



Product Disclosure Sheet – Letter of Credit Transfer

PRODUCT DISCLOSURE SHEET

Please read this Product Disclosure Sheet to understand the features of Letter of Credit Transfer, before you decide to accept the Letter of Credit Transfer-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

Letter of Credit Transfer (LCT)

<dd/mm/yy>

1. What is Letter of Credit Transfer?

- ✓ Letter of Credit Transfer (LCT) is a service that allows you (1st Beneficiary) to transfer in full or partial amount of the letter of credit to another beneficiary (2nd Beneficiary).
- ✓ Should you need someone else to supply the goods required, you may ask for a transferable Letter of Credit (LC) from the applicant. Upon receiving the Inward Letter of Credit (ILC), the said ILC can be transferred to another beneficiary either for 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 and, at the same time maintain the relationship with the importer.

2. What is the Shariah contract/ concept applicable?

- ✓ The Shariah contract applicable to Letter of Credit Transfer (LCT) is Wakalah bil ujah. A contract of appointment of an agent whereby a person appoints another to act on his behalf with a payment for service.
- ✓ The product structure for LCT is as follows:

No	Description
1	The importer/applicant comes into an agreement with 1 st Beneficiary while 1 st Beneficiary comes into an agreement with 2 nd Beneficiary on the sales contract of the transactions.
2	The importer then applies LC through their banker (Issuing Bank must be Bank Islam Agent/ Correspondent Bank)
3	Bank Islam acts as 1 st Advising Bank receives the ILC from Issuing Bank.
4	Bank Islam then advises the ILC to the exporter.
5	Exporter/ 1 st Beneficiary request that the LC be transferred to 2 nd Beneficiary.
6	Transferring Bank (Bank Islam) issues LCT and advises to 2 nd Advising Bank (2 nd Beneficiary's Banker) and collect charges from the 1 st Beneficiary (unless otherwise specified).
7	Advising Bank advises the LCT to 2 nd Beneficiary.

3. What do I get from this product?

- ✓ Enable you (Trader) to control the trade transaction better and arrange similar terms in procuring the goods from the supplier/manufacturer to be delivered to the buyer.
- ✓ Allow you as the first beneficiary to change the invoice and draft if any, to meet the terms and conditions of the master LC to get payment.

4. What are my obligations?

- ✓ You are required to ensure that the terms and conditions of the master letter of credit can be complied with before request it to be transferred.
- ✓ You are required to pay our transferring commission.

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

- ✓ Stamp Duty [as per Stamp Duty Act 1949 (Revised 1989)] (if applicable)
- ✓ Issuance Fee
- ✓ SWIFT Charges
- ✓ 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?

- ✓ You are required to 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.

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?

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

9. What are the major risks?

- ✓ 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.

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

Corporate 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

Commercial Banking

Bank Islam Malaysia Berhad

23rd 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)
Tel: (to be filled by our RM's)
Fax: 03-2726 7818
Email: sme-assist@bankislam.com.my

- ✓ 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

- ✓ 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

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. 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 information provided in this Product Disclosure Sheet is valid as at 08/09/2021.

Acknowledge Receipt by Customer

.....

Name:

I/C Number:

Date: