

**Terms and Conditions
of Bank Negara Malaysia Overnight Commodity Murabahah Programme
(Overnight CMP)**

These terms and conditions shall be read together with –

- (a) the Wakalah Agreement for Bank Negara Malaysia Overnight Commodity Murabahah Programme;
- (b) the Murabahah Agreement for Bank Negara Malaysia Overnight Commodity Murabahah Programme; and
- (c) successful bid,

which shall collectively be referred to as “**the Overnight CMP Agreement**”.

Bank Negara Malaysia (“**BNM**”), successful applicants (“**Applicants**”), holders of Overnight CMP (“**Holders**”) and all persons claiming through or under them shall be entitled to the benefit of, shall be bound by, and shall be deemed to have notice of the Overnight CMP Agreement.

1. Status

Each Overnight CMP is a direct, unconditional, unsecured obligations of BNM and shall at all times –

- (a) rank *pari passu* and rateably without discrimination, preference or priority amongst themselves; and
- (b) rank *pari passu* with all other present and future unsecured obligations of BNM,

subject to those preferred by the law.

2. REDEMPTION

Any Overnight CMP that has been redeemed by BNM shall be cancelled and such redeemed Overnight CMP shall not be re-issued.

3. PAYMENTS

3.1 All payments in respect of the Overnight CMP shall be made through Real-time Electronic Transfer of Funds and Securities System (RENTAS) in accordance with the Operational Procedures for Malaysian Ringgit (MYR) Settlement in the Real-time Electronic Transfer of Funds and Securities System (RENTAS) (“**OPMRS**”) and other relevant rules and procedures issued by Payments Network Malaysia Sdn Bhd (“**PayNet**”).

3.2 All Applicants shall pay to BNM, the nominal value of the Overnight CMP successfully bid by it, no later than 6.00 pm of Malaysian time of the same day of issuance of the Overnight CMP. BNM may, at its absolute discretion, refuse to

issue the Overnight CMP to any Applicant that fails to make payment before the said deadline and may offer the Overnight CMP to other person.

- 3.3 For purposes of paragraph 3.2, the Applicants authorise BNM to deduct an amount equivalent to the nominal value of the Overnight CMP from any amount deposited by the Applicants with BNM.
- 3.4 On the Maturity Date of the Overnight CMP, BNM shall pay or procure to be paid unconditionally directly to Holders or to PayNet as the Paying Agent for Overnight CMP in Ringgit Malaysia immediately available funds equivalent to –
- (a) the nominal value of the Overnight CMP; and
 - (b) the accrued profit, payable and calculated, in accordance with the Overnight CMP Agreement.
- 3.5 Every payment in respect of the Overnight CMP to or to the account of the Paying Agent in the manner provided in the OPMRS and other relevant rules and procedures issued by PayNet shall operate in satisfaction *pro tanto* of BNM's obligation set out in:
- (a) clause 3.4 above; and
 - (b) Sale Price pursuant to the relevant Sale Transaction undertaken by BNM on behalf of the Holders pursuant to the Wakalah Agreement.
- 3.6 The parties recognize and agree that the payment of interest is repugnant to Shariah and accordingly, the parties irrevocably, unconditionally and expressly waive or reject any entitlement to recover interest from each other.
- 3.7 All payments by BNM shall be made without withholding or deductions for or on account of any present or future tax, duty or charge of whatsoever nature imposed or levied by or on behalf of Malaysia or any other applicable jurisdictions, or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law (in which event BNM shall be required to make such additional amount so that the payee would receive the full amount which the payee would have received if no such withholding or deductions are made).

4. EVENTS OF DEFAULT

Each of the following events shall be deemed as an “Event of Default” and notwithstanding the stated maturity of the Overnight CMP, the Overnight CMP shall be immediately due and payable, if any of the following events occurs and remains unremedied after the expiry of seven (7) days’ written notice from Holders to BNM of the occurrence of any Event of Default -

- (a) BNM fails to distribute/pay any amount in respect of the Overnight CMP as and when it falls due;
- (b) any representation or warranty made or given by BNM under the Overnight CMP Agreement is proven to be incorrect or misleading in any material respect on or as of the date made or given, or deemed made or given; or
- (c) BNM fails to observe or perform any of its obligations under the Overnight CMP Agreement and such failure shall continue for a period of thirty (30) days or more;
- (d) any provision of the Overnight CMP Agreement relating to payment obligations of BNM is or becomes, for any reason, invalid, illegal, void, voidable or unenforceable; or
- (e) BNM repudiates the CMP Agreement or alleges that the CMP Agreement is not in proper legal form for enforcement thereof or BNM does or causes to be done any act or thing to repudiate the Overnight CMP Agreement.

Each of paragraphs (a) to (e) above is to be construed independently and no one Event of Default limits the generality of any other Event of Default.

5. NOTICES

5.1 All notices shall be in writing.

5.2 A notice may be given by the parties by publishing it via Fully Automated System for Tendering (“**FAST**”). If at any time publication via FAST is not practicable, the notice may be given in such other manner as the parties mutually agree.

5.3 A notice via FAST is deemed to have been given on the date of publication or, if published more than once or on different dates, on the first date on which it is published.

6. MODIFICATIONS

6.1 No amendment may be made to the Overnight CMP Agreement unless with mutual consent of the parties.

6.2 Notwithstanding clause 8.1, BNM may unilaterally amend the Overnight CMP Agreement if the amendment is not materially prejudicial to the interests of the existing Holders, including but not limited to the following purposes:

- (a) to correct a manifest error; or
- (b) to comply with mandatory provisions of the law.

7. GUIDELINES AND RULES

The Overnight CMP shall at all times be subject to –

- (a) any guideline, circular, standard and notice on Wakalah, Murabahah and other matters issued by BNM; and
 - (b) any rule issued by PayNet,
- which are relevant to the transactions provided under the Overnight CMP Agreement.

8. GOVERNING LAW AND DISPUTE RESOLUTION

- 8.1 The Overnight CMP Agreement shall be governed by the laws of Malaysia. The liabilities of the parties in respect of this Agreement shall be as imposed by law.

- 8.2 All disputes shall be finally settled through arbitration in accordance with the Arbitration Act 2005 before a single arbitrator at and in accordance with the Arbitration Rules of the Asian International Arbitration Centre (AIAC).