

## Product Disclosure Sheet - Ijarah Thumma Bai-i (AITAB-i)

### PRODUCT DISCLOSURE SHEET (PDS)

Please read this Product Disclosure Sheet before you apply and decide to accept the Ijarah Thumma Bai-i (AITAB-i). Be sure also to read the terms and conditions in the Letter of Offer. Seek clarification from the Bank if you do not understand any part of this document or the general terms.

Bank Islam Malaysia Berhad [Registration No. 198301002944 (98127-X)]

Ijarah Thumma Bai-i (AITAB-i)

<DATE>

### 1. What is AITAB-i facility?

- ✓ AITAB-i is a hire purchase facility which allows the Customer to hire an asset and subsequently purchase the asset from the Bank at the end of lease tenure. This product is offered to a customer at fixed rate. The rental payment is fixed throughout the tenure.

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

- ✓ The applicable Shariah contract is Ijarah Thumma Bai (AITAB-i). AITAB-i refers to Ijarah (rental) contract which is followed by a Bai' (sale) contract. Under the leasing contract, the customer leases the asset from the Bank at an agreed rental payment over a specific period. Upon expiry of the leasing period, the customer enters into a contract to purchase the asset from the Bank at an agreed price.
- ✓ The product structure for AITAB-i is as follows:

No	Description
1	Customer approaches the seller / vendor and identifies the asset customer wishes to buy. Customer requests the seller / vendor to provide a price quotation and other relevant details.
2	Customer approaches the Bank for financing and both agrees on AITAB-i financing. Customer promises (Wa`d) to lease the asset for an agreed period and rental from the Bank. Customer also promises to purchase the asset at the end of Ijarah tenure.
3	Bank purchases the asset from the seller based on the asset details provided by the customer by cash. Ownership of the asset is transferred to the Bank.
4	Bank leases the asset to the customer. The Customer pays the rental based on the agreed term.
5	Once the Ijarah period expires or in the event of early settlement, the Bank and customer execute sale and purchase agreement. Ownership of the asset transfers to the customer.

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

- ✓ The Customer will obtain financing amount required payable within the tenure as approved by the Bank.

Tenure

Minimum : 2 years  
Maximum : 7 years

Financing Amount

Minimum : RM50,000  
Maximum : Subject to Bank's approval

The sample calculation is illustrated below:

<b>Example</b>		
Margin of Financing	:	100%
Facility Amount	:	RM50,000

Rental Rate	:	Fixed Rate 2.5% per annum
	:	Variable* Rate 2.5% +/- BFR/ COF
Tenure	:	7 years
Monthly Rental	:	RM567.13
Total Rental	:	RM61,250.00

\*Note : For variable rate financing, monthly installment and total amount payable may vary if BFR/ COF changes.

**Note:** The above example is only for illustration purpose and may not show the actual financing obligation of each AITAB-i.

#### 4. What are my obligations?

✓ The Customer is obliged:

i. To pay the rental (monthly) as approved by the Bank. Example (example : based on question 3 above)

Your monthly rental is RM567.13

- Total rental amount at the end of 7 years is RM61,250.00
- Total profit at the end of 7 years is RM11,250.00

The monthly payment is calculated in accordance to the formula below :

Fixed rate:

$$((P \times R \times T) + P) / t,$$

Where:

P = Financing Amount Approved

R = Profit rate per annum

T = Tenure of facility in years

t = Tenure of facility in months

Note : For variable rate financing, monthly installment and total amount payable may vary if BFR/ COF changes.

ii. To purchase the asset at the end of tenure as well as in cases of default and early settlement from the Bank.

**Note:** The Sale Price will be calculated by the Bank based on the trigger event i.e. Maturity, Early Settlement, or Event of Default.

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

- ✓ Stamp Duty (as per Stamp Duty Act 1949 (Revised 1989)).
- ✓ Legal fee & disbursement Including solicitors fee for preparing financing documentation, registration of charge, land search and bankruptcy search (where applicable).
- ✓ Cancellation of the facility - you are to pay the Bank all costs (if any) for the preparation and registration of security documents that has been incurred by the Bank in connection with the facility including all expenses incurred during the claim process.

## 6. What if I fail to fulfill my obligations?

✓ Should you fail to fulfill your obligation in a timely manner, the following shall apply:-

- **Breach of Wa`d**

Customer needs to compensate the Bank for any actual loss incurred by the Bank due to customer's breach of promise (Wa`d) to purchase asset 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 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:-

- 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 (IIMM) on outstanding balance i.e. outstanding balance less Ibra' (if any).
- b. 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 I fully settle the financing before its maturity?

✓ Rebate (Ibra') will be given to you on early settlement or early redemption of the facility.

✓ Rebate (Ibra') Formula

$Ibra' / \text{Rebate on early settlement} = \text{Deferred Profit}$

Note:

i.  $\text{Deferred Profit} = \text{Total Contracted Profit} - \text{Accrued Profit}$

ii.  $\text{Total Contracted Profit} = \text{Sale Price} - \text{Purchase Price (or Financing Amount)}$

iii. Accrued Profit is calculated based on Effective Profit Rate of the outstanding Purchase Price (or Financing Amount) being disbursed (or utilized)

The Bank does not impose a lock-in period for this facility and there is no fee imposed for early settlement before maturity.

**8. Do I need to take up Takaful coverage?**

- ✓ Yes, you are required to obtain Takaful coverage from our panel Takaful providers or other Takaful companies as approved by the Bank (where applicable).

**9. Do I need a guarantor or collateral?**

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

**10. What are the major risks?**

- ✓ No major risk involved. The rental rate remains fixed for the entire financing tenure.

**11. 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.

**12. 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:

**Corporate Banking**

**Bank Islam Malaysia Berhad**

23<sup>th</sup> Floor, Menara Bank Islam

No 27, 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**

16th Floor, Menara Bank Islam

No 22, Jalan Perak,

50450 Kuala Lumpur

Relationship Manager: *(to be filled by our RM's)*

Email: [sme-assist@bankislam.com.my](mailto: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**

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)

- ✓ 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: <https://www.akpk.org.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)

**13. 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**

**Bank Islam Malaysia Berhad**

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)

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

**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 from 06 September 2021.

**Acknowledge Receipt by Customer**

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Name:

I/C Number:

Date: