

Frequently Asked Questions –Savings/Current Account-i Tawarruq

FREQUENTLY ASKED QUESTION	
1	<p>What is Savings Account-i / Current Account-i (Tawarruq)?</p> <p>Savings Account-i / Current Account-i (Tawarruq) is a upfront fixed rate deposit account based on the Shariah compliant structure of Tawarruq. It is designed to offer a fixed return to depositors and they will receive the profit on monthly basis.</p>
2	<p>What are the Shariah features under this account?</p> <p>Amongst the Shariah features under this account are as follows:-</p> <ul style="list-style-type: none"> • Tawarruq - The savings account is based on Tawarruq, which refers to an arrangement to buy and sell commodities. • Wakalah - The customer will appoint the bank as an agent (Wakil) to buy commodities on behalf of the customers. • Wa'd – The bank gives an undertaking to buy the commodities from the customer at the Sale Price. • Sale Price – There are 2 types of the Sale Price namely:- <ol style="list-style-type: none"> 1. Sale Price on daily net deposit: The Sale Price is computed for each new placement as follows: Daily Net Deposit +[Daily Net Deposit x Ceiling Profit Rate x Tenor]. Tenor is the remaining number of days in the year. 2. Yearly Sale Price: This Sale Price is one-off computation on 1st calendar day of each year based on prior year-end total outstanding balance (31st Dec). [Prior Year-End Total Outstanding Balance x Ceiling Profit Rate x Number of days/365 • Ceiling Profit Rate – The rate used to compute the Sale Price. • Ibra' – The customer consents to grant Ibra' to the bank upon the following events: <ol style="list-style-type: none"> 1. Withdrawal of the funds prior to maturity date; 2. Upon termination of the account prior to maturity date. 3. The difference between Ceiling Profit Rate and Effective Profit Rate at the maturity date. • Effective Profit Rate (EPR) – The bank shall inform the customers of the Effective Profit Rate through normal communication channels at branch and website. • Maturity Date – The Maturity Date is 31st December of each year. • Hamish Jiddiyah – Any profits which are credited into the customer's account prior to the trade in commodities is concluded. It is a security deposit placed by the bank as to secure the undertaking to purchase an asset before execution of sale and purchase agreement contract.
3	<p>Please explain the Shariah structure and transaction steps of this product?</p> <p>The product is based on the concept of Tawarruq or Commodity Murabahah which involves the following transaction steps:</p> <ul style="list-style-type: none"> • The customer places the deposit amount and appoints the bank as a Wakil (agent) to purchase Shariah compliant commodities on their behalf. • The bank grants an undertaking (Wa'd) to purchase the commodities from the customer. • Once the bank completes the purchase of the commodities on behalf of the customer as instructed in (a) above (i.e this involves interfacing with commodity traders in the Bursa Suq as Sila' platform), the bank will purchase the commodities at the Sale Price. • Upon the completion of the transaction steps above, effectively the bank owes the customer the Sale Price, which is only due at the Maturity Date. The Maturity Date is 31 December, of that year.

4	<p>Why is the Maturity Date set at 31 December?</p> <ul style="list-style-type: none"> • The Maturity Date is set as 31 December of the respective year to enable the computation of the Sale Price. • To compute the Sale Price, the remaining number of days from the deposit placement date (Purchase Date) until the Maturity Date i.e. 31 December, will be identified as the duration or tenor. 								
5	<p>Are the deposit amounts locked up until Maturity Date? Can the customer withdraw the funds earlier than the Maturity Date?</p> <ul style="list-style-type: none"> • The deposit amounts are NOT locked up. The customer can withdraw the balance at any point in time without restrictions, except for restrictions on minimum balance as they apply to the relevant account type. • From a Shariah structure view point, the withdrawal of funds prior to the Maturity Date will be considered as an advancement of the Sale Price. The terms related to Ibra' (rebate) may apply. Please refer to FAQ related to Ibra' for further details on Ibra'. 								
6	<p>Is this product covered by Perbadanan Insurans Deposit Malaysia (PIDM)?</p> <p>Yes.</p>								
7	<p>How do I open an account for Savings Account-i / Current Account-i (Tawarruq)?</p> <p>You may go to the nearest BMMB branches.</p>								
8	<p>Who is eligible to apply for Savings Account-i / Current Account-i (Tawarruq)?</p> <ul style="list-style-type: none"> • <u>Individual</u> <ul style="list-style-type: none"> ○ Individuals who have attained the age of 18 years old. ○ Open to residents, non-residents and foreigners who have attained the age of 18 years and above. ○ Joint account is allowed. ○ Trust account for children below 18 years old (minors). Account must be opened and operated by their parent or legal guardian until reached the age of 18 years old. • <u>Non-individual</u> Club, societies, associations, institutions, corporation and other business enterprise and etc. 								
9	<p>What are the documents required during application?</p> <p>The documents required are the same as per existing deposit products.</p>								
10	<p>What is the minimum initial deposit?</p> <table border="1" data-bbox="337 1776 1084 1881"> <thead> <tr> <th>Product Type</th> <th>Type of Account</th> <th>Minimum Deposit</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Current Account</td> <td>Staff Deposit</td> <td>RM 100</td> </tr> <tr> <td>Normal Deposit</td> <td>RM 1,000</td> </tr> </tbody> </table>	Product Type	Type of Account	Minimum Deposit	Current Account	Staff Deposit	RM 100	Normal Deposit	RM 1,000
Product Type	Type of Account	Minimum Deposit							
Current Account	Staff Deposit	RM 100							
	Normal Deposit	RM 1,000							

	Savings Account	Salary Deposit	RM 10						
		Student Deposit	RM 10						
		Normal Deposit	RM 10						
		In-trust	RM 25						
11	Is Savings Account-i / Current Account-i (Tawarruq) available in foreign currency?								
	Savings Account-i / Current Account-i (Tawarruq) is available in Malaysian Ringgit (MYR) only for the moment. We will broadcast to the public once multi-currency features are made available.								
12	Is there any minimum balance to maintain in Savings Account-i / Current Account-i (Tawarruq) account?								
	<table border="1"> <thead> <tr> <th>Product Type</th> <th>Minimum Balance</th> </tr> </thead> <tbody> <tr> <td>Savings Account-i</td> <td>RM10</td> </tr> <tr> <td>Current Account-i</td> <td>No minimum balance to be maintained</td> </tr> </tbody> </table>			Product Type	Minimum Balance	Savings Account-i	RM10	Current Account-i	No minimum balance to be maintained
Product Type	Minimum Balance								
Savings Account-i	RM10								
Current Account-i	No minimum balance to be maintained								
13	Will I be given the Debit Card-i Aisya?								
	<ul style="list-style-type: none"> • Debit Card-i Aisya will be issued to individual account or joint account holders if the signing condition of the account is either one to sign. • Debit Card-i Aisya will be issued to sole proprietorship and must be signed by the owner of the sole proprietorship. • Debit Card-i Aisya will be issued to minor of age 12 to 17 years old with consent from the parents/legal guardian with limited access on the card. 								
14	Can I request for a cheque book when opening the Current Account-i (Tawarruq)?								
	The cheque book will only be given to the customer upon receiving the favorable result from the search of SSM/Authorities or bodies and after confirming that the customer's details are in order.								
15	What are the available modes of transactions for deposit or withdrawal?								
	<ul style="list-style-type: none"> • Over the counter transaction(s) (Cash, Transfer, House Cheque, Local Cheque, Money Order Postal Order and GL) • Cash Deposit Machine (CDM) • Cheque Deposit Terminal (CDT) • Automated Teller Machine (ATM) • Remittance • Interbank Giro (IBG) Transfer • Instant Inter Bank Fund Transfer (IBFT) • Internet banking (Corporate Internet Banking & Retail Internet Banking) 								
16	What is the minimum withdrawal?								

	RM10 via ATM.																				
17	<p>What is the maximum withdrawal?</p> <ul style="list-style-type: none"> • Up to RM10,000 daily via ATM (not applicable to in-trust account). • No limit via cheque. 																				
18	<p>What are the fees and charges imposed?</p> <p>You may refer to the Product Disclosure Sheet (PDS) which you will receive prior to the application.</p>																				
19	<p>What should I do if I wish to close my account?</p> <p>You may go to the nearest BMMB branch for closure of account.</p>																				
20	<p>Where can I find the profit rate for Savings Account-i / Current Account-i (Tawarruq)?</p> <p>You may refer the profit rate at www.muamalat.com.my or you may call our Customer Care at 1 300 88 8787 or visit the nearest BMMB branches.</p>																				
21	<p>When do I start earning profit on my Savings Account-i / Current Account-i (Tawarruq)?</p> <p>Profit begins to accrue on the same day of the deposit placement based on the end day balance.</p>																				
22	<p>How is the profit paid on my Savings Account-i / Current Account-i (Tawarruq)?</p> <p>Profit is credited on monthly basis.</p>																				
23	<p>What is the difference between Savings Account-i / Current Account-i (Tawarruq) and CASA Wadi'ah?</p> <table border="1" data-bbox="337 1314 1276 1476"> <thead> <tr> <th>Item</th> <th>Tawarruq</th> <th>Wadi'ah</th> </tr> </thead> <tbody> <tr> <td>Profit</td> <td>Yes</td> <td>Hibah at bank's discretion</td> </tr> <tr> <td>Selling Price on Net Deposit</td> <td>Yes</td> <td>No</td> </tr> </tbody> </table>	Item	Tawarruq	Wadi'ah	Profit	Yes	Hibah at bank's discretion	Selling Price on Net Deposit	Yes	No											
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24	<p>Can you illustrate how the profit is computed?</p> <p>Actual profit = End of day balance x EPR x Number of days/365</p> <table border="1" data-bbox="337 1629 1432 1873"> <thead> <tr> <th>Date</th> <th>End Day Daily Balance</th> <th>EPR</th> <th>Number of day</th> <th>Daily Accrued Profit</th> </tr> </thead> <tbody> <tr> <td>25/9/2016</td> <td>RM3,500</td> <td>1.6%</td> <td>1</td> <td>RM0.15</td> </tr> <tr> <td>26/9/2016</td> <td>RM2,000</td> <td>1.6%</td> <td>1</td> <td>RM0.09</td> </tr> <tr> <td>27/9/2016</td> <td>RM2,500</td> <td>1.6%</td> <td>1</td> <td>RM0.11</td> </tr> </tbody> </table>	Date	End Day Daily Balance	EPR	Number of day	Daily Accrued Profit	25/9/2016	RM3,500	1.6%	1	RM0.15	26/9/2016	RM2,000	1.6%	1	RM0.09	27/9/2016	RM2,500	1.6%	1	RM0.11
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	28/9/2016	RM1,800	1.6%	1	RM0.08
	29/9/2016	RM4,000	1.6%	1	RM0.18
	30/9/2016	RM3,080	1.6%	1	RM0.14
	Total			6	RM0.75

25	Why are there 2 types of Sale Price?
	<ul style="list-style-type: none"> • There are two types of Sale Price to cater for two types of deposit placement scenarios. • The first scenario is when the customer places deposit, subject to Daily Net Deposit balance for the day. This can happen on any given day during the year. • The second scenario is only applicable on the first calendar day for each year whereby the outstanding balance in the deposit account of the customer that crosses over to the new calendar year will be considered a new deposit placement with the bank. For such balances, the bank will compute the Year Sale Price. This also explains why the Maturity Date is set as 31 December, renewed on yearly basis.

26	How about Sale Price? What is the computation formula for the Sale Price?
	<p>There are 2 types of Sale Price namely:-</p> <ol style="list-style-type: none"> 1. Sale Price on daily net deposit: The Sale Price is computed for each new placement as follows: $\text{Daily Net Deposit} + [\text{Daily Net Deposit} \times \text{Ceiling Profit Rate} \times \text{Tenor}]$. Tenor is the remaining number of days in the year. 2. Year Sale Price: This Sale Price is one-off computation on 1st calendar day of each year based on prior year-end total outstanding balance (31st Dec). $[\text{Prior Year-End Total Outstanding Balance} \times \text{Ceiling Profit Rate} \times \text{Number of days}/365]$ $\text{Sale Price} = \text{RM5,000} + \left[\frac{\text{RM5,000} \times 5\% \times 227}{365} \right]$ $= \text{RM5,155.48}$

27	Does every deposit placement constitute a Commodity Murabahah contract? Is the Sale Price computed for each deposit placement?
	<ul style="list-style-type: none"> • Yes, each deposit placement is considered a fresh new Commodity Murabahah transaction, subject to the Daily Net Deposit amount. • The Daily Net Deposit amount has to be a positive amount to facilitate the Commodity Murabahah transaction. • For instance, consider a scenario where a customer places a deposit on July 26, 2016 through the CDM machine for an amount of RM1,000. Later in the same day, the customer withdraws RM400 from the ATM machine. The Daily Net Deposit for that day is RM600. Therefore, the Commodity Murabahah will be executed for the principal amount of RM600. • Consider another scenario where the customer receives his salary on July 26, 2016 for an amount of RM1,000. Later in the same day, the customer withdraws RM1,500 (assuming his account balance is sufficient). The Daily Net Deposit for that day is nil. Therefore, no Commodity Murabahah will be executed for that day.

<p>28</p>	<p>What is Ibra' (rebate) and what is the formula to compute Ibra'?</p> <p>Ibra' is the rebate which the customer consents to grant to the bank upon the occurrence of certain events such as withdrawal of funds prior to maturity date, termination of account prior to Maturity Date and when there is a positive difference between CPR* and EPR**.</p> <p>The Ibra' formula is as follow: Rebate = Aggregate Ceiling Profit – Aggregate Actual Profit Paid</p> <p><u>Illustration on rebate</u></p> <ul style="list-style-type: none"> Assuming there is no new deposit, withdrawal and movement of EPR throughout the deposit tenure: Opening Date 19/5/2016, Maturity of Tawarruq 31/12/2016, Number of days (227), Deposit Amount RM5,000, Ceiling Profit Rate 5%, Total Ceiling Profit RM155.48 and Effective Profit Rate 1.60% <table border="1" data-bbox="362 730 1429 1255"> <thead> <tr> <th>Date</th> <th>Number of days</th> <th>Ceiling Profit (RM)</th> <th>Actual Profit (RM)</th> <th>End day Bal (RM)</th> <th>Rebate (RM)</th> </tr> </thead> <tbody> <tr> <td>19/5 – 31/5</td> <td>13</td> <td></td> <td>2.85</td> <td>5,002.85</td> <td></td> </tr> <tr> <td>1/6 – 30/6</td> <td>30</td> <td></td> <td>6.58</td> <td>5,009.43</td> <td></td> </tr> <tr> <td>1/7 – 31/7</td> <td>31</td> <td></td> <td>6.81</td> <td>5,016.24</td> <td></td> </tr> <tr> <td>1/8 – 31/8</td> <td>31</td> <td></td> <td>6.82</td> <td>5,023.05</td> <td></td> </tr> <tr> <td>1/9 – 30/9</td> <td>30</td> <td></td> <td>6.61</td> <td>5,029.66</td> <td></td> </tr> <tr> <td>1/10 – 31/10</td> <td>31</td> <td></td> <td>6.83</td> <td>5,036.49</td> <td></td> </tr> <tr> <td>1/11 – 30/11</td> <td>30</td> <td></td> <td>6.62</td> <td>5,043.12</td> <td></td> </tr> <tr> <td>1/12 – 31/12</td> <td>31</td> <td></td> <td>6.85</td> <td>5,049.97</td> <td></td> </tr> <tr> <td>Total</td> <td>227</td> <td>155.48</td> <td>49.97</td> <td></td> <td>105.51</td> </tr> </tbody> </table> <p>The total rebate will be granted by the customer to the bank is RM105.51</p> <p>*CPR is Ceiling Profit Rate. **EPR is Effective Profit Rate.</p>	Date	Number of days	Ceiling Profit (RM)	Actual Profit (RM)	End day Bal (RM)	Rebate (RM)	19/5 – 31/5	13		2.85	5,002.85		1/6 – 30/6	30		6.58	5,009.43		1/7 – 31/7	31		6.81	5,016.24		1/8 – 31/8	31		6.82	5,023.05		1/9 – 30/9	30		6.61	5,029.66		1/10 – 31/10	31		6.83	5,036.49		1/11 – 30/11	30		6.62	5,043.12		1/12 – 31/12	31		6.85	5,049.97		Total	227	155.48	49.97		105.51
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Total	227	155.48	49.97		105.51																																																								
<p>29</p>	<p>What is the difference between CPR and EPR?</p> <ul style="list-style-type: none"> The bank shall use the Ceiling Profit Rate (CPR) to compute the Sale Price, which represents the contractual Sale Price under the aqad of Commodity Murabahah between the contracting parties i.e. the bank and the customer. The Effective Profit Rate is the rate applied in accruing profits based on the outstanding balance in the deposit account. During account opening, among the terms that the customer agrees to shall include the customer's consent to grant the Ibra' (rebate) to the bank for any positive difference between the CPR and EPR. Please refer to FAQ related to Ibra' for further details on Ibra'. 																																																												
<p>30</p>	<p>What are the benefits of opening Savings Account-i / Current Account-i (Tawarruq) account with BMMB?</p>																																																												

	<ul style="list-style-type: none"> • It is a Shariah compliant deposit account where your principal amount is guaranteed plus profit, subject to PIDM terms. • The profit rate is fixed upfront, hence the profit amount is guaranteed at each month end, subject to terms relating to rebate. • The more you place as deposit amount and the longer you place the funds in the account, the more profits that you shall be entitled to. • You will receive profits credited into your account on monthly basis. • You will be entitled to any promotional campaigns conducted by the bank.
31	<p>Can the customer terminate and close accounts prior to Maturity Date? Will the Sale Price be recalculated?</p> <ul style="list-style-type: none"> • The customer may close their account by visiting a nearby branch to perform the account termination process. • The customer will be entitled to withdraw the full deposit balance in their account upon account closure. • The Sale Price will not be recalculated as this is disallowed under the principles of Murabahah under Shariah principles. • From a Shariah structure view point, the withdrawal of funds due to account termination prior to the Maturity Date will be considered as an advancement of the Sale Price which is due from the bank to the customer. The terms related to Ibra' (rebate) may apply. Please refer to FAQ related to Ibra' for further details on Ibra'.
32	<p>I have a CASA Wadi'ah account, can I change it to Tawarruq account?</p> <p>You are recommended to convert your CASA Wadi'ah and open a new account under Savings Account-i / Current Account-i (Tawarruq).</p>

For other queries, you may contact our 24 hours Customer Care at 1300-88-8787.