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AMERICA TODAY

Sons & Daughters

Iran sanctions

BANKS

Terror at home

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BANKS

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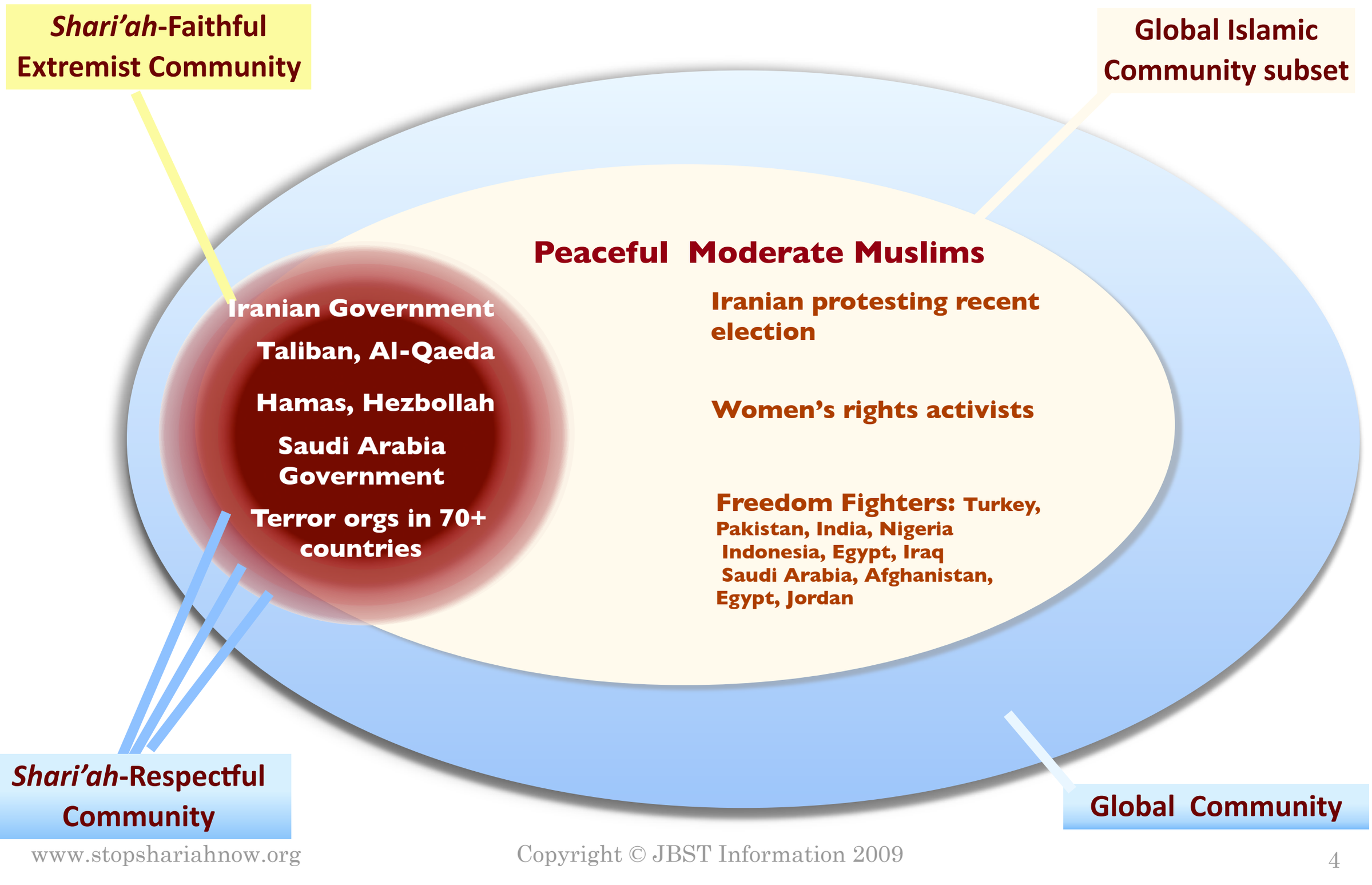
Shariah Islam and the World:

A Political Movement



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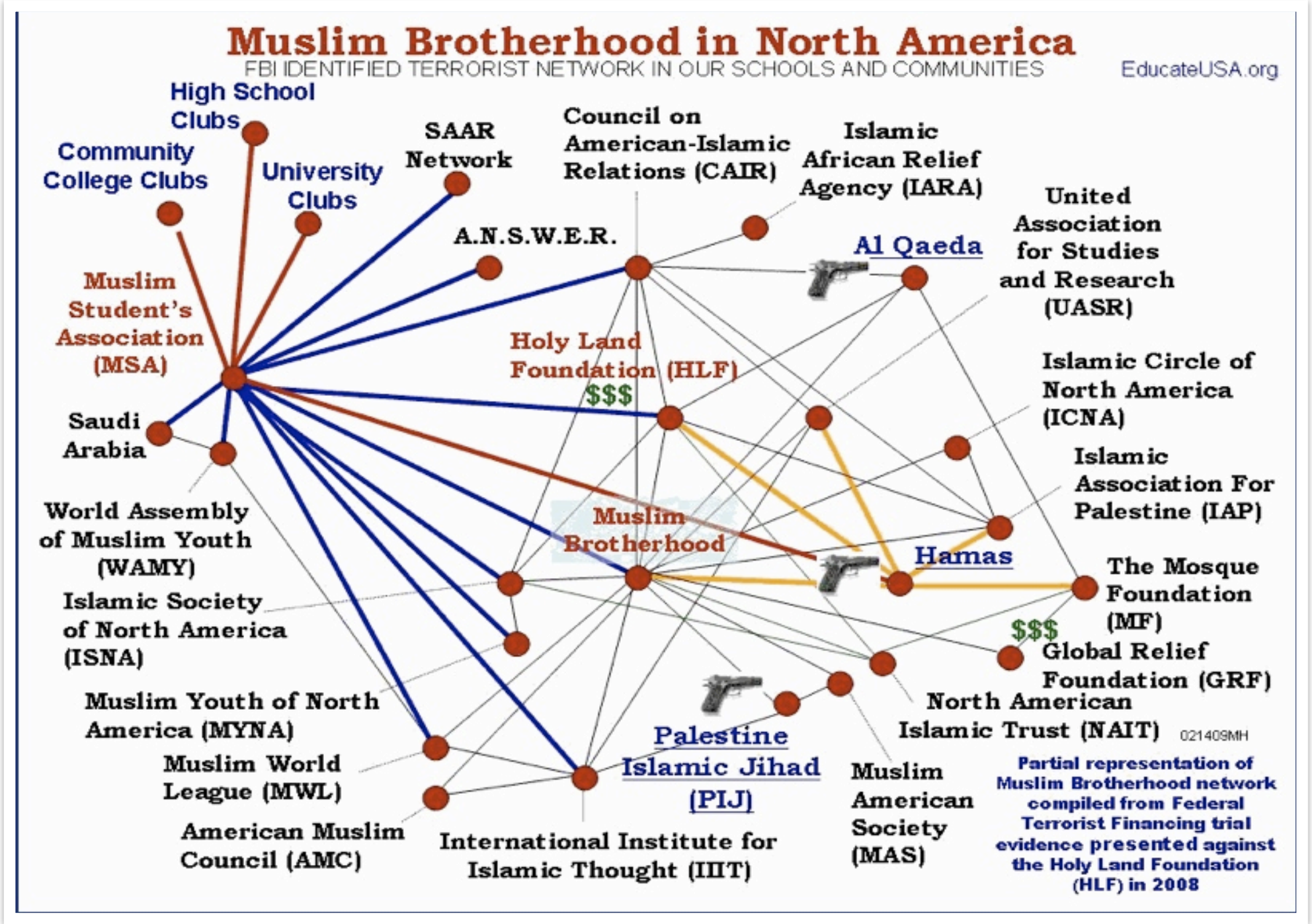
Muslim Brotherhood in North America



http://www.educateusa.com/Brotherhood.jpg&imgrefurl=http://www.educateusa.com

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Taliban Shariah Enforcement

Feb 2009

Shariah Law

Totalitarian

Global

Mosque & State are one

Legal Inequality

No freedom of speech, religion, assembly & press

U.S Law

Democratic

National

Church & State separate

Legal Equality

Freedom of speech, religion assembly & press

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TALIBAN

Shariah = Islamic Law

Pakistan's government agreed to the enforcement of the Taliban's interpretation of sharia, or Islamic law, in Pakistan's northwestern Swat valley in exchange for a ceasefire with the group. April 13, 2009

Human Rights

Shariah Law

Non-muslims = tax/die

Convert (apostate)=death

Male supremacy

'Honor killing' condoned

Child marriage

Polygamy legal

Vigilante justice sanctioned

Defamation of Shariah Law is criminal offense

U.S Law

Freedom of Religion

Equal Rights

Murder = criminal offense

Child Rights

Polygamy illegal

Vigilante justice illegal

Free Speech

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http://www.wikigender.org/wiki/images/thumb/e/e5/Child_Marriage.jpg/250px-Child_Marriage.jpg

http://farm1.static.flickr.com/13/88669087_ba644361bd.jpg?v=0

http://pubphilosopher.blogs.com/pub_philosopher/images/jihad.jpg

http://lh4.ggpht.com/redsquirrel2007/RydygFDAHGI/AAAAAAAAAAU8/jGJi4B2KofM/awomanbeingstonedtodeath_2411resised%5B1%5D.jpg

Political goal of Shariah extremists is to rule the world.

Jihad

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Hear: Shariah

Think Radical Islam

Think Iran

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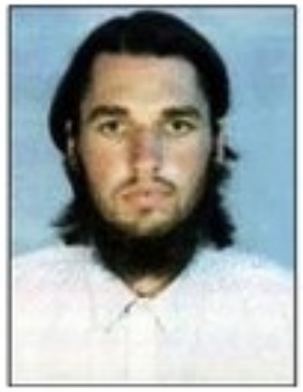
Shariah Violent Jihad



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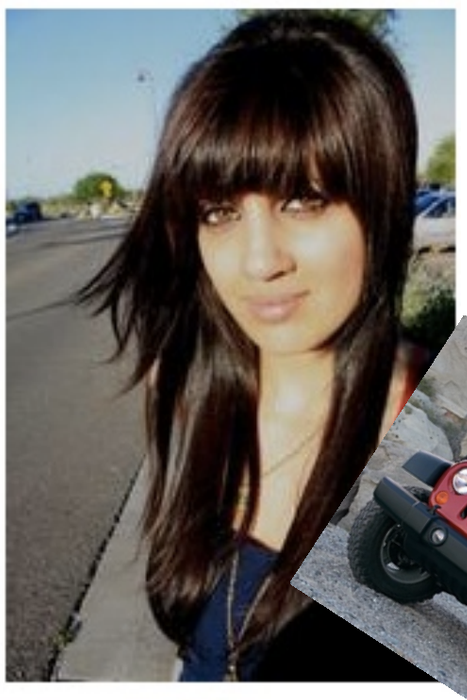
Shariah Cultural Jihad

Shariah Law supreme to U.S. Law

NO DEATH PENALTY FOR DAD

Public Defender Wins

" there must be no appearance that a Christian is seeking to execute a Muslim for racial, political, religious or cultural beliefs"



20 yr old Noor
Arizona
honor killing

17 yr old Rifqa
Ohio
apostacy=death

RIFQA LOSES RIGHT OF RELIGION

Florida court rules

" Well, I'm a Christian, and my parents are Muslim. And they can't know about my faith – well, they do now. But they've threatened to kill me. I don't know if you know about honor killing….You guys don't understand. Islam is very different than you guys think. They have to kill me."

