

Hong Leong Foreign Currency Current Account-i Terms and Conditions

These terms and conditions are to be read together as a whole with the General Terms and Conditions of Accounts for Deposits and Islamic Banking Deposits, Terms and Conditions for Hong Leong Current Account-i and Savings Account-i (Tawarruq CASA-i), 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’ notice, as well as other rules and regulations binding on HLISB.

1. Definitions & Interpretations

1.1 The following terms and expressions shall have the meanings assigned to them unless the context otherwise requires:

- (a) “Account(s)” means any account or accounts under Foreign Currency Current Account-i in any foreign currency which is acceptable to HLISB opened or to be opened by the Customer with HLISB from time to time;
- (b) “Ringgit Malaysia” or “RM” means the lawful currency of Malaysia; and
- (c) “Customer(s)” means customer of HLISB and shall include partnerships, sole-proprietorships, companies, societies, associations, organizations and statutory bodies and where applicable personal representatives and successors-in-title unless specified otherwise.

2. Shariah Principle

2.1 The Hong Leong Foreign Currency Current Account-i (“Foreign Currency Current Account-i”) is an Islamic foreign currency current account based on the Shariah principle of tawarruq which is defined as an arrangement which consists of multiple sale and purchase transactions.

Under this product, the Customer(s) will purchase the Commodity at Purchase Price from a supplier and thereafter, either:

- sell the Commodity to HLISB at Selling Price (which comprise of Purchase Price and the profit) on the basis of Murabahah[^]; OR
- sell the Commodity to HLISB at Selling Price on the basis of Musawamah^{^^}.

[^] A sale and purchase of an asset where the acquisition cost and the mark-up are disclosed to the purchaser.

^{^^} Musawamah is a sale contract without the disclosure of the asset cost price and profit margin to the purchaser.

In addition to tawarruq, Foreign Currency Current Account-i also adopts other Shariah principles approved by Bank Negara Malaysia (“BNM”).

3. Opening of Account(s)

3.1 An Account(s) may be opened in any foreign currency (other than Ringgit Malaysia) acceptable to HLISB upon receipt by HLISB of references acceptable to HLISB and all documents required by HLISB. The Customer agrees to execute such documents and do such other acts as HLISB may require now or in the future in connection with the Account(s) and any related services.

4. Operation of the Account(s)

- 4.1 The Customer shall operate the Account(s) by giving written instructions and where necessary through forms and instruments prescribed by HLISB from time to time. All transactions for deposits or withdrawals from the Account(s) may only be made by way of demand drafts, transfers or any other method which may be prescribed by HLISB. There shall be:-
- (a) no chequebooks issued in respect of the Account(s); and
 - (b) no cash or currency notes in any currency transacted or dealt with in respect of the Account(s).
- 4.2 The profit under the FCCA-i is 0% or any profit rate that shall be determined by from time to time with prior notice based on single flat rate regardless of any amount.
- 4.3 The Account(s) shall not be overdrawn save as permitted by HLISB and, if so permitted, any amount overdrawn shall be payable on demand.
- 4.4 HLISB shall be entitled at any time to reverse any credits made to the Account(s) by error or the fact that the Customer has altered its position in reliance on such credits. Any debit balance arising from such reversals shall be a debt due from the Customer to HLISB and payable on demand.

5. Deposits into the Account(s)

- 5.1 For the purposes of any collection on behalf of the Customer, HLISB reserves the right to employ any suitable method as determined by HLISB in obtaining proceeds of such collections.
- 5.2 In the event that it would not be possible within the relevant time period legally prescribed for HLISB to present any cheques or instruments that the Customer remits, or to advise the presenting bank in due time of their non-payment or of their non-acceptance, HLISB shall not be liable to the Customer and the Customer hereby waives any right of action against HLISB.
- 5.3 Deposits shall be in the currency of the relevant Account(s). Where the Funds are received are not in the mutually agreed currency in the relevant Account(s) HLISB is entitled to convert the same and for this purpose, the mutually agreed currency equivalent shall be determined by HLISB at its absolute discretion at HLISB's spot rate of exchange then prevailing.

