

**SPECIFIC TERMS AND CONDITIONS for
COMMODITY MURABAHAH-BASED TERM DEPOSIT
(Effective Date: 01.10.2014)**



These are Specific Terms and Conditions for Commodity Murabahah-based Term Deposit applicable to all Term Deposits based on the Shariah principle of Commodity Murabahah provided by AmIslamic Bank Berhad (Company No. 295576-U) ('the Bank') including but not limited to Term Deposit-i, Afdhal Term Deposit-i, Am50Plus Term Deposit-i, AmQuantum Term Deposit-i and ValuePlus Term Deposit-i. These Specific Terms and Conditions shall be read together with the General Terms and Conditions for Accounts and Services. All definitions used in the General Terms and Conditions shall have the same meaning when used in these Specific Terms and Conditions.

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| 1.0 | Shariah Principle of Commodity Murabahah via Tawarruq Arrangement |
| 1.1 | <i>Commodity Murabahah via Tawarruq Arrangement</i> refers to a tri-partite contract involving the sale and purchase of Shariah-compliant goods and commodities ("Commodity") based on Murabahah (cost plus profit) payable on a specific term. Information on how the sale and purchase transaction of the Commodity is carried out is contained in Clause 5 of these Specific Terms and Conditions. |
| 1.2 | The Bank as an agent will accept the sum of money initially deposited by Accountholder and any sum of monies to be subsequently deposited into Term Deposit based on the Shariah principle of <i>Commodity Murabahah via Tawarruq Arrangement</i> (hereinafter refers to as Term Deposit). |
| 2.0 | Deposit Receipt |
| 2.1 | When Accountholder deposits monies under the Term Deposit, the Bank will issue a Deposit Receipt to the Accountholder. |
| 2.2 | Accountholder shall keep the Deposit Receipt safely and is required immediately to report, in writing, of its loss, theft or destruction to the Bank. |
| 2.3 | The Deposit Receipt 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. |
| 3.0 | Operation of Account |
| 3.1 | 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 Deposit Receipt. |
| 3.2 | Where the Accountholder is unable to attend personally to receive payment for the Term Deposit 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 personally to receive payment for the Term Deposit 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. |
| 3.3 | For cases where the mode of deposit is via local cheque, the Bank may open the Term Deposit and issue the Deposit Receipt on the day of the cheque deposit. However, in the event the said cheque is returned or dishonoured after issuance of the Deposit Receipt, the Bank reserves the right to close the Term Deposit and treat the Deposit Receipt as cancelled and invalid whether or not the said Deposit Receipt is returned to the Bank for cancellation. |
| 4.0 | Appointment as Agent |
| 4.1 | The Accountholder appoints the Bank and the Bank agrees to accept the appointment to act as the agent of the Accountholder for the purchase and sale of the Commodity in accordance with these Specific Terms and Conditions. The Bank will only act as the Accountholder's 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. |
| 4.2 | As the Accountholder's agent, the Bank shall, during the tenure of the deposit and any renewal thereof, have the following power and authority: <ul style="list-style-type: none"> (a) to do and execute all acts (and to appoint agent to do and execute such acts) with respect to the purchase of the Commodity as determined by the Bank on a cash basis ("Purchase Transaction(s)"), for the amount deposited with the Bank ("Purchase Price") through purchase agreements, certificates and/or other instruments and to negotiate with commodity traders or supplier ("the Supplier") on behalf of the Accountholder in relation thereto; and (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 style="margin-left: 40px;">Murabahah Sale Price is a principal amount plus profit of which profit is computed based on the following formula:</p> $\text{Purchase Price} \times \text{Profit Rate} \times \frac{\text{No. of days}}{365 / 366}$ |
| 4.3 | The Bank will, in performing its obligations and activities pursuant to the agency appointment, act in good faith. |

