

**MASTER AGREEMENT OF GOVERNMENT INVESTMENT ISSUES**

Dated:

Between

THE GOVERNMENT OF MALAYSIA

And

THE ISLAMIC MONEY MARKET PARTICIPANTS

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SALE AGREEMENT

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AN AGREEMENT made this \_

BETWEEN the Government of Malaysia, through the Minister of Finance Incorporated, a body corporate established under the Minister of Finance Incorporated Act 1957 [Act 375] (hereinafter referred to as "the Issuer") and the parties listed in Appendix I (hereinafter collectively referred to as "the Buyer").

## WHEREAS

- A. The Issuer is generally empowered under *Act 375* to enter into transactions involving the selling and repurchasing of its own Assets under the Islamic transaction of Bai-Al-Einah and to issue securities in its own name and the issuance, holding, sale and purchase of such securities shall be subject to such terms and conditions or guidelines governing the issuance thereof;
- B. For this purpose, the Issuer is desirous to appoint as its agent, Bank Negara Malaysia (hereinafter known as "the Agent") and the Agent is empowered under section 32(4) of Act 519, on such terms and conditions, as agreed between the Issuer and the Agent;
- C. The Issuer and the parties listed in Appendix I will enter into the Bai-Al-Einah transactions whereby the Issuer will sell and purchase the Assets listed in Appendix III; and
- D. Pursuant to the powers as provided in paragraphs A and B, the Issuer is desirous from time to time to issue securities based on the Bai-Ad-Dayn principle which involve the selling and repurchasing of the Issuer's Assets based on the Bai-Al-Inah principle and every such sale and purchase shall be subject to the terms and conditions of this Agreement, the Sale Agreement, the Purchase Agreement and the relevant Confirmation issued pursuant to such sale and purchase.

## NOW IT IS HEREBY AGREED as follows :-

### 1. DEFINITIONS

Assets	the Government's assets as more particularly described in the Certificate of Government of Malaysia Assets;
Bai-Al-Einah	an Islamic principle by which one party sells his own assets to the other party for cash. Subsequently the other party resells the same asset to the first party for a deferred payment payable at a future date.

Buyer	such person or persons as may be specified in item (ii) of the Confirmation in respect of each sale and purchase transaction;
Certificate of the Government of Malaysia Assets	A certificate certifying the particulars and value of each of the the Government's Assets signed by the Minister of Finance, a copy of the Certificate is attached as Appendix III;
Confirmation	a confirmation in the form set out in Appendix II to be issued by the Agent to the Buyer specifying the price of the Assets at each sale and each purchase and the date of payment of each sale and purchase;
Islamic banks	banks licensed under the Islamic Banking Act 1983 and financial institutions licensed under the Banking and Financial Institutions Act 1989 permitted to do Islamic banking business as defined under the Islamic Banking Act 1983;
Purchase	each and every purchase of the Assets made by the Issuer from the Buyer in accordance with the Purchase Agreement;
Purchase Agreement	the agreement between the Issuer and the Buyer pursuant to which the Issuer shall from time to time sell and the Buyer from time to time purchase the Assets upon the terms and conditions set out therein;
Sale	each and every sale of the Assets by the Issuer to the Buyer in accordance with this Agreement;
Transaction Date	the date on which any particular sale and purchase transaction is entered by the parties as specified in the Confirmation;

## **2. INTERPRETATION**

- 2.1 Any reference to "this Agreement" is a reference to this Agreement including the appendices or, as the case may be, the relevant agreement as amended, supplemented or novated from time to time.
- 2.2 Any reference to "law" includes the constitution, decree, judgment, legislation, order, ordinance, regulation, statute, treaty, by-law, governmental directions, orders or guidelines or other legislative measure in Malaysia.
- 2.3 References to the singular number shall include reference to the plural number and vice versa.
- 2.4 Words denoting one gender include the other gender.
- 2.5 The table of contents, headings in this Agreement are inserted merely for convenience of reference and shall be ignored in the interpretation and construction of any of the provisions contained herein.

## **3. SALE AND PURCHASE OF ASSETS**

The Issuer agrees to sell from time to time and the Buyer agrees to purchase from time to time the Assets at the relevant Sale Price upon the terms and conditions set out in this Agreement and the Confirmation.

## **4. SALE PRICE**

- 4.1 In respect of each Sale, the maximum Sale Price that may be transacted at any one time shall not exceed the face value of the Certificate at the time the Sale is executed and the Issuer through its Agent may from time to time review, amend or change the face value of the Certificate without notice to the other party.
- 4.2 In respect of each Sale, the Buyer shall pay the full amount of the Sale Price in one lump sum to the Issuer through the Agent for the amount to be specified in the Confirmation on the Transaction Date or on such future date as may be agreed by the parties as may be specified in the Confirmation.

## **5. OWNERSHIP AND PASSING OF TITLE**

In respect of each Sale, the title to and property in the Assets the subject of the Sale shall pass to the Buyer immediately on the Transaction Date as specified in the Confirmation issued in relation to each Sale.

**6. GOVERNING LAW**

This Agreement shall be governed by, and construed in accordance with, the laws of Malaysia. The parties irrevocably submit to the exclusive jurisdiction of the courts of Malaysia.

**7. SEVERABILITY**

Any terms, conditions, stipulations, provisions, covenants or undertakings in this Agreement which is illegal, void, prohibited or unenforceable shall be ineffective to the extent of such illegality, voidness, prohibition or unenforceability without invalidating the remaining provisions hereof.

**8. MODIFICATION**

The Issuer through its Agent may at any time by notice to the other party vary or amend the terms or conditions of this Agreement and such variation or amendment shall take effect on the date as mentioned in such notice or if no date is mentioned the date of such notice.

**9. DISPUTE RESOLUTION**

Any dispute, difference, controversy or claim arising out of or in relation to this Agreement, or the breach, termination or invalidity thereof shall be settled, in so far as it is possible, by mutual consultation and consent unless unavoidable in which event either party may refer the question to a tribunal as may be agreed between the disputing parties or to a Malaysian Court of competent jurisdiction.

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## Appendix I

### **List of Financial Institutions Participating in the Islamic Money Market (collectively referred to in this Agreement and the Sale Agreement as "the Buyer")**

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|---|---|
| 1. Affin Bank Berhad  | 29. HSBC Bank Malaysia Berhad               |
| 2. Affin Investment Bank Berhad                                 | 30. HSBC Amanah Malaysia Berhad             |
| 3. Affin Islamic Bank Berhad                                    | 31. Hwang-DBS Investment Bank Berhad        |
| 4. Alliance Bank Malaysia Berhad                                | 32. J.P. Morgan Chase Bank Berhad           |
| 5. Alliance Investment Bank Berhad                              | 33. KAF Investment Bank Berhad              |
| 6. Alliance Islamic Bank Berhad                                 | 34. Kenanga Investment Bank Berhad          |
| 7. AmBank (M) Berhad  | 35. Kuwait Finance House (Malaysia) Berhad  |
| 8. AmIslamic Bank Berhad  | 36. Malayan Banking Berhad                  |
| 9. AmInvestment Bank Berhad                                     | 37. Maybank Islamic Berhad                  |
| 10. Al Rajhi Banking & Investment Corporation (Malaysia) Berhad | 38. MIDF Amanah Investment Bank             |
| 11. Asian Finance Bank Berhad                                   | 39. MIMB Investment Bank Berhad             |
| 12. Aseambankers Malaysia Berhad                                | 40. OCBC Bank (Malaysia) Berhad             |
| 13. Bangkok Bank Berhad   | 41. OCBC Al-Amin Bank Bhd                   |
| 14. Bank of America Malaysia Berhad                             | 42. OSK Investment Bank Berhad              |
| 15. Bank of China (Malaysia) Berhad                             | 43. Public Bank Berhad                      |
| 16. Bank of Tokyo-Mitsubishi UFJ (Malaysia) Berhad              | 44. Public Islamic Bank Bhd                 |
| 17. Bank Islam Malaysia Berhad                                  | 45. Public Investment Bank Berhad           |
| 18. Bank Muamalat Malaysia Berhad                               | 46. RHB Bank Berhad                         |
| 19. CIMB Bank Berhad  | 47. RHB Islamic Bank Berhad                 |
| 20. CIMB Islamic Bank Berhad                                    | 48. RHB Investment Bank Berhad              |
| 21. CIMB Investment Bank Berhad                                 | 49. Standard Chartered Bank Malaysia Berhad |
| 22. Citibank Berhad   | 50. Standard Chartered Saadiq Berhad        |
| 23. Deutsche Bank (Malaysia) Berhad                             | 51. The Royal Bank of Scotland Berhad       |
| 24. EON Bank Berhad   | 52. The Bank of Nova Scotia Berhad          |
| 25. EONCAP Islamic Bank Berhad                                  | 53. United Overseas Bank (Malaysia) Berhad  |
| 26. ECM Libra Investment Bank Berhad                            |   |
| 27. Hong Leong Bank Berhad                                      |   |
| 28. Hong Leong Islamic Bank Berhad                              |   |

