

**Terms and Conditions for Hong Leong Fixed Deposit-i (HLFD-i) – Personal Financial Services-i (PFS-i) & Business Corporate Banking (BCB-i)**

These Terms and Conditions of Hong Leong Fixed Deposit-i are to be read as a whole with the General Terms & Conditions of Accounts for Deposits and Islamic Banking Deposits and any other relevant terms and conditions as Hong Leong Islamic Bank Berhad (“HLISB”) may impose from time to time with prior notice, as well as other rules and regulations binding on HLISB.

These Terms and Conditions are also applicable for Online Fixed Deposit-i (“eFD-i”), which is a fixed or term deposit account which allows account creation, placements and withdrawals to be performed online via Hong Leong Digital Banking Services (“Hong Leong Connect”), applicable for PFS-i only.

**1. Definitions & Interpretations****1.1 Definitions**

In this Terms & Conditions, the following terms and expression shall have the meaning designated to them unless the context requires otherwise:-

“**Agent**” means HLISB which shall be appointed by the Customer(s) to perform Commodity Trading on behalf of the Customer(s) under the Shariah principle of Wakalah (Agency) in matters pertaining to Tawarruq in accordance to the terms herein.

“**Commodity**” means goods or assets that are approved by the Shariah Committee of HLISB. The type of commodity to be purchased at HLISB’s sole discretion as the agent for the Customer(s) on the agreed price.

“**Commodity Trading Platform**” means a commodity trading platform, which, facilitates Tawarruq transactions and has been approved by the Shariah Committee of HLISB.

“**Designated E-mail**” means the last known electronic mail address of the Customer in HLB / HLISB’s records and / or as instructed or designated by the Customer for the purpose of the e-Statement Facility.

“**e-Statement Facility**” means the service whereby HLISB will, at the Customer’s request, transmit and / or make available statement of account and / or other transaction records, advices and documents (“Documents”) and / or tax invoices to the Customer by either one or all of the following methods:

- (a) transmission to the Designated E-mail;
- (b) making available all of the aforesaid Documents at HL Connect; and / or
- (c) such other electronic medium as HLISB may designate from time to time by giving prior notice to the Customer.

“**HL Connect**” means the internet banking services and mobile banking app services provided by HLISB

“**Murabahah**” means a sale and purchase of a Commodity where the acquisition/purchase cost and the mark-up are disclosed to the purchaser.

“**Selling Price**” means the sum payable by HLISB to acquire the Commodity from the Customer(s) which shall comprise of the price of the Commodity and the profit.

“**Supplier**” means the commodity trader and/or supplier registered with the relevant exchange and/or any other parties acceptable to HLISB.

“**Tawarruq**” or also known as “**Murabahah (via Tawarruq arrangement)**” refers to multiple sale and purchase transactions. The mechanics involved:

- i) HLISB acting as an Agent purchases the Commodity on behalf of the Customer(s) upon receipt of monies from the Customer(s).
- ii) HLISB thereafter as an agent to the Customer(s) sells the commodity to the HLISB at the Selling Price on the basis of Murabahah which shall be paid to the Customer(s) upon maturity of the HLFD-i.
- iii) HLISB thereafter sells the Commodity to a third party on a cash and spot basis.

“**Trading Day(s)**” means the day(s) where the Commodity Murabahah transactions are executed from Mondays to Fridays except for the gazetted public holidays in Kuala Lumpur.

“**Wakalah**” refers to a contract in which a party (Principal/Customer) authorise other party as his agent (Wakil/Bank) to perform particular task in matters that may be dedicated, either voluntary or imposition of a fee.

## **2. Hong Leong Fixed Deposit-i (“HLFD-i”) Accounts**

- 2.1 This is a fixed or term deposit account based on the Shariah principle of Murabahah (via Tawarruq arrangement)
- 2.2 Any placement made under the HLFD-i shall be in Ringgit Malaysia (“RM”) and the minimum of money required for the corresponding tenure shall be determined by HLISB from time to time with prior notice.
- 2.3 The placement of deposit shall be effective on the date the placement is done.
- 2.4 A deposit slip detailing the deposit placement will be printed upon placement completion.
- 2.5 For PFS-i Customer(s), no physical placement/renewal advice will be sent to Customer(s). The physical placement/renewal advice is made available at any HLISB or Hong Leong Bank Berhad (“HLB”) branches upon request or in such manner as maybe determined by HLISB.
- 2.6 For BCB-i Customer(s), the placement / renewal advice detailing the deposit placement will be mailed to Customer(s) on the next Trading Day.
- 2.7 The statement of the FD-i account(s) will be rendered monthly and / or quarterly or at such periods and may be issued electronically or in such manner as may be determined by HLISB.

