

Enumerated below are the Terms and Conditions governing the opening and operation of Islamic Term Deposit Account in Bank Simpanan Nasional. By opening an Islamic Term Deposit Account, the Customer hereby agrees to abide and to be bound by the following rules and regulations, inclusive of variation that may be 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 Term Deposit-i and BSN Term Deposit-i Senior Citizen.
  - (b) **“Adequate notice”** means twenty one (21) calendar days’ notice prior to the effective date.
  - (c) **“Bank”** means Bank Simpanan Nasional.
  - (d) **“Business Day”** means working days on which BSN is operate in West Malaysia and East Malaysia (excluding public holidays).
  - (e) **“Business Trading Days”** means the days where the purchase of the Commodity transaction is executed with Supplier which is everyday including public holiday.
  - (f) **“Commodity”** means the underlying goods or assets that allowed by the Shariah.
  - (g) **“Commodity Trading”** means sale and purchase transactions performed in accordance to the Shariah concept of Tawarruq.
  - (h) **“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.
  - (i) **“Maturity Date”** means the date on which the Customers’ deposits can be withdrawn based on the agreed maturity period specified in the Account.
  - (j) **“Murabahah”** refers to a sale and purchase of an asset where the acquisition cost and the mark-up profit are disclosed to the purchaser.
  - (k) **“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 Customer’s Daily Net Deposit.
  - (l) **“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.
  - (m) **“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.
  - (n) **“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.
  - (o) **“Supplier”** means the Commodity traders and / or suppliers who deal with the Bank.
  - (p) **“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.
  - (q) 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.
  - (r) Words importing the singular shall include the plural and vice versa.

## 2. SHARIAH CONCEPT

- 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.

### **4. DEPOSIT PLACEMENT**

- 4.1. Account is open to all individual and non-individual based on age below:
  - (a) BSN Term Deposit-i – Citizen & non-citizen with a permanent address in Malaysia who aged 15 years & above and business enterprises operating in Malaysia
  - (b) BSN Term Deposit-i Senior Citizen – Malaysian citizens aged 50 years & above
- 4.2. 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.
- 4.3. Deposit via cheque will only be credited into the Account upon clearance of the cheque. In the event of a dishonoured cheque, the Bank will contact the Customer to self-collect the notification of the dishonoured cheque 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. Deposit placement will be effective on Business days.

### **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. 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 through *Wakalah* Contract to perform the following:-
  - (a) To purchase the Commodity from Supplier; and
  - (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. Tawarruq Trading Transaction will take place on daily basis based on each deposit amount by the customer on the deposit placement date.
- 7.6. 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.
- 7.7. On Maturity Date, the Bank will pay the Selling Price in accordance with the mode of payment choose by the Customer in the account application form.

## 8. PROFIT

- 8.1. Profit earned will be credited to the Customer's designated savings account maintained with the Bank.
- 8.2. Customer hereby agrees that the Bank has the right at any time to revise the profit rates by giving notice to the Customer by displaying the revised rates at the Bank's branches or at the Bank's website. Any changes in profit rate will affect new placement / renewal of the Account.
- 8.3. Profit will be paid to Customer subject to the minimum placement amount and tenure as below:

(a) BSN Term Deposit-i

Tenure (Month)	Minimum Placement (RM)		Frequency of Profit Payout
	Individual	Non-individual	
1	1,000	1,000	Upon maturity
3 - 12	500	500	Upon maturity
15 - 60	500	500	Every 6 months / Upon maturity

(b) BSN Term Deposit-i Senior Citizen

Tenure (Month)	Minimum Placement (RM)	Frequency of Profit Payment
12 - 60	5,000 – 50,000	Every 4 months
12 - 60	> 50,000	Monthly

## 9. REDEMPTION

- 9.1. Early redemption or demand for Selling Price (deposit amount plus profit) of the Account before its maturity date is subject to the placement / renewal date as follows:
  - (a) For placement / renewal **prior to 1 January 2019**, Customer hereby acknowledge and agree to grant rebate (Ibra') by releasing part of or all profit comprised in the agreed Selling Price whereby:
    - Redemption made after a period of one (1) month or more from the date of placement / renewal, Customer is entitled to receive 50% of the accrued profit;
    - Redemption made within a period of less than one (1) month from the date of placement renewal, Customer is not entitled to receive any profit.

- (b) For placement / renewal **on or after 1 January 2019**, Customer hereby acknowledge and agrees to grant rebate (Ibra') by releasing all profit comprised in the agreed Selling Price whereby no profit will be given regardless of the number of completed months at the time of early redemption. In the event any profit has been credited into Customer's designated savings account, the Bank reserves the right to recover such profit from the principal amount at the time of such early redemption.

## 10. RENEWAL OF ACCOUNT

- 10.1. Account which has matured but not redeemed by Customer will be automatically renewed by the Bank. The renewal is subject to the existing Terms and Conditions except for the profit rate which shall be at the prevailing rate at the time of renewal is made.
- 10.2. Account shall not be transferable, transacted or pledged to the other party without written approval from the Bank.

## 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 or 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 adjustment.

## **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) calendar 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 release 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) Appointment of the Bank as an agent as stated in clause 6.
  - (b) Withdrawals of any amount of the Joint Account;
  - (c) Continuation and closure of the Joint Account;
  - (d) Use of any facilities provided by the Bank to pay bills or transfer funds from the Joint Account;
  - (e) 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;
  - (f) Giving of any standing instructions for payments from the Joint Account;
  - (g) Provision of any written indemnity required by the Bank in respect of operation of the Joint Account or any of the foregoing; and
  - (h) 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 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;
  - (b) Close any Account for any reason whatsoever by giving adequate notice of such intention.