## APPENDIX II

(To be read together with the Sale Agreement and the Purchase Agreement as displayed in the Bonds Information and Dissemination System [BIDS] maintained by the Agent)

### SALE AND PURCHASE CONFIRMATION

1. This Confirmation supplements and forms part of, and is subject to, the Sale Agreement and the Purchase Agreement as displayed in the Bonds Information and Dissemination System (BIDS) in respect of the issuance of the Government Investment Issue (GII).
2. All provisions contained in the aforementioned agreements govern this Confirmation. Terms used in this Confirmation have the same meanings as defined in the Sale Agreement and the Purchase Agreement unless otherwise stated herein.
3. For the purpose of the Sale Agreement the Purchase Agreement and this Confirmation, "Buyer" means [ **Please insert institution's name and company's registration number here** ]
4. By signing this Confirmation, the parties hereby agree to be bound by the terms and conditions of this Confirmation, the Sale Agreement and the Purchase Agreement.
5. Subject to the Sale Agreement, the Issuer hereby sells and the Buyer hereby purchases the Asset worth RM \_\_\_\_\_ at the Sale Price of RM \_\_\_\_\_ per share.
6. The Buyer shall pay to the Issuer the Sale Price mentioned in item 3 herein on the date of this Confirmation.
7. Subject to the Purchase Agreement, The Buyer hereby resells and the Issuer hereby purchases the same Assets mentioned in item 5 herein at the Purchase Price of RM \_\_\_\_\_ which shall be paid by the Issuer on \_\_\_\_\_ in accordance with item 9 herein.
8. As evidence of the debt owing by the Issuer pursuant to the purchase made under item 7 herein, the Issuer shall issue the GII to the Buyer at the same value of the Purchase Price. The Buyer may trade the GII in the money market in accordance with the Islamic principle of Bai-al-Dayn.
9. The Issuer shall pay the Purchase Price to the final holder of the GII on the date mentioned in item 7 herein which shall be the maturity date of the GII.
10. The trading of the GII shall be governed by the Code of Conduct and Market Practices for Scripless Trading in the Malaysian Securities Market (the Code) issued by the Agent including any amendment, revision, alteration, addition or deletion as may be made to the Code from time to time.

IN WITNESS WHEREOF, the parties hereto have executed this Confirmation on this .....

.....  
(Duly authorised signatory of the Minister  
of Finance for and on behalf of the Government of  
Malaysia)

.....  
(Duly authorised signatory for and  
on behalf of [Institution A])



**CERTIFICATE OF  
GOVERNMENT OF MALAYSIA ASSETS**

**Stock Short Name: GS 06/27**

1. This Certificate represents the market value of the assets of the Government of Malaysia as represented by the attached appendix .
2. The Government may review or amend the list of the assets and the value attached to each of such assets annually or at such other times as the Government deems fit to reflect the current market price of the assets listed in the appendix.
3. Bank Negara Malaysia, acting as an agent for the Government, may use this Certificate as proxy for any transaction entered into by the Government with any other party under any Islamic principle as approved by the Syariah Advisory Council but each such transaction shall not exceed the market value of this Certificate.
4. The use of this Certificate in such a transaction shall be governed by guidelines, rules and regulations, terms and conditions, or such other circulars or notices as issued by Bank Negara Malaysia / the Government governing the transaction.
5. There shall only be one original copy of this Certificate to be kept by the Government but the Government reserves the right to produce certified duplicate(s) of the Certificate for the purposes it deems fit.
6. This Certificate shall not be valid unless it is signed hereunder by Minister of Finance or any authorised officer from the Ministry of Finance.