

Terms & Conditions – Mashreq Auto Loans

In addition to the terms, if any, set forth in the completed Auto Loan application form and/or approval letter / Auto Financing Agreement, the following terms and conditions are applicable to Auto Loans (the "Auto Loan").

In consideration of Mashreqbank psc making Auto Loan(s), on the Client(s) request, the Client(s) hereby acknowledges, accepts and understands the following:

1. Mashreqbank psc would disburse the proceeds of Auto Loan directly or debit the Client(s) account for the amount of the Auto Loan so disbursed, to the automobile dealer or seller of the Vehicle. In case of refinance, the proceeds of the loan shall be credited to the Client(s) account with Mashreqbank psc.
2. The Client(s) may request to defer repayment of a portion or full of the Principal Amount ("Balloon Payment Option"). Mashreqbank psc may allow the Client(s) to defer repayment of such portion of the Principal Amount (the "Deferred Amount") at its sole discretion. The Deferred Amount must be repaid by the Client(s) to Mashreqbank psc on the date specified by Mashreqbank psc. Interest will be charged during the term of the Auto Loan on the outstanding balance (including the Deferred Amount) of the Auto Loan. The Principal Amount less the Deferred Amount plus Deferred Payment Charges must be repaid by the Client(s), in Monthly Installments over the term of the Auto Loan save for the last Monthly Installment which shall be in the amount stated on the Auto Loan application form.
3. The Client(s) confirms that no representation of any kind has been made by Mashreqbank psc regarding the Vehicle (as described on the Loan application form) and that the Vehicle has been inspected and found in good working order and condition by him/her.
4. The Client(s) undertakes from the beginning of the Auto Loan:
 - To register a first chattel mortgage on the Vehicle in favor of Mashreqbank psc;
 - Not to create, register, or allow any other lien, encumbrances or mortgage to be created on the Vehicle;
 - To keep comprehensive insurance coverage on the Vehicle from an insurance company acceptable to Mashreqbank psc so long as the Client(s) owes money to Mashreqbank psc under this Agreement;
 - To advise Mashreqbank psc of any accident resulting in the loss of Vehicle within seven (7) days of the accident;
 - To keep the Vehicle in good repair and condition;
 - To apply any money received in the event of an accident of the Vehicle to its repair or, in the event of its total loss, to pay any sum of money due under this Agreement;
 - To keep the registration of the Vehicle in his/her name and not change the registration of the Vehicle;
 - Not to take the Vehicle out of United Arab Emirates without the prior written consent of Mashreqbank psc;
 - Not to transfer the vehicle registration within United Arab Emirates without the prior written consent of Mashreqbank psc;
 - Not to do material changes / modifications to the Vehicle without the prior written consent of Mashreqbank psc;
 - Not to transfer any rights of ownership without the prior written approval of Mashreqbank psc;
 - To use the Vehicle only for its normal intended use; and
 - To keep the Visa / Trade License / Emirates ID / other relevant identification documentation issued by regulator, regularly updated with Mashreqbank psc within seven days of receipt of such document / identity.
 - To advise Mashreqbank psc within seven days of any change in address or employment.