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Shariah Cultural Jihad

Shariah Law overpowering First Amendment

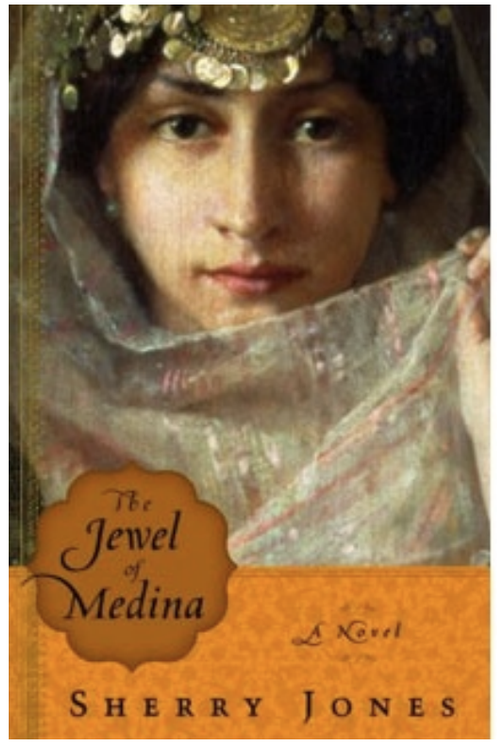
NO Free Press in America?

The Random House Publishing Group

After sending out advance editions of the novel JEWEL OF MEDINA....we received ...cautionary advice not only that the publication of this book might be offensive to some in the Muslim Community, but that it could incite acts of violence by a small radical segment.

.....we decided after much deliberation to postphone publication for the safety of the author, employees of Random House, booksellers and others.

http://www.randomhouse.com/rhpg/medinaletter.html



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Shariah Financial Jihad

Shariah Islamic banking

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What is

Shari'ah-Compliant Finance (SCF)?

Shari'ah ➕ Compliant ➕ Finance

=

SCF

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U.S. Securities Law

Civil Violations?

Due Diligence: Are banks kicking the tires?

Disclosure: All the facts told?

Transparency: Clear?

Criminal Violations?

Assurance of NO Terror Financing?

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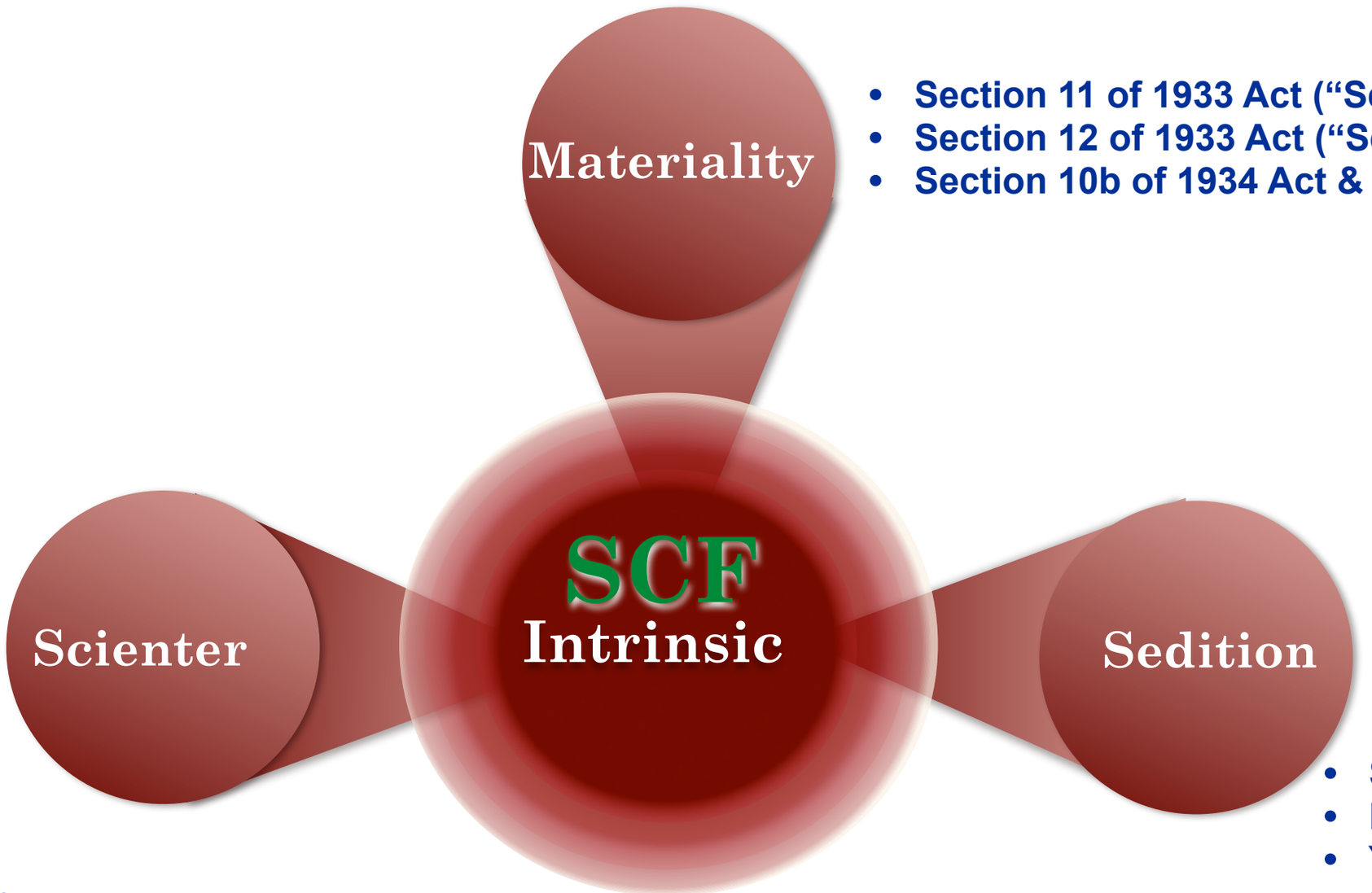
U.S. Law and Issues Intrinsic to ***Shari'ah***



- **Section 11 of 1933 Act ("Section 11")**
- **Section 12 of 1933 Act ("Section 12")**
- **Section 10b of 1934 Act & Rule 10b-5**

- **Civil liability**
- **Common law**
- **Rule 206(4)-1**
- **Rule 206(4)-8**
- **Rule 10b-5**
- **Sec. 12 & 17 of 1933 Act**
- **Investment Advisors Act of 1940**

- **Smith Act of 1940**
- **Dennis vs. U.S.**
- **Yates vs. U.S.**
- **Scales vs. U.S.**

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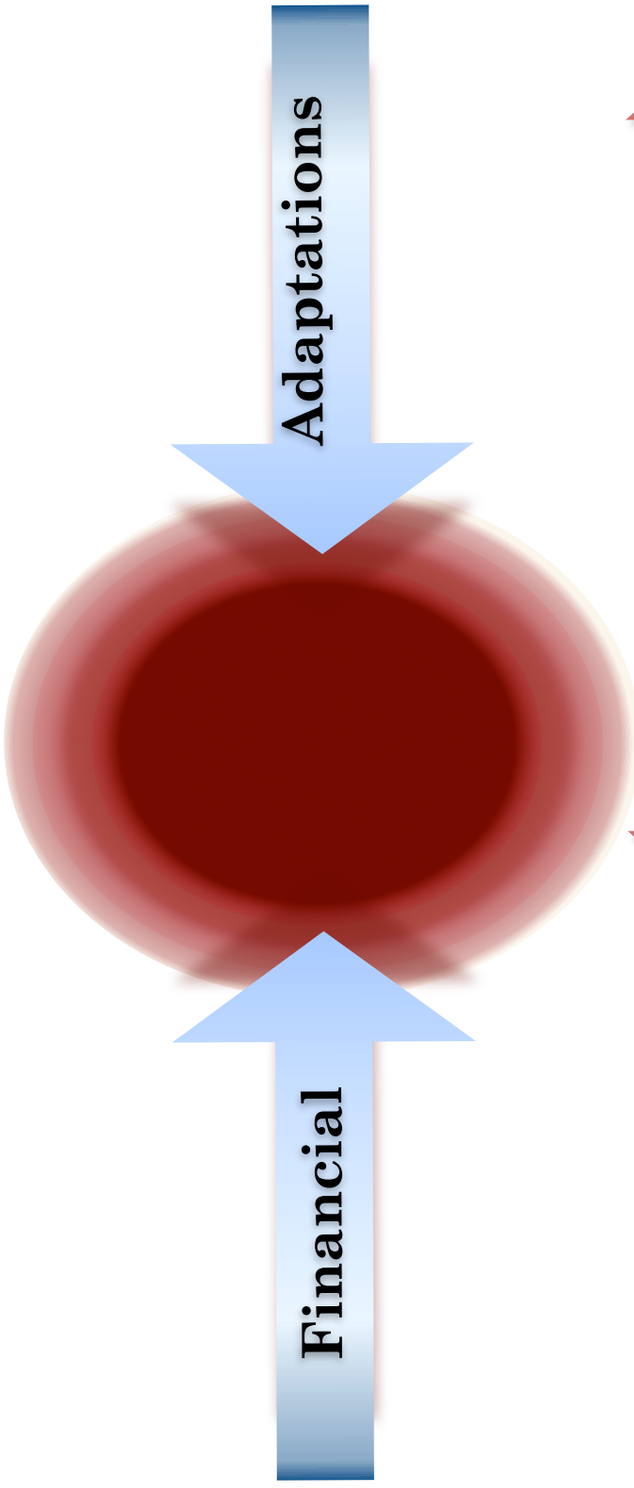
U.S. Law & Issues from Extrinsic Adaptations of *Shari'ah*



Sedition

Sedition Laws:
Trading with the Enemy Act (TWEA)
International Emergency Economic Powers Act (IEEPA)
Office of Foreign Assets Control (OFAC)
Smith Act of 1940 (18 U.S.C. Sec. 2385)

Racketeering

Racketeering Influenced and Corrupt Organizations Act (RICO)

Antitrust & Collusion

Antitrust and Collusion

Money Laundering

Money Laundering

Consumer Protection

Consumer Protection Laws:
Lantham Act
Regulation Z
Truth-in-Lending Act (TILA)
Home Ownership & Equity Protection Act (HOEPT)
Truth in Labeling?
Regulation D?
Securities Investor Protection Act of 1970

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How does ***Shariah*** Islamic Law connect with ***Shariah*** Finance?

IRAN

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1979: Iranian Hostage Crisis

55

444 days

Iran: 1978-1983

First Entrant and Leader In Shariah Finance Market

Mullahs and Imams enforce Shariah law

Major Iranian SCF banks implicated in terror funding:

- Export Development Bank
- **Bank Melli**
- Bank Mellat
- Bank Maskat
- Bank Saderat
- Bank Tejarat
- Bank Sepah
- Bank of Industry and Mine
- Bank Pasagard
- Bank Keshavarzi

32%

2008 SCF market share

Source: www.ShariahFinanceWatch.org

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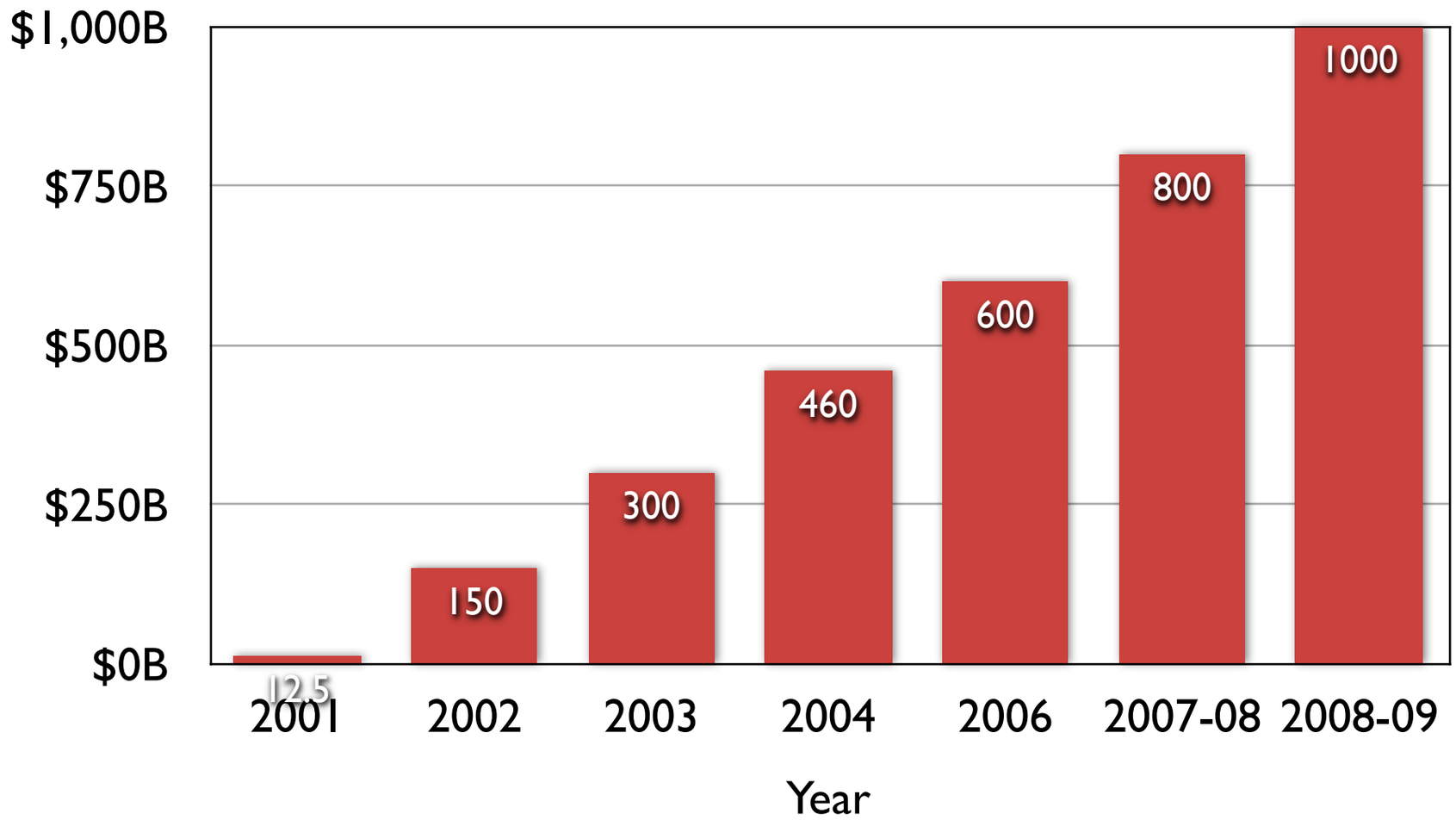
SCF Market: New, Rapid Growth



Source: *The Banker* 2007

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STEP ONE

Banks Must Hire

Shariah "Scholars"

Just like in Iran

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Shariah Scholar

Sheikh Taqi Usmani

AAOIFI

Chairman

citi

DOWJONES

guidance RESIDENTIAL

HSBC

The world's local bank

- Cleric to the Taliban, 2001
- 2006 Fatwa: violent *Jihad* necessary
- Usmani madrassa: "boasts close ties to the Taliban"

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Shariah Scholar Sheikh al-Qaradawi

AAOIFI

ex-chairman

البنك الأهلي المتحد
ahli united bank

QNB
Together Forward

Al Islami
بنك دبي الإسلامي
Dubai Islamic Bank

"I like to call it [zakat] ***Jihad with money***, because God has ordered us to fight enemies with our lives and our money."

BBC, *Panorama*
July 30, 2006

Terrorist: banned from US & UK

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SCF Industry Infrastructure & *Shari'ah* Leadership

- Islamic University (MB), 1961
- Muslim World League, 1962
- OIC, Orgn. of the Islamic Conference (UN), 1973
- IDB, Islamic Dev. Bank, 1973
- IIRO, Int'l Islamic Relief Orgn., 1978
- AAOIFI, Reg. Board, 1990
- IFSB, Reg. Board, 2002
- Bourse Dubai, Stock Exchange, 2006; (Owns 19.9% Nasdaq/ OMX Group; 22% LSEG)
- Part owner of London, Italy, New York, Nordic, Baltic, and five other European stock exchanges

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HSBC Amanah

UBS

Goldman Sachs

BARCLAYS

MasterCard

citi

Whose Missing?

AMERICAN EXPRESS

Shariah Respectful Banks

JPMorganChase

Deutsche Bank

VISA

Morgan Stanley
One client at a time.

HSBC
The world's local bank

BARCLAYS
BLACKROCK

Bank of America

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STANDARD &POOR'S

AIG

DOWJONES

PAULSON & CO. INC.

GE

MILLENNIUM

Shariah Respectful Firms

shariah capital inc

REUTERS

Prudential

BLACKROCK

BLACKSTONE SHARIAH FINANCE

guidance RESIDENTIAL

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Shariah Respectful Law Firms

Lovells

PATTON BOGGS LLP
www.pattonboggs.com

DLA PIPER

GERSTEN SAVAGE LLP

KING & SPALDING

WHITE & CASE

MURTHA CULLINA

NORTON ROSE

ALLEN & OVERY

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AIG Takaful

A Member Company of AIG

NEW YORK, Dec 01, 2008 -- Risk Specialists Companies, Inc. (RSC), a subsidiary of AIG Commercial Insurance, today announced it is introducing a Takaful Homeowners Policy, the first installment in Lexington Takaful Solutions , a series of Shari'ah-compliant (Takaful) product offerings in the U.S. The newly announced Takaful products are compliant with key Islamic finance tenets and based on the concept of mutual insurance.

"The introduction of Takaful products in the U.S. represents an important and emerging growth opportunity for AIG Commercial Insurance. We are pleased to offer socially responsible solutions to this segment of the domestic market," said Matthew F. Power, President, Risk Specialists Companies, Inc.

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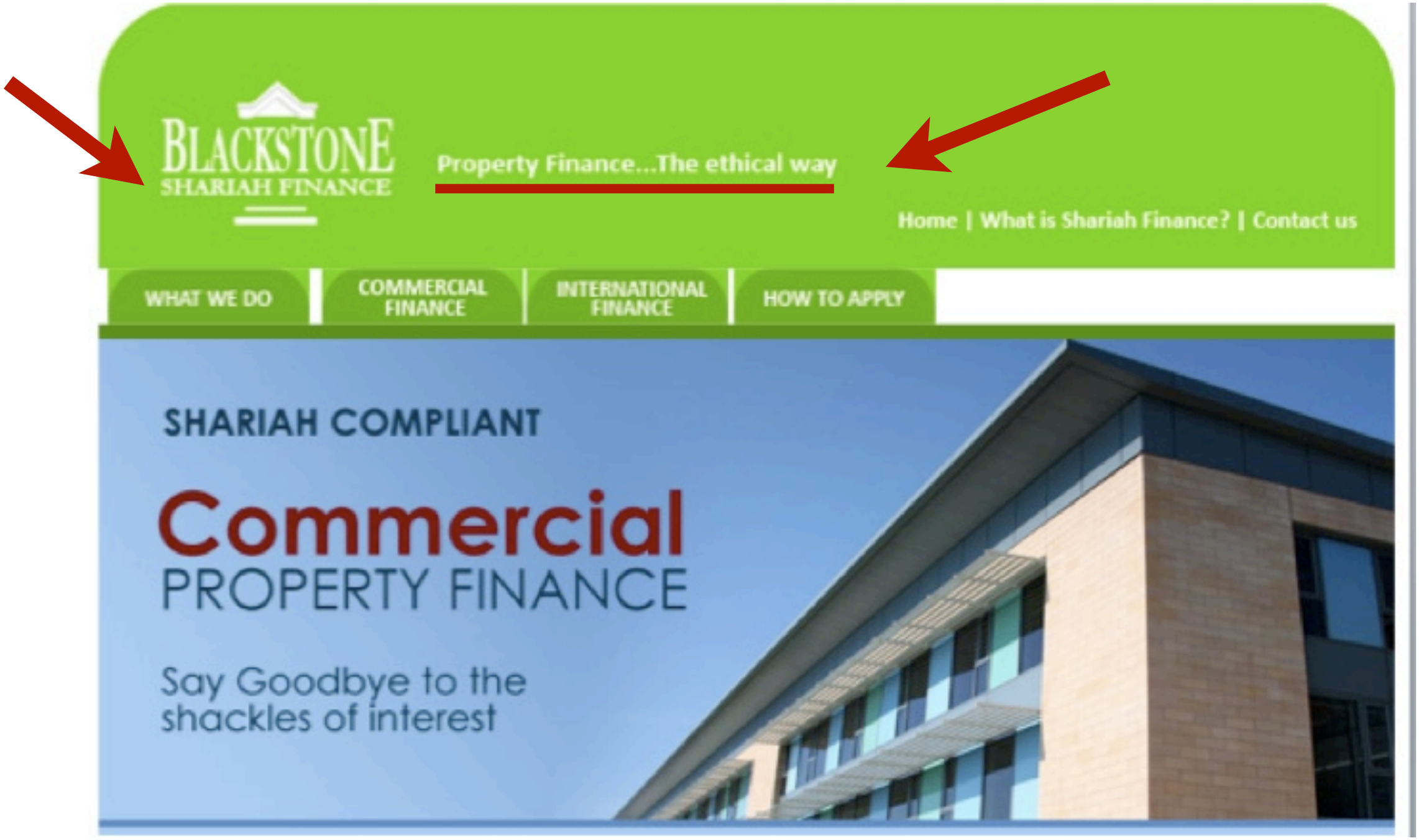

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UBS

UBS Islamic Finance

- Islamic Finance
- **Welcome**
- Sharia
- Sharia Supervision
- Sharia Principles
- Islamic Finance Terminology
- Products
- Global Asset Management
- Commodities
  - Linked Investment Certificates
  - Bespoke Indices
- Equities
- Longer Term Products
- Investment Banking
- Sukuk
- Wealth Management
- Contacts

Welcome to UBS Islamic Finance

Our understanding and shared values enable us to focus on the ethical principles and integrity of transactions that define Sharia finance, and lending our world-leading expertise and unparalleled global reach, we have created innovative Islamic structured product offerings that can be uniquely adapted to a client's specifications.

We have created a unique Islamic Finance structure that allows our clients to determine the risk return profile that meets their investment objectives. As far as permitted by Sharia our Islamic Product offering should allow investors access to cash-flows and risk profiles comparable to those of conventional finance.

Core Strengths

Our Islamic Finance offering delivers to our clients our core strengths:

- Global scale and presence
- Ethical principles that guide all our relationships
- Market strength and liquidity
- AA credit rating

Range of Asset Classes

The UBS Islamic Finance service and product offering provides investors the freedom to choose a compliant investment profile across a range of asset classes including:

- Commodities
- Equities
- Fixed Income

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Islamic Finance
Philosophy of Sharia
Key Principles

UBS Islamic Finance
Commitment and Adherence
Sharia Advisory Council
UBS Dubai Branch

Products
Sharia-Compliant Deposit
Sharia-Compliant FX BLOC
Personal Sharia Trust

About UBS
UBS Global
UBS Client Experience

Contacts

UBS Homepage > Wealth Management Worldwide > UBS Islamic Finance > **Philosophy of Sharia**

The Philosophy of Sharia

The Sharia (literally 'the way of life') is a complete set of principles and rules regulating the life of Muslims from cradle to grave, including investments and commerce.

The Sharia is partly codified in the Quran (a revealed text) and the Sunna (the 'tradition' or the recorded saying and actions of the Prophet of Islam) and partly elaborated by Islamic scholars through a process of Ijtihad ('interpretative effort') and Qias ('analogy').

The Sharia is therefore an evolving body and permits Muslims to adapt the practice of the religion to the time and place they live. Most investments fall between that which is permitted (Halal) and that which is prohibited (Haram).

There are clear general principles regarding what is prohibited, for example interest (riba), excessive uncertainty (gharar) and prohibited assets including alcohol and tobacco.

UBS adheres strictly to Sharia principles

UBS has developed strict guidelines and procedures to ensure that products and services are in compliance with Sharia principles. Prior to issue, all products and services are approved by the Sharia Advisory Council as Sharia-compliant, and documented in accordance with Sharia principles. To ensure continuous adherence to these principles we conduct regular audits and periodic reviews.

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What is "ethical" or "socially acceptable" about ***Shariah*** or ***Shariah*** Finance??

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Step Two

Shariah Investments send money direct to “Charity”

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Shari'ah

Islamic Investment Mandate

Purification $

+ Corporate Zakat Tax $

=

Total $$ to *Shari'ah* Charity

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Two Sources of Zakat from Shariah Finance

- 1. Direct Zakat payment collected by authorities from Shariah Islamic banking department or from Shariah Compliant Business . Occurs in Middle East, UAE, Malaysia, Indonesia, and elsewhere in the islamic world. It is believed that U.S. banks operating in these countries pay this Zakat as a “tax”. It is unclear whether U.S. banks operating on American soil pay this zakat “tax”.
- 2. Imbedded “purification”process which collects “unislamic” cash flows and sends them as “zakat” to Shariah Islamic Charities. Paid Shariah Sheiks control this process.

