



Overdraft / Instalment Loans – Terms & Conditions

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Important notice**You need to read this document.**

The terms of the Declaration set out below are applicable for all overdraft and instalment loan facilities from Standard Chartered Bank which are signed by retail clients.

In consideration of Standard Chartered Bank (hereinafter referred to as "the Bank") offering to grant me/us (known as the Borrower/s) a Facility by way of an Overdraft or an Instalment Loan the Borrower/s hereby undertake and agree to the following terms and conditions.

1. These terms and conditions shall be in addition to the Client terms and conditions governing the Borrower's relationship with the Bank. In the event of any inconsistency with the standard client terms and conditions, these terms shall prevail.
2. It is expressly agreed that this facility or any part thereof will at all times be made available at the sole discretion of the Bank. Notwithstanding anything to the contrary contained herein the Bank reserves the right to review this facility from time to time and to withdraw / cancel or recall the same and is also subject to the Bank's overriding right of demand for repayment, including the right to call for cash cover on demand for prospective and contingent liabilities or to vary the terms and conditions relating thereto, including but not limited to the rate of interest and commissions, at the sole discretion of the Bank. Such changes to terms and conditions will be communicated to the Borrower/s either by letter, statement message or by displaying same on notice boards at branches.
3. The Bank has the option to demand repayment of all the liabilities of the Borrower/s to the Bank and to modify or cancel facilities granted to the Borrower/s at its sole discretion (whether for breach of the terms and conditions hereof or otherwise), without any obligation to state reasons or justification for such measures by prior written notice to the Borrower/s. No extension, waiver or indulgence granted by the Bank or any of its officers shall prejudice the rights of the Bank hereunder.
4. The Bank may charge interest on any overdrawn account in the name/s of the Borrower/s at the rate calculated on the daily balances outstanding or at such other rate as the Bank may at any time advise. Interest calculated in the manner customary to the Bank may be debited to the account of the Borrower/s each month or at such intervals as the Bank may at its sole discretion decide. Any commission, expenses or charges due or incurred in respect of these or any other credit facilities extended to the Borrower/s or of any transaction of any kind carried out at the order of the Borrower/s or on behalf of the Borrower/s whether or not by written order may be debited to the account of the Borrower/s in the Bank.
5. Interest will be charged based on market conditions amongst other considerations and may change from time to time at the discretion of the Bank. Interest and principal will be charged to the debit of Borrower/s current or savings account together with statutory dues and any other relevant charges thereon.
6. Facilities outstanding in excess of the permitted limit will be considered as over limit/overdue and will be subject to the Bank's prevailing excess interest rates. Borrower/s acknowledge that partial upliftment of deposits pledged against this facility at maturity or prematurely will be permitted by the Bank only if the remaining deposits are sufficient to cover the outstanding balance in the Current Account or Loan Account.
7. The Borrower/s hereby undertake to pay to the Bank on first demand all the sums due plus interest, expenses and any other charges which may be levied in accordance with Bank's requirements and standing regulations in force from time to time.
8. The Borrower/s agree that the Borrower's joint local or foreign currency deposit(s) will only be linked to the Borrower's current or savings account where instructions in the mandate given to the Bank permits either party to request for an advance (loan or overdraft).

9. All amounts of interest, commission, expenses or charges debited to the Borrower/s current account shall become part of the Borrower/s liability to the Bank and if the debiting of such amounts to the Borrower/s current account causes the limit (above stated) or such other limit as may be fixed at the discretion of the Bank to be exceeded, the Borrower/s undertake to repay the excess immediately.
10. The Borrower/s undertake to carefully check all statements of accounts received from the Bank. If within fourteen (14) days of the date of dispatch of a statement of account to the Borrower/s postal or e-mail address as it appears in the records of the Bank no objection has been received from the Borrower/s then the Bank will treat the balance shown therein as correct. The Borrower/s acknowledge that should the Borrower/s not receive a statement of account for any period, it is solely and entirely the Borrower/s responsibility to request a statement from the Bank unless there has been no activity in the Borrower/s accounts.
11. The Borrower/s shall if the Bank may at any time so require, place as collateral security with the Bank and to its order all moneys, shares, bonds and other documents of value that now or may in the future in the Borrower/s name/s be deposited with the Bank. The Bank shall at its sole discretion regard these as security for the settlement of the total amounts owed by the Borrower/s to the Bank under these or other banking facilities including interest charges and expenses.
12. No delay or omission of the Bank in exercising or enforcing (whether wholly or in part only) any right or remedy hereunder shall impair such right or remedy of the Bank and shall not be construed as a waiver of such right or remedy.
13. In the event of the Overdraft/Instalment Loan being granted or continued to be granted to two or more of the Borrowers, they shall be jointly and severally liable to the Bank in respect of all moneys due. Payments by the Borrower/s shall be made to the Bank without any set-off, counter claim, withholding or condition of any kind except that if the Borrower/s is/are compelled by law to make such withholding, the sum payable by the Borrower/s shall be increased so that the amount actually received by the Bank is the amount it would have received if there had been no withholding.
14. The Borrower/s understand and agree that a condition of this facility is that, if the Borrower/s exceed the authorised limit or fail to settle the monthly loan instalment, the Bank may uplift/enforce any collateral placed with the Bank, partially or fully and reduce or cancel the facility at its sole discretion without prior notice to the Borrower/s. In such an instance, relevant charges governing deposit accounts may become applicable.
15. A certificate by an officer of the Bank as to the amount due and owing to the Bank by the Borrower/s shall be sufficient and conclusive evidence for all purposes as to the actual amount due and owing by the Borrower/s.
16. The Bank may refuse to honour any drawings which if honoured would cause the account(s) to exceed the authorised limit(s). The Bank has no obligation to inform the Borrower/s that such drawings have been refused. No extension, waiver or indulgence granted by the Bank or any of its officers shall prejudice the rights of the Bank hereunder. In the event of the authorised limit being exceeded the Borrower/s acknowledge that any excess is subject to these Terms and Conditions.
17. The Borrower/s agree that any item credited by the Bank to the Borrower/s account(s) including items drawn payable at the Bank are subject to clearance through the normal channels. Until such items are cleared, the Bank is entitled to exclude the value of items so credited for the purposes of calculating the overdraft interest.
18. The Borrower/s hereby agree that in the case of a Facility against foreign currency deposits, the overdraft limit is subject to change, with every change in the exchange rate of the relevant foreign currency. Similarly, the overdraft limit may be adjusted at the discretion of the Bank at each maturity of the deposit(s) taking into account the increase in deposits from the accrued interest at maturity of the deposit(s), if any.
19. In case the overdrawn balance secured by foreign currency deposits exceeds the limit assigned due to an adverse change in the exchange rate, the Borrower/s undertake to repay the excess immediately on receipt of notification of such excess or provide adequate deposit(s) to secure such excess.
20. The events of defaults have been outlined as follows:
 - (i) The non-payment of any one monthly repayment of principal or interest or instalment outstanding for a particular month as determined by the Bank /or
 - (ii) Bankruptcy or any similar event affecting the Borrower and/or any third party security provider

- (iii) The breach of any of the terms and conditions governing this facility and the Borrower's banking relationship with the Bank.
- 21.
- (i) Loan instalments are payable by the assigned due date each month, and the Borrower/s authorizes the Bank to debit the loan repayment account specified herein in the application form with the loan instalment on the assigned due date.
 - (ii) In the event that cleared funds are not available by that date, any credits to the accounts will be accrued and appropriated against the overdue instalment/s and default interest, which will be recovered by the assigned due date of the following month or as and when sufficient funds are available to cover such instalment/s which may be overdue.
 - (iii) Default interest is applicable on the overdue instalment/s and interest. If the Borrower/s has multiple overdue facilities, the Borrower/s hereby authorizes the Bank to recover any sums of money credited to any of his savings/current accounts in a manner deemed necessary by the Bank at its sole discretion, and that the Borrower shall not make any claims whatsoever to dispute such recovery.
 - (iv) In the event the facility is in excess / overdue post 45 days from the due date, the Bank reserves the right to liquidate the collateral to recover the outstanding without notice in respect of Overdraft facilities and with notice in respect of Instalment Loans.
- 22.
- (i) The Borrower/s agrees that arrangement fees, administration fees, early repayment fees, charges on lump sum payments and any other fees and charges that may be introduced or amended from time to time will be debited to the account of the Borrower/s and be reflected in the account statement.
 - (ii) Early repayment/part payments are accepted at a fee which will be decided by the Bank from time to time at its discretion.
23. All regulated accounts and facilities are subject to prevailing foreign exchange laws and regulations.
24. All loans are subject to specific approval of the Bank. The Bank reserves the right to reject any loan application without assigning any particular reasons.
25. No delay or omission of the Bank in exercising or enforcing (whether wholly or in part only) any right or remedy hereunder shall impair such right or remedy of the Bank and shall not be construed as a waiver of such right or remedy.
26. The Borrower/s hereby consents and acknowledges that the Bank at its own discretion is entitled to report the Borrower/s to the Credit Information Bureau (CRIB) of Sri Lanka and/or any other credit information authority, local or international, of the Borrower/s loan conduct.
27. Any claim, summons, advice or notice relating to these facilities which the Bank may desire to convey to the Borrower/s shall be deemed to have been duly given to the Borrower/s if given in writing by registered post to the address of the Borrower/s last known to the Bank. Notice of changes in interest rates may also be given by announcement inserted in the local press and/or displayed on the Bank's premises and at any of the Bank's branches and/or by letter and /or through statement message.
28. If the Bank's exercise of the right of set-off is found to be unenforceable, is invalidated or set aside as against the Borrower and/or a third party security provider, then the Borrower's payment obligations shall be re-instated and the Bank shall be entitled to exercise the right of set-off over any of the Borrower's account and/or institute legal proceedings for the recovery of any outstanding.
29. The Borrower/s hereby agrees and authorizes the Bank to appoint third party collection agents for recovery of outstanding amounts.
30. The Borrower/s acknowledge that any claims to the deposit by any revenue authority will rank subordinated to the extent of the advance by the Bank.

31. The Borrower(s) or any third party security provider as the case may be, hereby agree and acknowledge that service of legal proceedings at their addresses in Sri Lanka will constitute proper service to the Borrower(s) or third party security provider as the case may be, for the purpose of any legal procedure.
32. These Terms and Conditions shall be governed by the laws of Sri Lanka and with non-exclusive jurisdiction with the courts of Sri Lanka.

RISK DISCLOSURE

If you intend to use the credit facilities to enter into investments, you should carefully consider if you are able to tolerate losses in excess of the value of the underlying collateral. While the bank may assess your suitability before recommending an investment product to you, this is independent from the assessment of the risks of utilising financing in relation to that investment. Utilising loans to make investments exposes you to higher risks than if you were to enter into the same investments without leverage. Losses as well as gains on the investments will be magnified. We offer the credit facilities, investments and services to you on the basis that you understand, accept and acknowledge the risks involved.

FOR INFORMATION PURPOSES ONLY

Margin Calls

Over the tenor of the investment, its value may fluctuate this may result in you being required to reduce the outstanding loan by repaying all or part of the loan or pledging additional collateral to the Bank ("top up") or in some circumstances it may give the Bank the right without notice to you to automatically sell all or any collateral to pay down the loan ("sell-down"). If the top-up level is reached, a letter will be sent out to request you to repay all or part of the loan / provide additional collateral within a pre-determined number of business days. If you do not top-up within this time period your investment may be liquidated.

If the sell-down level is reached at any time during the period of the loan, the Bank has the option without notice to you to instruct that your investments held as collateral be liquidated. Should the Bank instruct that your investments be liquidated, the proceeds will be used to pay off the outstanding loan plus interest and any unwinding and administrative charges. The remaining monies, if any, will be refunded to you. Post-liquidation, if there continues to be a shortfall, you will be liable to the Bank to pay any amount outstanding.

By signing this document, you understand, accept and/or acknowledge that:

1. I / We have read and understood the Risk Disclosure above.
2. If the investments securing a loan fall in value, I / we may be required to provide additional cash/collateral or repay part of the loan outstanding as directed by the Bank. If I / we fail to do so, the Bank may, without prior notice, transfer other monies held by me / us with any of the Standard Chartered Group to satisfy any such requirements of the Bank.
3. If the investments securing a loan default or otherwise become of no value, I / we will remain liable to service and repay the loan in full. I / We understand that, amongst other things, investment maturity dates may be extended or that issuers may compulsorily redeem my / our investment prior to the end of the loan term, and in such event(s) the loan will continue for its full term in accordance with the terms of the credit facility.
4. The return on investments securing a loan may be less than the amount needed to service interest on the loan and I / we are responsible for paying interest on the loan irrespective of any return on the investment.
5. Loan-To-Value ("LTV") ratios are subject to the Bank's periodic review and may change at any time. I / We must ensure that at all times the total lending value of the collateral I / we hold in my / our account is equal to or more than my / our total outstanding's. In the event the total lending value of the collateral is less than my / our total outstanding's, the Bank may, at its discretion, act according to its General Terms and Conditions.
6. In a sell-down situation or if I / we fail to provide additional collateral or repay part of the total outstanding's within the period notified to me / us by the Bank, the Bank has the right to liquidate the investment, at the prevailing market value, even if the investment securing the loan is structured to return principal at maturity. This may result in the liquidation proceeds being less than the principal sum.
7. If a loan is utilised in a currency different from the underlying investment, I / we will be exposed to additional cross-currency risk.
8. I / We understand and accept that this is not a suitability assessment for investments and thus is independent from the Bank's suitability assessment processes which are required prior to purchasing investment products.
9. Granting credit facilities against a Sharia'a compliant investment does not make such credit facilities Sharia'a compliant.