



# Key Concepts of Islamic Financing and Interest-Free Home Ownership Program

By **PERVEZ NASIM (Chairman)**

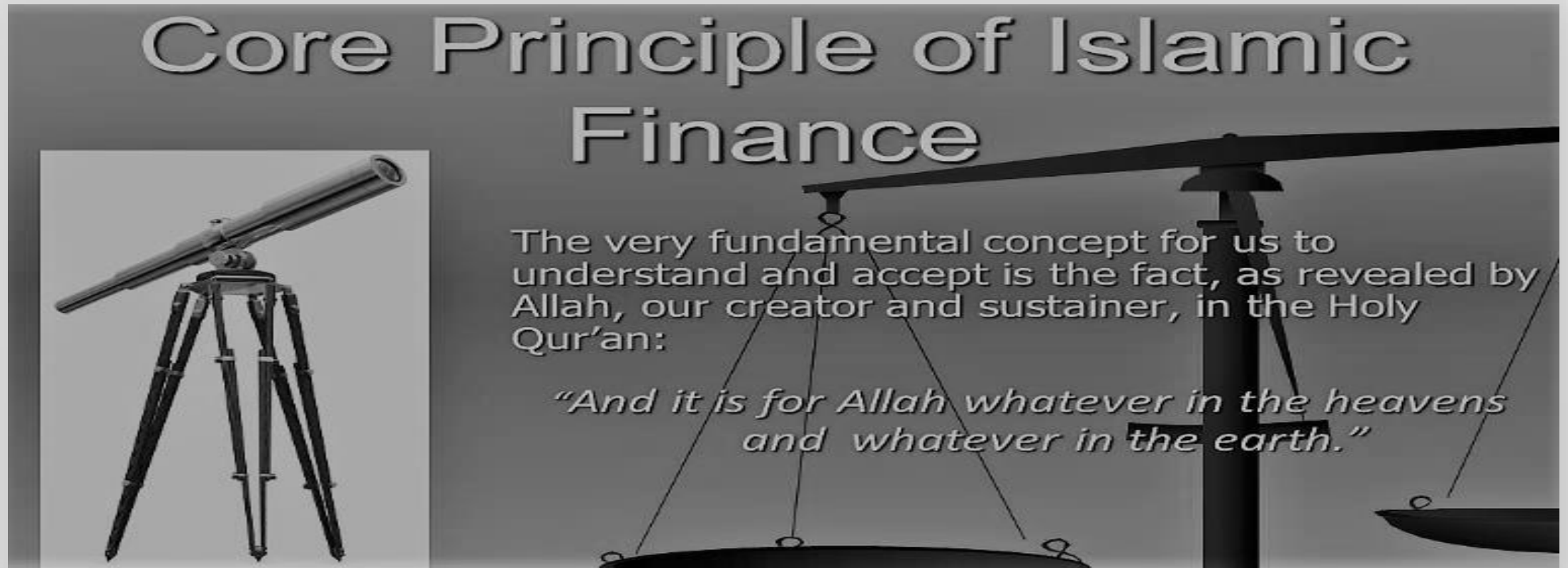
Islamic Co-operative Housing Corporation Ltd.

Ansar Financial Group, Canada



**Ansar Financial**

# What Drives us ...



## Core Principle of Islamic Finance

The very fundamental concept for us to understand and accept is the fact, as revealed by Allah, our creator and sustainer, in the Holy Qur'an:

*"And it is for Allah whatever in the heavens and whatever in the earth."*

**Ansar Financial - Islamic and Ansar Co-operative Housing Corporation  
Over 40 years of Community Service**

# IN OTHER WORDS, WE THE HUMAN BEINGS;



Do not really own anything in this World,  
Are just a trustee, will have to account  
for any and all breaches of this trust,  
abuse, misuse & injustices





## WE THE HUMAN BEINGS

- Come to this World with nothing, not even with a diaper;
- We leave this World with nothing material;
- only our good deeds and bad deeds go with us in our graves.





## SHARIAH (ISLAMIC LAW) REQUIRES FROM A MUSLIM THAT ONE MUST:

- **Have honesty and integrity;**
- **Expect blessings and rewards from the Creator, in addition to monetary benefit;**
- **Be truthful and not to deceive;**
- **Be conscious of social and environmental cost/benefits; rather than just monetary fulfillment.**





Misconceptions among Muslims particularly, and among some Non-Muslims, as Well!

- Islamic banking and financing means; ‘conventional banking and financing’ delete the word **“Interest”**, add the word **“Profit”**!





## Islamic Co-operative Housing Corporation Ltd.

- **Maximizing the profit is not the most important aspect of business**
- **Charity and social responsibility are part and parcel with the bottom line**



# “AFFORRRRDABLE AND INTEREST-FREE HOME OWNERSHIP”

## ISLAMIC ALTERNATIVE A PRACTICAL MODEL

By **PERVEZ NASIM (Chairman)**

Islamic Co-operative Housing Corporation Ltd.  
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# Islamic Co-operative Housing Corporation Ltd.

- North America's 1st Islamic Financial Institution
- An interest-free HOME OWNERSHIP and INVESTMENT Project established in 1980 in Canada



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# THE SHARIA MODEL ADOPTED BY THE CO-OP

- **Musharikah Mutanaqisah or Decreasing Partnership model was adopted;**
- **For its simplicity and practical nature for the long-term transactions;**
- **A Partnership between a Family and the Community (Co-op)**



# A PARTNERSHIP

Between the Islamic Financial Institution  
and  
The Prospective Homeowner



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# Islamic Co-operative Housing Corporation Ltd.

- **THE CO-OP IS BEING MANAGED BY A BOARD OF SEVEN VOLUNTEERS WHO ARE ELECTED EVERY TWO YEARS**



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# Our Objectives

- *To facilitate our committed members the opportunity to buy a house for their families without indulging in riba, and with as much security and flexibility as possible, within the taxation and legal framework of the country*
- **and .....**



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.... **to provide**

## **an Opportunity to Committed Muslims all over the World...**

- **To mobilize and pool their savings and invest in the houses of fellow Muslims with no strings attached to a particular house;**
- **To keep an individual's funds as flexible as possible with the ability to sell/transfer his/her shares with a reasonable notice;**
- **To maintain the security of the investment; and,**
- **To share the capital gain or loss and the rental income of the "Co-operative" in the form of dividends with all members.**



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# TYPES OF MEMBERSHIP

- a) Prospective Home Buyers;
- b) Home Buyers under the **interest-based** mortgages;
- c) Simple Investors;
- d) Home Buyers under Co-op Scheme;
- e) Institutional Investors; Mosques, Charities & Islamic Centers etc.
- f) Children/Grand Children



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## MEMBERS COMMITMENTS:

- Pay \$75 membership fee to join
- Buy 6 shares of \$100 each annually
- Invest first and buy shares
- 20% of 1st \$100,000 cost of house
- 25% of up to the next \$100,000 cost
- 30% of over \$200,000 cost of house



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# MEMBERS:

- Pay proportionate rent
- Increase their ownership when they can  
(every month or every second month or so on)
- Rent decreases as ownership ratio increases (could be every month or so)
- Share gain/loss 10% with the co-op
- Legal ownership remains in the name of the housing co-op till 100% ownership shares are purchased by the member



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# MONTHLY RENT REVISION FORM

▶ Membership #: R.E.P #: \_\_\_\_\_ Revision # \_\_\_\_\_

▶ Effective , \_\_\_\_\_ the total proportionate occupancy charges for the above housing unit will be \$1,100.00 calculated as follows:

▶ Shares previously held by the member			\$120,000.00
▶ Additional shares purchased on _____			\$ 20,000.00
▶ Total shares held by the member		A =	\$140,000.00
▶ Corporation's share		B =	\$166,000.00
▶ Cost of the Housing unit		C =	\$306,000.00
▶			
▶ Occupancy Charges (Rent)		D =	\$ 2,000.00
▶			
▶ Monthly Proportionate Rent: (B / C) x D	$\$ 166,000 \times 2,000$ $\$ 306,000$	E =	\$ 1,085.00
▶ Add: Administration Fee:			\$ 15.00
▶ <b>TOTAL PROPORTIONATE RENT :</b>			<b>\$ 1,100.00</b>

▶ PREPARED BY: \_\_\_\_\_

DATE: \_\_\_\_\_



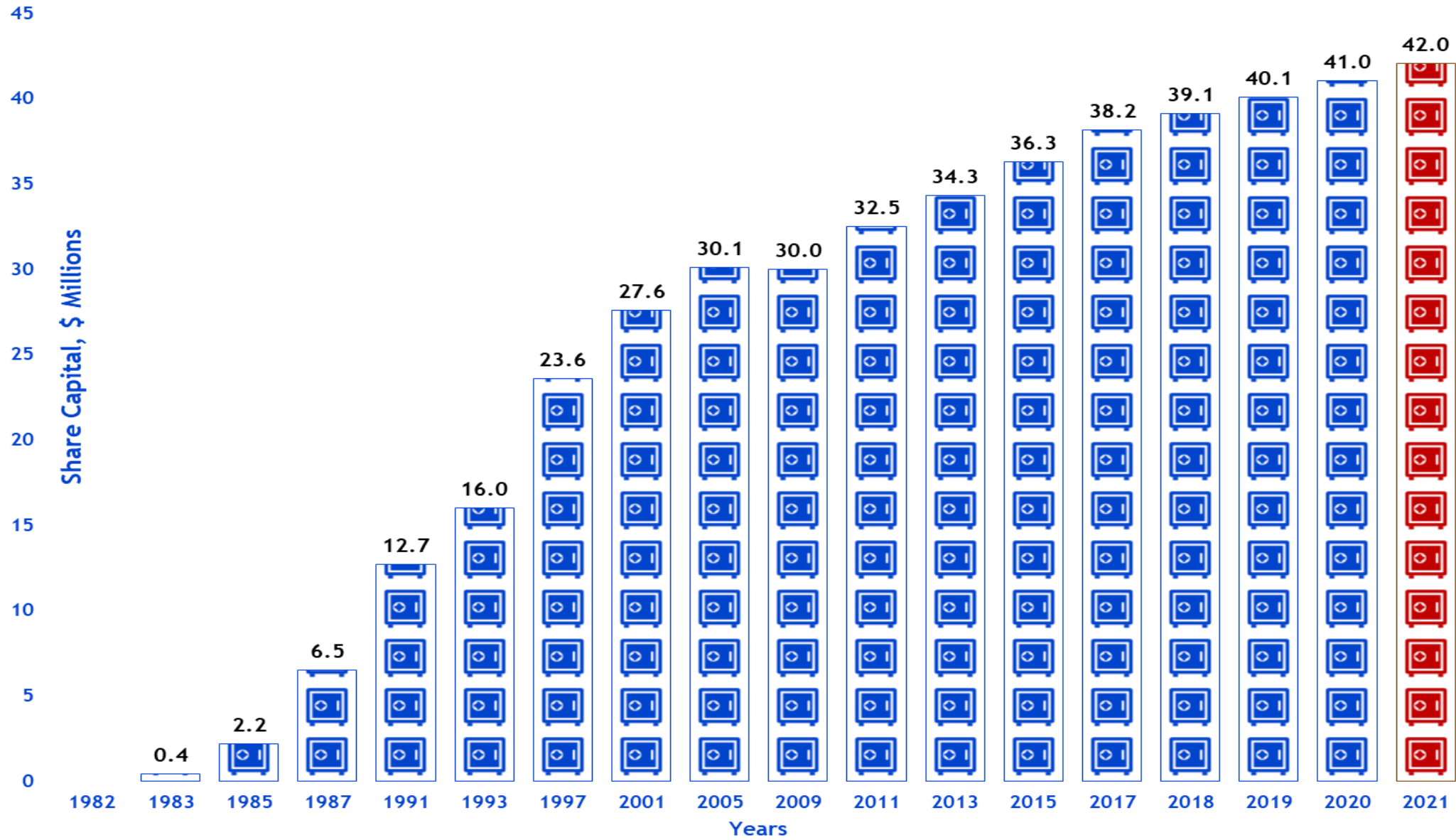
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# SHARING OF GAIN OR LOSS

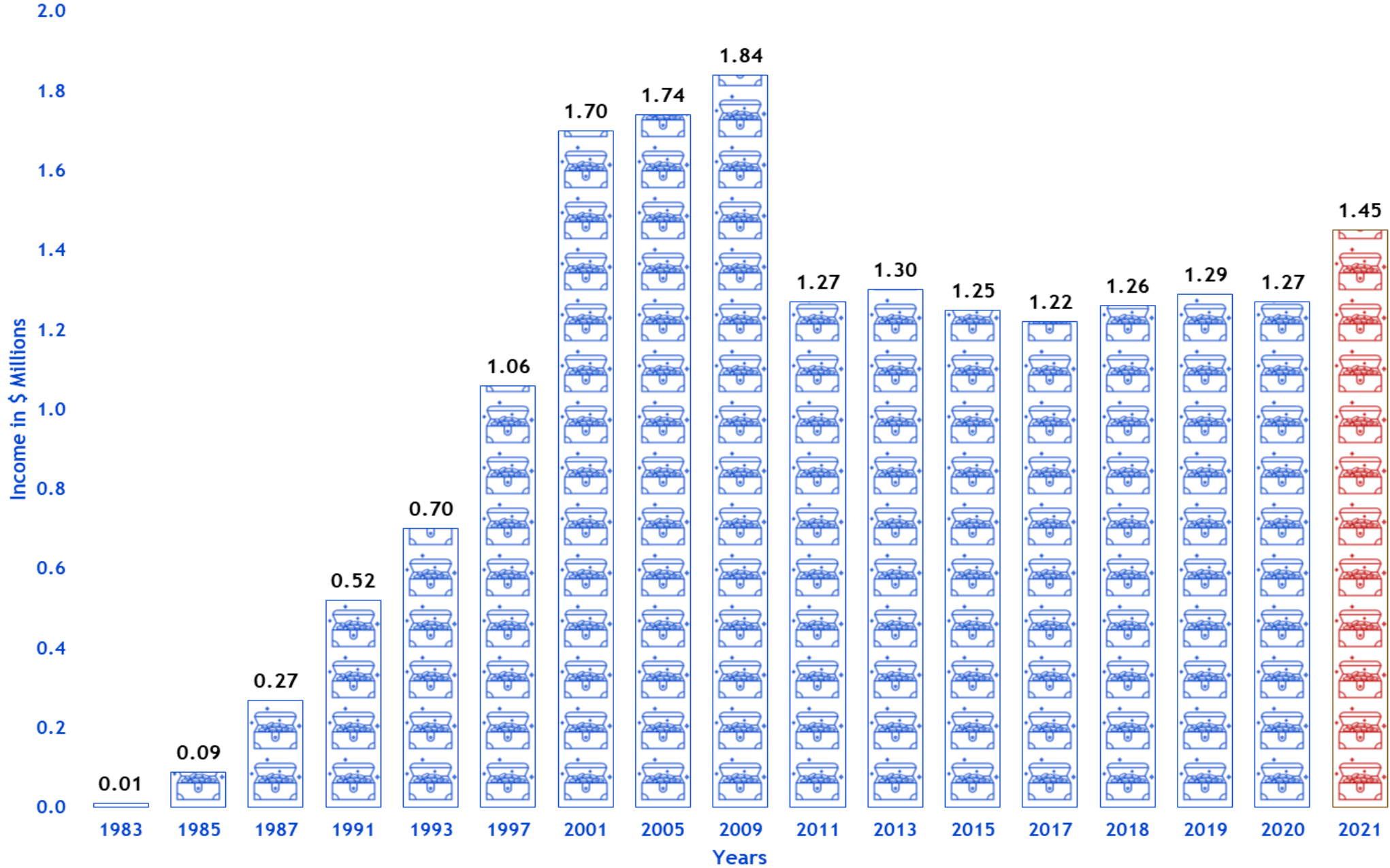
- As a result of sale/transfer of the housing unit any gain or loss realized will be divided as follows:
  - a) If, at that time, the member has more than 50% shares, 10% to the Co-op and 90% to the member.
  - a) If the member has 50% or less shares, 20% to the Co-op and 80% to the member.
- The capital gain or loss will be shared after making an adjustment for authorized improvements, expansions and certain legal expenses incurred by the member.

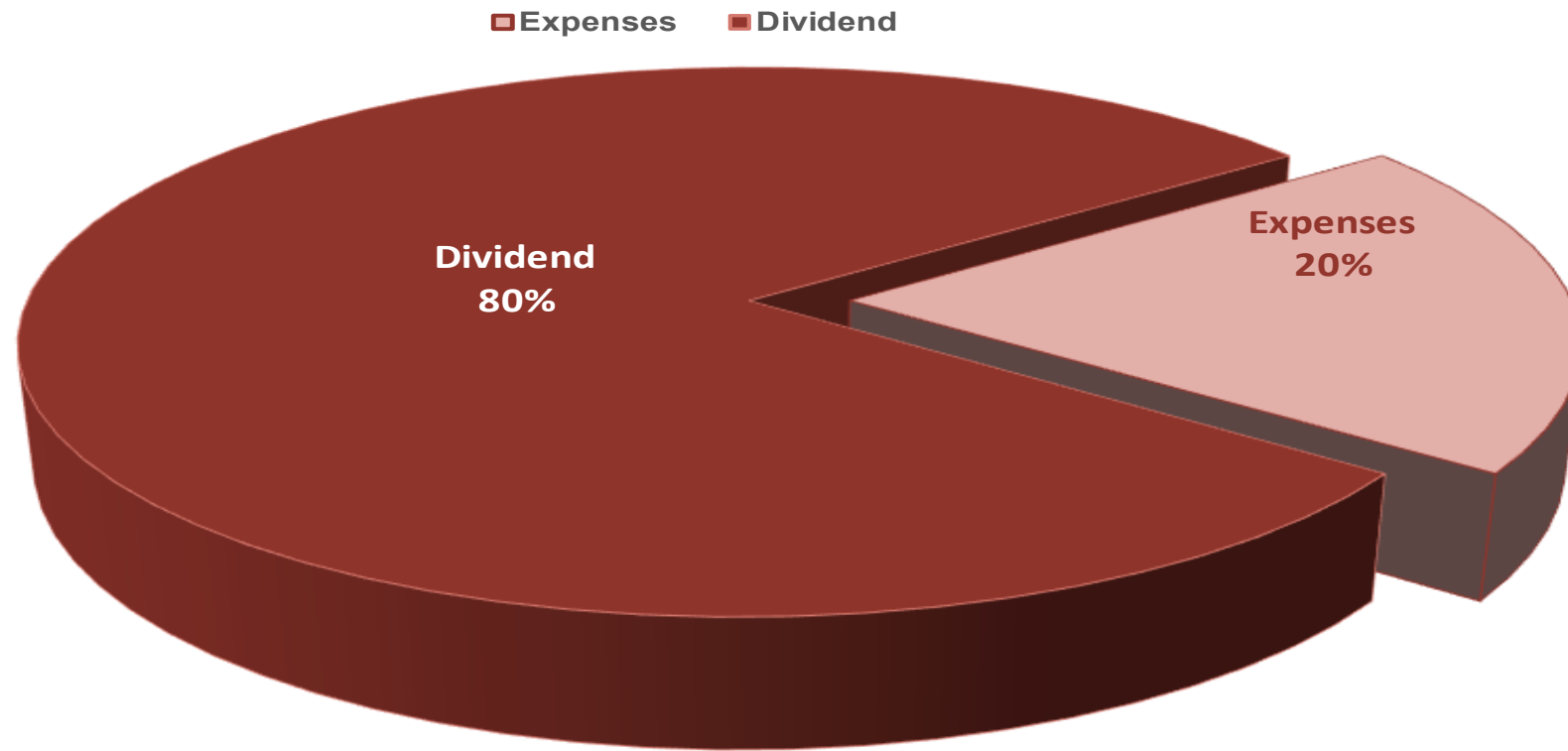


# SHARE CAPITAL IN \$ MILLIONS



# INCOME IN \$ MILLIONS

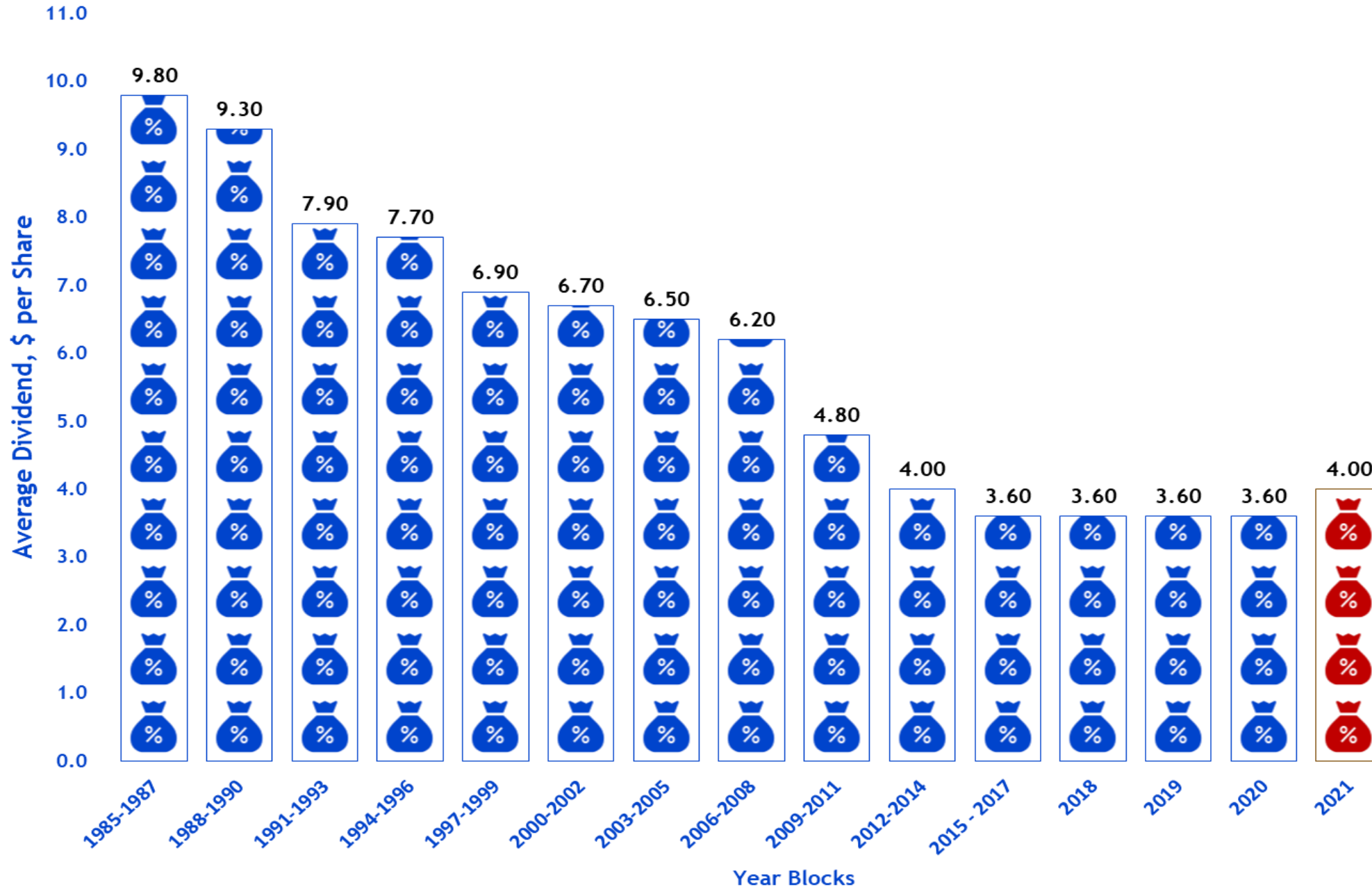




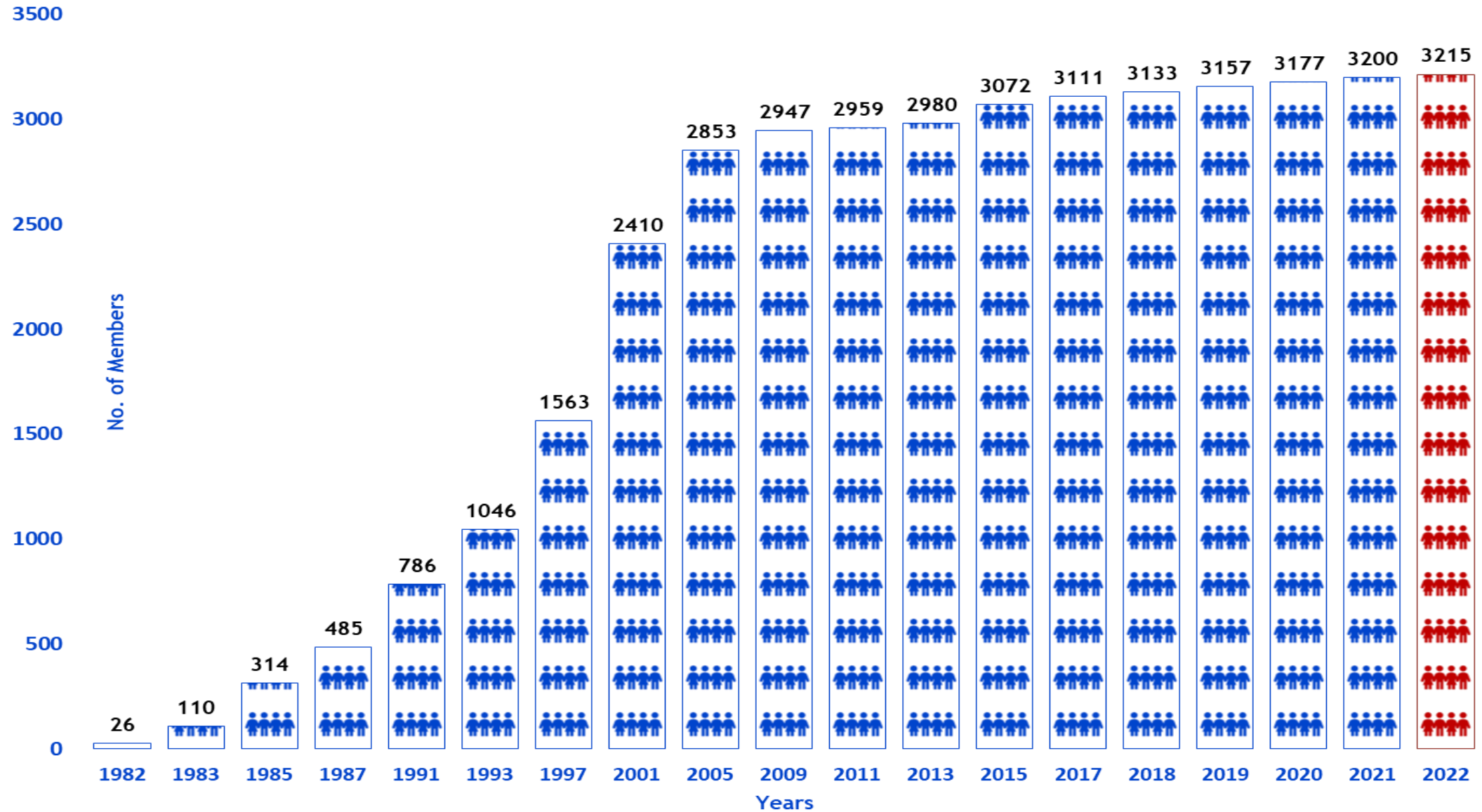
### Income Distribution



# DECLARED DIVIDEND %

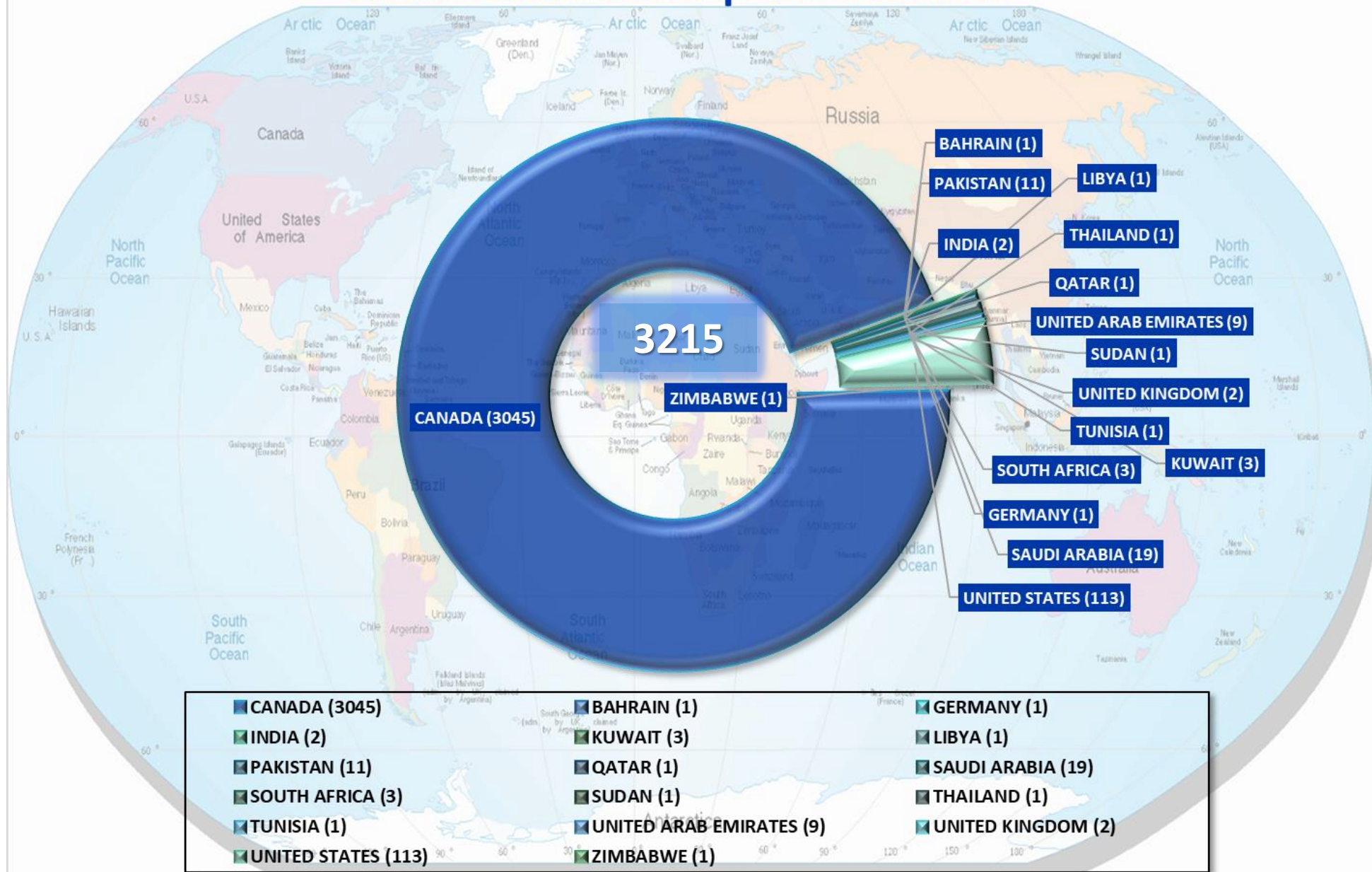


# Increase in Membership

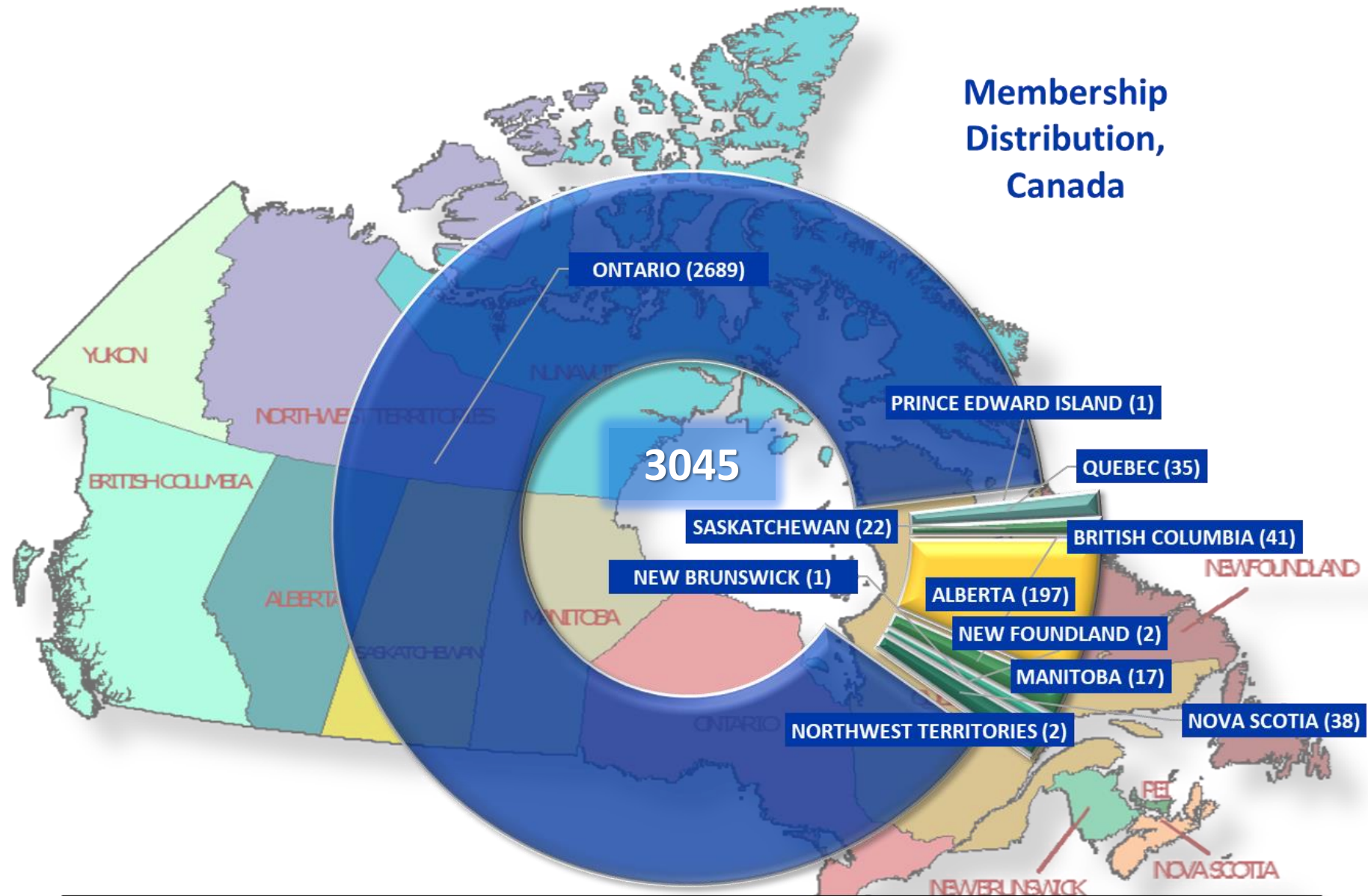




# Global Membership Distribution



## Membership Distribution, Canada

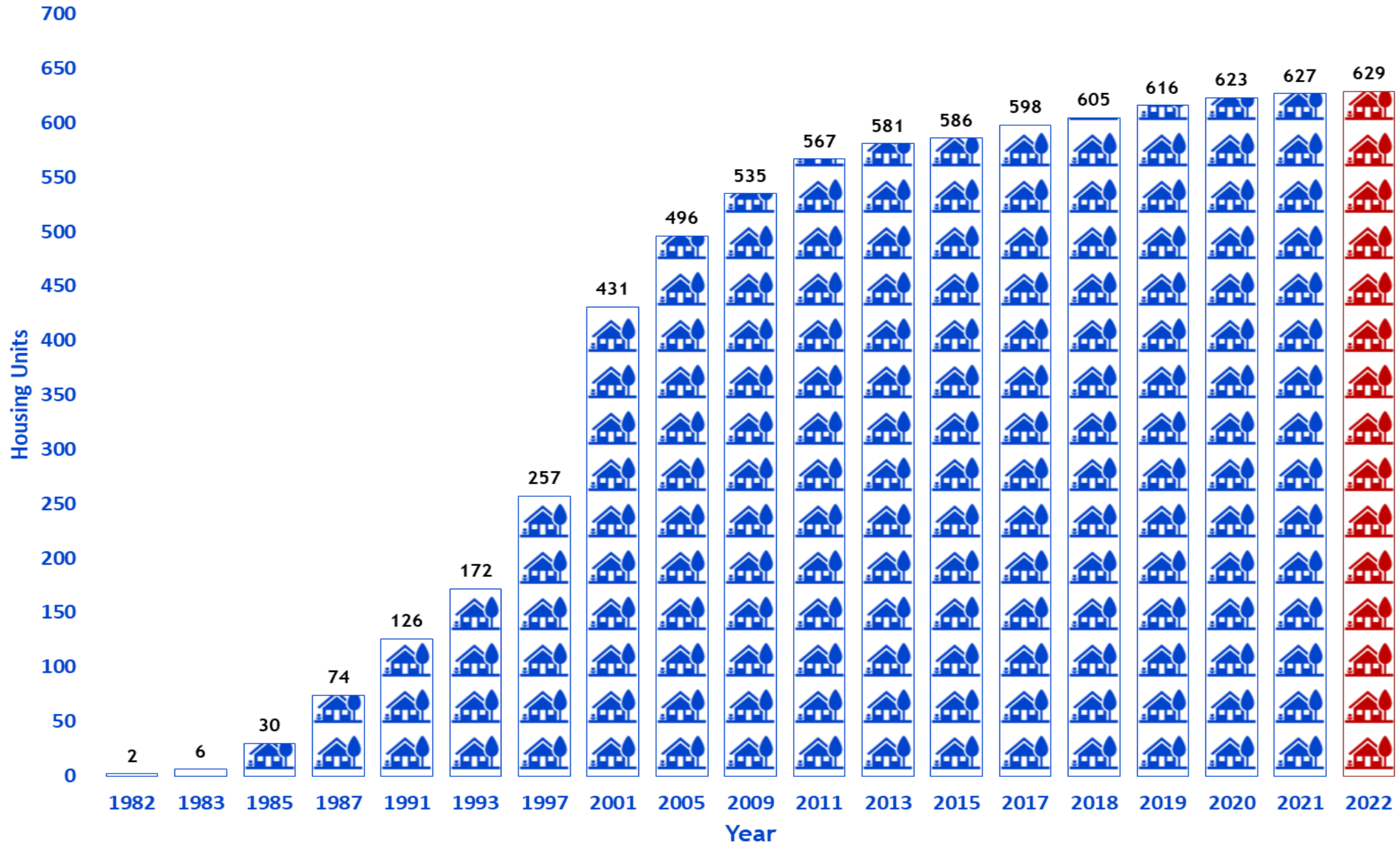


ALBERTA (197)	BRITISH COLUMBIA (41)	MANITOBA (17)	NEW BRUNSWICK (1)
NEW FOUNDLAND (2)	NOVA SCOTIA (38)	NORTHWEST TERRITORIES (2)	ONTARIO (2689)
PRINCE EDWARD ISLAND (1)	QUEBEC (35)	SASKATCHEWAN (22)	





# Increase in Housing Units



# Islamic Co-operative Housing Corporation Ltd.

- Members are in drivers' seat
- Complete 100% ownership in 10-12 years
- Conventional mortgages take 25-30 years



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## ANSAR FINANCIAL GROUP LAUNCHED A NEW CO-OPERATIVE IN 2003



ANSAR CO-OPERATIVE HOUSING CORPORATION LTD.  
Ansar Co-operative operates under the same principles

# ISLAMIC & ANSAR HOUSING COMBINED PRESENT STATUS

- In thirty-eight years, purchased around **NINE HUNDRED (920)** houses
- Sold a little over **\$76 Million** worth of Shares;
- Gave Dividends between **3.6% and 10%**.
- For the year 2021 it is **4%**;
- Membership has grown to over **5,000** in North America and a good number from overseas as investors;



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# Islamic Co-operative Housing Corporation Ltd.

**Established Home & Auto Takaful for Co-op Members**

**in partnership with second largest Insurance Company in Canada**

**The Co-operators Insurance Group**



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# OUR OTHER SERVICES AND PROJECTS

- **Business Financing & Joint Ventures**
- **Car Ownership Plan**
- **Interest-free Retirement Saving Plans**
- **Equipment Leasing**
- **Land Development**
- **Residential & Industrial Construction and Development**
- **Healthcare Facilities (Nursing Homes in Progress)**



