

Multi Currency Account-i (MCA-i) Terms and Conditions (T&C)

Note: This MCA-i T&C to be read together with RHB Bank Berhad / RHB Islamic Bank Berhad Non Individual Account Terms and Conditions

4. Multi Currency Account-i (MCA-i)

General Terms and Conditions

- 4.1 These general terms and conditions are applicable for both Qard Multi Currency Current Account-i (QMCCA-i) and Commodity Murabahah Multi Currency Account-i (CMMCA-i) (collectively referred to as "MCA-i") opened or to be opened with RHB Islamic Bank Berhad (the Bank).
- 4.2 The Bank reserve the right to stipulate the acceptable type of foreign currency. For QMCCA-i, hibah (gift) may be given at the Bank's discretion. For CMMCA-i, the profit rates for deposits will be subject to certain tenures and conditions in which full details can be viewed at www.rhbgroup.com.
- 4.3 Opening of MCA-i with the Bank shall be administered in compliance with the relevant provisions of the Foreign Exchange Policy Notices ("FEP Notices") and directions issued by Bank Negara Malaysia ("BNM") pursuant to the Islamic Financial Services Act 2013 and its amendments thereto from time to time.
- 4.4 In accordance with the FEP Notices, all foreign currency accounts maintained by Malaysian residents with licensed onshore banks in Malaysia shall be designated as either Trade Foreign Currency Account (Trade FCA) or Investment Foreign Currency Account (Investment FCA) based on the purpose of opening of account. The approved sources and uses of funds of both Trade FCA and Investment FCA are as per the FEP Notices, regulations or directions issued by BNM. The classification of MCA-i by the Bank is as per below:
 - i. For Individuals, the MCA-i Individual Account (INDA/NSCM) and MCA-i Individual Export Proceeds Account (INEX/ITCM) is classified as Trade FCA.
 - ii. For Entities, the MCA-i Export Proceeds Account (EXPA/XPCM) is classified as Trade FCA, while, MCA-i non Export Proceeds Account (NEPA/EQCM) is classified as Investment FCA.
- 4.5 The operations, sources and uses of funds in the Trade FCA and Investment FCA with the Bank shall be governed by the relevant provisions under the FEP Notices, regulations and directions issued by BNM from time to time and amendments to the same from time to time.
- 4.6 The MCA-i is a non-cash account. Export or non-export proceeds may be deposited only by means of conversion from RM CASA-i, telegraphic transfer, foreign bank draft, cheque or negotiable instrument in such form and substance acceptable to us. Proceeds of any Ringgit Malaysia or other foreign currency cheque, draft or negotiable instrument and moneys payable to the Accountholder shall be credited to the MCA-i at the prevailing exchange rate on the payment date or any rate agreed by the customer on the payment date.
- 4.7 No withdrawals from the MCA-i will be permitted in any foreign currency in cash in Malaysia.
- 4.8 The Bank reserves the right to levy a service charge in connection with the operation of MCA-i. The applicable service charge will be notified to the Accountholder from time to time in the manner set out in these Terms and Conditions. A statement of account will be issued to the Accountholder every month.
- 4.9 The Bank shall not be responsible or liable for any loss resulting from the remittance or transfer of proceeds of any deposit uplifted where such proceeds are remitted or transferred in accordance with instructions given by the Account holder (unless the same is attributable to our gross negligence, willful misconduct, willful default or fraud).
- 4.10 No deposit may be assigned, charged, pledged or otherwise encumbered by the Accountholder in any manner whatsoever except with our prior written consent of the Bank.
- 4.11 Where the repayment of the deposit is rendered illegal or deferred by any act or order of the Government of the currency involved or of the country where such deposit is alternatively placed, the Accountholder must accept the risk of such foreign acts of state. We shall incur no liability by reason of any change in the applicable law, governmental regulation or order, of the country of currency, or in the country where such deposit is placed.
- 4.12 For resident(s) with domestic borrowing/financing, who is:
 - i. Converting Ringgit Malaysia into foreign currency; or
 - ii. Using foreign currency funds in Trade FCAfor the purpose of investing in foreign currency or deposit into the Investment FCA is subject to such limit imposed by BNM, i.e. up to RM50 million p.a. for company accounts and RM1 million p.a. for individual accounts. No limit is imposed for Residents without any Domestic Ringgit Borrowing/Financing. Not applicable to Non-Residents.
- 4.13 The Bank reserve the right to assign a committed or internal limit to the MCA-i which may be less than the eligible limit by virtue of Islamic Financial Services Act 2013 and Notice 3 of the FEP Notices. This also applies to the Accounts where no limits have been imposed. This committed or internal limit shall be subject to periodic reviews by the Bank.
- 4.14 All foreign currency proceeds for export of goods are to be credited into Trade FCA only.
- 4.15 All THB currency ("THB") in MCA-i is defined as Non-Resident Baht Account (NRBA) to accommodate THB funds for the purpose of settlement in trade, services, lending or direct investment activities in Thailand ONLY. The MCA-i CANNOT accommodate THB funds/settlement that is not in the same category such as Non-Resident Baht Securities (NRBS).
- 4.16 Conversion of IDR funds in the MCA-i to Ringgit Malaysia or other foreign currencies is subject to market depth

