

Glossary

The following are the definitions/interpretations of some of the terms used in the Banking Code.

Automatic Teller Machine (ATM)	The machine provided by some banks which allow you to make cash withdrawals with a card issued by the banks.
Annualised Profit Rate	This refers to the actual rate which the customer/borrower would have to pay in percentage rate.
Administrative Charge	The charge some banks impose for certain services rendered such as the issuance of letters of confirmation, preparation of banking documents, replacement of cards and passbooks, etc.
Bills payment	Any payments relating to credit cards and utility bills.
Card	A plastic card issued by the banks to allow you to pay for goods and services or to withdraw cash. In this Code, it includes debit cards, credit cards, charge cards and credit cards.
Charge card	A plastic card which allows you to utilize up to the agreed credit limit and the outstanding must be fully settled at the set period. The Bank will collect an annual fee for the card issued.
Credit card	A plastic card which authorizes you to charge purchases against a pre-approved credit limit. You can either pay the full amount during the grace period [normally up to thirty (30) days] with no finance charge. Banks will normally impose charges on the amount of any remaining balance unpaid after the expiry of the grace period.
Credit/Financing facility	This refers to any form of borrowing, loans or financing facilities granted by the banks upon application.
Clearing	This refers to all local bank cheques issued and presented to the clearing house. A cheque normally takes 3-4 days to clear with the exception of special clearing which can clear within a day.
Current account	A drawing account draws on a cheque provided by the bank. Some banks provide interest/profit for this type of account.
Drawee	A person or corporation from whom money is to be paid when someone presents a cheque to the bank for payment.
Dormant accounts and unclaimed assets	Accounts that have inactive or have not been operated on for six (6) months or more.
Debit card	A payment card linked to a customer's account maintained with a bank, used to pay for goods and services by taking the money directly from the cardholder's account.
Direct debit	A pre-authorized debit requested by the customer to pay another party such as insurance premiums, utility bills and other payments at certain intervals.

Dividend/Profit	This refers to payment made by Islamic Banks to customers who maintain deposit or investment accounts held with them.
Fixed/Time deposit	A deposit account placed with the Bank which earns interest for a fixed term. The amount of interest earned is based on the tenor.
Guarantee/Guarantor	A person who provides an undertaking to the bank in writing that for so long as the customer's financing obligations with the Bank are outstanding, the guarantor shall be equally liable in the event the customer defaults in their obligations to the bank.
Grace period	A period which a bank grants to customer without imposing any finance charge if the required amount has been fully paid within the period.
Investment account	This refers to a deposit account placed with an Islamic Bank which earns dividend/profit for a fixed period.
Interest	A charge for borrowing money from a bank or earned for money held in deposit with the bank.
Internet banking	Any financial services accessed via the Internet's World Wide Web which is provided by certain banks.
Introducer	An existing customer or account holder of that particular Bank.
Joint account	An account which is held in the names of two(2) persons.
Loan/Financing	Any facility granted by a conventional bank is called a loan facility.
Overdraft/Naqad	<p>A facility which allows the customer to draw cheques in excess of the balance in a checking account. The bank will collect interest based on the exceed amount of drawing.</p> <p>This facility is called Naqad under Islamic banking concept. The bank will collect the fixed monthly profit and will rebate the unutilized amount based on the executed financing Agreements.</p>
Overdue instalment	A pre-determined and fixed payment of loan/financing which is not paid when they become due. Some banks will impose penalty charges or late payment charges for the overdue amount.
Personal customer	A person acting in his/her capacity as the personal representative of a person, corporation or a trustee of a family trust.
PIN (personal identification number)	A confidential numeric identification code used by bank customers when making transactions at self-service electronic banking terminals.
Payee	A party named as the beneficiary of a cheque or negotiable instrument; the person to whom the written amount on the face of the instrument is paid.

Prepaid card	A payment card where a fixed amount of money is loaded onto it before it is used. The card can be used to purchase goods and services or may allow you to withdraw cash from cash machines. The banks will impose certain charges for the various services provided.
Savings Account	An accountholder of this type of account can withdraw the available balance in the account. The Savings account holder is entitled the monthly interest/dividend if meet the minimum balance requirement.
Security/Collateral	This means valuable items such as land title deed, share certificates, blue cards which are pledged by the customer as security for their loans/financing facilities availed with the banks.
Statement	The current account statements provided by the bank which shows the transactions of the account. The bank will normally provide a free monthly statement to customers. Weekly or quarterly statement can be provided subject to individual bank's policies and charges.
Standing Order	An instruction in writing from customers to make regular fixed payments to a third party over a specified period.
Unpaid cheque	A cheque deposited to the account was returned by the financing institutions where the payer has maintained the account and issued the cheque due to various reasons. The bank will impose charge if the reason for cheque returned due to insufficient fund maintained with the bank.
Working days	Mondays to Saturdays excluding gazetted public holidays in Brunei Darussalam.