

# TERMS AND CONDITION FOR ACCOUNT OPENNING



## 1. Definitions

1.1 The following words and expressions shall, unless the context otherwise so requires, have the following meanings:

- a) Account means basic banking, savings or current (Pakistani Rupee or Foreign Currency) account(s) maintained by the customer with the Bank.
- b) Account Opening Form means the form prescribed by the Bank, as modified or amended from time to time, for recording various details/particulars which is to be signed by the customer for opening an account.
- c) Debit Card Services means services offered by the Bank to the account holders as per the Debit Card Terms and Conditions prescribed by the Bank from time to time.
- d) Bank shall mean "The Bank of Punjab" – TAQWA Islamic Banking.
- e) Business means business, transactions and products approved by the Shariah Board, for the purpose of making business e.g. financing/investments/placements from funds available in the pool(s).
- f) Business Day means a day when the relevant branch of the Bank is open to conduct banking business and any day not specified as non-business day for banks by SBP.
- g) Business Income means total income of a pool from business e.g. financing/investments/placements transactions financed through that pool for a given period.
- h) Customer means any individual person, firm, company or any other association or organization, maintaining an account with the Bank, and includes (where appropriate) any person authorized by the customer to give instructions on customer's behalf in relation to customer's account.
- i) Direct Expenses means all direct costs and expenses attributable to a pool in relation to a business e.g. financing/investments/placements transactions for the purpose of deriving Business Income.
- j) Hiba means a part of profit that is due to the Bank as Mudarib, which the Bank may relinquish, on the date of distribution of profit, in favor of depositors.
- k) Internet Banking Service means the service to be provided by the Bank, which would enable the customer to obtain information from and give instructions to the Bank by logging-on to the Bank's Website.
- l) Internet Banking ID means the unique identifier which is issued to the customer by the Bank, and which would enable the customer to access the Internet Banking Service.
- m) Investment Risk Reserve (IRR) means the amount appropriated by the Bank out of the profit due to investment account holders, after allocating the Mudarib share on the basis of Tabarru, in order to cater against future losses for investment account holders.
- n) Loss / Net loss means loss of respective Pool(s) after charging all direct expenses and write offs (if any), which shall be calculated on an accrual basis and in conformity with the generally accepted accounting principles applied on a consistent basis.
- o) Mudaraba means a form of Partnership where one party provides the funds while the other provides expertise and management. Any profits accrued are shared between the two parties on a pre-agreed basis, while loss is borne by the provider of the capital.
- p) Mudarib means the party in a Mudaraba agreement that provides the expertise and management for managing the funds of the person who provides the funds.
- q) Musharaka means a relationship established under a contract by the mutual consent of the parties for sharing of profits and losses in the joint business. It is an agreement under which the Bank provides funds which are mixed with the funds of the business enterprise and others. All providers of capital are entitled to participate in management, but not necessarily required to do so. The profit is distributed among the partners in pre-agreed ratios, while the loss is borne by each partner strictly in proportion to respective capital contributions.
- r) Password means an alphabetical and / or numeric code initially assigned to the customer by the Bank and includes any other code as may be subsequently adopted by the customer for accessing the Bank's Internet Banking Service.

- s) PIN means the confidential Personal Identification Number generated by the Card Holder and may be changed by the Card Holder subsequently at his/her own risk from time to time.
- t) POS Terminals Means point of sale electronic terminals at Merchant Service/Retails Outlet(s), enabling the Card Holder to use the Card to access funds in the Account or Linkage Accounts held with the Bank to make a purchase.
- u) Profit Equalization Reserves (PER) means the amount appropriated by the Bank, from net income of the pool on the basis of Tabarru, in order to maintain a certain level of return in investment for investment account holders and increase owners' equity.
- v) Profit / Net profit means profit of respective Pool(s) after charging all direct expenses and write offs(if any), which shall be calculated on an accrual basis and in conformity with the generally accepted accounting principles applied on a consistent basis.
- w) Rab-ul-Mal means the party in a Mudaraba agreement that provides the funds and accordingly shares the accrued profit with the Mudarib on a pre-agreed basis and solely bears the loss (if any) faced by the Mudaraba.
- x) SBP means the State Bank of Pakistan, established under the State Bank of Pakistan Act, 1956, and includes its successors in- interest.
- y) The Bank's Website mean BOP's Website at www.bop.com.pk modified and / or re-designed from time to time.
- z) The Terms or "These Terms" means these and any supplementary terms and conditions, as amended from time to time.
- aa) Unclaimed Deposit means In the event Current/ Saving etc Accounts remain inoperative for a period of 10 years, the balance in the Account shall be classified as 'unclaimed.'
22. The Bank will not refuse opening of account for prospective customers who meet the requirements laid down in the Prudential Regulations, AML/CFT/CPF regulations and other instructions issued by SBP from time to time and Bank's own policies. .
23. The Account shall be opened with an initial / minimum deposit as stipulated by the Bank from time to time unless specifically relaxed / exempted by SBP.
24. A distinctive number will be allotted to every account and this number should be quoted in all correspondence relating to the account and at the time of making a deposit or withdrawal. The Bank reserves the right to change the Account Number or any part of it in order to meet its book keeping / administration requirement. However, intimation of change in the account number shall be sent to the account holder.
25. The Accounts may be opened singly in one name or jointly in two or more names.
26. Accounts of blind/Visually Impaired person(s) can be open singly or jointly. In such Accounts, withdrawals are allowed only once visually impaired/ blind person(s) visits the branch personally with the witness to sign/apply thumb impression on cheques in presence of the Bank's officials.
27. Accounts of blind/Visually Impaired person(s) shall be opened only after the Terms & Conditions are read to him in the presence of his witness before signing the account opening forms/documents.
28. Account of illiterate(s) or Account(s) with shaky signatures can be open. In such accounts Customers will be required to provide photograph for identification. In such Accounts, Account holder will come personally to the Bank and sign/apply thumb impression on cheque(s) in the presence of the Bank's officials in respect of any withdrawal or transactions regarding the account.

## 2 Opening an Account

21. The Account shall be opened upon signing of Bank's prescribed "Digital Account Opening Form" where all particulars are being reviewed and duly signed by customer in the manner provided and on submitting all such documents and information as may be required by the Bank. Further, the Bank reserves the right to demand such relevant documents and information even after opening of account as deemed necessary. In the event of failure of the Customer to

## 3 Minor Account

31. Deposit may be accepted from minors provided the account is opened and operated through a guardian.
32. The Account will be in the name of a minor who is the beneficial owner. The title of account will be "Child's Name (MINOR)/Guardian's name (GUARDIAN)". The Account may be opened and operated by the

guardian till the minor attains the age of majority. Operation in the account will be stopped on the date the minor attains age of majority and credit balance in the account will be paid to the erstwhile minor by closing the account. The erstwhile minor may open a new account in his/her name. Orders of the court shall, however, be followed in case the legal guardian is appointed by the court.

#### 4. Joint Accounts

41. If an account is opened in the names of two or more persons, the balance to the credit of that account and any accruals thereon shall at all times belong to the persons who are signatories to the account opening form. Such persons shall also be jointly and severally liable for all liabilities incurred in relation to the account and the services.
42. In the case of joint accounts, following further provisions shall also apply:
- a) Each of the signatory to the account shall be deemed to have authorized and empowered the other signatories:
- i) To endorse and deposit for credit to such account, any and all cheques, drafts, notes or other instruments or the payment of money, payable or purporting to belong to other person(s) named in the account, and should any such instrument(s) be received by the Bank without being so endorsed, the Bank is authorized in the absence of any specific instruction to the contrary, to endorse the same on customer's behalf and deposit it to the credit of such account; and
- ii) To issue any cheques, drafts, notes or other instruments that may be drawn against such account.
- b) If prior to acting on instructions received from a signatory, where a joint account is operated on the basis of either or survivor of the signatories, the Bank receives contradictory instructions from any joint account holder(s), then the Bank may, at its absolute discretion, choose to act on the instructions of all the signatories, notwithstanding that any relevant existing mandate or instructions require otherwise.
- c) In the event the Bank receives conflicting instructions from the signatories to a joint account, the Bank shall be entitled to suspend the operation of such account, without any prior notice.

#### 5. Cheque Books

51. Applications / Request for issuance of Cheque Books should be made on prescribed Cheque book

requisition slips and thereafter for further issuance of Cheque Books on the requisition slip inserted in the Cheque Book already issued. Where a person is sent to take delivery of a Cheque book on behalf of the account holder, such person must be in possession of his/her original valid CNIC/SNIC and written authority on prescribed format from the account holder and Submit a photocopy of the identity document for Bank's record keeping.

52. The account holders in their own interest and to reduce the risk of fraud are requested to keep their Cheque Books under lock & key and to ensure that their Cheque Books do not get into unauthorized hands. In case of loss or theft of Cheque book, if the customer reports the concerned Branch before payment, he will not be liable for any loss or damages. However, in any case, bank is liable to observe due diligence in good faith.
53. Loss of Cheque leaves or Cheque Book or the Cheque Book Requisition Slip should be immediately notified by the Account holder to the Bank in writing.
54. If the Cheque book is not collected within sixty (60) days of the issuance, it will be destroyed by the bank at customer's cost.
55. Cheques or other negotiable instruments deposited by the customer that have been dishonored may be returned by post or special messenger to the customer at his last known mailing address with the Bank at the risk and expense of the customer concerned, unless prior arrangement otherwise has been made for its collection.
56. Cheque book shall always be issued in "In-active" state which requires activation through customer's personal visit to the branch and successful verification of his/her identity through biometric. In case biometric verification could not be conducted due to any reason of permanent/temporary nature as permitted by the SBP, NADRA Verisys shall be done following the procedure in vogue. However, Cheque Book(s) of entities and Govt. accounts would be activated only upon Successful call back confirmation (CBC) from authorized officer(s). Moreover, first cheque book shall only be delivered upon production of letter of thanks duly signed by the account holder / authorized officer(s) (for entities/Govt. accounts) in original.

#### 6. Statement of Account

- 6.1. The statement of account will be dispatched to the account holder at periodical intervals, as per frequency stipulated by SBP, and charges as per rules set by SBP.

6.2. The statement of accounts will be sent in following manner:

a) Where closing balance in an account, as on 30 June and 31 December, is less than 10,000/- free of charge statement of account will be dispatched at least once in a calendar year within one month from the close of calendar year (i.e., by 31 st January). In addition, statement of accounts for balances less than 10,000/-, which is dispatched through regular post, .

b) Where closing balance in an account, as on 30 June or 31 December, is greater than or equal to 10,000/, free of charge statement of account will be dispatched twice in a year on, six monthly bases, within one month from the close of half year (i.e., June 30 and December 31).

c) Customers may notify any discrepancies in statement of account within 45 days from the date of issue, after which Bank's statement will be considered final.

6.3. However, no statement of account shall be dispatched to dormant / inoperative accounts during the period of dormancy / in-operation till such time accounts are reactivated. However, statements to all such accounts shall be dispatched on due dates, starting from the period preceding or equal to the date account was flagged dormant.

6.4. The Bank will take care to see that credit and debit entries are correctly recorded in all accounts but in case of any error, the Bank shall be within its right to make the correct 1 adjusting entries and recover any amount wrongly paid or credited and inform the account holder subsequently. The Bank shall not be liable for any loss or damage to the account holder due to such errors or corrections thereof.

6.5. Duplicate copies of statement of accounts shall be provided by the Bank by debiting the customers' account as per the schedule of charges.

## 7. Deposits

7.1 All monies / instruments to be deposited in an account should be accompanied by a pay-in-slip (F-23) showing the title and number of the account. Customer Copy of System Generated Cash deposit Slip will be handed over to the depositor. System Generated deposit receipt bearing relevant information shall not require stamp and signatures.

7.2. All cheques to be deposited for credit to the account

should be payable to the account holder and be "crossed" before deposit. Also particulars of the cheques (name of the Drawee Bank, Cheque number etc.) should be correctly written both on pay-in-slip and the counterfoil thereof. The Bank shall not be responsible in case of any loss where the above requirements are not complied. In case of delay or loss occasioned in collection of cheques, the bank will follow-up with the concerned for swift resolution.

## 8. Withdrawals

8.1. Withdrawals from the account can be made only by means of Cheque supplied by the Bank in printed form or any other mode approved by the Bank. Cheque should be signed by the account holder (thumb impressed by the illiterate Customer) as per specimen signature(s)/thumb impression supplied to the Bank and any alteration(s) thereon must be authenticated by the drawer(s) full signature(s)/thumb impression as the case may be.

8.2. Customers will not be liable for cuttings and alterations on cheques unless duly authenticated.

8.3. The credit balance in an account in the name of two or more persons will be payable as per Operational instructions given 1 signed by all the account holders in Account Opening Form. However, the possible cases can be as under:

a) Either or anyone or more of them or the survivors of them; or

b) All of them.

8.4. Withdrawals will not be allowed against postdated (payable on any future date) and stale (06 months after issuance date) cheques and against un-cleared funds.

8.5. In the case of 8.3 (a) above; if payments from an account are at any time forbidden by anyone or more of the account holders, the amount will only be payable on the discharge of all the account holders or the survivor or survivors of them.

## 9. Dormant Account

9.1. In case of:

a) All depository accounts like Current/Saving/BBA etc., which has not been transacted by the account holders for a period of one year, will be classified as "Dormant" by the system under written notice to the account holder or as prescribed by SBP from time to time. Credit entries will be allowed without changing

the dormancy status, however withdrawals will not be allowed until the customer gets it activated.

- b) Direct Pension Accounts will be marked as “Dormant” as defined in clause No. 20.7.

9.2. For reactivation of dormant account, the account holder must be in person in the branch at the time of giving request in writing for a change of status and will produce original CNIC/SNIC or Passport or Pakistan Origin Card (POC) or National Identity Card for Overseas Pakistani (NICOP) and submit a Photo copy of the identity document for Bank’s record keeping. Biometric verification (BioSys) of the individual natural person/person(s) authorized to operate the account is to be conducted in case biometric verification could not be conducted due to any reason of permanent/temporary nature as permitted by the SBP, NADRA Verisys shall be done following the procedure in vogue. Customer KYC profile is revisited & updation is made including source of funds and revision of Credit / Debit thresholds, visit report (where required), along with updation of customer particulars i.e: address, telephone, email, phone /cell number (where required) & Name Screening. FATCA and CRS formalities will also be fulfilled.

## 10 Unclaimed Deposit

If an account is not operated / transacted upon by a customer for a continuous period of ten years; the balance in the account shall be classified as “unclaimed” which shall be surrendered to SBP as per the provisions of Section 31 of the Banking Companies Ordinance 1962 and applicable laws, rules and regulations, as amended from time to time.

## 11. Closing of Account

- 11.1. The Bank may at its sole and absolute discretion close any account, which is not being operated in a manner satisfactory to the Bank or for any other reason whatsoever, with or without any prior notice to the customer. The Bank also reserves the right to terminate, at the Bank’s sole discretion, any other type of relationship(s) with the customer, e.g. lockers, safe custody, etc. at any time without assigning any reason.
- 112 In case the account is closed the balance will be remitted to the account holder immediately, through Universal Cheque, at the address given by the Account Holder(s) along with the reason in this respect.

113. Upon closure of an account, the customer must surrender to the bank un-utilized cheque book Cheque/s./Debit Card, if issued relating to customer’s account. Alternatively, if customer claims the loss of cheque book / un-utilized cheque/s./Debit Card written declaration should be obtained.

114. The Account Holder(s) wishing to close the account must withdraw the outstanding balance, if any.

115. All the accounts which have not been transacted by the customer since two years and have nil or having balances upto Rs 1,000/-, will be closed by the bank without giving any notice.

## 12 Death / Bankruptcy of Account Holder(s)

121. In case of death 1 bankruptcy, the Bank will stop operation in the account immediately, after the receipt of official notice or as and when become aware of it from any other reliable source.

- 122 In the event of a death of any one or more of the account holders of Joint account:

- a) In case the credit balance in an account in the name of two or more persons, will be payable to either or anyone or more of account holders or the survivors of the account holders, as instructed by all the account holders in Account Opening Form (as per Operational instructions), and in the absence of a contract to the contrary, the credit balance will become payable to the survivor(s) without reference to the legal heirs of the deceased person or persons.

- b) In all other cases, the credit balance will be payable to the legal heirs of the deceased account holder(s) along with the remaining account holder(s) as per bank’s procedure.

## 13. Islamic Current Account(s)

131. Islamic Current Account(s) is opened on the basis of Qard and offers the account holder the flexibility to withdraw funds from time to time at his/ her convenience.

- 132 The depositors shall be made aware that no profit shall be payable on Islamic Current Account(s). The deposits received by the Bank under Current Account(s) can be used by the Bank as its equity in the pool(s) at its sole discretion for business purposes including investments/ financings/ placements transactions/products under Shariah compliant modes in any manner the Bank considers appropriate after approval of its Shariah Board.

#### 14. Islamic Basic Banking Account (Current Account)

141. The minimum initial deposit for this type of account shall be Rs. 1,000/- or as per amount prescribed by SBP.
142. The account will be non-remunerative account, i.e. no profit shall be paid on the deposit in Islamic Basic Banking Account (BBA).
143. There is no specific limit on minimum balance. In cases, where balance in BBA remains 'nil' for Continuous six Month period, such accounts will be closed.
144. Fee will not be charged for maintaining BBA.
145. The ATM withdrawals are free of charge; from the bank's own ATMs. In case of withdrawal from BBA through the ATM machines of other banks, bank shall recover charges as per schedule of charges.
146. Statement of account will be issued once in a year, duplicate copies of the statements of accounts will be provided only on request upon payment of relevant charges.

#### 15. Islamic Profit and Loss Sharing Savings Account(s) & Riba Free Certificate(s)

151. The relationship between the Bank and the Customer with respect to all profit bearing deposits, including Saving deposits and Riba Free Certificate(s) deposit, shall be based on the principles of Mudarabah, where the Customer is the Rab.ul-Maal and the Bank is the Mudarib. Furthermore, the relationship is based on unrestricted Mudaraba arrangement.
152. Funds deposited by the Customer in profit bearing deposits shall be collected in pool(s) of funds. The Bank may, at its sole discretion, commingle customer's funds with funds of the other depositors in the pool.
153. The Bank as Mudarib may invest or de-invest, at its sole discretion, amounts/deposits received by it from the Customers in any of the businesses (businesses, transactions and products) of the Bank as it deems appropriate under the products/ transactions/ avenues approved by the Shariah Board of the Bank.
154. All profit bearing deposit categories shall be assigned Weightages. The updated and prevailing Profit Sharing ratio (between Mudarib and Depositors) and Weightages for all pool(s) for the following month or

any interval decided by the Bank shall be finalized and announced during last week of the current month, and sheet containing Weightages for the following month shall be available at Notice Board of branches of the Bank and Web-Site of the Bank.

155. Shares of Profit / Losses for each calendar month shall be determined under the policies as mentioned in section 15 below and credited to the customers' account within Seven (7) working days after end of each period, for the preceding profit allocation period or on such dates or intervals which the Bank may determine and calculate as per policy in vogue.
156. The Customer will not participate in any management or in decisions concerning financing/investment/ placements of the Mudaraba funds and by signing this contract Customer understands that he has given unrestricted right to Bank as Mudarib to invest these funds.
157. In addition to the above:
  - a) Saving Accounts may also be opened by charitable institutions for Provident Funds and other funds of Benevolent nature by Local Bodies, Autonomous Corporations, Companies, Associations, Societies, Educational Institutions, Firms etc. and in all other cases where such accounts are required to be opened under the orders of Competent Court of Law; and
  - b) Not more than one Saving Accounts may be opened at a branch, under one category of saving account(s), in anyone name except in the name of a parent or guardian for more than one child or for keeping funds of specified nature category by an entity, with the Bank's prior approval.

#### 16. Distribution of Profit & Loss

- 16.1. In case, where the Bank's equity is comingled with the customer's fund in a pool; the Net Income / loss of pool would be allocated between the Bank's equity and customer's fund in proportion to the respective share in pool.
- 16.2. Profit and loss on the Mudaraba based deposits would be computed and distributed on the basis of monthly average balance/ daily product (net) balance, as the case may be, in customer's account during the profit computation period.
- 16.3. At the end of each calendar month; Bank and the pool members shall share Profit or Loss accruing from Business( es) after deducting all direct expenses

pertaining to that Mudaraba pool at actual in the following manner:

- a) The Bank's share in the Profit, in the capacity of Mudarib, would be admissible only on profit allocated to depositors' funds from the pool's net income and would be determined on the basis of a predetermined percentage, capped at a maximum of 50% of the profit allocated to depositors' funds from the pool's net income. The said percentage shall be determined by the Bank before the beginning of each period and made available for the customer's information on the Bank's Website and on notice boards of its branches. Loss, if any, shall be distributed amongst pool members under the principles of Mudaraba on the basis of pool members' ratio of investment.
  - b) Balance of profit after deducting the Bank's share determined under clause 15.3 (a) above; shall be distributed amongst the pool members on the basis of predetermined weightages. Losses, if any, shall be distributed amongst the pool members under the principles of Mudaraba on the basis of pool members' ratio of investment.
  - c) In case of loss has been incurred by the Business and was caused by the gross negligence or willful default of the Bank, the Customer will not be liable to share in such a loss as contemplated by clause 16.3 (a) above.
  - d) The Bank will keep aside a certain percentage liquid in the pool to meet need for cash in hand, contingencies, and Cash Reserve Requirement/ Statutory Liquidity Reserve (CRR/SLR) where applicable. This amount shall be considered as part of pool.
- 16.4. For the purpose of smoothening of profit the bank may create Profit Equalization Reserve (PER) from net income of the pool or give Hiba to depositors from its share of profit.
- 16.5. The method of calculating any return under the profit and loss sharing scheme is governed by the prevailing regulations/directives of the State Bank of Pakistan issued from time to time.
- 16.6. Any amount allocated as profit/loss by the Bank shall be final and binding on all Customers. No Customer shall be entitled to question the basis of the determination of such profit/loss.
- 16.7. Unless specifically advised by the Customer to the contrary, on maturity, a Riba Free Certificate will be encashed at the sole discretion of the Bank.

- 16.8. In case of premature encashment of Riba Free Certificate, Profit will be payable for the term completed in line with pre-mature encashment policy of the Bank and/or Product Procedural Manual of that deposit, as the case may be. Any excessive amount paid on account of Profit will be adjusted at the time of encashment.

#### **17. Profit Equalization Reserve (PER), Investment Risk Reserve (IRR) and other provisions**

- 17.1. PER, IRR and other provisions may be created, maintained and utilized as follows:
- a) The Bank may at its sole discretion as per SBP rules, in order to maintain a certain level of return on investment of depositors, may deduct / write-back profit Equalization Reserve (PER) from / to the net income of the pool.
  - b) The Bank may fully or partly utilize the amount of PER to improve the returns to the depositors during periods when the pool's profits are below market expectations.
  - c) Only existing depositors will qualify for share in PER. As such, the depositor agrees that he / she / it shall not have any right to claim the share in PER (if any) after the withdrawal of the deposit.
  - d) PER will be created on the basis of Tabarru from pool contributors.
  - e) Ratio of PER will be displayed on the notice board of the Branches and website of the bank before start of the relevant period.
- 17.2. Hiba, may be provided to depositors by the Bank through reduction in its share of profit, for the following purpose:
- a) In order to account for displaced commercial risk, the Bank in the capacity of Mudarib may relinquish a part of the profit that is due to the Bank, in the favor of depositors, only after the balance in the PER is fully utilized.
- 17.3. The Bank may at its sole discretion as per SBP rules, in order to mitigate risk of future losses to investment of depositors, may deduct / write-back Investment Risk Reserve (IRR), from the depositors profit i.e. distributable profit net of Mudarib share.
- 17.4. IRR will be created on the basis of Tabarru from pool contributors.

175. Only existing depositors will qualify for share in IRR. As such, the depositor agrees that he / she / it do not have any right to claim the share in IRR (if any) after the withdrawal of the deposit.
176. Allocated but unpaid profits which are not reinvested as per the mutual agreement will be recognized as liability of the Bank.
177. 5% of all dividend and capital gain on shares income shall be transferred to Dividend Income provisioning and Capital Gain/Loss provisioning respectively at the time of liquidation of the pool, part of the provisioning corresponding to interest income of the company's total income during that period as declared in published accounts (whether audited or unaudited) shall be paid in charity and remaining income, if any shall be reversed so as to become part of net income of the pool. The remaining portion thus reversed shall be based on Tabarru from the pool contributors at the time of creation of such provisioning.
178. Clauses pertaining to calculation and distribution of Profit / Losses in this document shall 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 and the profit and loss distribution policy framework approved by the Shariah Board and the Board of Directors of the Bank.

## 18. Profit on Closing of Saving Account

181. In the event of closure of profit bearing deposit accounts at a time during the month when the Mudaraba profits for that profit calculation period cannot be ascertained, the profit amount in such case shall be calculated using the profit rate applicable for the immediately preceding profit calculation period and paid to the customer as soon as possible following which the account will stand closed.
182. This payment of profit will be based on the principle of Takharuj i.e. such allocation 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.
183. 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.

## 19. Foreign Currency Accounts

191. Foreign Currency current and saving accounts may be established in US Dollars and / or such other currencies as may be determined by the Bank, as allowed by relevant regulations in force from time to time.
192. The Terms and Conditions contained in clause 15 herein above applicable to saving account shall also apply to Foreign Currency saving accounts.
193. In case of Foreign Currency Current Accounts, monies deposited by the Customer with the Bank are on the basis of Qard and shall remain payable until paid. Bank may at its discretion use or employ such funds as it deems fit. No profit is paid on any current account balance in respect of Foreign Currency accounts.
194. Foreign Currency accounts, both current and saving are opened and maintained subject to Foreign Exchange Control regulations and directives of the Government of Pakistan, or any of its organs/agencies and the SBP from time to time.
195. Withdrawals from a Foreign Currency Account shall be subject to the availability of the particular foreign currency with the Bank and in accordance with the prevailing directives of the State Bank of Pakistan and Government of Pakistan.
196. The bank accepts only mint condition FCY notes.
197. In case of any deposit of foreign currency of more than USD 10,000 (or equivalent in other currencies) in a single day, the account holder shall be required to present the original receipt of acquisition and submit the Photocopy of acquisition receipt for Bank's record keeping.
198. The Account Holder acknowledges that the Bank shall not be liable for any currency exchange loss resulting from any transfer / movement of the balances from foreign currency to the Account Holder's Account in another currency.

## 20. TAQWA Direct Pension Credit Account

201. The account can only be credited by pension funds



and no local or international credit will be allowed in the account.

202. No initial deposit required for this account.

203. The account will be opened by single person (pensioner) only.

204. This is a remunerative account and profit will be disbursed monthly on the basis of monthly average balance.

205. In case of transfer of bank account from other Bank/Branch, Pensioner (Customer) will mention in his request that his/her previous bank account has been closed.

206. Pensioner shall be required to undergo biometric verification from any branch of a bank maintaining his/her pension account, after every six months. If the pensioner is unable to undergo biometric verification due to incapacitation by bodily illness, infirmity, or if his/ her fingerprints do not exist due to old age or a genetic condition, he/she will provide a life certificate.

a) In case of family pension, Non-Marriage declaration shall be obtained from pensioners annually (on or before 30th September) with validity of 01 year.

b) Submission of above mentioned Non-Marriage declaration will be dispensed with after the widow/ daughter/ sister of the pensioner (family pension recipient) attains the age of sixty years.

207. If a pensioner fails to submit a life certificate or fails to undergo biometric verification after every six months or a pensioner does not draw a pension for consecutive six months, the account shall become dormant.

208. A bank account dedicated to pension transactions only shall not be mandatory for the pension.

## 21. Indemnity and Liability

a. The Bank shall use its best endeavors to provide smooth and efficient services to the customers. Notwithstanding the same, the customer hereby agree and confirm to hold the Bank and its officers, directors, employees and representatives, agents and contractors, completely harmless and indemnified, from and against any and all costs, losses, damages, liabilities, payments and obligations and expenses (including but not limited to reasonable legal costs) incurred, suffered, sustained, paid or imposed upon the Bank, arising out of, inter alia:

a) Any claim by the customer or any third party concerning the amount, transfer, delivery or non-delivery of any product requested through any of the Bank's services or any other matter relating to the services.

b) Any action taken by the Bank in reliance upon customer's instructions which are:  
i) Revealed to be unauthentic, unauthorized or erroneous; and / or  
ii) Discovered to be fraudulent.

c) Any taxes or other levies paid or due to be paid by the Bank on payments made or to be made by the customer, through or pursuant to the Bank's services.

d) Customer's act, omission, error, neglect, or default or those of the customer's employees, agents, correspondent or participating bank or of their employees and agents.

e) Subject to these Terms, any amendment to or variation in customer's instructions.

f) For any instruction not complied with, due to reasons beyond the Bank's reasonable control.

g) Any Loss arising out of unauthorized or fraudulent access to the customer's account caused as a result of customer's negligence or failure to take reasonable care.

h) Loss or theft of cheque book or the Debit Card.

21.2 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.

21.3. The customer is aware that all deposits in the Mudaraba pool are exposed to potential losses arising out of a loss incurred in respects of assets in the Mudaraba pool. Any losses incurred by the Mudaraba pool in a Profit Allocation Period shall be borne solely by the Customer (in the capacity of Rab-ul-Maal). If however, the Bank has also invested its own funds in the Mudaraba pool as 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.

## 22. Debit Card

22.1 The Bank may, at its sole discretion, and subject to applicable charges issue Debit Card to the customer.

22.2 The Debit Card shall be subject to the Debit Card Terms and Conditions.

### 23. Bank's lien

23.1 The Bank shall have a lien on all funds, monies, securities and other properties of whatsoever nature belonging to the Customer in the possession of the Bank for payments (repayment) of any liability or indebtedness of the Customer to the Bank in the line with guideline of Bank's Shariah Board.

### 24. Miscellaneous

#### 24.1 Zakat and Taxes

24.1.1 Zakat and Withholding Tax and / or other tax (es) levied from time to time shall be deducted as per prevailing laws of Pakistan. All amounts recovered by the Bank as additional amounts in relation to a Saving Account shall be paid by the Bank into the Charity Fund.

24.1.2 ZAKAT is leviable on the assets as described in the Zakat & Ushr Ordinance 1980 (as amended from time to time) on balances which will fall within the definition of zakatable assets as notified by the Government of Pakistan on Valuation date each year, provided Declaration (original/attested photocopy) for exemption from compulsory deduction of zakat is filed on the prescribed proforma (CZ-50) in the prescribed manner one month preceding the valuation date except in the case of newly opened accounts.

#### 24.2 Charges and Expenses

24.2.1 Charges for services provided by the Bank shall be levied according to the Schedule of Charges. Charges for transaction on foreign currency accounts will be recovered in foreign currency only.

24.2.2 The Bank will not obtain any prior permission from the customer for debiting customer's account for any expenses, fees, commission, profit, Zakat, tax, stamp duty, excise duty, etc. payable to the Government (or what so ever) arising out of any dealing between the Bank and the customer.

24.2.3 The Bank may, without any further express authorization from the customer debit customer's account maintained with the Bank for the amount of any or all losses, claims, damages, expenses or other amounts which the Bank may suffer, sustain

or incur as a consequence of acting upon any of the customer's instructions.

#### 24.3 Amendment in Rules

24.3.1 The Bank reserves to itself the right to amend, alter or add to any or all of these Rules through an advertisement in any newspaper or by means of a notice exhibited in the Bank's premises as thirty (30) days advance notice prior to such changes take effect there after such amended, altered or additional Rules shall be deemed to be binding on all concerned. However, in case of any dispute, matter should be referred to SBP and the decision of SBP will be final and binding in that case.

#### 24.4 Legal

24.4.1 These Terms shall be solely governed by the substantive and procedural laws of Pakistan. All Pakistani courts shall have exclusive jurisdiction in respect of any dispute relating to any matter contained herein.

#### 24.5 Stop Payments

24.5.1 The Bank will register written signed instructions received from the account holder/drawer of the Cheque to stop its payment as and when lodged/ received in the bank. The instructions should reach the Bank well before presentment of the Cheque enabling the bank mark caution, however, it will be valid only from the date and time of receipt if received within working hours. The Bank shall not be held responsible for payment made if the instrument is presented and paid prior to receipt of written instruction for stop payment. The said request of the account holder has to be specific.

#### 24.6 Change of Address

24.6.1 Any change in the address of the account holder should immediately be communicated to the Bank in writing so that any future correspondence may be made to the new address. The post office and the agents for delivery should be considered agents of the account.

#### 24.7 Data Protection and Disclosure

24.7.1 The Bank shall make endeavors to preserve the secrecy of the account of the customer. Nevertheless, the customer hereby expressly authorizes the Bank to disclose the information if such is required by any investigating agency, any government agency or such person as the Bank fee is that such disclosure

is necessary.

I/We undersigned; apply to open an account with The Bank of Punjab- Taqwa Islamic Banking as per detail specified in this account opening form. I/We agree to provide all documents that are required and/ or may be required by the Bank at any point of time in future, for its own requirements or any other mandatory requirement to open and operate the account that is being requested. I/We further undertake to abide by the rules of The Bank of Punjab, as amended from time to time governing the conduct and operation of this account.

I/We confirm having read, understood and received a copy of the Account Opening Form/Terms and Conditions and undertake to abide by them and any alteration/ modification made therein by the bank from time to time.

Name(s):

Customer Signature(s) / Thumb Impression(s):

1)	_____	_____
2)	_____	_____
3)	_____	_____
4)	_____	_____