



RHB ISLAMIC BANK BERHAD (680329-V)



Dated This Day of 20

RHB ISLAMIC BANK BERHAD  
(Company No. 680329-V)  
(the "Lessor")

And

( the "Lessee" )



**IJARAH AGREEMENT**  
**(EHF-i/008/Home Under Construction)**



Prepared by :-

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THIS AGREEMENT is made the day and year as set out in Item 1 of Schedule 1 herein between:

(A) **RHB ISLAMIC BANK BERHAD** (Company No. 680329-V), a company incorporated in Malaysia under the Companies Act, 1965 and having, at present, a registered and business address respectively as set out in Item 2 of Schedule 1 herein ("**Lessor**" or the "**Bank**") of the one part;

AND

(B) the person whose name, description and present address as set out in Item 3 of Schedule 1 herein ("**Lessee**" or the "**Customer**") of the other part.

## Recitals

(A) Pursuant to the Equity Home Financing-i Terms and Conditions, the Bank and the Customer have entered into a Musharakah arrangement which is demonstrated by the execution of the Musharakah Agreement to set up and contribute to the Musharakah that shall serve to facilitate the ownership of the Property. The Bank and the Customer will pursuant to the Musharakah, share the beneficial ownership of the Property in accordance with their respective proportionate capital contribution in the Musharakah.

(B) The Bank and the Customer hereby agree that in accordance with the Shariah principle of Ijarah, the Bank as Lessor will lease its respective stake in the Property to the Customer as Lessee upon the terms and subject to the conditions in this Agreement.

**It is agreed as follows:**

## 1. Definitions and Interpretations

### 1.1 Incorporated Definitions

In this Agreement, unless the context otherwise requires and save as specifically defined in this Agreement, words and expressions defined in the Equity Home Financing-i Terms and Conditions shall have the same meanings when used herein.

<b>Account</b>	means an account of the Customer maintained with the Bank for the purposes of making the Ijarah Payment;
<b>Equity Home Financing-i Terms and Conditions</b>	means the terms and conditions as attached in Schedule 8 of the Musharakah Agreement which lay out the terms and conditions of the Equity Home Financing-i Facility and links the Transaction Documents and includes any amendments, variations and/or supplementals made from time to time;
<b>Forward Ijarah Payments</b>	means the advance Ijarah Payments that are required to be paid by the Customer to the Bank upon the acquisition of

the Property by the Musharakah in which the advance Ijarah payments shall be paid before the commencement period of construction (where applicable) and during the period of construction in respect of the Property for future Ijarah periods;

<b>Ijarah</b>	refers to the lease of the Bank's stake in the Property (as lessor) to the Customer (as lessee) under this Agreement;
<b>Ijarah Payment</b>	means the amount of money that is required to be paid by the Customer to the Bank on a monthly basis for the lease of the Bank's stake in the Property pursuant to this Agreement;
<b>Ijarah Payment Date</b>	means the date upon which the Customer effect the Ijarah Payment to the Bank;
<b>Ijarah Rates</b>	means the Ijarah rates as set out in Item 6 of Schedule 1 herein;
<b>Ijarah Tenure</b>	means the tenure for the Ijarah as set out in Item 5 of Schedule 1 herein;
<b>Major Maintenance</b>	means other types of maintenance in respect of the Bank's stake in the Property which is not related to the Ordinary Maintenance and may include the payment of such costs as set out in Item 8 of Schedule 1 herein;
<b>Ordinary Maintenance</b>	means the day to day usage and normal wear and tear in respect of the Bank's stake in the Property by the Customer as lessee pursuant to the Ijarah Agreement which shall include but not limited to all repairs, replacements, acts and maintenance and upkeep works required for the general usage and operation of the Property and to keep, repair, maintain and preserve the Property in good order and condition, and in compliance with such maintenance, repair and upkeep standards and procedures generally expected in the ordinary course of business and may include the payment of such costs as set out in Item 9 of Schedule 1 herein;
<b>Property</b>	means the property as specified in Item 4 of Schedule 1 herein including all fixtures and buildings erected or to be erected thereon or affixed or to be affixed thereto;
<b>Service Agency Agreement</b>	means the service agency agreement entered into and executed between the Bank and the Customer relating to the appointment of the Customer by the Bank as service agent under the Shariah principle of Wakalah in which the Customer shall assume the responsibility to assist the Bank in carrying out and performing all Major Maintenance required for the Property and in procuring the taking out of the relevant takaful in respect of the

Property for and on behalf of the Musharakah and includes any amendments, variations, additions thereto and/or supplementals made or entered into from time to time;

**Takaful Operators** means any takaful company or takaful provider duly approved by the Bank; and

**Total Loss Incident** means any incident or occurrence that results in the total loss or destruction of, or damage to the whole of the Property or any incident or occurrence that makes the Property permanently unfit for any economic use and the repair or remedial work in respect thereof is uneconomical.

## 1.2 Incorporated Construction, Incorporated Interpretation and Language

In this Agreement, unless the context otherwise requires and save as specifically defined in this Agreement, words, expressions and phrases used in the Equity Home Financing-i Terms and Conditions shall be construed, interpreted and shall have the same meanings when used herein. English is the governing language of this Agreement, all correspondences, notices or other documents required or permitted hereunder and shall prevail over any translations that shall be made of this Agreement.

## 2. Ijarah Arrangement

- (i) Subject to the terms and conditions in this Agreement, the Bank shall make available the Bank's stake in the Property for the Customer to lease.
- (ii) The Bank and the Customer hereby agree that the Bank as Lessor shall lease its stake in the Property to the Customer as Lessee based on the Shariah principle of Ijarah and the Customer shall utilize such lease of the Bank's stake in the Property upon the terms and subject to the conditions as set out in this Agreement.

## 3. Ijarah Tenure

The Bank hereby lets and the Customer hereby takes on the Ijarah from the Bank for the period as set out in Item 5 of Schedule 1 herein.

## 4. Ijarah Payment

### 4.1 Advance Rental / Forward Ijarah

- (i) The Bank and the Customer agree that the Customer shall make Forward Ijarah Payments which amount shall be duly determined by

the Bank, on the terms and subject to the conditions set out in this Agreement.

- (ii) For the avoidance of doubt, the Bank shall have the absolute discretion to apply the Forward Ijarah Payments received from the Customer to any Ijarah period during the Ijarah Tenure.

#### **4.2 Ijarah Payment**

- (i) The Bank will notify the Customer in relation to the amount of the Ijarah Payment which shall be payable by the Customer to the Bank in the manner which shall be determined by the Bank at its sole and absolute discretion.
- (ii) Where the first payment of the financing amount by the Bank to the Vendor falls between the 1<sup>st</sup> and the 15<sup>th</sup> of the month, the Ijarah Payment by the Customer to the Bank shall commence on or before the 25<sup>th</sup> day of the same month.
- (iii) Where the first payment of the financing amount by the Bank to the Vendor falls between the 16<sup>th</sup> and the last day of the month, the Ijarah Payment by the Customer to the Bank shall commence on or before 25<sup>th</sup> day of the following month.
- (iv) The Customer shall make the Ijarah Payment for the lease of the Bank's stake in the Property on or before the 25<sup>th</sup> day of every month.
- (v) The Ijarah Payment to be made by the Customer to the Bank on the Ijarah Payment Date shall be based on the Ijarah Rates.
- (vi) The Customer shall make the Ijarah Payment into the Account in accordance with the terms and subject to the conditions of this Agreement.
- (vii) The Ijarah Payment as stated in clause 4.2 (vi) above is subject to any additional amount as may be determined by the Bank.

#### **5. Ta'widh ( Compensation) for Late Payment**

The Customer and the Bank hereby agree that in the event of late payment, the Bank shall be entitled to impose ta'widh (compensation ) on the Customer as follows:

- (i) for failure to make payment of any amounts payable under this Agreement on its due date, the compensation rate shall be applied is one percent (1%) per annum on the overdue amount or any other method approved by Bank Negara Malaysia or the Association of Islamic Banking Institutions in Malaysia ("AIBIM");
- (ii) for failure to pay of any amount overdue and which failure continues beyond the Ijarah Tenure, the compensation rate that shall be applied is the Bank's prevailing Islamic Money Market Rate on the overdue amount or any other method approved by Bank Negara Malaysia; and

- (iii) the amount of such compensation shall not be compounded.

The compensation at the aforesaid rate shall be payable by the Customer after as well as before any judgment or order of court. Any compensation amount received by the Bank from the Customer under the Equity Home Financing-i Facility will be used for charity purpose and will be channeled to charitable bodies which shall be determined by the Bank.

## 6. Maintenance

- (i) The Customer undertakes with the Bank that, during the Ijarah Tenure, the Customer shall carry out and be responsible for the Ordinary Maintenance.
- (ii) The Bank and the Customer hereby agree that the Musharakah shall carry out and be responsible for the Major Maintenance. For the avoidance of doubt, in order to facilitate the Musharakah in carrying out the Major Maintenance, the Bank and the Customer hereby agree to execute a Service Agency Agreement in which the Customer shall assume the responsibility to assist the Bank in carrying out and performing the Major Maintenance for and on behalf of the Musharakah upon the terms and subject to the conditions of the Service Agency Agreement.

## 7. Abandonment of Property

In the event that:

- (i) there is no construction activities on the Property as per the relevant schedule in the Sale and Purchase Agreement or subsequent to the execution of the Sale and Purchase Agreement (where applicable) for a continuous period of twelve (12) months or the architect certificate in relation to the completed work on the Property could not be issued for a continuous period of twelve (12) months from the completion of the relevant stages in respect of the Property; and/or
- (ii) the sale of land in respect of the Property to the Customer could not be completed by the Vendor as per the terms and conditions of the Sale and Purchase Agreement,

the Bank will deem or declare that the construction in respect of the Property is abandoned and/or not completed by the Vendor and/or the sale of land in respect of the Property to the Customer could not be completed by the Vendor (the "**Abandonment Event**"). For the avoidance of doubt, notwithstanding the twelve (12) months period, the Bank could also deem/has a right to deem for an Abandonment Event if the Bank is of the view that:

- (a) there is no construction activities on the Property at any point in time/the architect certificate could not be obtained; and/or

- (b) the sale of land in respect of the Property to the Customer could not be completed by the Vendor.

Pursuant to the Abandonment Event, the Bank shall refund the Forward Ijarah Payments as duly received by the Bank from the Customer before the commencement period of construction (where applicable) and during the period of construction in respect of the Property to the Customer, subject to the set-off arrangement between the Bank and the Customer pursuant to the Abandonment Event upon the terms and subject to the conditions as set out in clause 7.4 (iii) of the Equity Home Financing-i Terms and Conditions.

## 8. Termination

Upon the occurrence of an Event of Default, or at any time thereafter, irrespective of whether any Event of Default is continuing, the Ijarah is deemed terminated and the terms and conditions in relation to Event of Default in the Equity Home Financing-i Terms and Conditions shall apply.

## 9. Expiry of the Ijarah

- (i) It is agreed between the Bank and the Customer that the Ijarah will expire upon the occurrence of the following events:
  - (a) the expiration of the Ijarah Tenure (unless the parties agreed to extend the Ijarah Tenure); or
  - (b) the Musharakah has dissolved or expired and all the Musharakah Units owned by the Bank have been purchased by the Customer; or
  - (c) an Event of Default under any of the Transaction Documents.
- (ii) In addition to the above, upon the expiry or other determination of this Agreement, the Customer shall forthwith deliver to the Bank the takaful policy or policies and certificate(s) of takaful relating to the Property together with the Property (except in case of Total Loss Incident) in good state of repair and condition and with all such additions, alterations, modifications and improvements as shall have been made thereto.

## 10. Exclusion of Conditions and Warranties

- (i) Any liability the Bank might otherwise incur and any right or immunity the Customer might otherwise possess in respect of any conditions, warranties or representations, relating to any conditions of the Property or the merchantable quality or suitability for which it is or may be required whether express or implied and whether arising under this Ijarah or under any prior agreement or in oral or written statements made by or on behalf of any person in the course of negotiations in



which the Customer or its representative may have been concerned prior to this Ijarah are hereby excluded.

- (ii) This Agreement and the Schedules hereto shall constitute the entire contract between the Bank and the Customer and all or any representation by the Bank, its agent or servants, prior to the execution of this Agreement are deemed to be superseded hereby unless expressly incorporated herein.

## 11. Restrictions in Dealings

Without the consent of the Bank, the Customer shall not have the right to assign, pledge, mortgage, charge, encumber, sub-lease, create tenancies or otherwise deal with the Property.

## 12. Property to include Additions etc

In this Agreement the term "Property" shall include all additions, replacement and renewals thereof whether made before or after the date of this Agreement.

## 13. Miscellaneous

### 13.1 Provisions of Equity Home Financing-i Terms and Conditions Incorporated

All provisions of the Equity Home Financing-i Terms and Conditions are incorporated herein whether or not repeated herein and shall form inseparable and integral part of this Agreement. Subject to such alterations or variations where necessary to make the provisions of the Equity Home Financing-i Terms and Conditions consistent with the provisions of this Agreement, in the event of any conflict or discrepancy between the provisions of the Equity Home Financing-i Terms and Conditions and this Agreement, the provisions of this Agreement will prevail for the purpose of interpretation and enforcement of this Agreement.

### 13.2 Stamp Duty Declaration

It is hereby agreed and declared that the Transaction Documents are all instruments employed in one transaction relating to the Equity Home Financing-i Facility as set out in Item 7 of Schedule 1 herein and for the purpose of section 4(3) and Item 27 of the First Schedule of the Stamp Act, 1949, the Musharakah Agreement shall be deemed to be the principal instrument and this Agreement is deemed to be the secondary or subsidiary instrument.

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SCHEDULE 1

(which shall be taken and construed as an integral part of this Agreement)

Item	Matter	Particulars
1.	The day and year of this Agreement	The day of
2.	Registered and business address of the Bank	
3.	Name, description and present address and facsimile transmission, electronic or digital transmission communication numbers and/or addresses (if any) of the Customer	
4.	Property	
5.	Ijarah Tenure	[●] months / [●] years
6.	Ijarah Rates  Ijarah Payment may vary according to the changes of IBR (Islamic Bank Rate) from time to time and incidental costs charged	
7.	Equity Home Financing-i Facility	Ringgit Malaysia ●  (RM ●)
8.	Costs in relation to Major Maintenance	Quit rent, assessment fee, fire insurance/house owner takaful , any other takaful and taxes related to the Property and any liabilities incurred on the Property which are not caused by negligence of the Customer
9.	Costs in relation to Ordinary Maintenance	Water bills, electricity bills, Indah Water fee, maintenance fee to developer/management committee

## Execution

Executed the day and year first set out in Item 1 of Schedule 1 herein

### THE BANK (LESSOR)

Signed by

•  
as Attorney for and on behalf of **RHB ISLAMIC BANK BERHAD** (Company No. 680329-V) in the presence of:



By its Attorney

### THE CUSTOMER (LESSEE)

Signed by

•  
(NRIC No. •)  
in the presence of:

