

FREQUENTLY ASKED QUESTIONS (FAQs)

Please read these FAQs on the Conversion of Wadi'ah Savings Account-i (WSA-i) to Commodity Murabahah Savings Account-i (CMSA-i).



1.	<p>What is the Conversion exercise all about?</p> <p>The Conversion is an exercise undertaken by MBSB Bank Berhad ("MBSB Bank") to convert all existing Wadi'ah Savings Account-i ("WSA-i") to Commodity Murabahah Savings Account-i ("CMSA-i") which will take effect end of July 2018 or at any earlier date as advised by MBSB Bank.</p>
2.	<p>What is the objective of the Conversion exercise?</p> <p>This is in line with BNM's requirement whereby all Islamic Financial Institutions (IFI) are required to reclassify Wadi'ah CASA-i based products to Qard by 31st July 2018 or alternatively to convert to other Shariah contracts that is of its equivalent or better.</p> <p>The initiative by MBSB Bank to convert all existing Wadi'ah based savings accounts to CMSA-i is to provide customers with better deposit products that are not only financially beneficial but will offer them a peace of mind as the new CMSA-i offers fixed profit rate which will be made known to the customers upon Conversion / account opening.</p>
3.	<p>What is the new Shariah concept following the Conversion?</p> <p>Following the Conversion, the new Shariah concept will be changed from Wadi'ah (Guaranteed Safekeeping) to 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 the subsequent sale involves sale of the asset to a third party on a cash basis.</p> <p>Under the CMSA-i arrangement, the Tawarruq arrangement shall be as follows: Upon Conversion, you will appoint MBSB Bank as your agent to purchase Commodity, which MBSB Bank deems fit, from any commodity trader and thereupon sell the Commodity to MBSB Bank.</p> <p>MBSB Bank, 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).</p> <p>Thereafter, MBSB Bank 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 Bank shall act as your agent in the selling of the Commodity. MBSB Bank may thereafter, sell the Commodity to a third party.</p> <p>The sale and purchase contracts in the Tawarruq arrangement will be executed upon Conversion, when there is any DND and during deposit renewal upon end of tenure.</p> <p>Definition:</p> <ul style="list-style-type: none">• 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 Bank to acquire the Commodity from the Customer(s) on <i>Murabahah</i> basis which comprise of the Purchase Price of the Commodity and the profit. <p>Note: Trading of Commodity is executed via commodity platform.</p>
4.	<p>Will there be any changes to the terms of my/our account upon Conversion?</p> <p>We wish to assure you that apart from the change in Shariah concept, all existing account operational and payment arrangements such as standing instruction and auto debit will continue to remain the same for your convenience.</p>
5.	<p>Will I/we be given a new Savings Account-i Passbook?</p> <p>You may continue using the existing savings passbook to perform your banking transactions as there will be no change to your account number.</p>

FREQUENTLY ASKED QUESTIONS (FAQs)

Please read these FAQs on the Conversion of Wadi'ah Savings Account-i (WSA-i) to Commodity Murabahah Savings Account-i (CMSA-i).



6.	Am I / Are we still eligible for Perbadanan Insurans Deposit Malaysia's (PIDM) coverage? Yes, you will still be eligible for coverage of up to RM250,000, subject to PIDM's Terms and Conditions.
7.	Where can I / we refer to for the profit rates of CMSA-i? Profit rate of CMSA-i will be published on our website at www.mbsbbank.com .
8.	How will the Bank pay the profit? The profit will be credited into your account at the end of every month.
9.	What are the actions required from me/us for the Conversion exercise? MBSB will issue Conversion Notice to the affected customers explaining the details of the Conversion exercise. For customers who are agreeable to the Conversion, no actions are required from them as the Conversion exercise will be performed by MBSB Bank at no cost to you , upon expiry of the 21 days' notice. You may continue to operate the account as usual. Nevertheless, if you do not wish for your account to be converted, you will be required to visit your Home Branch to close your WSA-i account(s) within 21 days from the date of the Conversion Notice.
10.	What happens after the expiry of the Conversion Notice period? MBSB Bank will proceed with the Conversion exercise deeming that you have consented to the Conversion of your account and agreed to the Terms & Conditions (T&C) of the CMSA-i.
11.	What if I/we disagree with the Conversion to CMSA-i? At the moment, MBSB Bank does not offer any other CASA-i products based on other Shariah contract apart from Commodity Murabahah. Please note that the product under CMSA-i is similar to the product that you are currently subscribing. As explained under item 9 above, if you do not wish for your account to be converted, you will be required to visit your Home Branch to close your WSA-i account(s) within 21 days from the date of this Conversion Notice.
12.	What if I/we do not receive the Conversion Notice? The Conversion Notice will be delivered to you based on the last registered address with MBSB Bank. As such, you are advised to notify us of any change in address to ensure successful delivery of the Notice. Alternatively, you may also visit our website at www.mbsbbank.com to view the sample template of the Conversion Notice and FAQs which are made available in both English and Bahasa Malaysia. You may even request a copy of the Conversion Notice and FAQs by contacting our Customer Call Centre (CCC) at 03-2096 3000 or e-mailing them directly at conversion@mbsbbank.com .
13.	How can I get obtain information / clarification? <ul style="list-style-type: none">✓ Contact our Customer Call Centre (CCC) at 03-2096 3000 between 8.30a.m to 5.30p.m. Mondays to Fridays (save and except for Public Holidays); or✓ E-mail us at conversion@mbsbbank.com; or✓ Visit MBSB Bank's website at www.mbsbbank.com.