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| 5.0 | Commodity Murabahah Transactions |
| 5.1 | <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 5.3 below), the Accountholder appoints the Bank as agent, amongst others, to enter into a Purchase Transaction for the amount desired to be deposited during the Tenure by submitting a duly completed and signed Placement Form;</p> <p>(b) upon signing the Placement Form, the Accountholder shall immediately pay the Purchase Price 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 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 in the Placement Form.</p> |
| 5.2 | <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> <p>the Accountholder shall bear all losses and indemnify the Bank pursuant to clause 4.4 above.</p> |
| 5.3 | <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> |
| 5.4 | <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> |
| 6.0 | Profit Rate / Profit Payment |
| 6.1 | <p>The Term Deposit opened shall be subjected to the prevailing profit rate (“Profit Rate”) and will be made known to the Accountholder through any of the following modes:</p> <p>(a) Notice in the notice board / any section of the Bank’s branches; or</p> <p>(b) Notice on the Bank’s website; or</p> <p>(c) Any other modes deemed appropriate by the Bank.</p> |
| 6.2 | <p>In the event the Accountholder makes an early and/or partial withdrawal before the last day of the tenure (“Maturity Date”) and in accordance to the Terms and Conditions stated herein, the Accountholder agrees to provide <i>ibra</i>’(rebate) based on the following formula;</p> $ibra'(rebate) = \text{Murabahah Sale Price} - [(P \times t/365 \times R \times 50\%) + P]$ <p>Where:</p> <p>Murabahah Sale Price = Purchase Price + Profit</p> <p>P = Principal Amount/Purchase Price</p> <p>t = Number of days based on completed months or days</p> <p>R = Profit Rate</p> <p>Notwithstanding the formula, the Accountholder also agrees to provide <i>ibra</i>’(rebate) in accordance to the circumstances as stated herein.</p> |
| 6.3 | <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> |
| 7.0 | Term Deposit-i |
| 7.1 | <p>The following shall apply to the Term Deposit-i only.</p> <p>(a) The tenure of the deposit shall range from 1 to 60 months as may be determined by the Bank.</p> <p>(b) The Bank shall pay Accountholder the profit from Term Deposit-i:</p> <p>(i) Upon maturity for the tenure of 12 months and below;</p> |

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| | <p>(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 eligible profit may be paid to Accountholder based on half of the Profit Rate.</p> <p>(ii) Accountholder agrees to provide <i>ibra'</i> (rebate) to the Bank in the event of early withdrawal in accordance with Clause 6.2 above.</p> <p>(iii) Withdrawal before completion of 3 months shall not be entitled to any share of profit and the Accountholder agrees to provide <i>ibra'</i> (rebate) for the whole profit to the Bank.</p> <p>(d) Partial withdrawal before Maturity Date:</p> <p>(i) Partial withdrawal is allowed subject to remaining balance of RM1000.</p> <p>(ii) Where partial withdrawal is made after completion of 3 months, a portion of eligible profit may be paid to Accountholder based on half of the Profit Rate.</p> <p>(iii) Accountholder agrees to provide <i>ibra'</i> (rebate) to the Bank in the event of partial withdrawal in accordance with Clause 6.2 above.</p> <p>(iv) The remaining balance will continue until Maturity Date.</p> |
| 8.0 | Afdhal Term Deposit-i |
| 8.1 | <p>The following shall apply to Afdhal Term Deposit-i only.</p> <p>(a) The tenure of the deposit shall range from a minimum of one calendar month up to 1 year as determined by the Bank.</p> <p>(b) The Bank shall pay the Accountholder the profit from Afdhal Term Deposit-i upon Maturity Date.</p> <p>(c) Early withdrawal before Maturity Date:</p> <p>(i) For withdrawal made after completion of 7 days, a portion of eligible profit may be paid to Accountholder based on half of the Profit Rate.</p> <p>(ii) Accountholder agrees to provide <i>ibra'</i> (rebate) to the Bank in the event of early withdrawal in accordance with Clause 6.2 above.</p> <p>(iii) Withdrawal before completion of 7 days shall not be entitled to any share of profit and the Accountholder agrees to provide <i>ibra'</i> (rebate) for the whole profit to the Bank.</p> <p>(d) Partial withdrawal before Maturity Date:</p> <p>(i) Partial withdrawal is allowed subject to a minimum balance of RM5,000 remaining;</p> <p>(ii) Where partial withdrawal is made after completion of 7 days, a portion of the eligible profit may be paid to the Accountholder based on half of the Profit Rate;</p> <p>(iii) Accountholder agrees to provide <i>ibra'</i> (rebate) to the Bank in the event of partial withdrawal in accordance with Clause 6.2 above.</p> <p>(iv) Where partial withdrawal before completion of 7 days is made, the Accountholder shall not be entitled to any share of the profit and the Accountholder agrees to provide <i>ibra'</i> (rebate) for the profit on the amount partially withdrawn to the Bank;</p> <p>(v) The remaining balance shall continue until Maturity Date.</p> |
| 9.0 | Am50Plus Term Deposit-i |
| 9.1 | <p>The following shall apply to Am50Plus Term Deposit-i only.</p> <p>(a) The tenure of deposit shall range from 6 to 60 months as determined by the Bank.</p> <p>(b) The Bank shall pay Accountholder the profit from Am50Plus Term Deposit-i on monthly basis until Maturity Date.</p> <p>(c) Early withdrawal before Maturity Date:</p> <p>(i) For withdrawal made after completion of 3 months, a portion of eligible profit may be paid to Accountholder based on half of the Profit Rate and any excess profit which has been credited into the Accountholder's savings or current account prior to the early withdrawal will be deducted from the funds to be paid to the Accountholder.</p> <p>(ii) Accountholder agrees to provide <i>ibra'</i> (rebate) to the Bank in the event of early withdrawal in accordance with Clause 6.2 above.</p> <p>(iii) Withdrawal before completion of 3 months shall not be entitled to any share of profit and the Accountholder agrees to provide <i>ibra'</i> (rebate) for the whole profit to the Bank.</p> <p>(d) Partial withdrawal is not allowed for Am50Plus Term Deposit Account-i.</p> |
| 10.0 | AmQuantum Term Deposit-i |
| 10.1 | <p>The following shall apply to AmQuantum Term Deposit-i only.</p> <p>(a) The tenure of deposit shall range from 15 to 60 months as determined by the Bank.</p> <p>(b) The Bank shall pay Accountholder the profit from AmQuantum Term Deposit-i on quarterly basis until Maturity Date.</p> <p>(c) Early withdrawal before Maturity Date:</p> |

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| | <ul style="list-style-type: none"> (i) For withdrawal made after completion of 3 months, a portion of eligible profit may be paid to Accountholder based on half of the Profit Rate and any excess profit which has been credited into the Accountholder's savings or current account prior to the early withdrawal will be deducted from the funds to be paid to the Accountholder. (ii) Accountholder agrees to provide <i>ibra'</i> (rebate) to the Bank in the event of early withdrawal in accordance with Clause 6.2 above. (iii) Withdrawal before completion of 3 months shall not be entitled to any share of profit and the Accountholder agrees to provide <i>ibra'</i> (rebate) for the whole profit to the Bank. <p>(d) Partial withdrawal is not allowed for AmQuantum Term Deposit-i.</p> |
| 11.0 | ValuePlus Term Deposit-i |
| 11.1 | <p>The following shall apply to ValuePlus Term Deposit-i only.</p> <ul style="list-style-type: none"> (a) The tenure of deposit shall range from to 1 to 6 months as determined by the Bank. (b) The Bank shall pay the Accountholder the profit from ValuePlus Term Deposit-i upon Maturity Date. (c) Early withdrawal before Maturity Date: <ul style="list-style-type: none"> (i) For withdrawal made after completion of 3 months, a portion of eligible profit may be paid to Accountholder based on half of the Profit Rate. (ii) Accountholder agrees to provide <i>ibra'</i> (rebate) to the Bank in the event of early withdrawal in accordance with Clause 6.2 above. (iii) Withdrawal before completion of 3 months shall not be entitled to any share of profit and the Accountholder agrees to provide <i>ibra'</i> (rebate) for the whole profit to the Bank. (d) Partial withdrawal is not allowed for ValuePlus Term Deposit-i. (e) Upon renewal of the account, the renewed funds will be automatically switched to Term Deposit-i and will take up the prevailing profit rate of Term Deposit-i. |
| 12.0 | Renewal |
| 12.1 | Accountholder agrees that all Term Deposits plus the accrued profit not withdrawn on Maturity Date will be automatically renewed under the same Tenure at the prevailing profit rate at the time of the renewal. |
| 13.0 | General |
| 13.1 | Monies deposited must be in Ringgit Malaysia ("RM") only. The minimum amount and any increment thereon, and tenure may be determined by the Bank from time to time at its sole discretion. Such amended / varied / revised features shall become effective on such date as the Bank may notify the Accountholder at least 21 days before the date of implementation of the amended / varied / revised features. |
| 13.2 | Accountholders agrees that the Bank shall be entitled to charge for services provided to the Accountholder for the Term Deposit as prescribed by the Bank from time to time. Such amended / varied / revised features shall become effective on such date as the Bank may notify the Accountholder at least 21 days before the date of implementation of the amended / varied / revised features. All charges payable shall be debited from the Term Deposit. |