

## Product Disclosure Sheet – Trade Working Capital Financing-i (Sales)

### PRODUCT DISCLOSURE SHEET

Please read this Product Disclosure Sheet before you decide to accept the Trade Working Capital Financing-i (Sales) 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

**Trade Working Capital Financing-i (Sales) [TWCF-i Sales]**

<dd/mm/yy>

### 1. What is Trade Working Capital Financing-i (Sales) facility?

- ✓ Trade Working Capital Financing-i (Sales) facility is to finance the sale/ exportation of goods against domestic or international trade Letter of Credit-i or Outward Bills for Collection-i or on Open Account basis. It enables you to manage the cash flow for your credit terms sales.

### 2. What is the Syariah contract/ concept applicable?

- ✓ The Syariah contract used is Bai' Dayn (Debt Trading), a contract whereby it refers to the selling of your trade debts/ receivable arising from trade-related transactions. You will sell your trade debts/ receivable to the Bank for a discounted amount.
- ✓ Other supporting Shariah contract applicable is Ujrah - A fee or service charge.
- ✓ The product structure for TWCF-i (Sales) is as follows:

No	Description
1	Customer sell goods on credit terms (the debt)
2	Customer sell the debt to the Bank at discount
3	The Bank will credit to customer's account the discounted debt amount
4	The Bank receive payment to settle the amount due on maturity from customer's buyer via the customer.

### 3. What do I get from this product?

✓ Total financing amount	Up to 100% of invoice value
✓ Tenure (For credit term sales)	Minimum: 14 days Maximum: 180 days
✓ Bank's financing rate	Base Financing Rate (BFR) +/- spread  Bank Islam's current BFR is 5.47% p.a. (as at 1 December 2020) while spread is 1.5% (subject to the Bank's approval). For further informations, please visit <a href="http://www.bankislam.com">www.bankislam.com</a> or call us at 603- 26 900 900 for the latest BFR.  The financing rate based on daily rest will be quoted by the

	<p>Bank on the intended day of utilization of the facility based on tenure requested by the customer.</p> <p>The facility profit rate comprising BFR and spread will be fixed for the duration of financing tenure as requested by the customer.</p>
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Formula to calculate Discounted Price and Profit Margin as per below:

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

DP = Payment for the purchased (Discounted Price)

FV = Invoice value

r = Financing rate

t = Tenor of financing

***Profit Margin = Financing value – Discounted Price***

Illustration:

FV = RM100,000

r = 10%

t = 60 days

$$DP = 100,000 \left[ 1 - \left( \frac{10 \times 60}{36500} \right) \right]$$

= RM98,356.16

***Profit Margin = RM100,000.00 - 98,356.16***

= RM1,643.84

#### **4. What are my obligations?**

- ✓ Upon maturity of the facility, you shall settle the debt value to the Bank upon receiving payment from your Buyer.

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

- ✓ Stamp Duty [as per Stamp Duty Act 1949 (Revised 1989)]
- ✓ Fees and Commission
- ✓ SWIFT/ Rentas Charges
- ✓ Postage and Courier (if any)

**Note:** Please refer to our website at [www.bankislam.com](http://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?

- ✓ The Bank has the discretion to grant incentive to Customer in the form of deduction in payment in case of early settlement or early redemption of the financing.

## 8. Do I need any 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?

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

## 11. 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.

## 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**

13<sup>th</sup> 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**

27<sup>th</sup> 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**

29<sup>th</sup> 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.my](mailto: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**

17<sup>th</sup> 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](mailto: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: bnmtelink@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**

17<sup>th</sup> Floor, Menara Bank Islam,

No. 22, Jalan Perak,

50450 Kuala Lumpur.

Tel: 03-26 900 900

Email: [contactcenter@bankislam.com.my](mailto:contactcenter@bankislam.com.my)

Website: [www.bankislam.com](http://www.bankislam.com)

### 14. What are the other trade facility packages available?

1. Trade Tawarruq-i
2. Trade Working Capital Financing-i (Purchase)
3. Letter of Credit-i
4. Letter of Credit Transfer-i
5. Shipping Guarantee-i
6. Bank Guarantee-i
7. Accepted Bills-i (Purchase)
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 Base Financing Rate (BFR) 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: