



APPENDIX 1

PRODUCT DISCLOSURE SHEET

Please read this Product Disclosure Sheet together with the Terms and Conditions before you apply and decide to subscribe the Zakat Payment Service for Savings and Investments.

Bank Islam Malaysia Berhad

Zakat Payment Service On Savings and Investments

1 MARCH 2025

1. What is this service about?

The Zakat Payment Service on Savings and Investments is an initiative by Bank Islam Malaysia Berhad to assist customers in calculating and paying zakat on their savings and investments held with Bank Islam to the Agensi Mengurus Zakat ("AMZ"). For savings or investments held with other financial institutions, customers are responsible for fulfilling their zakat obligations on those assets. This service is available exclusively to individual zakat payers.

2. What is the Shariah concept applicable?

"Wakalah" It refers to a contract in which one party (the principal or "muwakkil") authorizes another party to act as a representative to carry out specific tasks in matters that can be delegated, either voluntarily or with a certain fee.

Under this service, the customer, as the principal or "muwakkil," authorizes the bank as the representative or agent to calculate and pay zakat on the total amount of the customer's deposit and/or investments account at Bank Islam to the AMZ.

3. What benefits will customers experience by registering/subscribing to the Zakat Savings and Investment Payment service?

Customers can easily channel their zakat payments to the participating AMZ through this service. The process is seamless and automated, eliminating the need for customers to manually calculate or initiate the zakat payment.

4. Who are the participating AMZ?

Customers have the option to direct their zakat payments to their preferred participating AMZ State. Please note that the participation of AMZs may vary from time to time. A full list of participating AMZs is available on the Bank Islam website at www.bankislam.com.

5. What are the eligible account for this service?

Eligible accounts for the purpose of this service are as follows:

- Qard Savings Account-i
- Qard Current Account-i
- Al-Awfar Investment Account
- Wafiyah Investment Account
- Basic Savings Account-i
- Basic Current Account-i
- Term Deposit-i (Tawarruq)
- iGain Investment Account

Note: The list of eligible accounts may be added in the future. (a complete list of accounts can be found on Bank Islam's website at www.bankislam.com)

Joint accounts, trust accounts and non-individual accounts will not be included in the Zakat calculation. Customers are responsible for fulfilling the Zakat obligations for such saving or investment themselves.

The zakat payment will be automatically deducted from the customer's designated account, as selected by the customer for this purpose via the service application form.

6. How is the Zakat Calculated ?

There are two methods of Zakat calculation under this service, depending on the method applied by respective AMZ. Customers are strongly advised to read and understand the calculation method before subscribing to this service.

The methods as follows:

1. **Total ending balance as at 31 October**
2. **Total lowest balance during Haul**

For the purpose of these methods of zakat calculation, the following scenerio will apply for illustration:

| Zakat Assessment Year | Nisab Amount 2024 |
|-----------------------|-------------------|
| 2024 | RM24,000 |

1. Total Ending balance as at 31 October

Zakat calculation will be based on the customer's total end-of-day balance in Eligible Accounts as of 31 October each year. If the end-of-day balance on 31 October meets or exceeds the Nisab threshold, the amount will be multiplied by the applicable Zakat rate to determine the zakat amount.

Eligible accounts of the customer that were opened prior to the Assessment Year will be considered for zakat calculation. In contrast, eligible accounts open during the current Assessment Year will only be included if there are other eligible accounts opened prior to the Assessment Year. If no eligible accounts were opened in the previous Assessment Year, new accounts will only be eligible for zakat calculation in the next zakat assessment year. The table below provides a clear illustration of this:

| Scenario | Account opened before the assessment year | Account opened during the assessment year | Eligibility for assessment |
|----------|---|---|---------------------------------|
| 1 | Yes | No | All accounts must be assessed |
| 2 | Yes | Yes | All accounts must be assessed |
| 3 | No | Yes | No accounts need to be assessed |

Scenario 1: Encik Ziqri opened a Savings-i Qard Account, Al-Awfar Investment Account before the assessment year and opened a Term Deposit-i (Tawarruq) in the assessment year 2024. Therefore, all of Encik Ziqri's accounts will be cosidered for the Zakat Savings assessment as shown below:

| Before the year of assessment | Year of zakat assessment 2024 |
|-------------------------------|-------------------------------|
| Savings-i Qard Account | - |
| Al-Awfar Investment Account | - |
| - | Term Deposit-i (Tawarruq) |

| Type of Account | Date and Year Account was Opened | Current Balance as of 31 October 2024 (RM) |
|---------------------------------|----------------------------------|--|
| Savings-i Qard Account | 1 February 2014 | 10,000 |
| Al-Awfar Investment Account | 15 May 2016 | 50,000 |
| Term Deposit-i (Tawarruq) | 30 September 2024 | 5,000 |
| Total Amount of Ziqri's Account | - | 65,000 |
| The Amount of Zakat | - | 65,000 x 2.5% = RM 1,625 |

Note: The calculation is applicable for AMZ Kedah, Selangor & Wilayah Persekutuan Kuala Lumpur. Please refer to the website for any changes or further information.

2. Total lowest Balance during Haul

The Zakat calculation will be based on the customer's lowest total end-of-day balance in eligible accounts during the haul period. If the lowest balance during the haul meets or exceeds the Nisab threshold, the amount will be multiplied by the applicable Zakat rate to determine the zakat amount.

For zakat assessment using the lowest balance method, there are two variables related to the haul period:

2.1 Fixed Haul

The haul period will be fixed for one year, starting when the eligible account balance reaches or exceeds Nisab. Once the haul is completed and the zakat is paid (if applicable) based on the lowest balance, a new haul period will begin immediately, provided the total balance in the eligible account remains the same or above Nisab. If the balance falls below Nisab, a new haul period will start when the eligible account balance reaches or exceeds the Nisab amount again.

Scenario 1: Encik Luqman has a Savings-i Qard Account and Al-Awfar Investment Account which was opened before the year of assessment and opened a Term Deposit-i (Tawarruq) in the year of assessment 2024.

| Before the year of assessment | Year of zakat assessment 2024 |
|-------------------------------|-------------------------------|
| Savings-i Qard Account | - |
| Al-Awfar Investment Account | - |
| - | Term Deposit-i (Tawarruq) |

| Dates | *Daily Ending Balance (RM) during the Haul period | | | Total Amount (RM) |
|----------------------------|---|-----------------------------|---------------------------|-------------------|
| | Savings-i Qard Account | Al-Awfar Investment Account | Term Deposit-i (Tawarruq) | |
| 1 January 2024 | 30,000 | 3,000 | 2,000 | 35,000 |
| 22 April 2024 | 10,000 | 15,000 | 1,000 | 26,000 |
| 31 December 2024 | 1,000 | 1,500 | 25,000 | 27,500 |
| The Amount of Zakat | RM26,000 x 2.5% = RM 650 | | | |

Note: RM26,000 is the lowest balance during the haul period.

Scenario 2: Encik Shahrul has a Savings-i Qard Account and Al-Awfar Investment Account which was opened before the year of assessment and opened a Term Deposit-i (Tawarruq) in the year of assessment 2024.

| Before the year of assessment | Year of zakat assessment 2024 |
|-------------------------------|-------------------------------|
| Savings-i Qard Account | - |
| Al-Awfar Investment Account | - |
| - | Term Deposit-i (Tawarruq) |

| Dates | *Daily Ending Balance (RM) during the Haul period | | | Total Amount (RM) |
|----------------------------|---|-----------------------------|---------------------------|-------------------|
| | Savings-i Qard Account | Al-Awfar Investment Account | Term Deposit-i (Tawarruq) | |
| 1 January 2024 | 30,000 | 3,000 | 2,000 | 35,000 |
| 22 April 2024 | 10,000 | 1,500 | 2,500 | 14,000 |
| 31 December 2024 | 1,000 | 3,500 | 1,000 | 5,500 |
| The Amount of Zakat | No zakat is imposed because the lowest balance during the haul period was RM5,500. | | | |

2.2 Flexible Haul

The haul begins when the eligible account balance meets or exceeds the Nisab amount. If the end-of-day balance during the haul falls below the Nisab, the haul will be cancelled. A new haul period will begin once the balance meets or exceeds the Nisab again. The zakat amount will be based on the lowest balance during the one-year period, multiplied by the Zakat rate. Upon completion of the haul, a new haul period will begin immediately, provided the total balance remains the same or above Nisab. If the balance falls below Nisab, the haul period will restart when the eligible account balance reaches or exceeds Nisab again.

Scenario 1: Puan Amira has a Savings-i Qard Account and Al-Awfar Investment Account which was opened before the year of assessment and opened a Term Deposit-i (Tawarruq) in the year of assessment 2024.

| Before the year of assessment | Year of zakat assessment 2024 |
|-------------------------------|-------------------------------|
| Savings-i Qard Account | - |
| Al-Awfar Investment Account | - |
| - | Term Deposit-i (Tawarruq) |

| Date | *Daily Ending Balance (RM) during the Haul period | | | | Nisab Status | Status |
|----------------------------|---|-----------------------------|---------------------------|-------------------|--------------|--------------------------------|
| | Savings-i Qard Account | Al-Awfar Investment Account | Term Deposit-i (Tawarruq) | Total Amount (RM) | | |
| 30 December 2023 | 3,000 | 3,000 | 2,000 | 8,000 | Not Reach | Registered Zakat |
| 1 January 2024 | 10,000 | 15,000 | 25,000 | 50,000 | Reach | Haul start |
| 22 April 2024 | 30,000 | 3,000 | 2,000 | 35,000 | Reach | Haul start from 1 January 2024 |
| 31 December 2024 | 3,000 | 50,000 | 2,000 | 55,000 | Reach | Haul period end |
| The Amount of Zakat | RM35,000 x 2.5% = RM 875 | | | | | |

Note: RM35,000 is the lowest balance during the haul period.

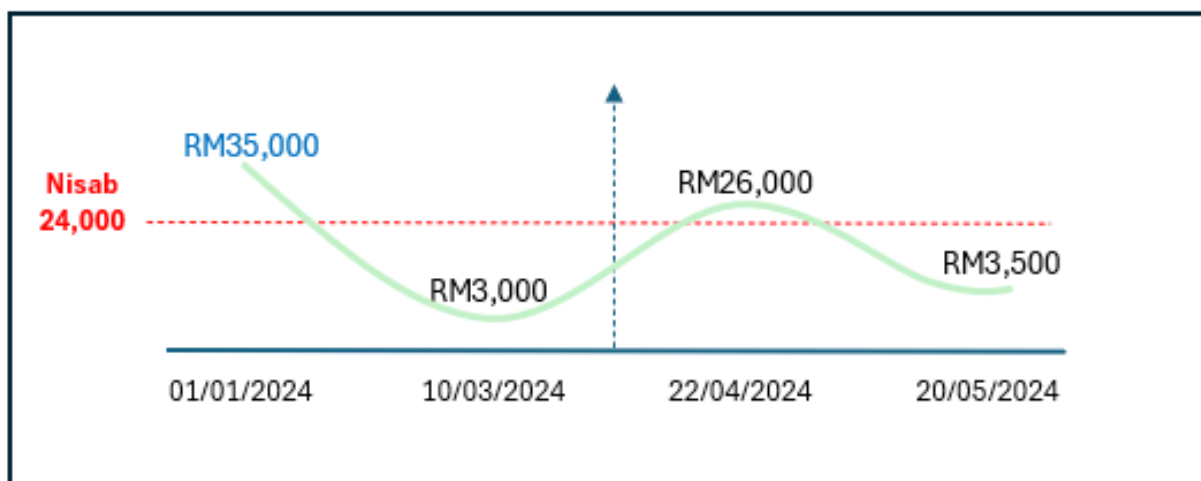
Scenario 2: Encik Abu has a Savings-i Qard Account and Al-Awfar Investment Account which was opened before the year of assessment and opened a Term Deposit-i (Tawarruq) in the year of assessment 2024.

| Before the year of assessment | Year of zakat assessment 2024 |
|-------------------------------|-------------------------------|
| Savings-i Qard Account | - |
| Al-Awfar Investment Account | - |
| - | Term Deposit-i (Tawarruq) |

| Dates | *Daily Ending Balance (RM) during the Haul period | | | | Nisab Status | Status |
|------------------|---|-----------------------------|---------------------------|-------------------|--------------|--------------------------|
| | Savings-i Qard Account | Al-Awfar Investment Account | Term Deposit-i (Tawarruq) | Total Amount (RM) | | |
| 30 December 2023 | 3,000 | 3,000 | 2,000 | 8,000 | Not Reach | Registered Zakat |
| 1 January 2024 | 30,000 | 3,000 | 2,000 | 35,000 | Reach | Haul start |
| 10 March 2024 | 1,000 | 1,500 | 500 | 3,000 | Not Reach | Haul 1 January 2024 void |
| 22 April 2024 | 10,000 | 15,000 | 1,000 | 26,000 | Reach | Haul restart |

| | | | | | | |
|----------------------------|---|-------|-------|-------|-----------|-------------------------------|
| 20 May 2024 | 1,000 | 1,500 | 1,000 | 3,500 | Not Reach | Haul 22 April 2024 void |
| The Amount of Zakat | No zakat is imposed on 22 April 2025 as the haul on 22 April 2024 was nullified on 20 May 2024 | | | | | |

Note: A haul is 365 days. If your balance drops below nisab current haul will be terminated, a new haul starts when the balance exceeds nisab again.



Note: AMZ list is periodically updated. Subject to the participation of AMZ State from time to time. A full list of AMZs participating in this service can be found on the Bank Islam website at www.bankislam.com.

7. What are the customer's responsibilities after subscribing to this Zakat Savings and Investment Payment Service?

The customer is responsible for ensuring that the preferred account for zakat payment is active and that the account balance is sufficient to cover the zakat payment.

8. What will the Bank do if the balance in the customer's designated account is insufficient to make the zakat payment?

If the designated account is closed, or if the balance is insufficient to cover the zakat payment, Bank Islam will not attempt to debit any other available accounts. In such cases, the Bank will not make the zakat payment on behalf of the customer for that assessment year. The customer will be responsible for fulfilling their zakat obligation independently for that year.

9. Will customers incur any fees utilize this Zakat Savings and Investment Payment Service?

No charge will be imposed on customers who agree to register/subscribe to the Zakat Savings and Investment Payment Service with Bank Islam Malaysia Berhad.

10. What do I need to do if there are changes to my contact details?

It is important for you to inform the Bank on any changes of your contact details to ensure that all correspondences reach you in a timely manner. To update your personal details, you may visit the nearest Bank Islam Branch or call / email Bank Islam Contact Centre & Customer Care (as outlined in section 11)



APPENDIX 1

11. Who should I contact for further information or to lodge a complaint?

- If you wish to make any queries or complaint on the products or services provided,, you may contact the bank at:

Contact Centre & Customer Care

Tingkat 17, Menara Bank Islam

No 22, Jalan Perak,

50450 Kuala Lumpur

Tel: 03-2690 0900

Fax: 03-2782 1337

Email: contactcentre@bankislam.com.my or customercare@bankislam.com.my; or

- If your query or complaints are not resolved by the bank, you may contact Bank Negara Malaysia LINK through TELELINK at:

(a) Telephone: 1-300-88-5465 (1-300-88-LINK)

(b) Fax : +603-2174 1515

(c) BNMLINK : bnmlink.bnm.gov.my

(d) Letter to: **Laman Informasi Nasihat dan Khidmat (LINK)**

Bank Negara Malaysia

P.O. Box 10922

50929 Kuala Lumpur

Note: The information contained here is accurate at the time of publication and is subject to change in accordance with the methods, regulations, or guidelines issued by Bank Negara Malaysia from time to time.

The information provided in this information sheet is valid as of... – 1 March 2025