

## 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]

<Date>

### 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 Shariah concept applicable?

- ✓ The Shariah concept 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.
- ✓ The product structure for TWCF-i (Sales) is as follows:

No	Description
1	You sell goods on credit terms
2	You sell debt to the Bank at discount
3	The Bank will credit to your account the discounted debt amount
4	Your buyer will settle amount due to you on maturity
5	You settle the amount on behalf of your buyer due to the Bank on maturity

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

✓ Total financing amount	Up to 100% of invoice value
✓ Tenure (For credit term sales)	Up to 365 days
✓ Bank's effective rate	Base Financing Rate (BFR) +/- spread

### 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.my](http://www.bankislam.com.my) 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) In the event of default of payment, 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 any credit balance in your deposit and/ or investment account which is maintained with the Bank against any overdue payment under this financing.
- c) Legal action will be taken if you fail to respond to the reminder notices. Any security pledged to the Bank (such as property, machinery, etc.) may be foreclosed/ repossessed and you are to bear all costs incurred in the disposal of the asset. You are also responsible to settle any shortfall after the asset is sold.
- d) Legal action against you may affect your credit rating leading to any future credit assessment being more difficult or expensive to you.
- e) Trigger of cross default of other facilities with the Bank or any other financial institutions.

- **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 the financing is fully settled 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?**

✓ No, you do not have to take up Takaful coverage for this financing.

#### **9. 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.

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

- ✓ It is important for you to immediately inform us 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 servicing the payments, you should contact us earliest possible to discuss the payment options. You may contact us 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/ 1347/ 1348

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

**Bank Islam Contact Center**

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)

- ✓ If the query or complaint is not satisfactorily resolved by us, 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](mailto:bnmtelelink@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:

**Bank Islam Contact Center**

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)

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

#### **13. Other trade facility packages available?**

- ✓ Bank Guarantee-i
- ✓ Letter of Credit-i
- ✓ Standby Letter of Credit-i
- ✓ Shipping Guarantee-i
- ✓ Trade Working Capital Financing-i (Purchase)

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

The information provided in this product disclosure sheet is valid as at June 2018.