



The Manager  
Islamic Banking Unit  
Commercial Bank of Ceylon PLC

|                 |   |  |
|-----------------|---|--|
| DATE            | : |  |
| ACCOUNT NO.     | : |  |
| CURRENCY        | : |  |
| BRANCH NO.      | : |  |
| OFFICER NO.     | : |  |
| MANAGER'S INTL. | : |  |

**APPLICATION TO INVEST IN THE MUDARABA SAVINGS FUND**

I/We refer to the Mudaraba agreement signed by me /us and Commercial Bank of Ceylon PLC as Mudarib, and request you to open a Mudaraba Savings account in the following name/s. Account will be operated by myself / ourselves/ either of us/ either or survivor (\*).

**PLEASE FILL IN BLOCK CAPITALS**

(CIF No) [ ] (For Mudarib use only)

1. NAME WITH INITIALS (Rev/Mr/Mrs/Miss): [ ]

NAME DENOTED BY INITIALS : [ ]

ADDRESS : [ ]

DATE OF BIRTH : [ ] NIC/PASSPORT NO. [ ]

PHONE NO. : [ ] PROFESSION : [ ]

I AM NOT AN INCOME TAX PAYER I AM AN INCOME TAX PAYER  
DECLARATION SUBMITTED : YES / NO INCOME TAX FILE NO. [ ]

EXISTING ACCOUNT NO. [ ] SIGNATURE : [ ]  
(if any)  
(\* Please delete whichever is not applicable)

(CIF No) [ ] (For Mudarib use only)

2. NAME WITH INITIALS (Rev/Mr/Mrs/Miss): [ ]

NAME DENOTED BY INITIALS: [ ]

ADDRESS : [ ]

DATE OF BIRTH : [ ] NIC/PASSPORT NO. [ ]

PHONE NO. : [ ] PROFESSION : [ ]

I AM NOT AN INCOME TAX PAYER I AM AN INCOME TAX PAYER  
DECLARATION SUBMITTED : YES / NO INCOME TAX FILE NO. [ ]

EXISTING ACCOUNT NO. [ ] SIGNATURE : [ ]  
(if any)

Investor [ ] Mudarib [ ]

**PROFIT SHARING RATIO** [ ] [ ] PASSBOOK SAVINGS /STATEMENT SAVINGS [ ]

SOURCE OF FUNDS CASH/ A/C NO. [ ] STATEMENT FREQUENCY : MONTHLY / QUARTERLY

**I/ We undertake to comply with the following conditions for investment in addition to those contained in the main Mudaraba Agreement:**

- Not to exceed the specified withdrawals a month from the Mudaraba Savings Fund.
- 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 on the profit credited to the account.
- To treat this document as an integral part of the main Mudaraba Agreement.
- Where the account is in joint names, in the event of death of any of the joint account holders, the proceeds of the Mudaraba Investment and profit if any, shall be payable to the survivor or survivors subject to legislation in force.

SIGNATURE : 1 [ ] 2 [ ]

|                             |
|-----------------------------|
| <b>MUDARIB USE ONLY</b>     |
| INPUT BY                    |
| [ ]                         |
| <b>AUTHORISED SIGNATORY</b> |

(\* Insert 'us'(if all parties are to sign ), 'either of us' (if either is to sign) , 'either or survivor' , or as may be required.

\* 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/s.)  
of .....(ADDRESS ) (hereinafter referred to as the "Customer"  
which expression shall mean and include the said .....(FULL NAME/s)  
\* his/her/theirs executors administrators and assigns) of the OTHER PART. \*

(the expression "Customer" shall if the Customer 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 Customer may sometimes be referred to as Rab al Maal in this document.

AND WHEREAS from time to time the Customer 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 Customer to invest in the Mudaraba Fund, both parties hereto fulfill their respective obligations as per this Agreement.

NOW, THEREFORE THIS AGREEMENT WITNESSESTH 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 Customer.

"Mudaraba Fund" means the pool of funds entrusted by the Customer 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 Customer 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 customer 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 Customer 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 Customer 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. The Investor hereby acknowledges that the Profit sharing ratio of the savings fund may change from time to time, which will be informed at the beginning of a profit distribution cycle and any further approval of the customer is not required for such change.

In case of a loss, the Customer 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 Customer. 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 Customer 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. Only those investments that have completed a minimum of 14 days continuously in the Fund, will qualify to receive profits. Declared profits will be automatically reinvested periodically at the discretion of the Bank.

**6. Tenure :**

Mudaraba Investments mature as per the investment period stated and agreed in the "Application for Investment". However, investments will be automatically reinvested at the end of every period on terms and conditions prevailing at the time of such investment unless specific instructions are received by the Mudarib regarding the reinvestment or return of the monies as at the date of maturity. In the case of reinvestment, the Mudarib is hereby authorized to do so on the terms and conditions prevailing at the time of reinvesting for a similar period.

**7. Premature withdrawals only at Mudarib's Discretion:**

Premature withdrawals of monies invested in the Mudaraba Fund may be allowed at the discretion of the Mudarib, subject to a notice period of three (3) working days. Premature withdrawals, if allowed will be on the basis of **Thakharuj**. 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.

**8. Power of Attorney :**

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

**9. Suspension :**

Upon receipt of valid notice of insanity, insolvency, bankruptcy, or death of the Customer, all transactions will be suspended and the monies lying to the credit of the Customer in the Mudaraba Fund as at date of the receipt of such notice will be held by the Mudarib without any further right of withdrawal or without any accretion. The balance outstanding in the account together with any profit earned will be paid to the person or persons named in the 'Nomination form' or to the legal heirs of the Customer upon due completion of testamentary proceedings.

**10. Joint Accounts:**

In the case of a joint account, where two or more persons have invested together, the Mudarib will have the right to hold upon death of any of the joint holders the Investment amount to the order of the survivor(s), without any prejudice to the Mudarib's right of lien and set-off of whatsoever nature, and the right to take any steps to comply with the provisions of the Mudarib's rules governing Mudaraba Investments. In case of death of one of the joint holders, the survivors do hereby undertake to advise the Mudarib in writing.

**11. 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.

**12. 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.

\*\*

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

.....  
**Signature of the Customer/s**

Witnesses: 1. **Signature**

2. **Signature (##)**

.....  
**Name**

.....  
**Name**

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