

Family First Solution-i Conversion

Frequently Asked Questions

Q1: What is IFSA 2013?

Islamic Financial Services Act (IFSA) 2013 is an Act that regulates and supervises Islamic financial institutions in order to promote financial stability, ensure compliance with Shariah and also for any related, consequential or incidental matters.

The Act introduces two major classifications of products for the acceptance of money from customers by Islamic banks into either Islamic deposits or investment accounts.

Under the new definition, all deposit products which apply the Shariah contract of *Mudarabah* (profit sharing) and *Wakalah bi al-istithmar* (agency for investment) will be classified as investment products instead of deposits. Hence, the benefits and privileges of deposits products will no longer be applicable e.g. Malaysia Deposit Insurance Corporation (PIDM) coverage.

Q2: With the new definition for deposit, what will happen to my account?

In complying with IFSA and to maintain the status of your existing account as an Islamic deposit, we are pleased to convert your existing Family First Solution-i accounts i.e. Everyday Account-i and Special Savings Account-i under the Shariah contract of *Mudarabah* (profit sharing) to *Wadi'ah Yad Dhamanah* (savings with guarantee).

Q3: When is the conversion date?

The conversion is scheduled to be carried out on 21 June 2015; to convert all existing Family First Solution-i accounts under the Shariah contract of *Mudarabah* (profit sharing) to *Wadi'ah Yad Dhamanah* (savings with guarantee).

Q4: Who will be impacted when conversion takes place?

All existing customers (individuals & non individuals) who have maintained their Family First Solution-i accounts under the *Mudarabah* contract will be impacted.

Q5: What are the new Family First Solution-i accounts?

The new Family First Solution-i accounts apply the Shariah contract of *Wadi'ah Yad Dhamanah* (savings with guarantee). Under *Wadi'ah Yad Dhamanah*, the customer deposits money with the bank for safekeeping and with consent to the bank to utilise the deposited money. The bank thereby guarantees payment of the deposit upon demand.

Apart from the change to the new Shariah contract as above, you will continue to enjoy your existing Family First Solution-i's unique and attractive features which amongst others include having up to 10 special sub-accounts attached to your main Everyday Account-i.

There will be no change to the account name, account number, account balance and classification i.e. it remains as Islamic deposit.

Q6: How is the mapping of my existing Family First Solution-i to the new Family First Solution-i under the conversion?

Existing		New
Everyday Account-i <i>Mudarabah</i> (profit sharing)	⇒	Everyday Account-i <i>Wadi'ah Yad Dhamanah</i> (savings with guarantee)
Special Savings Account-i <i>Mudarabah</i> (profit sharing)	⇒	Special Savings Account-i <i>Wadi'ah Yad Dhamanah</i> (savings with guarantee)

Q7: Can I continue using my existing Family First Card and cheque book?

Yes. You can continue using your existing Family First Card and cheque book as per the current practice. Any existing arrangements i.e. standing instructions, auto-debit etc. shall continue as present.

Q8: Upon conversion to Islamic deposit, will my accounts be guaranteed by the bank and protected by PIDM?

Since the account is classified under Islamic deposit, the principal will be guaranteed up to RM250,000 per depositor per member bank/entity by PIDM.

Q9: Why do I need to convert my accounts to these new products?

Eventually, all existing deposit accounts based on Shariah contract of *Mudarabah* and *Wakalah bi al-istithmar* will no longer be classified as deposit. Instead, these will be re-classified as investment accounts. The conversion to these new products is required to ensure your account remains as deposit in order for it to continue to be eligible for protection by PIDM.

Q10: What will happen to my existing Everyday Account-i and Special Savings Account-i if I do not wish for it to be converted to Islamic deposit?

If you do not wish to convert your existing Everyday Account-i and Special Savings Account-i, you may proceed to your nearest AmBank Islamic / AmBank branches to perform the closing of account. You may then deposit your funds into other deposit products e.g. Savings Account-i, Current Account-i or Term Deposit.

Q11: Are there any fees and charges incurred after the Everyday Account-i and Special Savings Account-i conversion?

Yes, the existing fees and charges will remain unchanged with additional 6% GST.

Q12: Do I have to go to an AmBank Islamic/ AmBank branch to update my account after the conversion exercise?

No. You do not have to go to an AmBank Islamic/ AmBank branch to update your account after the conversion exercise. As per Q6, all existing records of your account(s) shall remain unchanged after conversion.