

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

These Terms and Conditions of Hong Leong Fixed Deposit-i (formerly known as Hong Leong Term 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 twenty one (21) calendar days 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”) for PFS 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 do such acts on behalf of the Customer(s) under the Shariah principle of Wakalah Mutlaqah or Unrestricted Agency which is not restricted to any conditions and not confined to certain circumstances or time limit 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**” is a multi-commodity trading platform such as Bursa Suq Al Sila’ or any other commodity trading platform, which, facilitates Tawarruq transactions and has been approved by the Shariah Committee of HLISB.

“**Murabahah**” refers to 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 an arrangement in accordance to HLISB’s deposit procedure where HLISB acting as an Agent shall purchase the Commodity on behalf of the Customer(s) upon receipt of monies from the Customer(s) for the price of the Commodity which is deemed as deposit in HLISB’s account. HLISB shall thereafter as an agent to the Customer(s) shall sell the commodity to the HLISB on Murabahah (cost plus) basis at the Selling Price which shall be paid to the Customer(s) upon maturity of the HLFD-i. HLISB shall thereafter sell the Commodity to a third party on cash 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.

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 and Tawarruq which is known as Commodity Murabahah.
- 2.2. Any placement made under the HLFD-i shall be in Ringgit Malaysia (“RM”) and the minimum sum prescribed for the corresponding tenure as may 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 deposit placement will be printed upon placement completion.
- 2.5. The HLFD-i statement will be sent to Customer(s) on quarterly basis.
- 2.6. For PFS-i Customer(s), no physical placement/advice will be sent to Customer(s) with immediate effect however it can be viewable via Hong Leong Connect.
- 2.7. For BCB-i Customer(s), the placement / renewal advice detailing the deposit placement will be mailed to Customer(s) on the next Trading Day.
- 2.8. The Customer(s) must examine all entries in the statement of account and to immediately report to HLISB any error found therein. If Customer(s) does not within fourteen (14) days after the receipt of statement of account, object to any entry therein the Customer(s) shall be deemed to have accepted the entries made up to the date of the last entry in the statement of account as correct and discharge HLISB from all liabilities.
- 2.9. The tenure of deposit shall range from one (1) to sixty (60) months as may be elected by the Customer(s) and determined by HLISB from time to time with prior notice. The acceptance and / or renewal of such placements, tenure(s) and rate(s) quoted for HLFD-i is entirely at the absolute 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 HLFD-i account may not be assigned, transferred, pledged or charged as security unless written consent is given by HLISB.
- 2.10. The profit rate for HLFD-i shall be determined by HLISB from time to time with prior notice.
- 2.11. For cases where Customer(s) returns to branch within fourteen (14) days from the placement date to cancel the placement of deposit or renewal thereof, HLISB will only return the commodity purchase price / deposited amount with no profit to be claimed by Customer(s) pursuant to the termination/ cancellation of Commodity Murabahah contract.
- 2.12. HLISB may at the instruction of the Customer(s) pay the profit from the HLFD-i account to the Customer(s) either on monthly basis or upon maturity of the tenure as the case may be.
- 2.13. HLISB shall pay the Customer(s):
 - Profit at maturity for all tenures; and
 - For tenure of six (6) months and above, the profit amount to be received by Customer(s) is equivalent to the profit amount to be distributed for the month.
- 2.14. Commodity Murabahah transactions shall be executed on Trading Days.
- 2.15. If Customer(s) withdraws all or part of the deposits before the maturity date, the Customer(s) agrees to waive his right to claim the full Selling Price and HLISB is entitled to pay based on the following:
 - (a) For tenure of deposits below three (3) completed months, early withdrawal is allowed with no Profit shall be paid to the Customer(s)
 - (b) For tenure of deposits three (3) completed months and above, early withdrawal is allowed with half of the accumulated Profit for the completed month(s) shall be paid to the Customer(s)
- 2.16. HLISB reserves the right to vary the rules specified above at any time or from time to time with twenty one (21) calendar days prior notice.
- 2.17. HLFD-i allows partial withdrawal subject to a minimum of RM3,000 and in multiples of RM1,000 thereafter 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.

- 2.18. On withdrawal of the HLF*D*-i account(s), the Customer(s) must present their MyKad for identity verification via fingerprint verification using the MyKad Reader or any other devices used and acceptable by HLISB. Unless otherwise specified, HLISB will not permit withdrawals or renewals at any branch other than at the branch in which the Customer(s) maintains his / her HLF*D*-i account(s).
- 2.19. 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 HLBB 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.
- 2.20. 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 any error found therein. If the Customer(s) does not, within fourteen (14) days (or such other period specified by HLISB) after the receipt of the same object to any entry therein the Customer(s) shall be deemed to have accepted the entries made in the placement advice, renewal advice and statement of account as correct and discharge HLISB from all liabilities.
- 2.21. 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 maturity date. Customer(s) may visit HLISB's website at www.hlisb.com.my to check out the latest prevailing rate.
- 2.22. 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 without the utterance of offer and acceptance between seller and buyer, following the principle of bay'al-mu'atah (sale by conduct) in accordance with these Terms and Conditions.
- 2.23. The Customer(s) agrees that HLISB shall act only as the absolute and undisclosed 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.
- 2.24. HLISB, as the Customer(s)'s Agent shall look after the best interest of the Customer(s) and in good faith during the placement of the deposit or any renewal thereof, perform transactions to purchase the Commodity on cash basis ("Purchase Transaction") through purchase agreements, certificates and other instruments as fully as the Customer(s) could do himself/ itself and to negotiate with the Supplier on behalf of the Customer(s) in relation thereto.
- 2.25. 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 markup) determined upon placement of deposit.
- 2.26. 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.
- 2.27. 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.

- 2.28. The Customer(s) agrees to indemnify HLISB against
- (a) all actions, claims, demands, liabilities, losses, damages, costs and expenses of whatever nature which HLISB may sustain, suffer or incur as a result of acting as the Customer(s)'s Agent in the Commodity Murabahah transactions
 - (b) or for any breach of the Customer(s)'s obligations.
- 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.
- 2.29. 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

- 3.1. Opening of an account is only for individuals. A joint account is not allowed to open an eFD-i account.
- 3.2. The statement will not be sent to Customer(s) as it can be viewable via Hong Leong Connect.
- 3.3. Details of placement/renewal transaction is viewable on Hong Leong Connect, no physical placement/renewal advice will be sent to Customer(s).
- 3.4. The eFD-i placement is not allowed to be pledged as collateral to secure any financing/ credit facility.

Eligible for protection by PIDM