



1) What is Halal Pesa?

Halal Pesa is a Shari'ah compliant based digital financing product that rides on the MPESA platform. It is a financing product only, and does not have a saving functionality, which will be introduced later. The product is being offered under the partnership of Safaricom PLC and Gulf African Bank Ltd.

2) How is Shari-ah-compliant Financing Different from Other Financing Modes?

Shari'ah-compliant financing does not allow banks to lend money to customers and charge them interest on the money lent. In order to avoid that, Shari'ah compliant banks operate under three modes?

- a) Trading transactions (e.g. murabaha) – where the Bank purchases assets or commodities and sells them to customers at a fixed profit.
- b) Partnership transactions (e.g. musharakah) where the Bank partners with customers in their businesses by contributing to capital, and shares profits and losses incurred.
- c) Leasing transactions (ijara) – where the Bank purchases assets and leases the assets to customers, charging a rental or leasing fee.

3) How is Halal Pesa different from other mobile lending products?

Halal Pesa is based on Shari'ah principles, operating under a trading or murabaha transaction. The Bank trades with its customers through a commodity murabaha transaction; by selling a commodity to create liquidity. The underlying contract between the customer and the Bank is a trade transaction and not a loan.

4) What is Commodity Murabaha?

Commodity murabaha is a Shari'ah compliant mode of financing where the customer purchases a commodity from the Bank on credit and sells it to a third party to obtain cash. This mode of financing falls under trade, where a trade process has to be completed and the sale proceeds (cash) which is generated is availed to the customer.

5) What is the opinion of Shari'ah Scholars on the Commodity Murabaha transaction?

Standard Number 30 issued by the Auditing and Accounting Organisation for Islamic Financial Institutions (AAIOFI) allows use of Commodity Murabaha to create liquidity provided the transaction complies with the conditions stipulated in the Standard. The Bank's Shari'ah Supervisory Board has also approved the commodity murabaha transaction undertaken by the Bank.



6) What is the difference between the profit Gulf African Bank charges customers under Halal Pesa and interest charged on other mobile lending platforms?

The profit charged under Halal Pesa is from a trading transaction carried out between the Bank and the customer while interest charged from other lending platforms is from the loan availed to the customer.

7) What are the requirements to register for Halal Pesa?

Any M-PESA registered customer can opt into Halal Pesa

8) How do I activate Halal Pesa on my phone?

- Dial *334#
- Select Register
- Check T&C, read then Accept T&C
- Enter the right MPESA PIN

9) Can I use another channel apart from *334#?

Yes. You can also access Halal Pesa through the Mpesa App

10) Can I activate more than one M-PESA line for Halal Pesa if I have more than one SIM cards on my ID?

Yes. However, the assigned limit shall be distributed between the different MSISDNs

11) How will I know my Halal Pesa limit?

The Halal Pesa limit will be set during opt-in process and customer will be notified via SMS:

- Dial *334#
- Go to Facility
- Select Check limit
- Enter right MPESA PIN



12) I have a limit of Ksh.5, 000 but I have only requested for Ksh.1, 000. Can I request for another facility before paying the previous one?

No.

Only one facility can be requested at a time

13) What is the minimum facility I can request?

The minimum facility you can request is Ksh.1, 000. One cannot request for an amount less than this.

14) How much will I be charged for the Halal Pesa facility?

You will be charged a profit rate of 5%. The profit is payable to the Bank from the sale of commodities to you through commodity murabaha.

Example: If the customer was given a facility of Ksh.1,000, at profit rate of 5%, thus total due on day 30 will be $Ksh.1,000 + Ksh.50 = Ksh.1,050$.

15) How do I repay my Halal Pesa facility?

You may repay partially or in full by taking the steps below:

- Dial *334#
- Go to Facility
- Select Pay Facility
- Select facility to be paid
- Select option to pay in full or partial.
- For full payment, enter the M-PESA PIN and confirm to pay
- For partial payment, enter the amount, M-PESA PIN and confirm to pay

16) Are there any penalties for late repayment?

There are no penalties for late repayment. However, if you do not make payment by day 31, your facility will be restructured at your instruction and the new facility will be repaid with profit at 5% to the Bank.

Example: if the customer was given a facility of 1000sh, at profit rate of 5%, the total due on day 30 will be $Ksh.1,000 + Ksh.50 = Ksh.1,050$. If the customer is unable to pay by date 31 then the facility is restructured at a 5% profit rate of the principal amount (Ksh.1,000), where the customer will be expected to pay $Ksh.1,000 + Ksh.50 + Ksh.50 = Ksh.1,100$ by day 60. After day 60 no other charges will be applied on the facility.



17) How do I check my used and available Halal Pesa limit?

- Dial *334#
- Go to Facility
- Select Check Limit
- Enter M-PESA PIN

18) How can I get my Halal Pesa balance?

- Dial *334#
- Go to Check Balance
- Enter right MPESA PIN

19) How do I know the due date for settling my Halal Pesa?

- Dial *334#
- Go to Check balance
- Enter right MPESA PIN

Expected result: Your Halal Pesa outstanding facility balance is Ksh.100 due on 09-05-2021.

20) Which services are available on the Halal Pesa menu?

- Opt In
- Request Facility
- Query Limit
- Query Balance
- Repay Facility
- Opt Out

21) What is the minimum and maximum Halal Pesa limit?

Minimum = Ksh.1,000

Maximum = Ksh.15,000 (first time customers) & Ksh.20,000 (repeat customers) subject to customer's qualifying limit



22) Why do I have a zero credit limit?

The 3 main parameters on our credit score card include;

- Customer Mpesa activity i.e Sending & Receiving money, Lipa na Mpesa transactions
- GSM activity i.e Calls & Messages on the line
- CRB status
- Default status on similar products i.e Mshwari, KCB Mpesa & Fuliza

The above is used to determine the customer's credit score. Customers are encouraged to increase their Safaricom line activity to improve their credit limit

23) How do I Opt out of Halal Pesa?

- Dial *334#
- Go to Opt Out
- Confirm you want to opt out
- Enter M-PESA PIN