



Product Disclosure Sheet – Accepted Bill-i (Purchase)

PRODUCT DISCLOSURE SHEET

Please read this Product Disclosure Sheet before you decide to accept the Accepted Bill-i (Purchase) 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

Accepted Bill-i (AB-i) (Purchase)

<dd/mm/yy>

1. What is Accepted Bill-i (Purchase)?

- ✓ AB-i is negotiable bill of exchange drawn by a bank in Malaysia for financing Shariah Compliant exports, imports and domestic trade sales and purchases. AB-i is governed by the Accepted Bills-i Guidelines issued by Bank Negara Malaysia (AB-i Guidelines).
- ✓ It is a financing facility granted to you to finance your purchase of tradable goods that include raw material, semi-finished and finished goods. Payment to suppliers will be made immediately by the Bank. It is created for both sight and usance bills. In the latter instance, AB-i financing enables extension of credit to you.
- ✓ AB-i is restricted to MYR financing only as per the AB-i Guidelines.
- ✓ AB-i can be securitized by the Bank for trading in secondary market.

2. What is the Syariah contract/ concept applicable?

- ✓ The main Syariah contract applied in this product is Murabahah (Murabahah to the Purchase Orderer “MPO”) i.e. a sale contract with a disclosure of the asset cost price and profit margin to the purchaser (i.e. the Customer). Under this contract, there is an order and promise (Wa`d) to purchase by the Customer prior to the seller (i.e. the Bank)’s acquisition of the goods.
- ✓ Other supporting Syariah contracts applicable are:
 - Wakalah - A contract where a party, as principal (muwakkil) authorises another party as his agent (wakil) to perform a particular task in matters that may be delegated, with or without imposition of a fee.
 - Wakalah bil Ujrah - A contract when a party, as principal (muwakkil) authorizes another party as his agent (wakil) to perform certain duties in a matter for which he is accountable, by charging a fee.
- ✓ The eligible assets are as per the Bank’s eligible assets under the product and/or those listed under respective financing program.
- ✓ The product structure for AB-i (Purchase) is as follows:

No	Decription
1	Bank appoints customer as Purchasing Agent
2	i.Customer purchased goods on behalf of the Bank ii.Supplier supplies goods
3	Customer informs the Bank that he has purchased the goods on behalf of the Bank
4	Bank sells goods to customer on deferred payment term
5	Bank pays price of goods to supplier
6	Customer settles the Bank’s sale price on maturity

3. What do I get from this product?

- ✓ This facility can assist to fund your business/ company’s working capital requirements by financing your goods purchase, with payment to be deferred to maturity date.

Total financing amount	Minimum: RM50,000.00 and in multiples of RM1,000.00 Maximum: Up to 100% of invoice value
Tenure	Minimum: 21 days Maximum: 365 days
Bank's financing rate	<p>AB-i Cost of Funds (COF) + spread (spread is subject to the Bank's approval).</p> <p>Bank Islam's current COF is at 2.60% p.a. (as at 2 August 2021) while spread is 1.5% (subject to the Bank's approval). Please contact our Contact Center at 03-26 900 900 for the latest COF.</p> <p>The financing rate based on daily rest will be quoted by the Bank on the intended day of utilization of the facility based on tenure requested by the customer.</p> <p>The facility profit rate comprising AB-i COF and spread will be fixed for the duration of financing tenure as requested by the customer.</p>

Formula to calculate Selling Price and Profit Margin as per below:

$$SP = FV \left[1 + \left(\frac{r \times t}{36500} \right) \right]$$

SP = Selling Price

FV = Financing value

r = Financing rate

t = Tenor of financing

Profit Margin = Selling price – Financing value

Illustration:

FV = RM100,000

r = 10%

t = 60 days

$$\begin{aligned}
 SP &= 100,000 \left[1 + \left(\frac{10 \times 60}{36500} \right) \right] \\
 &= \text{RM}101,643.84
 \end{aligned}$$

Profit Margin = RM101,643.84 - 100,000.00

$$= \text{RM}1,643.84$$

4. What are my obligations?

- ✓ You are required to pay the full value of the AB-i (Purchase) financing on due date.

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
- ✓ SWIFT/ Rentas Charges (if any)
- ✓ 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 the obligation in a timely manner, the following shall apply:
 - **Breach of Promise (Wa`d)**
Customer to compensate the Bank for any actual loss incurred by the Bank due to customer's breach of promise (Wa`d) and undertaking to purchase the goods from the Bank.
 - **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. 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.

8. Do I need a guarantor or collateral?

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

9. What are the major risks?

- ✓ There is no major risk since the facility is short term in nature and the rate is fixed for the whole tenure.

10. What do I need to do if there are changes to my contact detail?

- ✓ 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.

11. 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

Group Institutional Banking

Bank Islam Malaysia Berhad

27th Floor, 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

SME Banking

Bank Islam Malaysia Berhad

16th Floor, Menara Bank Islam

No 22, Jalan Perak,

50450 Kuala Lumpur

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

Email: sme-assist@bankislam.com

- ✓ If you wish to complaint 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: customercare@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: bnmteletelink@bnm.gov.my

12. 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
www.bankislam.com

13. 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 (Sales)
9. Bills of Exchange Purchase-i
10. Documentary Collection-i
11. Export Credit Refinancing-i



12. Standby Letter of Credit-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 COF shown in this Product Disclosure Sheet is subject to changes.
3. The information provided in this Product Disclosure Sheet is valid as at 18/10/2023.

Acknowledge Receipt by Customer

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Name:

I/C Number:

Date: