

Dear Customer,

This Product Disclosure Sheet (PDS) provides you with key information on your trade facility. Other customers have read this PDS and found it helpful, you should read it too.

1 WHAT IS LETTER OF CREDIT TRANSFER-i (LCT-i)

LCT-i is a service that allows you as a 1st Beneficiary to transfer full or partial amount of a Letter of Credit (LC) to a 2nd beneficiary. It is governed under the Uniform Customs and Practice for Documentary Credit, ICC Publication No. 600 (UCP 600).

Should you need someone else to supply the goods required, you may ask for a transferable LC from the applicant. Upon receiving the Inward LC (ILC), the said ILC can be transferred to a 2nd Beneficiary in full or partial amount of the original ILC value. By doing so, you are still capable to meet the terms and conditions of the ILC, at the same time maintaining the relationship with the importer.

LCT-i enables you to control the trade transaction better and arrange similar terms in procuring the goods from the supplier/ manufacturer to be delivered to the buyer. It also allows you as the 1st Beneficiary to change the invoice and draft, if any, to meet the terms and conditions of the master LC to get payment.

The applicable Shariah concept is Wakalah Bil Ujah (Agency with Fee), a contract where you appoint Bank Islam to act as an agent to carry out specific/ certain task under a facility with a payment for service.

2 KNOW YOUR OBLIGATIONS

For this facility, as an illustration:

- LCT-i amount = RM100,000
- Tenure = 3 months (depending on the agreement between the Seller and the Buyer)
- Bank's effective commission rate = 0.1% of Inward Letter of Credit per month (Subject to minimum RM250)
- LCT-i commission = RM300

You have to pay the following fees and charges:

- I. Stamp duty: As per Stamp Duty Act 1949 [Revised 1989] (if applicable).
- II. Issuance Fee.
- III. SWIFT Charges.
- IV. Postage and Courier (if any).

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

It is your responsibility to:



Read and understand the **key terms** in the **contract** before you sign.



Pay our **transferring commission** and ensure that the terms and conditions of the **master LC-i** can be **complied** with before requesting it to be transferred.



Contact us immediately if you have difficulties in making settlement of the facility.

3 KNOW YOUR RISKS

What happens if you ignore your obligations:

- I. You **pay for all charges incurred by us** when the transferred letter of credit does not comply with the terms and conditions of the original letter of credit.
- II. You are **exposed to risk of delay in delivery of goods** as a result from non-compliance of presentation of the transferred letter of credit to the 2nd Beneficiary.

4 OTHER KEY TERMS

- To inform us of any change in your contact details.
- Takaful coverage is optional. However, you or your supplier is advised to subscribe to any appropriate Takaful protection.
- No guarantor or collateral is required for this facility.
- Agensi Kaunseling Dan Pengurusan Kredit has been established by Bank Negara Malaysia to provide free services on money management, credit counselling, financial education and debt restructuring for individual, sole proprietor and small and medium enterprise.

PRODUCT DISCLOSURE SHEET

If you have any questions or require assistance on our product, you can:



Call us at
+603-26 900 900



Visit us at
<https://www.bankislam.com>



Email us at
contactcentre@bankislam.com.my

Customer's Acknowledgment

(A customer's acknowledgement of this PDS shall not prejudice his/her rights to seek redress in the event of subsequent dispute over the product terms and conditions.)

Ensure you are filling this section yourself and are aware of what you are placing your signature for.

- ☐ I acknowledge that Bank Islam has provided me with a copy of the PDS.
- ☐ I have read and understood the key information contained in this PDS.

Name:
Date:

CONFIDENTIAL