

## 1.0 DEFINITION

In this Terms and Conditions ("T&C"), unless otherwise provided, the following words shall have the meaning as set out below:

**"the Bank"** means Bank Islam Malaysia Berhad (Company No. 198301002944) a company incorporated in Malaysia with its registered address at Level 32, Menara Bank Islam, 22 Jalan Perak, 50450 Kuala Lumpur.

**"Business Day"** means a day on which the Bank is open for business.

**"Custodian"** means as referred in Clause 8.1 below.

**"Customer"** means any Sophisticated Investor whose application to subscribe the Retail Sukuk has been accepted by the Bank.

**"Customer's Account"** means the savings or current account maintained by the Customer with the Bank.

**"Losses / Loss"** includes but not limited to losses from investment into respective capital market, costs (including legal costs on a full indemnity basis) expenses, fines, liabilities, actions, proceedings and claims whatsoever of any kind.

**"Odd Lot"** refers to non-standard trading nominal size.

**"Primary Market"** refers to the Capital Market where securities are issued for the first time.

**"Round Lot"** or **"Standard Lot"** refers to the standard trading nominal amount.

**"Secondary Market"** refers to the financial market where previously issued financial instruments such as stock, bonds, options, and futures are bought and sold.

**"Sophisticated Investor"** refers to the Accredited Investor, High-Net Worth Entity and High-Net-Worth Individual, as prescribed in the Guidelines on Categories of Sophisticated Investors issued by Securities Commission Malaysia.

**"Sukuk"** means any sukuk which may be distributed by the Bank from time to time or at any time to the Customer.

**"Sukuk Documents"** means prospectuses, product highlight sheet by sukuk issuer, this terms and conditions of retail sukuk and product information

**"Retail Sukuk"** means the services provided by the Bank in relation to the Sukuk, namely buy, sell, hold and/or transfer of the Sukuk.

**"Transaction"** means the buying, selling, holding and/or transferring of the Sukuk by the Customer.

**"Transaction Record"** means the statement given by the Bank to the Customer.

## 2.0 SHARIAH PRINCIPLE

- 2.1 Retail Sukuk is based on the Shariah principle of Bai' Musawamah (bargaining sale) whereby the Customer shall purchase or sell the sukuk from or to the Bank based on the price mutually agreed upon by the parties.
- 2.2 By opening a savings and/or current account (CASA) with the Bank and completing Transaction Form, the Customer hereby agrees to purchase or sell the Sukuk from or to the Bank in accordance with the terms and conditions herein contained.

## 3.0 PROVISIONS OF RETAIL SUKUK

- 3.1 The Bank provides Retail Sukuk to the Customer who is desirous to buy, hold, sell and/or transfer of the Sukuk. Customer acknowledges that transfer of Sukuk is only applicable within the Bank. The Bank will act on complete instruction by the Customer in accordance with the process and procedure as determined by the Bank from time to time. The instruction of the Customer shall be in physical form or any other manner as prescribed by the Bank from time to time. However, the Bank reserve its right to reject Retail Sukuk requested by the Customer.
- 3.2 By subscribing to this service, Customer agrees to be bound by this T&C, including any amendment, variation or supplement made by the Bank at any time and from time to time.
- 3.3 Any application to perform the Transaction shall be made by completing and signing on the application form prescribed by the Bank or manner as prescribed by the Bank from time to time. The Bank reserves the right to reject the Transaction. However, the Bank will give notice to the Customer after the aforesaid rejection.
- 3.4 The Customer hereby acknowledges and understands that:
  - a) The investment in Sukuk is not protected by Perbadanan Insurans Deposit Malaysia (PIDM).
  - b) The investment in Sukuk is only restricted to Sophisticated Investor i.e. Accredited Investor, High-Net Worth Entity and High-Net-Worth Individual, as prescribed in the Guidelines on Categories of Sophisticated Investors issued by Securities Commission Malaysia.
  - c) The investment in Sukuk is made based on the Customer's risk profile and suitability. The Bank's provision of Retail Sukuk in respect of the Sukuk is not a recommendation by the Bank of such Sukuk and the Bank accept no responsibility for its performance or potential risks.
  - d) The Transaction is entered into based on the Customer's own independent evaluation of the risks associated with the Transaction that the Bank's T&C do not identify all the risks or material considerations that may be associated with the Transaction.

- e) All prices given by the Bank in respect of the Sukuks are indicative only and will not be final and binding until the Sukuk has successfully traded.  
The Bank may from time to time accept and act on instructions from the Customer, given by any means approved by the Bank ("Instructions"). Where any Instruction is ambiguous or inconsistent with any other Instruction, the Bank shall be entitled either not to act upon the Instruction or to rely on and act in accordance with any reasonable interpretation of such instruction which any officer of the Bank believes in good faith to be the correct interpretation. The Bank is not liable in any way for acting on inconsistent, ambiguous or incomplete instructions due to ambiguous and inconsistent instructions given unless the same is attributable to the gross negligence, wilful misconduct, wilful default or fraud by the Bank.
- f) The Customer shall indemnify the Bank in full against all losses, claims, demands, costs, damages, expenses and all other liabilities whatsoever which the Bank may incur in consequence of its accepting and acting on such Instructions including all liabilities related to or arising from the relationship (including without limitation any dealings, transactions, omissions, actions, arrangements) between the Customer, seller and/ or purchaser.
- g) Prior to the subscription of the Retail Sukuk, the Customer had determined without reliance upon the Bank, the economic risks and merits, as well as the legal, tax and accounting characterizations and consequences of the Transaction based upon advice from professional advisers (including its own legal, regulatory, tax, business, investment, financial and accounting advisers) as it may deem necessary to consult; and that the Customer had determined that he is able to assume these risks.

3.5 The Bank reserves the right to reject or decline the Retail Sukuk or any Transaction where: -

- a) the relevant forms submitted by the Customer to the Bank are illegible, incomplete, erroneous, completed wrongly, not properly authorised, not in conformity with the instructions in the relevant forms or which is not submitted within the times stipulated. The decision of the Bank to accept or reject the relevant forms is final. The Customer agrees that the Bank shall not be responsible or liable to the Customer in any manner whatsoever should the relevant forms be lost, destroyed, or misplaced through no fault of the Bank or due to any force majeure events; or
- b) the Customer's Account has no or insufficient funds to effect payment for the Transaction; or
- c) any instruction of the Customer is ambiguous or inconsistent with any other instruction.

#### **4.0 INFORMATION ON INVESTMENT**

4.1 The Bank will provide (only if available) to the Customer the most recently published editions of Sukuk Documents or other material relating to Sukuk issued or supplied by the Sukuk issuer of the relevant Sukuk. The Bank may make available additional Sukuk Documents in respect of the Sukuk if such documents are issued. The Bank will also notify the Customer if there is any corporate action informed by the Custodian.

#### **5.0 ELIGIBILITY**

5.1 All Transactions in the Primary and Secondary market will be processed by the Bank. Provided that: -

- a) Customer has opened and maintained with the Bank a savings and/or current account (CASA) designated by the Customer with the Bank for the facilitation of this service.
- b) The Customer is a Sophisticated Investor i.e., Accredited Investor, High-Net Worth Entity and High-Net-Worth Individual, as prescribed in the Guidelines on Categories of Sophisticated Investors issued by Securities Commission Malaysia.

#### **6.0 SUKUK PURCHASE ORDER**

- 6.1 The Customer may request for the Sukuk purchase with the Bank after opening and placing of sufficient fund in the CASA for the Bank to hold and completing the Transaction Form. Customer to notify the Bank for any cancellation of Sukuk purchase 1 business day prior to trade date. Otherwise, the Bank will proceed with Sukuk purchase and debit the hold amount from the CASA.
- 6.2 Upon confirmation of the matching order by the Customer, the request can no longer be canceled after the matching order is traded. However, Customer may sell the Sukuk in accordance with clause 9 below.
- 6.3 Application for each Transaction must be made in the full name of the individual Customer appearing in its identity card unless otherwise stated.
- 6.4 The Bank reserves the right to accept or reject any application for a Transaction or to accept any application for a transaction in part only. The Bank will notify the Customer of the reason of rejection after the rejection of the Transaction.
- 6.5 In addition to Section 3.4, the Customer further acknowledges that:
  - i. the Customer is entering into the Transaction as principal for the Sukuk in standard lot or in Odd lot;
  - ii. neither the Bank nor any of its employees are acting as a fiduciary for it.

#### **7.0 CANCELLATION OF INSTRUCTIONS**

- 7.1 The Customer agrees that the Bank is not obliged to act on any instruction to cancel, vary or amend any previously given instruction if the original instruction has already been completed or if the Bank is of the view that it has insufficient time or is unable to act on such instruction to cancel, vary or amend the original instruction. The Customer acknowledges that the Bank is not liable to the Customer for any loss or expenses suffered or incurred by the Customer in such case (save for those directly arising as a result of Bank Islam's misconduct, negligence or breach of specified terms).
- 7.3 For unsuccessful purchase order of Sukuk, the earmarked amount shall be release after 2 (two) business days.

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**8.0 CUSTODIAL SERVICES**

- 8.1 The customer further appoints and authorises the Bank to perform the following custodial services for the customer:-
- to hold or to appoint the Custodian to hold the customer's Sukuk in safe custody;
  - to hold or arrange for bearer instruments to be held in that form or register any other instruments in the name of the Bank, the Custodian or any other person appointed by the Bank: and/or
  - to notify the customer of information received by the Bank, the Custodian or any other person appointed by the Bank relating to the Sukuk deposited, and to request, collect, received and make payments or distributions attributable to such Sukuk arising from the acquisition, ownership, disposal, conversion, exchange, corporate or financial restructuring, capital reorganisation, credit events (including rating downgrade, rating suspension and default by the Sukuk issuer or any payment obligation) or otherwise.
- 8.2 The customer hereby authorise the Bank or the Custodian to appoint, without the customer's further consent, any bank, trust company or member firm of any securities exchange to act as:
- a Sub-Custodian of any Sukuk on the customer's behalf pursuant to these Terms & Conditions and;
  - an administrator, perform any of the obligations of the Custodian on such terms as the Bank considers appropriate.
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**9.0 SELL ORDER AND PROCEEDS FROM SUKUK**

- 9.1 Upon a request by the Customer to sell the Sukuk prior to its maturity, by completing the Transaction Form, the Bank will accept the sell order which the Customer wishes to sell.
- 9.2 Upon receipt of the sales proceeds from the Sell Order, the Bank shall credit such proceed or pay out into the Customer's CASA within T+10 Banking Days from the date the said proceeds are received by the Bank. In the event the Bank is unable to credit such proceed or pay out into the Customer's CASA as instructed by the Customer for any reason whatsoever, the Bank shall have the right to credit such proceed or pay out into another account of the Customer opened and maintained with the Bank or pay in any other manners as approved by the Bank after prior notice to the Customer.
- 9.3 Whilst the Bank will use its best endeavour to expedite an application for sell order following such request by the Customer, the Bank shall not be responsible or liable for any Losses whatsoever which the Customer may suffer or incur as a result of any failure by the Bank to make the application within five (5) Business Days unless due to the Bank's gross negligence or wilful default.
- 9.4 The Customer acknowledges that redemption proceeds are paid to the Bank by the Custodian concerned and that the Bank cannot be responsible or liable for any losses whatsoever which the Customer may suffer or incur as a result of any failure by the Custodian concerned to pay the redemption proceeds to the Bank within any particular period of time.
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**10.0 FEES AND CHARGES**

- 10.1 In using the Retail Sukuk, the Customer expressly acknowledges that it is aware that there may be fees and charges imposed by the Sukuk issuer and/or the Custodian's concerned in respect of the Sukuk sought to be purchased, redeemed or transferred and the Customer expressly agrees and authorises the Bank to debit from the Customer's Account for such fees and charges. The Bank shall provide the Customer with a minimum of seven (7) calendar days' prior written notice before effecting any such debit. The Customer acknowledges that the Sukuk Issuer and/or Custodian may vary the fees and charges imposed on the Customer from time to time, provided that the Customer shall be notified of any such variation in advance. The Customer agrees that the Bank shall not be held liable for any losses that the Customer may incurred or sustained as a result of or arising from such variation.
- 10.2 In the case of redemptions and/or coupon and/or maturity pay out, the proceeds credited into the Customer's Account shall be net of such fees and charges; if any.
- 10.3 In respect of any service not expressly mentioned herein provided by the Bank in connection with the Retail Sukuk which the Bank considers exceptional in nature, the Customer agrees to pay to the Bank such amount as may be agreed between the Bank and the Customer from time to time.
- 10.4 The Bank may, with seven (7) business day days prior written notice to the Customer, debit the Customer's Banking Account for any charges and expenses imposed and/or any sums payable by the Customer for the related Retail Sukuk performed despite that such debiting may result in the Customer's Banking Account being overdrawn.
- 10.5 The Bank shall use its best endeavor to notify the Customer in the event the Bank's authorized Sukuk issuer and/or the Bank's appointed Custodian vary the fees and charges imposed by them.
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**11.0 PAYMENT**

- 11.1 All proceeds of coupon payment, redemption (and accrued profit), maturity, sale and other proceeds will be credited into Customer's account within T+ five (5) business days from the date the said proceeds are received by the Bank minus any expenses, charges and withholding tax (if any).
- 11.2 Upon maturity, any proceeds due i.e. coupon payment, redemption/ maturity of the Sukuk payable to the Customer will be paid to the Customer within five (5) business days from the date the said proceeds are received by the Bank.
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**12.0 TRANSACTION RECORDS**

- 12.1 In respect of all transactions made in connection with the Sukuk, the Bank shall round up or to round down the prices of the Sukuk
- 12.2 The Bank will give to the Customer a trade confirmation showing:
- The amount of Sukuk purchased, if any;
  - The amount of Sukuk sold, if any; and
  - The amount of any Coupon and/or Maturity payment from Sukuk Issuer, if any.
- 12.3 The Customer shall examine the trade confirmation record and notify the Bank of any errors, irregularities, discrepancies, claims and/or unauthorized debits or items whether made, processed or paid as a result of forgery, fraud, lack of authority, negligence or otherwise by any persons whatsoever.
- 12.4 Save for any manifest error, all transactions shown in a trade confirmation advice will be considered correct unless the Bank is notified in writing of any discrepancy within 24 hours from the receipt of the Transaction Record and confirmation advices.

**13.0 JOINT ACCOUNT**

- 13.1 Where the CASA account is in joint names, the following provisions shall apply, subject to Bank's approval: -
- In the event where operation mode was either joint holders to instruct or both joint holders to instruct, the Bank shall recognise the surviving person or persons as the only person or persons having any title, right or interest to and in the Sukuk in any of the following events: -
    - the death of any of the joint accountholder;
    - an act of bankruptcy has been committed by any of the joint account holder;
    - a bankruptcy petition has been filed against any of the joint account holder
    - upon the Bank's receipt of a certified medical report that any of the joint account holder is of unsound mind,
  - If the Bank is in doubt of any instructions given by any one or more of the account holders in relation to the operation of the Retail Sukuk, the Bank shall be entitled to request for a written confirmation from all of the account holders before carrying out such instructions.
  - All joint account holders shall be jointly and severally liable for all transactions arising from such instructions. If the Bank receives contradictory instructions, the Bank may choose to act only on the mandate of all the joint account holders and shall not be responsible or liable for any Losses whatsoever caused by the Bank's refusal to act without such mandate.

**14.0 NOTICES**

- 14.1 The Bank may give any notices to the Customer through the following modes: -
- by ordinary post, registered post or courier or by personal delivery at the Customer's last known address and shall be deemed received by the Customer on the 5th day from the date of posting if sent by ordinary post or registered post and on the 2nd day from the day it was sent by courier or at the time of delivery if sent by personal delivery; or
  - by general notice in one major national newspaper or posted at the Bank's premises or by electronic transmission (including via mobile phones, e-mail, other devices or the internet) or by posting at the Bank's website or other terminals under the control of the Bank and the notice shall be deemed duly delivered and received by the Customer and shall be deemed effective from the date of the notice
- 14.2 Any notices (excluding instructions in respect of the transaction), by ordinary post, registered post or courier or by personal delivery at the said branch of the Bank and shall be deemed duly delivered and received by the Bank upon acknowledged receipt of the notice by the Bank.

**15.0 SUSPENSION AND TERMINATION OF SERVICE**

- 15.1 Bank Islam may freeze, hold, suspend, close the Retail Sukuk at the Bank discretion upon receipt of the notice of death, insanity, bankruptcy and winding-up or upon being served with order from court, relevant authorities, or enforcement agencies, or at Bank Islam's opinion proper and necessary to do so (where it is final and binding).

The Bank may also terminate the Retail Sukuk upon occurrence of any of the following events:

- The Customer is adjudged bankrupt or in liquidation; or
- Withdrawal by the Customer of all or part of the deposit amount; or
- The Customer commits breach of any of the terms and conditions herein; or
- The Customer does not accept any alteration and amendment to this T&C; or
- Instruction from any law enforcement agencies; or
- Any other events as communicated by the Bank from time to time.

**16.0 INDEMNITY**

- 16.1 Bank Islam shall not be liable to the Customer in contract or tort or otherwise for any direct or indirect financial or economic losses, costs, liabilities or expenses (including, without limitation, loss of profit, loss of savings or loss of goodwill) save for those directly arising as a result of the Bank's misconduct, negligence or breach of specified terms. Bank Islam shall not be liable in relation to any default, negligence or fraud of

the Commodity Seller, the Commodity Purchaser or any other person, firm or company with whom transactions is affected for the account of the Customer.

- 16.2 The Bank shall not be liable for any failure of the Customer to duly and punctually perform any of its respective duties or obligations under this T&C.
- 16.3 To the extent not otherwise recovered, the Customer shall keep the Bank indemnified from and against any loss, cost (including any cost of enforcement), liability (including any tax liability), claim, demand or damages which Bank Islam suffers or incurs in the lawful and proper exercise of its duties under this T&C save where such losses, costs, liabilities, claims, demands or damages directly arise by reason of any misconduct, negligence or breach of specified terms on the part of the Bank.

