

Alexander Wright Acts for Islamic Bank in Murabaha Claim

Alexander Wright, instructed by Linos Choo and Helen Vickers of DLA Piper UK LLP, is acting for the Bank of London and the Middle East PLC (“BLME”) on a £7.5 million claim under a master murabaha agreement dated 22 February 2017 by which BLME provided Partners International Leisure Ltd (“PIL”) with a facility to finance the purchase of one Princess 40m motor yacht, M/Y “MIRAGE IV”.

A murabaha facility is a Sharia compliant form of financing by which the finance provider agrees to purchase certain commodities and then immediately sell them to the finance recipient on deferred payment terms. The finance recipient then resells the commodities to a third party and is able to raise an immediate cash sum which can be applied for the specified purpose of the murabaha facility.

It is BLME’s case that PIL failed to pay the deferred payment instalments as they fell due under the master murabaha agreement and failed to maintain a debt service reserve account at the minimum level £500,000 specified in the master murabaha agreement. Proceedings have now been issued and served in the Commercial Court against PIL and three individual guarantors.

Alexander’s instruction confirms 4 Pump Court’s expertise in disputes arising out of Islamic financing agreements, following Nigel Tozzi KC’s success in [Golden Belt v BNP Paribas \[2017\] EWHC 3182 \(Comm\)](#), a claim arising out of a US\$650 million sukuk, in which judgment was handed down in favour of Nigel’s clients last December.