



## Notification of Amendment to the **Terms of the Additional Deferment 2 (“Additional Deferment 2.1”) for HSBC Amanah Fusion (Retail Business Banking)**

**Updated as at 10 June 2021**

This terms and conditions revision is pursuant to the latest ruling by the Shariah Advisory Council of Bank Negara Malaysia (SAC) on **Restructuring and Rescheduling of Islamic Financing Facility during COVID-19 Crisis** which prohibits compounding of profit on restructuring and rescheduling. Such prohibition aims to avoid amplification of profit on debts (compounded profit) that will worsen the financial position of customers who are already badly affected by the COVID-19 pandemic. The ruling calls for Islamic financial institutions to exercise the principle of beneficence (*ihsan*) in alleviating unprecedented social and financial hardship faced by the customers caused by the COVID-19 pandemic. The principle of *ihsan* is fundamental value in Islamic finance and in line with the objectives of Shariah (*maqasid Shariah*). In line with this, we are making changes on your payment schedule to help you reduce the total amount payable for your facility with us.

Under the original Terms of the Additional Deferment 2 / Payment Reduction 2, the monthly instalment when you resume to pay will be first utilized to pay off the accrued profit/lease rental in full. This means principal reduction will not occur until all accrued profit/lease rental have been settled in full, resulting in a higher total amount payable for your facility.

Effective 15 April 2021, if you have had a deferment programme with the Bank, there will be a total of two (2) accounts for your facility with the Bank where applicable. Your existing account of your facility will be your First Account. A new Second Account will be created to segregate the accrued profit/lease rental which includes all profit/lease rental accrued during the initial Deferment Period and Additional Deferment Period, which requires separate instalment payments and will commence at a later date. We will provide you the details in due course.

By having separate First Account and Second Account for your facility with the Bank, when you resume your original payments after the end of Additional Deferment 2.1 Period / Payment Reduction 2.1 Period, your monthly instalment paid to your First Account will be allocated towards principal reduction and monthly profit/lease rental as usual, whilst separate payment schedule with apply to your Second Account. These changes are better for you they help to reduce the total amount payable for your facility.

With the above, we are making changes to the Terms of the Additional Deferment 2.1 / Payment Reduction 2.1 Programme, as outlined below:

Area of Change	Original (Additional Deferment 2)	Revised (Additional Deferment 2.1)
<p>Extension of Additional Deferment 2.1 to Category 2 and Category 3 and the eligibility requirements</p>	<p>1. The Additional Deferment 2 is open for application from 23 November 2020 until 30 June 2021 for microenterprises with facility approved value up to RM150,000 and is defined as a microenterprise according to the Guidelines on SME Definition issued by SME Corporation Malaysia. This includes business entities across all sectors with:</p> <ul style="list-style-type: none"> <li>▪ Sales turnover of less than RM300,000; or</li> <li>▪ Less than 5 full time employees</li> </ul>	<p><b>1. These terms apply to all applications for the Additional Deferment 2.1 and are applicable to our existing Retail Business Banking Financing customers fall within Category 1, Category 2 or Category 3 as defined below:</b></p> <p><b>(i) Category 1 (effective from 23 November 2020)</b>  Microenterprises with facility approved value up to RM150,000 and is defined as a microenterprise according to the Guidelines on SME Definition issued by SME Corporation Malaysia. This includes business entities across all sectors with:</p> <ul style="list-style-type: none"> <li>▪ Sales turnover of less than RM300,000; or</li> <li>▪ Less than 5 full time employees;</li> </ul> <p><b>(ii) Category 2 (effective from 1 June 2021)</b>  <b>SMEs or Microenterprises that are not allowed to operate during the Full Movement Control Order (locked-down sectors as defined by Majlis Keselamatan Negara).</b></p> <ul style="list-style-type: none"> <li>▪ For the manufacturing sector, SMEs are defined as business entities with sales turnover of less than RM50 million; or less than 200 full-time employees.</li> <li>▪ For the services and other sectors, SMEs are defined</li> </ul>

