



1 Introduction

- 1.1 These specific terms and conditions (the “**Special Conditions**”) apply to the Sirat Savings Account (“**Account**”) offered by Habib Bank Zurich plc (the “**Bank**” or “**us**”) based on the Islamic financial structure of Wakala.
- 1.2 These Special Conditions apply in addition to, and should be read in conjunction with, (1) General Banking Terms & Conditions for Sirat Personal Accounts or General Banking Terms & Conditions for Sirat Business Accounts (as the case may be) (the “**General Terms**”) (2) all charges and other information that apply to this Account as specified in the Tariff Book; (3) the application form or forms that you have signed in respect of this Account; and (4) any other terms that we provide to you from time to time.
- 1.3 These Special Conditions form part of the agreement between you and us.
- 1.4 Where there are differences between these Special Conditions and the General Terms, these Special Conditions shall prevail in relation to the Account.
- 1.5 To confirm, we are a member of the Financial Services Compensation Scheme (the “**FSCS**”) (please refer to Clause 32 of the General Terms (*Financial Services Compensation Scheme*’) for further information) and our Sirat Savings Account is covered by the FSCS.

2 Definitions

- 2.1 Unless the context expressly requires otherwise, capitalised terms used herein but not defined in these Special Conditions shall have the meanings assigned to them in the General Terms. In these Special Conditions, the following terms shall have the meanings hereby assigned to them:

“**Actual Profit**” means the profit amount realised by the investment of funds placed in your Account as calculated by the Bank on a monthly basis;

“**Actual Profit Rate**” means the Actual Profit expressed as an annual rate of return;

“**Expected Profit**” means the profit amount expected to be generated from the investment of funds placed in your Account;

“**Expected Profit Rate**” means the Expected Profit expressed as an annual rate of return as declared by the Bank on a monthly basis;

“**Wakala**” means an investment agency arrangement whereby you appoint us as your agents to invest your funds in Shariah compliant activities with the aim of generating profit.

3 Wakala conditions

- 3.1 By opening an Account, you appoint us as your agent, and authorise us, to invest the funds placed in your Account in Shariah compliant investment transactions with the aim of generating profit.
- 3.2 On a monthly basis, we shall declare the Expected Profit Rate applicable to your Account. However, such Expected Profit Rate is indicative only and the profit amount you will receive will be based on the actual performance of the investment activities.
- 3.3 We reserve the right to change the declared Expected Profit Rate on a monthly basis. By placing or leaving your funds in the Account after such declaration, you will be confirming your acceptance that your funds will be invested subject to the declared Expected Profit Rate. If based on the Expected Profit Rate you do not wish the funds in your Account to be invested, you must either transfer the funds to your Sirat Current Account or any other account you elect, or request the termination of the Account where you shall become entitled to receive any funds that you deposited into the Account in full and any profit accrued up to the termination date. With this Savings Account, you do not have the option to refrain from investing your funds in a particular month. Any funds held in the Account will automatically be invested.
- 3.4 You agree that the funds placed in your Account may be consolidated and aggregated in a general pool of funds along with our own funds and with funds received from other Sirat Savings Account customers to carry out the investments.
- 3.5 We hereby confirm to you that, in performing our obligations under these Special Conditions, we shall look after your interests and shall act dutifully and in good faith. We further confirm that we shall manage the investment of your funds with the same degree of care as we exercise with regard to similar investments which we would manage for our own account.
- 3.6 On a monthly basis, we shall pay the profit amount due to you into your Account as per the following:
 - i if the investment activities achieved an Actual Profit Rate that is equal to, or higher than, the declared Expected Profit Rate, you will receive the Expected Profit, while we will be entitled to retain any profit amount exceeding the Expected Profit as an incentive for our good performance; or
 - ii if the investment activities achieve an Actual Profit Rate that is less than the declared Expected Profit Rate, you will receive the Actual Profit which, in this case, will be less than the Expected Profit anticipated by you, while we will receive nothing.

- 3.7 We hereby confirm that we have the system and the means to monitor the performance and the profitability of the investments continuously on a monthly basis. If we believe that the Expected Profit Rate might no longer be achievable, we shall inform you and may offer you a revised (lower) Expected Profit Rate. In such case, you will have the option to either accept the revised Expected Profit Rate, or transfer the funds to your Sirat Current Account or any other account you elect, or request the termination of the Account where you shall become entitled to receive any funds that you deposited into the Account in full and any profit accrued up to the termination date.
- 3.8 If we reasonably believe, at any point of time, that the funds that you have deposited into the Account are at risk of being lost, we will close the Account immediately by returning the full deposit amount, together with accrued but unpaid profit, to your Sirat Current Account.
- 3.9 If your deposited funds return a loss, we shall, as per the UK banking regulations, offer to compensate you for any losses you have suffered so that the funds that you deposited into the account will be returned to you in full. You are entitled to accept or refuse this offer from us.
- 3.10 We would like to draw your attention to the following guidance from our Shariah Advisor in relation to this matter:
- i if the loss was due to our misconduct, negligence or breach of contractual obligations, your acceptance of our offer will be Shariah compliant.
 - ii if the loss was not due to our misconduct, negligence or breach of contractual obligations, your acceptance of our offer will be violating Shariah principles.
- 4.3 The Sirat Savings Account is not a transactional account. This means that you will not be able to use the funds held in your Account for day-to-day transactions (you therefore cannot set up standing orders and/or direct debits from this Account).
- 4.4 You can credit and debit your Account as often as needed by making fund transfers from the relevant Sirat Current Account to and from your Sirat Savings Account using our branch network, our HBZweb Service (if your application thereof is approved) or any means provided by us to you from time to time. There are no fees associated with funds being transferred between the Sirat Savings Account and Sirat Current Account. All Account transactions shall be in accordance with the General Terms. Please contact your relationship manager or visit any of our branches for further information on operating the Account.
- 4.5 You will not be issued a Debit Card or a cheque book for the Account.
- 4.6 We do not offer an overdraft facility on the Sirat Savings Account.
- 4.7 We shall provide you with periodic statements of the Account on a monthly basis (unless agreed otherwise). Please refer to Clause (18) of the General Terms ('*Statements*') for further information on Account statements.
- 4.8 The Account can be closed at any time in accordance with Clause (25) of the General Terms ('*Closing or Converting Your Account*'). When the Account is closed, the deposited amount and any accrued profit that you are entitled to that has not yet been paid into your Account, will be paid to your Current Account.

4 Opening, operating and closing the account

- 4.1 Your Sirat Savings Account can be held in your sole name or jointly (in case of individual customers) or in the name of a legal person/entity (in case of business, corporate, sole trader, partnership, club, society, charity, trust etc).
- 4.2 You must be an existing customer with us to open a Sirat Savings Account. This means that you must hold a Sirat Current Account in the same currency as the Sirat Savings Account you wish to open. You must continue to hold the Sirat Current Account while funds are held in the Sirat Savings Account.



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