

Islamic Investment Account Terms

1. Introduction

- 1.1 The Standard Terms and Account Terms are incorporated into these Islamic Investment Account Terms.
- 1.2 The Account is opened under the concept of Mudharabah subject to such other terms that may be communicated by Us to You.
- 1.3 Under the contract of Mudharabah, Your capital will be invested in Syariah-compliant assets for the purpose of generating returns. If a return is generated, the profits are shared between You (as capital provider) and Us (as entrepreneur) at an agreed Profit Sharing Ratio.

2. Definitions

Capitalised terms used but not defined in these Islamic Investment Account Terms have the meanings set out in the Standard Terms and Account Terms.

“**Mudharabah Agreement**” means the arrangement to accept Your Placement for the Mudharabah transaction.

“**Cash Placement**” means a placement made by cash or electronic transfer.

“**Collection**” means for any Non-Cash Placement the process where We obtain or try to obtain payment in cleared and unconditional funds from the relevant drawer/payer and “**Collect**” has the corresponding meaning.

“**Placement**” means any placement of money made by You or on Your behalf into the Islamic Investment Account for purposes of investment.

“**Islamic Investment Account**” means the Account opened under the concept of Mudharabah .

“**Non-Cash Placement**” means a Placement made other than by cash or electronic transfer.

“**Profit Sharing Ratio**” means the ratio by which the declared profit is distributed between You and Us under the contract of Mudharabah.

3. Placements

- 3.1 **Investment Profile:** You acknowledge that You have understood the risk of investing in the Islamic Investment Account and have completed the investment risk profiling to qualify for such investment.
- 3.2 **Investment Risks:** You acknowledge that You have understood that the product offered is an investment, where capital and returns are not guaranteed and will be based on the performance of the investment. You acknowledge that the Islamic Investment Account is not a deposit product.
- 3.3 **Cash Placements:** We will credit Your Islamic Investment Account with an amount equivalent to Your Cash Placement. Any amount standing to the credit of an Islamic Investment Account is only repayable at the Service Location where such Islamic Investment Account is maintained. The Cash Placement will be invested once the credit is realized in Your Islamic Investment Account.
- 3.4 **Non-Cash Placements:** The amount of a Non-Cash Placement will be credited to the Islamic Investment Account when presented to Us for Collection but You will not be entitled to withdraw or transfer the amount credited before We receive full and final payment unless We otherwise permit.
- 3.5 **Credit:** We may, at Our discretion, give immediate credit for Non-Cash Placements up to a limit (specified by Us) irrespective of whether or not We have received payment. The amount will be invested once the credit is given in Your Islamic Investment Account.
- 3.6 **Uncleared Placements:** We may decline to credit Your Islamic Investment Account with the value of any Non-Cash Placement received standing uncleared. In such event, We will return such Non-Cash Placement to You or, if requested by You, re-present such Non-Cash Placement for Collection.
- 3.7 **Debiting Your Account:** We may treat any Non-Cash Placement where no value is received by Us within 14 days (or such other time as may be agreed) as being unpaid. All charges incurred (including exchange rate differences, if any) will be for Your Islamic Investment Account.
- 3.8 **Deposit Slip:** If the Deposit slip accompanying a Cash Placement/Non-Cash Placement contains errors or omissions, We may amend the Deposit slip. Our amended version is conclusive for all purposes.
- 3.9 **Investing Your Placement:** Once you have successfully opened an Islamic Investment account with us, We will have an absolute rights to manage the entire amount of fund placed in Your account. You also agree to allow Us to manage Your

Islamic Investment Account Terms

Placement as unrestricted investments, where We will invest Your Placement based on Our discretion into Syariah-compliant assets. You may find more details on the types of investment in Our website www.sc.com/my.

- 3.10 **Standard Fees and Charges:** The standard fees and charges applicable to You for the services provided by Us on the Islamic Investment Account is available on Our Tariff Fees and Charges booklet available at Our branches and on sc.com/my. We will notify You should any new fees and charges are to be imposed on You as approved by regulatory bodies.
- 3.11 **Direct Debit Collection Services:** We will upon Your Instructions accept and act upon Your claims for payments to You from persons who have duly authorised and instructed their bankers to debit their accounts and transfer the amount debited through a direct debit or other appropriate clearing system to the credit of Your nominated account with Us.
- 3.12 **Your Placement Representation:** You represent and warrant that You have full legal title to the Non-Cash Placement and accept full responsibility for the authenticity, validity and correctness of signatures, endorsements and particulars appearing on the Non-Cash Placement.
- 3.13 **Exclusion:** Without affecting the Clause on Limitation of Liability in the Standard Terms, We are not liable for any Loss caused by any negligence, fraud or wilful misconduct or the insolvency of any correspondent bank or Our agent.
- 3.14 **Other Bank's Fees:** You must pay any charges imposed by any other bank on You or Us for any transaction including cheque clearing charges imposed by clearing banks for international bank cheques.
- 3.15 **No Grant of Interest:** You must remain the owner of all credit balances held in an Islamic Investment Account, and must not grant any rights, security or other interest to any third party.

4. Tenure of Your Placement

- 4.1 **Minimum Placement Tenure:** There is no minimum placement tenure.

5. Profit and Loss on the Islamic Investment Account

- 5.1 **Profit Sharing Ratio:** All Islamic Investment Accounts will be assigned with a pre-determined Profit Sharing Ratio which is agreed between You and Us upfront when the Islamic Investment Account is opened by You. The Profit Sharing Ratio will be reflective of the investment risks of the Islamic Investment Account and will be shown in Your Islamic Investment Account statement. The Profit Sharing Ratio shall not be revised by Us without prior notification to You. The Profit Sharing Ratio will not applicable should there be losses to the investment.
- 5.2 **Profit:** We will pay You profit on Your Islamic Investment Account credit balances where We have expressly agreed to do so. Profit on the Islamic Investment Account is paid at the Profit Sharing Ratio. Details on the applicable Profit Sharing Ratio and arrangements for profit payable on amount outstanding will be at the rate We notify You or are available by contacting Us at one of Our branches or Our service hotline. We do not guarantee any payment of profit from the capital amount that you had provided for and the returns will be based on the performance of the investment.
- 5.3 **Profit Calculation:** Profit on the Islamic Investment Account is calculated based on the daily average balance in Your Islamic Investment Account. The profit is accrued on a daily basis according to the agreed profit ratio but will only be payable to You after the profit declaration date, no later than 15 calendar days after the end of the current calendar month.
- 5.4 **Profit Declaration:** Any profit declared on the Islamic Investment Account will be made available at Our branches and will be included in Your Islamic Investment Account statement. If we discover that there is a discrepancy between the accrued profit and the final declared profit calculated at the end of each month, We may adjust the amount of profit that is ultimately paid to You accordingly to reflect the final declared profit on the Islamic Investment Account.
- 5.5 **Loss:** If there is a loss suffered by the Islamic Investment Account, You will bare all the loss up to the capital amount in Your Account while We will lose Our provision for expertise, labour and management (unless if the loss is attributed to our misconduct, negligence or breach of specified terms of the contract between both parties).

6. Withdrawals

- 6.1 **Withdrawals:** We will only allow a Withdrawal from an Islamic Investment Account where:
- there are sufficient funds in the Account for the Withdrawal;
 - Your Payment Instrument is drawn and properly completed in Our prescribed form; and
 - the Withdrawal is made in the Service Location where the Account is maintained.

Withdrawals are allowed at any point of time and the amount Withdrawn will no longer be eligible for profit calculation, if any.

- 6.2 **Full Withdrawals:** Full Withdrawals of all balances in the Islamic Investment Account will not automatically close the Islamic Investment Account. Profit ceases to be accrued if Your Islamic Investment Account is fully withdrawn. You must instruct Us to terminate the Islamic Investment Account if You intend to close the Islamic Investment Account. Upon closure of the Islamic Investment Account, it is deemed that You do not intend to further invest the Placement in the Islamic Investment Account.
- 6.3 **Loss Event:** In the unlikely event of a loss, Your capital is not guaranteed and We are under no obligation to compensate the loss.
- 6.4 **Stopping Cheques:** If You want Us to dishonour any cheque that You have drawn on Your Islamic Investment Account, You must notify Us in writing and provide all relevant information. We will try to stop or cancel the Transaction but will not be responsible if we cannot do so (including where the cheque has already been honoured).

7. Overdrawing

- 7.1 **No Unauthorised Overdrawing:** Your Islamic Investment Account must not be overdrawn. If You have a financing facility that allows You to overdraw, You must not exceed it.
- 7.2 **Overdrawing Requests:** Any overdrawing We approve for an Islamic Investment Account may be subject to terms different from these Islamic Investment Account Terms. Any overdrawing will be based on an interest-free loan arrangement (Qardh) and is solely approved at Our discretion. Overdrawing limits may be cancelled at any time.
- 7.3 **Automatic Overdrawing:** If We allow Your Islamic Investment Account to be overdrawn without Notifying You, this Clause on Overdrawing will apply.
- 7.4 **Repayment on Demand:** You must repay any debit balance on an Islamic Investment Account on demand.

8. Investment Performance and Reports

- 8.1 **Frequency and Method:** In addition to Account statements, We will also send You investment performance reports and advices in accordance with Our usual procedures in the Service Location.

9. Cheque Books

- 9.1 You may be provided with a cheque book facility with this Islamic Investment account.

10. Suspension, Closure and Termination

10.1 Termination and Closure of Accounts

- (a) We can close or suspend Your Islamic Investment Account upon any orders by the court and will notify You as soon as We can.
- (b) We will close Your Islamic Investment Account after We have received Your notice in writing and We will pay You any credit balance in Your Islamic Investment Account after deducting any amounts You owe Us.
- (c) You agree that we or you may terminate our banking agreements due to:
- (i) misconduct (*ta`addi*), negligence (*taqsir*) or breach of specified terms of our banking agreements by the other;
 - (ii) mutual agreement by you and us to terminate the banking agreements;
 - (iii) the banking agreements expires upon the maturity date as agreed by you and us;
 - (iv) the demise or dissolution of either you or us;
 - (v) the loss of legal capacity of either you or us; or
 - (vi) the invalidity of the banking agreements.
- 10.2 **Termination of the Mudharabah Agreement:** After Your Islamic Investment Account is closed, the Mudharabah Agreement for that Islamic Investment Account is no longer effective except for the *Surviving provisions* under the Standard Terms. Any rights or obligations which have accrued on or before the relevant Islamic Investment Account closure are still effective.
- 10.3 **Payments Made After Closure:** If We process a Withdrawal after Your Islamic Investment Account is closed, You agree to pay Us such amount on demand.
- 10.4 **Unclaimed Credit Balances:** We will not pay You profit on any unclaimed credit balance in a closed or suspended account or an account We have listed as dormant.
- 10.5 **Conversion of Account:** We will inform You where We convert your Islamic Investment Account into another type of account.

11. Inconsistency

11.1 If there is any inconsistency between:

- (a) these Islamic Investment Account Terms and the Account Opening Application Form, the Islamic Investment Account Terms prevails;
- (b) these Islamic Investment Account and the Account Terms, these Islamic Investment Account prevails; and
- (c) these Islamic Investment Account Terms and a Country Supplement, the Country Supplement prevails.