

Product Disclosure Sheet – Standby Letter of Credit-i

PRODUCT DISCLOSURE SHEET

Please read this Product Disclosure Sheet before you decide to accept the Standby Letter of Credit-i Facility. Be sure to read the terms and conditions in the letter of offer. Seek clarification from Bank Islam if you do not understand any part of this document or the general terms.

Bank Islam Malaysia Berhad

Standby Letter of Credit-i (SBLC-i)

<Date>

1. What is Standby Letter of Credit-i facility?

- ✓ SBLC-i facility is a guarantee of payment/ work performance issued by the Bank on behalf of its customer in the event of failure to honour their contractual commitment with a third party (beneficiary).

2. What is the Syariah concept applicable?

- ✓ The Syariah concept applied is Kafalah (Guarantee) with Ujah (Fee) which refers to a contract where the guarantor conjoins the guaranteed party in assuming the latter's specified liability and a fee is charged for the guarantee. The guarantor shall have the right of recourse against the guaranteed party subsequent to the payment to the beneficiary.
- ✓ The product structure for SBLC-i is as follows:

No	Description
1	The Bank and customer enter into the agreement for SBLC facility.
2	The beneficiary agrees to award a contract to the applicant. Claim, if any, is paid via SBLC. Applicant agrees to provide the SBLC via a bank.
3	Applicant requests Bank Islam to issue SBLC.
4	Bank Islam acts as a guarantor/ surety and issues SBLC to beneficiary. Bank Islam requests agent bank to advise the SBLC to the Beneficiary.
5	The agent bank inform the beneficiary that the SBLC has been received and to be collected.

3. What do I get from this product?

✓ Facility amount	Up to 100% of sales contract/ pro forma invoice value.
✓ Tenure	Up to 180 days or any other period acceptable to the Bank from issuance date or contract date.
✓ Bank's effective commission rate	i. Minimum RM200.00; or ii. 0.125% of SBLC-i amount in Ringgit Malaysia equivalent per month or part thereof Note: The above is subject to whichever is higher.

4. What are my obligations?

- ✓ To pay the fees and charges including the commission rate imposed by the Bank.
- ✓ Upon payment by the Bank when receiving a claim from the Beneficiary, the Bank shall have recourse against you and you shall pay the claim amount immediately to the Bank.

5. What are the fees and charges that I have to pay?

- ✓ Stamp Duty [as per Stamp Duty Act 1949 (Revised 1989)] (if applicable)
- ✓ Fees and Commission
- ✓ Postage and Courier (if any)
- ✓ Cancellation of the facility - you are to pay the Bank all costs (if any)

Note: Please refer to our website at www.bankislam.com for further details on fees and charges.

6. What if I fail to fulfill my obligations?

- ✓ Should you fail to fulfill your obligation in a timely manner, the following shall apply:

- **Event of Default**

- a) The Bank may by written notice to you, demand for immediate payment of amount overdue from you and/ or the guarantor;
- b) The Bank has the right to set off your deposit or any other account(s) maintained with the Bank towards settlement of overdue payment under this facilities granted by the Bank;
- c) The Bank has the right to take legal action against you if you fail to response to the reminder and/or demand notices. The Bank shall exercise its right on any security pledged with the Bank and you are to bear all the cost involved. You are also responsible to settle any shortfall. Legal action against you may affect your credit rating leading to any future credit assessment being more difficult or expensive to you; and
- d) Cross default of other facilities with the Bank may be triggered.

- **Late Payment**

The Bank shall impose Ta`widh (Compensation) against you as follows (where applicable):

- a) Before maturity of the facility.
A sum equivalent to one per centum (1%) per annum on overdue installment(s) until date of full payment.
- b) After maturity of the facility.
A sum equivalent to the prevailing daily overnight Islamic Interbank Money Market Rate on outstanding balance i.e. outstanding Sale Price less Ibra' (if any).
- c) Post judgment debt.
A sum equivalent to the prevailing daily overnight Islamic Interbank Money Market Rate on basic judgment sum calculated from judgment date until date of full payment.

Note: The imposition of Ta`widh shall be in such manner as approved by Bank Negara Malaysia from time to time.

7. What if I fully settle the financing before its maturity?

- ✓ Not applicable.

8. Do I need to take up Takaful coverage?

- ✓ It is optional, however you or your supplier is advised to subscribe to any appropriate Takaful protection.

9. Do I need a guarantor or collateral?

- ✓ If you do not meet the minimum credit requirement, Bank Islam may require guarantor(s) or collateral in order for you to proceed with the submission.

10. What are the major risks?

- ✓ Not applicable

11. What do I need to do if there are changes to my contact details?

- ✓ It is important for you to immediately inform the Bank of any changes in your contact details to ensure that all correspondences reach you in a timely manner.

12. Where can I get assistance and redress?

- ✓ If you have difficulties in making settlement of the facility, you should contact the Bank earliest possible to discuss the payment options. You may contact the Bank at:

Trade Operations

Bank Islam Malaysia Berhad

13th Floor, Menara Bank Islam

No 22, Jalan Perak,

50450 Kuala Lumpur

Tel: 03-2782 1078/ 1089/ 1087/ 1086

Fax: 03-2782 1346

Or

Corporate Banking

Bank Islam Malaysia Berhad

Tingkat 27, Menara Bank Islam

No 22, Jalan Perak,

50450 Kuala Lumpur

Relationship Manager: (to be filled by our RM's)

Tel: (to be filled by our RM's)

Fax: 03-2726 7818

Email: (to be filled by our RM's)

Or

Commercial Banking

Bank Islam Malaysia Berhad

Tingkat 23, Menara Bank Islam

No 22, Jalan Perak,

50450 Kuala Lumpur

Pegawai Perhubungan: (to be filled by our RM's)

Tel: (to be filled by our RM's)

Faks: 03-2726 7818

Email: [\(to be filled by our RM's\)](#)

Or

SME Banking

Bank Islam Malaysia Berhad

Tingkat 16, Menara Bank Islam

No 22, Jalan Perak,

50450 Kuala Lumpur

Relationship Manager: [\(to be filled by our RM's\)](#)

Email: sme-assist@bankislam.com.my

- ✓ If you wish to complain on the products or services provided by us, you may contact us at:

Contact Centre & Customer Care
Bank Islam Malaysia Berhad
17th Floor, Menara Bank Islam,
No. 22, Jalan Perak,
50450 Kuala Lumpur.
Tel: 03-26 900 900
Fax: 03-2782 1337
Email: contactcenter@bankislam.com.my

- ✓ For SME, you may seek the services of Agensi Kaunseling dan Pengurusan Kredit (AKPK), an agency established by Bank Negara Malaysia to provide free services and money management, credit counseling, financial education and debt restructuring. You can contact AKPK at:

Level 5 and 6,
Menara Bumiputra Commerce
Jalan Raja Laut
50350 Kuala Lumpur
Tel: 603 -2616 7766
Fax: 603 -2616 7601
Website: akpk.org.my

- ✓ If the query or complaint is not satisfactorily resolved by the Bank, you may contact Bank Negara Malaysia LINK or TELELINK at:

Block D, Bank Negara Malaysia,
Jalan Dato' Onn,
50480 Kuala Lumpur.
Tel: 1-300-88-5465
Fax: 03-2174 1515
Email: bnmtelelink@bnm.gov.my

13. Where can I get further information?

✓ Should you require additional information about this product, please refer to our branches or contact:

Contact Centre & Customer Care

17th Floor, Menara Bank Islam,

No. 22, Jalan Perak,

50450 Kuala Lumpur.

Tel: 03-26 900 900

Email: contactcenter@bankislam.com.my

Website: www.bankislam.com

14. What are the other trade facility packages available?

1. Trade Tawarruq-i
2. Trade Working Capital Financing-i (Purchase)
3. Trade Working Capital Financing-i (Sales)
4. Letter of Credit-i
5. Letter of Credit Transfer-i
6. Shipping Guarantee-i
7. Bank Guarantee-i
8. Accepted Bills-i (Purchase)
9. Accepted Bills-i (Sales)
10. Bills of Exchange Purchase-i
11. Documentary Collection-i
12. Export Credit Refinancing-i

IMPORTANT NOTE: LEGAL ACTION MAY BE TAKEN AGAINST YOU IF YOU DO NOT KEEP UP PAYMENTS OF YOUR FACILITY.

Note:

1. The above is for illustration purposes only. Profit and/or charges may vary and subject to Bank Islam terms and conditions.
2. The information provided in this Product Disclosure Sheet is valid as at 29/12/2021.

Acknowledge Receipt by Customer

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Name:

I/C Number:

Date: