



AL ADALAH

FOR OFFICE USE ONLY
DATE :
A/C NO :
CIF NO :
MANAGERS INTL:

The Manager
Islamic Banking Unit
Commercial Bank of Ceylon PLC

APPLICATION TO OPEN A MUDARABA CHILDREN'S SAVINGS ACCOUNT

I refer to the Mudaraba Agreement signed between the Bank and myself and request you to open a Mudaraba Children's Savings Account as follows.

Note:

- Cheques / Drafts to the credit of this Account, to be drawn favoring Manager, Commercial Bank of Ceylon PLC.
The Account will only be opened at the sole discretion of the Bank subject to conditions governing Mudaraba Children's Savings Accounts.

PLEASE FILL IN BLOCK CAPITALS

Full name of Child (as appearing in the Birth Certificate) :
(Underline the name usually used at home)

Date of Birth of Child : (Please attach a copy of the Birth Certificate)

Gender : (Male / Female)

Full Name of Depositor :
(Underline Surname)

Address of Depositor :
(Bank's correspondence would be sent to this address)

Tel No : Mobile No :

E-Mail Address :

NIC / Passport No. of Depositor : (Please attach a photocopy)

Occupation of Depositor : Relationship of the Depositor to Account Holder (Child) :

I agree to comply with and be bound by the rules and regulations applicable for the conduct of such account including the following

- To have the profits credited to the account at the end of each profit distribution cycle
To permit the Mudarib to debit the account with the withholding tax or any other relevant taxes from time to time as and when imposed by the regulatory authority/s on the profit credited to the account.
To treat this document as an integral part of the main Mudaraba Agreement entered to between the Bank and the depositor.
When the child reaches the age of 18, to permit the child to withdraw the funds at his/her discretion and subject to the Banks regulations.

Profit sharing ratio: Investor Bank

In the event of my death, prior to above named reaching the age of 18 , I do hereby appoint Mr / Ms
(full name) of (address)
holder of NIC/PP No. as a nominee to continue this account.

Date : SIGNATURE OF DEPOSITOR:

FOR OFFICE USE ONLY :
INPUT BY : CHECKED BY :

#### RULES FOR MUDARABA CHILDREN'S SAVINGS ACCOUNTS

1. The Mudaraba Children's Savings Account will be an individual account in the name of the child and not a joint account. The child in whose name the account is opened, will be the beneficiary of the deposits made to the account.
2. Withdrawals will not be permitted under normal circumstances prior to the child reaching the age of 18 years. Withdrawals will only be allowed at the discretion of the bank for essential purposes of the child on the signature of the depositor.
3. The minimum deposit required to open an account is Rs. 500/-.
4. The Bank has the right to refuse to open an account without any reason
5. Each depositor will be supplied with a pass book, the safety of which will be the depositor's responsibility. The Bank must be notified without delay if the Passbook is lost stolen or misplaced
6. The amounts deposited and withdrawn will be recorded in the passbook by the Bank. Depositors should examine pass books carefully, before leaving the bank and satisfy themselves that the entries made therein are correct. The Bank will not accept responsibility for any sums which are neither computer printed nor entered under the signature of an Authorised Officer of the Bank.
7. Upon child reaching the age of 18 years he/she should claim the balance after proving his/her identity to the satisfaction of the bank. Where such balance is not claimed within 2 weeks, account will be converted to an ordinary Mudaraba savings account in the name of the beneficiary. Such ordinary Mudaraba savings account will be governed by the rules relating to Mudaraba savings accounts.
8. The Child's Birth Certificate should be submitted at the time of opening the account.
9. Bank will not accept or recognize trusts.
10. The nominee appointed by the depositor at the time of opening the account will be considered by the Bank as the depositor for all purposes in the event of original depositor's death, prior to child reaching the age of 18 years.

**MUDARABA AGREEMENT- MUDARABA CHILDREN’S SAVINGS ACCOUNT**

\* THIS AGREEMENT is dated ..... ("hereinafter referred to as the "the Agreement") and is made and entered into at Colombo in the Democratic Socialist Republic of Sri Lanka.

**BETWEEN:**

**The Islamic Banking Unit known as ‘Al Adalah’ of COMMERCIAL BANK OF CEYLON PLC** bearing Registration No. PQ 116, a banking company duly incorporated under the laws of the Democratic Socialist Republic of Sri Lanka and having its registered office at No. 21, Sir Razik Fareed Mawatha, Colombo 1, in Sri Lanka (hereinafter called and referred to as the "Bank" which expression as herein used, where the context so requires or admits shall mean and include the said COMMERCIAL BANK OF CEYLON PLC and its successors and assigns), of the ONE PART;

**AND**

\* .....(FULL NAME OF DEPOSITOR)  
\* of .....( ADDRESS ) (hereinafter referred to as the "Depositor which  
\* expression shall mean and include the said ..... (FULL NAME OF  
DEPOSITOR) his/ her heirs, executors successors and assigns) on account Master/Miss.....  
\* ..... (FULL NAME OF CHILD) of the OTHER PART. \*

(the expression “Depositor” shall if the Depositor be (a) an individual mean and include the said individual and his/ her heirs executors administrators and assigns (b) a firm mean and include such firm and the person or persons or company carrying on business in the name of such firm or in succession thereto and (c) a company or other corporation mean and include such company or other corporation and its successors and assigns, and the provisions hereof shall be applied and construed accordingly)  
The Depositor may sometimes be referred to as Rab al Maal in this document or any other connected document.

AND WHEREAS from time to time the Depositor by application(s) offers to invest in the Mudaraba Fund managed by the Mudarib for further investment by the Mudarib in profit generating Sharia compliant business ventures.

AND WHEREAS the Mudarib accepting the offer of the Depositor to invest in the Mudaraba Fund, both parties hereto fulfill their respective obligations as per this Agreement.

NOW, THEREFORE THIS AGREEMENT WITNESSETH AND IT IS HEREBY AGREED BY AND BETWEEN THE PARTIES HERETO AS FOLLOWS:

**Definitions:**

“Mudaraba Investment” means the monies invested in the Mudaraba Fund by the Depositor.

“Mudaraba Fund” means the pool of funds entrusted by the Depositor to the Mudarib for investment in profit generating Sharia compliant business ventures.

“Mudarib” means Commercial Bank of Ceylon PLC as the Manager of the Mudaraba Fund.

“Nature of the Fund” means that the Mudaraba funds is an “unrestricted” fund which accords to the Mudarib unfettered authority to choose and select Sharia compliant profit generating investment at the Mudarib’s total discretion.

“Profit” means the surplus that accrues on investments made by the Mudarib from the Mudaraba fund, which at the end of a specified period is available for distribution among owners of the Fund and the Mudarib.

A “Loss” means the deficit resulting from investments made by the Mudarib from the Mudaraba Fund at the end of a specified period to be borne by the owners of the Fund.

“Profit Sharing Ratio” the ratio of profit sharing between the Depositor and the Mudarib shall be pre agreed in the “Application for investment” which shall form an integral part of this Agreement.

“Rab al Maal” is the party providing capital in the Mudaraba Fund which party is deemed to be the Depositor its successors and assigns.

“Thakharuj” is the system in which the pool of funds of Mudaraba depositors will purchase the share of the Rab-ul-mal who intends to pre maturely quit from the Mudaraba fund for an agreed price.

**1. Participation in Investment :**

The parties hereto agree that the Depositor from time to time shall entrust to and invest through the Mudarib on their behalf sum or sums of money for different periods as stipulated in the individual Application for investment which shall constitute an integral part of this Agreement

**2. Investing in Mudaraba Investment Fund :**

The Depositor accepting the terms and conditions contained both in the Application for investment and this Agreement and upon payment of monies to the Mudarib, will receive an official receipt for the amount tendered.

**3.1 Profit and Loss:**

In case of profit earned by the Fund, the Mudarib will be entitled to the pre agreed percentage share of the profit generated from the Mudaraba Fund and the balance shall be distributed among the owners of the Fund pro rata. In case of a loss, the Depositor will bear the entire capital loss up to a maximum value not exceeding his/ her capital investment in the Fund. Expenses incurred in the management of the funds will be borne by the Mudarib.

Any loss incurred in the Mudaraba Fund as a result of any act committed by the Mudarib which involves gross negligence or apparent misconduct on the part of the Mudarib, shall be solely borne by the Mudarib.

**3.2 Determination of profits:**

The Mudaraba Investment will not carry a pre-determined rate of profit for any particular investment. The profit of the Mudaraba Fund, however, will be calculated and announced in periodic intervals as decided by the Mudarib for the profits realized up to the relevant period.

**3.3 Commingling of funds by the Mudarib:**

If the Mudarib has commingled its own funds with the Mudaraba Funds, the Mudarib becomes a partner in respect of its funds and a Mudarib in respect of the funds of the Depositor. The profit earned in the commingled funds will be divided proportionately to the amounts invested by the two parties in the fund, in which case the Mudarib takes the profit attributable to its own funds, while the remaining profit is to be distributed between the Mudarib and the Depositor according to the provisions of this Agreement.

**4. Expenses:**

The Mudarib is empowered to charge expenses directly connected with the administration of the Mudaraba Fund, to the Mudaraba Fund.

**5. Distribution of Profits :**

In respect of those who have not completed the full tenure, the profits will be determined on a pro-rata basis for the period they were in the Fund for the relevant cycle. Declared profits will be automatically reinvested periodically after each profit distribution cycle.

**6. Withdrawals:**

Withdrawals of monies invested in the Mudaraba Fund will not be permitted under normal circumstances prior to child attaining majority. Withdrawals will only be allowed at the discretion of the Mudarib for essential purposes of child on the signature of the depositor. This is however also subject to any losses occurring in the Mudaraba Fund in which case the Mudarib will deduct a pro-rated portion of the loss when making payments.

**7. Power of Attorney :**

Power of Attorney authorizing third parties to act on behalf of the Depositor made in the standard format specified by the Mudarib will be accepted.

**8. Provisions for Investment Losses:**

At every profit distribution cycle, the Mudarib at his sole discretion and judgment may transfer to a loss provision account from profits distributable to investors, such amounts as the Mudarib considers prudentially necessary for the long term safety of capital sums invested in the Mudaraba Fund.

**9. GOVERNING LAW AND JURISDICTION**

The interpretation of this Agreement and any dispute arising hereunder shall be submitted only to the exclusive jurisdiction of a competent court in the Democratic Socialist Republic of Sri Lanka.

General: The Annexes to this Agreement (particularly the Application for investment) shall be considered as integral parts hereof.

Due care will be taken by the Mudarib in the use of the Mudaraba Fund. Prudent investment policies will be adopted by the Mudarib in the investment of the Mudaraba Fund.

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.....  
**Signed for and on behalf of  
Commercial Bank of Ceylon PLC #**

.....  
**Signature of the Depositor**

Witnesses:

Witnesses: ##

1.

2.

.....  
**Signature  
Name**

.....  
**Signature  
Name**

*(Instructions for Bank - # IBU officers will be signing on behalf of bank  
## Branch representatives to only witness the Depositor's signature)  
\* Initial of Depositor  
\*\* Full signature of Depositor*