- or counterparties availability.
- 4.17 The Accountholder shall furnish the Bank with any information as may be required by the Bank from time to time pertaining to the FEP Notices.
 - 4.18 The Bank reserve the right to convert and remit such deposits to the Registrar of the Unclaimed Moneys in Ringgit Malaysia or in any other foreign currency as the Bank deem appropriate at our prevailing conversion rate.
 - 4.19 The Bank shall be at the liberty at any time with prior notice of not less than seven (7) calendar days given to the Accountholder in the manner prescribed in the Terms and Conditions to set-off the deposited sum or any part thereof against such indebtedness in Malaysia and abroad, actual or contingent, primary or collateral, joint and several despite such indebtedness is in a different currency from the deposit and the Bank are authorized to effect any necessary conversion at the conversion rate at our prevailing conversion rate.
 - 4.20 Despite the above terms and conditions, the opening and operation of the MCA-i is subject to the banking practices and laws of Malaysia, Islamic Financial Services Act 2013, rules and regulations of the Association of Banks in Malaysia and the rules and notices applicable for foreign exchange transaction under the Foreign Exchange Control for Malaysia as determined by the FEP Notices including any amendments made to such laws, rules and regulations from time to time.
 - 4.21 All MCA-i are protected by PIDM up to RM250,000 for each depositor.

Commodity Murabahah Multi Currency-i (CMMCA-i) Terms and Conditions

- 4.22 These Commodity Murabahah Multi Currency-i terms and conditions are applicable for both call and term deposit Accounts (collectively referred to as "CMMCA-i") opened or to be opened with the Bank.
- 4.23 CMMCA-i shall operate in accordance with the Shariah concepts of Commodity Murabahah (cost plus profit) via Tawarruq Arrangement (monetization). Under this principal, the Customer shall appoint the Bank as agent to do all acts as fully as the Customer could do with respect to the purchase of Shariah compliant goods and commodities in the local markets at the purchase price to be mutually agreed between the Customer and the Bank ("Purchase Price").
- 4.24 By making deposit and/or subsequent placement, the customer agrees to these Terms and Condition.
- 4.25 Commodity is referring to any commodity as determined by the Bank which is halal and is in compliance with Shariah principles on an "as is where is" basis, without any representations or warranties from the Bank as to the quality, condition, quantity and description and without liability on the part of the Bank for any loss, damage or deterioration not attributable to the Bank's gross negligence, wilful misconduct, wilful default or fraud ("Commodity").
- 4.26 No commodity transaction shall be made in gold, silver, currencies, assets to be constructed or under construction, assets which are debt in nature or any Commodity that are not halal and not Shariah compliant such as pork, alcoholic drinks, tobacco and narcotics.
- 4.27 The transfer of the Commodity shall be evidenced by Commodity E-certificates.
- 4.28 The profit payment shall be paid at maturity.
- 4.29 The Bank shall purchase from the Customer the Commodity at a selling price comprising the Purchase Price and the Profit on a deferred basis ("Selling Price"). The Selling Price shall be calculated in a manner as stipulated in clause 4.47 and 4.48.
- 4.30 The cash upfront payment shall be treated as a security deposit ("Hamish Jiddiyah") by us to secure a promise to purchase the asset and it is given based on trust.
- 4.31 Upon entering into the sale and purchase contract, the security deposit will be treated as part of the payment of the agreed Selling Price.
- 4.32 For avoidance of doubt, the tenure of the Selling Price will be as the following ("Tenure"):
 - i. For call deposit, the remaining days from deposit placement day until the end of the year.
 - ii. For term deposit, the tenure shall be determined by the Bank at its sole and absolute discretion
- 4.33 The trading transactions shall be done in the same currency placed and/or transacted by customer.

Appointment as Agent

- 4.34 The Customer agrees to appoint the Bank and the Bank agrees to accept the appointment as agent of the Customer to do and execute purchase and sale of the Commodity in accordance with these Terms and Conditions and to negotiate with the Commodity traders, industrial firms, their suppliers ("Supplier") and their clients on behalf of the Customer in relation thereto ("Agent").
- 4.35 The Customer shall not revoke the appointment of the Bank as agent as long as the account remains available. The appointment of the Bank as agent of the Customer shall cease upon closure of the account.
- 4.36 Each transaction will be entered into by the Bank in the name of the Customer on a fully disclosed basis. The Bank as Agent will look after the best interest of the Customer and acts in good faith in performing its obligations and dealing in the transactions.
- 4.37 The Bank shall be authorized to delegate its rights and duties as such Agent herein to any third party to do all

- acts necessary for the completion of the required transactions.
- 4.38 The Customer shall be held liable for the trade transactions referred to in Clause 4.41 ("Trade Transactions") entered into by the Bank as an Agent, save and except where such actions, claims, demands, liabilities, losses, damages, costs and expenses arise from the gross negligence, wilful misconduct, wilful default or fraud of the Agent.
- 4.39 The Customer indemnifies the Bank on its first demand against all losses, claims, actions, proceedings, damage, costs and expenses whatsoever brought or claimed by any party and/or incurred or sustained by the Bank as a result of the buying and selling of the Commodity under any transaction hereunder as Agent of the Customer or a breach by the Customer of any of his/her/their obligations herein. The indemnity given shall survive termination of these Terms and Conditions and any sums payable under it shall not be subject to any deduction whether by way of set off counter claim or otherwise.
- 4.40 The Bank shall not be obliged to enter into any transaction, nor follow any instruction of the Customer, if in the opinion of the Bank by entering into such transaction or following such instruction, the Bank or any of its affiliate would be in contravention or violation of any law, policy, rule or regulation.

Trade Transactions

- 4.41 Subject to the provisions herein contained, the Murabahah transactions shall be as follows:
- i. On any Business Day, the Customer shall make deposit placement by depositing the minimum amount required (initial deposit) in order to activate the account.
 - ii. By making deposit placement, the Customer hereby appoints the Bank as Agent and instructs the Bank to enter into a purchase transaction to purchase Commodity for an amount equals to the deposit placement ("Purchase Transaction").
 - iii. Simultaneously (or on the next day), Bank as Agent for and on behalf of the Customer, will purchase the Commodity at the Purchase Price from the supplier using the deposited amount.
 - iv. After possessing ownership of the Commodity on behalf of the Customer, the Bank as Agent will subsequently sell the commodity to itself at a Selling Price ("Sale Transaction") on deferred payment basis.
 - v. Sale transaction for call and term deposit shall be conducted on the following manner:
 - a. For call deposit, subject to rebate (ibra') terms, the Bank will pay the Selling Price on instalment basis where the Profit will be credited monthly and the principal will be paid based on set-off mechanism. On the last day of the Tenure ("Maturity Date"), the Bank shall pay the outstanding balance of the Selling Price minus rebate (where applicable) under the sale transaction (if any) and subsequently, will make a new Commodity Murabahah via Tawarruq transaction for a new tenure in accordance with the Terms and Conditions herein.
 - b. For term deposit, on the last day of the Tenure ("Maturity Date"), the Bank shall pay the deferred sale price under the Sale Transaction ("Selling Price") in accordance with the Terms and Conditions herein.
 - vi. The Purchase Transaction and the Sale Transaction shall collectively be referred to as Trade Transactions.
 - vii. The brokerage/ trading fees to buy and sell the commodity will be borne by the Bank.
- 4.42 Despite the above, the customer has instructed the Bank to enter into a Purchase Transaction and the customer fail to effect payment of the Purchase Price of the Commodity on the relevant purchase date, the customer shall bear all actual losses and indemnify us pursuant to Clause 4.39.
- 4.43 For the purposes of the Trade Transactions and these Terms and Conditions, the expression "Business Day" means a day (excluding Saturday, Sunday and Public Holiday) which the Bank are open for business in Malaysia.

Commodity Trading

- 4.44 The commodity trading will take place on daily basis based on the amount as at Cut-off-time (COT) which will be at 11.59pm. It will be transacted on the following day ("Commodity Trading").

Trading Amount

- 4.45 For call deposit, The Trading Amount will be determined by taking the daily balance of aggregate deposits and withdrawals for the respective day ("Daily Balance"):
- i. If the daily deposit is larger than daily withdrawal, Commodity Trading would be done on the Daily Balance.
 - ii. If daily withdrawal is the same or larger than daily deposit, the trading amount will be nil; no Commodity Trading will take place.
- 4.46 For term deposit, the Trading Amount will be determined by placement amount.

Profit Calculation

4.47 For call deposit, calculation of Selling Price for trading purposes and actual Profit ("Actual Profit") received by customer will be based on the following formulas:

Selling Price

$$\text{Selling Price} = \text{Daily Balance of Call deposit} \times \left(1 + \text{CPR \%} \times \frac{\text{Days}^*}{360 \text{ or } 365^{**}}\right)$$

Actual Profit***

$$\text{Actual Profit} = \text{Aggregate Balance of Call deposit} \times \text{EPR \%}^{****} \times \frac{1}{360 \text{ or } 365^{**}}$$

*No. of days will be determined based on the remaining days from date of deposit until the end of the tenure (Profit crediting will be done on monthly basis).

CPR: Contracted Profit Rate

CPR is used as the ceiling rate to determine the Selling Price. Current CPR is at 7.0 %. Bank at its discretion may change the CPR from time to time.

**360 or 365 is subjected to currency type

***Actual Profit accrued daily and will be credited to customer account on monthly basis.

****Effective Profit Rate (EPR) will differ based on currency.

Rebate (Ibra')

The Customer agrees to give rebate based on the following formula events:

i. If daily withdrawal is greater than daily deposit:

$$\text{Daily Balance of Call deposit} \times \text{CPR} \times \frac{\text{Days}^*}{360 \text{ or } 365}$$

ii. When EPR is lower than CPR

$$\text{Aggregate Balance of Call deposit} \times (\text{CPR} - \text{EPR}) \times \frac{\text{Days}^{**}}{360 \text{ or } 365}$$

iii. If there is any change in CPR

$$\text{Aggregate Balance of Call deposit} \times (\text{Previous CPR}) \times \frac{\text{Days}^{***}}{360 \text{ or } 365}$$

*The remaining days from date of withdrawal until Maturity Date

**The days from deposit placement until Profit crediting day

***The remaining days from new CPR until Maturity Date.

4.48 For term deposit, calculation of Selling Price for trading purposes and actual profit ("Actual Profit") received by customer will be based on the following formulas:

Selling Price

$$\text{Selling Price} = \text{Placement Amount of Term deposit} \times \left(1 + \text{EPR \%} \times \frac{\text{Days}^*}{360 \text{ or } 365^{**}}\right)$$

Actual Profit***

$$\text{Actual Profit} = \text{Placement Amount of Term deposit} \times \text{EPR \%}^{****} \times \frac{\text{Days}^*}{360 \text{ or } 365^{**}}$$

*No. of days will be determined based on placement tenure.

**360 or 365 is subjected to currency type

***Actual Profit accrued daily and will be compounded upon autorenewal

****Effective Profit Rate (.) will differ based on currency.

Rebate (Ibra')

In the event of early withdrawal, the customer agrees to give rebate based on the following formula:

$$\text{Rebate Amount} = \text{Placement Amount of Term deposit} \times \text{EPR \%}^{****} \times \frac{\text{Days}^*}{360 \text{ or } 365^{**}}$$

Notification of Completed Trading

4.49 The Customer will be notified on transacted amount, date of transaction and entitled Profit rate through their respective bank statements.

Set-off mechanism due to new deposit and withdrawal

4.50 For call deposit, new deposits (Customer appoints Bank as Agent to buy and sell Commodity on behalf of Customer) and withdrawals (Qard (loan) by the Bank to Customer) will be set-off daily against each other during the COT.

4.51 In the event the daily withdrawal of call deposit is greater than the daily deposit, the payment of the Selling Price will be accelerated and set-off against relevant withdrawal amount.

4.52 Notwithstanding the above, once the Customer has instructed the Bank to enter into a Purchase Transaction and the Customer fails to effect payment of the Purchase Price of the Commodity on the relevant purchase date, the Customer shall bear all actual losses and indemnify the Bank pursuant to Clause 4.42 above.

Renewal Instruction

4.53 For call deposit, Bank will automatically renew Customer's account upon the expiry of each Maturity Date.

4.54 For term deposit, unless instruction is received on a term deposit placement date or at least two (2) business days before a term deposit matures, the customer hereby instructs and authorizes the Bank to renew his/ her CMMCA-i placement upon the expiry of each maturity date subject to these the terms and conditions. For the avoidance of doubt, the Customer shall continue to appoint the Bank as his/ her Agent to undertake the Trade Transactions for renewal purposes.

4.55 The term deposit will be automatically renewed on maturity for a further identical tenure for the same currency at the prevailing profit rate at the time the deposit is renewed. Profit accrued/accumulated will be compounded on renewal.

4.56 For renewal of the term deposit, the Bank will send an official advice to the Account holder's address last registered with the Bank. The new advice will supersede and replace the earlier advice.

Premature Withdrawal

4.57 Premature withdrawal of the term deposit is not permitted unless under exceptional circumstances and at the Bank's discretion. Where a premature withdrawal of the term deposit is permitted by the Bank, no profit will be paid on the term deposit.

4.58 Partial Withdrawal is not allowed

Miscellaneous

4.59 Both the Bank and the Customer hereby irrevocably agree and acknowledge that these Terms and Conditions, the underlying structure herein and the Trade Transactions are Shariah compliant. Accordingly, each of the parties hereto agrees that it shall not henceforth raise any dispute in relation to the Shariah compliancy of these Terms and Conditions and the Trade Transactions.

4.60 Subject to the Clause 4.59 above, both the Bank and the Customer hereby agree and acknowledge that if any question arises concerning a Shariah matter in any proceedings before any court or arbitrator in relation to these Terms and Conditions and the Trade Transactions, such question shall be referred to the Shariah Advisory Council established under subsection 52 (1) of the Central Bank of Malaysia Act 2009 for its ruling, whose decision shall be final and binding upon the parties to these Terms and Conditions and the Trade Transactions and the parties shall take all steps necessary to cause/procure the court or arbitrator to refer to such question to the Shariah Advisory Council.

4.61 It is agreed and acknowledged that the provisions set out in these Terms and Conditions and each Trade Transaction is not intended to be, and shall not be, governed by the rules of the local commodity exchange on which such Commodity are traded and is considered as an OTC contract.

4.62 Time wherever mentioned shall be of the essence.