

SPECIFIC TERMS AND CONDITIONS For
COMMODITY MURABAHAH-BASED TERM DEPOSIT
(Effective Date: 01.09.2018)



Your Bank. Malaysia's Bank. AmBank Islamic.

These are the Specific Terms and Conditions for Commodity Murabahah-based Term Deposit applicable to all Term Deposits based on the Shariah contract of Commodity Murabahah via Tawarruq arrangement provided by AmBank Islamic Berhad (Company No. 295576-U) ("the Bank") including but not limited to Term Deposit-i and Afdhal Term Deposit-i. These Specific Terms and Conditions shall be read together with General Terms and Conditions or the General Terms and Conditions for Accounts and Services (as applicable) enclosed together with these Specific Terms and Conditions and can be accessed at www.ambank.com.my. All definitions used in the General Terms and Conditions shall have the same meaning when used in these Specific Terms and Conditions.

1.0	Definitions and Construction
1.1	<p>In this Specific Terms and Conditions, the following words shall have the meanings stated thereto:</p> <p>"The Bank" means AmBank Islamic Berhad (Company No. 295576-U), a company incorporated in Malaysia under the Companies Act 1965 and having its registered address at Level 22, Bangunan AmBank Group, No. 55 Jalan Raja Chulan, 50200 Kuala Lumpur and includes its predecessors-in-title, successors-in-title and assigns.</p> <p>"Business Days" means a day (other than a Saturday, Sunday or a Public Holiday) on which the Bank are open in the state where the place of business of the Bank is located.</p> <p>"Accountholder" means the Bank's Customers whose application for the Term Deposit account has been accepted and maintained by the Bank.</p> <p>"Commodity" means Shariah-compliant commodity which includes but not limited to crude palm oil, oleo chemicals, rubber, cocoa and soya products or such other acceptable commodities (excluding ribawi items in the category of medium of exchange such as currency, gold and silver), traded on Bursa Suq al-Sila" and/or any other available platform approved by the Bank.</p> <p>"Murabahah" means a sale and purchase of an asset where the acquisition cost and the mark-up are disclosed to the purchaser.</p> <p>"Murabahah Sale Price" means the price for the sale of the Commodity by the Accountholder to the Bank.</p> <p>"Term Deposit" means fixed-term deposit products made available to the Accountholder (as defined herein) which include Term Deposit-i and Afdhal Term Deposit-i.</p> <p>"Tawarruq" means two sale and purchase contracts where the first involves the sale of an asset to a purchaser on a deferred basis and the purchaser subsequently sells the same asset to a third party on a cash and spot basis.</p> <p>"Wakalah" means a contract in which a party authorizes another party as his agent to perform a particular task in matters that may be delegated with or without imposition of a fee.</p>
2.0	Shariah Contract of Commodity Murabahah via Tawarruq Arrangement
2.1	The Shariah contract applicable is <i>Commodity Murabahah via Tawarruq Arrangement</i> with the Shariah contracts of <i>Murabahah</i> and <i>Wakalah</i> are also applied in this arrangement.
2.2	Under this arrangement:
2.2.1	the Accountholder appoints the Bank as an agent of the Accountholder to purchase Commodity from any third party and to sell the Commodity to the Bank. Upon purchase of the commodity from the third party, the Accountholder may request to take physical delivery of the Commodity and in the event the Accountholder were to exercise such right to take physical delivery, all costs and expenses in respect thereof shall be borne by the Accountholder.
2.2.2	the Bank as an agent will purchase the Commodity on behalf of the Accountholder for the purchase price of the Commodity in the amount deposited with the Bank; and
2.2.3	thereafter, the Accountholder will sell to the Bank and the Bank will purchase from the Accountholder the Commodity at the Selling Price which shall be paid by the Accountholder upon maturity.
3.0	Confirmation Letter
3.1	When the Accountholder deposits monies under the Term Deposit, the Bank will issue a letter confirming the deposit to the Accountholder ("Confirmation Letter").
3.2	The Accountholder shall keep the Confirmation Letter safely and is required immediately to report, in writing, of its loss, theft or destruction to the Bank.
3.3	The Confirmation Letter is only a memorandum of receipt and may not be negotiated, transferred, assigned or charged as a security except with the prior written consent of the Bank.

**SPECIFIC TERMS AND CONDITIONS For
COMMODITY MURABAHAH-BASED TERM DEPOSIT**

(Effective Date: 01.09.2018)



Your Bank. Malaysia's Bank. AmBank Islamic.

<p>4.0</p> <p>4.1</p> <p>4.2</p> <p>4.3</p>	<p>Operation of Account</p> <p>Profit rate for the Term Deposit for various tenure of deposit (“Tenure”) shall be determined by the Bank from time to time and indicated in the Confirmation Letter.</p> <p>Where payment for the Term Deposit is to be made via cash and in the event the Accountholder is unable to attend personally to receive payment and desires payment to be made to another party or in case of business or in the case of a corporate customer, where the authorised signatory (ies) of the Accountholder is/are unable to attend and desire(s) payment to be made to another party, the Accountholder shall send a letter authorising the Bank to make such payment to that party. The payment will be made subject to the Bank’s discretion after the verification of the Accountholder’s signature or the signature of the authorised signatory (ies) of the Accountholder, as the case may be.</p> <p>For cases where the mode of deposit is via local cheque, the Bank may open the Term Deposit and generate the Confirmation Letter on the day of the cheque deposit. However, in the event the said cheque is returned or dishonoured, after issuance of the Confirmation Letter, the Bank reserves the right to close the Term Deposit and treat the Confirmation Letter as cancelled and invalid whether or not the said Confirmation Letter is returned to the Bank for cancellation.</p>
<p>5.0</p> <p>5.1</p> <p>5.2</p> <p>(a)</p> <p>(b)</p> <p>5.3</p> <p>5.4</p> <p>5.5.1</p> <p>5.5.2</p> <p>5.5.3</p> <p>5.5.4</p> <p>5.5.5</p>	<p>Appointment as Agent</p> <p>By the deposit placement with the Bank, the Accountholder (based on the Shariah contract of <i>Wakalah</i>), appoints the Bank and the Bank agrees to accept the appointment to act as the agent of the Accountholder to undertake and perform the Commodity Trading for and on behalf of the Accountholder subject to and upon the terms of these Specific Terms and Conditions. The Bank will only act as the Accountholders agent and will not assume, or be deemed to have assumed, any additional obligations to, or to have any special relationship with the Accountholder other than those for which specific provision is made in these Specific Terms and Conditions.</p> <p>As the Accountholder’s agent, the Bank shall, during the tenure and acting for and on behalf of the Accountholder, have the following have the following power and authority:</p> <p>(a) to do and execute all acts and deeds (and to appoint agents to do and execute such acts and deeds) with respect to the purchase of the Commodity as determined by the Bank on a cash basis (“Purchase Transaction(s)”), for the amount deposited or renewed with the Bank (“Purchase Price”) through purchase agreements, certificates and/or other instruments, to negotiate with such commodity traders or supplier acceptable to the Bank (“the Supplier”) on behalf of the Accountholder in relation thereto; and to take possession (physical or constructive) of the Commodity; and</p> <p>(b) to sell the Commodity on deferred payment to the Bank at Purchase Price plus profit (“Murabahah Sale Price”) on behalf of the Accountholder and to do and execute all acts (and to appoint agent to do and execute such acts) in relation thereto (“Sale Transaction(s)”).</p> <p>Murabahah Sale Price is the aggregate of the Purchase Price (Deposit Amount) and the profit amount, whereby the profit amount is computed based on the following formula:</p> $[\text{Purchase Price (Deposit Amount)} \times \text{Profit Rate} \times \frac{\text{No. of days}}{365/366}]$ <p>The Bank will, in performing its obligations and activities pursuant to the agency appointment, act in good faith and in the best interest of the Accountholder.</p> <p>The Accountholder shall indemnify the Bank on its first demand against all losses, claims, actions, proceedings, damage, costs and expenses whatsoever brought or claim by any party and/or incurred or sustained by the Bank as a result of the Bank’s acting as agent of the Customer or a breach by the Customer of any of his/her/their obligation herein except for any losses or damages for default, omission, negligence, breach of specified terms by the Bank.</p> <p>The appointment of the Bank as an agent of the Customer shall be terminated upon occurrence any of the following:</p> <p>5.5.1 either Accountholder or the Bank fails to perform any of its obligation under the terms of the agency appointment and the same is not being remedied within fourteen (14) Business Days from the date where that party becomes aware of such failure;</p> <p>5.5.2 any representations, warranties or statements made or deemed to be made by the Accountholder or the Bank is or proves to have been incorrect or misleading in any material respect when made or deemed to be made;</p> <p>5.5.3 the introduction, imposition or variation of any law or any change in the interpretation or application of law makes it unlawful for either party to perform or comply with any of its obligations under this Appointment of the Bank as agent;</p> <p>5.5.4 the Accountholder is or becomes insolvent (in the case where the Accountholder is a body corporate) or if the Accountholder is a natural person dies or become incapacitated or of unsound mind or shall have been served with a custodian sentence or be guilty of any offence against any law; and</p> <p>5.5.5 the closure of the Term Deposit</p>

SPECIFIC TERMS AND CONDITIONS For
COMMODITY MURABAHAH-BASED TERM DEPOSIT
(Effective Date: 01.09.2018)



Your Bank. Malaysia's Bank. AmBank Islamic.

	<p>By serving a written notice to the effect from the aggrieved party to the defaulting party. For the avoidance of doubt, such termination shall not affect the right of any party accrued prior to date of termination.</p> <p>Notwithstanding the appointment of the Bank as the agent of the Accountholder, the Bank may at its absolute discretion and at any time, refrain, defer, delay and/or refuse to act as agent of the Accountholder for any reasons whatsoever and the Bank shall not be liable for any consequences of whatsoever nature arising from or due to the inaction as aforesaid.</p>
6.0	Commodity Murabahah Transactions
6.1	<p>Subject to the provisions herein contained, the Commodity Murabahah via Tawarruq Arrangement transactions (“Commodity Murabahah Transactions”) shall be as follows:-</p> <p>(a) on any Business Day (as defined in clause 6.4 below), the Accountholder appoints the Bank as an agent, amongst others, to enter into a Purchase Transaction for the amount desired to be deposited during the tenure;</p> <p>(b) the Accountholder shall immediately pay the Purchase Price which is equivalent to deposited amount to the Bank for the Purchase Transaction;</p> <p>(c) upon the Trading Day (as defined by the Bank from time to time), the Bank, as an agent for and on behalf of the Accountholder, will purchase the Commodity at the Purchase Price from the Supplier;</p> <p>(d) thereafter, the Bank as an agent for and on behalf of the Accountholder will sell the Commodity to the Bank and enter into a Sale Transaction at the Murabahah Sale Price;</p> <p>(e) The Bank shall pay the Murabahah Sale Price in accordance to the specific Term Deposit product(s) as per these Specific Terms and Conditions; and</p> <p>(f) The mode of payment will be in accordance with the instruction given by the Accountholder.</p>
6.2	<p>Notwithstanding the above, once the Accountholder has appointed the Bank as an agent to enter into a Purchase Transaction:</p> <p>(a) the Accountholder fails to effect payment of the Purchase Price of the Commodity; and/or</p> <p>(b) the Accountholder cancels the agency after the Bank has acted upon the agency appointment,</p>
6.3	<p>the Accountholder shall bear all losses and costs incurred by the Bank as a consequence of such failure and/or cancellation.</p> <p>For the purposes of the Commodity Murabahah Transactions and this Terms and Conditions, the expression “Business Day” means a day (excluding Saturday, Sunday and Public Holiday) on which commercial banks are open for business in the Federal Territory of Kuala Lumpur, Malaysia save that to the extent it refers to any payment, in which event the expression “Business Day” shall mean a day (excluding Saturday, Sunday and Public Holiday) on which commercial banks are open for business in the Federal Territory of Kuala Lumpur, Malaysia and payments in the currency (ies) acceptable to the Bank.</p>
6.4	<p>If any payment is due from the Bank as purchaser under any Sale Transaction falls on a day which is not a Business Day, the payment shall be made on the next succeeding Business Day save where the next succeeding Business Day falls in the next calendar month in which event the payment shall be due and made on the day immediately preceding the Business Day.</p>
7.0	Early Withdrawal
7.1	<p>In the event the Accountholder makes an early demand for the full payment of the Murabahah Sale Price before the maturity date of the deposit, the Accountholder hereby acknowledges and agrees that the Accountholder will relinquish all or a part of the profit amount comprised in the Murabahah Sale Price as agreed by both parties at that time or, in the event of a failure to so agree, as stipulated by the Bank.</p>
7.2	<p>Pursuant to clause 7.1 above, the Accountholder agrees to provide <i>ibra</i> (rebate) based on the following formula;</p> $ibra \text{ (rebate)} = \text{Murabahah Sale Price} - [(P \times t / 365 \times R / 100 \times i / 100) + P]$ <p>Where:</p> <p>Murabahah Sale Price = Purchase Price (Deposit Amount) + Profit Amount</p> <p>P = Purchase Price (Deposit Amount)</p> <p>t = Number of completed days</p> <p>R = Profit Rate agreed on deposit placement date</p> <p>i = Percentage of Profit Rate to be paid for the number of completed days</p>
7.3	<p>The Accountholder hereby agrees that the Bank’s determination of any amount payable to the Accountholder under the Term Deposit save for manifest error shall be final, conclusive and binding on the Accountholder.</p>
7.4	<p>In the event of any error, if the actual profit rate to be given to the Accountholder is higher than the contracted rate, the excess will be given as <i>hibah</i> (gift) by the Bank. On the other hand, if the actual profit rate to be given to the Accountholder is lower than the contracted rate, the Accountholder agrees to waive the right to claim the difference from the Bank.</p>

**SPECIFIC TERMS AND CONDITIONS For
COMMODITY MURABAHAH-BASED TERM DEPOSIT**
(Effective Date: 01.09.2018)



Your Bank. Malaysia's Bank. AmBank Islamic.

<p>8.0 8.1</p>	<p>Term Deposit-i</p> <p>The following shall apply to the Term Deposit-i only.</p> <p>(a) The tenure of the deposit shall range from 1 month to 60 months as may be determined by the Bank.</p> <p>(b) The Bank shall pay the Accountholder the profit from Term Deposit-i:</p> <p>(i) Upon maturity for the tenure of 12 months and below; or (ii) Every six months for the tenure above 12 months.</p> <p>(c) Early withdrawal before Maturity Date:</p> <p>(i) For withdrawal made after completion of 3 months, a portion of profit may be paid to the Accountholder. (ii) The Accountholder agrees to provide <i>ibra'</i> (rebate) to the Bank in the event of early withdrawal in accordance with Clauses under 7.0 above. (iii) Withdrawal before completion of 3 months shall not be entitled to any profit amount and the Accountholder agrees to provide <i>ibra'</i> (rebate) for the whole profit amount to the Bank. (iv) Effective Tuesday, 1 January 2019 onwards, all placements which are withdrawn before maturity will have no profit payable.</p> <p>(d) Partial withdrawal before Maturity Date:</p> <p>(i) Partial withdrawal before the Maturity Date is not allowed. (ii) The Accountholder will need to withdraw the full amount and make a new placement for the desired amount for the remaining tenure at the prevailing rate.</p>
<p>9.0 9.1</p>	<p>Afdhal Term Deposit-i</p> <p>The following shall apply to Afdhal Term Deposit-i only.</p> <p>a) The tenure of the deposit shall range from overnight to 12 months as may be determined by the Bank. b) The Bank shall pay the Accountholder the profit from Afdhal Term Deposit-i upon Maturity Date. c) Early withdrawal before Maturity Date:</p> <p>(i) For withdrawal made after completion of 3 months, a portion of profit may be paid to the Accountholder. (ii) The Accountholder agrees to provide <i>ibra'</i> (rebate) to the Bank in the event of early withdrawal in accordance with Clauses under 7.0 above. (iii) Withdrawal before completion of 3 months shall not be entitled to any profit amount and the Accountholder agrees to provide <i>ibra'</i> (rebate) for the whole profit to the Bank. (iv) Effective Tuesday, 1 January 2019 onwards, all placements which are withdrawn before maturity will have no profit payable.</p> <p>d) Partial withdrawal before Maturity Date:</p> <p>(i) Partial withdrawal is allowed subject to remaining balance of RM5,000; (ii) All deposits placement from 1 July 2018 onwards, the customer shall provide full <i>ibra'</i> (rebate) on the profit that was agreed at the time of placement if the deposit is uplifted/ withdrawn prematurely after 31 December 2018. In such circumstances, there will not be any profit by the Bank to customer.</p>
<p>10.0 10.1</p>	<p>Privacy</p> <p>The Accountholder hereby irrevocably consents, represents, authorises and confirms to the Bank that it has duly obtained its directors, shareholders, authorised signatories, officers, guarantors and/or other security parties' consent and authority, for the Bank to provide the information required by the Bank for use in accordance with this Terms & Conditions at the Bank's sole discretion, without further reference to the Accountholder, its directors, shareholders, authorised signatories, officers, guarantors and/or other security parties. The Accountholder agrees to undertake the responsibility to update the Bank in writing should there be any change to the personal and financial information relating to the said directors, shareholders, authorised signatories, officers, guarantors and/or other security parties.</p>