

## FREQUENTLY ASKED QUESTIONS (FAQs)

### CHANGE OF SHARIAH CONCEPT FOR AFFIN BARAKAH CHARITY ACCOUNT-i

#### **1. Why the Shariah concept for AFFIN Barakah Charity Account-i (“ABCA-i”) need to be changed from Qard to Tawarruq/Commodity Murabahah?**

- The change of Shariah concept for AFFIN Barakah Charity Account-i (“ABCA-i”) from Qard to Tawarruq/Commodity Murabahah is part of the Bank’s initiative for better product’s offering to our customers.
- Under Shariah concept of Tawarruq/Commodity Murabahah, the customers will be able to enjoy a fixed rate of return on their account and to participate in the Bank’s promotion for saving account under the concept of Tawarruq/Commodity Murabahah.

#### **2. What is the difference between Shariah concept of Tawarruq/Commodity Murabahah and Qard?**

##### **• Tawarruq/Commodity Murabahah**

This Shariah contract is based on Murabahah (cost plus profit) concept, whereby a specific Shariah-compliant commodity (the Commodity consists of crude palm oil (CPO), rubber or any other commodity as advised by the Commodity Supplier) of which will be identified and used as an underlying asset for the sale and purchase transactions between the Bank and the Customer.

To facilitate the underlying transaction for the account, the Customer agrees to appoint the Bank and the Bank agrees to accept the appointment as an agent of the Customer to do and execute purchase and sale of the Commodity in accordance with terms and conditions of this product.

The Bank as agent will purchase the Commodity on behalf of the Customer at Purchase Price from a commodity supplier and thereafter, sell the Commodity to the Bank at Sale Price on the basis of Murabahah which shall be paid to the Customer at the end of tenure (taking into consideration any rebates, if any).

##### **• Qard**

Qard refers to a contract of lending money, where the Bank guarantees the repayment of the loan (money deposited by the Customer). The Bank has the right to utilise the money in the account.

#### **3. Will there be any changes in product features after the change of the Shariah concept?**

- There are no changes in the existing product features.
- All facilities and other related banking services that you currently enjoy such as passbook, Debit Card-i, online banking and self-service terminals will not be affected and your account number will remain the same for your convenience.
- You can continue your contribution to charity as per your charity percentage selected earlier.

#### **4. When will the change of the Shariah concept for ABCA-i take effect?**

- The change of the Shariah concept for ABCA-i will take effect on 12 January 2021 for new customers.

- For existing customers, the change of Shariah concept for ABCA-i will take effect on 6 February 2021.

**5. Will I be entitled to any return after my account change to Tawarruq/Commodity Murabahah?**

- Under the Shariah concept of Tawarruq, the Bank will provide a fixed rate of return to you.
- For the latest profit rate for ABCA-i, please refer to our website at [www.affinislamic.com.my](http://www.affinislamic.com.my)

**6. Are there any changes in fees and charges?**

- There are no changes in fees and charges for ABCA-i.

**7. Is there any cost that I need to pay for the change?**

- The change of Shariah concept will be carried out at no cost to you.

**8. Is there any forms or letter that I need to sign?**

- For existing customers, you are required to sign Letter of Consent and Appointment as Agent to formally appoint the Bank as an agent to execute purchase and sale of Commodity under ABCA-i. You may visit your branch to execute the necessary forms.

**9. Is ABCA-i under the Shariah concept of Tawarruq protected under Perbadanan Insurans Deposit Malaysia (PIDM)?**

- Yes, ABCA-i is protected by PIDM up to RM250,000 per depositor.

**10. What if I do not agree on the change of Shariah concept for ABCA-i? Can I opt to close my existing account?**

- As we mentioned above, this exercise will not give any significant effect on the product features, and you can continue to enjoy existing financial services as normal. However, should you disagree with this exercise, you may send a request to close your account with us.