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**IN COMMUNITY SERVICE  
FOR 42 YEARS**



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# **Ansar Financial Group - AFG**

**(AG - Private + AFDC - Public)**

- **Funds are invested in Ethically and Islamically permitted businesses/projects through Ansar Financial Group**
- **Various Shariah concepts such as:**
  - **MUSHARIKAH (partnership)**
  - **MURABAHA (installment purchase) and IJARAH (leasing)****are applied in the operation of all business transactions.**





**Ansar Financial**

**First Interest-Free Public Company in North America**

**Ansar Financial  
and  
Development Corporation (AFDC)**

# First Interest-Free Public Company in North America

## HIGHLIGHTS OF AFDC IPO

- **Maximum Offering: \$15,000,000**
- **Sold 14,600,000 Common Shares in March 2010**
- **\$1.00 per Common Share**
- **Current Portfolio over \$15.5 Million**
- **Shares are Tax-Deductible for Retirement, Education and Tax-Free Savings Plan**



# Core Principles of Business of this Corporation:

The Corporation (AFDC)

- Is operating on Interest-free basis;
- Is Prohibited from Borrowing Money on interest;
- Has Sharia/Ethics Committee is mandated in the Corporation's By-Laws





**Ansar Financial**



**Leading Financial Development of the Community**

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**THANK YOU**

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