

FREQUENTLY ASKED QUESTIONS (FAQ)

Please read this FAQ on the conversion of conventional Savings Account to Shariah Compliant Commodity Murabahah Savings Account (CMSA-i).



1. What is the Conversion exercise all about?

The Conversion is an exercise undertaken by MBSB to convert MBSB'S conventional loans and deposits to Islamic assets and liabilities to ensure that MBSB becomes a fully Shariah compliant financial institution.

As such, all of MBSB's existing conventional savings accounts will be converted to Commodity Murabahah Savings Account-i (CMSA-i) in March 2018 or as advised by MBSB.

2. What will happen to my existing conventional savings account?

Your existing conventional savings account will be converted to a Shariah compliant savings account known as CMSA-i.

MBSB wishes to assure you that even with this Conversion exercise, you will continue to enjoy the same or better benefits with CMSA-i.

3. What is the Shariah contract applicable under CMSA-i?

The Shariah contract applied is Tawarruq which comprises Wakalah and Murabahah. This refers to two sale and purchase contracts where the first involves the sale of an asset to a purchaser on a deferred basis and subsequently involves sale of the asset to a third party on a cash basis.

Under the CMSA-i arrangement, the Tawarruq arrangement shall be as follows:

Upon account opening / Conversion, you will appoint MBSB as your agent to purchase Commodity, which MBSB deems fit, from any commodity trader and thereupon sell the Commodity to MBSB.

MBSB, acting as your agent, will purchase the Commodity on your behalf (upon converting the account to CMSA-i / upon receipt of deposited monies) at cost price (Purchase Price) equivalent to the Daily Net Deposit (DND) amount. (You are also entitled to request and take physical delivery of the Commodity at your own cost and expense).

Thereafter, MBSB will on its own capacity purchase the Commodity from you at cost plus profit (Selling Price) which shall be paid to you upon maturity. To facilitate the process, MBSB shall act as your agent in the selling of the Commodity. MBSB may thereafter, sell the Commodity to a third party.

The sale and purchase contracts in the Tawarruq arrangement will be executed upon initial placement of deposit / Conversion, when there is any DND and during deposit renewal upon end of tenure.

Definition:

- DND refers to any incremental deposit at end-of-day (EOD) balance of any single day and EOD balance of the account opening.
- Purchase Price refers to the amount equivalent to the DND and / or Total Outstanding Balance which will be used to purchase the Commodity on the trading day.
- Total Outstanding Balance refers to the prior year outstanding balance as at 31st December that shall be used for the computation of the Selling Price at each new year.
- Selling Price refers to the amount payable by MBSB means the sum payable by MBSB to acquire the Commodity from the Customer(s) on *Murabahah* basis which comprise of the Purchase Price of the Commodity and the profit.

Note: Trading of Commodity is executed via commodity platform.

4. Will there be any changes to the terms of my/our account upon Conversion?

All existing account operational and payment arrangements such as standing instruction and auto debit will continue to remain the same for your convenience.

5. Will I/we be given a new Savings Account-i Passbook?

You may continue using the existing savings passbook to perform your banking transactions as there will be no change to your account number.

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6.	<p>What are the actions required from me/us for the Conversion exercise?</p> <p>MBSB will issue Specific Notice to the affected customers explaining the details of the Conversion exercise. You will be required to signify your consent or disagreement to the Conversion exercise via completing the Response Form that is attached to the Specific Notice and return it to MBSB within the given notice period i.e. thirty (30) days.</p>
7.	<p>What happens after the expiry of the Conversion notice period?</p> <p>If MBSB does not receive any response from you on/or before the expiry of the Specific Notice period, MBSB will proceed with the Conversion deeming that you have consented to the Conversion of your account and agreed to the Terms & Conditions (T&C) of the CMSA-i.</p>
8.	<p>What if I opt not to proceed with the Conversion to CMSA-i (opt-out)?</p> <p>If you wish to opt-out, you will be required to close your conventional savings account at your Home Branch within three (3) months from the expiry of the Specific Notice.</p> <p>If you are unable to do so, please indicate your disagreement and provide other bank's account details registered under your name for crediting the account balance in the Response Form and return the same to us before the expiry of the Specific Notice i.e. thirty (30) days. Upon the expiry of the three (3) months period, MBSB will automatically close the account and transfer the balances in accordance to the instruction received in the Response Form.</p> <p>For accounts where there are no instructions indicated in the Response Form and/or the transfer is unsuccessful, MBSB deemed that you have agreed to authorize MBSB to transfer the balances to a non-profit bearing account until the amount is claimed by you.</p> <p>For your information, MBSB will then be required to transfer your unclaimed balance to the Registrar of Unclaimed Moneys after seven (7) years from the last transaction initiated by you as per the prevailing guidelines under the Unclaimed Moneys Act 1965.</p>
9.	<p>What if I/we do not receive the Specific Notice?</p> <p>The Specific Notice will be delivered to you based on the registered address with MBSB. As such, you are advised to notify MBSB of any change in address to ensure successful delivery of the Specific Notice.</p> <p>Alternatively, you may also visit our website at www.mbsb.com.my to view the sample template of the Specific Notice and FAQ which are made available in both English and Bahasa Malaysia. You may even request a copy of the Specific Notice and FAQ by contacting our Customer Call Centre (CCC) at 03-2096 3000 or e-mailing them directly at conversion@mbsb.com.my</p>
10.	<p>Where can I get further information / clarification?</p> <ul style="list-style-type: none">✓ Contact our Customer Call Centre (CCC) at 03-2096 3000 on weekdays between 8.30a.m to 5.30p.m.;✓ E-mail us at conversion@mbsb.com.my; or✓ Visit MBSB's website at www.mbsb.com.my