



Product Disclosure Sheet – Accepted Bills-i (Sales)

PRODUCT DISCLOSURE SHEET

Please read this Product Disclosure Sheet before you decide to accept the Accepted Bills-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

Accepted Bills-i (AB-i) (Sales)

<dd/mm/yy>

1. What is Accepted Bills-i (Sales)?

- ✓ AB-i is negotiable bill of exchange drawn by a bank in Malaysia for financing Shariah Compliant exports, imports and domestic trade sales and purchases. AB-i is governed by the Accepted Bills-i Guidelines issued by Bank Negara Malaysia (AB-i Guidelines).
- ✓ Accepted Bills-i (Sales) is a financing facility granted to finance the sales or export of goods on credit terms that include raw materials, semi-finished and finished goods. It is a short term financing facility whereby the Bank purchases the debt which is securitized in form of Accepted Bills.
- ✓ AB-i is restricted to MYR financing only as per the AB-i Guidelines.
- ✓ AB-i can be securitized by the Bank for trading in secondary market.

2. What is the Syariah contract/ concept applicable?

- ✓ The Syariah contract used is Bai' Dayn (Debt Trading), a contract of 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 Syariah contract applicable is Ujrah - A fee or service charge.
- ✓ The eligible assets is as per the Bank's eligible assets under the product and/or those listed under respective financing program.
- ✓ The product structure for AB-i (Sales) is as follows:

No	Description
1	Customer supplies goods to buyer on credit
2	Customer sells the debt to the Bank
3	Bank credits the discounted debt amount to customer's account
4	Buyer settles amount due to the Bank's customer on maturity
5	Customer settles amount due to the Bank on maturity

3. What do I get from this product?

- | | |
|----------------------------------|---|
| ✓ Total financing amount | Minimum - RM50,000.00 and in multiples of RM1,000.00
Maximum - Up to 100% of invoice value |
| ✓ Tenure (For credit term sales) | Minimum - 21 days
Maximum - Up to 365 days |

✓ Bank's financing rate

AB-i Cost of Funds + spread (spread is subject to the Bank's approval)

Bank Islam's current COF is 2.60% p.a. (as at 2 August 2021) while spread is 1.5% (subject to the Bank's approval). Please contact our Contact Center at 03-26 900 900 for the latest COF.

The financing rate based on daily rest will be quoted by the Bank on the intended day of utilization of the facility based on tenure requested by the customer.

The facility profit rate comprising AB-i COF and spread will be fixed for the duration of financing tenure as requested by the customer.

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 (if any)
- ✓ Postage and Courier (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?

- ✓ 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 respond 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 any Takaful coverage?

- ✓ It is optional, however you or your buyer is advised to subscribe to any appropriate Takaful protection.

8. Do I need a guarantor or collateral?

- ✓ If you do not meet the minimum credit requirement, the Bank may require guarantor(s) or collateral in order for you to proceed with the submission.

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 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: (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

- ✓ 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: 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

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. Letter of Credit Transfer-i
6. Shipping Guarantee-i
7. Bank Guarantee-i
8. Accepted Bills-i (Purchase)
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 29/12/2021.
3. The COF shown in this Product Disclosure Sheet is subject to changes.

Acknowledge Receipt by Customer

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Name:

I/C Number:

Date: