THE CHALLENGES OF OFFERING A
LARIBA FINANCIAL SERVICES WINDOW
IN AN AMERICAN BANK

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HARVARD ISLAMIC BANKING FORUM 1999
October 1, 1999

WHAT IS LARIBA BANKING?

CREDIT IS A BASIC HUMAN RIGHT

• Socially Responsible Ethical Banking
• Asset-Based Financing
• A Commodity, Tangible Asset &/or Service Must Change Hands
• Investments in Specific Activities
• Community Development
WHY OFFER LARIBA SERVICES IN A CONVENTIONAL BANK?

• Apply the strict American Banking regulatory and supervisory practices to LARIBA Banking. This will:
  – Add more credibility to the LARIBA Banking
  – Benefit providers, clients and regulators

• Create a larger pool of bankers of all faiths, training and experience who are conversant in both conventional RIBA Banking and LARIBA Banking.

WHY OFFER LARIBA SERVICES IN A CONVENTIONAL BANK? (contd.)

• Create the foundation for the beginning of a new banking service; LARIBA Banking, that is offered nation-wide by a large and sophisticated network of banks at the lowest cost.
WHY OFFER LARIBA SERVICES IN A CONVENTIONAL BANK? (contd..)

• Offer consumers the choice between conventional RIBA and LARIBA banking products. In doing so, the consumer will enjoy the ability to choose from a wide variety of banking, financing, and saving products and services from one organization.

• Encourage members of the Muslim community to participate, with their wealth, in the American economic system without violating their religious beliefs. This will help create new investment opportunities.

• Create an atmosphere of healthy competition between the RIBA conventional banking products and the LARIBA products.
CHALLENGE 1

Compliance with Islamic Law

IS IT ACCEPTABLE TO RUN A RIBA BANK THAT OFFERS LARIQA PRODUCTS & SERVICES?

OPINION OF ISLAMIC SCHOLARS

• YES, Desirable & Encouraged
  – Malaysia Scholars & Experience
  – Middle Eastern Countries’ Scholars

CHALLENGE 2

COMPLIANCE WITH U.S. BANKING LAWS & REGULATORY AGENCIES

OCC, FRB & FDIC

• SEPARATION OF CHURCH & STATE
• OCC OPINION: BASED ON PRIOR SUPREME COURT DECISIONS CONFIRM THAT BANKS ARE ABLE TO CONDUCT LEASE-TO-PURCHASE FINANCING.
• FRB & FDIC NO OPINION YET
CHALLENGE 3

THE HUMAN FACTOR

• STETREOTYPING

• SUSPICIONS ABOUT A RELATIVELY NEW RELIGIOUS GROUP IN AMERICA

• UNFORTUNATE INTERNATIONAL EVENTS TIED TO ISLAM & MUSLIMS

RECOMMENDATIONS

• USE LEASE-TO-PURCHASE MODEL & TRANSLATE INTO A STANDARD CONVENTIONAL DOCUMENT

• USE THE AMERICAN BANKING TERMINOLOGY
THE CHALLENGES OF OFFERING A LARIBA FINANCIAL SERVICES WINDOW IN AN AMERICAN BANK

RECOMMENDATIONS

• INTENSIVE FAMILIARIZATION & EDUCATION PROGRAMS TO TEACH THE REGULATORS, THE BANKERS & THE PUBLIC AT LARGE

• PATIENCE, HUMBLENESS & LOW KEY