



BANK NEGARA MALAYSIA
CENTRAL BANK OF MALAYSIA

Credit Card-i

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PART A OVERVIEW

1 Introduction

- 1.1 Credit cards are the most widely used payment card in Malaysia. An average of 349 million credit card transactions was made annually over the past decade.
- 1.2 Recognising the importance of credit cards as a payment instrument, this policy document has been further enhanced to promote responsible credit card-i offering and to encourage greater financial discipline among financial consumers while providing an avenue for the more vulnerable consumers to expedite the settlement of their credit card debt.

2 Applicability

- 2.1 This policy document is applicable to all credit card-i issuers.
- 2.2 The requirements of this policy document apply to credit card-i products offered to:
 - (a) individuals;
 - (b) micro, small and medium enterprises (SMEs); and
 - (c) corporate cardholders,with the exception of paragraphs 9, 10 and 12 which do not apply to credit card-i products issued to SMEs and corporate cardholders.
- 2.3 The requirements under paragraph 13 and paragraphs 15 to 23 only apply to credit card-i products offered to individuals, micro and small enterprises. However, issuers are encouraged to adopt similar standards under these paragraphs for credit card-i products offered to medium and large enterprises.

3 Legal provisions

- 3.1 The requirements in this policy document are specified pursuant to:
 - (a) Sections 22(2), 29(2), 43(1), 57(1), 76(3) and 135(1) of the Islamic Financial Services Act 2013 (IFSA);
 - (b) Sections 18(2) and 49 of the Financial Services Act 2013 (FSA); and
 - (c) Sections 33(E), 41 and 42(C)(1) of the Development Financial Institutions Act 2002 (DFIA).
- 3.2 The guidance in this policy document is specified pursuant to section 277 of the IFSA, section 266 of the FSA and section 126 of the DFIA.

4 Effective date

- 4.1 This policy document comes into effect on 2 July 2019, except for the following requirements under:
- (a) Paragraphs 11.1 to 11.3 which come into effect on 2 October 2019;
 - (b) Paragraphs 12.1 to 12.4 which come into effect on 2 January 2020.

5 Interpretation

- 5.1 The terms and expressions used in this policy document shall have the same meanings assigned to them in the IFSA, FSA and DFIA as the case may be, unless otherwise defined in this policy document.

- 5.2 For the purpose of this policy document–

“**S**” denotes a standard, an obligation, a requirement, specification, direction, condition and any interpretative, supplemental and transitional provisions that must be complied with. Non-compliance may result in enforcement action;

“**G**” denotes guidance which may consist of statements or information intended to promote common understanding and advise or recommendations that are encouraged to be adopted;

“**acquirer**” refers to any person who has been registered by the Bank under section 18(1) of the FSA to provide merchant acquiring services;

“**balance transfer plan**” refers to a plan that allows a cardholder to transfer outstanding balances from credit card-i accounts held with other issuers to a credit card-i account of the issuer offering the balance transfer plan and the cardholder shall pay the issuer by way of monthly instalments over a specific period;

“**credit card-i**” refers to a designated Islamic payment instrument with a line of credit or financing based on Shariah principles granted by an issuer to a cardholder and where any amount of the credit or financing utilised by the cardholder has not been settled in full on or before a specified date, the unsettled amount may be subjected to a lesser rebate (*ibra*) by the issuer;

“**easy payment plan**” means a facility offered to a cardholder to pay the issuer by way of monthly instalments over a specific period of time for: (i) the purchase of goods or services from the issuer’s participating merchants; (ii) the payment of outstanding credit card-i balances; or (iii) a cash loan taken against the credit card-i line of credit;

“**financial institution**” refers to any person licensed under IFSA or FSA or a prescribed institution under the DFIA;

“**issuer**” refers to a person who has obtained approval from the Bank under section 11 of the IFSA or section 15 of the FSA to issue credit card-i;

“**micro, small and medium-sized enterprises**” has the same meaning as provided in the notification on Definition of Small and Medium Enterprises (SMEs) issued by the Bank (BNM/RH/NT 028-51); and

“**representatives**” and “**agents**” refer to any individual or firm acting on behalf of an issuer or an acquirer.

6 Related legal instruments and policy documents

6.1 This policy document must be read together with other relevant legal instruments and policy documents that have been issued by the Bank, in particular-

- (a) Notification on Definition of Small and Medium Enterprises (SMEs) issued on 27 December 2017 (BNM/RH/NT 028-51);
- (b) Policy document on *Tawarruq* issued on 28 December 2018 (BNM/RH/PD 028-8);
- (c) Policy document on *Qard* issued on 26 February 2018 (BNM/RH/PD 028-7);
- (d) Policy Document on Responsible Financing issued on 6 May 2019 (BNM/RH/PD 028-79);
- (e) Guidelines on Imposition of Fees and Charges on Financial Products and Services issued on 10 May 2012 (BNM/RH/GL 016-2);
- (f) Guidelines on Product Transparency and Disclosure issued on 31 May 2013 (BNM/RH/GL 000-3);
- (g) Circular on Fair Debt Collection Practices issued on 10 September 2007 (BNM/RH/CIR 013-1);
- (h) Policy document on Management of Customer Information and Permitted Disclosures issued on 17 October 2017 (BNM/RH/PD 028-65);
- (i) Guidelines on Complaints Handling issued on 1 February 2010 (BNM/RH/GL 000-4);
- (j) Circular on Managing Risks of Electronic Banking, Direct Debit and Risks Associated with Payment Instruments issued on 24 December 2014 (BNM/RH/CIR 028-6); and
- (k) Policy document on Outsourcing issued on 28 December 2018 (BNM/RH/PD 028-93).

7 Policy documents superseded

7.1 This policy document supersedes the policy document on Credit Card-i issued on 2 December 2016¹.

¹ The policy document on Credit Card-i issued on 2 December 2016 superseded the guidelines and policy document listed below:

- (i) Guidelines on Credit Card-i issued on 18 March 2011; and
- (ii) Policy document on Credit Card-i issued on 28 February 2014.

PART B BUSINESS CONDUCT

A. APPROVED SHARIAH CONCEPTS APPLIED IN CREDIT CARD-I

8 Shariah concepts

- S** 8.1 An issuer shall put in place appropriate processes, mechanisms and safeguards to ensure that a credit card-i is not used for non-Shariah compliant transactions.
- S** 8.2 An issuer shall ensure *aqad* is expressed orally, in writing or by any other methods recognised by Shariah, in the case where there is a change in credit limit.
- S** 8.3 An issuer shall ensure that the application of *Tawarruq* or *Ujrah* based credit card-i is in line with policy documents *Tawarruq* or *Qard*, respectively. For new Shariah concepts approved by the Shariah Advisory Council, an issuer shall observe applicable policy documents on Shariah contracts issued by the Bank or rulings by the Shariah Advisory Council.
- S** 8.4 An issuer shall obtain the Bank's approval prior to changing the underlying Shariah concept for its credit card-i structure.

Tawarruq based credit card-i

- S** 8.5 The issuer shall ensure that the following general conditions on the application of *tawarruq* concept in credit card-i are complied with:
- The issuer purchases an identified commodity from a commodity broker and sells the commodity at an agreed selling price (cost plus profit) on a deferred basis to a cardholder;
 - The cardholder then sells the commodity to another commodity broker at cost and on a spot basis through the issuer as an appointed agent;
 - The proceeds from the sale of commodity shall constitute the cardholder's credit limit for the purpose of utilisation by the cardholder; and
 - The issuer shall charge actual profit to the cardholder based on the utilisation of the credit limit by the cardholder and must grant *ibra'* (rebate) to the cardholder on the unutilised portion.

Ujrah based credit card-i

- S** 8.6 Under the concept of *ujrah*, an issuer shall provide a cardholder identified services, benefits and privileges in exchange of a fee.
- G** 8.7 The credit limit of the credit card-i may be assigned on the basis of *qard* (loan), e.g. for retail purchase or cash withdrawal or any other mode of utilisation as determined by the issuer from time to time.

- S** 8.8 The issuer must ensure that the following general conditions on the application of *ujrah* concept in credit card-i are complied with:
- (a) *Ujrah* (fee) is allowed to be charged on credit card-i. The fees² are charged on services, privileges and benefits that must be permissible in Shariah;
 - (b) The *ujrah* (fee) must be a fixed amount and shall not be based on the credit limit. The total fee charged must be based on the type of credit card-i (e.g. platinum, gold or silver) instead of credit limit;
 - (c) The imposition of *ujrah* (fee) on services, benefits and privileges must not constitute any element of *riba*. This shall apply in the following context:
 - (i) *Ujrah* (fee) must be charged on the Shariah compliant services, benefits and privileges only. *Ujrah* (fee) must not be imposed on extension granted for loan payment, delay in loan payment or exchange of cash with cash at a different value (cash back services);
 - (ii) For services related to the provision of loan, delay in loan settlement and cash back services, the issuer is only allowed to charge the direct costs incurred in providing such services. Among the services in this category are cash withdrawal services and retail services; and
 - (d) The actual *ujrah* (fee) must be based on the utilisation by the cardholder and the issuer must grant *ibra'* (rebate) to the cardholder for the unutilised portion of the total *ujrah* (fee).

B ELIGIBILITY, MINIMUM MONTHLY PAYMENT AND AUTOMATIC BALANCE CONVERSION REQUIREMENTS

9 Minimum age and income requirements

- S** 9.1 An issuer shall ensure that a principal cardholder is at least 21 years old and earns at least a minimum income of RM24,000 per annum.
- S** 9.2 An issuer shall ensure that the following restrictions are applied to a principal cardholder who earns RM36,000 per annum or less:
- (a) the cardholder can only hold credit cards from a maximum of two issuers³; and
 - (b) the maximum credit limit extended to the cardholder shall be two times his monthly income per issuer. This is applicable to both an existing and new cardholder.
- S** 9.3 The income requirement under paragraph 9.1 and restriction under paragraph 9.2 do not apply to retirees. An issuer shall assess their creditworthiness based on the criteria specified by the issuer, which include affordability assessment as prescribed in the policy document on Responsible Financing.

² Refer to Appendix 6 for example of services, privileges and benefits as well as allowable fees and charges of *ujrah* based credit card-i.

³ Refers to both credit card and credit card-i issuers.

10 Deposit placement

- S** 10.1 An issuer who wishes to issue a credit card-i to a person who is unable to prove his annual income, but meets the minimum age requirement, shall require the applicant to deposit an amount equivalent to the credit limit granted to such person.
- S** 10.2 The deposit shall be placed with the issuer. Where the issuer is not a financial institution, the deposit shall be placed with the financial institution that is providing the financing to the cardholder.
- S** 10.3 An issuer shall ensure that the deposit shall be maintained for as long as the credit card-i facility is available.

11 Minimum monthly payment

- S** 11.1 An issuer shall require a cardholder to make a minimum monthly payment comprising:
- (a) at least 5% of the total amount outstanding;
 - (b) the total amount of the contracted monthly instalments of any easy payment plan (EPP) and balance transfer plan (BTP); and
 - (c) the contracted monthly term financing instalment for any automatic balance conversion (ABC) under paragraph 12.1.
- S** 11.2 An issuer must ensure that the requirement in paragraph 11.1(b) applies to EPP and BTP signed up by a cardholder from 2 October 2019.
- S** 11.3 For the purposes of ensuring a smooth implementation of the requirements in paragraph 11.1, an issuer shall:
- (a) create awareness of the requirements on its websites and send individual notification to all existing cardholders (i.e. in writing or via electronic means) on the requirements at least two months before the effective date specified in paragraph 4.1;
 - (b) reflect the requirements prominently in the Product Disclosure Sheet (PDS) as well as the terms and conditions;
 - (c) train front-line staff to clearly explain to cardholders on the requirements and their implications; and
 - (d) advise EPP merchants to inform cardholders at the point of signing up for the EPP.
- S** 11.4 Where partial payment received from a cardholder is equal or less than the minimum monthly payment stated in paragraph 11.1, an issuer must not allocate more than 30% of such amount to settle the profit or fee portion of the balances.
- S** 11.5 An issuer shall allocate any excess payment received above the minimum monthly payment amount to settle the balances (i.e. items appearing in the statement) according to their profit or fee rates, with items attracting the highest profit or fee rate to be paid first.

- G** 11.6 To illustrate how paragraphs 11.4 and 11.5 should be implemented, assuming the minimum monthly payment is RM300 and the cardholder makes a payment of RM450. The issuer may allocate not more than 30% of the RM300 (i.e. RM90) to settle the profit or fee portion. The remaining balance of RM360 must be allocated to settle the statement items attracting the highest profit or fee rate first.
- S** 11.7 An issuer shall provide cardholders with a grace period of at least 4 calendar days after the payment due date. This is to cater for payment due dates falling on weekends or public holidays.

12 Automatic balance conversion

- S** 12.1 An issuer shall apply the Automatic Balance Conversion (ABC) on a vulnerable cardholder as specified in paragraph 12.2 by converting his outstanding credit card-i balances into a 3-year term financing, at an effective profit rate of not more than 13% per annum.
- S** 12.2 For the purposes of paragraph 12.1, the issuer must adopt the following description of a vulnerable cardholder, where a cardholder:
- (a) earns a monthly income of up to RM5,000;
 - (b) is a consistent revolver over the past 12 months; and
 - (c) has made an average payment of 10% or less of his outstanding balances in the past 12 months.
- S** 12.3 An issuer shall ensure that the following ABC requirements are complied with:
- (a) the cardholder is given a 30-day cooling-off period to opt out from the ABC for the first conversion exercise without having to incur any charges;
 - (b) for subsequent conversion exercises, the cardholder is given the opportunity to opt out of the offers before the conversion commences;
 - (c) the outstanding balance converted into the term financing is treated as part of the credit card-i limit. The credit limit shall be restored only after the term financing is fully paid;
 - (d) the monthly term financing instalment must be paid in full, as part of the minimum monthly payment due; and
 - (e) where the cardholder early settles the term financing, the issuer shall grant rebate where applicable, without imposing any charges.
- S** 12.4 For the purposes of ensuring a smooth implementation of paragraphs 12.1 to 12.3, an issuer shall:
- (a) inform the vulnerable cardholder concerned (i.e. in writing or via electronic means) on the ABC at least two months before the first conversion. This includes providing a link on the issuer's website to a common site which contains detailed information on the ABC programme;
 - (b) inform the vulnerable cardholder who has been enrolled into the ABC at least 30 days before each conversion. For the first conversion, the issuer shall clearly inform the vulnerable cardholder of the 30-day cooling-off period; and
 - (c) reflect all the key information on the ABC in the relevant PDS as well as the

terms and conditions.

B. FEES AND CHARGES

13 Guiding principles on fees and charges

- S** 13.1 For over-the-limit transactions, an issuer shall obtain all new cardholder's expressed consent at the point of application with clear disclosure of relevant charges. For all existing cardholders, expressed consent shall be obtained using appropriate channels, such as mail, electronic means, telephone or in person, with clear disclosure of relevant charges.
- G** 13.2 Paragraph 13.1 is not applicable to the following transactions:
- (a) stand-in processing transaction;
 - (b) profit or fees imposed by the issuer; and
 - (c) auto-debit transaction.
- S** 13.3 An issuer shall not impose over-the-limit compensation charge in the event a cardholder's account exceeds the credit limit as a result of items (a) and (b) in paragraph 13.2 or if the excess over-the-limit is due to temporary authorisation holds placed by merchants.

14 Tiered profit or fee structure

- S** 14.1 An issuer shall implement a tiered profit or fee structure for a credit card-i according to the different risk categories.

Risk categories

- S** 14.2 Under the tiered profit or fee structure, an issuer shall categorise cardholders into the following tiers:
- (a) Tier-I: Cardholders who promptly settle the minimum payment amount due for 12 consecutive months;
 - (b) Tier-II: Cardholders who promptly settle the minimum payment amount due for 10 months or more in a 12-month cycle; and
 - (c) Tier-III: Cardholders who do not fall within the above categories.
- G** 14.3 With reference to paragraph 14.2, an issuer, in its risk assessment of its cardholders, may impose less stringent requirements, for example, less than 12 consecutive months or less than 10 months for Tier-I and Tier-II risk groups respectively.

Profit or fee rate

- S** 14.4 An issuer shall ensure that profit or fee is imposed on retail transactions and cash withdrawal transactions only and the issuer shall grant *ibra'* (rebate) to a cardholder for the unutilised portion of the total profit or fee. Further, the issuer must be in compliance with the following requirements:

- (a) Profit or fee rate for retail transactions shall be capped as follows:
 - (i) Tier-I: Maximum of 1.25% per month, which is equivalent to 15% per annum of the total outstanding balance;
 - (ii) Tier-II: Maximum of 1.42% per month, which is equivalent to 17% per annum of the total outstanding balance; and
 - (iii) Tier-III: Maximum of 1.5% per month, which is equivalent to 18% per annum of the total outstanding balance.
 - (b) Profit or fee rate for cash withdrawal transactions shall be capped at a maximum of 1.5% per month, which is equivalent to 18% per annum.
- S** 14.5 With respect to paragraph 14.4, an issuer shall not impose profit or fee on the portion of outstanding balances that relate to profit or fee that is carried forward from the previous statement.
- S** 14.6 If a cardholder does not have any carried forward balance in his credit card-i account, an issuer shall not impose profit or fee for at least 20 calendar days from the statement date of all retail transactions paid with the credit card-i.
- G** 14.7 An issuer may extend the benefit stipulated in paragraph 14.6 to all the cardholders regardless of the account standing.

Late payment charge

- G** 14.8 An issuer may impose a late payment charge for payments not received after the due date as per paragraph 11.7.
- S** 14.9 The late payment charge shall only be applicable to retail transactions and cash withdrawal transactions. The late payment charge shall be the lower of 1% of the outstanding balance or RM100. If an issuer intends to set a minimum late payment charge, it shall not exceed RM10. The issuer shall place the excess charge in a *gharamah* account if the charge imposed is more than the actual cost borne.
- S** 14.10 An issuer shall also consider the difficulties faced by a cardholder and give extension for payment or reduce the charge for late payment where relevant.
- S** 14.11 The charge for late payment and monthly profit charges shall not be compounded.

C. LIABILITY

15 Supplementary cardholder's liability

- S** 15.1 An issuer shall not hold a supplementary cardholder, jointly or severally liable for the debts of the principal cardholder or the other supplementary cardholder.

16 Liability for unauthorised transactions

- S** 16.1 An issuer shall provide an effective and convenient means including having a dedicated contact number by which a cardholder can notify the issuer of any lost, stolen or unauthorised use of his credit card-i. The issuer shall also implement procedures for acknowledging receipt and verification of the notification of the lost, stolen or unauthorised use of the credit card-i.
- S** 16.2 An issuer shall not hold a cardholder liable for card-present unauthorised transactions which require Personal Identification Number (PIN) verification, unless the issuer can prove that the cardholder has:
- (a) acted fraudulently;
 - (b) delayed in notifying the issuer as soon as reasonably practicable after having discovered the loss or unauthorised use of the credit card-i;
 - (c) voluntarily disclosed the PIN to another person; or
 - (d) recorded the PIN on the credit card-i, or on anything kept in close proximity with the credit card-i, and could be lost or stolen with the card.
- S** 16.3 An issuer shall not hold a cardholder liable for card-present unauthorised transactions which require signature verification or the use of a contactless card, unless the issuer can prove that the cardholder has:
- (a) acted fraudulently;
 - (b) delayed in notifying the issuer as soon as reasonably practicable after having discovered the loss or unauthorised use of the credit card-i;
 - (c) left the credit card-i or an item containing the credit card-i unattended, in places visible and accessible to others, except at the cardholder's place of residence. However, a cardholder is expected to exercise due care in safeguarding the credit card-i even at the cardholder's place of residence; or
 - (d) voluntarily allowed another person to use the credit card-i.
- S** 16.4 An issuer must ensure that appropriate investigations are carried out. Any decision to pass on liability for card-present unauthorised transactions must be supported by sufficient evidence to prove that one of the conditions specified in paragraph 16.2 or 16.3, as the case may be, has been met.
- S** 16.5 An issuer shall have clear processes in place to register any notification of lost, stolen or unauthorised use of the credit card-i for card-present unauthorised transactions and take immediate action upon notification by a cardholder, to prevent further use of the lost or stolen credit card-i. A cardholder shall not be held liable for any unauthorised transactions charged to the credit card-i after the cardholder has notified the issuer verbally or in writing of the lost, stolen or unauthorised use of the credit card-i.
- S** 16.6 An issuer shall not hold a cardholder liable for losses incurred if the cause of the losses is due to any of the following:
- (a) failure of the issuer to send reminders to the cardholder as per the requirements in paragraphs 18.10 and 19.6(a);
 - (b) failure of the issuer to provide customer hotlines which are operational at

- all times for a cardholder to notify the issuer of any lost, stolen or unauthorised use of the credit card-i;
- (c) a technical breakdown or other deficiency in the issuer's systems or equipment;
 - (d) weaknesses or vulnerability in security features and controls adopted by the issuer;
 - (e) a transaction that involved the use of a forged credit card-i;
 - (f) for transactions requiring PIN verification, a transaction that occurred before the cardholder receives the PIN or changes the default PIN for the first time;
 - (g) fraudulent or negligent conduct of the employees or agents of the issuer or merchants; or
 - (h) a transaction, excluding a recurring transaction, that occurred after the cardholder has notified the issuer of the lost, stolen or unauthorised use of the credit card-i.

D. DISCLOSURE AND TRANSPARENCY REQUIREMENTS

17 Pre-contractual stage

- S** 17.1 An issuer shall provide a product disclosure sheet (PDS) (as per the format provided in Appendix 5 of this policy document) containing key information for a cardholder to make informed decisions. The PDS shall be provided before the cardholder signs up for the credit card-i, and at the point of entering into a contract if there are material changes in the information. The issuer shall also ensure that the PDS is made available in Bahasa Malaysia, upon request.
- S** 17.2 Basic features
 - (a) An issuer shall inform a cardholder of the key features of the credit card-i, including the underlying Shariah concept governing the credit card-i.
- S** 17.3 Profit or fee rates, and other charges
 - (a) An issuer shall inform a cardholder that profit or fee rates apply if any credit card-i outstanding amount is not fully paid by the due date; and
 - (b) An issuer shall also disclose to a cardholder in the PDS all applicable fees and charges in relation to the credit card-i, the amount and frequency of payment. These would include the annual fee for a principal and supplementary cardholder and transaction fees for cash withdrawals.
- S** 17.4 Placement of collateral
 - (a) An issuer shall inform a cardholder, who can meet the minimum eligibility requirements but is unable to provide documented evidence of income, of the requirement for placement of deposit of an amount equivalent to the credit limit, as a collateral; and
 - (b) An issuer shall inform the cardholder that the deposit shall be maintained for as long as the credit card-i facility is available.
- S** 17.5 Promotional items
 - (a) A cardholder shall be made aware of the conditions tied to any

promotional item and the implications of not complying with such conditions, if any.

- S** 17.6 Disclosure by intermediaries
- (a) An issuer shall ensure that the sales and marketing representatives describe clearly the key terms and conditions of the credit card-i product being offered, in particular those imposing liabilities or obligations on the cardholder and the applicable fees and charges.

18 At the point of entering into a contract

- S** 18.1 Terms and conditions
- (a) An issuer shall make written terms and conditions for usage of the credit card-i readily available to a cardholder. The document shall contain a clear and concise description of the major terms and conditions which impose liabilities or obligations on the cardholder (principal and supplementary). Such terms shall be described in plain language, which is easily understood by the cardholder;
 - (b) An issuer shall advise a cardholder to read and understand the terms and conditions before signing the agreement and using the credit card-i. An issuer shall take reasonable steps to draw the cardholder's attention to the terms that have implications on liability; and.
 - (c) An issuer shall ensure that customer service staff and the sales and marketing representatives are able to answer queries on the credit card-i terms and conditions. The hotlines for the customer service shall be published in the brochures, monthly billing statements, web pages and at the back of the credit card-i.
- S** 18.2 Terms of payment
- (a) An issuer shall inform a cardholder of the minimum monthly payment requirement and highlight to the cardholder the consequences of partial payment or only the minimum monthly payment; and
 - (b) An issuer shall inform a cardholder the proportion of the payment made that will be allocated to settle profit or fee and the outstanding balances.
- S** 18.3 Late payment charge
- (a) An issuer shall inform a cardholder of the imposition of late payment charge if the cardholder fails to pay at least the minimum monthly payment by the due date; and
 - (b) An issuer shall disclose when the late payment charge will be imposed, the minimum and maximum late payment charge that may be imposed as well as its computation.
- S** 18.4 Default mechanism
- (a) An issuer shall explain clearly the default mechanism based on the different Shariah concepts applicable to the credit card-i facility. Illustrations shall be provided to ease a cardholder's understanding of the default mechanism.

- S** 18.5 Right to set-off
- (a) An issuer shall clearly inform a cardholder if the issuer has the right to set-off any credit balance in the cardholder's deposit account against any debit balance in the credit card-i account.
- S** 18.6 Right to outsource debt collection and sell impaired financing
- (a) An issuer shall inform a cardholder of its rights to outsource debt collection to an external agency and the right to sell impaired financing to a third party.
- S** 18.7 Liability of principal and supplementary cardholder
- (a) An issuer shall ensure that a principal cardholder is made aware of his liability for all debts incurred by supplementary cardholder(s).
- S** 18.8 Cash withdrawal
- (a) If a cash withdrawal facility is available to a cardholder, an issuer shall disclose the daily withdrawal limit and the relevant fees, including the amount of the minimum charge.
- S** 18.9 Usage of a credit card-i outside Malaysia
- (a) A cardholder shall be informed of the relevant charges for retail transactions made outside Malaysia; and
- (b) A cardholder shall also be informed of the transaction fees and currency conversion fees applicable on the use of the credit card-i for making cash withdrawals overseas.
- S** 18.10 Cardholder's responsibilities
- An issuer shall provide a clear and prominent notice to a cardholder at the point of entering into a contract, of the cardholder's responsibilities to:
- (a) abide by the terms and conditions for the use of the credit card-i;
- (b) take reasonable steps to keep the credit card-i and PIN secure at all times, including at the cardholder's place of residence. These include not:
- (i) disclosing the credit card-i details or PIN to any other person;
- (ii) writing down the PIN on the credit card-i, or on anything kept in close proximity with the card;
- (iii) using a PIN selected from the cardholder's birth date, identity card, passport, driving licence or contact numbers; and
- (iv) allowing any other person to use the credit card-i and PIN.
- (c) notify the issuer as soon as reasonably practicable after having discovered that the credit card-i is lost, stolen, an unauthorised transaction had occurred or the PIN may have been compromised;
- (d) notify the issuer immediately upon receiving short message service (SMS) transaction alert if the transaction was unauthorised;
- (e) notify the issuer immediately of any change in the cardholder's contact number;
- (f) use the credit card-i responsibly, including not using the credit card-i for unlawful activity and payment of goods and services which are non-Shariah compliant; and
- (g) check the account statement and report any discrepancy without undue delay.

- S** 18.11 Liability for unauthorised transactions
- (a) An issuer shall inform a cardholder through clear and prominent notices that he would not be liable for card-present unauthorised transactions which require PIN verification, provided that the cardholder has not:
 - (i) acted fraudulently;
 - (ii) delayed in notifying the issuer as soon as reasonably practicable after having discovered the loss or unauthorised use of the credit card-i;
 - (iii) voluntarily disclosed the PIN to another person; or
 - (iv) recorded the PIN on the credit card-i or on anything kept in close proximity with the card.

 - (b) An issuer shall inform a cardholder through clear and prominent notices that he would not be liable for card-present unauthorised transactions which require signature verification or the use of a contactless card, provided that the cardholder has not:
 - (i) acted fraudulently;
 - (ii) delayed in notifying the issuer as soon as reasonably practicable after having discovered the loss or unauthorised use of the credit card-i;
 - (iii) left the credit card-i or an item containing the card unattended in places visible and accessible to others; or
 - (iv) voluntarily allowed another person to use the credit card-i.

19 During the term of the contract

- S** 19.1 Statement
- (a) An issuer shall provide a monthly statement to a cardholder indicating the outstanding balance, the minimum payment, the amount credited and charged, including profit or fee and other charges, and the dates when those amounts were posted to the account;
 - (b) An issuer shall provide a minimum payment warning statement (in a box, 12-point font and bold) on the front page of the monthly statement (refer to the sample in Appendix 1). An issuer shall advise a cardholder to use the calculator available on the issuer's website to compute the length of time it would take to fully settle the balance outstanding based on different payment amounts. On the back page of the monthly statement, the issuer shall provide a standard illustrative example as per the format in Appendix 2;
 - (c) The back page of the monthly statement shall also, at the minimum, disclose the information in a standard table as set out in Appendix 3. This information shall be clearly visible (i.e. shall not be in light shade and less than 8-point font size);
 - (d) An issuer shall inform a cardholder on the front page of the last statement of the year, of the length of time it would take to fully settle the cardholder's actual existing balance outstanding and the total profit or fee payable assuming there is no new transaction on the credit card-i (refer to the sample in Appendix 4);
 - (e) In addition to the above, the last statement of the year shall provide information on the total credit utilised, total profit or fee, and total charges

- imposed to encourage prudent use of the credit card-I; and
- (f) For a cardholder who opts to receive e-statements, an issuer shall ensure that the information on the e-statement is the same as the hardcopy statement.

S 19.2 Closure of account

- (a) An issuer shall allow a cardholder to close his credit card-i accounts at any time without being subjected to any fees and charges or a cumbersome account closure procedure; and
- (b) In the event that there is a credit balance in the credit card-i account, the issuer shall refund such balance to the cardholder within **30 days** from the date of receipt of a closure request.

S 19.3 Change to the terms and conditions

- (a) Should there be any change in the terms and conditions, an issuer shall provide at least 21 calendar days' notice to a cardholder before the new terms and conditions take effect. Necessary arrangement shall be made such as obtaining consent from contracting parties prior to any action made which is against the agreed terms and conditions;
- (b) Any change in fees and charges applicable to the credit card-i account shall be communicated by the issuer to the cardholder at least 21 calendar days prior to the effective date of the change; and
- (c) Communication shall be done in writing or via electronic means to the cardholder.

19.4 Intention to set-off

- S** (a) If an issuer has the right to set-off any credit balance in a cardholder's deposit account against any outstanding balance in the credit card-i account, the issuer shall inform the cardholder at least 7 calendar days in advance on the issuer's intention to set-off a credit balance in the cardholder's deposit account against a debit balance in the credit card-i accounts.
- G** (b) The issuer may concurrently earmark the available funds in the cardholder's deposit account against the outstanding balance in the credit card-i account upon the issuance of the notice to the cardholder.

S 19.5 Delinquent account

- (a) An issuer shall clearly inform a cardholder that the issuer reserves the right to terminate the cardholder's credit card-i in the event of a specified number of consecutive defaults in the minimum monthly payment;
- (b) An issuer shall ensure that a delinquent cardholder is given sufficient reminders on the amount outstanding and charges incurred on the delinquent credit card-i account and warnings of possible recovery actions if reminders to settle the amount outstanding are ignored;
- (c) A cardholder shall be informed by the issuer at least 7 calendar days in advance if the collection of debt for the delinquent account is to be outsourced to a third party debt collection agency. This notification time frame shall also apply to a cardholder whose delinquent credit card-i account has been classified as impaired and is sold to a third party. In this regard, the issuer shall notify the affected cardholder of the sale of

- the credit card-i account within 7 calendar days of obtaining a vesting order from the Court;
- (d) In the notice, the issuer shall inform the cardholder of the impact on the cardholder's rights and obligations after the account has been transferred to a third party debt collection agency or sold to a third party;
 - (e) An issuer shall ensure that a cardholder is informed and understands that under specific circumstances where the cardholder is not contactable, the issuer is considered to have fulfilled the obligations if such notice has been sent to the last known address of the cardholder at least 7 days in advance;
 - (f) An issuer shall provide a cardholder with the name and contact details of the appointed third party debt collection agency or the third party to whom the impaired financing has been sold; and
 - (g) An issuer shall also inform a cardholder of the services of Agensi Kaunseling Dan Pengurusan Kredit by inserting the note below in all reminders sent to the cardholder (disclosure in less than 8-point font is not allowed):

English version

"Agensi Kaunseling Dan Pengurusan Kredit has been established by Bank Negara Malaysia to provide free services on money management, credit counselling, financial education and debt restructuring for individuals. For enquiries, please call 03-2616 7766".

Bahasa Malaysia version

"Agensi Kaunseling Dan Pengurusan Kredit telah ditubuhkan oleh Bank Negara Malaysia untuk menyediakan perkhidmatan pengurusan kewangan, kaunseling kredit, pendidikan kewangan dan penstrukturan semula pinjaman secara percuma kepada individu. Untuk pertanyaan, sila hubungi talian 03-2616 7766".

- S** 19.6 Cardholder's responsibilities and awareness of fraud prevention measures:
- (a) An issuer shall send notices to a cardholder at least once in every calendar year after card issuance to remind the cardholder of the cardholder' responsibilities in paragraph 18.10;
 - (b) An issuer shall maintain on-going efforts to raise a cardholder' awareness on potential liability for card-present unauthorised transactions due to the conditions specified in paragraphs 16.2 and 16.3, measures to prevent card fraud, including the need to safeguard the credit card-i and PIN; and
 - (c) The reminders and information on fraud prevention measures shall be communicated to a cardholder using channels that are effective in reaching the cardholder.

