

Terms & Conditions of Term Investment Account-i (TIA-i)

[\(Versi Bahasa Malaysia\)](#)

KINDLY READ AND UNDERSTAND ALL THE TERMS.

1. DEFINITION

1.1. The following words have the meaning as written below:

“**Bank**” means **Hong Leong Islamic Bank Berhad (200501009144 (686191-W))** or “**HLISB**”.

“**Bank Negara Malaysia**” or “**BNM**” means Central Bank of Malaysia.

“**Current Account-i & Savings Account-i**” or “**CASA-i**” is a HLISB Shariah-compliant deposit account.

“**Current Account & Savings Account**” or “**CASA**” is a HLBB deposit account.

“**HLBB**” means Hong Leong Bank Berhad and its branches.

“**HLISB**” means Hong Leong Islamic Bank Berhad and its branches.

“**HLB Connect**” means the digital banking services offered by HLISB/HLBB for personal banking customers. HLB Connect Online offers banking services via internet browsers & HLB Connect App via smartphones and tablets.

“**Hong Leong Customer Risk Profiling**” or “**HLCRP**” is an exercise carried out by HLISB/HLBB to gather necessary information from the prospective Investor(s) on the Investor(s)’s financial capabilities, risk appetite and ability to bear risk in order to form a reasonable basis for the Bank’s recommendation.

“**IFSA**” means Islamic Financial Services Act 2013 and any of its amendments.

“**Investment Account-i**” or “**IA-i**” means an account under which money is paid and accepted for the purposes of investment, including for the provision of finance, in accordance with Shariah on terms that there is no express or implied obligation to repay the money in full and:

- (a) either only the profits, or both the profits or losses, thereon must be shared between the person paying the money and the person accepting the money; or
- (b) with or without any return.

“**Investment Account Holder**” or “**IAH**” means the holder of the Investment Account-i product offered by the Bank, also known as “Investor”.

“**Maturity Date**” refers to the day on which the investment matures and the Capital invested together with the profit gained is returned to the Investor.

“**Mudarabah**” is an Islamic contract between the capital provider as the owner of the capital and the entrepreneur as the one who manages the capital provided, where any profit will be shared between the two parties according to a mutually pre-agreed ratio while financial losses will be borne only by the capital provider. The entrepreneur will suffer the losses in terms of time and effort lost and not in monetary terms, unless the loss is due to the wilful misconduct and negligence by the entrepreneur.

“**Principal**” means the monies invested in the IA product offered by the Bank, also known as “Capital”.

“**Product Disclosure Sheet**” or “**PDS**” is a document that contains the relevant information about the product offered by the Bank.

“**Profit Sharing Ratio**” or “**PSR**” means the predetermined profit-sharing ratio to be shared between the Investor as Capital provider and HLISB as fund manager or also known as the “Entrepreneur”.

“**Qualified Retail and Business Financing Assets**” means retail and business financing assets of HLISB that have been selected to invest in to provide Investors with a stable and consistent return over an agreed investment interval.

“**Shariah**” means Islamic laws relating to all aspects of human life established by God for His servants. The laws are divided into three: (i) those relating to belief (aqidah), (ii) those relating to deeds (fiqh) and (iii) those relating to ethics (akhlaq).

“**Shariah Compliant**” means in accordance with Shariah principles as determined by the Shariah Committee of HLISB and approved by the Shariah Advisory Council of BNM.

“**Tanazul**” means the Investor forgoes or waives the profit if certain events occur.

“**Terms & Conditions**” or “**T&Cs**” mean the terms and conditions set out in this agreement and will include any amendments, variations and supplements made from time to time by HLISB with prior notice.

“**TIA-i**” means Term Investment Account-i product.

“**Unrestricted Investment Account**” or “**UA**” means a type of investment account where the Investor provides the Bank with the mandate to make the ultimate investment decision without specifying any particular restrictions or conditions.

1.2 Interpretation

- (a) Words indicating one gender include all other genders and words including the singular include the plural and vice versa.

2. SHARIAH CONTRACT

- 2.1. TIA-i is a term investment account based on a profit-sharing contract, which is known as *Mudarabah* contract. The IAH acts as a capital provider by investing in the TIA-i. The Bank accepts the capital and will manage it on behalf of the IAH by investing the money, as long as it does not contradict Shariah requirements and is according to the T&Cs including the general mandate of the IAH.
- 2.2. Any profit gained from the investment is shared between the IAH and the Bank according to a predetermined PSR that has been agreed on by both parties.
- 2.3. Any monetary losses incurred will be borne by the IAH, as long as such losses are not due to the Bank’s misconduct, negligence or breach of specified terms. HLISB may suffer losses in terms of costs and time.

