APPLICATION FOR RIBA FREE CERTIFICATE (RFC)

F-2

THE BANK OF PUNJAB	
Branch Name & Code	
برانچ اور کوڈ	

Date (تاریخ)		
Day	Month	Year
دن	مہینہ	سال

Account Title اکاؤنٹ ٹائیٹل		Account No. اکاؤنٹ نمبر	

PART – A I/We the Signatories of this application wish to invest an amount in ☐ PKR ☐ FCY (USD/ GBP/ EUR)

_____/- (*Amount in words*) _____ Only in RFC. The Bank is requested to issue me/us RFC with the following detail.

Denomination	Total Amount	No. of Certificates

TENURE OF INVESTMENT (For LCY)

☐ 1 Month ☐ 3 Months ☐ 6 Months ☐ 1 Year ☐ 2 Year ☐ 3 Year ☐ 4 Year ☐ 5 Year

TENURE OF INVESTMENT (For FCY)

☐ 1 Month ☐ 3 Months ☐ 6 Months ☐ 1 Year

PROFIT PAYMENT OPTION

☐ Monthly ☐ At Maturity (In case of FCY, profit payment option will only be at maturity)

INSTRUCTIONS AT MATURITY

☐ Re-investment of Principal Only ☐ Re-investment of principal + profit ☐ Close on Maturity

DEBIT INSTRUCTIONS

I/We hereby authorize you to debit my/our (PKR, USD, GBP, EURO) Account with you for the above mentioned amount(s);

☐ Account No. _____

PART-B INSTRUCTIONS FOR ZAKAT & WITHHOLDING TAX DEDUCTION (Mark tick (✓) in appropriate box)

FOR ZAKAT

☐ YES ☐ NO *(In case "No" please provide CZ-50 / undertaking from Non muslims on plain paper* ☐ Not Applicable (For FCY only*)*

FOR WITHHOLDING TAX

☐ YES ☐ NO *(In case "No" please provide Valid TAX Exemption Certificate*)

***Exemption will not be processed without valid certificate/affidavit.**

PART- C DECLARATIONS

1. I/We authorize the Bank to invest the deposit in any Shariah compliant manner and Profit/Loss as determined by the Bank will be acceptable to me/us.
2. I/We have read and understood the terms and conditions applicable to RFC(s) issued by The Bank of Punjab (Taqwa Islamic Banking) and this application records the agreement between The Bank of Punjab and me/us pertaining to RFC(s).

1. _____ 2. _____ 3. _____ 4. _____

Customer's Signature Customer's Signature Customer's Signature Customer's Signature

PART – D DEPOSIT RECEIPT (S) ISSUED. (For Bank use only)

RECEIPT NO.	DATE OF ISSUE	DATE OF MATURITY	AMOUNT
		TOTAL	

Checked and Verified Approved

_____ _____

OFFICER (Signature & Stamp) BRANCH MANAGER (Signature & Stamp)

APPLICATION FOR RIBA FREE CERTIFICATE (RFC)

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The Bank of Punjab – Taqwa Islamic Banking

Terms & Conditions of RIBA FREE CERTIFICATES (RFCs)

1. RFCs are governed under the rules of profit and loss sharing (PLS) mechanism and the overall profit and loss distribution policy of the Bank.
2. RFC holders will not participate in management or in decision-making concerning investment of funds.
3. All deposits shall be invested by the Bank strictly in accordance with principles of Shariah.
4. RFCs are issued through either a Current or PLS chequeing account in its respective currency only. The title, operating instructions and all other details will be the same as per the particulars of the funding chequeing account.
5. RFCs are not transferable or negotiable and cannot be transferred by endorsement or otherwise. Additionally, the amount of the deposit cannot be withdrawn untill it is matured or prematured nor can withdrawals be made in parts by drawing cheques or drafts against the amount.
6. The minimum amount and period of investment in RFC shall be determined by the Bank's management from time to time and will be available at the Bank's website, displayed in the Bank's branches, may be obtained from the Bank from time to time and / or shall be communicated to the existing Customer in any other mode, whether electronic or otherwise, in accordance with the Bank's prevailing practice.
7. The profit will be paid at maturity or monthly (in case of LCY) whereas in case of FCY, profit will be paid at maturity only.
8. RFCs are accepted on the basis of Mudarabah and deemed to be purchase of investment share by the depositor in the investment pool and withdrawal / encashment / premature encashment is deemed to be sale of investment share of the investment pool.
9. Allocated but unpaid profits which are not reinvested as per the mutual agreement will be recognized as liability of the Bank.
10. The Bank has the right to commingle depositors' funds with the funds of other depositors and / or with the Bank's funds in the pool.
11. If there is a loss in the business without any misconduct or negligence of the Mudarib (bank) then net loss will be borne at the end of determined term according to ratio of investment. Distributable loss will be distributed amongst the Arbab-ul-Amwal (customer) according to the ratio of their contributions in the Deposit Pool.
12. The RFC Holder shall be liable to reimburse to the Bank his / her share of any loss that the Bank may incur in relation to the Mudarabah pool.
13. The method of calculating the returns / profits under the PLS scheme shall be governed by the Profit & Loss Distribution Policy Framework in compliance with the precepts of Shariah and in the event of any change in government regulations such method is subject to change without prior notice. Notice of the change will be displayed at Notice Board of the Bank's branches and website.
14. These terms & conditions and the PLS mechanism may change from time to time and shall deem to have been accepted by the RFC holder unless the latter discontinues the account / deposit. However, the changed terms will apply on the relationship until discontinued. Notice of any such change will be posted at the Bank's Islamic branches, Islamic banking windows and website.
15. The participation of the invested amounts in the profit shall start from the business day the deposited funds are credited and continue until the day prior to maturity or encashment.
16. In case a deposit matures on a public or bank holiday, then the Bank shall pay the deposit and / or the return / profit or adjust the loss, if any thereon on the next working day when the Bank is open for ordinary banking business.
17. Withholding tax, where applicable, shall be deducted as per the provisions of Income Tax laws in force.
18. The profit on RFCs shall be disbursed to the RFC holder through his / her chequeing account. Minimum balance requirements, if any, will not be applicable on chequeing accounts opened exclusively for profit disbursement of RFCs.
19. Clauses related to Profit Equalization Reserve (PER), Hiba (gift) and Investment Risk Reserve (IRR) in the general account opening form are applicable to RFCs as well.
20. Upon maturity, the RFC shall be re-invested with principal plus profit/only principal/ closed on maturity, as same terms agreed at the time of booking.
21. For pre-mature encashment of RFCs for both LCY & FCY, the profit would be paid as per its respective RFC's pre-mature encashment schedule issued by the Bank and updated from time to time as per Profit & Loss Distribution Policy Framework of the Bank.
22. Broken period profit will be paid on the basis of last declared profit rate for completed term (similar deposits of completed term). This will happen when the date of premature encashment fall on a date preceding the date of profit declaration and profit has to be calculated for the number of days for which the amount remained invested.
23. The profit on the amount of the deposit will cease to accrue on the date of RFC encashment request given by the depositor to the Bank and on the maturity date of the Certificate.
24. Zakat as applicable (in case of LCY) shall be deducted as per 1" schedule of Zakat and Ushr Ordinance 1980.
25. RFCs may be established in PKR, US Dollars, GB Pound and EURO / or such other currencies as may be determined by the Bank, as allowed by relevant regulations in force from time to time.
26. FCY deposits are maintained subject to Foreign Exchange Regulations and directives of the Government of Pakistan, or any of its organizations / agencies and State Bank of Pakistan, from time to time.
27. The RFC Holder 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 Mudarabah. The RFC Holder is aware that all deposits in the Mudarabah pool are exposed to potential losses arising out of a loss incurred in respect of assets in the Mudarabah pool.
28. The Bank reserves the right of refusing to accept investment from any depositor or a deposit rollover in the Mudarabah pool without assigning any reason. In this regard the decision of the Bank shall be the final decision.

Customer(s) Signature