezan Bank, Standard Chartered Bank, UBL Ameen and National Bank of Pakistan. PMEX Shariah advisor, Mufti Hassan Kaleem was also present at the occasion.

Welcoming the representatives of IFIs Mr. Ejaz Ali Shah, Managing Director, PMEX said “PMEX over the years has been actively working to introduce innovative products to serve and attract a wide array of clients. In line with this, PMEX has taken the initiative to develop an online Murabaha contract to facilitate the IFI’s in line with International commodity exchanges such as London Metal Exchange, Bursa Malaysia and Jakarta Futures Exchange which are also enabling Murabaha transactions and are acting as hubs for Islamic Banking liquidity management. We are confident that the proposed Murabaha product would greatly strengthen the Islamic financial sector of Pakistan by bringing it at par with conventional banks with regards to efficient deployment of liquidity. We envision that the proposed Murabaha product will eventually serve as an industry benchmark and be the first choice for the IFIs.”

PMEX feels that the keen interest shown by the participants is encouraging and the proposed product will be a game changer for Islamic banks in overcoming excessive liquidity issue. Presently, all the modalities have been worked out and the Exchange is planning to launch the product as soon as it gets the necessary approval from Securities and Exchange Commission of Pakistan (SECP).

