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•
• THE CHALLENGES OF OFFERING A
• LARIBA FINANCIAL SERVICES WINDOW
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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**

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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.

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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.

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

- 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.
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CHALLENGE 1

Compliance with Islamic Law

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

OPINION OF ISLAMIC SCHOLARS

- **YES, Desirable & Encouraged**
 - Malaysia Scholars & Experience
 - Middle Eastern Countries' Scholars

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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**

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CHALLENGE 3

THE HUMAN FACTOR

- **STEREOTYPING**
 - **SUSPICIONS ABOUT A RELATIVELY NEW RELIGIOUS GROUP IN AMERICA**
 - **UNFORTUNATE INTERNATIONAL EVENTS TIED TO ISLAM & MUSLIMS**
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THE CHALLENGES OF OFFERING A LARIBA FINANCIAL SERVICES WINDOW IN AN AMERICAN BANK

RECOMMENDATIONS

- **USE LEASE-TO-PURCHASE MODEL & TRANSLATE INTO A STANDARD CONVENTIONAL DOCUMENT**
 - **USE THE AMERICAN BANKING TERMINOLOGY**
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• **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**