



أحكام وشروط وديعة الوكالة

## Wakala Deposit Terms and Conditions

Ruya Community Islamic Bank L.L.C.

مصرف رويا المحلي الاسلامي ذ.م.م

July 2024

These Terms and Conditions (“T&Cs”) shall be read in conjunction with the Wakala Deposit / Term Investment Deposit Application Form which the Customer has signed (together with the T&Cs, the Agreement), whereby the Customer (the “Principal”) has appointed Ruya Community Islamic Bank L.L.C (“rūya”) as its agent (the “Agent”) to act for and on the Principal’s behalf, in accordance with the following T&Cs:

1. **The Principal appoints the Agent to invest its/his/her funds in an Islamic Shari’ah-compliant Investment. The Principal’s funds will form part of the Agent’s treasury pool of funds, where such funds will be invested by the Agent in compliance with the rules and principles of Islamic Shari’ah as defined by the Internal Sharia Supervisory Committee of the Agent.**
2. **In these T&Cs, unless the context otherwise requires and except as otherwise defined herein, the following words shall have the meanings set out below:**
  - 1) ‘AED’ and ‘Dirhams’ means the lawful currency of the UAE;
  - 2) ‘Agent’s Incentive’ means the actual realized profit derived by reason of the Agent making an Investment in accordance with the provisions of the Investment Documents, over and above the Expected Profit.
  - 3) ‘Applicable Law’ means any law, regulation, rule, executive order, decree, code of practice, circular, guidance note or information of, or made by, any Competent Authority which is binding and enforceable on or against the Principal and/or the Agent or the subject matter of, these T&Cs;
  - 4) ‘Business Day’ means a day (other than a Saturday or Sunday) on which banks in UAE are open for general business and in relation to any date for payment;
  - 5) ‘Competent Authority’ means a government, supranational, local government, statutory or regulatory body or any subdivision thereof and any ministerial or governmental, quasi governmental, industry or other regulatory department, body, instrumentality, agency or official court or tribunal having jurisdiction over the Agent;
  - 6) ‘Expected Profit’ means such percentage of amount, over and above the Investment Amount, that is expected to be generated under the Investment.
  - 7) ‘Force Majeure Event’ means in relation to either Party, an act of God or intervening or supervening regulation or law, provided that no act or event shall be a Force Majeure Event in relation to an affected Party unless it has taken all steps (if any) which it could reasonably be expected to have taken in order to prevent such act or event or the consequences of the same from occurring;
  - 8) ‘Investment’ means the investment of the Principal’s funds by the Agent on an unrestricted Wakala basis in the general pool with the expectation of generating an Expected Profit, made pursuant to and as described in the Investment Documents;
  - 9) ‘Investment Amount’ means the amount mentioned in the Application Form which shall be invested by the Agent (on behalf of the Principal) pursuant to these T&Cs;

- 10) 'Investment Date' in relation to an Investment, means the date on which the Investment Amount is payable by the Principal to the Agent pursuant to these T&Cs, being the date mentioned in the Application Form;
- 11) 'Investment Documents' means the Application Form and these T&Cs (and the subsequent amendments to these T&Cs, if any) and any other document identified by the Parties as Investment Documents;
- 12) 'Investment Maturity Date' means the date on which payment of the Investment Amount (or the dates for such payment where the Investment Amount is payable in instalments) is due from the Agent to the Principal, being the date mentioned in the Application Form;
- 13) 'Investment Profit' means the actual realised profit derived by reason of the Agent making an Investment in accordance with the provisions of the Investment Documents;
- 14) 'Investment Period' means the period from the Investment Date up to and including the Investment Maturity Date;
- 15) 'Investment Wakala Assets' means the assets acquired by the Agent for and on behalf of the Principal under the Investment;
- 16) 'Maturity Proceeds' means the amount, in respect of the Investment, which, following the actual or constructive liquidation of the Investment Wakala Assets, shall be due to the Principal on the Investment Maturity Date and which shall comprise of the following: (a) the Investment Amount; and (b) realized Investment Profit (if any), after the deduction of all costs owing to the Agent, including any agency fee and/or Agent's Incentive (if any);
- 17) 'Party' means either the Principal or the Agent (where the context suggests);
- 18) 'UAE' means the United Arab Emirates;
- 19) 'Islamic Shari'ah' means Islamic law rules and principles as interpreted by the Internal Shariah Supervision Committee of the Bank; and
- 20) 'Wakala' means agency, or delegating duty onto another party. Under the concept of Al Wakala, the bank becomes your agent.

### 3. APPOINTMENT OF AGENT

#### 3.1. The Agent is appointed to:

- 1) be the agent and attorney on behalf of the Principal;

