

**BANK MUAMALAT MALAYSIA BERHAD (BMMB) – TERMS & CONDITIONS OF TREASURY DEPOSIT: FIXED TERM ACCOUNT-i (FTA-i)**

*(Protected by Perbadanan Insurans Deposit Malaysia (“PIDM”) up to RM250, 000 for each depositor)*

Any accounts opened and any operations on FTA-i made shall be subject to and governed by the Terms & Conditions mentioned below:

**DEFINITIONS AND INTERPRETATIONS**

In these Terms and Conditions, the following shall have the following meanings:

**“Account or CA Account”** refers to the Customer’s Current Account opened and maintained with the Bank.

**“Accountholder”, “you” or “your”** means the company in whose name the deposit Account is opened and maintained with the Bank;

**“Agent”** means BMMB which shall be appointed by the Customer(s) to do such acts on behalf of the Customer(s) under the Shariah principle of *Wakalah* in matters pertaining to *Tawarruq* in accordance to the rules herein.

**“BMMB or the Bank”** means Bank Muamalat Malaysia Berhad [Company No. 196501000376 (6175-W)] and includes its branches and its successor-in-title and assigns.

**“BNM”** means Bank Negara Malaysia.

**“Commodity”** refers to any Shariah compliant Asset such as crude palm oil (“CPO”), Plastic Resin-Polyethylene (“PE”), RBD Palm Olein (“OLN”) or asset approved by Shariah Committee from time.

**“Commodity Platform”** is a commodity platform that provides services for *Tawarruq* transactions.

**“Commodity Trading”** means sale and purchase transactions performed in accordance to the Shariah principle of *Tawarruq*.

**“Customer(s)”** means the account holder(s) such as corporations, organisations and statutory bodies.

**“Delivery of Commodity”** means delivery of the Commodity to the Customer who has requested to take physical possession of the Commodity.

**“Early Redemption/Withdrawal Date”** is the date the Customer early terminates the FTA-i prior to the Maturity Date.

**“FTA-i”** refers to the product Fixed Term Account-i.

**“Internet Banking Service”** known as **“i-muamalat”** refers to the *i-muamalat* services or the Bank’s internet banking service (as the context may require) made available by the Bank comprised, inter alia, the service, which may be accessed by the Customer via the Internet, Mobile Devices or any other electronic medium approved by the Bank, in accordance with these Terms and Conditions.

**“FTA-i Trade Confirmation”** refers to the confirmation on the details of FTA-i deal done with Customer.

**“Maturity Date”** refers to the date of maturity of FTA-i as specified in the FTA-i trade confirmation.

**“Murabahah”** refers to a sale and purchase of an asset where the acquisition cost and the mark-up are disclosed to the purchaser.

**“Murabahah Sale Price”** means the sum payable by the Bank to acquire the asset from Customer on Murabahah basis which consist of the Purchase Price and total profit.

**“Placement Date”** means the placement of the Principal Amount into the FTA-i at any point in time.

**“Principal Amount”** refers to deposit/ placement amount.

**“Purchase Date”** refers to the trading day for each *Tawarruq* transaction and on which the Commodity Platform is open for trading.

**“Purchase Price”** refers to an amount equivalent to the Principal Amount which will be used to purchase the Commodity on Trading Day.

**“Purchase Transaction”** is when the Customer purchases the Commodity (via the Bank acting as their Agent) from a supplier at the Purchase Price.

**“Rebate”** refers to ‘waiver on rights of claim’ accorded by a person to another person that has an obligation which is due to him/her. Under this product, the rebate is granted by the Customer to the Bank on the Murabahah Sale Price at the Redemption Date.

**“Redemption Amount”** means the amount payable by the Bank to the Customer upon redemption of the FTA-i (whether on Early

Redemption Date or at Maturity Date, as the case may be).

**“Redemption/Maturity Date”** is the date the Customer terminates the FTA-i account and withdraws the entire Murabahah Sale Price.

**“Terms & Conditions”** means the rules and regulations set out in this document and shall include any amendments, variations and supplements made from time to time by the Bank with prior notice and shall apply to all accounts unless specific account type terms to the contrary apply.

**“Sale Transaction”** is when the Customer sells the Commodity (via the Bank acting as their Agent) to the Bank at Murabahah Sale Price.

**“Tawarruq”** consists of two sale and purchase contracts where the first involves the sale of an asset to a purchaser on a deferred basis and the subsequent sale involves sale of the asset to a third party on a cash basis. In this product, the Customer will purchase the Commodity at Purchase Price from a supplier and thereafter, sell the Commodity to the Bank at Murabahah Sale Price on the basis of *Murabahah* which shall be paid to the Customer at the Maturity Date. The Bank shall thereafter sell the Commodity to a third party on cash basis.

**“Trading Day”** refers to the days where Commodity Trading is executed from Monday to Fridays except public holidays of Federal Territory (FT) of Kuala Lumpur.

**“Wa`d”** refers to a promise or undertaking, refers to an expression of commitment given by one party to another to perform certain action(s) in future; subject to shariah principle.

**“Wakalah”** is a contract in which a party (muwakkil) authorises another party as his agents (wakil) to perform a particular task, in matters that may be delegated, either voluntarily or with imposition of fee.

## **1. AGREEMENT ON APPOINTMENT AS AN AGENT**

- 1.1 The Customer (acting as the “Principal”) agrees to appoint the Bank (acting as the “Agent”) and the Bank agrees to accept the appointment as an agent of the Customer to do and execute all acts for the purchase the Commodity at Purchase Dates in accordance with these Terms & Conditions by submitting a duly completed CIF Form.
- 1.2 The Customer also authorises the Bank to conclude the sale of the Commodity on behalf of the Customer subsequent to the purchase of such Commodity.
- 1.3 The Customer will sell the Commodity to the Bank and the Bank will buy the Commodity at the Murabahah Sale Price.
- 1.4 The Bank will only act as an Agent (buy and sell the Commodity) to the Customer for the specific provisions made in this Terms & Conditions and will not assume, or be deemed to have assumed, any additional obligations to, or to have any special relationship with the Customer.
- 1.5 The Bank will, in performing its obligation in buying and selling of Commodity, look after the best interest of the Customer and act in good faith.
- 1.6 The Customer indemnifies the Bank on its first demand against all losses, claims, actions, proceedings, damages, costs and expenses whatsoever claimed by any party and/or incurred or sustained by the Bank as a result on the purchase of commodity under any transaction hereunder as agent of the Customer or a breach by the Customer any of him/her/their obligation herein unless such losses claims, actions, proceedings, damage, costs and expenses is attributable to the willful misconduct, gross negligence or fraud of the Bank. The indemnity given shall survive termination of these Terms & Conditions and any sum payable under it shall not be subject to any deduction either by way if set off counter claim or otherwise.
- 1.7 The Bank shall not be obliged to enter into any transaction or follow any instruction by the Customer, if in the opinion by entering into such transaction, the Bank and its affiliate will expose to breach of any law, policy, rule or regulation.
- 1.8 The appointment as an agent shall be terminated upon Early Redemption Date or Maturity Date (with no auto renewal option) whereby, the Murabahah Sale Price shall be accelerated and the Bank shall pay the outstanding Murabahah

Sale Price i.e. Principal Amount and any accrued profit (if applicable), taking into consideration the applicable rebate, if any, to the Customer on the Redemption Date.

## 2. COMMODITY TRANSACTION

- 2.1 As the Agent of the Customer, the Bank shall enter into the Purchase Transaction on the Trading Day which falls on the same day or next business day following the deposit Placement Date.
- 2.2 Pursuant to acquiring the Commodity, the Customer shall enter into the Sale Transaction (through the Bank acting as their Agent) on the Trading Day when the Purchase Transaction is executed.
- 2.3 The Bank shall subsequently, sell the Commodity to the commodity purchaser for the amount equivalent to the Principal Amount.
- 2.4 Murabahah Sale Price shall be computed based on the following formula:

$$\text{Murabahah Sale Price} = \text{Purchase Price} + \text{Profit}$$

- 2.5 The Murabahah Sale Price shall be paid on the Maturity Date by the Bank on deferred basis.
- 2.6 The Customer has the right to request for Delivery of Commodity subject to minimum requirements and comply with terms and conditions of the Commodity Platform provider. Request for the delivery of Commodity can be done Money Market, Treasury & Capital Markets Division during normal business hours and the delivery arrangement is to be made between the Customer and Commodity Platform at the Customer's own costs.
- 2.7 Upon maturity, unless the Customer opts for a renewal, the Redemption Amount shall be credited into the Customer's CA Account with the Bank or any other payment instructions as accepted by the Bank from time to time.

## 3. PLACEMENT OF DEPOSIT

- 3.1 The Bank will stipulate from time to time the minimum deposit required for the opening of FTA-i.
- 3.2 The FTA-i trade confirmation is not a document of title. It cannot be transferred, assigned or negotiated in any manner. The Bank may determine any other form of document or confirmation from time to time.

## 4. PROFIT PAYMENT

- 4.1 Profit is calculated based on Principal Amount, tenure and profit rate.
- 4.2 The profit shall be computed based on the following formula:

$$\text{Profit} = \text{Purchase Price} \times \text{Profit Rate} \times \frac{\text{Tenure (in days)}}{\text{No. of Days in Particular Year}}$$

- 4.3 The payment is paid upon maturity.
- 4.4 As this is a capital guaranteed deposit product, the principal amount of the deposit shall be guaranteed and will be returned in full upon any pre-mature withdrawal.
- 4.5 Customers are strongly discouraged from withdrawing their deposits prior to the maturity date of the FTA-i placement because they are at risk of breaking the tenure of the Tawarruq contract.
- 4.6 In the case of early withdrawal, the Customer hereby agrees and consents that any accrued profit shall be subject to rebate (Ibra') by the Customer to the BMMB. Where prior to 1 January 2019, the quantum of the Ibra' shall be 50%. Effective from 1 January 2019, the Ibra' shall be 100%.

- 4.7 Early withdrawal instruction must be instructed to the Money Market personnel before 12.00 noon of the early withdrawal date.
- 4.8 The Customer hereby agrees that the Bank's determination of any amount payable to the Customer under the FTA-i account save for manifest error shall be final, conclusive and binding against the Customer.
- 4.9 Profit at such rates as the Bank may specify shall be paid on the FTA-i account, in accordance with the prevailing practice of the Bank.
- 4.10 The profit rate for FTA-i is stated verbally or written to the client before the deposit execution.

#### 5. REBATE/IBRA`

- 5.1 The Customer shall consent to grant rebate under the concept of Ibra' subject to the occurrence of certain event including the early payment/upliftment of Murabahah Sale Price prior to Maturity Date.
- 5.2 Effective from 1 January 2019, the Ibra' shall be 100%.

#### 6. RENEWAL

- 6.1 The Customer has to provide the instruction on the renewal of FTA-i at the time of its placement or at any time prior to its maturity. If no instruction is provided, the FTA-i will be automatically remitted back to the Customer's account.

#### 7. LAW

- 7.1 These Terms & Conditions shall be subject to, governed by and construed in accordance with the Laws of Malaysia and the rules, regulations and guidelines of BNM and other relevant bodies and authority, in force from time to time.

#### 8. FREEZING AND SUSPENSION OF FIXED TERM ACCOUNT-i

- 8.1 The Customer agrees that the Bank reserves the right to freeze or suspense the Account at any time upon occurrence of any of the following events:
- 8.2 By virtue of directives from the Regulators and/or Authorities such as BNM, the Police, MACC or investigation or court orders, bankruptcy of the account holder, winding up of company or insanity of the Customer;
- 8.3 In the event the Bank suspects that the Customer's Account is being used for or implicated in fraud or suspected fraud activities, or the Bank in its reasonable opinion is of the view that the information/documents provided to the Bank for opening the Account had been found to be false and/or incorrect and/or tempered and/or a misrepresentation of identity;
- 8.4 In the event the Bank, the Police and/or Authorities conduct(s) any investigation on any illegal transaction(s) or suspected illegal transaction(s) carried out through the Account, misuse or suspicion of any misuse of the Account or any fraudulent transaction(s) in respect of the Account including but not limited to the depositing of cheques which the Customer is not beneficially entitled to;
- 8.5 Pursuant to any Police report lodged against the Customer in respect of the Account, by the Bank or any other person;
- 8.6 In the event any facilities granted to the Customer which are being deposited through the Customer are suspended, recalled or terminated for any reason whatsoever by the Bank;
- 8.7 In the event of death of the account holder and/or an authorised signatory to operate accounts for a partnership and/or Company or any such legal entity, the Bank will continue to freeze the Accounts until a new mandate or a fresh authorised signatory is given to the Bank;

