

TERMS AND CONDITIONS FOR BARKAT INVESTMENT CERTIFICATES

BARKAT ISLAMIC INVESTMENT CERTIFICATE (BIIC)/ BARKAT MONTHLY INCOME CERTIFICATE (BMIC) / BARKAT QUARTERLY INCOME CERTIFICATE (BQIC, BHIC)

(BIIC, BMIC, BQIC and BHIC are collectively referred as the "Certificate(s)")

1. The Barkat Investment Certificate (BIIC/BMIC/BQIC/BHIC) are Shariah compliant investment offered under the Islamic mode of Mudarabah (Unrestricted Mudarabah). Mudarabah is a kind of partnership where one partner provides funds who is called as "Rabb-ul-Maal" (owner of funds) and the other partner provides services who is called as "Mudarib" (manager of funds). Faysal Bank Limited, Barkat Islamic Bank ("Bank") will be the "Mudarib" (manager of funds) and the customer/ Certificates holder ("Customer/Customers") will be the "Rabb-ul-Maal" (owner of funds).
2. The Bank as the Mudarib may invest the funds received from the Customers (through the General or Special Mudarabah Pool) in Shariah compliant ventures. The nature of these ventures will be under different Shariah compliant financing modes such as Ijarah, Diminishing Musharakah, Murabaha, Istisna etc.
3. All deposit categories will be assigned weightages. Weightages for every month or any interval decided by the Bank shall be finalized and announced three (03) business days before the start of the month, and weightages for the month shall be displayed at the notice board of the Bank's branches and available at its website.
4. Bank shall share in the profit on the basis of a predetermined percentage of Net Income of the pool according to the profit sharing ratio between the Bank and its customers determined at the beginning of the month or any interval decided by the Bank. The net income of the pool is defined as gross income of the pool less direct expenses, write offs and losses of investments incurred in deriving the net income.
5. The Bank may, at its option, also invest its funds in the business as an investor (Rabb-ul-Mal) and comingles its funds with Customers. In this case, the relationship of the Bank with the Certificates holders will be that of 'Partner/Shareek', and the Bank shall have share in the profit on the basis of ratio of investment. Losses, if any, shall be borne by the Customer (Rabb-ul-Maal) and the Bank (Shareek) as per the ratio of investment.
6. All the policies and procedures pertaining to the saving accounts / investment Certificates are based on the Islamic principles of Mudaraba and Musharaka. Therefore, profits and losses are shared by partners according to the rules of Islamic Shariah as interpreted by the Shariah Board of the Bank. Ratio of Net Income sharing between the Certificates holder and the Bank, determined after deduction of all direct expenses, write offs and investment losses due to Mudaraba at actual and a Mudarib share of the Bank, shall be announced from time to time. The Bank reserves the right to vary its Mudarib share and/or the profit weightage from time to time in accordance with the prevailing regulations and/or directives applicable to it. Such variation shall be deemed to be effective upon the commencement of the profit allocation period immediately succeeding such variation and shall be final and binding on the Certificates holders. The updated and prevailing Mudarib share and Profit Weightages applicable to Certificates holders and other category of investors in the Mudaraba pool will be available at the Bank's website, displayed in the notice boards of the Bank's branches, may be obtained from the Bank from time to time and/or shall be communicated to the Customer in any other mode, whether electronic or otherwise, in accordance with the Bank's prevailing practice.
7. The Customer acknowledges that nothing in these Terms and Conditions shall be construed as being a warranty or a representation by the Bank of any guaranteed profits in respect of funds mobilized on the basis of Mudaraba. The Customer is aware that all deposits in the Mudaraba pool are exposed to potential losses arising out of a loss incurred in respect of assets in the Mudaraba pool. Any losses incurred by the Mudaraba pool during a profit allocation period shall be borne solely by the Customer. If however, the Bank has also invested a certain sum in the Mudaraba pool as Partners/Shareek then such losses shall be shared between the Customer and the Bank proportionately in accordance with the respective amounts invested by the Customer and the Bank.
8. The profit payable on Certificates will be in accordance with the prevailing laws of Pakistan and the applicable rules and regulations issued by the State Bank of Pakistan from time to time that are not in contradiction with the rules and principles of Shariah as interpreted by the Shariah Board of the Bank. Zakat and withholding Tax and/or other Tax (es) levied from time to time shall be deducted as per prevailing law in Pakistan.
9. As the investment is based on the Islamic concept of Mudarabah (Unrestricted Mudarabah) so the Certificates holder will not participate in the management or in decisions concerning investment of the Mudaraba funds and by signing these terms and conditions investor understands that investor has given unrestricted right to Bank/Mudarib to invest funds deposited with the Bank/Mudarib.
10. The Certificate issued will not be transferable or negotiable.
11. The amount of the deposit cannot be withdrawn unless the Certificate is returned to the Bank duly discharged on or after the due date of payment mentioned on the Certificate nor can withdrawals be made in parts by drawing cheques or drafts against the investment amount.
12. The return/profit (as the case may be) on the amount of the deposit will cease to accrue at the expiration date of the notice period for terminating the deposit given by me/us to the Bank or by the Bank to me/us and in any event on the maturity date of the Certificate.
13. The Investment amount along with the profit shall be credited in the customer's account (specified in the BIIC/BMIC/BQIC/BHIC Investment Application) on the date of maturity. However, in case the maturity date of the Certificates is falling on a bank holiday / gazette holiday, the maturity date will stand extended till the next business day after the bank holiday / gazette holiday. In such cases, profit pertaining to any additional days until payment to the customer will be calculated as per the prevailing /applicable profit rate.
14. If the deposit amount is stated by me/us to be automatically renewable, each time the Certificate reaches maturity date it shall be automatically renewed for a like term at the weightages prevalent on date of renewal unless the Bank receives or issues written notice to the contrary at least seven (7) business days before such maturity date.
15. The amount of the deposit and the profit thereon cannot in any way be assigned, transferred or charged to any third party by way of security PROVIDED that the customer shall have the right to pledge the deposit in favor of any Islamic branch of the Bank to secure any financial accommodation made by such branch to the customer or to any other person pursuant to the customer's request. Bank is not bound by notice of any assignment, transfer or charge in favour of a third party by way of security except in favour of any Islamic branch of Bank as aforesaid.
16. The Customer consents that the Bank after their internal approvals, may appropriate an amount for the Profit Equalization Reserve (PER) out of the Mudaraba income before allocating the Mudarib's share in order to maintain a certain level of return on investment for the customers, which will be available at the bank's website, displayed at the notice boards of the Islamic branches, may be obtained from the bank from time to time and / or shall be communicated to the customer in any other mode, whether electronic or otherwise, in accordance with the bank's prevailing practice. PER may be appropriated back to customers/shareholders at the sole discretion of the bank in any allocation period.
17. The Customer also consents that the Bank after their internal approvals, may appropriate an amount out of the income of the customer for the Investment Risk Reserve (IRR) in order to cater against future losses, which will be available at the bank's website, displayed at the bank's Islamic branches, may be obtained from the bank from time to time and / or shall be communicated to the customer in any other mode, whether electronic or otherwise, in accordance with the bank's prevailing practice. The bank may utilize the funds in IRR at its sole discretion to cover losses in any allocation period.
18. The minimum amount and period of investment in Certificates shall be determined by the Bank's management from time to time and will be available at the Bank's website, displayed in the notice boards of the Bank's branches, may be obtained from the Bank from time to time and/or shall be communicated to the Customer in any other mode, whether electronic or otherwise, in accordance with the Bank's prevailing practice.

19. The Bank reserves the right to refuse any investment from any depositor without assigning any reason. The Bank's decision shall be final in this regard.
20. In the event that all or part of a deposit in a Certificate is withdrawn at a time during the month when the Mudarabah profits for that profit calculation period cannot be ascertained, the profit amount for that BIIC/BMIC/BQIC/BHIC in such case shall be calculated using the profit rate applicable for the immediately preceding profit calculation period and paid or credited to the account specified in the BIIC/BMIC/BQIC/BHIC Investment Application as soon as possible following the date of withdrawal of the deposit. Under the principle of Takharuj, such calculation and payment to the customer shall be in FULL AND FINAL DISCHARGE OF BANK'S OBLIGATIONS TO THE CUSTOMER AND NO FURTHER CLAIM WHATSOEVER SHALL BE MADE OR ENTERTAINED. In consideration of receiving the profit amount calculated using the profit rate for the immediately preceding profit calculation period, the customer agrees to waive any right he/she/it may have to receive the profit amount calculated in accordance with the profit rate for the then applicable profit calculation period and agrees that any such profit amount shall be applied to the benefit of the remaining account holders, and the date such amount or amounts are paid shall be the profit payment date for that account.

Profit Payment and Premature Encashment of BIC (For Local & Foreign Currencies)

21. Profit Payment frequency, Minimum Investment period and Currencies for BIC is as per the following grid:

	BIIC	BMIC	BQIC	BHIC
Profit Payment Frequency	Maturity Basis	Monthly Basis	Quarterly Basis	Half Yearly Basis
Minimum Investment Period	1 Month	3 Months	6 Months	12 Months
Currencies Availavle in	LCY & FCY	LCY Only	LCY Only	LCY Only

22. The Bank will endeavor to declare the final rate of profit applicable to BIC by the 8th business day of each calendar month. This rate will be used for profit calculation of the preceding calendar month.
23. If the maturity date / encashment date of a BIC falls on a date after the final rates of profit for the preceding month have been declared, the latest declared rate will be applied for the number of days for which the amount remained invested during the month in which the maturity falls ("Broken Period").
24. If the maturity date / encashment date of BIC falls on a date preceding the date of profit declaration, then the final rate declared for the last month will be applied for the Broken Period.
25. If the request for premature encashment is received before the completion of the agreed term, then profit will be recalculated on the basis of final rates declared as per the following grid:

COMPLETED TERM	BIIC	BMIC	BQIC	BHIC
Less than 1 Month	Minimum final profit rates declared for Barkat Saving Account			
Greater than 1 Months but less than 3 Months	1 Month (BIIC)			
Greater than 3 Months but less than 6 Months	3 Months (BIIC)	3 Months (BMIC)	3 Months (BQIC)	3 Months (BHIC)
Greater than 6 Months but less than 1 Year	6 Months (BIIC)	6 Months (BMIC)	6 Months (BQIC)	6 Months (BHIC)
Greater than 1 Year but less than 2 Years	1 Year (BIIC)	1 Year (BMIC)	1 Year (BQIC)	1 Year (BHIC)
Greater than 2 Years but less than 3 Years	2 Years (BIIC)	2 Years (BMIC)	2 Years (BQIC)	2 Years (BHIC)
Greater than 3 Years but less than 5 Years	3 Years (BIIC)	3 Years (BMIC)	3 Years (BQIC)	3 Years (BHIC)

Note: If the rates as per the grid has not been declared, then the final rates declared for the closest available tenure/ profit Payment Frequency/ Tier will be applied.

26. These terms and conditions shall be construed and governed by the Laws of Pakistan which includes all the notifications, directives, circulars and regulations of the State Bank of Pakistan and / or Provincial or Federal Government or any other local authority or body and the rules/regulations/resolutions of the Shariah Board of the Bank.

I / we, do hereby declare and confirm that I/we have read, understood & received the above Terms and Conditions in addition to the Terms and conditions already accepted and agreed (if applicable) by me/us governing the accounts of the Bank. I/we agree to abide the Terms and conditions including any changes, supplements or modifications thereto that may be made by the Bank from time to time.

Customer's Signature _____

Date: _____

Customer's Signature _____

Date: _____

Urdu Terms and Conditions are available at Faysal Bank branches and on our website www.faysalbank.com/barkat

اردو شرائط و ضوابط فیصل بینک کی برانچ اور ہماری ویب سائٹ www.faysalbank.com/barkat پر دستیاب ہے۔