		<p><b>as business entities with sales turnover of less than RM20 million; or less than 75 full-time employees.</b></p> <p><b>Or</b></p> <p><b>(iii) Category 3</b>  <b>Existing Category 1 or Category 2 customers who are currently on any temporary financial relief or financial assistance programme with us;</b></p> <p><b>AND meet the following requirements:</b></p> <p><b>(i) The Retail Business Banking customer's financing is not in arrears for more than 90 days at the time it submits for Additional Deferment 2.1 or Payment Reduction 2.1; and</b></p> <p><b>(ii) The Retail Business Banking customer is not under winding up or bankruptcy proceedings.</b></p>
Remove Clause 2 as this point had covered under Additional Deferment 2.1 Clause 1.	2. These terms apply to HSBC Amanah Fusion customers that successfully apply for deferment under this Additional Deferment 2.	N/A
Additional Deferment 2.1 will commence after approval.	3. Generally, the Additional Deferment 2 is for a period of three (3) months and will commence in the following month after we receive your application.	2. Generally, the Additional Deferment 2.1 is for a period of three (3) months and will commence in the following month after we <b>have approved</b> your application.
Extension of programme for eligible customer on existing temporary financial relief or financial assistance programme	4. On exceptionally case basis, we may approve and you will be notified on:	3. On exceptionally case basis, we may approve and you will be notified on:

	<ul style="list-style-type: none"> <li>(i) a longer deferment period, and/or</li> <li>(ii) the commencement of the Additional Deferment 2 to begin in the same month as we received your application.</li> </ul>	<ul style="list-style-type: none"> <li>(i) a longer deferment period (<b>including extended deferment period</b>), and/or</li> <li>(ii) the commencement of the Additional Deferment 2.1 to begin in the same month as we received your application.</li> </ul>
Clarification on when customers switch from a different programme to Additional Deferment 2.1 and extension of existing Additional Deferment	<p>5. If you are currently on any other temporary financial relief programme or financial assistance programme with us, the existing financial relief programme or financial assistance programme will be cancelled prior to the Additional Deferment 2 taking effect. The treatment of accrued lease rental (if any) and extension of facility tenure pursuant to these programmes up to the date of cancellation will follow Clauses 7 and 8 below.</p>	<p>4. (i) If you are currently on a <b>payment reduction programme with us and you apply for additional deferment under Additional Deferment 2.1, then the existing payment reduction programme with us</b> will be cancelled prior to the Additional Deferment 2.1 taking effect. (ii) <b>If you are currently on an additional deferment programme with us and you apply for additional deferment under Additional Deferment 2.1 before the expiry of your existing programme, once approved, your Additional Deferment 2.1 will begin after your existing additional deferment programme period ends.</b> (iii) The treatment of accrued profit (if any) and extension of facility tenure pursuant to these existing programmes up to the date of its cancellation <b>or expiration (as the case may be)</b> will follow Clauses 7 and 8 below.</p>
Changes to payment schedule for the monthly instalment, after the end of the Additional Deferment 2.1 Period	<p>8. At the end of the Additional Deferment 2, your monthly instalment will be applied and allocated to pay off total accrued lease rental first. Once all accrued lease rental is settled, your monthly instalment will be applied to pay off the principal and lease rental as usual.</p>	<p><b>7. Your monthly instalment will resume in the month immediately after the end of the Additional Deferment 2.1 Period and the monthly instalment will be allocated towards principal reduction and monthly lease rental of your existing account (“First Account”) as usual.</b></p> <p><b>Your accrued lease rental, which includes all lease rental accrued during the initial Deferment Period, Financial Assistance Period and Additional Deferment 2.1</b></p>

		<p><b>Period will be segregated to a new second account (“Second Account”) which requires separate instalment payments and will commence at a later date. You will receive notification letter from us on the details.</b></p> <p><b>By having a separate First Account and Second Account, this will help reduce total amount payable for your facility as principal reduction in the First Account starts immediately after the end of the Additional Deferment 2.1 Period when you resume paying your full monthly instalment.</b></p>
Notification of Second Account details	Not specified	10. We will notify you of the revised monthly instalment <b>(if applicable) for your First Account and details of your Second Account</b> to be paid after the end of Additional Deferment 2.1.
Clause on validation purpose - New addition on the supporting information and documents upon request	12. We reserve the right to terminate the Additional Deferment 2 immediately if at any time we found or have reasonable grounds to believe that you have made false, misleading and/or incomplete representation leading to the successful application of the Additional Deferment 2. The consequence of such termination may include reversing any or all benefits you enjoyed from the Additional Deferment 2. For example, the amount that would otherwise be due during the Additional Deferment 2 will become immediately due and payable in whole upon termination, and no tenure extension will apply.	11. <b>You agree to provide supporting information and documents to verify your eligibility at any time upon our request.</b> We reserve the right to terminate the Additional Deferment 2.1 immediately if at any time we found or have reasonable grounds to believe that you have made false, misleading and/or incomplete representation leading to the successful application of the Additional Deferment 2.1. The consequence of such termination may include reversing any or all benefits you enjoyed from the Additional Deferment 2.1. For example, the amount that would otherwise be due during the Additional Deferment 2.1 will become immediately due and payable in whole upon termination, and no tenure extension will apply.

<p>Changes to Generic Terms &amp; Conditions and the Specific Terms &amp; Conditions for HSBC Fusion</p>	<p>15. These terms and conditions for Additional Deferment 2 are in addition to:</p> <ul style="list-style-type: none"> <li>(i) the terms and conditions of your Facility Offer Letter, Facility Agreement and your security documents; and</li> <li>(ii) the Generic and Specific Terms and Conditions for Commercial Banking available at <a href="https://www.business.hsbc.com.my/en-gb/my/generic/banking-terms-and-conditions">https://www.business.hsbc.com.my/en-gb/my/generic/banking-terms-and-conditions</a>.</li> </ul> <p>In the event of inconsistency between these terms and conditions for Additional Deferment 2 and any of the above, these terms and conditions for Additional Deferment 2 shall prevail in so far as they apply to this Additional Deferment 2.</p>	<p>14. These terms and conditions for Additional Deferment 2.1 are in addition to:</p> <ul style="list-style-type: none"> <li>(i) the terms and conditions of your Facility Offer Letter, Facility Agreement and your security documents; and</li> <li>(ii) the Generic Terms &amp; Conditions and the Specific Terms &amp; Conditions for HSBC Amanah Fusion in our Universal Terms &amp; Conditions available at <a href="https://cdn.hsbcamanah.com.my/content/dam/hsbc/hbms/documents/universal-bank/2021-april-terms-and-conditions.pdf">https://cdn.hsbcamanah.com.my/content/dam/hsbc/hbms/documents/universal-bank/2021-april-terms-and-conditions.pdf</a></li> </ul> <p>In the event of inconsistency between these terms and conditions for Additional Deferment 2.1 and any of the above, these terms and conditions for Additional Deferment 2.1 shall prevail in so far as they apply to this Additional Deferment 2.1.</p>

Notification of Amendment to the **Terms of the Payment Reduction 2 (“Payment Reduction 2.1”) for HSBC Amanah Fusion (Retail Business Banking)**