The Customer(s) must examine all entries in the statement of account and to immediately report to HLISB in the event of any error or discrepancy found therein. If Customer(s) does not report it, within fourteen (14) days (or such other period specified by HLISB) after the receipt of the statement of account, objects to any entry that is stated up to the date of the last entry in the statement of account, the statement of account shall be deemed accepted by the Customer(s) as correct and HLISB is discharged from all liabilities.

- 2.8 The Customer(s) is required to register for the e-Statement Facility through HL Connect or through any HLB/HLISB branch to receive the e-Statements.
- 2.9 The tenure of deposit shall range from one (1) month to sixty (60) months as may be elected by the Customer(s) and determined by HLISB from time to time with seven (7) days prior notice. The acceptance and / or renewal of such placements, tenure(s) and rate(s) quoted for HLF*D*-i is at the discretion of HLISB. Where any cheque(s) is deposited for a placement, and where the placement or renewal advice is issued to the Customer(s) it shall be subject to clearance of the cheque(s). The HLF*D*-i account may not be assigned, transferred, pledged or charged as security unless written consent is given by HLISB or unless required as security for financing by HLISB.
- 2.10 The Customers) shall place a minimum deposit of Ringgit Malaysia Five Thousand (RM5,000) for HLF*D*-i with tenure of one(1) month or Ringgit Malaysia Five Hundred (RM500) for HLF*D*-i with tenures of two (2) months or more.
- 2.11 The profit rate for HLF*D*-i shall be determined by HLISB from time to time. The profit rates are available at the HLISB or HLB branches or accessible through HLISB websites at [www.hlisb.com.my](http://www.hlisb.com.my). For any change of profit rate, such change is displayed at HLISB or HLB branches or HLISB websites or any other modes which HLISB may deem fit and it will be applicable for new placements.
- 2.12 With effect from 12 June 2021 ("**Effective Date**"), there shall be no interim crediting of profits on a monthly or six-monthly basis:
- For all new HLF*D*-i, profit will be:
    - (a) credited into the Current or Savings Account-i under the same name and signature requirement as the HLF*D* -i only upon maturity of HLF*D* -i; or
    - (b) added to the HLF*D*-i principal sum at maturity, as selected by the Customer upon placement of the HLF*D*-i.
  - For HLF*D*-i opened prior to Effective Date, profit earned will be credited into the Current or Savings Account-i on a monthly or six-monthly basis until the end of the HLF*D*-i tenure.\*\* Should the HLF*D*-i be renewed, whether manually or on an auto-renewal basis upon maturity, the New Rule shall apply.

(\*\* In the event the HLF*D*-i is fully withdrawn on or before its respective maturity period or the minimum tenure as HLISB may determine at any time with **twenty-one (21)** calendar days' prior notice, HLISB shall be entitled to deduct from or debit the Customer's HLF*D*-i all such monthly or six-monthly profit paid including but not limited to all profits paid on partial withdrawals earlier.)

*Illustration:*

*A HLF*D*-i entered into before Effective Date for a 12-month tenure maturing on 31 August 2021 will enjoy profit crediting on a monthly basis. Upon maturity, the said HLF*D*-i is renewed*

*for another 12 months. Profits for this renewed HLF*D*-i will only be paid at the end of the 12-month tenure on 31 August 2022.*

- 2.13 Commodity Murabahah transactions shall be executed on Trading Days.
- 2.14 HLF*D*-i allows partial withdrawal a minimum of RM3,000 and in multiples of RM1,000 thereafter, subject to a minimum balance of Ringgit Malaysia Five Thousand Malaysia (RM5,000) for tenure of 1-month or Ringgit Malaysia Five Hundred Malaysia (RM500) for tenure of 2-month and above being maintained in the HLF*D*-i at all time or any other amount to be determined by HLISB at any time or from time to time with twenty one (21) calendar days prior notice.
- 2.15 No profit shall be payable on partially withdrawn amounts and premature withdrawals of HLF*D*-i, regardless of the number of completed months at the time of partial / premature withdrawal.
- 2.16 In the event profit is paid to the Customer(s) prior to the maturity date and the Customer prematurely withdraws the HLF*D*-i, HLISB reserves the right to deduct the profit paid from the principal sum of the HLF*D*-i upon such withdrawal.
- 2.17 If Customer(s) withdraws all or part of the deposits before the maturity date, the Customer(s) gives rebate to HLISB to claim the full Selling Price
- 2.18 On withdrawal of the HLF*D*-i account(s), the Customer(s) must present their MyKad or/and other identification document for identity verification via fingerprint verification using the MyKad Reader or any other devices used and acceptable by HLISB.
- 2.19 Online withdrawal of HLF*D*-i is available through HL Connect for HLF*D*-i Accounts held solely by individuals.
- 2.20 Upon withdrawal of HLF*D*-i via HL Connect, the principal sum and profit earned thereon (if any), shall be automatically credited into the Current or Saving Account-i maintained by the Customers(s) with HLISB, as selected by the Customer(s) upon placement of the HLF*D*-i.
- 2.21 Request for Delivery of Commodity
- (a) Customer(s) have the right to request and take physical possession and delivery of the commodity subject to minimum requirements and comply with rules and regulations of the commodity trading platform provider.
  - (b) Request for delivery of Commodity can be done at any HLISB or HLB branches during normal business hours; and
  - (c) The delivery arrangement is to be made between the Customer(s) and commodity trading platform provider at the Customer(s)' own costs.
- 2.22 The Customer(s) hereby agrees that HLISB's determination of any amount payable to the Customer(s) under HLF*D*-i save for manifest error shall be final, conclusive and binding against the Customer(s). The Customer(s) must examine all entries in the placement advice, renewal advice and statement of account(s) and to immediately report to HLISB in the event of any error or any discrepancy found therein. If the Customer(s) does not report it, within fourteen (14) days (or such other period specified by HLISB) after the receipt of the same, objects to any entry that is stated in the placement advice, renewal advice and statement of account, it shall be deemed accepted by the Customer(s) as correct and HLISB is discharged from all liabilities.

- 2.23 Customer(s) agrees upfront that the tenure for the deposits shall be automatically renewed for the same tenure on maturity date based on the prevailing rate upon renewal unless written instructions from the Customer(s) is received by HLISB before the maturity date. Customer(s) may visit HLISB's website at [www.hlisb.com.my](http://www.hlisb.com.my) to check out the latest prevailing rate.
- 2.24 For the purpose of Commodity Murabahah Transaction, the Customer(s) has agreed to appoint HLISB as the Agent for the purchase and sale of the Commodity in accordance with these Terms and Conditions.
- 2.25 The Customer(s) agrees that HLISB shall act only as the absolute Agent of the Customer(s) for the Commodity Murabahah transactions. Each sale and purchase contract in the Commodity Murabahah transaction is binding in nature and shall not be terminated unilaterally by any of the contracting parties.
- 2.26 HLISB, as the Customer(s)'s Agent shall look after the best interest of the Customer(s) and in good faith during:
- (a) the placement of the deposit or any renewal thereof,
  - (b) perform transactions to purchase the Commodity on cash basis ("Purchase Transaction") through purchase agreements, certificates and other instrument as fully as the Customer(s) could do himself/ herself and to negotiate with the Supplier behalf of the Customer(s) in relation thereto.
- 2.27 The Customer(s) hereby offers to sell the Commodity to HLISB upon constructive possession of Commodity through its Agent as proven by e-cert (or any other evidence of ownership) from the Supplier at an agreed Selling Price (cost plus mark-up) determined upon placement of deposit.
- 2.28 The Commodity will be sold on an "as is where is" basis without any representation or warranty in respect thereof and upon issuance of the purchase agreements, certificates and other instruments; the parties agree to waive the liability of the seller for any defect on the Commodity before entering into the sale and purchase contract. All risk shall pass to the purchaser and the seller shall be freed from any liabilities, responsibilities or obligations relating to the Commodity in any form or manner whatsoever. Any defects or non-delivery or any disputes whatsoever in relation to the Commodity shall not in any way affect or absolve the contracting parties obligations or undertakings hereunder.
- 2.29 HLISB hereby promise to purchase the Commodity from the Customer(s) upon constructive possession of Commodity through its Agent as proven by e-cert (or any other evidence of ownership) from the commodity trading platform at an agreed Selling Price (cost plus mark-up) determined upon placement of deposit.
- 2.30 The Customer(s) agrees and undertakes to reimburse and pay HLISB upon HLISB's written demand -
- (a) all actions, claims, demands, liabilities, losses, damages, costs and expenses which HLISB may sustain, suffer or incur as a result of acting as the Customer(s)'s Agent in the Commodity Murabahah transactions; or
  - (b) for any breach of the Customer(s)'s obligations. This undertaking shall continue in spite of the termination of HLISB's agency.

Except for any losses or damages for default, omission, negligence, breach of contract by HLISB. In the event the Customer(s) is held liable by a court of competent jurisdiction for any

damages notwithstanding the foregoing, the total amount of the Customer's entire liability shall not exceed the principal amount of the transaction involved which gave rise to the claim.

- 2.31 In the event of any conflict or discrepancy between these Terms and Conditions and the General Terms & Conditions of Accounts for Deposits and Islamic Banking Deposits, these Terms and Conditions shall prevail to the extent of such conflict or discrepancy.

### **3. Exceptions for Online Fixed Deposit-i (eFD-i) accounts via Hong Leong Connect**

- 3.1 The eFD-i Account is only available for individuals who are holders of a Current or Savings Account-i (CASA-i) and who have registered for Hong Leong Connect. The eFD-i Account is not available for joint CASA-i.
- 3.2 Sole Proprietorships, Unincorporated Partnerships, Limited Liability Partnerships, Professional Practices, Clubs, Societies, Associations, Schools, Corporations, Non-profitable Organizations and other business entities are NOT eligible to open or to operate the eFD-i Account.
- 3.3 An eFD-i Account can only be opened by Customer via Hong Leong Connect and the eFD-i Account will be linked to the CASA-i from which the first eFD-i placement is made ("Designated CASA -i).
- 3.4 Multiple placements of eFD-i into the eFD-i Account are allowed. However, placements can only be made via Hong Leong Connect between 6:00 a.m. and 12:00 midnight, seven (7) days a week, or during such hours and days as stipulated by HLISB at Hong Leong Connect. For the avoidance of doubt, the eFD-i placements must be submitted by 12:00 midnight in order for the placement to be accepted.
- 3.5 Placements of eFD-i may be made from another CASA-i maintained by the Customer with HLISB (Source CASA-i) which is not the Designated CASA-i, by way of transfer of funds from other banks via Financial Process Exchange ("FPX").
- 3.6 The maximum deposit amount per transaction is Ringgit Malaysia Two Hundred and Fifty Thousand (RM250,000). For placement via FPX transfer, the maximum deposit amount per transaction is Ringgit Malaysia Two Hundred Thousand (RM200,000) or the Customer's individual Internet Banking limit maintained with relevant bank, whichever is lower.
- 3.7 The processing of the placement of eFD-i may take up to two (2) working days and the effective date of the placement of eFD-i shall be the date HLISB successfully completes the placement process whereupon the Hong Leong Connect Transaction Receipt, which will contain details of the eFD-i placement transaction, will be generated and e-mailed to Customers. The Hong Leong Connect Transaction Receipt shall be binding and conclusive evidence of a successful eFD-i placement transaction. No physical fixed deposit-i receipt will be issued to Customer. HLISB shall not be liable or responsible for any losses which the Customers may incur due to time taken to process the placements.
- 3.8 Transactions in the eFD-i Account will also be reflected in the statement of account for the Source CASA-i.
- 3.9 With effect from 12 June 2021 ("Effective Date"), there shall be no interim crediting of profit on a monthly or six-monthly basis.

- For all new eFD-i, profit will be:
  - (a) credited into the Source CASA-i and/or Designated CASA-i only upon maturity of eFD-i; or
  - (b) added to the eFD-i principal sum at maturity, as selected by the Customer upon placement of the eFD-i.
  
- For eFD-i opened prior to Effective Date, profit earned will be credited into the Source CASA-i and/or Designated CASA-i on a monthly or six-monthly basis until the end of the eFD-i tenure.\*\* Should the eFD-i be renewed, whether manually or on an auto-renewal basis upon maturity, the New Rule shall apply.

(\*\* In the event the eFD-i is fully withdrawn on or before its respective maturity period or the minimum tenure as HLISB may determine at any time with twenty-one (21) calendar days' prior notice, HLISB shall be entitled to deduct from or debit the Customer's eFD-i all such monthly or six-monthly profit paid including but not limited to all profits paid on partial withdrawals earlier.)

*Illustration:*

*An eFD-i entered into before Effective Date for a 12-month tenure maturing on 31 August 2021 will enjoy profit crediting on a monthly basis. Upon maturity, the said eFD-i is renewed for another 12 months. Profit for this renewed eFD-i will only be paid at the end of the 12-month tenure on 31 August 2022.*

- 3.10 Withdrawals of eFD-i can only be performed via Hong Leong Connect.
- 3.11 Upon withdrawal of an eFD-i, the principal sum and profit earned thereon (if any), shall be automatically credited into the Source of CASA-i or Designated CASA-i, as selected by Customer upon placement of the eFD-i
- 3.12 Customer are to select the renewal instruction for each eFD-i upon making the placement via Hong Leong Connect.
- 3.13 If the 'Auto Renewal' column is selected as 'Yes', the placement will be automatically renewed for the same tenure at the prevailing profit rate on the renewal date of the matured eFD-i.
- 3.14 If the 'Auto Renewal' column is selected as 'No', the placement will not be automatically renewed and will automatically credited into the Source CASA-i or Designated CASA-i on maturity date of the relevant eFD-i
- 3.15 Details of placement/renewal transaction is viewable on Hong Leong Connect, no physical placement/renewal advice will be sent to Customer(s).
- 3.16 All eFD-i shall NOT be used as collateral to secure any financing/credit facility granted to the Customer or any other third party.

**Protected by PIDM up to RM250,000 for each depositor**