

**PRODUCT DISCLOSURE SHEET**

Kindly read this Product Disclosure Sheet before you decide to take out the Term Deposit-i (Tawarruq)/Term Deposit-i (Tawarruq) – Special. Be sure to also read the terms and conditions for the product.

**BANK ISLAM MALAYSIA BERHAD**
**Term Deposit-i (Tawarruq)/Term Deposit-i (Tawarruq) – Special**
**Jan 1, 2019**
**1. What is this product about?**

Term Deposit-i (Tawarruq)/Term Deposit-i (Tawarruq) – Special is a term deposit product with a fixed profit rate. The profit is derived from the commodity purchase and sale transactions based on the fixed profit rate determined upfront. This product is covered by Malaysia Deposit Insurance Corporation/Perbadanan Insurans Deposit Malaysia (MDIC/PIDM) up to RM250,000 per customer.

**2. What is the Shariah concept applicable?**

The applicable Shariah concept is Tawarruq where the commodity is used as an underlying asset for the purchase and sale transactions between commodity trader(s), the Customer and the Bank.

**Definition of Tawarruq**

A tawarruq consists of two sale and purchase contracts. The first involves the sale of an asset by a seller to a purchaser on a deferred basis. Subsequently, the purchaser of the first sale will sell the same asset to a third party on a cash and spot basis.

**Roles & Responsibilities of the Contracting Parties in Tawarruq based Deposit Product**

As the Purchase Agent for the customer, the Bank on behalf of the customer is obliged to purchase the commodity from commodity supplier at cost price. As the Sale Agent for the customer, the Bank on behalf of the customer shall sell the commodity to the Bank on Murabahah basis at cost plus profit. The Bank is obliged to pay the amount due from the Murabahah transaction as per the agreed terms.

**3. What are the key features of the product and what do I get from this product?**

Minimum Deposit Placement	<ul style="list-style-type: none"> <li>▪ RM1,000 for 1 month and RM500 for 2 months and above</li> <li>▪ For Term Deposit-i (Tawarruq) – Special, it is negotiable</li> </ul>
Tenure	<ul style="list-style-type: none"> <li>▪ 1 month to 60 months</li> <li>▪ For Term Deposit-i (Tawarruq) – Special, it is negotiable</li> </ul>
Profit Rate	Fixed rate determined upfront, upon deposit placement
Profit Payment Frequency	<ul style="list-style-type: none"> <li>▪ Upon maturity (tenure up to 1 year)</li> <li>▪ Half-yearly profit payment (tenure above 1 year)</li> </ul>
Capital Guaranteed	Yes
Brokerage Fee	Absorbed by the Bank except for cases in pre-mature withdrawal

**4. What are the other key terms and conditions of this product that I should know?**

Partial Withdrawal	Partial withdrawal is not allowed
Pre-mature Withdrawal	<ul style="list-style-type: none"> <li>▪ Pre-mature withdrawal is allowed but no profit will be paid.</li> <li>▪ The Bank will charge the Customer for any brokerage fees/charges actually charged by any third party Commodity Trader for sale and purchase of the Commodity. However, the Customer shall only be liable to pay 50% of the total brokerage fees/charges and the amount payable shall be deducted from the Sale Price (Murabahah)</li> </ul>

**5. What are the fees and charges that I have to pay?**

Replacement of lost certificate – Stamp Duty of RM10.00 will be charged for the Indemnity Letter regardless of the deposit amount.

**6. What are the major risks involved?**

There is no risk involved in this product if no pre-mature withdrawal is made. Upon pre-mature withdrawal is made by customer, customer may lost the profit from deposit placement.

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

It is your responsibility to inform us of any changes to your contact details to ensure that all correspondences reach you in a timely manner.

## 8. Where can I get further information?

If you have any queries, you may contact us at:

- i) Contact Centre & Customer Care  
Bank Islam Malaysia Berhad  
17<sup>th</sup> Floor, Menara Bank Islam,  
No. 22, Jalan Perak,  
50450 Kuala Lumpur.  
Tel: 03-26 900 900  
Email: [contactcenter@bankislam.com.my](mailto:contactcenter@bankislam.com.my); or
- ii) Our nearest Branches; or
- iii) Treasury Sales Team (For Corporate Customer only) (Available During Office Hours) - Tel: 03 2090 1710/1711 Fax: 03 2088 8686; or
- iv) Visit our website [www.bankislam.com.my](http://www.bankislam.com.my)

## 9. Other similar type of term/fixed deposit available?

Nil.

*The information provided in this disclosure sheet is valid as at January 1, 2019.*