3. GENERAL PROVISIONS

- 3.1. The product is classified under UA. The IAH will accept the Bank’s decisions and/ or management of this investment product.
- 3.2. The eligible IAH is an individual and/or sole proprietor (with an Individual CASA/CASA-i).
- 3.3. The investment objective of TIA-i is to generate stable and consistent returns over an agreed period of time through a low-risk investment.

- 3.4. The fund will be invested in the Bank's qualified retail and business financing assets. For further information on asset allocation, please refer to the PDS. However, the Bank may change the asset allocation at any time in the best interest of both parties.

4. OPENING OF ACCOUNT

- 4.1. If the potential IAH is an existing CASA-i/CASA account holder, TIA-i can be subscribed via HLB Connect or the In-Branch Platform at any branch.
- 4.2. For potential IAH without CASA-i/CASA, he/she will have to open CASA-i at any HLISB/HLBB branch or through 'Apply@HLB' app and subscribe for online access to HLB Connect, through which the IAH can then subscribe to TIA-i, or via the In-Branch Platform at any HLISB/HLBB branch.
- 4.3. The applicants will have to comply with all the Bank's rules and requirements to open the CASA-i. HLISB may change the rules and requirements at any time with prior notice.

5. NOTICES & COMMUNICATIONS

- 5.1. If there are any changes to the IAH's personal information, the IAH should notify HLISB/HLBB about the changes by calling +603-7626 8899 or visiting any of HLISB/HLBB branches nationwide or via HLB Connect.

6. OPERATIONS OF ACCOUNT

- 6.1. The IAH must be at least 18 years old to subscribe to the TIA-i.
- 6.2. The IAH must complete the HLCRP via HLB Connect or In-Branch Platform before proceeding to subscribe for TIA-i.
- 6.3. Any subscription to TIA-i must be in Ringgit Malaysia ("RM") only.
- 6.4. The minimum investment amount of TIA-i is Ringgit Malaysia Five Hundred (RM500).
- 6.5. The tenure of investment shall range from one (1) month to twelve (12) months.
- 6.6. There will be an allocated account number for the TIA-i. Each subscription under the allocated account number will be assigned with a receipt number.
- 6.7. A monthly online account statement, which lists out the transactions during the period, will be made available to IAH in HLB Connect before the 5th of the following month. IAH may also request for their monthly account statement by visiting any branch.
- 6.8. The Fund performance report will be made available to IAH on the Bank's website.
- 6.9. TIA-i will be terminated if any of the following events occur:
 - (a) Bankruptcy of the IAH;
 - (b) the IAH redeems all of the Principal amount invested; or
 - (c) the IAH commits any breach of the T&Cs herein
- 6.10. IAH can subscribe to TIA-i through HLB Connect or the In-Branch Platform. The investment amount will be transferred from the IAH'S CASA-i/CASA to TIA-i.

7. INVESTMENT ACTIVITIES

- 7.1. The Bank will have the right to decide on the acceptance/rejection of IAH's investment with sufficient reason(s), such as potential fraudulent behavior and suspected acts of terrorism.
- 7.2. The IAH can select whether or not to auto renew the investment as follows:
 - (a) Without Auto Renewal – Principal and profit will be credited into the IAH's CASA-i/CASA.
 - (b) With Auto Renewal:
 - (i) Principal only – Profit will be credited into IAH's CASA-i/CASA; or
 - (ii) Principal with profit – Principal and profit will be renewed.
- 7.3. The Bank can terminate any automatic renewal if the Bank considers it to be necessary for the benefit of either party such as, but not limited to, during events of force majeure as described in Clause 17, by informing the IAH earlier.
- 7.4. These T&Cs must be read together with the PDS. The IAH acknowledges that he/she fully understands the risks associated with TIA-i, including the possibility of incurring financial losses for the entire or part of the Capital investment in TIA-i. In the case where the IAH needs further clarification, the IAH may contact a HLISB/HLBB personnel before investing in TIA-i.
- 7.5. The valuation methodology to value the Investment Asset and its performance is in accordance with sound industry practice and consistent with the Malaysian Financial Reporting Standards ("MFRS"). The performance of the Investment Asset will be monitored by the Bank on a monthly basis.

8. INVESTMENT OF CAPITAL

- 8.1. The Bank classifies the TIA-i as a term-based investment account. The Bank will decide on the net return of the investment portfolio, including any permissible expenses related to the investment funds.
- 8.2. The investment will be valued on a monthly basis and profit will be distributed at maturity according to the agreed PSR.
- 8.3. The Bank may at any time disclose fair, accurate, relevant and timely information about the TIA-i to IAH in a reasonable way, such as publishing the information on the Bank's website that the Bank may use for such disclosure.

9. PROFIT PAYMENT

- 9.1. Any profit generated from the TIA-i will be paid to the IAH at the maturity date based on the PSR in accordance with the indicative profit rate. For further information on the indicative profit rate and PSR, please refer [here](#).
- 9.2. The Bank will decide on the calculation of profits which the IAH can refer to the PDS. If there is an Overnight Policy Rate (OPR) change, the indicative profit rate for new subscriptions (after the OPR change) may be changed.
- 9.3. The profit paid to IAH will be transferred to IAH's CASA-i/CASA at maturity.
- 9.4. If excess profit is generated from TIA-i above the indicative profit rate, IAH agrees to forgo or waive the excess under the Shariah concept of Tanazul. The excess profit will then be retained by the Bank.

10. REDEMPTION

- 10.1. Partial redemption (i.e. when the IAH redeem their TIA-i partially) is not allowed under any circumstances.
- 10.2. Redemption at maturity must be according to the T&Cs agreed between the Bank and the IAH.
- 10.3. The redemption can be done through HLB Connect or the In-Branch Platform and will be instantly credited into the IAH's CASA-i/ CASA.
- 10.4. The Bank can suspend any redemption from the TIA-i with 21-days' notice prior to suspension under the following circumstances:
 - (a) Exceptional circumstances:
 - (i) market wide failures or financial/ economic crisis such as stock-market crash or asset-price crash;
 - (ii) operational issues such as wide-scaled blackout or system failure; and
 - (iii) force majeure.
 - (b) In the best interest of the IAH, which includes but not limited to:
 - (i) underlying assets cannot be liquidated at appropriate price and terms to honour redemption. For this purpose, the price for illiquid assets must be obtained from or validated by an independent third party, which may take place either before or after suspension of redemption; and
 - (ii) the Investor(s) would be badly affected if dealings were not suspended.
- 10.5. The Bank will allow premature redemption but no profit will be paid on any TIA-i that has not completed its respective full tenure period.

11. CLOSURE & FREEZING OF ACCOUNT

- 11.1. The Bank can close the IAH's TIA-i, if the Bank considers it is necessary such as, but not limited to when the IAH is involved in illegal and/ or unethical activities, by giving prior notice to the IAH.
- 11.2. The Bank may, at any time with notification, refrain from carrying out any instruction or transaction under the TIA-i if any one of the following events occur:
 - (a) the Bank being notified that the IAH has committed an act of bankruptcy and/ or a bankruptcy notice and/ or a petition for winding up and/ or a creditor's petition for bankruptcy has been filed or presented against the IAH ("the Investor's insolvency matters");
 - (b) the Bank being notified and requested by any authority, such as BNM, the Royal Malaysia Police, the Government of Malaysia or any other statutory or governmental authorities ("the relevant authorities") to refrain from performing any transaction under the TIA-i.
- 11.3. The Bank will no longer freeze the IAH's TIA-i if any of the following events occur:
 - (a) In respect of the IAH's bankruptcy matters, the IAH has provided to the satisfaction of the Bank with appropriate evidence that the Bankruptcy Notice or the creditor's petition for bankruptcy has been validly redeemed by the petitioner or dismissed or struck out by the court.
 - (b) In respect of the orders from relevant authorities, the Bank has been informed in writing by the relevant authorities to lift the freezing of the TIA-i; or
 - (c) the Bank was given an appropriate court order sanctioning or ordering the lifting of the freezing of the TIA-i.

- 11.4. Except for the damages arising from the Bank's wilful default or gross negligence, the IAHs agree that the Bank will not be held accountable and will be fully indemnified against any claim, losses and/or any other liabilities and/or payments which may be claimed against the Bank by the IAH or by any other person as a result of freezing the TIA-i.
- 11.5. If the Bank is sued or made a party in any suit (e.g. interpleader proceedings and etc.) due to or resulting from the freezing of the TIA-i, the Bank will not be responsible for any liabilities incurred by the Bank or awarded against the Bank by court as a result of the suit unless with sufficient reason.
- 11.6. In the event that the Bank suspects that the IAH's account is being used for or is implicated in any activities that are against the law, the Bank may request the IAH to explain and confirm on said transactions. If the IAH fails to provide an explanation to the Bank or the explanation given is unsatisfactory in the Bank's opinion (e.g. explanation given without supporting evidence), the Bank may close, freeze or otherwise deal with the IAH's account as long as the Bank informs the Investor earlier.

12. STATEMENT OF ACCOUNT

- 12.1. If the monthly statement was not made available to the IAH through HLB Connect or branch access or if there are any errors, the IAH should inform the Bank within fourteen (14) days from the date of issuance of the statement. If not, the IAH is considered to have accepted all the entries contained in the statement as true and accurate in all respects.

13. COSTS, EXPENSES, & CHARGES

- 13.1. All possible fees & charges can be found [here](#).
- 13.2. HLISB may change the fees, commissions and other charges at any time by giving earlier notification.
- 13.3. If HLISB is required by law to withhold any money from TIA-i, HLISB may deduct any taxes or charges payable arising from the income of the Investor's TIA-i from the IAH's withheld money.

14. WAIVER

- 14.1. Any failure, delay or omission by HLISB/HLBB to exercise any right, power, privilege or remedy does not indicate that the Bank has foregone that respective right, power, privilege or remedy unless stated otherwise. It will also not affect the current or future right, power, privilege or remedy of HLISB, regardless of whether HLISB has foregone that respective right, power, privilege or remedy or not.

15. INDEMNITY

- 15.1. Except for damages arising directly from the Bank's wilful default or gross negligence, the IAH shall not hold HLISB/HLBB liable and fully indemnify HLISB/HLBB against any loss, damages and expense which HLISB/HLBB may incur, unless with sufficient reason.

16. LIMITATION OF LIABILITY

- 16.1. HLISB/HLBB will not be liable to the IAH and/or any third party for any loss (whether direct or indirect) of profits, business, goodwill or any damages even if HLISB/HLBB has been advised of the possibility, unless with sufficient reason.
- 16.2. Subject to the provisions herein, HLISB/HLBB's maximum liability to the IAH must not exceed the amount of transaction involved for which the claim is made or the direct damages sustained, whichever is lower, in contract and tort (including negligence or breach of statutory duty).

16.3. Each provision in Clause 16 is considered to be separate limitations. If one of the provisions is inapplicable or held unreasonable, the other provisions must remain in force even if the TIA-i terminated.

17. FORCE MAJEURE

17.1. The HLISB/HLBB will not be liable for any inconvenience, loss, injury, damages suffered or incurred by the IAH from the HLISB/ HLBB's inability to perform any operations or to provide any services due to any reasons beyond HLISB/ HLBB's control, including but not limited to natural catastrophe, accident, civil disturbances, industrial dispute, act of public enemy, embargo, war, act of God, epidemic, pandemic or any factor in a nature of a force majeure or any failure or disruption to telecommunication, electricity, water or fuel supply.

18. SEVERABILITY

18.1. Any provision, term or condition herein that are or becomes illegal, void, invalid, prohibited or unenforceable in any respect are considered to be ineffective. However, it does not invalidate the other provisions of these T&Cs or the respective security document.

19. GOVERNING LAW

19.1. These T&Cs are governed by and construed according to the laws of Malaysia and the regulatory documents of BNM and other relevant regulatory bodies to which HLISB/HLBB is subject to. In enforcing its rights, the HLISB/HLBB may take actions against the IAH and any party. The IAH agrees that where any actions or proceedings are taken in Malaysia, it will submit to the non-exclusive jurisdiction of the Courts of the States of Malaya and Sabah and Sarawak.

20. INSTRUCTIONS

20.1. Any instructions from the IAH to HLISB/HLBB about the TIA-i must be in writing and signed by the IAH, or via IAH's e-mail that is registered with the Bank. The instructions will only be effective once received by HLISB/HLBB.

21. NO ASSIGNMENT OR CREATION OF SECURITY INTEREST

21.1. The IAH may not, without the written consent of the Bank, assign and/or create any security interest over or relating to the TIA-i in favour of any person except the Bank.

22. DISCLOSURE

22.1. In addition to the permitted disclosures provided under Schedule 11 of the Islamic Financial Services Act 2013, the IAH permits HLISB/HLBB to provide all information concerning and relevant to the TIA-i to:

- (a) other financial institutions granting or intending to grant any credit facilities to the IAH, Cagamas Berhad, Credit Guarantee Corporation, any authorities/agencies established by BNM, any agency established by the Association of Banks in Malaysia/Association of Islamic Banking and Financial Institutions in Malaysia or any other relevant authority that is authorised by law to obtain such information;
- (b) any current or future corporation which may be associated with or related to the HLISB/ HLBB (as defined in the Companies Act 2016);
- (c) the security parties or any party intending to provide security in respect of the TIA-i;
- (d) HLISB/ HLBB's (and its related or associated companies') professional advisers, auditors, solicitors, service providers, nominees, agents, contractors or third-party service providers.

22.2. The IAH confirms that HLISB/HLBB will not be under any liability for disclosing such information or for any consequences from relying on the information disclosed.

- 22.3. The IAH agrees to HLISB/HLBB holding, collecting and using any personal data provided by the IAH, acquired from the public domain or is collected through the provision of services to the IAH, in accordance with the Privacy Policy of HLBG. Please refer [here](#).

23. TERMS & CONDITIONS

- 23.1. All the T&Cs are not separate clauses and are still subject to the other T&Cs unless stated otherwise or severed (as per Clause 18.1).
- 23.2. HLISB/HLBB can make any changes, that are binding on the IAH, to these T&Cs by giving prior notice. HLISB/HLBB is considered to have notified the IAH by displaying the detailed provisions about such changes at the HLISB/HLBB's premises and website, by sending a notice to the IAH's last known address, by e-mail, by HLB Connect or by any other means of notification which HLISB/HLBB may select. The changes are binding on the IAHs starting from the date of notification of the changes or from the date as stated by HLISB/HLBB in the notification.

24. SECURITY AND DISCLAIMER

- 24.1. Where any express term/requirement/instruction in these T&Cs is not complied with by the IAHs, HLISB/HLBB will be discharged from all liabilities in relation to the same.

25. GOODS & SERVICES TAX

- 25.1. The IAH shall pay for any Sales and Services Tax (SST) and/or SST arising from TIA-i (if applicable).

26. MISCELLANEOUS

- 26.1. The IAH may lodge a note with the respective HLISB/HLBB branch. If the explanation or resolution given by the HLISB/HLBB branch is not to the satisfaction of the IAH, the IAH may contact:

Customer Advocacy

Hong Leong Bank Berhad,
13A Floor, Menara Hong Leong,
No. 6, Jalan Damanlela, Bukit Damansara,
50490 Kuala Lumpur.
Call Centre No: +603-7626 8899, Email: HLOnline@hlbb.hongleong.com.my.

If the IAH is not satisfied with the HLISB/HLBB's resolution of the complaint, the IAH may contact;

BNMLINK

4th Floor, Podium Bangunan AICB,
No 10, Jalan Dato' Onn,
50480 Kuala Lumpur.
Tel: 1-300-88-5465 or 03-2174-1717 (for overseas calls).
Web: bnmlink.bnm.gov.my

- 26.3 These T&Cs are intended to be wholly Shariah compliant. The IAH and the Bank agree that their respective rights and obligations herein are to be in accordance with Shariah principles (as determined by the Shariah Committee of the Bank and approved by the Shariah Advisory Council of BNM).

27. **IMPORTANT:** Please note that Investor's failure to abide by any of the terms stated in any part of these T&Cs will discharge HLISB/HLBB from all liabilities.

(End of Terms and Conditions)

WARNING

THE RETURNS ON THIS INVESTMENT ACCOUNT-i WILL BE AFFECTED BY THE PERFORMANCE OF THE UNDERLYING ASSETS. THE PRINCIPAL AND RETURNS ARE NOT GUARANTEED AND ACCOUNT HOLDER RISKS EARNING NO RETURNS AT ALL. THIS INVESTMENT ACCOUNT-i IS NOT PROTECTED BY PIDM.