- 2) do all acts in its capacity as Agent, unless otherwise indicated, under any purchase agreement, sales agreement and/or any other agreement with respect to the Investment as the Principal could do itself; and
  - 3) negotiate, on the Principal's behalf, with any applicable parties in relation the Investment and/or any purchase agreement, sales agreement or any other agreement relating thereto.
- 3.2. The Agent shall be acting as the agent for the Principal in relation to the Investment contemplated herein on a limited basis only. Except as expressly provided for in these T&Cs, or where required by law, the Agent shall not have any authority to represent or bind the Principal, or purport to do so.
  - 3.3. The Parties agree that in the event that the Investment Profit realized from the Investment exceeds the Expected Profit, the surplus shall be given to the Agent as an incentive.
  - 3.4. The Agent will, on behalf of the Principal, execute and deliver such purchase agreements, sales agreements and/or any other agreement necessary to effect the Investment, and all other certificates and documents as the Agent may deem necessary or desirable for the Principal in connection therewith.
  - 3.5. The Agent undertakes to transfer the Maturity Proceeds upon the due liquidation of the Investment Wakala Assets (either on a constructive or actual basis) on the Investment Maturity Date to the Account of the Principal. Upon such transfer, the Investment and the Investment Documents will be terminated.
  - 3.6. The Agent and the Principal agree that the Agent shall, in performing its obligations as the Agent and in accordance with these T&Cs:
    - 1) look after the interests of the Principal;
    - 2) act dutifully and in good faith; and
    - 3) administer the Investment with the same degree of care as it would exercise as if such Investment had been made and administered on its own account and not on behalf of the Principal.
  - 3.7. The Agent shall:
    - 1) be liable to the Principal if it acts in bad faith or with reckless indifference to the Principal's interests; and
    - 2) hold harmless and indemnify the Principal on a full and unqualified basis in respect of all actual costs (excluding opportunity cost and cost of funding) and expenses suffered or incurred by the Principal as a consequence of the Agent's failure to comply with any of the provisions contained in these T&Cs.

- 3.8. In relation to the Investment, the Principal shall bear all the risks associated with the acts of the Agent, except those risks resulting from the Agent's gross negligence, wilful misconduct, breach or fraud.

#### 4. PAYMENT OBLIGATIONS

- 4.1. The Principal shall pay the Investment Amount on or before the Investment Date to the account designated by the Agent.
- 4.2. The Principal shall be absolutely and irrevocably obliged to pay the Investment Amount payable by it under the Investment Documents, unless and to the extent the Principal is prohibited from making any such payment by reason of any Applicable Law or any Force Majeure Event.

#### 5. REPRESENTATIONS

The Principal represents and warrants to the Agent that:

- 1) the Principal has full power and authority to enter into the Investment Documents; and
- 2) the exercise of the Principal's rights and performance of its obligations hereunder have been duly authorized by all necessary action, where applicable.

#### 6. CURRENCY

Payments made by the Principal and Agent hereunder shall be made in UAE Dirhams only.

#### 7. TERMINATION

- 7.1. The following are Termination Events for which either Party may issue a Termination Notice to the defaulting Party:
- 1) a material breach by the other Party of any of the terms of the Agreement, where that Party has failed to remedy the default (if capable of remedy) within twenty (20) Business Days after receipt of the notice (giving full particulars of the default and requiring it to be remedied);
  - 2) wrongful repudiation of the Agreement by the other Party; or
  - 3) a Force Majeure Event and its consequences prevail in relation to the other Party for a continuous period in excess of forty-five (45) Business Days after the date on which the Force Majeure Event began.

7.2. Upon termination of the Agreement, subject to the provisions of this clause, the rights and obligations of the Parties under the Agreement will terminate and be of no future effect, save for:

- 1) the obligations of the Agent to account to the Principal on the Investment Maturity Date;
- 2) the obligation of the Agent to pay the Maturity Proceeds relating to the Investment to the Principal; and
- 3) such other provisions which expressly or by implication will survive termination.

7.3. Termination will not affect or prejudice:

- 1) any right to damages or other remedy which the terminating Party may have in respect of the event(s) giving rise to the termination; or
- 2) any other right to damages or other remedy which the terminating party may have in respect of any breach of the Agreement which existed at or before the date of termination.

7.4. In the case of an early termination of the Wakala Deposit and since ruya may have paid advance payments in relation to the profit it generates, ruya has the right to recover all or part of any such amounts.

7.5. The Expected Profit Rate are subject to change on the basis of actual market conditions. Wakala Deposits that are withdrawn prematurely may earn less or no profit as per ruya's Policy.

7.6. Please note that you will not be entitled to any profit on a Wakala Deposit if the amount is withdrawn within 30 days of the opening date of the deposit.

## 8. NOTICES

All notices and other communications under the Agreement shall be sent electronically to the Customer's email address as provided during account opening.

## 9. WAIVER

No failure by the Agent to exercise, or any delay by the Agent in exercising, any right or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise thereof or the exercise of any other right or remedy. The rights and remedies herein provided are cumulative and not exclusive of any rights or remedies provided by law.

#### 10. ENTIRE AGREEMENT

The Investment Documents contain the whole agreement between the Parties in relation to the Investment contemplated thereunder and supersede all previous agreements between the Parties relating to the same Investment.

#### 11. SEVERABILITY

If, at any time, any provision of an Investment Document is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction, shall in any way be affected or impaired thereby.

#### 12. ASSIGNMENT

The Investment Documents shall be binding on the Parties thereto, their respective successors and permitted assigns, heirs and/or legal representatives. The Agent reserves the right to disclose to a potential assignee or transferee or to any other person who may propose entering into contractual relations with the Agent in relation to the Agreement.

#### 13. AMENDMENTS

No amendment of, or addition to, the Investment Documents shall be of any force or effect unless set out in writing and signed by the Agent and the Principal.

#### 14. GOVERNING LAW AND JURISDICTION

The Investment Documents are governed by the laws of the UAE, together with any local applicable Emirate laws to the extent that such laws do not contradict with the rules and principles of Islamic Shari'ah. In case of conflict, the rules and principles of Islamic Shari'ah shall prevail.

Any dispute arising between us shall be subject to the courts of the UAE.

