

TERMS AND CONDITIONS FOR MURABAHAH TERM DEPOSIT TRANSACTION

Murabahah Transaction

- 1 The Customer appoints the Bank to act as the Customer's agent for the purchase and sale of the commodity in accordance with these Terms and Conditions. The Bank will only act as the Customer's agent and will not assume, or be deemed to have assumed, any additional obligations to, or to have any special relationship with the Customer other than those for which specific provision is made in these Terms and Conditions.
- 2 As the Customer's agent, the Bank shall, during the tenure of the deposit or any renewal thereof, have the following power and authority:
 - (a) to do and execute all acts with respect to the purchase of the Commodity on a cash basis ("Purchase Transaction(s)") through purchase agreements, certificates and other instruments as fully as the Customer could do himself / itself and to negotiate with commodity traders or supplier ("the Supplier") on behalf of the Customer in relation thereto; and
 - (b) to sell the Commodity on deferred payment to the Bank at cost plus profit ("Murabahah Sale Price") on behalf of the Customer and to do and execute all acts in relation thereto ("Sale Transaction(s)").

Note: Murabahah Sale Price is a principal amount plus profit of which profit is computed based on the following formula:-

$$\text{Principal Amount} \times \text{Rate} \times \frac{\text{No. of Days}}{365/366}$$

- 3 The Bank will, in performing its obligations and activities in the Purchase Transaction(s) and/or Sale Transaction(s) look after the best interest of the Customer and act in good faith.
- 4 Upon payment by the Customer of the commodity price which is equivalent to the deposit amount to the Bank, the Bank undertakes to purchase the commodity from the Customer under the Murabahah contract on deferred payment basis.
- 5 The Customer will sell the commodity to the Bank via deferred payment. The Sale Price represents
 - (i) the deposit amount and
 - (ii) the yield/return on the depositsWhere applicable, the yield/return will be credited to the Customer's banking account as follows:-
 - a) For Profit Now! Account-i (PNA-i), the yield/return will be credited on the same day the account is opened
 - b) For Islamic Fixed Deposit-i (IFD-i) the yield/return will be credited on maturity.
- 6 Upon maturity of the Customer's deposit, for PNA-i, the Bank will pay the Customer the principal deposit amount, as the profit has already been paid to the Customer upfront. For IFD-i, the Bank will pay the Customer the principal amount and the yield/return.
- 7 In the event the Customer makes an early demand for the payment of Murabahah Sale Price before the maturity date of the deposit, the Customer agrees that the Bank is entitled to pay an amount that is less than the agreed Murabahah Sale Price based on the following:-
 - (a) if the tenure of deposit is 3 months and below, early withdrawal will be allowed by the Bank subject to the Customer's agreement to provide rebate/ibra' in which case no profit shall be paid;

- (b) if the tenure of deposit is more than 3 months and withdrawal is made after completion of 3 months, the Customer agrees to provide rebate/ibra' based on the following formula;

$$\text{Rebate/Ibra'} = \text{Murabahah Sale Price} - [(P \times R \times T/365 \text{ or } 366 \times 50\%) + P]$$

Where:

Murabahah Sale Price	=	Principal Amount + Profit
P	=	Principal Amount
T	=	Number of completed days
R	=	Profit Rate

- 8 The Customer hereby agrees that the Bank's determination of any amount payable to the Customer under Murabahah Term Deposit save for manifest error shall be final, conclusive and binding against the Customer.
- 9 The Customer and the Bank agree that no proceeds from sale of the Commodity or any transactions contemplated herein shall be invested in any non-Shariah compliant securities or financial instruments.
- 10 These Terms and Conditions are intended to be wholly Shariah-compliant. The Customer and the Bank agree that their respective rights and obligations herein are intended to be and subject to and in conformity with Shariah (such Shariah as are determined by the Shariah Committee of the Bank).
- 11 Where there are two (2) or more persons or parties included or comprised in the expression "the Customer", these Terms and Conditions shall be binding upon such persons or parties jointly and severally.
- 12 Words applicable to natural persons include any body, person, company, corporation, firm or partnership, corporate or otherwise and vice versa.

Customer's Declaration

I/We hereby confirmed that the Bank, as my/our agent, shall during the tenure of the deposit or any renewal thereof, have the following power and authority:

- (a) to do and execute all acts with respect to the purchase of the Commodity on a cash basis ("Purchase Transaction(s)") through purchase agreements, certificates and other instruments and to negotiate with commodity traders or supplier ("the Supplier") on my/our behalf in relation thereto: and
- (b) to sell the Commodity on deferred payment to the Bank at cost plus profit ("Murabahah Sale Price") on my/our behalf and to do and execute all acts in relation thereto ("Sale Transaction(s)").

Signature (1) _____

Signature (3) _____

Signature (2) _____

Signature (4) _____

 Stamp of Business/ Company/ Society

Date: _____