## 17.0 RISKS DISCLOSURE STATEMENT

- 17.1 The Customer acknowledges that the Retail Sukuk are subject to investment and market risks, including possible loss of the principal amount invested. The Retail Sukuk are not bank deposits and are not endorsed or guaranteed by and do not constitute obligations of the Bank or any of its affiliates or subsidiaries. The Customer represents and warrants that he/she understands and is fully aware of the risks involved in investing in the Retail Sukuk and that the Customer will obtain from either the Bank or the relevant Sukuk Issuer of the Sukuk the up-to-date versions of the Sukuk Documents or any materials supplied by the relevant parties that might exist on the date of the transaction and the date of the instructions given by the Customer to the Bank. The Customer(s) acknowledges and agrees that the Bank shall have no liability or responsibility whatsoever to the Customer(s) for any errors, misstatement or omission in any Sukuk Documents or materials prepared by or issued by any Sukuk Issuer.
- 17.2 The Customer may seek independent financial or professional advice with respect to any dealing in investments of Sukuk or investment opportunities. The Customer acknowledges that any dealings in the investment of Sukuk is solely and exclusively at the Customer's own risk based on the Customer's own judgement and after the Customer's own independent appraisal and investigation into the risks associated with such dealings or otherwise. The Bank accepts no responsibility and liability to the Customer for giving any recommendation to the Customer as to whether to invest or not to invest in any Retail Sukuk or in connection with the performance of the Retail Sukuk. The past performance of any Retail Sukuk is not a guarantee of its future performance and the value of any Retail Sukuk and its credit rating or the coupons from them, if any is declared, may go down as well as up. Nothing in the Bank's brochures, marketing materials or investment reports will be construed as investment advice or recommendation or opinion on the Retail Sukuk or any relevant investments.
- 17.3 The Customer agrees that the Bank is under no obligation whatsoever to the Customer for any payment of returns including but not limited to the principal sum and the Customer has no recourse against the Bank in any event whatsoever for any payment of return on the Retail Sukuk.
- 17.4 The Bank shall be under no duty to take any action other than as specified in these Terms and Conditions. The Bank shall be entitled to receive and to act, or procure the Nominee to act, upon any advice of counsel and shall be without liability for any action taken or thing done in good faith in reliance upon such advice.
- 17.5 The Customer acknowledges that the Bank merely act as a third-party distributor for Retail Sukuk, which are issued by the respective Sukuk Issuers and custody by the appointed Custodian. The Bank has entered an arrangement with an investment services platform for the purpose of on boarding various Retail Sukuk in Malaysia. The Customer agrees that the Bank shall have no liability or responsibility whatsoever to the Customer for any act, omission, failure or negligence of the investment services platform, Sukuk Issuers, or the Custodian.
- 17.6 In addition to Section 17.1 until 17.5 above, the Customer further acknowledges and has carefully consider all risk factors associated with this Retail Sukuk which include but not limited to the following risks :-
- a) Risk of Capital Loss: refers to the potential decrease in the value of the original investment amount in the event of premature redemption.
  - b) Market Risk: refers to the potential impact of adverse price movements (e.g. profit rate, foreign exchange rates or equity prices, where applicable) on the economic value of an asset.
  - c) Credit Risk: refers to the risk of the followings:
    - i that Bank Islam may, under certain circumstances, fail to perform their obligations to the Customer when due.
    - ii The return on Sukuk is linked to the credit risk of the Issuer and Guarantor, as applicable. The credit ratings assigned by credit rating agencies do not guarantee the creditworthiness of the Issuer and Guarantor, as applicable. In the event that the Issuer defaults, it is possible that Customer may lose all their investment, including the principal.
  - d) Shariah Non-Compliance Risk: refers to the possible failures to comply with the rulings of Shariah Advisory Council (SAC) of Bank Negara Malaysia (BNM) and the Securities Commission Malaysia (SECCOM) and standards on Shariah matters issued by BNM and SECCOM or decisions and advice of Bank Islam's Shariah Supervisory Council.
  - e) General Securities Risk: Any trading in securities carries investment risks. Past performance of any investment is not necessarily indicative of future performance.
  - f) Interest Rate Risk: Changes in interest rates may have a significant impact on the market price of the Sukuks. For example, sukuk prices generally fall when interest rates rise. In this situation, Investor may incur
  - g) Liquidity Risk: Sukuks are designed to be held to maturity and there may be no active secondary market quotations for the Sukuks. If you try to sell your Sukuks before maturity, it may be difficult or impossible to find a buyer, or the sale price may be much lower than the amount you had invested.
  - h) Tenure Risk: Sukuks have a specified investment period. The longer the investment period of the Sukuks, the more likely changes in interest rates, exchange rates, market environments and the Issuer's financial and operating conditions may affect the Sukuk value during the investment period.



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**18.0 CUSTOMER'S REPRESENTATIVES AND WARRANTIES**

- 18.1 The Customer (and if the Customer is more than one (1) individual, each of such individuals) hereby represents and warrants to the Bank as follows:
- the Customer has the power and authority to accept these Terms and Conditions;
  - the Customer is not nor will it, by accepting these Terms and Conditions, be in violation of the provisions of any law, regulation, order or decree of any governmental authority or agency to which the Customer is subject or any other contract, undertaking or agreement binding on the Customer, its assets or to which the Customer is subject;
  - no litigation, arbitration or administrative proceedings is currently taking place or threatened against the Customer.
  - the Customer is not relying on any advice (whether oral or written) of the Bank regarding any transaction or the Retail Sukuk, and the Bank is not acting as fiduciary or advisor to the Customer in connection with any transaction or the Retail Sukuk.
  - that the source of funds used in the Transaction is lawful under the laws and regulations (including any exchange control rules and regulations) of the jurisdiction binding upon or applicable to the Customer, is not in contravention of any anti money laundering rules and the Customer will take all necessary actions to ensure that all such laws and regulations will not be contravened and will be complied with at all times.
  - the Customer agrees that the above representation and warranties shall be deemed repeated on each day the Customer enters into a Transaction or accepts the provision of the Retail Sukuk or otherwise provides an instruction to the Bank and shall continue for so long as the Customer maintains the services with the Bank.
- 18.2 The Customer acknowledges that the subscription of this service is not in reliance wholly or partly on any representation or warranties made by or on behalf of Bank Islam except for representations or warranties that are expressly set out in this T&C.
- 18.3 The Customer hereby represents and warrants for the benefit of Bank Islam that it has and shall at all times, throughout Customer's subscription of the services, Customer have the legal capacity to enter into the transaction contemplated herein, and will cause all necessary corporate resolutions and authorities to be made and/or passed to ensure that the person who purport to enter into this transaction on its behalf are able to commit it in accordance with this T&C.
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**19.0 DISCLOSURE OF INFORMATION**

- 19.1 Bank Islam will not reveal personal data of the Customer including address, telephone number or email address to any external party other than parties listed below (the "Authorized Parties") or other than for the purpose connected with the operation of the Customer's account, unless Bank Islam has the Customer permission, or is under either a legal obligation or any other duty to do so:
- any officer, employee, agent or director of Bank Islam Group which includes the holding companies of Bank Islam, its subsidiaries, associated companies, affiliates, representatives and branch offices; or
  - relevant third parties such as professional advisers, strategic business partners and alliances, service providers, insurers/ Takaful operator or insurance/ Takaful brokers, outsourced agents, merchants, vendors, business partners and business agents who supports the operational activities of Bank Islam and whom are under legal obligation to the confidentiality of Customer's data; or
  - any actual or potential participants or assignee, novatee or transferee of Bank Islam's rights and/or obligations under any transaction between Bank Islam and the Customer (or any agents or professional advisers); or
  - any rating agency or direct/ indirect provider of credit protection to Bank Islam; or
  - any party as required by any law or any government, quasi-government, administrative, regulatory/ supervisory body or authority, court or tribunal; or
  - any credit reference agency that Bank Islam uses for credit assessment or credit review of Customer and parties related to the facilities provided by Bank Islam to Customer; or
  - any financial crime references agencies, other financial institution and any of their respective agents; or
  - any guarantor or collateral provider for Customer's facilities.
- 19.2 Customer hereby expressly consents to such disclosure and confirms and declares that the terms contained therein shall be subject to the Privacy Notice in connection with the Personal Data Protection Act 2010 signed with Bank Islam and in the event of any inconsistency between the terms contained herein with the terms as set out in the Privacy Notice, the T&C in the Privacy Notice shall prevail.
- 19.3 The Customer further acknowledges that the information provided by Customer to Bank Islam including the information regarding the Customer and any reportable accounts may be shared with the tax authorities of the country/ jurisdiction in which this accounts are maintained and/or exchanged with any tax authorities of another country/ jurisdiction or countries/ jurisdictions in which the Customer may be the tax resident pursuant to intergovernmental agreements in which Bank Islam has obligation to exchange any account information.
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**20.0 ANTI MONEY LAUNDERING AND COUNTER FINANCING OF TERRORISM**

- 20.1 In order to comply with local or foreign law, regulations, voluntary codes, directives, judgments or court orders, and any authorities, regulators or enforcement agencies, policies, good practice, government sanctions or embargoes, reporting requirements under financial transactions legislation and demands or requests of any authority, regulator, tribunal, enforcement agencies, exchange bodies, Bank Islam may:
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- a) be prohibited from entering or concluding transactions involving certain persons or entities (e.g. person or entity that is itself sanctioned or is connected to or dealing with (directly or indirectly) any person or entity that is sanctioned under economic and trade sanctions imposed by any regulator in any jurisdiction.
- b) report suspicious transactions or potential breaches of sanctions to an authority in any jurisdiction to which Bank Islam may need or decide to disclose. Transactions impacted include those that may:
  - i involve the provision of finance to any person involved or suspected of involvement in terrorism or any terrorist act; or
  - ii be relevant to investigation of an actual or attempted evasion of tax law, investigation of or prosecution of a person for an offence against any applicable law; or
  - iii involve persons or entities which may be the subject of sanctions.
- c) intercept and investigate any payment messages and other information or communications sent to or by the Customer or on behalf of the Customer and may delay, block or refuse to make any payment and payment screening may cause a delay in processing certain information.
- d) take any action it believes to be necessary, which includes freezing of funds, preventing operation of an account, refusing a request for funds from the Customer, not allowing Customer to use a product or delaying and/or cancelling a transaction. Bank Islam does not require to notify the Customer until a reasonable time after it is permitted to do so under those law or policies. Bank Islam will not be liable for any loss arising out of any action taken or delay or failure by Bank Islam, in performing any of its duties or other obligations.
- e) Not to accept any deposit of any money or cheques and/or allow or carry out any other transaction including withdrawals of money in respect of Customer's account including but not limited to any transfers and telegraphic transfer of moneys from or to Customer's account if Bank Islam has a reason to believe or is made aware of by third parties or relevant authorities that the Customer's account is being used for or implicated in fraud, potential fraud, financial crimes, illegal activities, soliciting illegal financial investment schemes, money laundering or terrorism financing activities. Bank Islam too shall (subject to the extent permitted by law), reserves the right to close, freeze or otherwise deal with the Customer's account as necessary.

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## **21.0 LIEN AND RIGHT TO SET OFF**

21.1 Bank Islam has the right at any point of time to:

- a) demand Customer to refund of and/or to debit the Customer's account and/or set-off any balances in any account for any overpayment into any Customer's account arising from error, irregularity or omission, whether attributable to Bank Islam, in the course of carrying Customer's instructions or in any other occasions.
- b) set off any money in any of the Customer's accounts including amount deriving from the profit-sharing investments with Bank Islam (whether matured or otherwise) and/or any investment/ deposit products and/or receivables held in any of the Customer's accounts, towards satisfaction of any of Customer's liabilities to Bank Islam.
- c) debit the applicable amount from Customer's account without prior consent if Customer is not the intended beneficiary in the following events:
  - i. mistaken payment instruction caused by third party who initiates the transaction (Originator) that is directed to wrong recipient, carry wrong amount, or are duplicated; or
  - ii. erroneous payment instructions that were incorrectly transferred by other financial institution or Bank Islam to other parties which include but not limited to generating invalid, incorrect, misdirected or duplicated transaction on behalf of Originator due to technical errors or operational errors that are not the fault of the Originator; or
  - iii. erroneous payment instructions that were incorrectly transferred by other financial institution or Bank Islam to other parties which include but not limited to generating invalid, incorrect, misdirected or duplicated transaction on behalf of Originator due to technical errors or operational errors that are not the fault of the Originator; or
  - iv. unauthorised or fraudulent payment instruction that were not initiated by the Originator or transaction which have been induced by dishonest or fraudulent means for the benefit of a party other than the party intended by the Originator.

21.2 In the event there is amount due, owing and payable by Customer, Bank Islam reserve the rights to refuse withdrawals of or refuse to discharge any Customer's accounts, balances, funds and/or assets. Bank Islam is authorized to realize (whether at or before maturity) any of Customer's deposits, investment products and/or assets whatsoever held with Bank Islam until all monies due, owing, and payable to Bank Islam is fully settled by Customer.

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## **22.0 ASSIGNMENT**

22.1 The Customer shall not assign, charge, transfer, mortgage, pledge or otherwise encumber or permit to subsist any assignment, charge, transfer, mortgage, pledge or other encumbrance over any of the Customer's rights or interests in this services except in favour of, or with the prior written consent of, Bank Islam.

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## **23.0 WAIVER**

23.1 The rights of Bank Islam in relation to the Retail Sukuk (whether arising under this T&C or under any applicable law) shall not be capable of being waived or varied otherwise than by an express waiver or variation in writing. In particular, any failure to exercise or any delay in exercising any of such rights shall not operate as a waiver or variation of that or any other such right. Any defective or partial exercise of any of such rights shall not preclude any other or further exercise of that or any other such right. No act or course of conduct or negotiation on Bank Islam's part or on its behalf shall in any way preclude it from exercising any such right or constitute a suspension or any variation of any such right.

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**24.0 FORCE MAJEURE (BEYOND CONTROL AND/OR UNFORESEEABLE CIRCUMSTANCES)**

- 24.1 Notwithstanding any provision of this T&C, the Bank shall not be liable for any failure on the part of the Bank to perform any obligation under this T&C resulting directly or indirectly from the action or inaction of any governmental or local authority or any strike, epidemic, boycott, blockade, act of God, civil disturbance or cause beyond the control of Bank Islam.

