

FREQUENTLY ASKED QUESTIONS (FAQs)

BIZ POWER FLEXI COMMODITY MURABAHAH DEPOSIT-i (CMD-i)

1) What is this product about?

Biz Power Flexi CMD-i is an Islamic term deposit with a fixed profit rate via the buying and selling of Shariah compliant commodities as the underlying asset based on the Shariah concept of Commodity Murabahah via Tawarruq arrangement.

2) What is the Shariah Concept applicable?

Shariah Concept	Definition (how applied)
Tawarruq	<p>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.</p> <p>Eg. Bank as Customer's agent will purchase commodity from Broker A and will buy it from Customer. Subsequently Bank will sell the commodity to Broker B.</p>
Murabahah	<p>Murabahah refers to a sale and purchase of an asset where the acquisition cost and the mark-up are disclosed to the purchaser</p> <p>Eg. Bank purchases commodity from Customer with mark-up price.</p>
Wakalah	<p>Wakalah refers to a contract where a party, as principal (muwakkil) authorizes another party as his agent (wakil) to perform a particular task on matters that may be delegated, with or without imposition of a fee.</p> <p>Eg. Customer appoints bank as their agent to buy and sell a commodity</p>
Ibra' (Rebate)	<p>Ibra' represents the 'waiver on right of claim' accorded by a person to another person that has an obligation (zimmah) which is due to him. Ibra' or 'rebate' refers to an act by a person relinquishing his rights to collect payment due from another person.</p> <p>Eg. In the event of premature withdrawal, Customer agrees to give Ibra' (rebate) of sale price agreed earlier to the Bank.</p>

3) What is the product structure and mechanism?

As per Commodity Murabahah Deposit-i (CMD-i).

4) Who is eligible for this product?

Sole proprietorships and partnership, and companies/business enterprises (SME & Commercial customers only and not applicable to Corporate customers).

5) What is the minimum deposit?

RM 100,000

6) What is the minimum account balance required?

RM50,000 (may vary subject to campaign mechanism).

7) Is partial withdrawal allowed?

The customer is allowed to perform partial withdrawal after fifteen (15) completed days. If the customer perform partial withdrawal after fifteen (15) completed days, the following conditions shall apply :-

- A minimum principal balance of RM50,000.00 must be maintained till maturity date.
- The partial withdrawal amount shall be in multiples of RM1,000.00 per withdrawal subject to a minimum amount of RM 10,000.00 per withdrawal.
- Profit shall be paid based on 50% of the contracted rate for each completed days based on the withdrawn amount.
- Profit shall not be paid for partial withdrawal performed within the first fifteen (15) days during the 1st-3rd step-up tenures.
- The remaining principal balance shall continue to earn profit based on the contracted profit rates till the maturity date.

If customer insists on the withdrawal that will result in not meeting a minimum principal balance of RM50,000 till maturity, a full withdrawal must be performed instead with zero profit payment.

Note: Effective 1 January 2019, no profit is paid when premature/partial withdrawal is perform prior to the date of each quarterly interest payment, regardless of completed days.

8) Where can customers find more information about Biz Power Flexi CMD-i?

Visit our RHB website <https://www.rhbgroup.com/products-and-services/personal/islamic/deposits/term-deposit/commodity-murabahah-deposit-i> or any RHB Bank/RHB Islamic Bank branches.