6. Withdrawals from the Account(s)

- 6.1 HLISB may at any time and at its absolute discretion refuse any withdrawal or limit the amount which may be withdrawn.
- 6.2 All payments or transfers effected by HLISB will be debited to the Account(s) on the date determined by HLISB.
- 6.3 Where the total amount in respect of orders or instructions given by the Customer exceeds the credit balance in the Account(s), HLISB shall be entitled, at its absolute discretion, to determine which of such orders or instructions it will execute in whole or in part, irrespective of the date of despatch or receipt.

- 6.4 Payments or transfers from the Account(s) shall be in the currency of the Account(s) or at HLISB's option, Ringgit Malaysia. If HLISB effects any payment or transfer from the Account(s) in a currency other than the currency of the Account(s), HLISB shall be entitled, at its absolute discretion, to convert the currency of the Account(s) to the other currency at HLISB's spot rate of exchange then prevailing.
- 7. Closing the Account(s)**
 - 7.1 On closure of the Account(s), whether by HLISB or the Customer, HLISB may retain at its own discretion an amount equivalent to any outstanding liabilities of the Customer to HLISB.
- 8. Compliance by the Customer with Laws, Rules, Regulations etc.**
 - 8.1 The Customer undertakes with HLISB that the Customer will comply at all times with all laws, rules, regulations, directives, guidelines (whether having the force of law or otherwise) including all qualifying conditions and regulations set by Bank Negara Malaysia or any other relevant legal or regulatory authority or agencies (governmental or otherwise), in relation to any of the opening and operation of the Account(s). The Customer undertakes to forthwith inform HLISB in writing in the event that it is in breach of such laws, rules, regulations, directives and guidelines.
- 9. Tax & Risks**
 - 9.1 The Customer acknowledges and agrees that there are risks involved in foreign currency transactions including but not limited to risks due to the fluctuation of exchange rates, valuation and devaluation of currencies, taxes, involuntary transfers or changes in governmental policies or any other reasons beyond the control of HLISB. The Customer agrees that HLISB shall be entitled to effect any conversion or reconversion of any currencies as required by law and/or under any of these Terms and Conditions for any payment, deduction, withholding or any other taxes or levies and HLISB shall not be liable to the Customer or any other parties for any loss suffered or incurred by the Customer or other parties for any such conversion or reconversion.
- 10. Set Off**
 - 10.1 Without prejudice to and in addition to any remedy of set-off which HLISB may have under the laws of any relevant jurisdiction, HLISB may exercise at any time with prior notice to the Customer any right of set-off, combination or consolidation between any sums in any accounts held by HLISB and any liabilities due to HLISB or any right of forfeiture, retention or pledge over any sums held by HLISB in accordance with and subject to the laws of Malaysia notwithstanding the following:
 - (a) that the sums held by HLISB are denominated in a different currency to that due, owing or incurred to HLISB; or
 - (b) that the sums held by HLISB are not yet due and payable to the Customer; or
 - (c) that the sums due, owing or incurred to HLISB are not presently payable; or
 - (d) that the sums held by HLISB are situated in a different jurisdiction or branch of HLISB from the sums due or owing or incurred to HLISB.
 - 10.2 If any amounts held by HLISB are in currencies other than those due, owing or incurred to HLISB, HLISB will have the right to convert such currencies to currencies acceptable to HLISB at the cost of the Customer.
- 11. Notices**
 - 11.1 Subject to Shariah compliance, HLISB reserves the right at any time with **Twenty One (21) calendar days' notice** to add, delete, suspend or vary the terms and conditions

contained herein, wholly or in part at its absolute discretion by way of posting on the HLISB website, or in any manner deemed suitable by HLISB. Accountholders agree to access the website at regular time intervals to view the terms and conditions and ensure to be kept up-to-date on any change or variation to the terms and conditions.

12. Representations and Warranties

- 12.1 The Customer hereby confirms that all the representations and warranties made to HLISB in the application(s) are true and correct and shall remain true and correct for as long as the Account(s) are maintained with HLISB. The Customer undertakes to immediately inform HLISB of any changes in respect of any of the information provided to HLISB.

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