

**STATE BANK OF PAKISTAN**  
**ISLAMIC BANKING DEPARTMENT**

**FIT & PROPER CRITERIA FOR SHARIAH ADVISORS OF IBIs**

**1. Educational Qualification:**

*Shahadat ul Aalmia* Degree (*Dars e Nizami*) from any recognized Board of Madaris with minimum 70% marks and Bachelor's Degree with a minimum of 2nd Class and sufficient understanding of banking and finance.

OR

Post Graduate Degree in Islamic Jurisprudence/*Usooluddin*, L.L.M. (Shariah), etc. with a minimum GPA of 3.0 or equivalent from any recognized University with exposure to banking and finance.

**2. Experience and Exposure:**

Must have at least 4 years experience of giving Shariah rulings including the period of *Takhasus fil Ifta*; or at least 5 years post qualification experience in teaching or Research and Development in Islamic Banking and Finance. Reasonable knowledge of Arabic and English languages is necessary. Preference will be given to those who have certificate in *Takhasus fil Fiqh/Takhasus fil Ifta*.

3. State Bank of Pakistan, at its sole discretion, can give relaxation in respect of educational qualification and experience in exceptional cases where the person is otherwise qualified for giving Shariah rulings on banking and financial matters.

**4. Track Record:**

- a) The Shariah Advisor must have an impeccable track record in social, economic and financial dealings.
- b) Has not been terminated or dismissed in the capacity of employee or director/chairman from any institution, firm or a company.

**5. Solvency & Financial Integrity:**

- a) Has not been associated with any illegal activity especially relating to banking business.
- b) Has not been in default of payment of dues owed to any financial institution and/or default in payment of any taxes in individual capacity or as proprietary concern.

**6. Integrity, Honesty and Reputation:**

- a) Has not been convicted in any criminal offence involving financial impropriety or moral turpitude.
- b) Has not been subject to any adverse findings or any settlement in civil or criminal proceedings with regard to investments, financial/business misconduct or fraud.
- c) Has not contravened any of the requirements and standards of financial, banking or corporate regulatory system

**7. Conflict Of Interest:**

- a) A person can work as Shariah Advisor for not more than one Islamic Banking Institution in Pakistan.

- b) Shariah Advisor shall not hold any executive/non-executive position in any other financial institution, except working as Shariah Advisor of Islamic mutual funds of the same IBI.
- c) Shariah Advisor should neither have any substantial interest (5% or above) in the business of : (a) Exchange Company (b) Member of Stock Exchange, and (c) Corporate Brokerage House nor he should be an employee of the aforementioned entities

**8. Declaration of Fidelity and Secrecy as per Section 33A of BCO, 1962:**

Shariah Advisor shall sign a declaration of fidelity and secrecy, before assuming office, as per provisions of Section 33A Sub-Section (2) of Banking Companies Ordinance, 1962, the format of which is provided in attached Annexure-A. The declaration shall be kept in safe custody with the IBI.