E. MARKETING REQUIREMENTS**20 Advertisement**

- S** 20.1 An issuer shall ensure that advertisements and promotional materials on credit card-i products are clear and not misleading.
- S** 20.2 An issuer shall establish processes for an independent review of advertisement and promotional materials on credit card-i products, for instance by the Compliance Unit or Legal Unit, and Shariah Committee, to ensure that they are clear and not misleading.
- S** 20.3 For print media advertisement, the advertisement shall clearly and conspicuously disclose material information about any credit card-i offer that is likely to affect a cardholder's decisions. Legible font size shall be used to bring a cardholder's attention to any important information, such as profit or fee rates, relevant fees and charges and eligibility criteria to enjoy the benefits being offered.
- S** 20.4 Promotional materials shall provide adequate information on the key terms and conditions of a credit card-i product. The materials shall also contain information on the effective annual profit or fee rate together with the annual fee and any other applicable charges to facilitate comparisons by a cardholder. The information shall be presented in plain language and in legible font size.
- S** 20.5 When advertising promotional rates, for instance on balance transfer from another credit card-i, an issuer shall clearly disclose the key conditions on the applicability of those rates such as the circumstances that could shorten the promotional rate period or cause the promotional rate to increase. Other costs involved in the balance transfer shall also be disclosed prominently to a cardholder.
- S** 20.6 An issuer shall state prominently important terms and conditions associated with offers of free gifts, prizes, discounts or vouchers for the promotion of a credit card-i in print advertisements, or in marketing material for a new cardholder, or together with monthly statement for an existing cardholder.
- S** 20.7 In advertising special features or promotions in print or electronic media, the applicable eligibility criteria to enjoy the privileges shall be disclosed up-front with the announcement. The "applicable eligibility criteria" are those that are imperative to the advertised feature/promotion in addition to the basic terms and conditions of holding the cards. An issuer shall not merely indicate in a footnote that "terms and conditions apply".
- S** 20.8 Advertisements or other promotional materials shall not describe any credit card-i feature as "free" or at "no cost" if there are conditions attached or other forms of charges that will be imposed on a cardholder.

21 Marketing practices

- S** 21.1 An issuer shall ensure that sales and marketing representatives (including telemarketing) are adequately trained and knowledgeable in the key features, benefits and risks of credit card-i products, including the underlying Shariah contract.
- S** 21.2 An issuer shall apply due care and diligence when preparing information for use by sales and marketing representatives so that the information is sufficient, accurate, appropriate and comprehensive in substance and form. This is to ensure that a cardholder is adequately informed by the sales and marketing representatives of the terms, benefits and material conditions for the credit card-i product or services being offered.
- S** 21.3 An issuer shall ensure that sales and marketing representatives identify themselves as well as the issuer they represent and act in a professional manner when contacting or approaching a prospective cardholder to market credit card-i products. In particular, sales and marketing representatives shall not adopt aggressive tactics to pressure, mislead or coerce a prospective cardholder into signing up for a credit card-i and shall avoid harassing a prospective cardholder who is not interested. Sales and marketing representatives shall not mislead a prospective cardholder on any products and services offered or make any false commitment on behalf of the issuer for any facilities or services. A prospective cardholder shall also be given adequate time to consider and to complete application forms without undue pressure.
- S** 21.4 An issuer shall ensure that sales and marketing representatives provide the product disclosure sheet and highlight the following, at the minimum, to a prospective cardholder to ensure that he is provided with the relevant information before making a decision:
- (a) Profit or fee rates that will be imposed on the credit card-i outstanding balance if the amount is not fully paid by the due date and the basis for the grace period for retail transactions;
 - (b) Fees and charges, such as annual fee, charges for failure to pay at least the minimum monthly payment by the due date, transaction fee for cash withdrawals and over-the-limit compensation charge when transactions exceed the given credit limit;
 - (c) Eligibility criteria to enjoy the privileges that are being promoted, such as rebates, free gifts, fee waivers; and
 - (d) Cardholder's responsibilities.
- S** 21.5 An issuer shall establish procedures and take reasonable steps to ensure that a cardholder's expressed preference (e.g. not to be contacted on new product offers) is duly respected.
- S** 21.6 An issuer shall ensure that the telemarketing representatives do not contact a cardholder at unreasonable hours (generally between 9 p.m. and 9 a.m.).

- S** 21.7 In remunerating or rewarding sales and marketing representatives, an issuer shall ensure that the reward system does not encourage or lead to inappropriate behaviour such as unethical sales and marketing practices that exposes the issuer to reputational risk. An issuer shall avoid poorly designed reward systems that induce behaviours which focus on maximising sales without due regard to the interest of a prospective cardholder who may be offered credit card-i product that is not suited to his needs or circumstances.
- S** 21.8 Reward systems for sales and marketing representatives shall reflect the responsibility to treat a prospective cardholder fairly. An issuer shall use a mix of quantitative and qualitative factors (e.g. customer service and complaints) to assess the performance of sales and marketing representatives.
- S** 21.9 An issuer shall put in place adequate verification procedures to confirm the identity of a credit card-i applicant to prevent the use of stolen information (e.g. identity theft) for a credit card-i application. This shall include contacting applicants at random to confirm credit card-i applications and to verify that applicants are aware of all the critical terms and conditions. This process also serves as a means to evaluate the performance and representations made by sales and marketing representatives.
- S** 21.10 A cardholder shall be given the opportunity to revoke his credit card-i application even after receiving the credit card-i without any charge or unreasonable inconvenience, if it is established that sales and marketing representatives had coerced the cardholder into applying and/or the cardholder was not given enough time to consider the application.

22 Unsolicited card/credit withdrawal/credit limit increase

- S** 22.1 Before sending any existing and prospective cardholder an unsolicited credit card-i, or other offerings, an issuer shall conduct proper credit assessments and be reasonably satisfied based on robust affordability assessments, that the credit card-i facility will not expose the existing and prospective cardholder to excessive financial burden.
- S** 22.2 If an issuer sends an unsolicited credit card-i to any existing and prospective cardholder, the issuer shall not activate the credit card-i until the cardholder has communicated his acceptance of the credit card-i to the issuer either orally or in writing. Prior to this confirmation, the cardholder shall not be liable for any form of charges, fees, payments and purchases with regard to the credit card-i. The cardholder shall not be required to go through a cancellation procedure if he does not wish to accept and activate the credit card-i.
- S** 22.3 An issuer shall not offer a credit advance (e.g. in the form of cheque payable to cardholder) unless a cardholder has expressly requested for it. All relevant charges for the credit advance shall be clearly disclosed to the cardholder.
- S** 22.4 For any unsolicited offer to increase credit limits, an issuer shall obtain a cardholder's written or oral acceptance of the offer before activating the credit limit increase. The issuer shall also include information on how the cardholder

may reduce the credit limits.

