

TERMS & CONDITIONS / PROFIT & LOSS SHARING MECHANISM

In consideration of AlBaraka Islamic Bank BSC (EC) (also referred to as the 'Bank') opening and /or continuing to maintain any Current, Savings, Call Deposit, Time Deposit, Joint Pool Investment or any other accounts in my/our name(s) (also referred to as the 'Account') and providing banking facilities to me/ us, I/We (also referred to as 'Customer' or 'Accountholder') agree to be bound by the terms and conditions (also referred to as the 'Terms') set out below and I/We agree, acknowledge and understand that:

1. All accounts are opened/maintained/placed with the Bank under the State Bank of Pakistan's (also referred to as SBP) rules and regulations and are governed by and subject to all applicable rules/laws of Pakistan in effect, as notified/amended from time to time.
2. Any information advised/provided to the Bank by me/us shall be deemed to be correct and binding on me/us unless the Bank receives within fifteen days from the date of such advice any written notice to the contrary from me/us.
3. The Bank may, at its discretion, disallow/restrict operations in my/our account in case of non-fulfillment of any account opening formality.
4. The Bank shall have the right to refuse to open any other account or close an existing account in my/our name, without assigning any reason.
5. The bank may accept cheques, drafts or other instruments under clearing or collection arrangements, entirely at the account holder's own risk for loss, claims, dishonour, non-payment, loss/delay in transit, etc. Value of un-cleared/un-realized items, if credited, but returned unpaid later, may be debited again to my/our account by the Bank, and I/We shall be responsible to pay its full value back to the Bank, if withdrawn from the account wholly or partially.
6. There can be a profit or a loss on employment/investment of my/our funds deposited with the Bank and the extent/amount of such profit/loss, as determined by the Bank, shall be acceptable to me/us, without contestation or proof.
7. All Customer Deposits shall be invested by the Bank in accordance with Islamic principles on Profit and Loss Sharing basis.
8. In calculating Profit applicable to PLS accounts the Bank shall deduct proportionate administrative costs at actual and a profit share of the Bank as Mudarib, which would be 50% of the realized profit. The Bank may change its profit share and weightage applicable from time to time details of which will be available at the Bank and its website for information of the customers.
9. No profit is paid on current accounts.
10. In the event of loss in business/investments, that may occur without any fault or negligence on part of the Bank, all Investors of the Investment Pool shall share loss on pro rata basis and the Bank shall loose the share for its efforts.
11. Any amount allocated as Profit/Loss by the Bank shall be final and binding on all customers. No customer or any other person claiming under his/her authority or in his/her place, shall be entitled to question the basis of determination of such profit/loss.
12. The Bank, at its sole discretion and based on profit/loss from its operations/investments, shall determine the amount/rate of profit/loss to be paid to the customers, on six-monthly rests or any other interval prescribed by the Bank.
13. Withdrawal may not be made in a fixed term deposit / investments except on the maturity date. If the Bank approves the withdrawal request submitted by a client for an urgent reason, provisional profit shall be paid on premature encashment of the deposit subject to final settlement at the end of the relevant term. Provisional profit shall be calculated for actual period of deposit.
14. Where premature encashment of deposits/investments is allowed, the depositor will be entitled to profit rate concurrent to the deposit category, which equals to the deposit period with the Bank. In case the deposit period is not equal to any category; the category less than such deposit period will be applicable.
15. Unless specifically advised by me/us to the contrary, on maturity, a fixed term deposit/investment will be renewed/re-invested for the same period, at the sole discretion of the Bank, on terms then applicable.
16. The deposits and withdrawals, shall solely be transacted at the branch to which the attached application is addressed (the "Deposit Branch") and at no other branch of the Bank. The Bank shall not be liable beyond the control of the Deposit Branch, and registered office or any other branch of the Bank shall not be liable in respect thereof.
17. The Profit on the amount of the deposit will cease to accrue at the expiration of the period of notice terminating the deposit given by me/us or the Bank and in this case the whole amount of deposit including profit will be transferred to the current account immediately.
18. The terms and conditions contained herein shall be deemed to be and construed as a part of my/our original account opening form/agreement as if it were agreed between me/us and the Bank at the very outset.
19. Advices and statements of account in respect of my/our accounts will be provided/sent by hand or by mail at such frequency as the Bank may determine.
20. Notices, advices, statements etc, delivered/posted to my/our address recorded with the Bank, will be assumed to have been rightly/duly served on or sent to me/us.
21. The Bank shall have the right to debit my/our account with all the expenses and fees and other transaction costs related to my/our dealings and commitments towards the Bank at any time, at its sole discretion, as per its schedule of charges.
22. The Bank shall have the right of lien and set-off and /or disposal in respect of any of my/our rights, funds, profits or assets that are in the custody of the Bank, against any liability on my/our part in favour of the Bank at any time. As a result of exercise of such a right through set-off, merger, combination, consolidation etc. of accounts with any of its branches, if there is a shortfall in clearing my/our liability, I/We undertake to make good any such difference at the Bank's first demand.
23. Subject to SBP Regulations and if permitted by SBP, the Bank may prescribe minimum balance requirements for opening and/or maintaining any accounts and it shall be my/our responsibility to comply with such minimum balance requirement, failing which, the Bank may levy any charges/fees on such accounts, as per its schedule of charges.
24. Subject to SBP Regulations and if permitted by SBP, the Bank shall be entitled to levy any service charges on my/our un-remunerative account balances only if and to the extent it is specified in its schedule of charges.
25. In general, my/our signature on the account opening application/form shall mean acceptance of all the applicable terms, conditions and regulations of the Bank in connection with my/our dealings with the Bank.

26. It shall be my/our responsibility to verify/approve all correspondence or instructions given by me/us over telephone or send by me/us to the Bank by fax or e-mail in connection with all my/our various accounts and dealings with the Bank and all matters and issues related thereto I/We also acknowledge that the Bank would normally act only on my/our written/signed/witnessed instructions and that it would be the Bank's discretion to accept/reject any verbal/telephonic/fax/email instructions.

27. The Bank would carry out all my/our instructions bearing my/our signatures as recorded with the Bank, regardless of how I/We 'actually' sign on any other documents/record.

28. It shall be my/our responsibility to indemnify the Bank against any loss, legal action, damages or claims suffered by the Bank owing to any Incorrect/Incomplete information provided by me/us to the Bank or for any loss, legal action, damages or claims arising out of the Bank agreeing to open/operate an account for me/us in its books.

29. It shall be my/our responsibility to use the account opened with the Bank only for legitimate/legal/allowed personal or business purposes and not for money laundering purpose or any purpose that violates any rules/laws in force.

30. The Bank, in its absolute discretion, may issue me a cheque book for withdrawals from my/our account and may, at its discretion, withdraw or recall the same. The Bank may also refuse to allow withdrawals except through such cheques.

31. I/We would be completely responsible for the safe custody of any cheque books/pass books and shall immediately notify the Bank, in writing, if a cheque book or any leaf from it, is lost/stolen. In such a case, the Bank may, in its discretion, accept/place a 'stop payment' instruction from me/us against such cheques. Further, I/We undertake to indemnify the Bank and hold it harmless against any loss, claims or legal action arising out of any accidental payment of such cheques due to rush of work or any other legitimate reason.

32. The Bank is authorized to reverse any incorrect entries and the amount of profit/loss thereon, accidentally/mistakenly posted to my/our account(s). In case I/We have withdrawn all or part of sum wrongly/mistakenly credited to my/our account, I/We undertake to re-deposit that sum immediately on being notified of the wrong credit to my/our account, without contestation or delay.

33. The Bank shall be fully authorized to deduct/withhold any duties/taxes/levies in any form, as required under any applicable rules/laws in force, without referring to me/us.

34. In case of conflicting instructions received from two authorized signatories to my/our account or relating to my/our joint account, the Bank would be authorized to act at its discretion or stop operations in the account until such time as the dispute is resolved to the satisfaction of the Bank.

35. In the event of my/our death, and provided the Bank receives a valid notice of death, credit balances in my/our accounts shall be released by the Bank only against a valid succession certificate, order of the court, letter of administration probable, provided, where operating instructions are 'either/or survivor' The account may be operated by the survivor.

36. Withdrawals from my/our accounts foreign currency accounts, would be subject to availability of foreign currency notes with the Bank at the time of withdrawal.

37. Withdrawals from or deposits to my/our foreign currency accounts would be subject to foreign exchange rules and regulations of the State Bank of Pakistan or the Government of Pakistan, currently in force and as amended from time to time. I/We agree further that, the Bank's interpretation/determination of whether or not it is able to allow any such deposits/ withdrawals, shall be final and binding on me/us.

38. The Bank may stop/suspend operations in my/our accounts or close/freeze my/our accounts in pursuance of any court or administrative order, without reference to me/us.

39. The Bank, its Head Office, subsidiary offices, branches or any of its officers shall not be liable for unavailability of funds credited to my/our accounts due to any legal restrictions imposed by relevant government agencies, involuntary transfer, acts of war, civil strife, industrial action, acts of nature or other causes beyond the control of the Bank.

40. The Bank is authorized by me/us to respond, at its discretion, to any or all enquiries received from any other banks, or authorized government agencies, concerning my/our accounts, without reference to me/us.

41. In case I/We request the Bank to 'hold my/our mail', i.e. not to mail any notices, advices, statements etc. to my/our given address, without any responsibility obligations on part of the Bank, so that I/We may collect it myself/ourselves at my/our convenience, such notice, advice or statements will be considered as having been duly delivered to me, while being held by the Bank and I/We shall hold the Bank harmless against any liability/consequences of non-delivery to me/us of such notice, advice or statement on time.

42. Generally, all the services/facilities provided by the Bank shall be subject to the Bank's Schedule of Charges, currently in force and as amended from time to time and available on request.

43. These terms are in addition to specific terms and conditions applicable in each of the different types of accounts.

44. The Bank reserves the right to modify these Terms from time to time. The revised or modified Terms will become effective upon notice being given to me/us, such notice being deemed to have been properly given, if displayed at the branches of the Bank or otherwise notified/advised to me/us.

45. A Photocopy of this Account Opening Form and these Terms and Conditions has been received by me for my records/reference.

Read, Understood & Agreed. Received one copy of this Account Opening Form.

.....
Accountholder(s) authorised signature(s) Date

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Witness Witness