

## Product Disclosure Sheet – Export Credit Refinancing-i

### PRODUCT DISCLOSURE SHEET

Please read this Product Disclosure Sheet before you decide to accept the Export Credit Refinancing-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

**Export Credit Refinancing-i (ECR-i)**

<dd/mm/yy>

### 1. What is Export Credit Refinancing-i facility?

Export Credit Refinancing-i (ECR-i) Facility is a facility offered:

- ✓ To facilitate the financing of the customer's purchases/ imports of raw materials/ finished goods/ payments of production costs pertaining to exports of eligible goods under EXIM Bank **ECR Pre-shipment Scheme**.
- ✓ To facilitate financing of the customer's exports of eligible goods to approved buyers/ importers under EXIM Bank **ECR Post-shipment Scheme**.

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

| Contract   | Description   | Applicability   |
|--|---|---|
| <b>Murabahah</b><br>(cost plus financing) contract | A contract of sale based on cost plus where the acquisition cost and the seller's profit margin are disclosed to the buyer at the time of the contract. The settlement of the price is normally made on deferred payment terms.   | <u>Pre-shipment ECR-i</u><br>Under the Murabahah, the Bank first appoints the customer as its purchasing agent, to buy the raw materials required in the production. Once the customer has purchased the goods on behalf of the Bank, the Bank then pay to the indirect supplier upon submission of invoice and resells the goods to the customer at a price inclusive profit margin. |
| <b>Bai'Dayn</b><br>(debt trading) contract         | It refers to the buying and selling of debt instrument e.g. certificates, securities, trade documents and papers in the secondary market that conform to the Shariah requirements. All these documents are essentially issued by debtors to creditors as evidence of indebtedness. The Bai' Dayn happens when the creditor sell the debt documents to third parties. Only documents evidencing real debts arising from 'bona fide' merchant transactions can be traded. | <u>Post-shipment ECR-i</u><br>Under this mechanism, the customer, as owner of the export bill e.g. the debt instrument, appoints the Bank as collecting agent to collect payment from the importer. Since payment is payable at a specific future date, the exporter sells the debt to the Bank for immediate funds.  |

- ✓ The eligible assets is as per the Bank's eligible assets under the product and/ or those listed under respective financing program.

### 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 purchased/ sales, with payment to be deferred to maturity date.

|                       |  |
|-----------------------|--|
| Total facility amount | Amount of financing approved is subject to limit imposed by EXIM Bank  |
| Margin of Financing   | Up to 100% of invoice value  |
| Tenure                | Pre-shipment – max 4 months (120 days)<br>Post-shipment – Sight 2 months (60 days) & usance 6 months + 3 days (183 days) |
| Bank's financing rate | The financing rate is determined by EXIM Bank from time to time. The Bank can add on a maximum margin of 1% to the rate. |

#### 4. What are my obligations?

- ✓ On the payment due date you will need to pay the Bank's sale price plus relevant fees and charges.

#### 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](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 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/ buyer is advised to subscribe to any appropriate Takaful protection.

## **8. Do I need a guarantor or collateral?**

- ✓ No. No guarantor or collateral is required for this facility.

## **9. What are the major risks?**

- ✓ If you fail to settle matured ECR-i, you are not allowed to further utilize the facility and the recovery process including legal process may be taken against you to recover the amount due. If you have problems meeting your payment obligations, contact us earlier to discuss payment alternatives.

## **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**

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

### **Corporate 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

**Commercial Banking**

**Bank Islam Malaysia Berhad**

23<sup>rd</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**

16<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)

- ✓ 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: [contactcenter@bankislam.com.my](mailto: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](http://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](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:

### **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)  
[www.bankislam.com](http://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 (Purchase)
9. Accepted Bills-i (Sales)
10. Bills of Exchange Purchase-i
11. Documentary Collection-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 information provided in this Product Disclosure Sheet is valid as at 08/09/2021.

Acknowledge Receipt by Customer

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Name:

I/C Number:

Date: