

**SPECIFIC TERMS AND CONDITIONS FOR CURRENT ACCOUNT-i AND SAVINGS ACCOUNT-i BASED ON TAWARRUQ**  
(Effective Date: 25 March 2024)

This Specific Terms and Conditions is applicable to all Current Account-i and Savings Account-i (CASA-i) products based on the Shariah concept of *Tawarruq* offered by the Bank. All of these products are governed by the applicable laws of Malaysia and Shariah principles.

This Specific Terms and Conditions is read together with the General Terms and Conditions for CASA-i. All definitions used in the said General Terms and Conditions will have the same meaning when used in this Specific Terms and Conditions.

The Bank and the Customer agrees and acknowledge that as at the date hereof, this Specific Terms and Conditions, the underlying structure herein and the Commodity Trading are Shariah compliant. Accordingly, each of the parties hereto agrees that it will not raise any dispute or issue in relation to the Shariah compliancy of these Specific Terms and Conditions and the Commodity Trading.

This Specific Terms and Conditions will be additional to the terms and conditions of each type of the product/ accounts appearing in the General Terms & Conditions. In the event of any discrepancy, ambiguity or dispute in the interpretation of these Specific Terms and Conditions and the said Terms and Conditions for each type of product/accounts appearing in the General Terms & Conditions, the said Specific Terms and Conditions for each product/account will prevail.

**1.0 GENERAL**

**1.1** The CASA-i *Tawarruq* will be operated in accordance with the Shariah concept of *Tawarruq* arrangement whereby the Customer appoints the Bank under *Wakalah* contract, as the Customer's Agent to buy Commodity from any commodity traders and thereafter to sell the Commodity to the Bank under *Murabahah/ Musawamah* contract on deferred payment.

Under the arrangement:

- i. the Bank (as an Agent) will purchase the Commodity on behalf of the Customer for the Purchase Price of the Commodity in the amount deposited with the Bank;
- ii. the Bank will thereafter on its own capacity purchase the Commodity from the Customer at the Selling Price which will be paid to the Customer upon maturity;
- iii. the Bank may thereafter sell the Commodity to a third party;

**1.2** The Customer applying for the opening of the CASA-i *Tawarruq* with the Bank will be bound by this Specific Terms and Conditions governing the operations of the CASA-i *Tawarruq* in force from time to time.

**1.3** This Specific Terms and Conditions is also intended to be read together with pamphlets, brochures or any other relevant terms and conditions issued by the Bank which may be imposed from time to time that are applicable to the particular CASA-i *Tawarruq* opened by the Customer.

**2.0 MALAYSIA DEPOSIT INSURANCE CORPORATION ("PIDM")**

**2.1** This product is protected by Malaysia Deposit Insurance Corporation ("PIDM") up to RM250,000.00 for each depositor and is subject to the latest version of guidelines issues by PIDM and includes any statutory amendment or re-enactment thereof.

**3.0 DEFINITIONS**

In this Specific Terms and Conditions, the following words will have the meanings stated thereto:

**"Account"** means the Accountholder's account or CASA-i opened and maintained with the Bank which is governed by the General T&C for CASA-i.

**"Actual Profit"** refers to the accrued profit computed at the Effective Profit Rate which is credited into the CASA-i *Tawarruq* on periodic basis as part of the settlement of the Selling Price.

**"Agent"** refers to the Bank which will be appointed by the Customer to do such acts on behalf of the Customer under the Shariah contract of *Wakalah* in matters pertaining to *Tawarruq* in accordance to the terms herein.

**"Bai' Al-Sarf"** refers to a contract of exchange of money for money of the same or different type.

**"Bank"** means MBSB Bank Berhad (Registration No. 200501033981) (716122-P), their respective predecessors-in-title, successors-in-title, and assigns.

**"CASA-i *Tawarruq*"** means Current Account-i or Savings Account-i based on the Shariah concept of *Tawarruq* which may be offered by the Bank from time to time including but not limited to *Basic Current Account-i, PrimeRich Current Account-i, PrimeWin Current Account-i, Wise Saver Savings Account-i, M-Junior Savings Account-i, Cash Rich Savings Account-i, PrimeWin Savings Account-i, Tiered Savings Account-i and HousingDevelopment Account-i.*

**"Ceiling Profit"** refers to the ceiling profit computed at the Ceiling Profit Rate and which constitutes the profit component of the Selling Price.

**"Ceiling Profit Rate ("CPR")"** refers to the rate used to compute the Ceiling Profit of the Selling Price.

**"Customer"** means the Bank's customers whose application for CASA-i *Tawarruq* has been accepted by the Bank and such CASA-i *Tawarruq* is maintained with the Bank.

**"Commodity"** means Shariah-compliant goods and/or commodities (excluding *ribawi* items in the category of medium of exchange such as currency, gold and silver) acceptable to the Bank, purchased under the platform of any commodity trader appointed by the Bank and duly approved by the Shariah Advisory Committee (SAC) of the Bank which will be transacted as the underlying asset to facilitate the *Tawarruq* transaction.

**"Commodity Trading"** means the sale and purchase transactions performed in accordance to the Shariah concept of *Tawarruq*.

**"Daily Net Deposit ("DND")"** refers to end of day balance on any single day, excluding the floats and represents the positive difference of the daily deposit minus daily withdrawal.

**"Effective Profit Rate ("EPR")"** refers to the actual profit rate used to compute the profit accrual and profit crediting.

**"Hamish Jiddiyah"** refers to a Security Deposit ("SD") placed to secure the undertaking to purchase an asset before execution of sale and purchase contract. Under this product, the SD will be placed by the Bank in order to secure an undertaking to purchase the Commodity from Customer. It is only applicable when there is any DND during the final day of the month whereby the purchase of Commodity will only be conducted on the next day.

**"Maturity Date"** refers to 31<sup>st</sup> December of that year upon which the Sale Transaction is executed.

**"Murabahah"** refers to a sale and purchase of a Commodity where the acquisition/purchase cost and the mark-up are disclosed to the purchaser.

**"Musawamah"** refers to a sale and purchase of a Commodity where the acquisition/purchase cost is not disclosed to the purchaser.

**"Purchase Price"** refers to the amount equivalent to the DND and/or Total Outstanding Balance which will be used to purchase the Commodity on the Trading Day

**"Purchase Transaction"** refers to when Customer purchases the Commodity (via the Bank acting as the Customer's Agent) from any commodity trader at the Purchase Price.

**"Profit Crediting Day"** refers to the day when total accrued profit for a particular period will be credited into the Customer's CASA-i *Tawarruq* being partial settlement of the Selling Price.

“**Rebate (“Ibra”)** represents the “waiver on rights of claim” accorded by a person to another person that has an obligation which is due to him.

“**Remaining Days**” refers to the remaining number of days from the current date up to the Maturity Date of the Selling Price.

“**Sale Transaction**” is when the Customer sells the Commodity (via the Bank acting as his/her agent) to the Bank at the Selling Price.

“**Selling Price**” means the sum payable by the Bank to acquire the Commodity from the Customer on *Murabahah* basis which comprise of the Purchase Price of the Commodity and the profit.

“**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 spot and cash basis. Under this product, the Customer will purchase the Commodity at Purchase Price from any commodity trader and thereafter, sell the Commodity to the Bank at Selling Price on the basis of *Murabahah/ Musawamah* which will be paid to the Customer at the Maturity Date (after taking into consideration any rebates, if any). The Bank will thereafter sell the Commodity to a third party on a cash and spot basis.

“**Tawarruq Notice**” refers to yearly statement consist of all information of Commodity.

“**Termination Date**” refers to the date the Customer terminated the *CASA-i Tawarruq* and withdraws the entire outstanding balance.

“**Total Outstanding Balance**” refers to the previous year’s outstanding balance as at 31st December that will be used for the computation of the Selling Price at each new year.

“**Trading Day**” refers to the days where Commodity Trading is executed from Monday to Sunday and on which the commodity trading platform is open for trading.

“**Wakalah**” means an agency contract in which a party mandates another party as the Customer’s Agent to perform a particular task in matters that may be delegated voluntarily or with imposition of fee.

“**Wa’d**” means a promise or undertaking, refers to expression of commitment given by one party to another to perform certain action(s) in future.

Commodity Trading to become void or cancelled and thereafter rectified with a new Commodity Trading.

#### 4.0 APPOINTMENT AS AN AGENT

4.1 Based on the concept of *Wakalah*, 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 for the Purchase Transaction and Sale Transaction of the Commodity (“Commodity Trading”) in accordance with this Specific 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 that is envisioned in this Specific Terms and Conditions.

4.2 As the Customer’s Agent, the Bank will, during the tenure or any renewal thereof, have the following powers and authority:-

- i. to do and execute all acts with respect to the purchase of the Commodity on a cash and spot basis through purchase agreement, certificate and other instrument and to negotiate with commodity trader on behalf of the Customer in relation thereto; and
- ii. to sell the Commodity on deferred payment to the Bank at cost plus profit on behalf of the Customer and to do and execute all acts in relation thereto.

4.3 The Bank will look after the best interest of the Customer and acts in good faith in performing its obligations in buying and selling of Commodity. This includes performing buying and selling of Commodity for purposes of rectifying inaccurate Commodity Trading performed, that may have resulted in the

4.4 The Customer will be entitled to request and take physical delivery of the Commodity. In the event the Customer were to exercise such right to take physical delivery, all costs and expenses in respect thereof will be borne by the Customer.

4.5 The Customer indemnifies the Bank against all losses, actions, proceedings, damage, costs and expenses whatsoever claimed by any party and/or incurred or sustained by the Bank as a result of the purchase of Commodity under any transaction hereunder as an Agent of the Customer and/or in the event of breach by the Customer of any of his obligations in this Specific Terms and Conditions. The indemnity given will survive termination of this Specific Terms and Conditions and any sum payable under it will not be subject to any deduction either by way of set off counter claim or otherwise.

4.6 The Customer will not revoke the appointment of the Bank as Agent as long as the *CASA-i Tawarruq* remains available. The appointment of the Bank as Agent of the Customer will cease upon closure of the *CASA-i Tawarruq*;

4.7 The Bank will not be obliged to enter into any transaction or follow any instruction by the Customer, if the entering into such transaction, may cause the Bank or its affiliates to breach of any applicable law, policy, rule or regulation in Malaysia.

4.8 The appointment as an Agent shall be terminated upon full withdrawal whereby, the Sale Price shall be accelerated and the Bank shall pay the outstanding Sale Price i.e. deposit amount and any accrued profit (if applicable), taking into consideration the applicable rebate, if any, to the Customer on the Termination Date.

#### 5.0 COMMODITY TRADING TRANSACTION

5.1 As the Customer’s Agent, the Bank will enter into the Purchase Transaction as determined by the Bank as follows:

- i. The Bank will enter into a *Tawarruq* transaction on the Trading Day which falls on the next day following the deposit placement date, subject to the DND amount; and
- ii. The Bank will enter into a *Tawarruq* transaction on the Trading Day which falls on the next day of each new year on the Total Outstanding Balance.

5.2 If the Trading Day is later than the date the Purchase Price is deposited to the Bank, the Purchase Price will be treated as *Qard* (loan) to the Bank prior to the Purchase Transaction. In this regard, the Customer consents for the Bank to deal with the Purchase Price.

5.3 In connection with each Purchase Transaction, the Bank (as the “Commodity Purchaser”) will provide a promise (*Wa’d*) to the Customer and agree to purchase the Commodity from the Customer upon completion of the Purchase Transaction.

5.4 The Selling Price will be computed based on the following formula:

**Selling Price = Purchase Price + Ceiling Profit**

5.5 The Selling Price will be deferred to two cash flowstreams:

- i. Principal portion i.e. deposit amount will be paid on the Maturity Date i.e. December 31<sup>st</sup> (and subsequent years);
- ii. Actual Profit will be paid at every month. The actual profit rate will be based on the EPR as per the formula below:

**Actual Profit = End of Day Balance x EPR x No. of Days / 365 or 366**

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

**Ceiling Profit = Purchase Price x CPR x Remaining Days / 365 or 366**

**5.7** Following the Maturity Date, the Bank will roll-over the Total Outstanding Balance under the Customer's CASA-i *Tawarruq* and enter into a new Commodity Trading for a tenure that matures on 31<sup>st</sup> December of the following year.

**6.0 HAMISH JIDDIYYAH (SECURITY DEPOSIT)**

**6.1** *Hamish Jiddiyyah* is the security deposit amount which the Bank will credit into the Customer's CASA-i *Tawarruq* on the Profit Crediting Day.

**6.2** *Hamish Jiddiyyah* is granted as an assurance from the Bank to the Customer to purchase the Commodity from the Customer on the respective Trading Day.

**6.3** Security Deposit is derived based on the following formula:

$$\text{Security Deposit} = \text{DND} \times \text{EPR} \times n / 365 \text{ or } 366$$

Where;

**n** = number of days prior to the Commodity Trading that consequently occurs prior to Profit Crediting Day.

**6.4** The *Hamish Jiddiyyah* will not be utilised by the Customer prior to the Commodity Trading.

**6.5** Upon completion of the Commodity Trading, the *Hamish Jiddiyyah* will be offset against Actual Profit.

**6.6** The *Hamish Jiddiyyah* will be returned to the Bank in the event the Purchase Transaction does not take place. However, the Bank may waive its right on the *Hamish Jiddiyyah* on specific circumstances such as closing of CASA-i *Tawarruq* prior to Commodity Trading.

**7.0 REBATE (IBRA')**

**7.1** The Customer will consent to grant rebate under the concept of *Ibra'* subject to the occurrence of certain events including but not limited to:-

- i. withdrawal of funds prior to Maturity Date;
- ii. upon termination of the CASA-i *Tawarruq* prior to Maturity Date;
- iii. difference between CPR and EPR at the Maturity Date, given the profit component of the Selling Price computed using CPR is in excess of the aggregate profit during the year computed using EPR based on the following formula:

$$\text{Rebate} = \text{Total Ceiling Profit} - \text{Total Accrued Profit Payable}$$

**7.2** The Customer agrees that the Bank's determination of any profit amount payable to the Customer under the CASA-i *Tawarruq* save for obvious error will be final, conclusive and binding against the Customer.

**8.0 PROFIT RATE**

**8.1** The profit rate of the CASA-i *Tawarruq* will be subjected to the prevailing EPR for respective products or campaigns which will be made known to the Customer upon opening of the account and will be determined by the Bank from time to time.

**8.2** The profit rate will be credited on a monthly basis.

**9.0 TAWARRUQ NOTICE**

**9.1** *Tawarruq* Notice detailing the *Tawarruq* transactions i.e., Purchase Price, Selling Price, total profit, total profit credited, total rebate and etc. will be made available at the Bank's branch (upon the Customer's request).

**9.2** Where the Bank has to rely on and make verbal confirmation with the Customer or the authorised signatory(ies) via telephone, the Customer agrees that the Bank is authorised to effect, rely and act on such telephone confirmation/ instruction which the Bank reasonably believes to have originated from the Customer in the event the request is submitted by a third party or received via e-mail or fax.

**10.0 GENERAL**

**10.1** These Terms and Conditions govern all products which are opened and maintained by the Accountholders with the Bank. By opening, maintaining, and using the Account, the Accountholders have read and accepted every term and agreed to be bound by these Terms and Conditions and any decision of the Bank.

**10.2** Subject to the Shariah rules and principles, the Bank may vary, delete, or add to any of these Terms and Conditions contained herein wholly or in part by giving at least twenty-one (21) days' prior written notice. The Bank may give such written notice or communication through any modes or methods as it considers appropriate including by post, by notification in the mass media, by posting the notice in the Bank's branches, by inserting the notice into the periodic statement of account, by electronic transmission (including via facsimile, email, mobile phones, other devices or the internet) or by posting onto the Bank's website or at the ATM or other terminals under the control of the Bank or by any other modes of communication.

**10.3** Accountholders are advised to visit the Bank's website from time to time to view the Terms and Conditions and to ensure to be kept updated on any changes or variation to the Terms and Conditions.

**10.4** These Terms and Conditions herein will be governed by and construed in accordance with the applicable laws of Malaysia and Shariah principles and the Accountholders agree to submit to the jurisdiction of the Courts of Malaysia.

**11.0 SPECIFIC TERMS AND CONDITIONS FOR EVERY PRODUCT**

**11.1 PrimeWin Account-i (Savings & Current)**

**11.1.1 Details:** A current/ savings account that provides the opportunity to participate in the prize draws and stand a chance to win prizes via monthly, quarterly and grand draws.

**11.1.2 Minimum Deposit:**

**Savings Account:** RM100.00

**Current Account:** RM1,000.00

**11.1.3 Accountholder Type:**

- i) Individual (either solely, joint account or trust account)
- ii) Non-individual (Associations, clubs, societies, schools, sole-proprietorships or partnerships)

**11.1.4 Age Requirement:** 18 years old and above

**11.1.5 Others:**

a) **PRIZE DRAW**

This clause will be read together with the Specific Terms and Conditions for PrimeWin Draw.

b) **PRIZES**

- i) List of prizes will be published on the Bank's website at [www.mbsbbank.com](http://www.mbsbbank.com) and is subject to change from time to time.
- ii) The sum of cash prizes will be credited into the winners' PrimeWin Account-i within fourteen (14) business days from the date of the Bank's announcement.
- iii) The prizes do not include any other incidental expenses e.g. transportation charges, etc., unless expressly stated in these Terms and Conditions (if any). Accountholder will be responsible for any applicable taxes and/ or duties payable in connection with the prizes including redeeming, receiving or using the prizes, if any.
- iv) The employees of the Bank (permanent/contract) and their immediate family members (i.e., children,

spouses) may open this PrimeWin Account-i. However, they will NOT be eligible to participate in the PrimeWin Draw.

## 11.2 PrimeWin Salary Savings Account-i (PWSSA-i)

**11.2.1 Details:** A savings account for any individuals who is an employee of a company that has a salary account arrangement with MBSB Bank.

**11.2.2 Minimum Deposit:** NIL

**11.2.3 Accountholder Type:** Individual (Sole account)

**11.2.4 Age Requirement:** 18 years old and above

**11.2.5 Others:**

- a) Accountholders will also have the opportunity to participate in the PrimeWin Draw and stand a chance to win monthly, quarterly and grand draw prizes during the respective stipulated period.
- b) The Bank may convert the PWSSA-i to the Bank's PrimeWin Savings Account-i upon the Bank receiving confirmation from the participating employers on the Accountholders resignation.
- c) The Bank may decide to close or maintain the account if there are no crediting transactions into the PWSSA-i account for a continuous period of not less than three (3) months.
- d) In both events stated under clause b and c above, Accountholder will cease to enjoy all the benefits offered under PWSSA-i package.

## 11.3 PrimeWin FSA2 Savings Account-i (PWFS2SA-i)

**11.3.1 Details:** A savings account for crediting the disbursement amount of the personal financing facility under Ihsan-i Account 2 Support Facility (FSA2).

**11.3.2 Minimum Deposit:** NIL

**11.3.3 Accountholder Type:** Individual (Sole account)

**11.3.4 Age Requirement:** 40 years old and above

**11.3.5 Others:**

- a) There will be no Debit Card-i issued by the Bank for this account unless requested by the Accountholder.
- b) Accountholders will also have the opportunity to participate in the PrimeWin Draw and stand a chance to win monthly, quarterly and grand draw prizes during the respective stipulated period.

## 11.4 M-Junior Savings Account-i

**11.4.1 Details:** A savings account specifically for children aged below 18 years and subject to the account being operated by a trustee (parents or legal guardian).

**11.4.2 Minimum Deposit:** RM20.00

**11.4.3 Accountholder Type:** Individual (Trust Account)

**11.4.4 Age Requirement:** Below 18 years old

## 11.5 Cash Rich Savings Account-i

**11.5.1 Details:** A basic savings account that provides basic banking services at minimal cost.

**11.5.2 Minimum Deposit:** RM100.00

**11.5.3 Accountholder Type:** Individual (Sole Account)

**11.5.4 Age Requirement:** 18 years old and above

**11.5.5 Others:** NIL

## 11.6 Wise Saver Savings Account-i

**Details:** A savings account that offers higher returns.

**11.6.2 Minimum Deposit:** RM100.00

**11.6.3 Accountholder Type:** Individual (Sole Account)

**11.6.4 Age Requirement:** 18 years old and above

**11.6.5 Others:** NIL

## 11.7 Tiered Savings Account-i

**11.7.1 Details:** Tiered Savings Account-i is an account whereby different rate is applicable for different range of deposits amount. Higher ranges of deposit amount will entitled to a higher profit return.

**11.7.2 Minimum Deposit:** RM 100.00

**11.7.3 Minimum Balance:** RM 50.00

**11.7.4 Accountholder Type:** Individual

**11.7.5 Age Requirement:**

- a) Individuals aged eighteen (18) years old and above
- b) Joint Accountholders
- c) Individuals below the age of eighteen (18) years old subject to the account being operated by a Trustee (Parents or Legal Guardians)

## 11.8 Prime Rich Current Account-i

**11.8.1 Details:** An account with cheque facility that offers higher returns.

**11.8.2 Minimum Deposit:** RM1,000.00

**11.8.3 Minimum Balance:** RM100.00

**11.8.4 Accountholder Type & Eligibility Criteria:**

Individuals

- a) Individuals aged 18 years old and above
- b) Malaysian citizens, permanent residents
- c) Joint Accountholders

## 11.9 Basic Current Account-i

**11.9.1 Details:** An account with cheque facility that offers higher returns.

**11.9.2 Minimum Deposit:** RM500.00

**11.9.3 Minimum Balance:** RM100.00

**11.9.4 Accountholder Type & Eligibility Criteria:**

i) Individuals

- a) Individuals aged 18 years old and above
- b) Malaysian citizens, permanent residents
- c) Joint Accountholders

ii) Non-Individuals

- a) Sole Proprietorships
- b) Partnerships
- c) Private Limited Partnership
- d) SME Companies

## 11.10 Foreign Currency Current Account-i

**11.10.1 Details:**

- i) A current account that allows the accountholder to keep foreign currency for future use and at the same time hedge against market currency fluctuation.
- ii) Involves foreign currency exchange in accordance with the concept of Bai' al-Sarf (currency exchange) where currency from one currency type will be converted to the desired currency type. i.e., Malaysian Ringgit ("MYR") to foreign currency ("FCY"), FCY to other FCY.

**11.10.2 Minimum Deposit:** RM1,000.00

**11.10.3 Minimum Balance:** RM100.00

**11.10.4 Accountholder Type & Eligibility Criteria:**

Individual aged 18 years and above who are either residents or non-residents

**11.10.5 Others:**

- i) **Compliance With Foreign Exchange Notices (“FE Notices”)**
  - a) The continuity of the operation of the FCA-i is subject always to the rules, regulations and limits set by the FE Notices and direction issued by BNM pursuant to the Islamic Financial Services Act 2013 (“IFSA 2013”) and its amendments thereto.
  - b) The Accountholder will ensure that all payment transfers from or to the FCA-i are in compliance with the prevailing rules, regulations and limits set by the FE Notices and direction issued by BNM pursuant to the IFSA 2013 including any amendments or variations made thereto. If the Accountholder’s deposits in FCA-i is subject to any conditions / limits imposed by the FE Notices, then the Accountholder will adhere to such limits imposed by it.
  - c) MBSB Bank will be entitled to request, sight and verify any documents from the Accountholder to ensure the accuracy of information provided by the Accountholder to MBSB Bank.
  - d) The Accountholder shall indemnify MBSB Bank for any losses suffered by the Accountholder arising from any actions taken by MBSB Bank for the purpose of complying and adhering to the rules, regulations and limits imposed by the FE Notices.
- ii) **Deposit & Withdrawals From FCA-i**

All withdrawals or deposits to the FCA-i must be made by way of either drafts, telegraphic transfer, money orders or credited into Malaysian Ringgit Account-i. Cash withdrawals and/or deposits over the counter or ATM are not allowed.
- iii) No cheque book will be issued. All withdrawals will be made via written instructions by the Accountholder to MBSB Bank. Accountholder agrees and acknowledges that MBSB Bank may levy or impose service charge on the foreign currency.
- iv) Other terms and conditions applicable to this FCA-i are as stated in the General Terms and Conditions for CASA-i which is available in MBSB Bank’s website ([www.mbsbbank.com](http://www.mbsbbank.com)) and branches

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