Area of Change	Original (Payment Reduction 2)	Revised (Payment Reduction 2.1)
<p>Extension of Payment Reduction 2.1 to Category 2 and Category 3 and the eligibility requirements</p>	<p>1. The Payment Reduction 2 is open for application from 23 November 2020 until 30 June 2021 for microenterprises with facility approved value up to RM150,000 and is defined as a microenterprise according to the Guidelines on SME Definition issued by SME Corporation Malaysia. This includes business entities across all sectors with:</p> <ul style="list-style-type: none"> <li>▪ Sales turnover of less than RM300,000; or</li> <li>▪ Less than 5 full time employees</li> </ul>	<p><b>1. These terms apply to all applications for the Payment Reduction 2.1 and are applicable to our existing Retail Business Banking Financing customers fall within Category 1, Category 2 or Category 3 as defined below:</b></p> <p><b>(i) Category 1 (effective from 23 November 2020)</b>  Microenterprises with facility approved value up to RM150,000 and is defined as a microenterprise according to the Guidelines on SME Definition issued by SME Corporation Malaysia. This includes business entities across all sectors with:</p> <ul style="list-style-type: none"> <li>▪ Sales turnover of less than RM300,000; or</li> <li>▪ Less than 5 full time employees;</li> </ul> <p><b>(ii) Category 2 (effective from 1 June 2021)</b>  <b>SMEs or Microenterprises that are not allowed to operate during the Full Movement Control Order (locked-down sectors as defined by Majlis Keselamatan Negara).</b></p> <ul style="list-style-type: none"> <li>▪ <b>For the manufacturing sector, SMEs are defined as business entities with sales turnover of less than</b></li> </ul>

		<p>RM50 million; or less than 200 full-time employees.</p> <ul style="list-style-type: none"> <li>▪ For the services and other sectors, SMEs are defined as business entities with sales turnover of less than RM20 million; or less than 75 full-time employees.</li> </ul> <p>Or</p> <p>(iii) <b>Category 3</b> Existing Category 1 or Category 2 customers who are currently on any temporary financial relief or financial assistance programme with us;</p> <p><b>AND meet the following requirements:</b></p> <p>(i) The Retail Business Banking customer's financing is not in arrears for more than 90 days at the time it submits for Additional Deferment 2.1 or Payment Reduction 2.1; and</p> <p>(ii) The Retail Business Banking customer is not under winding up or bankruptcy proceedings.</p>
<p>Extension of programme for eligible customer on existing temporary financial relief or financial assistance programme</p>	<p>2. These terms apply to all HSBC Amanah Fusion customers that successfully applies for Payment Reduction 2. During the Payment Reduction 2, you will pay a lower monthly instalment (consists of principal and lease rental)</p>	<p>2. During the Payment Reduction 2.1 (as defined herein), you will pay a lower monthly instalment (consists of principal and lease rental) for a period of 6 <b>months unless extended (which you will be notified)</b> ("Payment Reduction 2.1 Period"), the</p>



	<p>for a period of 6 months, the amount of which will be made known to you upon your successful application. The difference in respect of the lease rental amount between the original monthly instalment and the revised monthly instalment will be accrued but will not be compounded. In addition, the accrued lease rental will not be considered as overdue lease rental.</p>	<p>amount of which will be made known to you upon your successful application. The difference in respect of the lease rental amount between the original monthly instalment and the revised monthly instalment will be accrued but will not be compounded. In addition, the accrued lease rental will not be considered as overdue lease rental.</p>
<p>Clarification on when customers switch from a different programme to Payment Reduction 2.1 and extension of existing Payment Reduction</p>	<p>3. If you are currently on any other temporary financial relief programme or financial assistance programme with us, this existing financial relief will be cancelled prior to the Payment Reduction 2 taking effect. The treatment of accrued lease rental (if any) and extension of facility tenure pursuant to these programmes up to the date of cancellation will follow Clause 4 and 6 below respectively.</p>	<p>3.</p> <p><b>(i)</b> If you are currently on an additional deferment programme with us and <b>you apply for payment reduction under Payment Reduction 2.1, then the existing additional deferment programme with us will be cancelled prior to the Payment Reduction 2.1 taking effect.</b></p> <p><b>(ii)</b> If you are currently on a payment reduction programme with us and you apply for payment reduction under Payment Reduction 2.1 before the expiry of your existing programme, once approved, your Payment Reduction 2.1 Period will begin after your existing payment reduction programme period ends.</p> <p><b>(iii)</b> The treatment of accrued lease rental (if any) and extension of facility tenure pursuant to these programmes up to the date of cancellation will follow <b>Clause 5 and 6</b> below respectively.</p>
<p>Changes to payment schedule for the monthly instalment, after the end of the Payment Reduction 2.1 Period</p>	<p>5. At the end of the Payment Reduction 2, your monthly instalment will be applied and allocated to pay off total accrued lease rental first. Once all accrued lease rental is settled, your monthly instalment</p>	<p><b>5. Your monthly instalment will resume in the month immediately after the end of the Payment Reduction 2.1 Period and the monthly instalment will be allocated towards principal reduction and monthly</b></p>

