

# Terms and Conditions

Bank Alfalah PayPak Islamic Debit Card



Bank Alfalah  
Islamic

# Terms & Conditions for branchless banking account

These Terms and Conditions apply to the registration of customers and subsequent use of the Branchless Banking services ('the Service'), offered by Bank Alfalah Limited ('Bank Alfalah Limited'). These Terms and Conditions constitute an agreement between you (the 'Customer') and Bank Alfalah Limited when the Customer registers and makes use of the Service. 'Branchless Banking' shall bear the meaning ascribed to that term in the Branchless Banking Regulations.

## Section A: Registration (How to get Branchless Banking from Bank Alfalah Limited)

- 1 Registering for Branchless Banking from Bank Alfalah Limited:
  - 1.1 In order to register for the Service, the Customer must:
    - 1.1.1 be a Pakistani national and over the age of 18 years;
    - 1.1.2 have a valid CNIC;
    - 1.1.3 have a copy of the CNIC at the time of registration;
    - 1.1.4 comply with other criteria laid down by the State Bank of Pakistan including those set forth in the Branchless Banking Regulations;
    - 1.1.5 have to accept these Terms and Conditions governing the use of the Service;
    - 1.1.6 have an active and valid SIM number from a Mobile Network Operator in Pakistan (the 'MNO'), as advised by Bank Alfalah Limited, which has to be registered with Bank Alfalah Limited for availing the Services (hereinafter referred to as 'Registered Mobile Number/SIM'), in order to use facilities which form part of the Services and which involve the use of mobile phones by Customers to undertake transactions.
  - 2 The Customer must register for the Service via the following secure channels:
    - 2.1 Digital Channels (including but not limited to Mobile App, Internet Banking, Cash/Cheque Deposit Machine, ATM, Kiosk, etc.), Selected Agents, Super Agents/Master Agents of Bank Alfalah Limited and Franchisee Locations of such Selected Agents, Super Agents/Master Agents (hereinafter collectively referred to as 'Agent') as advised by Bank Alfalah Limited and updated from time to time; OR
    - 2.2 Any Bank Alfalah Limited Branch.
  - 3 Bank Alfalah Limited at its sole discretion may accept or reject request for registration. In case request of the Customer is accepted for availing the Services, Bank Alfalah Limited will open a branchless banking account ('Branchless Banking Account/Account') of the Customer and may issue an account number (Branchless Banking Account Number/Account Number) and/or a Debit Card to access funds in Branchless Banking Account through ATM.

- 4 The Branchless Banking Account can be opened either a current account (non-remunerative) or saving account (based on profit and loss).
- 5 The nature of Current account are on the basis of Qard in accordance with the principles approved by the Shariah Board of Bank Alfalah Limited for Branchless Banking Accounts.
- 6 The Branchless Banking Account current account is non-remunerative and no profit shall be paid on funds/ amount held in Branchless Banking Current Account.
- 7 Monies deposited by the Customer with the Bank under the Branchless Banking current account shall remain payable until paid. Bank may at its discretion use or employ such funds as it deem fit.
- 8 The relationship between the Bank and the Customer with respect to all profit bearing deposits shall be based on the principles of Mudarabah, where Customer is the Rab-ul-Maal and the Bank is the Mudarib
- 9 If nature of account is saving account (PLS - Profit or Loss) same shall be based on funds/amount held in Branchless Banking Saving Account.
- 10 At the time of opening of Branchless Banking Account, proper identification/KYC of the Customer will be required as per Bank Alfalah Limited's policy/procedures and/or instructions of regulatory authorities.
- 11 The Branchless Banking Account shall possess a distinctive number, which shall be used in all correspondence relating to the Services.
- 12 Bank Alfalah Limited, in its sole discretion, shall be constrained to close those Accounts whose average balance during the half year is less than prescribed minimum balance as advised by Bank Alfalah Limited from time to time and they show nil balance after deduction of service and other charges at the time of half yearly closings.
- 13 If the Customer notices an error in the information supplied to Bank Alfalah Limited either in the registration form or any other communication, he shall immediately advise Bank Alfalah Limited in writing so as to allow Bank Alfalah Limited to correct the error wherever possible on a 'reasonable efforts' basis.
- 14 In order to use the Service, the Customer must be registered for the Service.
- 15 Bank Alfalah Limited shall not be required to independently verify Customer Instructions which shall be effective unless countermanded by further instructions from the Customer within a reasonable time frame. Bank Alfalah Limited shall have no liability whatsoever if it does not or is unable to stop or prevent the implementation of any Customer Instruction.

- 16 The Customer Instructions shall be affected only after authentication of the Customer in accordance with the prescribed procedure for Branchless Banking Account. In case of transactions initiated through SMS channel, Bank Alfalah Limited shall have no obligation to verify the authenticity of any transaction received from the Customer other than by Caller Line Identification and PIN (in case of higher limits).
- 17 All the records of Bank Alfalah Limited generated by the Customer Instructions, including the time of the transaction and payments requested when availing Services and using the Branchless Banking Account, shall be conclusive proof of the genuineness and accuracy of the transaction and accompanying Customer Instructions.

The Customer expressly agrees that Bank Alfalah Limited is not liable for sending any annual or semiannual statement of account to the Customer. However, Customer has an option to view up to thirty days (30) transactions using his Mobile App.

- 18 In order to undertake remittances/payments using Registered Mobile Number, the Customer must have enough airtime available on his Registered Mobile Number to operate Branchless Banking Account and to avail the Services.
- 19 On certain products/services the Customer may select a 4-digit authorisation code/PIN ('PIN') at the time of registration of Service in order to authorise the transaction requests made via his Branchless Banking Account Number.
- 20 The Customer must have sufficient fund available in his account to complete requested transactions. In case of insufficient funds in Branchless Banking Account, Bank Alfalah Limited retain the right to decline any authorisation relating to the transaction.
- 21 In case the request of Customer for availing Services exceeds/breaches the prescribed limit for branchless banking accounts (Transaction Limited), Bank Alfalah Limited shall have the right to reject said transactions/request.
- 22 The Branchless Banking Account Number issued by Bank Alfalah Limited in terms hereof, is an access mechanism, to Customer's Account(s); therefore, in case mobile phone containing Registered Mobile Number/SIM is lost/stolen/snatched, the Customer shall immediately inform Bank Alfalah Limited at 111 225 229, and/or directly Bank Alfalah Limited and/or as advised/intimated by Bank Alfalah Limited from time to time. Upon receipt of this information by Bank Alfalah Limited, Bank Alfalah Limited will block the Branchless Banking Account temporarily.
- 23 Bank Alfalah Limited may at its discretion amend, add or remove any of the facilities offered under the Services.
- 24 The Customer undertakes and agrees not to use or permit to use Services for any illegal or improper purposes and shall comply with all applicable Terms and Conditions, laws and regulations governing the Branchless Banking Accounts.

- 25 The Customer shall be solely responsible for any illegal funds transfer and money laundering activity carried out through his/her Account.

### Section B: Security Features

- 26 There will be a four (4) digit PIN, to be issued to the Customer at the time of registration for Services. The Customer has to use the PIN to authenticate and authorise transaction requests from his Branchless Banking Account. In addition, for certain transactions, the Customer will be provided with a unique transaction reference number and pass code.
- 27 The security of the PIN must not be endangered or compromised by choosing a PIN that can be easily guessed, such as four (4) digits of the same numbers (such as 1111) or numbers in sequence (such as 1234).
- 28 The Customer must not under any circumstances store his PIN (or pass code) on his handset (Mobile) carrying Registered Mobile Number/SIM. If the Customer's handset automatically stores his PIN (or pass code), the onus shall be on Customer to delete the same.
- 29 The Customer irrevocably and unconditionally undertakes to ensure that the PIN and other confidential information are kept confidential and to not let any unauthorised person have access to the mobile phone and the PIN.
- 30 The Customer shall take all necessary precautions to prevent unauthorised and illegal use of their Accounts.
- 31 If the Customer believes that his/her Account has been accessed without his knowledge or consent, or that his PIN has been fraudulently used, he shall contact Bank Alfalah Limited immediately to block the Account. The Customer shall lodge a complaint at his nearest Bank Alfalah Limited branch or call at helpline on 111 225 229 or any Agent, as designated/intimated by Bank Alfalah Limited from time to time. The Customer shall also co-operate with Bank Alfalah Limited and the law enforcement agencies in any investigation vis-à-vis the fraud or suspicious transaction.
- 32 Bank Alfalah Limited will inform the Customer regarding Branchless Banking transaction through his registered email or registered post at last known mailing address or through SMS at his Registered Mobile Number. The Customer shall ensure to keep his Registered Mobile Number active and to keep Bank Alfalah Limited informed about any changes in his email, correspondence address or Registered Mobile Number. However, Bank Alfalah Limited cannot guarantee the accuracy or arrival of an SMS and Bank Alfalah Limited shall not be responsible for any loss, expense, claim or damage whatsoever arising from any delay or failure by Bank Alfalah Limited to send SMS.

- 33 Bank Alfalah Limited shall not be liable if anyone gets access to Customer's PIN and SIM with Bank Alfalah Limited's registered Branchless Banking Account numbers and Customer fails to inform Bank Alfalah Limited. The transaction(s) done by impersonator will be considered legitimate and will be acted upon by Bank Alfalah Limited. Bank Alfalah Limited will accept no liabilities and shall not be held liable for compensation against Customer's loss.
- 34 The Customer's registered phone/SIM shall only be used by the Customer and he shall take all necessary precautions and care to ensure that the same are not misplaced, lost or stolen. If Customer's registered phone/SIM is lost or stolen, the Customer shall immediately notify his mobile operator to block and prevent misuse of the SIM. The Customer shall also promptly notify Bank Alfalah Limited to block access to his Account(s), failing which, Bank Alfalah Limited shall not be held liable for any cost, charges, expenses, losses (direct, indirect or consequential), claims (including third party claims) or damages suffered or incurred by the Customer. The time at which Bank Alfalah Limited receives instructions to block access to the Account(s) will be determined and certified by Bank Alfalah Limited and such determination shall be binding and conclusive on the Customer.
- 35 The electronic channel is susceptible to frauds, misuse, hacking and other actions that could affect payment instructions to Bank Alfalah Limited. Whilst Bank Alfalah Limited shall aim to provide security to prevent the same, there cannot be any guarantee from such frauds, hacking and other actions that could affect payment instructions to Bank Alfalah Limited. Customer shall be solely responsible and Bank Alfalah Limited shall not be liable for any loss (direct, indirect or consequential) if access is gained to Customer's Account through forgery, wiretapping, theft or divulgence of PIN by Customer.
- 36 The technology for enabling the transfer of funds and other services offered by Bank Alfalah Limited could be affected by issues relating to telecommunication networks and Account and Services may be interrupted/made unavailable by natural calamities, force majeure, legal and/or regulatory restraints, faults in the telecommunication network, network failure, or any other reason beyond the control of Bank Alfalah Limited. The Account could also be affected by virus or other malicious, destructive or corrupting code, programed or macro.
- 37 The transaction for transfer of funds or payments to Affiliates as per Customer Instruction may not be completed as requested for various reasons beyond control of Bank Alfalah, including, but not limited to, those specified in the paragraph immediately above. In all such cases, the Customer shall not hold Bank Alfalah Limited responsible in any manner in the said transaction and contracts and the Customer's sole recourse in this regard shall be with the beneficiary of the transaction.

- 38 Bank Alfalah Limited shall not be liable if due diligence is observed in good faith for any damages whatsoever. Whether such damages beyond control of Bank Alfalah are direct, indirect, incidental, consequential and irrespective of whether any claim is based on loss of revenue, interruption of business, or any loss of any character or nature whatsoever and whether sustained by the Customer, Supplementary User or by any other person.
- 39 The Customer shall not have any recourse against the head office or any branch of Bank Alfalah Limited in respect of the payment of any deposits, account balances thereon maintained or/and accruing with Bank Alfalah Limited, and all facilities provided by Bank Alfalah Limited through Account and Services. Any such rights of recourse are expressly waived by the Customer.
- 40 In order to keep the transactions secure, Bank Alfalah Limited shall consider only those transaction requests which shall be made from the Registered Mobile Number.
- 41 The Customer shall not share his PIN and/or pass code with anyone, including Bank Alfalah Limited, and the Agents under any circumstances.

### Section C: Fees/Costs

- 42 All fees charged will be provided in Schedule of Charges (SOC) of Bank Alfalah Limited.
- 43 By using the Service, the Customer authorises Bank Alfalah Limited to debit his account(s) with any transaction fees, service fees or any Government levy or any tax that may be introduced and communicated to Customer in SOC of Bank Alfalah Limited. The Service fees are reviewed on biannual basis and the Customer can obtain a copy of SOC from nearest branch of Bank Alfalah Limited or get the information from the Bank Alfalah Limited's website.
- 44 Any additional fee that may be charged by any Agent will be incurred when using the Services and will need to be settled between Customer and Agent.
- 45 The Mobile Network Operator - MNO as the provider of data and network services will charge service fee directly against the Services provided to the Customers. In case of transactions where MNO cannot charge fee directly, the same will be collected/debited by Bank Alfalah Limited at source and transferred as direct revenue to MNO.
- 46 The Customer will be liable for any unauthorised transaction that has been debited to his account(s) through any person other than Customer using the PIN (and/or pass code), unless it can be proved that such person obtained the PIN (and/or pass code) as a result of gross negligence or fraud on part of Bank Alfalah Limited or its staff.
- 47 In case Bank Alfalah Limited could not debit the charges for the Services, it reserves the right to recover such charges

subsequently from Branchless Banking Account. If sufficient funds are not available in Branchless Banking Account, then Bank Alfalah Limited may terminate the Services until payment of said charges/fees. If there are any transactions or fees still unpaid by Customer.

After the Service is terminated, the Customer shall remain liable for the full outstanding amount owed to Bank Alfalah Limited and Bank Alfalah Limited reserves the right to recover any unpaid fees/charges from any account of the Customer maintained with Bank Alfalah Limited.

- 48 The Customer agrees to use the Service at his own risk and Bank Alfalah Limited shall not be liable for any loss or damage whatsoever, unless such loss or damage arises from gross negligence or fraud on part of Bank Alfalah Limited or its staff.
- 49 The Customer indemnifies Bank Alfalah Limited against any claims by third parties or loss suffered by Bank Alfalah Limited arising from the use of the Service by the Customer.
- 50 If the Customer purchases any product of third party by way of availing the Service under the Terms and Conditions of the said Product, and the Terms and Conditions of the Service shall not supersede the purchase agreement between Customer and the Network Operator or service provider/third party.
- 51 The Customer shall be responsible for giving correct information and instructions when setting up beneficiaries and making payments to beneficiaries. Bank Alfalah Limited shall not be responsible for any loss or damage caused due to Customer's error, either in setting up the beneficiary or in making payments. Bank Alfalah Limited shall also not be liable for payments made by the Customer to unintended recipients/beneficiaries if the Customer gives wrong information to Bank Alfalah Limited. Bank Alfalah Limited shall also not be responsible for verification of identity of the recipients/beneficiaries. If the funds are transferred to the account of unintended recipient/beneficiary due to incorrect instructions of the Customer, Bank Alfalah Limited will not be able to reverse the incorrect transaction/payment without specific consent of the beneficiary. In such scenario Bank Alfalah Limited could only pass on Customer's Instruction to the beneficiary or his bank, but Bank Alfalah Limited shall not be responsible to get the transaction reversed.
- 52 The Customer shall be responsible for supplying correct contact details of recipients and the Customer agrees to use the Service at his own risk. Notice of confirmation of payment to the recipient does not warrant that the recipient has received the payment or has access to the funds. Bank Alfalah Limited accepts no liability whatsoever, and Customer indemnifies Bank Alfalah Limited against any loss, expense, claim or damage that the Customer or a third party may suffer, whether direct, indirect or consequential, arising from the use of this Service, or arising from any delay or failure by



Bank Alfalah Limited to send an email, or SMS without gross negligence of Bank Alfalah Limited. Bank Alfalah Limited makes no representation or warranty, whether express or implied, as to the operation and functionality of the Service or the accuracy and integrity of the transmitted information. This Service is not free and Customer will be charged per medium used to notify the recipients of payments made to them. The Customer can find details of these fees from SOC of Bank Alfalah Limited on Bank Alfalah Limited website, calling the Branchless Banking Call Centre on 111 225 229 or visiting nearest Bank Alfalah Limited branch.

#### Section D: Debit Card

53. At the request of the Customer, Bank Alfalah Limited may issue a Debit Card (subject to charges as per Debit Card schedule of Bank Alfalah Limited) to the Customer, which Customer can use to access funds in his Branchless Banking Account by Automated Teller Machine ('ATM')
- 53.1 The Terms and Conditions applicable to the Debit Card as publicised by Bank Alfalah Limited on its website or any other method, as may be amended from time to time, shall apply to the Customers hereunder and form an integral part of these Terms and Conditions to the extent they relate to the use of Debit Card for accessing the Branchless Banking Account. Except as above, if there is a conflict or inconsistency between these Terms and Conditions of this Agreement and those of the Debit Card Terms and Conditions, the Terms and Conditions of this Agreement shall prevail.
- 53.2 The Customer shall solely and fully be responsible for security of the Debit Card and ATM pin code, issued to him by Bank Alfalah Limited, and will be liable for any unauthorised transaction that has been debited from his account(s) through any person other than the Customer using the Debit Card, unless it can be proved that such person obtained the Debit Card (and/or ATM pin code) unlawfully as a result of gross negligence or fraud on part of Bank Alfalah Limited or its staff.
- 53.3 In case of loss/theft/snatching of the Debit Card, the Customer shall inform Bank Alfalah Limited immediately and block the card, otherwise Bank Alfalah Limited shall not be responsible for any transaction carried out through that Debit Card.
- 53.4 By using the Service, the Customer authorises Bank Alfalah Limited to debit his account(s) with any transaction fees, service fees or any Government levy or any tax that may be introduced and communicated to Customer in SoC of Bank Alfalah Limited. The Service fees are reviewed on biannual basis and the Customer can obtain a copy of SoC from nearest branch of Bank Alfalah Limited or get the information from Bank Alfalah Limited website.

#### Section E: Termination, Suspension or Withdrawal of the Services

- 54 Bank Alfalah Limited may terminate, suspend or withdraw the

Services if:

- a) the Customer discloses or compromises the PIN and/or pass code;
  - b) If CNIC of the Customer is not verified;
  - c) the Customer does not adhere to these Terms and Conditions;
  - d) the Customer uses the Service for illegal purposes;
  - e) the Customer's account is closed for any reason or becomes dormant;
  - f) the Customer does not perform a fee earning transaction for 3 months from the last fee earning transaction;
  - g) In case if any Customer is reported/identified as proscribed person or associate by any sanction, competent authorities (Local/International) from time to time, the Bank Alfalah Limited has right to freeze/close account/services immediately without providing reason thereof.
- 55 In the event of such termination or suspension, Bank Alfalah Limited will provide 30 (thirty) days prior notice to the Customer. However, Bank Alfalah Limited may terminate/ suspend the Services immediately without any notice in case of fraud, suspected fraud, compelled by law, the Customer does not perform a fee earning transaction for 3 months from the last fee earning transaction and/or if the Branchless Banking account that is linked to the Service is closed for any reason whatsoever.
- 56 The Customer may at any time terminate the Service by giving Bank Alfalah Limited notice in writing, or by contacting the designated Branchless Banking Helpline on 111 225 229, or by de-registering from the Services through any Bank Alfalah Limited branch or selected Agents locations as advised/ intimated by Bank Alfalah Limited from time to time.
- 57 Upon termination of Services, the Customer shall be liable to pay/settle fee/charges etc. with respect to all transactions carried out on his instructions. Bank Alfalah Limited reserves the right to recover the charges/fees etc. from the Customer as provided in Clause 47 of Section 'C'.

#### Section F: Saving Account

- 58 The relationship between the Bank and the Customer with respect to all profit bearing deposits shall be based on the principles of Mudarabah, where the Customer is the Rab-ul-Maal and the Bank the Mudarib.
- 59 The Bank as Mudarib may invest or disinvest, at its sole discretion, amount/deposits received by it from the Customers in any of the businesses (businesses, transactions and products) of the Bank at it deems appropriate under the products and avenues approved by the Shariah Board of the Bank.
- 60 Bank may commingle the Customer's funds with other depositor's fund, including the Current deposits within the

Mudarabah pool, as and when required.

- 61 All Savings deposits categories shall be assigned weightages. Weightages for every month or any interval decided by the Bank shall be finalised and announced 3 working days before the start of each month and the sheet containing weightages for the month shall be available/displayed at notice board of Bank's branches and its website. Weightages sheet shall also be provided to Customers on demand.
- 62 Bank shall share in the profit on the basis of a predetermined percentage of net income of the pool according to the profit sharing ratio between the Bank and its Customers determined at the beginning of every month or at any interval decided by the Bank. The net income of the pool is defined as gross income of the pool less direct expenses, write-offs and losses of investments incurred in deriving that income. Bank's share shall vary from time to time and shall be announced through the Weightages sheet for the respective months.
- 63 The Bank may, at its sole option, also participate in the business as an investor.
- 64 The Bank, at its sole discretion and based on profit/loss accrued from its operations/investments, shall determine the rate of profits to be paid to the Customer on monthly basis, and or on any other interval prescribed by the Bank from time to time.
- 65 In the event of loss on either the capital or revenue account in respect of the business, all investors of the investments pool shall share in such loss on a prorata basis proportionate to their respective investments.
- 66 In case loss is incurred by the business and is caused by gross negligence or willful default of the Bank, the Customers will not be liable to share in such loss as contemplated by the preceding clause.
- 67 Profit on savings Account will be calculated on monthly average balances and shall be paid monthly.
- 68 The amount(s) deposited in Branchless Banking Saving Account shall be on profit and loss sharing basis. Bank Alfalah Limited's determination of profit or loss shall be final and binding on the Customer for all purposes. The method of calculating return/profit under the profit/loss sharing scheme is governed by Bank Alfalah Limited's rules under prevailing regulations/directives of the State Bank of Pakistan.
- 69 Zakat whenever applicable shall be deducted on valuation date from applicable accounts having balances in excess of the exempted limit as declared for that particular Zakat year. Declaration on prescribed pro forma for exemption from deduction of Zakat shall be registered with Bank Alfalah Limited at least one month prior to the valuation date as per Zakat rules applicable from time to time. Zakat will be

deducted as per applicable Zakat and Ushr laws.

- 70 Profit/Loss earned/incurred on Branchless Banking Saving Account will be credited/debited in the Saving Account on periodic basis as per the product and calculated on monthly average balance basis, unless otherwise indicated by Bank Alfalah Limited.

