

# CONVERSION OF SUPER SALARY-i FROM MUDHARABAH TO TAWARRUQ

Thank you for your continuous support for Standard Chartered Saadiq Berhad's ("SCSB") Super Salary-i.

We wish to inform that we will convert your account(s) from Mudharabah to Tawarruq on 9 March 2019

## What is Mudharabah?

Mudharabah is a contract between a capital provider (client) and an entrepreneur (the Bank) under which the client provides capital to be managed by the Bank and any profit generated from the capital is shared between the client and the Bank according to a mutually agreed profit sharing ratio (PSR) whilst financial losses are borne by the client provided that such losses are not due to the Bank's misconduct, negligence or breach of specified terms.

## What is Tawarruq?

Tawarruq is the Shariah concept of an arrangement which 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.

## How does it work?

Step 1: You appoint the Bank as an agent (called Wakeel) to purchase and sell commodity.

### Purchase of Commodity

Step 2: The Bank (as your agent) purchases commodity from a commodity trader. The purchase price paid to the commodity trader is equal to your end-of-day deposit balance. You are now the owner of the commodity.

### Sale of Commodity

Step 3a: The Bank (on your behalf) may sell the same commodity to the Bank (as principal).

Step 3b: The sale price paid by the Bank (as principal) to you equals to your end-of-day deposit balance plus profit agreed between you and us. (This step is based on 'Murabahah' concept which means Cost plus Profit).

Step 4: The profit arising from the sale of commodity (in step 3b) is paid to you at month end and reflected on your month end statement.

## What is the profit rate of the product upon conversion?

The profit rate is available on our public website at <https://www.sc.com/my/saadiq/deposit-rates/>.

## Would there be any changes on the existing product features?

- All related functions and services such as account number, debit card, debit card access PIN numbers and online banking access will not be affected and remain the same for your convenience.
- However, your deposit will now be guaranteed and insured by Perbadanan Insurans Deposit Malaysia (PIDM).
- Your monthly statement of Super Salary-i is now with PIDM protected clause.

If you continue to operate the account, it is deemed that you are agreeable to the above conversion exercise, the profit rate, Terms and Conditions Governing the Agency Appointment for CASA Tawarruq



and Murabahah Terms and Conditions for CASA Tawarruq. If you do not agree to the above conversion, kindly visit the nearest Standard Chartered branch to terminate your account before 9 March 2019.

Your banking relationship is very important to us. We recommend you subscribe to other products that suit you.

For further information, please contact Client Care Centre at 1 300 888 888 / +603 7711 8888 (if you are calling from overseas) or simply visit our nearest branch.

Kindly refer to the below FAQ on linkages to the relevant Terms and Conditions.

Thank you for banking with us.



**FREQUENTLY ASKED QUESTIONS (FAQ)**  
**Conversion of Super Salary-i from Mudharabah to Tawarruq**

**Effective on 9 March 2019, Standard Chartered Saadiq Berhad will convert your Super Salary-i from Mudharabah to Tawarruq (hereinafter referred as “this Conversion”).**

**1. When will this Conversion take effect?**

The effective date of the Conversion is on 9 March 2019.

**2. What is the underlying Shariah contract before the Conversion?**

Prior to 9 March 2019, the underlying Shariah contract of Super Salary-i is Mudharabah.

**3. What is the underlying Shariah concept after the Conversion?**

The new underlying Shariah concept of Super Salary-i is Tawarruq.

**4. What is Mudharabah?**

Mudharabah is a contract between a capital provider (client) and an entrepreneur (the Bank) under which the client provides capital to be managed by the Bank and any profit generated from the capital is shared between the client and the Bank according to a mutually agreed profit sharing ratio (PSR) whilst financial losses are borne by the client provided that such losses are not due to the Bank's misconduct, negligence or breach of specified terms.

**5. What is Tawarruq?**

Tawarruq is the Shariah concept of an arrangement which 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.

**6. How does Tawarruq works?**

Step 1: You appoint the Bank as an agent (called Wakeel) to purchase and sell commodity.

**Purchase of Commodity**

Step 2: The Bank (as your agent) purchases commodity from a commodity trader. The purchase price paid to the commodity trader is equal to your end-of-day deposit balance. You are now the owner of the commodity.

**Sale of Commodity**

Step 3a: The Bank (on your behalf) may sell the same commodity to the Bank (as principal).

Step 3b: The sale price paid by the Bank (as principal) to you equals to your end-of-day deposit balance plus profit agreed between you and us. (This step is based on 'Murabahah' concept which means Cost plus Profit).

Step 4: The profit arising from the sale of commodity (in step 3b) is paid to you at month end and reflected on your month end statement.

**7. What is the profit rate of the product upon Conversion?**

The profit rate is available on our public website at <https://www.sc.com/my/saadiq/deposit-rates/>.

**8. What do I need to do for this Conversion and do I have to pay any charges against this Conversion?**

There is no action required from your end. The Conversion exercise will be performed by the Bank and there will not be any charges incurred.

If you continue to operate your account as usual, it is deemed that you are agreeable to the Conversion exercise, the profit rate, Terms and Conditions Governing the Agency Appointment for CASA Tawarruq (**item 13**) and Murabahah Terms and Conditions for CASA Tawarruq (**item 13**) on the effective date.

If you do not agree with the conversion, you may visit the nearest Standard Chartered branch to terminate your account.

**9. Would there be any changes on the existing product features?**

No. All related functions and services such as account number, debit card, debit card access PIN numbers and online banking access, will not be affected and remain the same.

However, your deposit will now be guaranteed and insured by Perbadanan Insurans Deposit Malaysia (PIDM).

Your monthly statement of Super Salary-i is now with PIDM protected clause.

**10. Are principal and profit of Super Salary-i under Tawarruq guaranteed by the Bank?**

Yes. Both principal and profit of Super Salary-i under Tawarruq are guaranteed by the Bank.

**11. Is Super Salary-i under Tawarruq eligible for protection by PIDM?**

Yes, Super Salary-i under Tawarruq are eligible for protection by PIDM (subject to PIDM's mandate and terms).

**12. Where can I obtain further information on my account?**

Should you have any enquiry pertaining to this Conversion, you may contact our Client Care Centre at 1 300 888 888 / +603 7711 8888 (if you are calling from overseas) or visit any of our nearest branch.

**13. What are the Terms and Conditions Governing the Super Salary-i under Tawarruq?**

The relevant Terms and Conditions for Super Salary-i under Tawarruq are as listed below (please click below link(s) to view):

- **[Terms and Conditions Governing Agency Appointment for CASA Tawarruq](#)**
- **[Murabahah Terms and Conditions for CASA Tawarruq](#)**
- **[Saadiq Personal Account Rules and Regulations](#)**