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**25.0 ADDITIONAL TERMS AND CONDITIONS**

- 25.1 The accounts shall further be governed by and subject to the rules, regulations and guidelines issued by Bank Negara Malaysia from time to time. The Customer agrees that the services currently and/or at any time offered by Bank Islam to Customer shall be dependent upon and subject to the said rules, regulations and guidelines.
- 25.2
- Customer acknowledges that the Bank shall be entitled to vary or amend this T&C from time to time, subject to compliance with Shariah requirements. The Bank will notify the Customer twenty one (21) days in advance prior to its effective implementation.
  - Such amendments and variations shall have similar effect as those hereinbefore referred to in this T&C.
  - Nothing herein shall be construed so as to restrict or curtail or prejudice any of the rights of Bank Islam herein to vary or amend the terms and/or conditions without the necessity to obtain the Customer's consent or confirmation.
  - Any such variation, amendment or supplement shall bind the Customer and have been brought to the knowledge of the Customer by way of displaying at Bank Islam's website, premises and any of its branches or by mail to the last known address of the Customer
- 25.3 If there is any change in the Customer's personal data for example address, the Customer shall notify Bank Islam immediately. This is important to ensure that all communications reach the Customer promptly.
- 25.4 In the event that any of the provision in these terms and conditions is invalid, illegal and unenforceable under any applicable law or by any reasons whatsoever, the legality and enforceability of the remaining provisions shall not be affected.

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**26.0 GOVERNING LAW**

- 26.1 This T&C shall be governed by the laws of Malaysia.

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**27.0 COMPLAINTS**

Complaints may be lodged to:

- 27.1 **Bank Islam Malaysia Berhad,  
Contact Centre & Customer Care**  
 17th Floor Menara Bank Islam,  
 22, Jalan Perak, 50450 Kuala Lumpur.  
 Tel. No.: 03-26 900 900  
 Fax No.: 03-2782 1337  
 Email: [customercare@bankislam.com.my](mailto:customercare@bankislam.com.my)
- 27.2 If you are dissatisfied with the outcome of the internal dispute resolution process, please refer your dispute to:  
 Financial Markets Ombudsman Service ("FMOS") :  
 If you are an individual or a sole proprietor investor who is dissatisfied with the outcome of the internal dispute resolution process, please refer your dispute to the Financial Markets Ombudsman Service ("FMOS") (formerly known as Ombudsman for Financial Services) via the following modes. You may do so within 6 months of receiving the final answer from us or after 60 calendar days from filing the complaint, if there was no response from the us. You may file your dispute to FMOS:
- Tel : 03-2272 2811 (from 9am to 5pm, Monday to Friday)  
 Online form : <https://www.fmos.org.my/en/feedback.html>  
 Letter :  
 Chief Executive Officer  
 Financial Markets Ombudsman Services [Reg. No: 200401025885]  
 14<sup>th</sup> Floor, Main Block  
 Menara Takaful Malaysia  
 No. 4, Jalan Sultan Sulaiman  
 50000 Kuala Lumpur.
- Please refer to [https://www.fmos.org.my/en/dispute\\_resolution\\_process](https://www.fmos.org.my/en/dispute_resolution_process) for the dispute resolution process.
- 27.3 You can also direct your complaint to the SC even if you have initiated a dispute resolution process with FMOS. To make a complaint, please contact the SC's Consumer & Investor Office:  
 Tel : 03-6204 8999  
 Fax : 03-6204 8991  
 Email : [aduan@seccom.com.my](mailto:aduan@seccom.com.my)  
 Online form : [www.sc.com.my](http://www.sc.com.my)  
 Letter : Consumer & Investor Office Securities Commission Malaysia, No 3 Persiaran Bukit Kiara, Bukit Kiara, 50490 Kuala Lumpur



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**WARNING:**

**THE CUSTOMER/ HOLDER OF THE SUKUK IS ASSUMING THE CREDIT RISK OF THE SUKUK ISSUER. IN THE EVENT OF WINDING UP, LIQUIDATION OR RATING DOWNGRADE OF THE ISSUER, OR IF THE CUSTOMER/ HOLDER SELLS THE SUKUK PRIOR TO MATURITY, THE CUSTOMER/ HOLDER WILL SUFFER A POTENTIAL CAPITAL LOSS.**

**THIS IS NOT A PRINCIPAL GUARANTEED PRODUCT AND THE INVESTMENT IN SUKUK IS NOT PROTECTED BY PERBADANAN INSURANS DEPOSIT MALAYSIA.**