

# Transition of Wadi'ah yad Dhamanah to Qard

Dear Valued Client,

Thank you for choosing Standard Chartered Saadiq as your banking partner of choice and for your continuous support!

In the Bank Negara Malaysia (BNM) policy document on "Qard" dated 3 August 2016, Clause 22 stipulates the requirement for Islamic Financial Institutions (IFIs) to revise all products based on Wadi'ah yad Dhamanah to Qard.

**Qard** means loan. Qard refers to a contract of lending money by a lender (Client) to a borrower (Bank) where the latter is bound to repay an equivalent replacement amount of the lender. The Bank in this situation is obligated to make the repayment of the money and will return the same to the lender accordingly, subject to the Bank's procedures. Any Hibah (gift) paid by the Bank to the client is solely based on the Bank's discretion. The disclosure on the Hibah to the client is based on historical information on the Hibah granted and shall not be construed in any way as an indicative or prospective rate.

In view of the above, Standard Chartered Saadiq Berhad is preparing to embark on a transition journey in order to comply with the above requirement effective from 8<sup>th</sup> June 2018.

Pursuant to this exercise we have listed the salient points as follows:

- There shall be no effect to your account balance.
- All related functions and services such as passbook, account number, ATM/Debit card, ATM/Debit card access PIN numbers and online banking access, will not be affected and remain the same for your convenience.
- The deposit protection under Perbadanan Insurans Deposit Malaysia (PIDM) is as per PIDM's mandate and terms.



However, if you continue to operate the account, it is deemed that you are agreeable to the above conversion exercise. If you do not wish to continue using your account under the Qard contract, kindly walk into the nearest Standard Chartered branches to terminate your account. You may subscribe to other deposit products offered by Standard Chartered for your banking convenience.

List of all Wadi'ah-based Savings and Current Accounts (CASA) affected in this conversion exercise are listed in the **Frequency Asked Questions (FAQ) for Conversion Exercise**. Kindly visit our public website for the revised Saadiq Personal Account Rules and Regulations at <https://www.sc.com/my/saadiq/>.

For further information, for individual client, please contact our Client Care Hotline at 1 300 888 888 / +603 7711 8888 (if you are calling from overseas) or simply visit any of your preferred or nearest branch.

For Business Banking client, please contact our Client Care Hotline at 1 300 888 111 / +603 7718 9733 (if you are calling from overseas) or simply visit any of your preferred or nearest branch.

Thank you for banking with us.

**FREQUENTLY ASKED QUESTIONS (FAQ)**  
**Implementation of Wadi'ah yad Dhamanah to Qard**

Dear Valued Client,

**Standard Chartered Saadiq Berhad is embarking on transition journey to replace all Wadi'ah-based Savings and Current Accounts (Wadiah CASA) with Qard-based Savings and Current Accounts (Qard CASA) (hereinafter referred as "this Exercise").**

**1. What is Qard policy document?**

The Policy is one of a series of Bank Negara Malaysia (BNM) policies under the Shariah contract-based regulatory framework that outlined Shariah and operational requirements of Qard to promote sound application of this Shariah contract in Islamic financial products and services.

**2. When is the date of issuance of BNM Qard policy document?**

This Qard policy document was issued on 3 August 2016.

**3. What are the main requirements of BNM Qard policy document?**

Under clause 22, all Islamic Financial Institutions (IFIs) are required to revise all existing Wadi'ah Yad Dhamanah products involving fungible assets i.e. customer's deposit to Qard and fully comply with the requirements in the Qard policy document by 31 July 2018.

**4. When will this Exercise take effect?**

This effective date of the Exercise will be 8<sup>th</sup> June 2018.

**5. What is the difference between Qard and Wadi'ah Yad Dhamanah?**

In essence, in terms of deposit products, the principles of Qard and Wadi'ah yad Dhamanah create similar obligations between the counterparties i.e the Bank and the depositor. However, technically the principles of Qard and Wadi'ah yad Dhamanah are explained as follows:

- Qard** : **Qard** means loan. Qard refers to a contract of lending money by a lender (Client) to a borrower (Bank) where the latter is bound to repay an equivalent replacement amount of the lender. The Bank in this situation is obligated to make the repayment of the money and will return the same to the lender accordingly, subject to the Bank's procedures.
- Wadi'ah Yad Dhamanah** : **Wadi'ah Yad Dhamanah** means safe keeping with guarantee. It refers to the transaction between the depositor (Client) and the custodian (Bank) for the safe keeping of the goods or money. The Bank in this situation is guaranteeing the safe keeping of the goods or money and will return the same to the depositor accordingly, subject to the Bank's procedures.

**6. Which deposit products are affected?**

All Wadi'ah-based Savings and Current Accounts (CASA) which will be converted to Qard are listed in below table:

No.	Product Name
1.	Basic Current Account-i
2.	Basic Savings Account-i
3.	Biz Basic Current Account-i
4.	Saadiq Current Account-i
5.	Current Account-i
6.	Staff Savings Account-i
7.	Foreign Currency Account-i (SME)
8.	Foreign Currency Account-i (Savings)
9.	Savings Account-i (PF-i)

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

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 do not come to any of our branches to close Your account or you continue to operate the account as usual, it is deemed that you are agreeable to the conversion exercise and your account will be converted to Qard accordingly on the effective date.

**8. Would there be any changes in the benefit of the existing products?**

No. All related functions and services such as passbook, account number, ATM/Debit card, ATM/Debit card access PIN numbers and online banking access will remain the same for your convenience.

**9. Will I be entitled to any Hibah as under the Wadi'ah accounts?**

Any Hibah (gift) made by the Bank to the client is solely based on the Bank's discretion. The disclosure on the Hibah to the client is based on historical information on the Hibah granted and shall not be construed in any way as an indicative or prospective rate.

**10. Is Qard CASA-i protected under PIDM?**

Yes, Qard CASA will be classified as deposit accounts and therefore is eligible for PIDM protection (subject to PIDM's mandate and terms).

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

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

For Business Banking client, please call us at 1 300 888 111 / +603 7718 9733 (if you are calling from overseas) for Saadiq Business Banking customers or simply visit your preferred or nearest branch.