5. For purposes of an Auto Loan, the Total Amount will include, if so provided in the completed application form, Vehicle Insurance premiums (as defined in the completed application form). In addition, for purposes of an Auto Loan, the term Principal Amount shall be the amount listed in the completed application form under the entry "Total Finance Amount".
6. The Client(s) will be in default in respect of an Auto Loan if:
 - Any security provided by the Client(s) for the Auto Loan ceases to be valid or Mashreqbank psc has notice or reason to believe that any security may become invalid;
 - The Vehicle is damaged such that it is a total loss or otherwise becomes permanently inoperable;
 - Any foreclosure procedure or other seizing of the Vehicle is threatened; and/or
 - The Client(s) is in default in respect of any other loan / fees / charges from Mashreqbank psc.
7. In the event of a default under an Auto Loan, in addition to its other rights and remedies under these Terms and Conditions and otherwise, Mashreqbank psc shall have the right to foreclose on the Vehicle, to sell it at the available market price, and to set-off the sales price against sums due from the Client(s), or apply the proceeds of any such sale in the repayment of any Loan or amount due to from the Client(s) to Mashreqbank psc as Mashreqbank psc may see fit; in order to give effect to this right, the Client(s) hereby appoints Mashreqbank psc as the Client(s) attorney-in-fact with express authority to seize, transfer and sell the Vehicle at the cost and expense of the Client(s) and demand any balance amount due under the Auto Loan and these Terms and Conditions after application of the sale proceeds of the Vehicle. Mashreqbank psc will have the right to purchase the Vehicle for its own account.
8. Upon payment of all sums of money due under this Agreement, and provided the Client(s) is not in default under any other agreement with Mashreqbank psc, Mashreqbank psc shall upon the Client(s) request issue its letter of no-objection to the de-registration of the first chattel mortgage on the Vehicle.
9. It is the Client(s) sole obligation to register and maintain the Vehicle and to pay all taxes, fees, fines, registration fees, maintenance costs, vehicle insurance premiums and other expenses related thereto.
10. The Client(s) will submit to Mashreqbank psc the insurance policy or policies duly naming Mashreqbank psc as the first beneficiary. If the Vehicle is not properly maintained, duly insured or the insurance premium is not paid on maturity, then Mashreqbank psc, in addition to its rights contained in these Terms and Conditions and otherwise, shall have the right but not the obligation to maintain and/or insure the Vehicle. The Client(s) agrees to reimburse on demand any expenses or charges incurred by Mashreqbank psc in this respect and not to do anything or take any action that may revoke the said vehicle insurance.
11. The Client(s) agrees not to use the loan amount for any unlawful activity including breach of any applicable sanction imposed by a local or foreign regulator or any other authority(ies) having relevant jurisdiction. In the event the Client(s) becomes aware of any breach of any applicable sanction, the Client(s) shall inform Mashreqbank psc immediately.
12. In the event that Mashreqbank psc discovers/ suspects that the loan/ limits/ advance is used for an activity that breaches any applicable sanctions programme, Mashreqbank psc reserves the right to cancel such limit/ advance/ loan unilaterally and request that the Client(s) refunds the outstanding amount. Upon such request the Client(s) shall, in agreement with the Mashreqbank psc, immediately make arrangements to return the outstanding amount.

13. Value Added Tax

- For all intents and purposes, "VAT" means any value added tax or similar tax payable to any authority in respect of transactions and includes, but without limitation, any other form of taxation that may be applicable to this Agreement.
- The Client acknowledges that all amounts expressed to be payable under this Agreement by the Client to Mashreqbank psc which (in whole or in part) constitute the consideration for any fees for services for VAT purposes are deemed to be exclusive of any VAT which is chargeable on that fees for services, and accordingly if VAT is or becomes chargeable on any fees for services by Mashreqbank psc to the Client under this Agreement and Mashreqbank psc is required to account to the relevant tax authority for VAT on that fees for services, that the Client must pay to Mashreqbank psc (in addition to and at the same time as paying any other consideration for such fees for services or at the point the VAT becomes due to be paid by Mashreqbank psc if earlier) an amount equal to the amount of that VAT and Mashreqbank psc must promptly provide an appropriate VAT invoice to the Client where so required to by law).
- Where this Agreement requires the Client to reimburse or indemnify Mashreqbank psc for any fees for services, the Client shall reimburse or indemnify (as the case may be) Mashreqbank psc for the full amount of such fees for services, including such part thereof as represents VAT, save to the extent that such Mashreqbank psc reasonably determines that it is entitled to credit or repayment in respect of such VAT from the relevant tax authority.
- In relation to any services provided by Mashreqbank psc to the Client under this Agreement, if reasonably requested by the Client, Mashreqbank psc must promptly provide the Client with details of Mashreqbank psc's VAT registration and such other information as is reasonably requested in connection with the Client's VAT reporting requirements in relation to fees for services provided.