

Terms and Conditions

Karus Account

The use of the Karus Account is governed at all times by (i) these Karus Account Terms and Conditions, (ii) the General Terms and Conditions – Accounts (the “General Terms”) and (iii) all other terms and conditions governing the relevant accounts, transactions, dealings, services, products, information, goods, benefits or privileges together hereinafter referred to as the “Terms”.

The terms used in these Karus Account Terms and Conditions, unless defined herein or the context otherwise requires, shall bear the same meaning assigned to them in the General Terms.

This Account shall be opened by the parents of the child in both parents name or in either one of the parents’ name. The Account will additionally indicate the name of child by way of designation but for all purposes at law the owner of the Account shall be the person in whose name the Account was opened.

1. Account holders who are resident in Malta must provide a valid Tax Identification Number (TIN)

2. Interest

Interest is calculated on a daily basis and is credited/debited to the account annually towards the end of December. Interest will be allowed/charged at such rates and on such terms and conditions, as listed in the General Terms. The current rates are available on our website, by telephoning us, by looking at the Bank’s General Tariff or by asking a member of staff at any of our branches. When we change the interest rates on your account, we will update this information on our public website and in all of our Branches within three working days.

3. Final Withholding Tax

Unless advised otherwise by the account holder, withholding tax at a rate fixed by the Authorities, will be deducted from interest paid on accounts held by account holders who are resident in Malta.

4. Deposit

- 4.1 Deposits of local cheques: We treat other local bank as being cleared for interest calculation purposes two (2) working days after they have been deposited into an account (e.g. on Wednesday if paid in on a Monday). If you withdraw money which is not cleared for interest calculation purposes, you may be charged interest even though your account shows a credit balance.
- 4.2 Deposits into the Karus Account may be undertaken at any of the Bank’s Branches and any HSBC ATM.

5. Uncleared Effects

Cheques deposited into the account are sent for payment to the bank/branch on which they are drawn. Until such time that these cheques are honoured, they are treated as “uncleared effects” even if deposited in the branch where the drawer’s account is domiciled. No withdrawals may be made against such “uncleared effects” unless specifically authorised by the branch management. Deposited cheques, which are subsequently returned unpaid, will be debited to the account and returned to the account holder to take the necessary action. We reserve the right to levy a charge when an immediate withdrawal from the account is effected following a deposit of uncleared effects.

6. NIL balances

If account has a nil balance for more than 13 consecutive months, we shall have the option to close the account. However, we will give you two months’ written notice of this before we close the account.

7. After the Child’s Thirteenth (13th) Birthday

Following the child’s thirteenth (13th) Birthday, the account will no longer be considered as a Karus Account and will automatically be converted into a normal Savings Account and remain in the name of both parents or one of the parents as applicable. The conversion into a normal Savings Account will subsequently show as a marker on the bank statement/s.

Alternatively the parents or one of the parents (as applicable) may choose to close the Account and open a new Students’ Account in the name of the child by visiting any of our Branches.

Details on Savings Accounts and Students’ Accounts can be obtained from any of the Bank’s Branches.

8. Withdrawals and other transactions

- 8.1 Withdrawals from the Account can be effected by the Account holder/s at any time at any of our branches. However, withdrawals from branches other than that at which the account is domiciled are subject to branch management discretion.
- 8.2 The Account holder/s may not withdraw more funds than the amount of cleared funds available in the account.
- 8.3 Certain transactions are subject to specific terms and conditions, copies of which are obtainable upon request.

9. Overrunning

Overrunning refers to the circumstance when you exceed the available credit balance on your account without our express consent. We have the right not to honour payments which may cause an account to be overrun without our prior express agreement. Unless specifically agreed by the branch management you should not withdraw, transfer or make payments for an amount which is not available in the account. We reserve the right to withdraw any debit card if an overrunning position is not corrected when advised to do so by us.

In instances where we do honour payments which result in an account to be overrun, debit interest will also be charged on the daily debit balance at the rate shown on the statement of account. For interest calculation purposes, the daily debit balance is the balance on the account net of "uncleared effects". Interest will be charged on daily debit balances and will be computed on the basis of a year of 360 days. Any changes to the debit interest rate to be applied in case of overrun accounts will be notified as advised in clause 5 to 7 of Part D of Section 1 of the General Terms.

10. Other Terms and Conditions

The Bank may reject transactions and/or refuse to carry out instructions/requests for transactions on the account, if it reasonably believes that the transaction is in breach of any financial sanctions (whether OFAC, UN, EU or other sanctions issued by a competent authority in Malta or abroad).

The Bank reserves the right to lay down further conditions or to amend these terms and conditions (including any fees or charges) for security, legal, regulatory or market reasons or changes in internationally accepted Banking practice or to take into consideration any increase in costs or decrease in the Bank's return or pursuant to the introduction of new products or technology. The Bank will give reasonable notice to the Customer of any addition and/or changes to these terms and conditions.

11. Language

Unless otherwise agreed, the English language will be used for the purpose of interpreting the Agreement and for all communications in connection with the Agreement.

Effective as from 4 September 2020.