Purification = Zakat

- All Shariah investments whether mutual funds, sukuk bonds, REITS, etc have an imbedded mechanism to collect “non-Islamic” cash flows, and rather than include these cash flows as part of the ROI (return on investment), they are “purified”, meaning given to Shariah Islamic charities.
- When an investor buys an Islamic bond from HSBC or Goldman Sachs, some % of their return on investment will be given to Zakat. The investor has no choice in whether to give these cash flows to Zakat. It is part of the investment structure.
- Line items on income statements described “purified” cash flows as “ non-qualifying revenues” or “non-permissible” income.
- This purification mechanism is separate and distinct from direct zakat payments made by banks out of the banks earnings.

HSBC AMANAH:
"PURIFICATION" = Charity

Stage one: screening potential investments

Sector, financial ratios and transaction screenings take place before any trade is entered into. Potential investments are screened and those whose primary business activity is listed in the table below are excluded. The remaining stocks are tested according to three further screens to remove those with unacceptable financial ratios or borrowings.

Sector screens	
Alcohol	Weapons
Tobacco	Pork
Financial services	Gambling
Pornography	Leisure/media

Financial screens
All the following should be less than 33%
Total Debt/ 12 month trailing market capitalisation
Cash & interest bearing securities/ 12 month trailing market capitalisation
Accounts Receivable/ 12 month trailing market capitalisation

As well as the individual underlying investments conforming to Islamic principles, the fund does not engage in transactions such as derivatives or short selling.

Stage two: income purification

The fund receives dividend income as part of the normal investment return. As it is often unavoidable that some of this income will include some form of interest, it will be necessary to purify the income. The proportion of income received from non-compliant activities is paid to the 'HSBC in the Community Middle East Foundation' and the dividend is thereby purified.

For example, a large diversified corporation may be Shariah compliant, however this company may own a small finance subsidiary deemed non-compliant. A percentage of the dividend representing the profits from the subsidiary would be donated to the HSBC in the Community Foundation.

Amanah Pension Fund Flyer PDF

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Zakat Disclosure:

Oasis Crescent Property Fund 2007

	Capital of the fund R	Revaluation reserve R	Retained income R	Total R
Balance at 23 November 2005	–	–	–	–
Issue of units	200 000 000	–	–	200 000 000
Listing costs	(1 542 968)	–	–	(1 542 968)
Transfer to revaluation reserve	–	18 990 208	(18 990 208)	–
Net profit for the period ended 31 March 2006	–	–	25 136 106	25 136 106
Distribution to unitholders	–	–	(4 050 056)	(4 050 056)
Distribution of non-permissible income	–	–	(2 095 842)	(2 095 842)
Balance at 1 April 2006	198 457 032	18 990 208	–	217 447 240
Issue of units	35 253 350	–	–	35 253 350
Transfer to revaluation reserve	–	12 448 435	(12 448 435)	–
Net profit for the year ended 31 March 2007	–	–	34 887 851	34 887 851
Distribution to unitholders	–	–	(19 151 322)	(19 151 322)
Distribution of non-permissible income	–	–	(3 288 094)	(3 288 094)
Balance at 31 March 2007	233 710 382	31 438 643	–	265 149 025

Principles

In addition to its responsibilities in terms of compliance with all conventional regulation that apply to the fund, the manager has a duty towards its socially responsible investors to provide information to and comply with the Oasis Group Shari'ah Advisory Board. This process includes the following:

- initial property selection based on tenant activity and identifying core business activities that are not acceptable; and
- removing non-permissible income from the income distribution which will consist mainly of interest earned on cash held for acquisition and distribution.

Although the manager has and will continue to endeavour to avoid or limit investments that will produce non-permissible income it remains an inevitable part of investing in conventional markets. The non-permissible income component of the distribution will be separately disclosed and donated to registered charitable organisations with a focus on the areas of healthcare, education and disaster relief.

Distribution of non-permissible income:

2007 9.42%

Distribution of non-permissible income: $3,288,004;

Net profit for 2007: $34,887,851

Contribution to zakat: 9.42% (pg. 20)

http://www.oasiscrescent.com/ContextCMS/Assets/Oasis Annual Report 2007.pdf

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$$ 500 Million Islamic Bond Nov, 2009

Prospectus- from London

"Sharia" page 20,21,22,29,39,67,73,86

Goldman Sachs

"segregate and pay to charity any amount of such payment attributable to **interest, penalties, or indemnity amounts"** pp 37

"to segregate and **pay to charity** all **Non-Qualifying Revenues"** pp 25

citi

"Non-Qualifying Revenues are segregated and paid to BuildOn. Inc **or any other Sharia compliant charity** as determined by SAL (trustee) " Pg. 73

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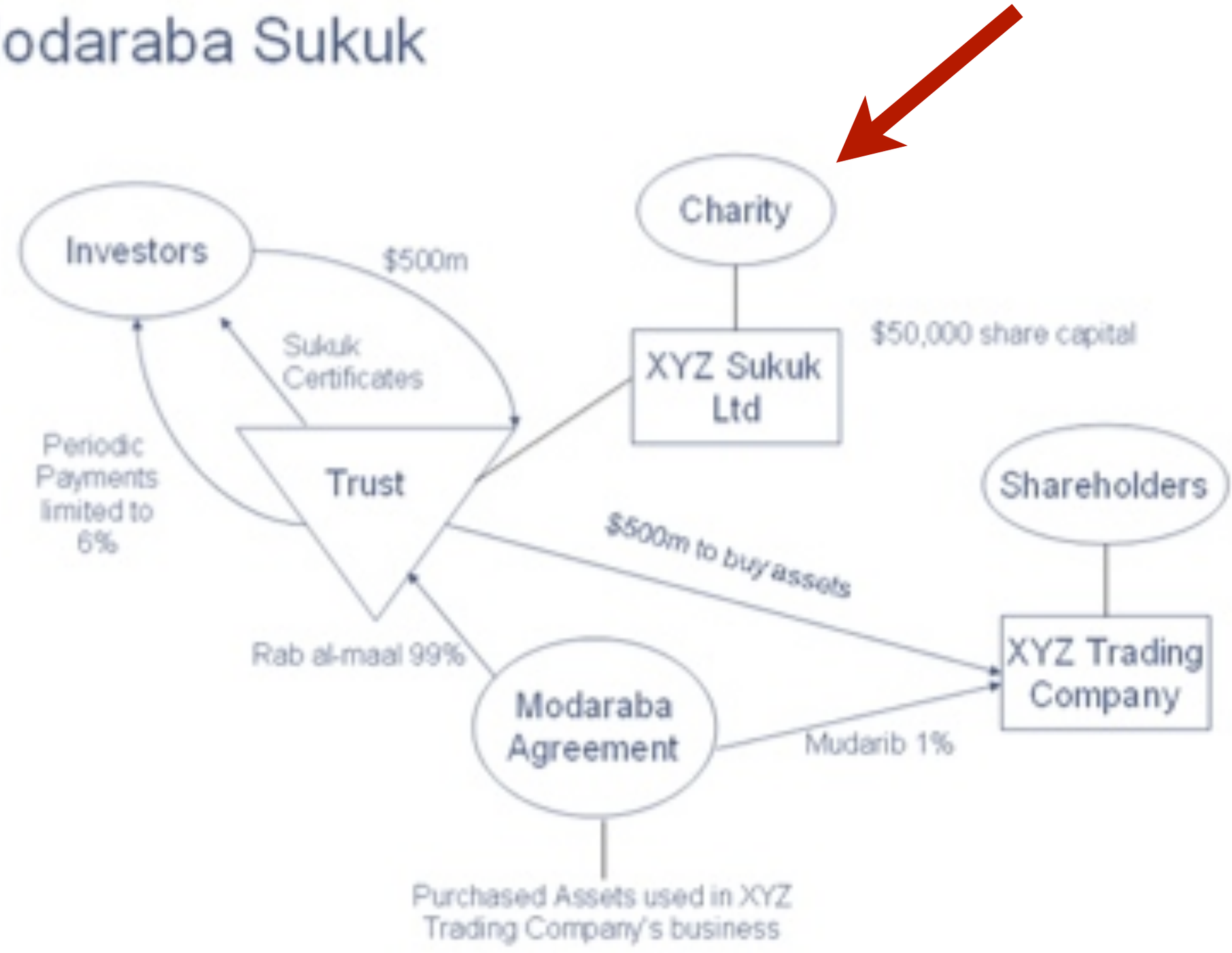
Modaraba Sukuk



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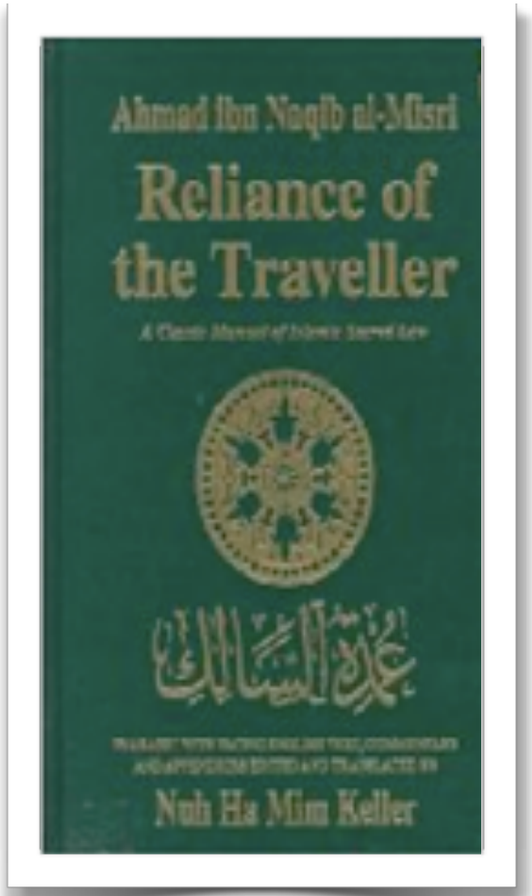
Zakat = Charity ⇨ funds terror

- *Page 272, Seventh category of Zakat*
- **"those fighting for Allah, meaning people engaged In Islamic military operations for whom no salary has been allotted in the army, or volunteers for Jihad without remuneration. They are given enough to suffice them for the operation, even if affluent."**



Reliance of the Traveller: The Classic Manual of Sacred Law
(Known in Arabic as Umdat-al-Salik) by Ahmad ibn Naquib al-Masri

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27 Shariah Islamic Charities

Sponsors of terror by U.S. TSY: Exec Act. 13224

- Afghan Support Committee; Al-Aqsa International; Taibah International; Al Haramain Islamic Foundation; Al-Salah Society; ASAI: Arab Student Aid International; **Benevolence Foundation; Care International, Inc**; Committee de Bienfaisance et de Secours aux Palestiniens (CBSP); Association de Secours Palestinien (ASP); Elehassan Society; The Global Relief Foundation; Holy Land Foundation; Islamic African Relief Agency (IARA); The International Islamic Relief Organization; Islamic Resistance Support Organization (ISRO); **Kindhearts;** Palestinian Association in Austria (PVOE); Palestinian Relief and Development Fund (Interpal); Ptech & Muwfaq; Rabita Trust; Revival of Islamic Heritage Society (RIHS); Sanabil Assoc. for Relief and Development; **The Saudi Red Crescent**; **World Assembly of Muslim Youth** (WAMY)

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IIUM International Islamic University Malaysia
Endowment Fund

Home | About Us | Product and Services | Gallery | Newsroom | Form | Annual Repo | FAQ | Location | Con

Kuala Lumpur [e-Solat] Imsak 5:58 Subuh 6:08 Syuruk 7:24 Zohor 3:28 Asar 16:41 Magh 19:28

Search IEF website

Google™ Custom Search

Search

Zakat

- Zakat and the Duties
- Zakat Prerequisite
- Zakat Reward

Zakat Distributio

The distributional scope as implemented by LZS (MAI is in accordance with syara' while the recipients amongst the asnaf is as per clarified in surah at-Taubah: ve 60 as follows:

" The alms are only for the poor and the needy, and those wh collect them, and those whose hearts are to be reconciled, and to free the captives and the debtors, and for th se of Allah, and (for) the wayfarers; a duty imposed by Allah. Allah is knower, Wise." (The Holy Qur'an 9:6

Fisabilillah - Literal meaning 'In the way of God', but it is used for Jihad.

http://www.iium-ief.com/index.php?page=zakat_distribution&lang=eng&id=46&parent_id=13

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CAIR Receives *Zakat*

Home About Us Chapters Contact Member Login

CAIR
Council on American-Islamic Relations

Search

In the Name of God, the Compassionate, the Merciful

Home | About Islam | American Muslims | Civil Rights | Government Relations | Press Center | Action Center | Employment | Internships

Zakat

November 12, 2009

Does CAIR Qualify to Receive Zakat?

Yes. Numerous Muslim scholars have confirmed that Zakat is payable to organizations that exist to serve the Muslim community by protecting their rights. This is because the work done by CAIR (and other such organizations) can be classified as **fi-sabilillah**, which is one of the eight categories of Zakat recipients detailed in the Quran (Chapter 9, Verse 60).

Islamic scholar Sheikh Ahmad Kutty a senior lecturer and Islamic scholar at the Islamic Institute of Toronto, Ontario, Canada, states:

"I think it is not only permissible, rather it is also imperative that we do give our zakah to organizations like CAIR and CAIR-CAN, since they are fulfilling a most timely and essential service for the healthy survival of the community. Supporting such institutions clearly falls under the legitimate objectives of zakah as expounded by authentic scholars and jurists of Islam, both of the past and the present.

Subscribe Donate

CAIR is Zakat-eligible

ADD THIS

Buzz up! vote now

Issues

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Amana Mutual Funds Trust

Zakah: The Third Pillar of Islam

Any program that
“promotes Islam”
qualifies
for charity including
mosques and CAIR

Da’wa

Who Receives Zakah?

Zakah funds should be distributed according to the categories of need outlined in the Qur'an (*at-Tawba* 9:60). These include:

- those who are poor
- those who are needy or destitute
- those employed to administer *zakah*
- those whose hearts are being reconciled
- those held captive
- those in debt
- those who are stranded
- in the cause of God (*fi sabilillah*)

The last category, *fi sabilillah*, is broad enough to allow *zakah* funds to be used for the general welfare of the community. Under this category, considering the fact that our mosques and community centers promote Islam and in many ways act as *dawah* centers, a portion of one's *zakah* may be paid to these centers. *Zakah* funds may also be used for education of the people and for promotion of Islam and the *ummah*.

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The CardFlex Shariapay and Sharepay Prepaid MasterCards are **issued by Palm Desert National Bank** pursuant to a **license by MasterCard International Incorporated**. MasterCard and the MasterCard Brand Mark are registered

Shariapay…it's the Muslim way!

Islamic Card Services is proud to offer ShariapayCard, the first nationwide, Sharia-compliant prepaid debit card product in the United States.

Islamic Card Services is fortunate to have partnered with CardFlex, one of the nations premier debit card payment providers, to offer a card that has all of the robust features you would expect from a premier prepaid debit card in strict compliance with Sharia law.

Islamic Card Services…Making moral, ethical, responsible, and Sharia-compliant financial management affordable.

Muslims helping Muslims…That's what Islamic Card Services is all about.

When was the last time a bank or debit card provider gave back directly to our Mosques, Islamic schools, or local communities? Giving back to our community is the fundamental principle on which Islamic Card Services was founded. When cardholders purchase one of our cards, they are able to select the charity of their preference. As long as the cardholder account remains in good standing, **we donate approximately 22% of our net revenues (including monthly fees) earned on the cardholder account to the charity which they selected.**

Islamic "Charities" linked to terror in USA

Mosques:

1. Masjid Al-Tawheed of Detroit (Detroit, MI)
2. **Islamic Center of San Diego** (San Diego, CA) | *(read mo*
3. Islamic Center of America (Dearborn, MI)
4. **Dar al Hijrah Islamic Center** (Falls Church, VA) | *(read m*
5. **Muslim Community Center** (Silver Spring, MD) | *(read m*
6. Islamic Society of Wichita (Wichita, KS)
7. Islamic Institute of New York (Woodside, NY)

Islamic Academies:

1. Annoor Islamic School (Wichita, KS)
2. **Universal School** (Bridgeview, IL) | *(read more)*
3. Universal Academy of Florida (Tampa, FL)
4. Al-Hedaya (Fort Worth, TX)
5. Crescent View Academy (Aurora, CO)
6. Al-Amal School (Fridley, MN)
7. Al-Ihsan Islamic School (South Ozone Park, NY)
8. Silicon Valley Academy (Sunnyvale, CA)
9. The Razi School (Woodside, NY)

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Zakat Statements

Amana Mutual Funds Trust

tures
nent
nt Plans
vings
n Savings
for Hajj
utual Fund
Access

Zakah: The Third Pillar of Islam

Investing and Zakah

There are different rates of *zakah* that apply to different types of assets. According to Imam Malik, *zakah* is due on three types of assets only: "the produce of plowed land, gold and silver, and livestock." Contemporary Islamic jurists have extrapolated *zakah* rates for nearly all types of assets.

Zakah: The Third Pillar
Nisab & Zakah
Investing & Zakah
Estimating Zakah
Distributing Zakah

Zakah on Stock Investments

According to Sheikh Yusuf Qaradawi, stocks and investments are most appropriately categorized as "the produce of plowed land," as both are "productive capital" assets which yield gains. Qaradawi notes that *zakah* is due on the gains of such "productive capital," not the "productive capital" itself. As for the rate of *zakah* applicable to stock investments, the following hadith offers guidance: The Prophet (*Salla Allahu Alayhi wa Sallam*) said: "On a land irrigated by rain water or by natural water channels or if the land is wet due to a nearby water channel, *ushr* (i.e. one-tenth, 10%) is compulsory (as *zakah*); and on the land irrigated by the well, half of ushr (i.e. one twentieth, 5%) is compulsory (as *zakah* on the yield of the land)."

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How Much money Goes to ***Zakat annually***?

9.0% profits purified **=** ***$17B** zakat

http://www.oasiscrescent.com/ContextCMS/Assets/Oasis Annual Report 2007.pdf

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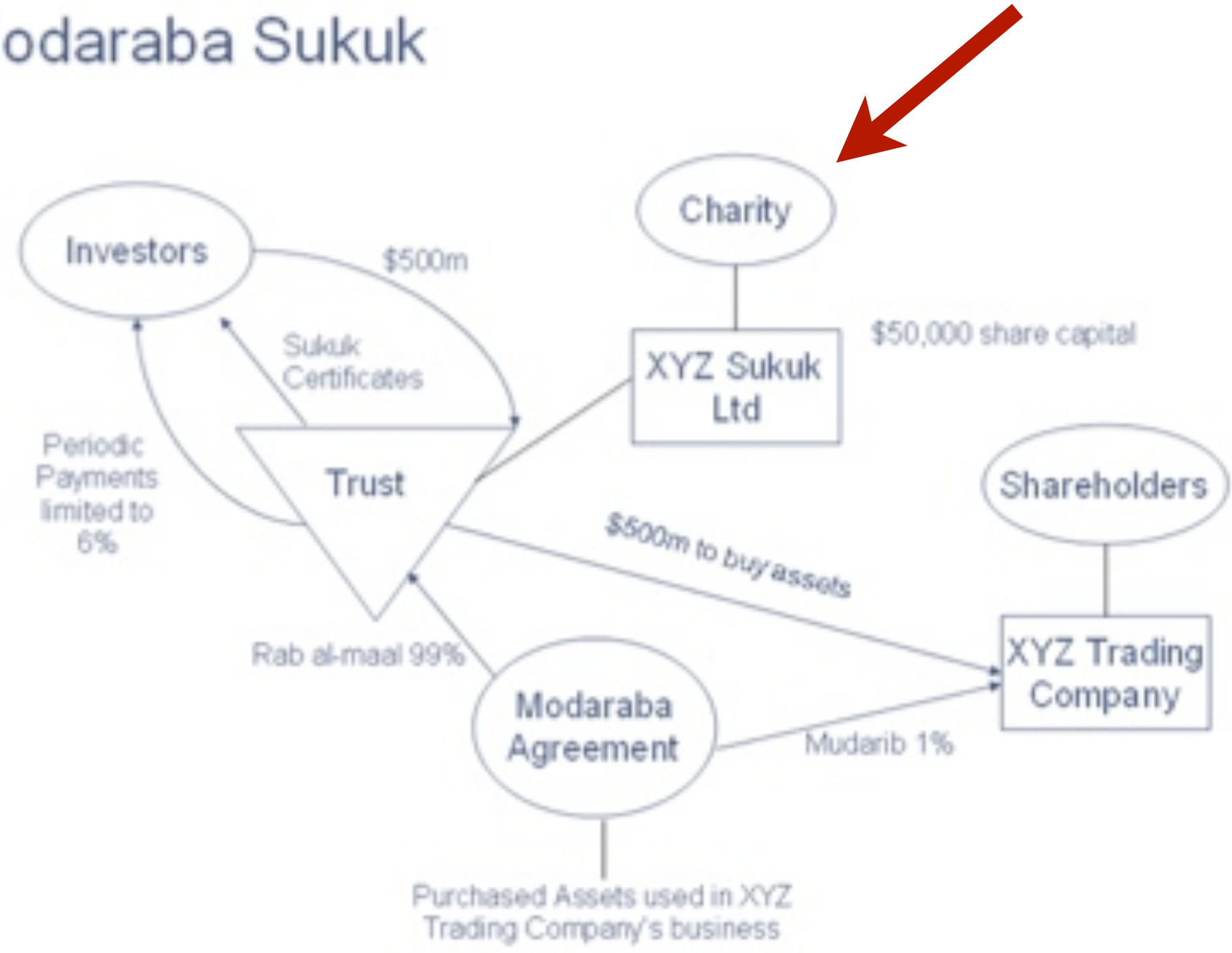
Modaraba Sukuk



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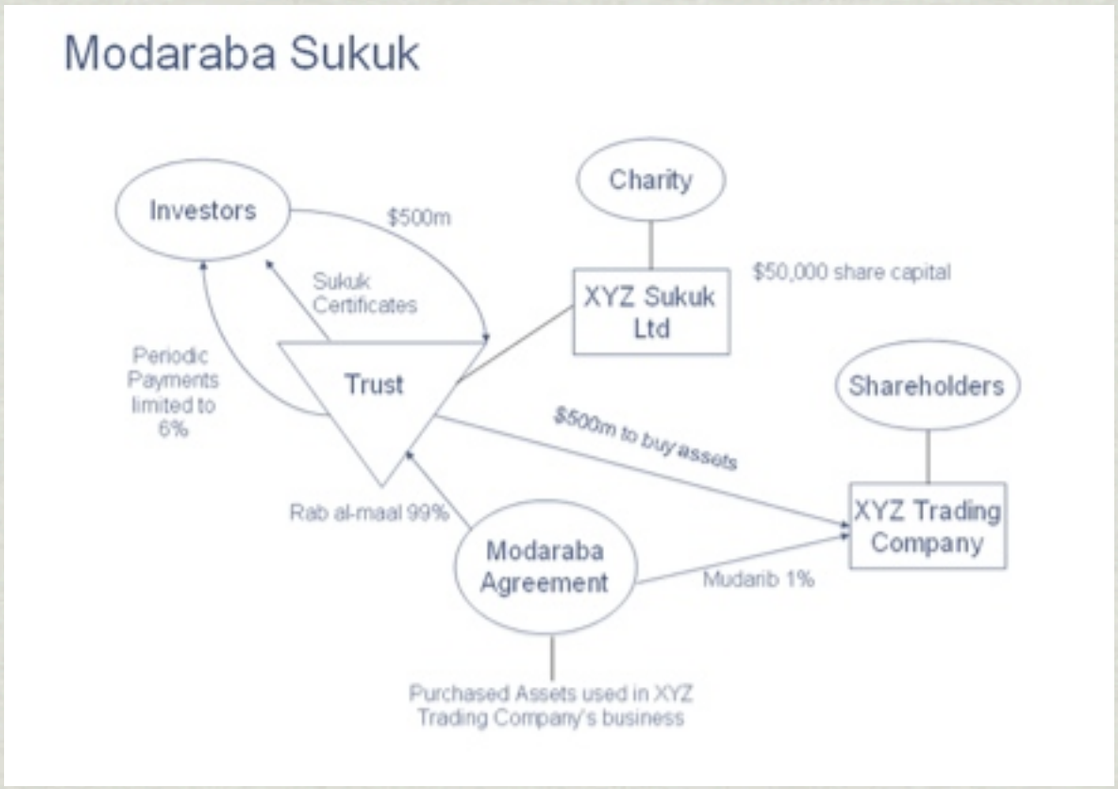
Sukuk = derivative

- Special Purpose Vehicles and underlying contracts
- Counterparty Risk
- off balance sheet transactions
- customized, non-registered, OTC derivatives
- non-transparent, difficult to value
- imbedded non-transparent mechanism to fund and select charity.
- derivatives facilitates splitting or de-bundling of assets or liabilities or cash

OTC derivatives include swaps, which are contracts that call for an exchange of cash between two counterparties based on an underlying rate, index, credit event or the performance of an asset.

Marked-up bill language of Financial Services Commitee to regulate derivatives: Oct 24, 2009.



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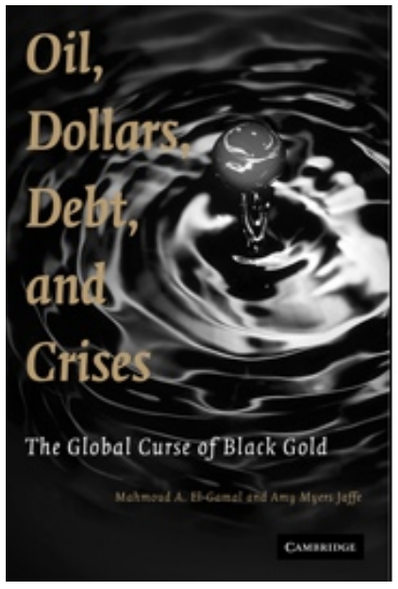
WWW.STOPSHARIAHNOW.ORG

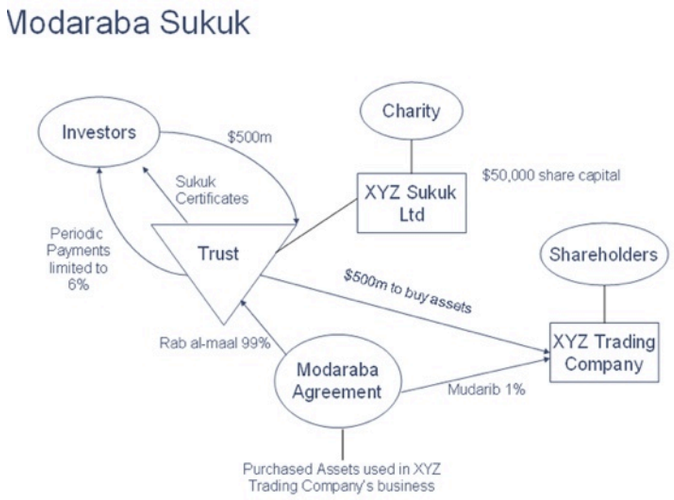
Professor of Economics at Rice University: Mahmoud El-Gamal

Have we learned nothing? Here come the "Islamic Credit Default Swaps"

http://elgamal.blogspot.com/2010/01/have-we-learned-nothing-here-come.html

So, the most recent crisis has not taught the participants and experts of today's "Islamic finance" much (I use the quotation marks because they do Islam a great disservice by using it as a brandname to market their grossly inferior and poorly construed products for a profit). Will the customers at least finally see that this is not an infant industry that needs to grow?





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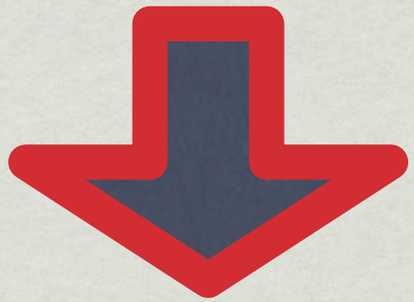
Sukuk 4x riskier:
WHY? DERIVATIVE STRUCTURE

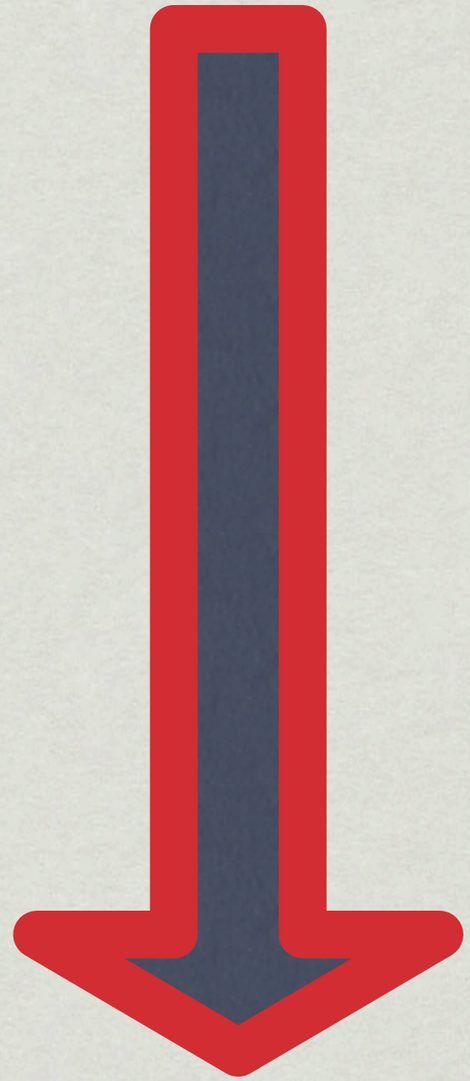


-4.7%

WESTERN BONDS
Merrill Lynch Global
Broad Market
Corporate Index.

The HSBC/Nasdaq sukuk index declined 19 percent in 2008, the most since its inception and quadruple the 4.7 percent loss of investment-grade bonds in Merrill Lynch's Global Broad Market Corporate Index.

BLOOMBERG OCT 26 2009
http://www.bloomberg.com/apps/news?pid=20601087&sid=avn0tqE5v6eQ



-19.0%

Shariah Bonds
HSBC/NASDAQ S
Sukuk Index. 2008

Step Three

Shariah Industries only: Think Iran

No alcohol, pork, gambling, tobacco, pornography

NO western defense,
NO construction churches, etc
NO publication of bibles
NO western books, TV, Radio, or film.

YES

Step Four

Firm must issue a Certificate of Shariah Compliance

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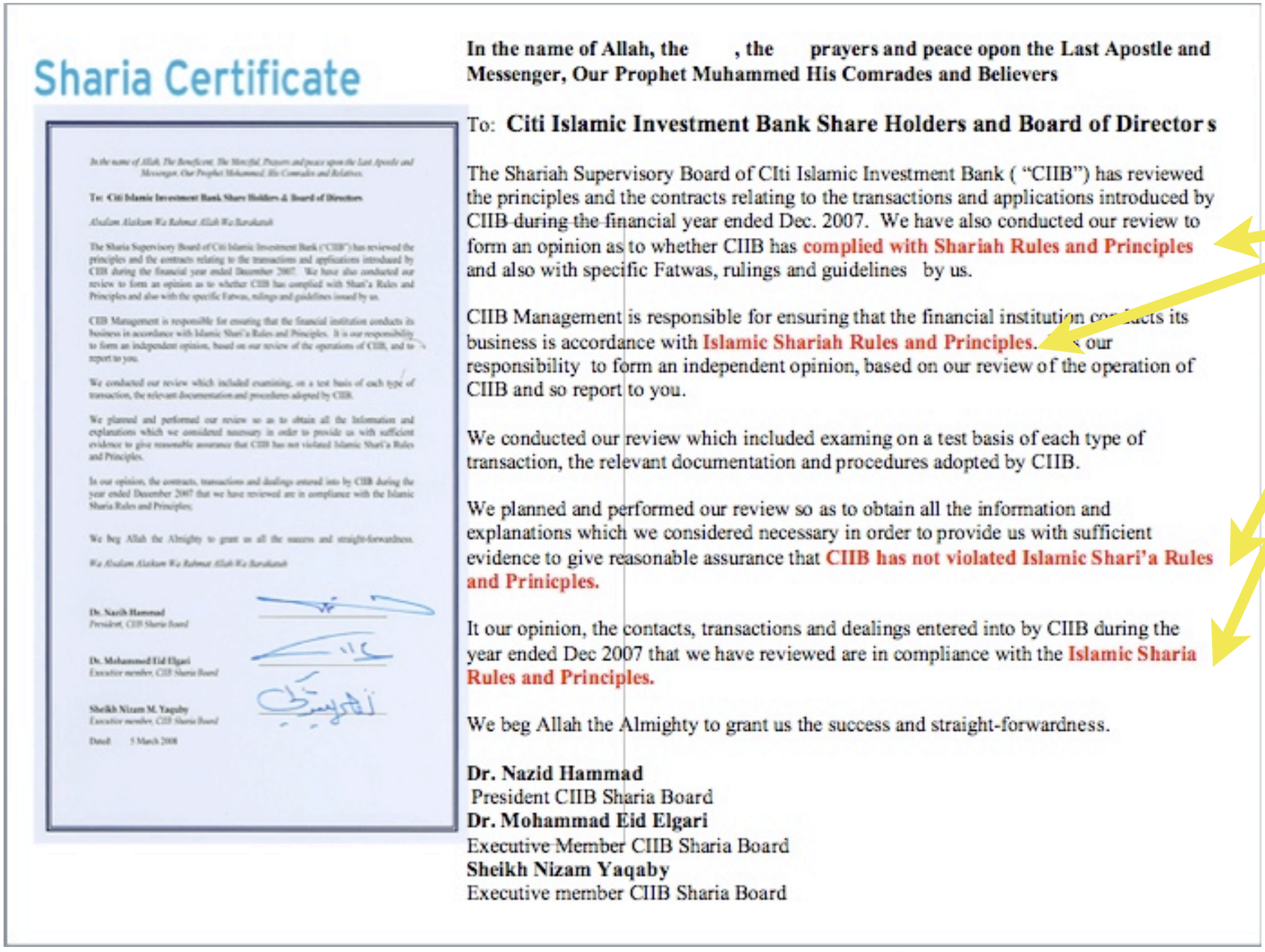
Shariah Citi Islamic Bank

Certificate of Compliance



Sharia Certificate

In the name of Allah, The Beneficent, The Merciful, Prayers and peace upon the Last Apostle and Messenger, Our Prophet Muhammed, His Comrades and Relatives.

To: Citi Islamic Investment Bank Share Holders & Board of Directors

Assalam Alaikum Wa Rahmat Allah Wa Barakatuh

The Sharia Supervisory Board of Citi Islamic Investment Bank ("CIIB") has reviewed the principles and the contracts relating to the transactions and applications introduced by CIIB during the financial year ended December 2007. We have also conducted our review to form an opinion as to whether CIIB has complied with Shari'a Rules and Principles and also with the specific Fatwas, rulings and guidelines issued by us.

CIIB Management is responsible for ensuring that the financial institution conducts its business in accordance with Islamic Shari'a Rules and Principles. It is our responsibility to form an independent opinion, based on our review of the operations of CIIB, and to report to you.

We conducted our review which included examining, on a test basis of each type of transaction, the relevant documentation and procedures adopted by CIIB.

We planned and performed our review so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that CIIB has not violated Islamic Shari'a Rules and Principles.

In our opinion, the contracts, transactions and dealings entered into by CIIB during the year ended December 2007 that we have reviewed are in compliance with the Islamic Sharia Rules and Principles.

We beg Allah the Almighty to grant us all the success and straight-forwardness.

Wa Alsalam Alaikum Wa Rahmat Allah Wa Barakatuh

Dr. Nazih Hammad
President, CIIB Sharia Board

Dr. Mohammed Eid Elgari
Executive member, CIIB Sharia Board

Sheikh Nizam M. Yaquby
Executive member, CIIB Sharia Board

Dated: 5 March 2008

In the name of Allah, the , the prayers and peace opon the Last Apostle and Messenger, Our Prophet Muhammed His Comrades and Believers

To: **Citi Islamic Investment Bank Share Holders and Board of Directors**

The Shariah Supervisory Board of CIti Islamic Investment Bank ("CIIB") has reviewed the principles and the contracts relating to the transactions and applications introduced by CIIB during the financial year ended Dec. 2007. We have also conducted our review to form an opinion as to whether CIIB has **complied with Shariah Rules and Principles** and also with specific Fatwas, rulings and guidelines by us.

CIIB Management is responsible for ensuring that the financial institution conducts its business is accordance with **Islamic Shariah Rules and Principles.** It is our responsibility to form an independent opinion, based on our review of the operation of CIIB and so report to you.

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It our opinion, the contacts, transactions and dealings entered into by CIIB during the year ended Dec 2007 that we have reviewed are in compliance with the **Islamic Sharia Rules and Principles.**

We beg Allah the Almighty to grant us the success and straight-forwardness.

Dr. Nazid Hammad
President CIIB Sharia Board
Dr. Mohammad Eid Elgari
Executive Member CIIB Sharia Board
Sheikh Nizam Yaqaby
Executive member CIIB Sharia Board

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Shariah AIG

Certificate of Compliance

AIG Takaful - Enaya B.S.C (c)
C.R. 69589 P.O. Box: 20107
Manama, Kingdom of Bahrain
Tel: 00973 17565999 Fax: 00973 17580688

بسم الله الرحمن الرحيم

SHARIA COMPLIANCE CERTIFICATE

We, the Supervisory Sharia Board of AIG TAKAFUL ENAYA confirm that we have perused and studied the Insurance Products Policies and Contracts of the above aforementioned Company, and we hereby certify that all the Insurance Products Polices and Contracts issued by said Company are fully Sharia compliant and in line with Islamic Fiqh rulings of Takaful Insurance.

Shiekh Nizam Yaqubi
Chairman of the Board

Dr. Mohamed Ali Elgari
Member

Dr. Muhammad Imran Usmani
Member

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Shari'ah-Respectful Ivy League Universities

HARVARD LAW SCHOOL Islamic Legal Studies Program

IFP Islamic Finance Project

Islamic Finance 101

Hosted by the

U.S. Department of Treasury

In association with the

Islamic Finance Project – Harvard Law School

8th Annual

November 6, 200

1:00 p.m. to 5:00 p.m.

1500 Pennsylvania Avenue NW, Washington D.C

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Shariah Scholar

Sheikh Yusef Delorenzo

AAOIFI

Member

DOWJONES

shariah capital inc.

BARCLAYS

BLACKROCK

American- Sicilian born, Cornell drop-out, convert to Islam

Studied at Sheik Usmani's "family" madrassa

Advisor to Pakistan President during creation of Taliban '81-84

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Result: Our Banks offering Shariah Investments?

- 1. Promoting Shariah as "ethical" & legitimate
- 2. Incubating mini Islamic Banks- economic terror cells in our banking system.
- 3. Strengthening and funding world of Shariah - through zakat to mosques or terror groups AND <u>weakening western democracy.</u>

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Goal of Shariah Scholars

replace western Capitalism with Shariah Finance

"good way to diversify your portfolio"

for EVERYONE...EVERYWHERE

pension funds, banks fund managers, insurance companies

no alcohol, no tobacco, no [illegible] gambling

"Ethical investing"

less risky : more oversight that capitalism (Shariah scholars)

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Capital Markets:

SCF Markets	Free Capital Markets
Political investing	Economic investing
Basis for market efficiency= Control of information by Shariah Scholars	Basis for market efficiency = free flow of information, insider trading illegal
Investments benefit Islamic economy	Investments benefit global economy
Controlled entry of SCF Shariah Scholars	Entry controlled by licensing which is open to anyone.
Demand manipulated through controlled information	Demand dictated by market; any manipulation is illegal
Distributes profits directly to Shariah Charities.	Distributes all profits back to investors
Arabic Lexicon, translation relied upon by insiders.	English lexicon
Opaque, regulation by Shariah Law?	Transparent, U.S. Securities Law

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Fall of Capitalism, Rise of Shariah Finance

"We have our own economic philosophy and system which others do not have. The collapse of the capitalist system, which is based on usury and securities rather than commodities in markets, shows us that it is undergoing a crisis and that our integrated Islamic philosophy, if properly understood and applied, can replace the Western capitalism," **Sheik Yusaf Qawadari**, Shariah Finance "scholar" and US Terrorist.

Oct 2008 www.english.islamweb

http://english.islamweb.net/ver2/engblue/article.php?lang=E&id=147086

"According to Hizb ut-Tahrir, the world's social and economic problems will not be fixed until the world is governed by Shariah and the government controls all major industries. Lenders would no longer be able to charge interest, which one speaker decried as a "poisonous concept." Charity, or *zakat*, was advertised as the way to alleviate "economic inequality." Saudi recognized terror org: **Hizb ut Tahrir**

Read more at: http://www.investigativeproject.org/1100/hizb-ut-tahrir-shariah-takes-precedence-over-us

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Legal Action Taken Against Firms engaging in Shariah Fnance?

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IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF MICHIGAN

KEVIN J. MURRAY,

Plaintiff,

v.

HENRY M. PAULSON, JR., in his official capacity as Secretary, U.S. Department of Treasury; **BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM,**

Defendants.

Case No.

COMPLAINT

[FIRST AMENDMENT TO THE UNITED STATES CONSTITUTION]

INTRODUCTION

1. This civil rights action challenges that portion of the "Emergency Economic Stabilization Act of 2008" (or "Act") (12 U.S.C. § 5201 et seq.) enacted by the United States Congress pursuant to Congress' taxing and spending power that appropriated $40 billion in taxpayer money to fund and financially support the United States government's majority ownership interest in American International Group, Inc. ("AIG"), which engages in Shariah-based Islamic religious activities that are anti-Christian, anti-Jewish, and anti-American. The use of these taxpayer funds to approve, promote, endorse, support, and fund these Shariah-based Islamic religious activities violates the Establishment Clause of the First Amendment to the United States Constitution.

THOMAS MORE LAW CENTER
Robert J. Muise, Esq. (P62849)
Brandon Bolling, Esq. (P60195)
24 Frank Lloyd Wright Drive
P.O. Box 393
Ann Arbor, MI 48106
rmuise@thomasmore.org
(734) 827-2001

LAW OFFICES OF DAVID YERUSHALMI
David Yerushalmi, Esq.* (Ariz. Bar No. 009616; DC Bar No. 978179; Cal. Bar No. 132011; NY Bar No. 756206)
P.O. Box 6358
Chandler, AZ 85246
david.yerushalmi@verizon.net
(646) 262-0500
Fax: (801) 760-3901

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Congress of the United States

Washington, DC 20515

December 18, 2008

American International Group Inc.
Attention: Edward Liddy, Chairman of the Board and Chief Executive Officer
70 Pine Street
New York, NY, 10270

Dear Mr. Liddy:

You may defend your decision to offer Shariah products and will probably state that they have no real ties to Shariah law, and therefore pose no threat. You are wrong.

Islamists use Shariah finance to become legitimate and mainstream, and slowly change the legal system to suit their ideology. Again, Britain's Shariah courts can attest to this fact. Like Britain, the way to America's legal code is through its wallet; and if Shariah law gains a strong footing in the United States, it will be through Shariah finance and Shariah products.

We are sure that those who tout Shariah finance say it is ethical because it doesn't charge interest and poses no risk to investors because it forbids uncertainty and speculation, such as futures trading. The truth is that Shariah finance lacks transparency and makes it easy to mask where the money goes. Shariah finance products lack the same transparency as the products that helped create the current financial crisis; subprime loans. However, we assure you that Shariah finance is far worse than the subprime market that has caused Americans great economic pain.

Sincerely,

Sue Myrick
Member of Congress

Frank Wolf
Member of Congress

CC: David L. Herzog, AIG Chief Financial Officer

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Lawsuit Cozen O'Connor

Defendants: Allstate, Chubb, Ace +

May 2008

Shariah Banks

Zakat

Al-Qaeda

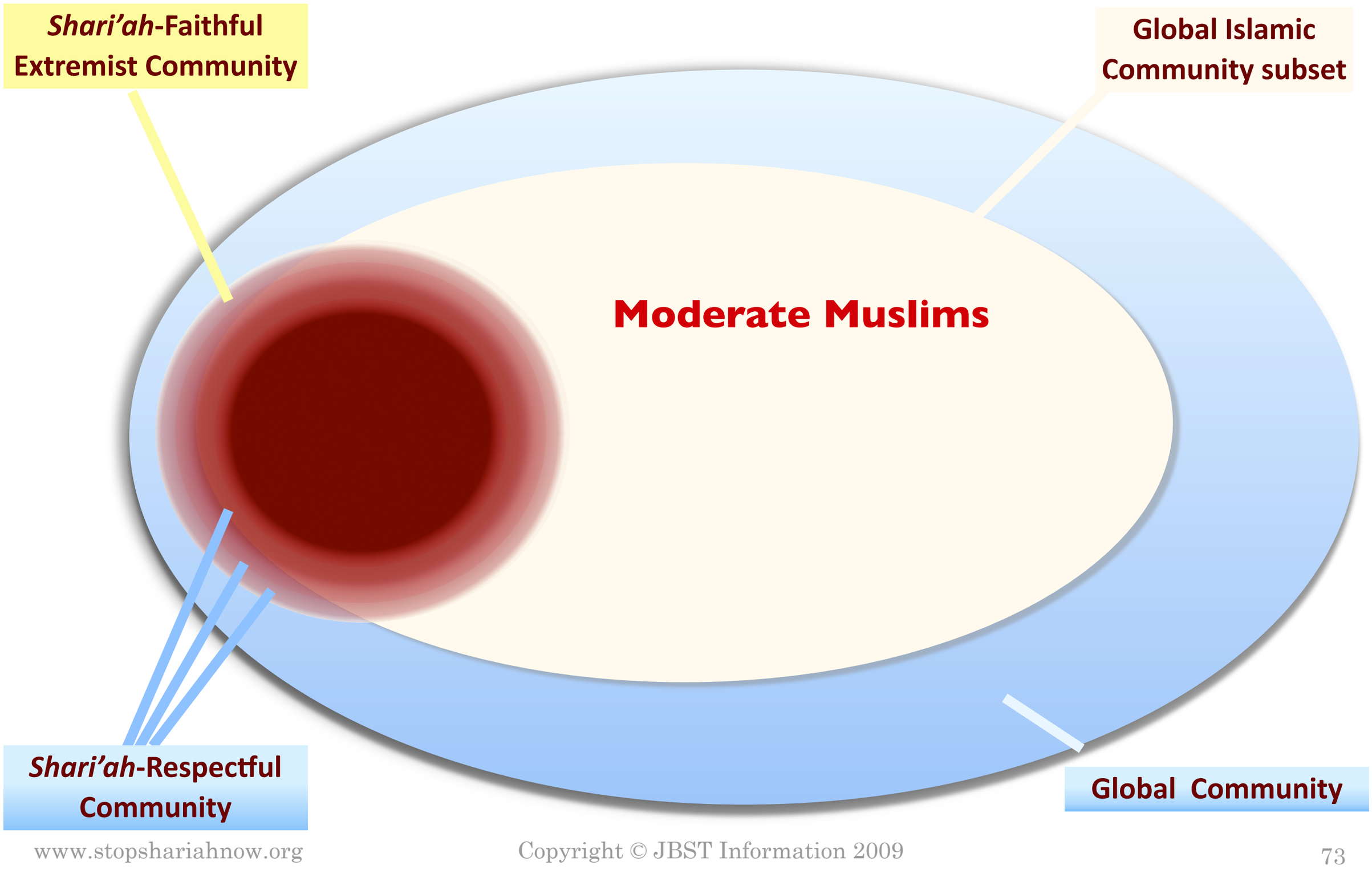
SEPT 11th

U.S. Cole

3000+ Americans Dead

Shariah Islam and the World:

A Political Movement



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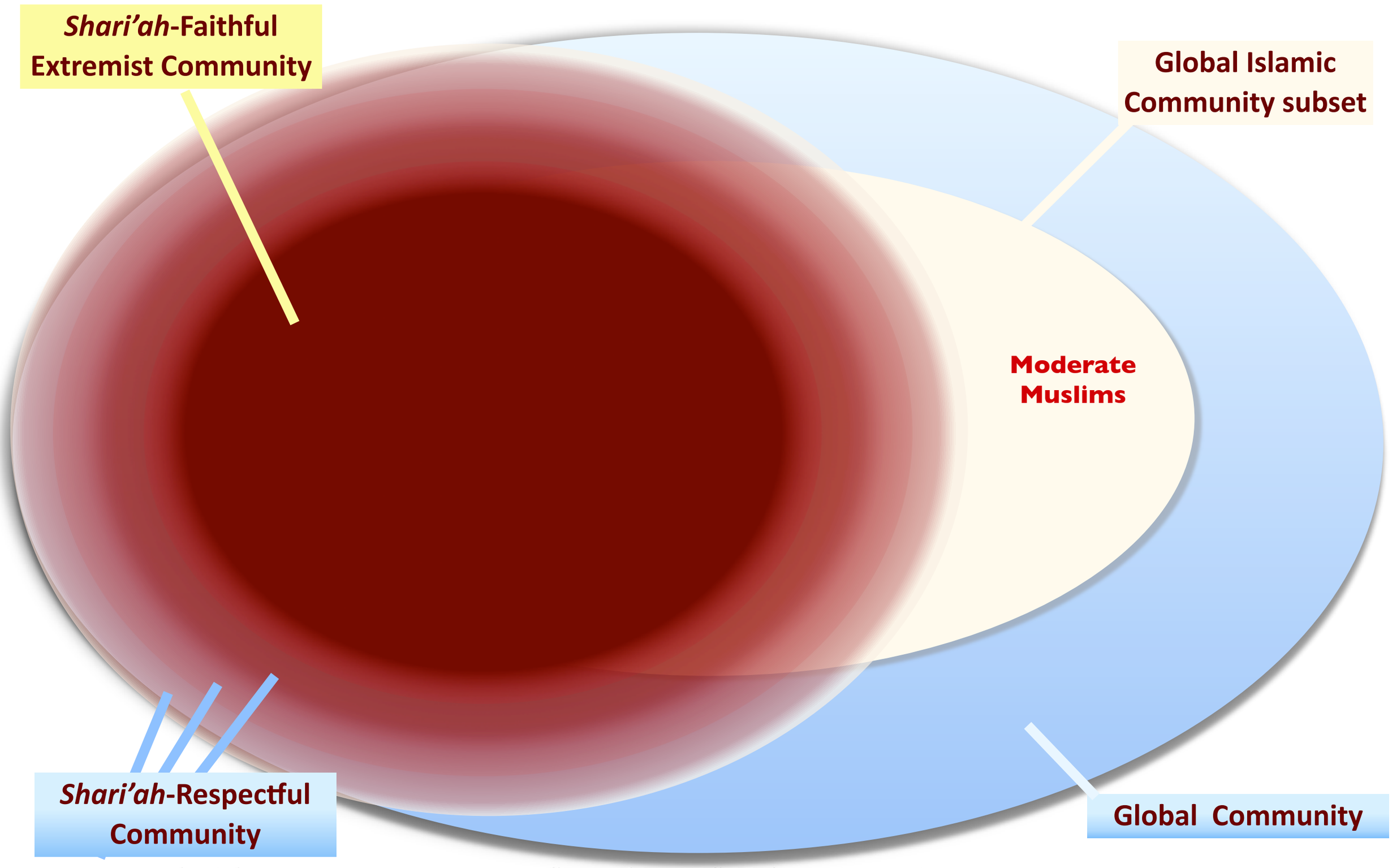
Political *Shariah* grows



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Creeping Shariah in Minnesota

1. Taxpayer funded Islamic charter school, one of 13 being i

2. Taxi drivers refuse passengers

3. Footbaths at Mi

4. ncy: offering Shariah mortgages

20 home grown terrorists

1st American suicide bomber

5. Gold n' Plump meat packer settled "religious discrimination" lawsuit by 9 Muslims demanded to pray 5 times a day and NOT handle pork. Tyson Foods precedent.

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Moderate Muslim Talk

Dr. Zuhdi Jasser
President
American Islamic Forum For Democracy

"**Make no mistake.** So-called '*Shari'ah*-compliant financing' **(SCF) is neither about religion nor about God.** SCF only empowers Muslim *Shari'ah* Law leaders whose **real long-term vision is to impose *Shari'ah* Law on the world and recreate an Islamic empire.** These leaders want to … overpower capital free markets and create their version of an Islamic economy. **Bankers and business leaders are being duped."**

Dr. Zuhdi Jasser

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$$ Wall Street Buddy Talk $$

"make it illegal & I'll stop doing it"

"if I don't do the deal, someone else will"

"it's just about business"

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Media Talk

Copyright © JBST Information 2009

Sound the Alarm

1. Talk to everyone you know friends, neighbors, school board, letters to editor, local radio or cable, church group, town meeting, tea party...

2. Talk to your bank

3. Join ACTION groups

Act For America
Family Research Council
Let Freedom Ring

4. Don't need to know it all:

www.stopshariahnow.org FACT SHEETS & VIDEOS

.

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Proposed Disclosure Statement

- **Full and fair disclosure must include the following listing of tenets of Shariah Law**:

1) Unification of church and state under Islam.
2) Military Jihad is an obligation of the Muslim "umma", or community.
3) Conversion, taxation or killing of non-believers.
4) Capital punishment for offenses including slandering Shariah, apostasy, and the practice of homosexuality.
5) Creation of an Islamic Economy.
6) Virtually no civil or equal rights for women.
7) No minimum age requirement for marriage and no consent required by the child.

Found at:
www.stopshariahnow.org,
left side: STOP SHARIAH PROJECT

- **Full and fair disclosure must include the following information regarding the requirements the financial institution must fulfill to offer a Shariah Compliant product.**

1). Hire recognized Shariah Sheiks or "authorities" who have final say on terms of Shariah Compliance. Install these Sheiks on Shariah advisory boards within the corporate bank structure, where these "authorities" alone sign a "Certificate of Shariah Compliance" on behalf of the bank. (Many of these Shariah Sheiks have publicly advocated for Jihad or are affiliated with Jihadi groups.)
2) Avoid investment in "haram," or unislamic businesses and products, including: Western films, TV, music and books; Western defense; Christian, Hindu, Jewish, or any non-Islamic goods, businesses, or real estate projects; selected civic or welfare services for women; and health services for LGBT citizens.
3) Comply with a purification of funds method or other Zakat method to donate a percentage of profits (known as charity or Zakat) to Shariah-Approved Charities. There are eight recognized categories of Zakat, with at least one category defined as " those fighting in the cause of Allah", or " volunteers for Jihad", and another 3 easily interpreted this way. Empirical evidence is abundant. There are 27 **Islamic charities** that operate globally, including America that have been indicted or designated by the U.S. Treasury under Exec, Act 13224, as **sponsors of terrorism,** in part, through receipt of Zakat or Purification dollars. Funding of terror is a criminal violation of U.S. Securities Law.

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Sample Ordinance

- The [named government jurisdiction] will not do business with the following named financial institutions until such time as the institution provides full and fair disclosure and transparency regarding the nature of Shariah law and Shariah-compliant finance. The institutions are:
- **Citibank**
- **UBS**
- **HSBC**
- **AIG**
- **Goldman Sachs (other)**
- **Proposed Disclosure Statement Here**

- At such time that any one of the four financial institutions named shall include in its disclosure documents pertaining to Shariah-Compliant products information essentially comparable with the information specified in this ordinance, this [named government jurisdiction] shall review the disclosure information and then make a determination as to whether or not to rescind this prohibition against doing business with that financial institution.

Found at: www.stopshariahnow.org, left side: STOP SHARIAH PROJECT

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America's First Anti-Shariah Candidate: Vijay Kumar (R-TN)

I no longer believe their is a Israel-Palestine conflict, or India-Pakistan conflict , or a Serbian-Bosnian , there is only Universal Jihad.

"Islam's Sharia law is the greatest threat to our liberal democracy and our Constitution that the United States has ever faced," says Kumar. "Sharia law is the antithesis of freedom, liberty, and civil rights, and not one political candidate or public official today is doing anything to inform the American people honestly and fully about it. I intend to change that."

"Universal Jihad has raged for 1400 years around the globe," says Kumar. "It has killed over 200 million people and has decimated entire cultures and religions in nations all over the world. Now it has come to the shores of America. But whether Christian, atheist, Hindu, Jew, American, Russian, Filipino, Scandinavian, Asian, black, white, or brown, every person on Earth who cares about basic human rights of freedom of thought, freedom of religion, and freedom of speech faces the same common enemy bent on eradicating every one of those freedoms under the domination of Islam and Sharia."

An immigrant from India who came to America in 1979, Kumar was living and working in Iran for a European construction firm during the Islamic Revolution that overthrew the Shah of Iran and transformed the nation to a fundamentalist Islamic theocracy. He wants the United States to take a leadership role in forming a coalition of nations around the world who have been victims of what Kumar calls "Universal Jihad," to stand as a united front against Islamic aggression.

I have said for years that there is no such thing as a 'war on terror,' because terrorism is only one tactic in Universal Jihad. The covert creep of Sharia law in nations is another tactic, and just as deadly to human rights.

http://www.kumarforcongress.com/

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END

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Shari'ah Authority Profile: Yusuf De Lorenzo

- *Shari'ah* Boards: AAOIFI; IFSB, Barclays Capital, Shariah Capital, Dow Jones, Guidance International
- American convert to Islam
- Dropped out of Cornell and educated at same madrassa founded by Sheikh Usmani
- Advisor to Pakistan President Zia al-Haq 1981–1984 during creation of Taliban
- Director of Education for the Islamic Saudi Academy, which was formally condemned for its hate curricula

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Consumer Protection

Do investors understand that a portion of their ROI is going to Islamic charities?

Who is taking fiduciary responsibility for the investor if *Shari'ah* Advisors alone decide what is and is not "Islamic"?

How can investors be certain they are not funding *Da'wa* or *Jihad*? What mechanisms track Zakat and Purification dollars?

Impacted U.S. Consumer Protection Laws:

Lantham Act
Regulation Z
Truth-in-Lending Act (TILA)
Home Ownership & Equity Protection Act (HOEPT)
Truth in Labeling?
Regulation D?
Securities Investor Protection Act of 1970

Who decides what happens to *zakat* dollars and who is liable if SCF dollars fund terrorism: The funds? The regulators? The investors? The *Shari'ah* Authorities?

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Sedition

- *Shari'ah* Authorities Sheiks al-Qaradawi and M. Taqi Usmani have issued *fatwas* that provide material support to global *Jihadists*

- Embedded mechanisms of purification or *zakat* within SCF used to fund the supremacy of Islam through *Da'wa* or *Jihad*.

- Global Severity Risk?

Impacted U.S. Sedition Laws:

Trading with the Enemy Act (TWEA)

International Emergency Economic Powers Act (IEEPA)

Office of Foreign Assets Control (OFAC)

Smith Act of 1940 (18 U.S.C. Sec. 2385)

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This first ever award to a Muslim school appears to validate the predictions which cleric Yusuf Qaradawi made a decade ago, at a Muslim Youth conference in Ohio.

"...Some countries will fall to the armed Islamic jihad, but in others, such as the United States, victory will come through Da'wa - the teaching of Islam to non-Muslims - which will trigger Westerners to convert to Islam 'in droves.' We will conquer America not by the sword but by Da'wa."

http://littlegreenfootballs.com/article/17986_Islamist_School_Wins_DOE_Excellence_Award

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What Makes a *Shari'ah* Authority?

- Issue financial *fatwas*
- Issue political fatwas that call the *Shari'ah* Faithful to action; Bin Laden follows fatwas of *Shari'ah* Authorities
- Establish compliance with *Shari'ah* Rules and Principles and issue Certificates of Compliance for SCF products
- In SCF world, they control the flow of funds
- Our Research: Muslim Brotherhood affiliations

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