- 8.8 Upon the Bank being made aware of any cheques and/or monetary instruments and/or sums that has been credited into the Account are as a result of any forged and/or tampered instruments and/or instructions and/or fraudulent transactions, with or without the involvement of the Customer; or
- 8.9 Upon the Bank being made aware of complaints had been made by third parties with the Authorities that the Account has been used for conducting any fraudulent transactions and/or deposits and/or scams and/or soliciting illegal deposits, provided further the Bank's discretion on freezing the Accounts shall be in its sole opinion and discretion based on its own internal investigation or information made available to it by the Authorities.
- 8.10 Upon the Bank received any directives or an order from Law Enforcement Agency (LEA) as per requirements under Anti Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 (AMLA); or
- 8.11 If the Customer name match with Domestic List, United Nations Security Council Resolutions (UNSCR) List and/or related part under AMLA procedure.
- 8.12 The above clause shall be applicable to account holder of individual, joint account or firm account under sole proprietorship or partnership.
- 8.13 The Customer further agree that the aforesaid Freezing or Suspension of the Account shall cease or be lifted upon the occurrence of any of the following events:
- 8.14 In respect of the Insolvency matters, it shall be shown to the satisfaction of the Bank by the Customer with appropriate evidence that the petition for winding-up or for bankruptcy has been validly withdrawn or dismissed or application dismissed or struck out by the Court or where anyone or more of our directors are adjudicated bankrupt, the Bank is served with a fresh mandate as to the change of signatories of the Account and is satisfied that such fresh mandate is duly authorised by the board of directors, or upon the Bank being served with the appropriate court order sanctioning the lifting of the Freezing or Suspension of the Account;
- 8.15 In respect of the Authorities' Directives, the Bank has been informed in writing by the Authorities of the lifting of the Freezing and Suspension of the Account, or in the alternative an appropriate court order has been served on the Bank sanctioning the lifting of the Freezing and Suspension of the Account;
- 8.16 In respect of the investigation by the Bank or Authorities, the Bank being satisfied that no further investigation is required or the Bank being served with a notification by the Authorities that the investigation has been discontinued and that the Account no longer has any bearing on any ongoing investigation;
- 8.17 In respect of the death of a sole account holder, upon presentation to the Bank of a grant of probate or letters of administration by the deceased's successor(s) or any other related forms from the Land Office and/or any other approved bodies under the relevant legislation prevailing at such time, or a fresh mandate with a new authorised signatory to operate the partnership and/or the Company's or such entity's accounts is furnished to the Bank; or
- 8.18 In respect of any outstanding sum payable to the Bank, upon the Bank exercising its legal right to set-off the sum against the balance of the Account.
- 8.19 In the Freezing and Suspension the Accounts pursuant to the terms and conditions herein including any action which may be taken by the Bank such as returning any cheques or other instruments whether deposited for collection or payment as provided herein, the Customer agree that the Bank shall not be responsible for and/or be held liable for any losses damages expenses costs or charges which may be incurred by the Customer and/or claimed against the Bank or which may be incurred by the Bank (including legal costs on a solicitor and client basis) and in connection therewith, the Customer further agree to keep the Bank fully indemnified against any claims for damages losses expenses costs or charges (including legal fees on a solicitor and client basis) which may be made against the Bank or any party.

8.20 The Customer shall consult the Bank for the purpose of unfreezing the FTA-i with appropriate evidence to the satisfaction of the Bank that such action has been properly uplifted.

#### **9. PERBADANAN INSURANS DEPOSIT MALAYSIA (PIDM)**

9.1 Subject to latest version of Guidelines issued by Perbadanan Insurans Deposit Malaysia (PIDM) and includes any statutory amendment or re-enactment thereof, any capital will be covered up to a maximum of Ringgit Malaysia Two Hundred Fifty Thousand (RM250,000) only inclusive of the initial capital and any dividend (profit) there from.

9.2 For the opening of trust account (Solicitor's Client Account), the trustee must submit to the Bank the following information:

- i. A statement that the deposit in the trust account is held in trust by the trustee;
- ii. The trust account number;
- iii. The trustee's name, address and identity card number or passport number or any other identification acceptable to the deposit-taking member;
- iv. The name and address of each beneficiary or the alphanumeric code or any other code or identifier for such beneficiary; and
- v. The amount or percentage of each beneficiary's interest in the trust account.

9.3 For the purpose of these Regulations, a trustee who fails to comply with the requirements under item 9.2 but who subsequently submits the required information to the Bank shall be deemed to be opening a new trust account under item 9.2 as at the date of submission of the information.

9.4 Any money withdrawn from an insured deposit is no longer protected by PIDM if transferred to a:

9.5 Deposit account payable outside Malaysia;

9.6 Deposit account held by a financial institution conducting Labuan banking business or Labuan Islamic banking business;

9.7 Deposit account held by a Non-Deposit Taking Member; or

9.8 Non-deposit account (e.g. Unit trust, securities trading account, Lembaga Tabung Haji, ASNB unit trust, gold account, and any other relevant non-deposit accounts).

#### **10. DISCLOSURE OF CUSTOMER INFORMATION AND PERSONAL DATA UNDER THE ISLAMIC FINANCIAL SERVICES ACT 2013 ("IFSA") AND THE PERSONAL DATA PROTECTION ACT 2010 ("PDPA")**

10.1 The Customer(s) consents and authorizes the Bank to collect, process, disclose, transfer, maintain, store and retain the Customer's personal data to other entities within the BMMB including its branches as well as subsidiaries and other external parties, including but not limited to the parties/bodies listed in **clause 9.2** below.

10.2 The Customer(s) also consent and agree to the Bank conducting credit checks and verification of information given by the Customer in the Customer's application for the Banking Accounts or services with any credit bureaus or corporation set up for the purpose of collecting and providing credit or other information. The Customer(s) also consent to the Bank's disclosure of the Customer's financial condition, details of accounts, account relationship with the Bank including credit balances to:

10.3 Government or regulatory authorities in Malaysia and elsewhere, including Bank Negara Malaysia, Credit Bureau, Central Credit Reference Information System (CCRIS), Cagamas Berhad, Credit Guarantee Corporation Malaysia Berhad;

10.4 companies which are related to the Bank by virtue of Section 6 of the Companies Act 2016, or any associated company of the Bank;

- 10.5 party(ies) providing services (including outsourcing vendors, lawyers, nominees, custodians, centralised securities depository or registrar, debt collection agents) to the Bank;
- 10.6 the Bank's agents, consultants and professional advisers;
- 10.7 the police or any investigating officer conducting any investigation; and
- 10.8 any person to whom disclosure is permitted or required by any law, regulation, governmental directive or request.
- 10.9 The Bank may, subject to compliance with the applicable regulatory rules or guidelines, use or apply any information relating to the Customer's collected, compiled, or obtained by the Bank through or by whatever means and methods for such purposes as determined by the Bank.
- 10.10 The Customer(s) hereby agree that the Bank's employees, independent contractor, representatives and/or agents to contact the Customer from time to time through personal visits or oral communication effected via any means of communication including but not limited to telephone calls regarding any products or services promotion unless objected to in writing by the Customer(s).
- 10.11 The Customer(s) also declare that all personal information and data set forth herein is/are all true, up to date and accurate and should there be any changes to any personal information or data set forth herein, shall notify the Bank immediately.

#### **11. FORCE MAJEURE**

- 11.1 Notwithstanding any other provisions herein, in the event the Bank is unable to perform any operations or to provide any services due to any reason beyond the Bank's control, including but not limited to fire, earthquake, flood, epidemic, pandemic, natural catastrophe, accident, riots, civil disturbances, industrial dispute, act of public enemy, embargo, war, act of God or any factor in a nature of a force majeure or any failure or disruption to telecommunication, electricity, water, fuel supply, the Bank shall not in any way be liable for any inconvenience, loss, injury, damages suffered or incurred by the Customer arising from the same.