	<p>will be applied to pay off the principal and lease rental as usual.</p>	<p><b>lease rental of your existing account (“First Account”) as usual.</b></p> <p><b>Your accrued lease rental, which includes all lease rental accrued during the initial Deferment Period and Payment Reduction 2.1 Period will be segregated to a new second account (“Second Account”) which requires separate instalment payments and will commence at a later date. You will receive notification letter from us on the details.</b></p> <p><b>By having a separate First Account and Second Account, this will help reduce total amount payable for your facility as principal reduction in the First Account starts immediately after the end of the Payment Reduction 2.1 Period when you resume paying your full monthly instalment.</b></p>
<p>Clause on validation purpose - New addition on the supporting information and documents upon request</p>	<p>9. We reserve the right to terminate the Payment Reduction 2 immediately if at any time we found or have reasonable grounds to believe that you have made false, misleading and/or incomplete representation leading to the successful application of the Payment Reduction 2. The consequence of such termination may include reversing any or all benefits you enjoyed from the Payment Reduction 2. For example, the amount that would otherwise be due during the Payment Reduction 2 period will become immediately due and payable in whole upon termination, and no tenure extension will apply.</p>	<p>9. <b>You agree to provide supporting information and documents to verify your eligibility at any time upon our request.</b> We reserve the right to terminate the Payment Reduction 2.1 immediately if at any time we found or have reasonable grounds to believe that you have made false, misleading and/or incomplete representation leading to the successful application of the Payment Reduction 2.1. The consequence of such termination may include reversing any or all benefits you enjoyed from the Payment Reduction 2.1. For example, the amount that would otherwise be due during the Payment Reduction 2.1 period will become immediately due and payable in whole upon termination, and no tenure extension will apply</p>

<p>Changes to Generic Terms &amp; Conditions and the Specific Terms &amp; Conditions for HSBC Fusion</p>	<p>12. These terms and conditions for Payment Reduction 2 are in addition to:</p> <ul style="list-style-type: none"> <li>(i) the terms and conditions of your Facility Offer Letter, Facility Agreement and your security documents; and</li> <li>(ii) the Generic and Specific Terms and Conditions for Commercial Banking available at <a href="https://www.business.hsbc.com.my/en-gb/my/generic/banking-terms-and-conditions">https://www.business.hsbc.com.my/en-gb/my/generic/banking-terms-and-conditions</a>.</li> </ul> <p>In the event of inconsistency between these terms and conditions for Payment Reduction 2 and any of the above, these terms and conditions for Payment Reduction 2 shall prevail in so far as they apply to this Payment Reduction 2.</p>	<p>12. These terms and conditions for Payment Reduction 2.1 are in addition to:</p> <ul style="list-style-type: none"> <li>(i) the terms and conditions of your Facility Offer Letter, Facility Agreement and your security documents; and</li> <li>(ii) the <b>Generic Terms &amp; Conditions and the Specific Terms &amp; Conditions for HSBC Amanah Fusion in our Universal Terms &amp; Conditions</b> available at <a href="https://cdn.hsbcamanah.com.my/content/dam/hsbc/hbms/documents/universal-bank/2021-april-terms-and-conditions.pdf">https://cdn.hsbcamanah.com.my/content/dam/hsbc/hbms/documents/universal-bank/2021-april-terms-and-conditions.pdf</a>.</li> </ul> <p>In the event of inconsistency between these terms and conditions for Payment Reduction 2.1 and any of the above, these terms and conditions for Payment Reduction 2.1 shall prevail in so far as they apply to this Payment Reduction 2.1.</p>
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