

## GETTING PERSONAL: A "Credit" Card Geared To Muslims

• JULY 6, 2009, 12:00 P.M. ET By Monica Gutschi

TORONTO (Dow Jones)--It's hard to live in Canada if you don't have a credit card: booking plane ticket and hotel rooms, renting a car or buying a concert ticket are nearly impossible without that piece of embossed plastic.

But what if you are among Canada's 1-million-strong Muslim population, and must adhere to Islamic canonical law which forbids the charging or payment of interest?

That's where Omar Kalair, president of Toronto-based UM Financial, hopes the pre-paid "credit" card his institution will launch in August can play a role. The MasterCard affinity program, developed in conjunction with Canadian pre-paid card provider Mint Technology Corp. (MIT.V), is aimed primarily at Muslims, but could also appeal to other immigrants with no credit history, or younger adults who don't qualify for regular credit cards.

"Not everyone needs an investment or a mortgage," Kalair says. "But everyone living in Canada needs a credit card. A credit card has a higher penetration in the population."

In fact, according to the Canadian Bankers Association, there are 64.1 million Visa and MasterCards in circulation in the country, or about two per person.

Kalair, who has been offering Sharia-compliant mortgages to Canada's Muslim population for the past five years, says many Muslims have traditional credit cards because of their usefulness in many transactions. They remain compliant with Islamic law if the balance is paid in full monthly and no interest charges are levied.

However, Kalair said, they invariably reach a point at which - for a variety of reasons - they lapse in the payments, and fall into debt.

The UM Financial card, to be called the iFreedom Plus MasterCard, will ensure those lapses can be avoided. Users, who can be as young as 13 with parental consent, can load the card with up to C\$6,000, and then use it as they would any other.

The card has also been designed to avoid some of the common drawbacks of other pre-paid products. Since it is embossed, it will be accepted for virtually all transactions. It will charge a fee for loading the funds, but there will be no monthly charges nor transaction fees. Another unique feature is that it provides 1% cash-back for any transaction over C\$100.

The card is just one of a suite of Shariah-compliant financial products that UM Financial is developing to appeal to the country's growing Muslim population. Other products in the works include Shariah-compliant insurance policies.

-Monica Gutschi, Dow Jones Newswires; 416-306-2017; [monica.gutschi@dowjones.com](mailto:monica.gutschi@dowjones.com)