## **17. UNCLAIMED MONEYS**

- 17.1. Customer hereby agrees to keep their account active by updating the account at least once within 7 years from the date of the last transaction.
- 17.2. Any moneys standing in the credit of Account which has not been operated for seven (7) years from the date of the last transaction (other than credit / debit transaction conducted by the Bank and auto renewal of the Account by system) 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.
- 17.3. 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.
- 17.4. Customer can activate their Account by updating it at any of the Bank's branches or give instruction to the Bank to reactivate the account subject to the verification of the identity of the Customer.
- 17.5. Profit on the Account shall cease once it has become unclaimed money.

## **18. CHANGE OF PARTICULARS**

- 18.1. 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.

## **19. FREEZING OF ACCOUNT**

- 19.1. 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 Customer, winding up of company, deceased of Customer (insanity or at the discretion of the Bank).
- 19.2. The above clause shall be applicable to account holder of individual, joint account or company account.
- 19.3. 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.
- 19.4. 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.

## 20. ANTI-MONEY LAUNDERING AND COUNTER FINANCING OF TERRORISM

- 20.1. The Customer shall at all times ensure that no funds moving to and from the accounts are proceeds of, or will be used for any unlawful activity contravention of any Anti-Money Laundering Laws.
- 20.2. The Customer undertake **shall not**:
- (a) Use the account, directly or indirectly, for transactions involving any unlawful activity;
  - (b) Conceal or disguise the true nature of any unlawful activity;
  - (c) Utilize any monies from the account for any money laundering or other unlawful purposes.
- 20.3. The Customer agrees that the Bank has the right to request Customer to furnish The Bank with all documents, information and authorisation that the Bank reasonably needs to open and maintain the Customer's account for the purposes of The Bank meeting Know Your Customer, Anti-Money-Laundering and Anti-Financing-Terrorism requirements and any other laws and regulations which The Bank needs or agrees to keep to. The Customer must tell The Bank promptly, in writing, of any change in any documents, information or authorisation given to The Bank, and provide The Bank with supporting documents and evidence of any such changes.
- 20.4. In order to comply with local or foreign law, regulations, voluntary codes, directives, judgments or court orders, and any authorities, regulators or enforcement agencies, policies, good practice, government sanctions or embargoes, reporting requirements under financial transactions legislation and demands or requests of any authority, regulator, tribunal, enforcement agencies, exchange bodies related to money laundering and unlawful activity, The Bank has the right to take any action it believes to be necessary, which includes freezing of funds, preventing operation of an account, refusing a request for funds from the Customer, not allowing Customer to use a product, or delaying or cancelling a transaction. The Bank does not require to notify the Customer until a reasonable time after it is permitted to do so under those law or policies. The Bank will not be liable for any loss arising out of any action taken or any delay or failure by the Bank, in performing any of its duties or other obligations,

## 21. DISCLOSURE OF CUSTOMER INFORMATION AND PERSONAL DATA

- 22.1 The Customer consents and authorises the Bank to collect, process, disclose, transfer, maintain, store and retain the Customer's personal data in accordance to Personal Data Protection Act 2010. Personal Data under this Clause has the same meaning given under the Personal Data Protection Act 2010 ("Personal Data").
- 22.2 The Customer consents and agrees for the Bank to disclose the affairs or Account of the Customer pursuant to Development Financial Institution Act 2002 and Personal Data of the Customer including address, telephone number or email address for the purpose connected with the operation of the Customer's account to the following party (the "Authorized Parties"):-
- (a) Any officer, employee, agent or director of the Bank, subsidiaries, associated companies, affiliates, and representatives; or
  - (b) Relevant third parties such as professional advisers, strategic business partners and alliances, service providers, insurers/Takaful operator or insurance/Takaful brokers, outsourced agents, merchants, vendors, business partners and business agents who supports the operational activities of the Bank and whom are under legal obligation to the confidentiality of Customer' data; or
  - (c) Any actual or potential participants or assignee, novatee or transferee of the Bank rights and/or obligations under any transaction between Bank and Customer (or any agents or professional advisers); or



- (d) Any rating agency or direct/indirect provider of credit protection to the Bank; or
- (e) Any party as required by any law or any government, quasigovernment, administrative, regulatory/supervisory body or authority, court or tribunal; or
- (f) Any credit reference agency that the Bank uses for credit assessment or credit review of the Customer and parties related to the facilities provided by the Bank; or
- (g) Any financial crime references agencies, other financial institution and any of their respective agents;
- (h) Any guarantor or collateral provider for Customer's facilities; or
- (i) Tax authorities of the country/ jurisdiction in which this account(s) is/are maintained and/or exchanged with any tax authorities of another country/ jurisdiction or countries/ jurisdictions in which the Customer may be the tax resident pursuant to intergovernmental agreements in which the Bank has obligation to exchange any account information.

22.3 The Customer hereby expressly consents to such disclosure and confirms and declares that the terms contained therein shall be subject to the Privacy Policy which is accessible at the Bank's website at [www.bsn.com.my](http://www.bsn.com.my). In the event of any inconsistency between the terms contained herein with the terms as set out in the Privacy Policy, the terms and conditions in the Privacy Policy shall prevail.

22.4 The Customer acknowledges that the Customer has the right to withdraw the consent given earlier according to the process as stated in the Privacy Policy. However, the withdrawal of the Customer's consent may affect the products or services provided by the Bank to the Customer.

## **22. UNFORESEEN CIRCUMSTANCES**

22.1. 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.

## **23. CHANGE OF TERMS AND CONDITIONS**

23.1. 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.

23.2. 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

## **24. GOVERNING LAW & JURISDICTION**

24.1. 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.