- S** 22.5 An issuer shall not increase the credit limit if a cardholder has a history of poor credit performance or has difficulty meeting payments or habitually makes minimum monthly payments that indicate difficulty in meeting payments.

F. OTHER REQUIREMENTS

23 Debt collection

- S** 23.1 An issuer shall comply with the debt collection requirements as specified in the circular on “Fair Debt Collection Practices” issued by the Bank.

24 Cardholder information

- S** 24.1 Where personal information is given to an issuer’s agents or representatives, the issuer shall ensure that such information is used strictly for the purpose of performing their functions. An issuer shall ensure that such information is treated with strict confidentiality and adequately safeguarded by the agents or representatives. In doing so, an issuer shall require the agents or representatives to sign a confidentiality agreement or undertaking, to comply with the secrecy provisions under the relevant legislation.
- S** 24.2 An issuer shall remain accountable to a cardholder for any complaints arising out of the mishandling or abuse of a cardholder’s information by the agents or representatives and shall take reasonable steps to remedy any inconvenience or losses suffered by the cardholder as a result of such mishandling or abuse. Firm actions shall also be taken against errant agents, including terminating the contract with the agency in the event that there has been a breach of confidentiality.
- S** 24.3 An issuer shall also put in place appropriate measures for disposal of unsuccessful application forms and ensure that confidentiality of a cardholder’s information is adequately safeguarded.

25 Complaints management

- S** 25.1 An issuer shall remain accountable to a cardholder for any complaints against its employees and representatives, including external agents, and shall not disclaim responsibility for any agents’ or representatives’ misconduct.
- S** 25.2 In the event of a dispute over any transaction amount, an issuer shall not require a cardholder to pay the disputed amount or impose any charges on such amount during the investigation period.

- S** 25.3 An issuer shall provide a cardholder with information on how complaints, including complaints against agents may be made and the contact details of the issuer's complaints unit. In addition, contact details of BNM LINK and BNMTELELINK shall be provided in the monthly credit card-i statement.
- G** 25.4 In the event that there are genuine complaints made against an issuer and such complaints are left unresolved, the Bank may take necessary actions against the issuer, including banning the issuer from issuing new credit card-i products.

26 Usage of credit card-i for unlawful activities

- S** 26.1 An issuer shall include in the terms and conditions a clause specifying that the credit card-i is not to be used for any unlawful activities⁴. An issuer shall immediately terminate the credit card-i facility if a cardholder is discovered to have used the credit card-i for an unlawful activity.

⁴ Activities which are forbidden by the law such as illegal online betting.

Appendix 1 Minimum payment warning statement

WARNING ON PAYING ONLY MINIMUM MONTHLY PAYMENT

If you make only the minimum payment each period, it will take you longer to pay off your outstanding balance and the chargeable profit or fee payable will be higher. Please refer to the back page for more information. Alternatively, you may refer to the credit card-i calculator available on our website.

Appendix 2 Standard illustrative example on how long it would take to pay off outstanding balance

	Examples under different outstanding amount scenarios					
Outstanding balance (RM)	3,000		5,000		10,000	
Payment	Pay only minimum amount* (RM150 in 1 st month)	Pay RM250 every month	Pay only minimum amount* (RM250 in 1 st month)	Pay RM350 every month	Pay only minimum amount* (RM500 in 1 st month)	Pay RM600 every month
Payment period	4 years 7 months	1 year 2 months	5 years 9 months	1 year 5 months	7 years 4 months	1 year 8 months
Total profit or fee charge (RM)	RM1,055	RM333	RM1,912	RM670	RM4,055	RM1,594
Total amount to be settled (RM)	RM4,055	RM3,333	RM6,912	RM5,670	RM14,055	RM11,594

Note:

- Minimum payment amount is 5% of the monthly outstanding balance or RM50, whichever is higher.

Assumptions:

- Profit or fee rate - 18% p.a.
- No new transaction on the card
- 30 days a month

Appendix 3 Minimum disclosure in monthly statement

Grace period	E.g. there is no grace period on cash withdrawals
Profit or fee charging information	<p>Indicate the computation method and the periods over which profit or fee is charged for:</p> <ul style="list-style-type: none"> ▪ Purchases ▪ Cash withdrawals ▪ Balance transfers
Fees and charges	<ul style="list-style-type: none"> ▪ Cash withdrawal transaction fee ▪ Replacement of card ▪ Overseas transactions ▪ Other charges
Default charges	<ul style="list-style-type: none"> ▪ Late payment charge and its computation ▪ Over-the-limit compensation charge
Payment allocation statement	
Statement on liability for unauthorised transactions	
Information on customer service contact details and BNMTELELINK	

Appendix 4 Statement on minimum monthly payment

Existing balance	RM 3,000.00	
Minimum payment due	RM150.00	
Payment due date	15 Jan 2019	
Minimum Payment Warning: If you make only the minimum payment each period, it will take you longer to pay off your balance including profit or fee payable. For example:		
If you make no additional charges using this card and each month you pay...	You will pay off the balance shown on this statement in about...	And you will end up paying an estimated total profit or fee of....
Scenario 1: Pay only the minimum payment* (i.e. RM150 in the 1 st month)	4 years and 7 months	RM1,055
Scenario 2: Pay RM200 every month	1 year and 5 months	RM424 (Savings = RM631)

Note:

- Minimum payment amount is 5% of the monthly outstanding balance or RM50, whichever is higher.

Assumptions:

- Profit or fee rate - 18% p.a
- No new transaction on the card
- 30 days a month

