

## **alburaq launches UK 'Halaal' savings plan**

**Thursday 14th August 2008: 14:30**

**By Sarah Griffiths**

alburaq, has launched a capital-protected savings plan for British customers, designed to allow exposure to the stock market in harmony with ethical Islamic principals.

The Islamic provider says the capital-protected savings plan is a 'Halaal' alternative to a guaranteed equity bond.

Customers can deposit £500 to £1m, with their investment linked to the stock market via 20 shares selected from the Dow Jones Islamic Index.

The initial deposit is protected and savers will receive 100% of capital gained through the plan. The investment is also in accordance with Shari'ah.

Keith Leach, head of alburaq says: "Our research has shown that, whilst the Muslim community highly values property as a means of wealth generation, there is also a desire for alternative investment options. Our unique Savings Plan was created in response to that need."

It is permissible for Muslims to own shares but there are restrictions on the type of companies considered ethical according to Shari'ah. 'Halaal' companies must not be over-reliant on debt or engaged in activities Islam would consider cruel or unjust.

In many ways, Islamic investment principles are even stricter than the mainstream ethical investment vehicles offered, according to alburaq.

The Islamic Savings Plan will invest customers' funds for a period of five years and will mature on 26 September 2013. Return offered will be linked to the basket of 20 shares from the Dow Jones Islamic Market Titans 100 Index.

The fixed-term account is open until 5 September and will be offered in partnership with the Bank of Ireland.

alburaq is a brand name belonging to ABC International Bank, a subsidiary of the Arab Banking Corporation with total assets of \$33bn at December 2007.

Islamic banking derives its principles from the Shari'ah. alburaq's products are free of 'Riba', (giving and receiving of interest) which is forbidden, and operate in accordance with Shari'ah principles, reviewed by a Shari'ah Supervisory Committee (SSC.)

This article was first published by IFAonline, part of the Incisive Media group.