COVID-19 RELIEF MEASURES FAQs FOR ISLAMIC FIXED RATE FINANCING

We are constantly updating our FAQs in line with regulatory updates. Please refer here for the updated FAQs.

This document to be read together with Standard Chartered Bank Covid-19 Relief Measures FAQs

1. What is deferment of financing payment?

It is a temporary deferment or suspension of financing payment obligation (principal and profit) for a limited period of time. During this period, customers with financing that meet the conditions do not need to make any payment, and no late payment compensation or penalties will be imposed.

Profit will continue to accrue on financing payments that are deferred, and clients will need to honour the deferred payments in the future financing payment resumes after the deferment period.

2. What are the changes in terms and condition for the Islamic fixed rate financing deferment programme?

The eligibility criteria and the general terms and condition for the Islamic fixed rate financing deferment programme under Standard Chartered Saadiq Berhad (“Bank”) are the same as per the Bank’s Covid-19 Relief Measure FAQs. The payment deferment is still automatic for Islamic fixed rate financing from 1 April 2020 up to September 2020.

However, you are required to provide consent to defer the payment of your Islamic fixed rate financing by 22 August 2020. This additional step is to meet the procedural requirement under Shariah to conclude the change of the Sale Price resulting from the additional profit for the deferment payment.

If you do not respond to our SMS by 22 August 2020, we will send you a letter to confirm your consent for the Financing Deferment Programme. The Bank deems that you are agreeable to appoint the Bank as your agent for the sales and purchase transactions for your financing account based on the Agency Appointment Terms and Conditions and proceed with Financing Deferment Programme.

If you are not agreeable to appoint the Bank as your Agent for the sales and purchase transactions and do not wish to proceed with Financing Deferment Programme, you need to call our Client Care Executives at 1300 888 888 or +603 7711 8888 if you are calling from overseas to be excluded from the Financing Deferment Programme, and settle all the monthly instalments incurred during this Financing Deferment Programme period before we proceed with your request. You must call and make the payment before 30 September 2020.
This FAQ highlights the specific requirements under the Islamic fixed rate financing deferment programme.

3. What do I need to do to provide consent to defer the payment for my Islamic fixed rate financing?

An SMS notifying the additional profit for the payment deferment will be sent to you and you are required to provide consent on the deferred payment by responding to the SMS by 22 August 2020. The SMS also provides a link to the Requirement Under the Islamic Fixed Rate Financing Deferment Programme document on the website which notifies the terms and conditions on the new agreement relating to the change of the Sale Price following the payment deferment.

Alternatively, you may provide your consent by calling our Client Care Centre at 1300 888 888 or +603 7711 8888 if you are calling from overseas.

4. Which of the Bank’s products are included under the Islamic fixed rate financing deferment programme?

The products included in the Islamic fixed rate financing deferment programme are:

- Personal Financing-i (PF-i)
- BizFinancing-i
- Guaranteed Instalment Financing (GIF)
- Saadiq BBA Just Home-i and BizProperty-i

5. What happens to my existing Shariah Contract for Islamic fixed rate product under the Financing Deferment Programme?

For Account under the Contract of Commodity Murabahah:
If you provide consent for the Islamic fixed rate financing deferment programme or if you do not request for exemption from the Financing Deferment Programme by 30 September 2020, the existing Shariah contract is to be terminated and it is deemed that you are appointing the Bank as an agent to enter into new sale and purchase of transactions based on the terms and conditions contained in the Requirement Under the Islamic Fixed Rate Financing Deferment Programme on the website.

A Commodity Murabahah transaction will be performed based on the new Sale Price to accrue the 6-month moratorium financing deferment profit. We will conduct the Commodity Murabahah transactions after the deferment programme ends and share the details post completion of the Commodity Murabahah transactions.

For Accounts under the Contract of Bai Inah:
If you provide consent for the Islamic fixed rate financing deferment programme or if you do not request for exemption from the Financing Deferment Programme by 30 September 2020, the existing Shariah contract is to be terminated and your account will be converted to the new contract of **Commodity Murabahah**: and it is deemed that you are appointing the Bank as an agent for the sale and purchase transactions based on the terms and conditions contained in the Requirement Under the Islamic Fixed Rate Financing Deferment Programme on the website.

A Commodity Murabahah transaction will be performed based on the new Sale Price to accrue the 6-month moratorium financing deferment profit. **We will conduct your Commodity Murabahah after the deferment programme ends and share the details post completion of the Commodity Murabahah transactions.**

6. **What happens if I decide not to proceed with the Islamic fixed rate financing deferment programme after deferring payments during the moratorium period?**

If you choose not to proceed under the Islamic fixed rate financing deferment programme and you have deferred your instalments during the moratorium period, you need to pay all the monthly instalment/s incurred during this period before we proceed with your exclusion request. Your tenure and schedule payment will be based on your existing financing arrangement. There will be no additional profit and no Commodity Murabahah transactions will be performed for your financing accounts.

7. **Will I be charged additional profit on the payment amount that is deferred by 6 months during the deferment period?**

Yes, there will be additional profit since the profit will continue to accrue on the outstanding principal balance amount. **Commodity Murabahah transactions will be performed for the change of Sale Price to accrue the 6-month moratorium financing deferment profit ie additional profit.**

Since you do not need to pay any instalments for 6 months and your instalment after the deferment period remains the same, the financing tenure will be extended.

Hence, customers are strongly advised to carefully consider the impact after payment deferment period and should continue paying their financing obligations if they can afford it. Please contact us should you require further assistance.

8. **What would happen to my financing payments after the deferment package period?**

Your monthly instalment/s will be used to settle the financing deferment accrued profit before reducing the outstanding financing amount. **Profit will continue to accrue on the outstanding principal amount, but it will not be compounded and subject to the new Sale Price.**
Your tenure will remain unchanged whereas instalment after the deferment period remains except for the final month which will be higher due to the amortization of the financing deferment profit accrue.

Please refer to the Requirement Under the Financing Deferment Programme for Islamic Fixed Rate Accounts and Additional Requirements Under the Islamic Fixed Rate Financing Deferment Programme document on the website which notifies the terms and conditions on the new agreement relating to the change of the Sale Price following the payment deferment. The Bank will notify you of the revision to your loan/financing payment schedule.

Hence, you are strongly advised to carefully consider the impact after payment deferment period and should continue paying your financings obligations if you can afford it. Please contact our Client Care Centre at 1300 888 888 or +603 7711 8888 if you are calling from overseas, should you require further assistance.

9. How do I know if my financing is enrolled into the deferment package?

The Bank will notify you of the revision to your financing payment schedule. Hence, you are strongly advised to carefully consider the impact after payment deferment period and should continue paying your financings obligations if you can afford it.

Please contact our Client Care Centre at 1300 888 888 or +603 7711 8888 if you are calling from overseas, should you require further assistance.

10. If I want to be excluded from the fixed rate financing deferment programme, will I be able to do so?

Yes, you can notify us by:
- Calling our Client Care Centre at 1300 888 888 or +603 7711 8888 if you are calling from overseas.

Please do take note that you need to pay all the monthly instalment/s incurred during the deferment period before we proceed with your exclusion request (details as per Question 6).

11. Is there a specific period that I can choose to be excluded from this payment deferment?

You can notify us latest by 30 September 2020.