

Terms & Conditions related to loan against collateral



First Party: refer to lender

Second Party: refer to customer

1. The second party may not use the loan for any purpose other than the purpose it is granted for. In addition, it shall submit the documents evidencing the use of loan amount.
2. The second party undertakes to repay the debit balance in addition to the due interests, fees commissions and expenses (as per CBK list of charges and fees) on their due dates, free and clear of any taxes, duties, assessments or charges of whatsoever nature, reason or by whomsoever imposed, whether currently in effect or to be imposed in the future.
3. Second party shall be obliged, if he defaults payment of the loan installments on the due date, to pay a penalty fee for delay which shall be calculated according to the then-applicable rules and regulations of first party.
4. The whole loan balance, or the remaining of which, shall be due immediately in one payment without the need to send a notice or legal actions, in any of the following cases:
 - a) If one monthly installment of the loan is not paid on its due date or if there is no credit balance in second party's account sufficient to satisfy the value of any amount due under this contract.
 - b) If it becomes known – at any time – that the data, information or documents submitted by second party to receive this loan, or if it is found out that he has used the loan amount for a purpose other than the designated one, and in any of the above stated breach cases or a default on part of second party in satisfying any of his obligations under the present contract or in case of his breaching the same in any manner, first party shall be entitled to impose a delay interest on any payments not fulfilled by second party on the due date agreed upon under this contract according to the maximum agreed upon interest rate announced by Central Bank of Kuwait or the maximum rate determined throughout the duration of this contract, whichever is greater. It is agreed upon expressly that first party shall keep imposing the delay interest on the debt balance after closing the account in the same price and manner agreed upon in this contract until the full payment received.
5. Second party acknowledges the following:
 - a) All the accounts opened now or later in his name with first party or nay of its branches inside or outside Kuwait shall be considered as a collateral to each other, and first party may merge all or some of these accounts and debit the credit balance in any of such accounts to satisfy the unpaid balance of the loan amount along with interest and ensuing liabilities.
 - b) That all the monies, financial and trade securities, precious metals, and the like which are deposited – now or in future -In his name with first party or any of its branches inside or outside Kuwait shall be considered as lien for the benefit of first party to guarantee the full satisfaction of his Obligation under this contract. First party may satisfy its Debt directly for the afore-mentioned monies by way of Clearance with priority and preference over any other creditor. In case second party receives additional revenues other Than those he revealed to first party, second shall hereby Assign all such revenues to first party as additional Collateral for the payment of loan. Second party agrees Further that he shall notify first party in case there is any Change in his source of income.
 - c. the customer acknowledges that he loans amount will not be used for money laundering or terrorism financing activities. The customer declares to abide by the laws and regulations regarding anti money laundering and combating the financing of terrorism in addition to any other financial crimes.
6. Second party acknowledges that the books and counts of First party are accurate and can be taken as decisive Evidence to any liabilities due on him arising out of this Contract, and second party shall not question the validity Of the same in any manner. Second party agrees to assign the right to audit the books and accounts, and restrictions of second party in relation to such liabilities by the court, unless otherwise is proved by second party.

If first party has not received a written objection from Second party to the account statement during fifteen days as of the date giving the same to him through regular Mail, this non-objection shall be considered as Acknowledgment to the data given in such statement and as final approval on all of its restrictions and content.

If second party has received the account statement within Fifteen days as of the specified date of giving the same, while he has not applied for the same with first party Within a week of such date, he may not protest against non-receiving it nor object to its content and restrictions.

7. Second party shall provide first party with a statement for The account he is a party to, open now or in future, with First party, as well as for the accounts of partnership Companies in which he is a joint partner and monies no Sense companies where he holds more than %50 of the Capital or has control over the company, and the accounts Of all natural and legal persons, he guarantees or to which He has economic or legal relations so that any financial Difficulties in the said accounts may affect his ability to Satisfy his credit liabilities towards first party. Second party Shall further provide first party with any modification to Such statement throughout the duration of this contract or Extension thereto for any reasons.

8. Any tolerance or extension to the duration of this loan, which may be granted by first party, shall not affect the Enforcement of all the terms and conditions under this Contract on the part of second party. Moreover, such Tolerance or extension shall not be considered as Assignment from first party of any of his rights and shall not Affect the same in any manner.

9. Second party may not assign or transfer to third parties any Of his obligations under this contract without the prior Written approval of first party thereon. First party has Absolute right to transfer all or any of its rights arising from This contract to whomever it wishes irrespective of second Party's approval.

10. Second party irrevocably authorizes first party hereby to Exchange information on him and his accounts with other Banks with any of the bodies engaged in the risk Centralization system according to the applicable banking Rules without any responsibility – in this respect – on first Party.

11. Second party acknowledges that all the legal and judicial Notices and letters sent to him by first party to his address Given in this contract, or to any other address Communicated by him to first party through registered Mail, shall be valid and effective towards him.

12. Eighth: Politically Exposed Person (PEP):

a) Any natural person, whether as a customer or beneficial owner, who is or was entrusted with a prominent public function in the state of Kuwait or in a foreign country. Or any person who is or has been entrusted with a prominent function in an international organization. This term also includes up to second degree family members and close associates (partners, counselors and legal representative). The first-degree family members include (father, mother, husband, wife and children) and the second degree includes (grandfather, grandmother, brother, sister, grandson and granddaughter).

b) this definition also includes: senior governmental officials (Heads of state and Government, Ministers, Governors, Head of Governmental and Public entities and their Deputies), High Ranking/ Senior politicians (Parliament Chairman, Members of Parliament and Senior Management Positions in an international Organization: such as 'Directors, Deputy Directors, Board Members'), Senior Military (who holds Major General Rank and above), Senior Executives Officers (Executives of state-owned Companies and their deputies), Ambassadors – High Ranking Diplomats (Ambassador and consul inside and outside Kuwait), Senior Ranking Judicial (president of the court: Partial, Elementary, Appeal, Discrimination and Constitutional, General Attorney, Public prosecutor and their Deputies), Political Party officials (Head of Parties in all countries), Royal family Members (with Government and Public Positions).

13. This contract shall be subject to Kuwaiti trade law and Jurisdiction of Kuwaiti courts. The contracting parties Accept the local jurisdiction of courts in the capital Governorate.

This contract was made in counterparts in proportion to the number of its parties. The signature of each party to This contract is an acknowledgement of receiving a copy Hereof to act accordingly

Will use the loan amount granted to me by Al Ahli bank of Kuwait for the intended purpose, and I will submit the document evidencing my usage of the loan amount.

Loan Applicant's Acknowledgment and Undertaking

I further acknowledge that failure to commit to this condition shall be deemed a violation on my part of the conditions and provisions of the loan contract and the indebtedness value resulting from the loan shall be immediately payable without a prior notice or warning and the bank shall be entitled to take all legal actions guaranteeing its rights against me.

The customer acknowledges that the loan amount will not be used for Money Laundering or Terrorism Financing activities. The customer declares to abide by the laws and regulations regarding Anti Money Laundering and combating the financing of terrorism in addition to any other financial crimes.

I hereby declare that the information herein is true and that I have received a copy of the loan contract.

I, the undersigned, acknowledge that I reviewed the loan contract concluded with your bank and reviewed all its conditions and that I agree to receive this loan with a Fixed interest Rate and as stipulated in the contract.

Moreover, I acknowledge that your bank has clarified to me – as to eliminate ignorance – the consequences of applying a Fixed interest rate, namely that I will not benefit from subsequent reduction in interest rates during the term of the above-mentioned contract. Besides, the bank will not increase the interest rate in the event of any subsequent increase in interest rates.