#### 70.1 Profit Equalisation Reserve Maintenance ('PER')

- a. BAFL-IBG may maintain PER ('the amount appropriated by BAFL-IBG out of the Mudarabah Income, before allocating the Mudarib share, in order to maintain a certain level of return in investment for investment account holders, the profit bearing depositors') by deducting an amount from Distributable Profit before allocating the profit between BAFL-IBG (Mudarib) and the depositors.
- b. BAFL-IBG may maintain a separate pool for management of PER, which will consist of sub-ledgers according to source of Funds. The management of BAFL-IBG will obtain the approval first by Shariah Board and then the Financial Controller/Head of Finance Department and Group Head Islamic Banking Group and depositors will be informed while opening of account and each month via statement in which weightages and PSR are declared before making such deductions.
- c. The monthly contribution into PER pool will not exceed 2% of Net Income of respective Mudarabah pool, and the accumulated balance of PER will not exceed 30% of the Islamic Banking Fund (IBF) of BAFL-IBG.
- d. Balance of PER pool will be reected as liability and equity as per the ratio of share of BAFL-IBG and the deposit account holders.
- e. The funds of PER pool will only be invested in Shariah compliant SLR eligible securities as a separate pool and the returns earned on these funds will also be credited into the PER account.
- f. The profit sharing ratio for BAFL-IBG as Mudarib will not be more than 10% for managing PER pool.
- g. In case, accumulated balance of PER equal 30% of the IBF Fund, PER shall not be deducted for the month from net income of the pool.

#### 70.2 Profit Equalisation Reserve Utilisation

- a. BAFL-IBG may fully or partly utilise the amount of PER to improve the returns to the depositors during periods when the pool's profits are below market expectations.
- b. Month wise account/sub-accounts of PER (for example PER for January 2013, PER for February 2013 and etc.) will be maintained and these accounts will be reversed/ utilised on a First In First Out (FIFO) Basis in the respective pool(s) to which they relate as per the average maturity and withdrawal limits of depositors not higher than 24 – 30 months. This will ensure that:

- Depositors are not deprived of the return and of their share of PER; and
- the write back of liability as per the Income Tax Ordinance, 2001 would be avoided.

### 70.3 Investment Risk Reserve Maintenance ('IRR')

- BAFL-IBG may maintain a separate pool for management of IRR ('An amount appropriated by the BAFL-IBG out of the income of investment account holders, after allocating the Mudarib share, in order to cater against future losses for investment account holders, the profit bearing depositors') which will consist of sub-ledgers according to source of funds.
- BAFL-IBG may contribute towards IRR an amount up to 1% of the profit available for distribution amongst the pool's depositors after deduction of Mudarib share in every profit period.
- The funds of IRR will only be invested in Shariah compliant SLR eligible securities to be maintained as a separate pool and the returns earned on these funds will also be credited in the IRR account(s).
- The profit sharing ratio for BAFL-IBG as Mudarib for the pool will not be more than 10% for managing IRR.

### 70.4 Investment Risk Reserve Utilisation

- Funds of IRR will be released mainly when there are financial losses on financing and investments or it is no more required. Therefore, BAFL-IBG may, at its liberty, utilise the funds in IRR to offset impact of financial losses.
- Month wise account/sub-accounts of IRR (for example IRR for January 2013, IRR for February 2013 and etc.) will be maintained and these accounts will be reversed/utilised on a First In First Out (FIFO) Basis in the respective pool(s) to which they relate as per the average maturity and withdrawal limits of depositors not higher than 24 – 30 months. This will ensure that:
  - Depositors are not deprived of the return and of their share of IRR; and
  - the write back of liability as per the Income Tax Ordinance, 2001 would be avoided.

### Section G: Remittance Account

- Only Individuals can open this account on singular basis.
- One CNIC can open only one remittance account.
- Remittance Account will be opened under the saving remunerative category. Rules of Mudaraba as elaborated under Section G will also be applicable.
- Account shall be opened in PKR (Pakistan Rupees) only.
- Biometric verification is mandatory for remittance account

activation.

- 76 Only Pakistanis are eligible to open this category of account.
- 77 Remittance account can be funded via International Remittance only. Hence deposit through any other means shall remain restricted.
- 78 This account category is governed by Branchless Banking regulations of State Bank of Pakistan (SBP).
- 79 Henceforth Customers may pay their bills and perform other transactions while remaining under the permissible limit assigned by State Bank of Pakistan (SBP).
- 80 Bank reserves the right to revise the said limits as and when due instruction is received from SBP.
- 81 Remittance Account shall have maximum credit balance limit of Rs. 1,500,000 (Rupees Fifteen Hundred Thousand only).
- 81.1 Remittance Account shall have Cash Withdrawal limit of Rs. 50,000 (Rupees Fifty Thousand only) per day (this includes both COC and ATM Limits).
- 81.2 Funds Transfer limit from this account to any other category of account will be of Rs. 50,000 (Rupees Fifty Thousand only) per day.
- 82 Profit will be paid on funds held in Remittance Account will be calculated on monthly average balances and shall be paid monthly in line with Bank's policy related to Savings account.
- 83 No withholding tax deductions on cash withdrawals through country-wide ATMs under the prescribed Account limit. However, Bank reserves the right to recover any due taxes in line with the instructions received from any of the competent tax collection authority. However WHT on profits will be applicable as per the regulatory guidelines.
- 84 By signing these Terms and Conditions the Customer hereby agrees to pay for the service charges applicable to this category of account as per the Bank Schedule of Charges.
- 85 There is no minimum balance or initial deposit requirement associated with this account category.
- 86 This account will be opened as remittance biometric verified account. Customers may only be able to activate and withdraw funds from this account upon positive biometric verification.

#### **Section H: General**

- 87 The Customer shall not disclose his Account related or personal information with anyone in order to avoid any unauthorised access to his account.
- 88 All transactions, fees and charges recovered from the Customer will be shown on Customer's statement; Customer has an option to view up to thirty days (30) transactions using his Mobile App.
- 89 Bank Alfalah Limited may from time to time amend these Terms and Conditions or the Service. The revised Terms and

Conditions will be available on Bank Alfalah Limited website.

- 90 If Customer does not agree with the amended Terms and Conditions and/or Service, the Customer may, within 7 days from receipt of notification of amendment of Terms and Conditions and/or Services, choose to terminate the Service. If the Customer continues to use the Service after receipt of notice of amendments, it will be assumed that the Customer has read and agreed to be bound by the amended Terms and Conditions/Services. If the change to the Service requires that the Customer must upgrade or change his SIM or network service provider, the Customer shall be responsible for any cost that may be required to continue using the Service.
- 91 Bank Alfalah Limited may communicate any amendments, additions or removals to the Service to Customer through various means, including via SMS.
- 92 Any failure by Bank Alfalah Limited to enforce its rights will not constitute a waiver of such rights.
- 93 The Customer shall not cede, assign or transfer in any way any of the rights and obligations pertaining to Customer in terms of the Service to any other person or entity without the express and prior consent of Bank Alfalah Limited.
- 94 The matters like dormancy and activation of accounts, treatment regarding unclaimed deposits, prohibition of personal accounts for business purposes, updating of customers proles, record keeping and reporting of suspicious transactions under the relevant law shall be governed under applicable rules/ regulations.
- 95 These Terms and Conditions are to be read together with Bank Alfalah Limited's General Terms Conditions Governing the Account.
- 96 If there is a conflict between these Terms and Conditions and the General Terms and Conditions Governing the Account, these Terms and Conditions shall prevail.
- 97 I agree to let Bank Alfalah Limited contact me via email, SMS or phone call to give me information related to Money Transfer or other Bank Alfalah Limited services and/or acquire details from me in relation thereto.
- 98 Any person opening or operating an Account is deemed to have read, understood and accepted these Terms and the applicable Bank Alfalah Islamic - Schedule of Charges issued and amended from time to time by Bank Alfalah Limited.
- 99 Bank Alfalah Limited may refuse to comply with the Customer Instructions without assigning any reason whatsoever and shall not be under any duty to assess the prudence or otherwise of any Customer Instruction and have the right to suspend the operations through standard process if it has reason to believe that the Customer Instructions will lead or expose to direct or indirect loss or may require indemnity from the Customer before continuing to operate Account.
- 100 Bank Alfalah Limited shall only act as only payment facilitator for

- any and all products/goods that are sold through Services and shall not be liable for any warranty and assurance for the specifications, quality or delivery of products/goods. These transactions shall be effected by debiting the Account with the purchase amount plus any fee charged as per SOC and crediting Affiliate account with the purchase amount.
- 101 Bank Alfalah Limited, in compliance with laws and regulations may intercept and investigate any payment messages and other information or communications sent to or by the Customer or on the Customer's behalf via other bank and this process may involve making further enquiries and stoppage of transaction and may disclose such information to any Law Enforcement Agency, Court of Law or any Regularity Authority.
  - 102 Bank Alfalah Limited shall not be held responsible for any service issues if the same occur to Customer's having mobile numbers with MNP (Mobile Network Portability).
  - 103 Bank Alfalah Limited reserves the right without prior notice to the Customer to debit the Account for any expenses, fees, commission, profit/rental, Zakat, withholding tax, stamp duty, tax, duty, or any other cost, charges or expenses arising out of any transactions or operation of the Account with Bank Alfalah Limited as may be payable to the Provincial or Federal Government as may be levied, from time to time. All applicable taxes shall be recovered as per tax laws in force.
  - 104 Bank Alfalah Limited may correct erroneous and incorrect posting of entries and inform the Customer subsequently.
  - 105 If a deposit/instrument remains inoperative for a period of ten years, it will become unclaimed deposit and will be surrendered to SBP as per the provisions of Banking Companies Ordinance, 1962 and SBP directives operative at that time.
  - 106 Bank Alfalah Limited shall be entitled to sell, novate, assign or transfer (1) Bank Alfalah Limited's rights and obligations under this Agreement; (2) all assets, liabilities, deposits held, and all services and facilities offered under the Account and Services; and (3) any security in favour of Bank Alfalah Limited (including all guarantee/s) to any person of its choice, including an affiliate or subsidiary company of Bank Alfalah Limited in whole or in part and in such manner and on such Terms and Conditions as Bank Alfalah Limited may decide. Any such sale, assignment or transfer shall conclusively bind the Customer.
  - 107 These Terms and Conditions shall be governed by the substantive and procedural laws of the Islamic Republic of Pakistan. The Parties hereby agree that any legal action or proceedings arising out of or in connection with this Agreement shall be brought in the Competent Courts at Karachi in Pakistan and irrevocably submit themselves to the jurisdiction of such Competent Courts.
  - 108 These Terms and Conditions and any amendments hereto



notified in the manner specified herein (the 'Terms and Conditions') set out the rights and obligations of the Customer, and Bank Alfalah Limited, in connection with the use of the Services, and utilisation of all the branchless banking services through the channels permitted under the Branchless Banking Regulations, including, but not limited to, Bank Alfalah Limited assigned Agents throughout the country, any Bank Alfalah Limited Branch in the country, mobile app, internet banking, automated teller machines, cash deposit machines, KIOSK, POS, phone banking and IVR (the 'Channels') as may be provided by Bank Alfalah Limited, from time to time (the 'Services'). These Terms at all times shall be subject to the Branchless Banking Regulations and any relevant provision thereof will be deemed to be an integral part of these Terms and Conditions.

109 Bank Alfalah Limited shall only act as a payment facilitator and shall in no way be held responsible for the provision of any goods or services from a Third Party Payee to whom payment is made through the Branchless Banking Account or by using the Services. Bank Alfalah Limited shall in no circumstances be liable to the Customer or any third party for disruption or non-availability of the payment facilities offered by a Third Party Payee due to its non-performance or otherwise. The Customer hereby authorises Bank Alfalah Limited to debit any fee charged by Bank Alfalah Limited from his/her Branchless Banking Account along with the purchase amount.

110 The Customer undertakes, indemnifies and agrees that;

- a) not to use or permit the use of Account and Services for any illegal or improper purposes and shall comply with all applicable laws and regulations. Any penalties levied by any regulatory authority or Court of Law with regard to the Customer's use of Account shall be purely to the Customer's sole Account.
- b) irrevocably and unconditionally agree and undertake to accept the veracity of any such instructions and Bank Alfalah Limited's implementation of the Account and Services for all purposes whatsoever and further irrevocably and unconditionally ratify the same and hereby waive any claim against Bank Alfalah Limited as a consequence of or in respect of the provision by Bank Alfalah Limited of the Account and Services, and not to use, or allow any third party to use the Account and Services on Customer's behalf and/or for any fraudulent or unlawful purpose.
- c) confirm that any instructions given by Customer to Bank Alfalah Limited using any means may be used as evidence in any court of law or other proceedings of whatsoever nature or in resolving any dispute

between parties and further irrevocably and unconditionally agree to indemnify and hold Bank Alfalah Limited harmless from and against all liabilities, losses, actions, proceedings, claims, costs, damages and expenses which may be incurred or suffered by Bank Alfalah Limited, or made against Bank Alfalah Limited, as a consequence of instruction given by customer, or in respect of, the provision by Bank Alfalah Limited of the Account and the Services.

d) is bound by the Terms contained herein above while opting for all/any Branchless Banking Account and agree to observe the above Terms and agree to accept any changes, supplements or modifications thereto that may be made by Bank Alfalah Limited or any regularity Authority from time to time.

I hereby confirm that the above mentioned Terms and Conditions have been read by me/read/explained to me and I understand, accept and agree to be bound by the same, by appending my signature below without any qualification.

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**Account Holder's Signature**



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