Appendix 5 Product Disclosure Sheet - Credit Card-i

<p>PRODUCT DISCLOSURE SHEET</p> <p>Read this Product Disclosure Sheet before you decide to take out the <Name of Product>. Be sure to also read the general terms and conditions.</p>	<p><Name of Financial Service Provider></p> <p><Name of Product></p> <p><Date></p>																				
<p>1. What is this product about?</p>																					
<p>This is a Gold Visa credit card-i based on the Shariah concept of <i>Ujrah/Tawarruq</i> to be used primarily for the payment of goods and services. A line of credit or financing is granted by us to you and where any amount of the credit or financing utilised by you has not been settled in full on or before the due date, the unsettled amount will be subject to profit or fee charges.</p>																					
<p>2. What do I get from this product?</p>																					
<ul style="list-style-type: none"> Credit limit: RM xxx 																					
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 15%;"></th> <th style="width: 25%;"></th> <th style="width: 15%;">Annual rate</th> <th style="width: 45%;"></th> </tr> </thead> <tbody> <tr> <td rowspan="3">Profit or fee rates</td> <td rowspan="3">Purchases</td> <td>x%</td> <td>With prompt payments for 12 consecutive months</td> </tr> <tr> <td>y%</td> <td>Make 10 / 11 times prompt payments in the last 12 months</td> </tr> <tr> <td>z%</td> <td>Make 9 or less prompt payments in the last 12 months</td> </tr> <tr> <td></td> <td>Cash withdrawal</td> <td>m%</td> <td></td> </tr> <tr> <td></td> <td>Balance transfers</td> <td>n%</td> <td></td> </tr> </tbody> </table>				Annual rate		Profit or fee rates	Purchases	x%	With prompt payments for 12 consecutive months	y%	Make 10 / 11 times prompt payments in the last 12 months	z%	Make 9 or less prompt payments in the last 12 months		Cash withdrawal	m%			Balance transfers	n%	
		Annual rate																			
Profit or fee rates	Purchases	x%	With prompt payments for 12 consecutive months																		
		y%	Make 10 / 11 times prompt payments in the last 12 months																		
		z%	Make 9 or less prompt payments in the last 12 months																		
	Cash withdrawal	m%																			
	Balance transfers	n%																			
<p>To enjoy lower profit or fee rate for retail transactions, you should make at least 10 prompt payments in the last 12 months.</p>																					
<p>3. What are my obligations?</p>																					

Minimum monthly payment	<ul style="list-style-type: none"> ▪ 5% of the outstanding balance or a minimum of RM xx; ▪ the monthly instalments of easy payment plan and balance transfer plan, if any; and ▪ the contracted monthly term financing instalment for any automatic balance conversion (ABC).
Grace period	<ul style="list-style-type: none"> ▪ For retail transactions - 20 days from the statement date, if you pay the balance in full and on time. ▪ If you do not pay in full and on time, profit or fee payable on retail transactions will be calculated from the posting date of the transaction. ▪ The grace period is not applicable to balance transfer or cash withdrawal.

- As the principal cardholder, you are liable for all transactions incurred by the supplementary cardholder.

4. What are the fees and charges I have to pay?

Annual fee	
Cash withdrawal transaction fee	
Card replacement fee	
Sales draft retrieval fee	
Additional statement request fee	
Overseas transaction conversion fee	
Over limit compensation fee / charge	
Other fees and charges	

5. What if I fail to fulfil my obligations?

- Late payment charge: maximum of 1% of the outstanding balance or a minimum of RM10.
- Right to set-off: We have/do not have the right to set-off any credit balance in your account maintained with us against any outstanding balance in this credit card-i account.
- You will be liable for PIN-based unauthorised transactions if you have:
 - acted fraudulently;
 - delayed in notifying us as soon as reasonably practicable after having discovered the loss or unauthorised use of your credit card-i ;
 - voluntarily disclosed your PIN to another person; or
 - recorded your PIN on the credit card-i, or on anything kept in close proximity with your credit card-i .
- You will be liable for unauthorised transactions which require signature verification or with contactless card, if you have:
 - acted fraudulently;
 - delayed in notifying us as soon as reasonably practicable after having discovered the loss or unauthorised use of your credit card-i ;
 - left your credit card-i or an item containing your credit card-i unattended, in places visible and accessible to others; or
 - voluntarily allowed another person to use your credit card-i.

- If you fail to abide by the terms and conditions of the credit card-i, we have the right to terminate your card. ***(To highlight other key terms and conditions.)***

6. What if I fully settle the balance before its maturity? *(For balance transfer or flexi payment plans)*

- Lock-in period: y months
- We will explain to you the consequences of making full payment during the lock-in period.

7. What are the major risks?

- If you pay only the minimum amount due, it will take you longer and cost you more to settle the outstanding balance. Think about your payment capacity when charging the credit card-i.
- If you use your credit card-i to make payment for other financing, it may cost you more.
- If you have problems paying for your credit card-i balances, contact us early to discuss payment alternatives.
- You should notify us immediately after having found that your credit card-i is lost or stolen.

8. What do I need to do if there are changes to my contact details?

It is important that you inform us of any change in your contact details to ensure that all transaction alerts and correspondences reach you in a timely manner.

9. Where can I get further information?

If you have any enquiries, please contact us at:

ABC Bank Berhad
51, Jalan Sultan Ismail
50122 Kuala Lumpur
Tel:
Fax:
E-mail:

10. Other credit card-i products available

- abc
- xyz

IMPORTANT NOTE: LEGAL ACTION MAY BE TAKEN AGAINST YOU IF YOU DO NOT KEEP UP PAYMENTS ON YOUR CREDIT CARD-I BALANCES

Appendix 6 Example of services, privileges and benefits as well as allowable fees and charges on *ujrah* based credit card-i

The following table illustrates the example of services, privileges and benefits based on the underlying Shariah concepts of *Qard* and *Ujrah*, as well as the allowable fees, charging period and fee components.

Concept		<i>Qard</i>	<i>Ujrah</i>															
Services, privileges and benefits		(a) Credit limit (b) Cash withdrawal	(a) 24 hour customer services (b) ATM and CDM machines (c) Online or phone banking (d) Delivery of card replacement around the world within 24 hours (e) Membership of clubhouse (f) Newsletter (g) Travel assistance (h) Discount and privileges at selected outlet (i) Global emergency assistance (j) Global card acceptance (k) Global ATM network (l) Airport lounge access (m) Airport speed pass															
Fees & charges	Allowable charge	Not allowed to charge fee on loan amount except for direct costs	Fee charged based on services, benefits, facilities or privileges offered to the customers															
	Period	Upon the transaction	Annual or monthly basis															
	Component	Transaction fee for cash withdrawal Inundated	(a) Fees component to compute rebate: (i) Fixed <i>ujrah</i> For example: <table border="1" data-bbox="879 1487 1433 1697"> <thead> <tr> <th>Credit card-i type</th> <th>Min. credit limit (RM)</th> <th>Max credit limit (RM)</th> <th>Fixed <i>ujrah</i> charge (RM/mth)</th> </tr> </thead> <tbody> <tr> <td>Silver</td> <td>2,000</td> <td>5,000</td> <td>75</td> </tr> <tr> <td>Gold</td> <td>5,001</td> <td>50,000</td> <td>750</td> </tr> <tr> <td>Platinum</td> <td>50,001</td> <td>500,000</td> <td>7,500</td> </tr> </tbody> </table> (ii) Actual <i>ujrah</i> (b) Annual fee (c) Card replacement fee (d) Late payment charge	Credit card-i type	Min. credit limit (RM)	Max credit limit (RM)	Fixed <i>ujrah</i> charge (RM/mth)	Silver	2,000	5,000	75	Gold	5,001	50,000	750	Platinum	50,001	500,000
Credit card-i type	Min. credit limit (RM)	Max credit limit (RM)	Fixed <i>ujrah</i> charge (RM/mth)															
Silver	2,000	5,000	75															
Gold	5,001	50,000	750															
Platinum	50,001	500,000	7,500															