



## TERMS AND CONDITIONS OF ISLAMIC ACCOUNT (Effective Date: 15/06/2021)

Enumerated below are the Terms and Conditions governing the opening and operation of Islamic Account in Bank Simpanan Nasional. By opening an Islamic Account, the Customer hereby agrees to abide and to be bound by the following rules and regulations, inclusive of variation that may prescribed by the Bank from time to time.

### 1. Definitions and Interpretations

1.1. Unless otherwise expressly specified, the following definitions and interpretations shall apply:

- (a) **"Account"** means BSN GIRO-i, BSN GIRO-i Company Account, BSN GIRO-i eSaver, BSN Basic Savings-i, BSN GIRO-i Premium and BSN GIRO-i Premium Company Account.
- (b) **"Actual Profit"** refers to the accrued profit computed at the effective profit rate (EPR) and which shall be credited to the customer's account on periodic basis as part settlement of the Sale Price.
- (c) **"Adequate notice"** means twenty one (21) calendar days' notice prior to the effective date.
- (d) **"Bank"** means Bank Simpanan Nasional.
- (e) **"Business Day"** means working days on which BSN is operate in West Malaysia and East Malaysia (excluding public holidays).
- (f) **"Business Trading Days"** means the days where the purchase of the Commodity transaction is executed with Supplier which is from Monday to Friday except public holiday.
- (g) **"Ceiling Profit"** refers to the ceiling profit computed at the Ceiling Profit Rate and which constitutes the profit component of the Sale Price.
- (h) **"Ceiling Profit Rate (CPR)"** refers to rate used to compute the Ceiling Profit.
- (i) **"Commodity"** means the underlying goods or assets that allowed by the Shariah.
- (j) **"Commodity Trading"** means sale and purchase transactions performed in accordance to the Shariah concept of Tawarruq.
- (k) **"Customer"** means the Accountholders including individuals, partnerships, sole-proprietorships, companies, clubs, associations, organizations and statutory bodies, unless otherwise stated in this Terms and Conditions or by the Bank from time to time.
- (l) **"Daily Net Deposit"** refers to End of Day balances of each accountholder or customer on any single day, excluding floats and represents only the positive difference of the daily deposit minus daily withdrawal.
- (m) **"Effective Profit Rate (EPR)"** means the actual profit rate used to compute the profit *accrual and profit crediting*.
- (n) **"End of Day (EOD)"** refers to cut off time of end of day at 2359 hours.
- (o) **"Maturity Date"** refers to 31<sup>st</sup> December of that year upon which the Sale Transaction is executed.
- (p) **"Murabahah"** refers to a sale and purchase of an asset where the acquisition cost and the mark-up profit are disclosed to the purchaser.
- (q) **"Purchase Price"** means the price for the purchased commodities carried out by the Bank as an agent to the Customer which the amounts are equivalent to the deposit amount.
- (r) **"Qard"** refers to a contract of lending money where the Customer as a lender will lend money to the Bank as a borrower, where the Bank is bound to repay an

equivalent replacement amount at the request of the Customer in accordance with the agreed terms and conditions.

- (s) **“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 Sale Price at the Maturity Date or Termination Date as referred in Clause 8 herein.
- (t) **“Remaining Days”** refers to remaining number of days from the current date up to Maturity Date of the Sale Price.
- (u) **“Security Details”** shall include but not limited to an Electronic Banking Password and any other confidential information and/or security codes used in relation to the Customer’s Account.
- (v) **“Selling Price”** means the sum payable by the Bank in Commodity Murabahah transaction to purchase the Commodity from the Customer which the amount is equivalent to the Purchase Price plus a profit margin.
- (w) **“Supplier”** means the Commodity traders and / or suppliers who deal with the Bank.
- (x) **“Tawarruq”** consists of two sale and purchase contracts. The first involves the sale of an asset by the seller to a purchaser on a deferred basis. Subsequently, the purchaser of the first sale will sell the same asset to a third party on cash and spot basis. In this product, the Customer will purchase the Commodity at Purchase Price from the supplier and thereafter, sell the Commodity to the Bank at Sale Price on the basis of Murabahah which shall be paid to the Customer at the Maturity Date (after taking into consideration any rebates, if any). The Bank shall thereafter sell the Commodity to the third party on cash basis. The cash shall be treated as deposit placement from the Customer.
- (y) **“Termination Date”** is the date the Customer terminates the Account and withdraws the entire outstanding balance.
- (z) **“Wakalah”** means a contract in which a party (*muwakkil*) authorises another party as his/her agents (*wakil*) to perform a particular tasks, in matters that may be delegated, either voluntarily or with imposition of fee.
- (aa) The subtitle headings and the division of provisions into sections and clauses in these Terms and Conditions are only for the purpose for ease of reference only and shall not be considered in the interpretation of the provisions of these Terms and Conditions.
- (bb) Words importing the singular shall include the plural and vice versa.

## 2. Shariah Principle

- 2.1. The Shariah concept used is Tawarruq (Commodity Murabahah) where a Tawarruq consists of two sale and purchase contracts. The first involves the sale of an asset by a seller to a purchaser on a deferred basis. Subsequently, the purchaser of the first sale will sell the same asset to a third party on a cash and spot basis.
- 2.2. The Tawarruq concept also involve Wakalah contract (Agency contract) which adopts a ‘dual-agency’ arrangement which involves the followings:
  - (a) The appointment of the Bank who acts as an agent to buy the commodity on behalf of the Customer from a third party.
  - (b) The appointment of the Bank who acts as an agent on behalf of the Customer to conclude the selling of the commodity to the Bank on Murabahah basis.

### **3. Account Opening**

- 3.1. The opening of the Account is made through the Bank's prescribed form and subject to the Bank's requirements including minimum age, minimum deposit, identification documents and such other requirement which may be imposed by the Bank from time to time.
- 3.2. Customer agrees and gives consent to the Bank to perform any search (if necessary) and/or due diligence on the Customer's details as required under the Bank's policies.
- 3.3. Customer hereby agrees that the Bank has the right to require Customer to submit any supporting document for the purpose of opening an Account, whenever necessary.
- 3.4. The Bank reserves the right to reject any application by the Customer to open the Account if the Customer failed to submit a valid and accurate information and/or documents or the Customer does not meet any requirements and/or additional requirements imposed by the Bank on Account opening.
- 3.5. Issuance of debit card pursuant to the Account shall be subjected to terms and conditions related to debit card.

### **4. Deposit and Withdrawal**

- 4.1. Every deposit shall be accompanied by a receipt issued by the Bank and production of any other documents by the Customer that may be required by the Bank. A receipt issued by the Bank is only valid if it is machine-validated and/or acknowledged by the Bank.
- 4.2. Deposit may be made at any of the Bank's branches, cash deposit machine (CDM), agent banking, internet banking and/or any other channels that may be provided by the Bank from time to time.
- 4.3. Deposit via cheque will only be credited into the Account upon clearance of the cheque. In the event of dishonoured cheque, the Bank will contact the Customer to self-collect the notification of the dishonoured cheque at the branch or upon request, sent by registered post to the Customer's address last registered with the Bank at the Customer's own risk and any expense incurred hereto shall be debited from the Customer's Account.
- 4.4. Withdrawals may be made (subject to the Account's available balance and the withdrawal limit) at any of the Bank's branches, automated teller machine (ATM), agent banking or any other channel provided by the Bank from time to time.

### **5. Verification of Identification Document**

- 5.1. All transactions carried out at the Bank shall be subjected to proof of identification that the Bank may require and shall be verified in a manner and method, including but not limited to identification by way of thumbprint verification that the Bank may deem fit and adopt from time to time. The Bank shall not be liable for relying on any such verification process of the identification document presented and for proceeding to carry out related banking transactions.

## **6. Appointment of the Bank as an Agent**

- 6.1. The Customer agrees to appoint the Bank and the Bank agrees to accept the appointment as the agent of the Customer under unrestricted agency to do and execute all acts for purchase and sale of the Commodity in accordance with these Terms and Conditions.
- 6.2. Customer agrees that the appointment of the Bank as its agent as specified in clause 2.2 shall be applicable to all Customer's deposit transactions in the Account.
- 6.3. The Bank will only act as an agent (buy and sell the Commodity) and will not assume, or be deemed to have assumed, any additional obligations to, or to have any special relationship with the Customer.
- 6.4. 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.
- 6.5. The Customer acknowledges that although the Commodity involved in the Tawarruq Trading Transaction is capable of being physically delivered, Customer agrees that physical delivery of the Commodity will not be executed. However, if the Customer wants to take over the possession of the Commodity, the Customer must take over that ownership in the suitable manner and using the Customer's own cost.
- 6.6. The Customer agrees to indemnify the Bank against all actions, claims, demands, liabilities, losses, damages, costs and expenses of whatever nature which the Bank may sustain, suffer or incur as a result of acting as the Customer's Agent in the Tawarruq Trading Transaction or as a result of breach of the Customer's obligations unless such actions, claims, demands, liabilities, losses, damages, costs and expenses is attributable to the wilful misconduct, gross negligence or fraud of the Bank. This indemnity shall survive the termination of this Terms and Conditions and any sum payable under it shall not be subject to any deduction either by way of set off counter claims or otherwise.
- 6.7. The Bank shall not be liable for any loss or damage to the interests of the Customer (Muwakkil) except loss or damage caused by the wilful misconduct, gross negligence, fraud or breach of certain conditions by the Bank.
- 6.8. In the event the Bank as an agent is not able to execute Tawarruq Trading Transaction on the same day of deposit date, the deposit (funds) amount will be treated as Qard by the Customer to the Bank. Qard is terminated upon execution and completion of the said Tawarruq Trading Transaction.
- 6.9. The Customer hereby agrees that by maintaining the Account with the Bank, the appointment of the Bank as an agent to the Customer will be continued and only be terminated concurrently upon dissolution of Tawarruq contract between the Customer and the Bank.

## **7. Tawarruq Trading Transaction**

- 7.1. By opening the Account, the Customer agrees to appoint the Bank as an agent to be perform the following:-
  - (a) To purchase the Commodity from Supplier.
  - (b) To conclude the sales of Commodities to the Bank on Murabahah basis at the Sale Price on deferred payment.

- 7.2. The Bank as Customer's agent will purchase the Commodity at the Purchase Price from the Supplier in cash subject to Business Trading Days.
- 7.3. Thereafter, the Bank as an appointed Customer's agent shall conclude the sale of Commodity to the Bank on Murabahah basis at the Sale Price with deferred payment.
- 7.4. Next, the Bank will sell the Commodity to other Supplier in cash at the price equivalent to Customer's deposit amount.
- 7.5. Subsequent Commodity Trading will be performed as determined by the Bank as follows:
- On the Business Trading Day which falls on next Business Day following the deposit date, subject to the Daily Net Deposit amount.
  - On the Business Trading Day which falls on the next Business Day of each New Year on the Total Outstanding Balance.
- 7.6. Tawarruq Trading Transaction will take place on daily basis based on the amount as at cut-off-time which will be at 11.59pm.
- 7.7. The Sale Price is derived as follows:

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

- 7.8. The Ceiling Profit will be computed based on the following formula:

$$\text{Ceiling Profit} = \text{Purchase Price} \times \text{CPR} \times \text{Remaining Days} / 365 \text{ or } 366$$

- 7.9. The Sale Price will be paid in deferred basis by the Bank to the Customer as below:
- Payment of actual profit at EPR based on profit calculation and crediting frequency as specified in Item 8 below;
  - Withdrawal of money from the account by the Customer;
  - Closure of account.
- 7.10. The customer has right to request and take physical possession and delivery of the 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 at any Bank branches during normal business hours and the delivery arrangement is to be made between the Customer and Commodity Platform at the Customer's own costs.
- 7.11. Withdrawal shall be deemed as partial payment of Sale Price by the Bank to the Customer and shall be in proportion with the amount of withdrawal made by the Customer at all time.
- 7.12. Upon Maturity Date, the Bank will rollover / renew the Total Outstanding Balance under the Customer's Account and enter into a new Tawarruq Trading Transaction for a tenure that matured on 31 December of the following year.

## 8. Profit

- 8.1. Profit shall be calculated based on minimum balance of the month at the rates determined by the Bank and will be yearly credited into the Account.
- 8.2. Formula for profit calculation as per below:

$$\text{Monthly Minimum Balance (MMB)} \times \text{EPR} \times \text{No. of Days} / 365 \text{ or } 366$$

- 8.3. Customer hereby agrees that the Bank has the right at any time to revise the profit rates (EPR) by giving notice to the Customer with by displaying the revised rates at the Bank's branches or at the Bank's website.

## 9. Rebate / Ibra

- 9.1. The Customer hereby agrees to grant rebate under the concept of Ibra' subject to the occurrence of certain events including but not limited to:
- (a) Withdrawal of the funds prior to the Maturity Date;
  - (b) Upon termination of the Account (closure of account) prior to Maturity Date;
  - (c) Difference between CPR and EPR at the Maturity Date.
- 9.2. Formula for Rebate (Ibra') as per below:

$$\text{Rebate} = \text{Aggregate Ceiling Profit} - \text{Aggregate Actual Profit Paid}$$

## 10. Account Statement

- 10.1. Account Statement is available through the Bank's online banking i.e. myBSN (individual Customer) or BSNeBiz (non-individual Customer) on a monthly basis. The Customer is required to register as a myBSN/BSNeBiz user for e-Statement.
- 10.2. Customer at any time may request for hardcopy statement over the Bank's counter subject to fees and charges as specified by the Bank, where applicable.
- 10.3. Customer is required to check every detail in the statement and to notify the Bank for any errors, irregularities, disputes, claims or withdrawals that are not authorized or any details made, processed or paid as a result of forgery, fraud, negligence or disclosure from a third party. If the Bank does not receive any objections within fourteen (14) calendar days of the date the statement is issued, the statement shall be deemed as correct and accurate.

## 11. Liability

- 11.1. Customer hereby agrees that Bank shall not be responsible for or liable to the Customer for any loss incurred by the operation of the Account opened by the Customer with the Bank unless such loss is directly attributed to the wilful negligence of the Bank.
- 11.2. The Customer agrees to be liable for and shall fully indemnify the Bank and hold the Bank harmless against all penalties, damages, claims, losses, costs and expenses (legal or otherwise including costs on a solicitor and client basis) which the Bank may incur as a result of:-
- (a) Breach of this Terms and Conditions by Customer;
  - (b) Fraudulent acts by Customer;
  - (c) Disclosure of Security Details by Customer to any other person or in any emails or on a website that is not of the Bank's;
  - (d) Failure of the Customer to take reasonable steps to keep the Security Details private and/or secure at all times;
  - (e) Failure of Customer to report a breach, disclosure or compromise of the Security Details as soon as reasonably practicable upon being aware of the breach or loss respectively;
  - (f) The Bank discharging a valid mandate requested by Customer;
  - (g) The Bank enforcing any of its rights against Customer;
  - (h) The Bank complying with any regulatory requirements; and/or

- (i) The Bank complying with any Court judgment or any Court Order, whether or not having the force of law issued by any legally constituted tribunal body entity or authority, arising from any actions or proceedings (legally or otherwise) and which are applicable to or directed to or in any way related to the Customer, and/or Customer's Account which is/are maintained with the Bank.
- 11.3. The indemnities provided above shall not be applicable in relation to electronic banking transactions allowed to be carried out by the Bank to the extent that the losses, costs or expenses incurred, arising from:-
- (a) The Bank's failure to notify of the Customer obligations to ensure the confidentiality and security of Customer's Security Details, as well as of the obligation to immediately inform Bank in the event of a breach, disclosure or compromise of the same;
  - (b) The Bank's failure to provide Customer with adequate means to notify the Bank of any unauthorized or disputed transactions;
  - (c) A technical breakdown or proven deficiency in the systems and equipment under the full control of the Bank;
  - (d) A proven weakness or vulnerability in the security features and controls adopted by the Bank;
  - (e) Transaction(s) that occurred after the Bank has been notified by the Customer of unauthorized transaction or of the breach, disclosure or compromise of any Security Details provided that the said breach, disclosure or compromise of Security Details was not due to Customer's own acts;
  - (f) Transaction(s) that occurred prior to Customer receiving any Security Details in relation to the access and use of Customer's Account; and/or
  - (g) Security Details that are forged, faulty, expired or cancelled provided that it is not due to the Customer acts or omissions.

## **12. Right to Debit Account and Adjustment**

- 12.1. The Customer hereby authorizes the Bank to debit the Account where relevant amount had been mistakenly paid/credited into the Account and/or by virtue of any of the Bank's operational and/or system errors or malfunctioning and/or any other causes which is or are beyond the Bank's reasonable control by giving adequate notice to the Customer prior to such debit.

## **13. Right to Set-Off**

- 13.1. The Customer hereby agrees that the Bank has the right to set-off or transfer any credit balance in the Account towards the reduction and/or discharge of any sum due to the Bank under the Account, by giving seven (7) days' notice prior to the effective date to the Customer.

## **14. Joint Account**

- 14.1. Joint Account Customer shall jointly and severally undertake to indemnify and hold the Bank against losses, claims, demands, proceedings, costs, expenses and other liabilities whatsoever and whenever incurred arising from any instruction issued by any of the Joint Account Customer.
- 14.2. Either singularly or jointly, the authority conferred on the authorized signatories operating the Joint Account shall include without limitation the following:-

- (a) Withdrawals of any amount of the Joint Account;
- (b) Continuation and closure of the Joint Account;
- (c) Use of any facilities provided by the Bank to pay bills or transfer funds from the Joint Account;
- (d) Use of any electronic services from time to time provided by the Bank upon such the terms and conditions and payment of all fees, costs or expenses in connection therewith from the Joint Account;
- (e) Giving of any standing instructions for payments from the Joint Account;
- (f) Provision of any written indemnity required by the Bank in respect of operation of the Joint Account or any of the foregoing; and
- (g) Generally the authority to apply for, cancel, modify or do all things in relation to any of the foregoing matter.

14.3. Upon Bank receiving notification of death of one of the Joint Account Customer, the Bank hereby has the right to pay the balance from the said Account to the survivor(s).

## **15. Company Account**

- 15.1. The Customer shall responsible for all the liabilities and provisions governing the Company Account.
- 15.2. The instructions and mandate given for operation of Company Account shall remain in force until revoked in writing and substituted with fresh instructions and mandate, and shall apply notwithstanding any change in the directorship/membership, where applicable, whether by death, bankruptcy and/or retirement.

## **16. Closure of Account**

- 16.1. The Account shall be closed by the Customer at any of the Bank's branches. For Joint Account, the closure of the Account shall be in accordance with the terms and conditions of the mandate given by the Customers.
- 16.2. The Customer shall comply with all of the Bank's requirements, if any, for closure of the Account. The Bank reserves the rights to impose an Account closing fees of:-
  - (a) RM20 if the Account is closed by the Customer within six (6) months of the date of the opening of the Account (applicable for BSN GIRO-i, BSN GIRO-i Company Account, BSN GIRO-i eSaver, BSN GIRO-i Premium and BSN GIRO-i Premium Company Account);
  - (b) RM20 if the Account is closed by the Customer within three (3) months of the date of the opening of the Account (applicable for BSN Basic Savings-i).
- 16.3. The Customer hereby agrees that the Bank has the right to:-
  - (a) Close any Account if Customer's name appear(s) in the blacklist issued by Bank Negara Malaysia or any relevant authorities; and/or
  - (b) Close any Account for any reason by giving adequate notice of such intention.

## **17. Dormant Account / Unclaimed Moneys**

- 17.1. Account with no transaction conducted by the Customer for a period of twelve (12) consecutive months will be deemed as "Dormant Account".



- 17.2. An annual service fee of RM10 shall be imposed and deducted from the Dormant Account so long as it remains dormant until the remaining balances are classified as unclaimed moneys wherein clause 17 .4 shall apply. Where the balance in the Account is RM10 and below, the balance in the Account will be deducted as service fee and the Account thereafter shall be closed.
- 17.3. To reactivate a Dormant Account, a cash deposit/withdrawal should be performed at any of the Bank's branches by the Customer subject to the verification of the identity of the Customer. No charge shall be imposed on the reactivation of a Dormant Account.
- 17.4. Any moneys standing in the credit of Account which has not been operated for seven (7) years from the date of the last transaction shall be classified as "Unclaimed Moneys". The Bank shall close the Account and transfer the fund in Account to the Registrar of Unclaimed Moneys as required under the Unclaimed Moneys Act 1965 and its amendment thereto. Any claims for the said fund by the Customer must be made directly to the Registrar of Unclaimed Moneys.
- 17.5. The Bank shall give adequate notice prior to the said transfer, notify the Customer regarding the impending transfer of monies maintained under the Account due to dormancy of the Account. The Customer shall also be informed regarding the options to reactivate the Account or to close the Account to avoid the transfer of the monies maintained under the Account to the Registrar of Unclaimed Moneys.

## **18. Fees and Charges**

- 18.1. The Bank shall be entitled to impose and deduct from the Account the following:-
- (a) Costs, fees and charges on the transactions performed and for the services provided by the Bank at such rates as may be applicable from time to time;
  - (b) Any service charges on the Account in accordance with the rules of any association/regulatory authority or of the Bank; and
  - (c) Charges whatsoever chargeable on or for any transactions or the services to the Customer now or hereafter imposed by law or required to be charged.
- 18.2. The Customer hereby agrees that the Bank has the right to impose and/or vary such fees and charges from time to time to the Customer and it shall become effective on such date as the Bank may elect to adopt. However any change in fees and charges must be notified by giving adequate notice to Customer prior to the effective date of implementation. Such notification shall be communicated to the Customer in writing or electronically or via advertisement displayed at branches and website.
- 18.3. The fees and charges are contained in the Bank's Fees and Charges Schedule which can be accessed from the Bank's website or branch community wall and the Customer agrees to be bound by the Bank's Fees and Charges, which forms part of these Terms and Conditions.

## **19. Change of Particulars**

- 19.1. The Customer shall immediately inform the Bank of any changes of address, contact numbers, authorized signatories or other particulars by visiting Bank's branches, failing which the Bank is entitled to rely on the last known details in its record.

## **20. Freezing of Account**

- 20.1. The Bank reserves the right to freeze the Account at any time by virtue of laws, BNM directives or investigation or court orders, regulations or enactment, bankruptcy of the account holder, winding up of company, deceased of account holder (insanity or at the discretion of the Bank).
- 20.2. The above clause shall be applicable to account holder of individual, joint account or company account.
- 20.3. The Customer shall consult the Bank for the purpose of unfreezing the Account with appropriate evidence to the satisfaction of the Bank that such action has been properly uplifted.
- 20.4. The Customer further agrees that should the Bank be sued or be made a party in any suit arising out of the Bank's action in freezing of the Account herein or should the Bank before or after the freezing of the Account commence any suit for any appropriate relief or declaration to be made by any court, all penalties, losses, damages, claims, expenses, charges and costs (legal or otherwise) shall be indemnified by the Customer.

## **21. Unforeseen Circumstances**

- 21.1. Notwithstanding any other provisions herein, in the event where 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 unforeseen circumstances, 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.

## **22. Change of Terms and Conditions**

- 22.1. Notwithstanding anything herein contained the Bank reserves the right upon giving adequate notice prior to the effective date, to add, delete or amend any of the provisions stated herein at any time. Any variations, additions, deletions or amendments to the provisions herein shall be binding on the Customer and the Bank is deemed to have brought to the attention of the Customer through notices. All previous Terms and Conditions shall be revoked and wholly be superseded by the latest Terms and Conditions.
- 22.2. Any notification from the Bank to the Customer can be delivered personally or by registered/ordinary post to the Customer at the current address kept by the Bank or by displaying at the Bank's website or premises or through short message service (SMS) or any other manner which deemed appropriate by the Bank

## **23. Governing Law & Jurisdiction**

- 23.1. These Terms and Conditions shall be governed by and construed in all respects in accordance with the laws of Malaysia and subject to the exclusive jurisdiction of the Court of Malaysia.