

## Product Disclosure Sheet – Shipping Guarantee-i

<p><b>PRODUCT DISCLOSURE SHEET</b></p> <p>Please read this Product Disclosure Sheet before you decide to accept the Shipping Guarantee-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.</p>	<p>Bank Islam Malaysia Berhad</p> <p>Shipping Guarantee-i (SG-i)</p> <p style="background-color: yellow;">&lt;DD/MM/YY&gt;</p>																		
<p><b>1. What is Shipping Guarantee-i facility?</b></p>																			
<ul style="list-style-type: none"> <li>✓ SG-i is a facility where the Bank indemnifies and guarantees the shipping company for the release of goods to the Buyer/ Importer without the presentation of the original Bill of Lading. It can be defined as a surety provided by a party to the Owner of the goods, who had placed or deposited his goods with the shipping company, whereby any subsequent claim by the Owner for his goods must be met by the Guarantor.</li>   <li>✓ This product is offered to you if you have the Letter of Credit-i facility with Bank Islam. Kindly refer to the PDS on Letter of Credit-i for information on the product.</li> </ul>																			
<p><b>2. What is the Syariah contract/ concept applicable?</b></p>																			
<ul style="list-style-type: none"> <li>✓ The Syariah concept used is Kafalah (Guarantee) with Ujrah (Fee), a contract where the Bank (Guarantor) guarantees any claim, debt or obligation that should be fulfilled by a Debtor, Supplier or Contractor. In the event that the Debtor, Supplier or Contractor fails to fulfill his obligations, the Guarantor is responsible to fulfill such obligations. The Bank will charge a fee for the issuance of SG-i.</li>   <li>✓ The product structure for SG-i is as follows:</li> </ul>																			
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr style="background-color: #cccccc;"> <th style="width: 10%; text-align: center;">No</th> <th style="text-align: center;">Description</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">1</td> <td>The buyer/ importer applies for a SG-i from the Bank. The buyer/ importer has to comply with the necessary Bank's procedure.</td> </tr> <tr> <td style="text-align: center;">2</td> <td>The Bank issues SG-i in favour of buyer.</td> </tr> <tr> <td style="text-align: center;">3</td> <td>The buyer/ importer presents the SG-i to the Shipping Company/agent and takes delivery of the intended goods.</td> </tr> <tr> <td style="text-align: center;">4</td> <td>The exporter's bank delivers the original negotiable Bills of Lading together with the other relevant documents to the Bank.</td> </tr> <tr> <td style="text-align: center;">5</td> <td>The Bank then presents the following documents to the buyer/ importer: Original negotiable Bills of Lading together with other relevant documents duly endorsed by the Bank with "Redemption of Shipping Guarantee No..... for Bank Islam Malaysia Berhad". Advice Letter addressed to the Shipping Company (requesting them to return the original SG-i for cancellation).</td> </tr> <tr> <td style="text-align: center;">6</td> <td>The buyer/ importer then presents the duly endorsed Bill of Lading and Advice Letter to the Shipping Company for the exchange with the original SG-i.</td> </tr> <tr> <td style="text-align: center;">7</td> <td>a) The Shipping Company/ agent returns the SG-i or Letter of Discharge to the buyer/ importer; or b) Sends the Discharge Letter directly to the Bank for cancellation.</td> </tr> <tr> <td style="text-align: center;">8</td> <td>The buyer/ importer then presents/ returns the SG-i; or Letter of Discharge to the Bank for cancellation (only applicable under condition 7a).</td> </tr> </tbody> </table>		No	Description	1	The buyer/ importer applies for a SG-i from the Bank. The buyer/ importer has to comply with the necessary Bank's procedure.	2	The Bank issues SG-i in favour of buyer.	3	The buyer/ importer presents the SG-i to the Shipping Company/agent and takes delivery of the intended goods.	4	The exporter's bank delivers the original negotiable Bills of Lading together with the other relevant documents to the Bank.	5	The Bank then presents the following documents to the buyer/ importer: Original negotiable Bills of Lading together with other relevant documents duly endorsed by the Bank with "Redemption of Shipping Guarantee No..... for Bank Islam Malaysia Berhad". Advice Letter addressed to the Shipping Company (requesting them to return the original SG-i for cancellation).	6	The buyer/ importer then presents the duly endorsed Bill of Lading and Advice Letter to the Shipping Company for the exchange with the original SG-i.	7	a) The Shipping Company/ agent returns the SG-i or Letter of Discharge to the buyer/ importer; or b) Sends the Discharge Letter directly to the Bank for cancellation.	8	The buyer/ importer then presents/ returns the SG-i; or Letter of Discharge to the Bank for cancellation (only applicable under condition 7a).
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<p><b>3. What do I get from this product?</b></p>																			

✓ Total amount guaranteed	Up to 100% of the amount claimed by the shipping company
✓ Tenure	No tenure involved
✓ Bank's effective commission rate	<ul style="list-style-type: none"> <li>• 0.1% flat on the amount of the invoice or min of RM100.00 (for LC) and Min RM200.00 (for non-LC)</li> <li>• 0.5% per annum on the amount of the invoice if the SG-i/ Letter of Discharge is not returned within 3 months from the date of issue with minimum of RM50.00</li> </ul>
<b>4. What are my obligations?</b>	
✓ Upon arrival of original Bill of Lading, you need to return the SG-i / Letter of Discharge for redemption within 3 months from the date of issuance of the SG-i.	
<b>5. What are the fees and charges that I have to pay?</b>	
<ul style="list-style-type: none"> <li>✓ Stamp Duty [as per Stamp Duty Act 1949 (Revised 1989)]</li> <li>✓ Fees and Commission</li> <li>✓ Postage and Courier (if any)</li> </ul>	
<b>Note:</b> Please refer to our website at <a href="http://www.bankislam.com">www.bankislam.com</a> for further details on fees and charges.	
<b>6. What if I fail to fulfill my obligations?</b>	
<ul style="list-style-type: none"> <li>✓ Should you fail to fulfill your obligation in a timely manner, the following shall apply: <ul style="list-style-type: none"> <li>• <b>Event of Default</b> <ol style="list-style-type: none"> <li>a) The Bank may by written notice to you, demand for immediate payment of amount overdue from you and/ or the guarantor;</li> <li>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;</li> <li>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</li> <li>d) Cross default of other facilities with the Bank may be triggered.</li> </ol> </li> <li>• <b>Late Payment</b> The Bank shall impose Ta'widh (compensation) against you as follows (where applicable): <ol style="list-style-type: none"> <li>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.</li> <li>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).</li> <li>c) Post judgment debt.</li> </ol> </li> </ul> </li> </ul>	

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?**

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

**8. 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.

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

- ✓ Upon issuance of the SG-i, you are liable to honor the payment even if the document received contain discrepancies.

**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

**Group Institutional 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

**SME Banking**

**Bank Islam Malaysia Berhad**

29<sup>th</sup> 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 complain 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: [customercare@bankislam.com.my](mailto:customercare@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)

Website: [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. 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 18/10/2023.

Acknowledge Receipt by Customer

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Name:

I/C Number:

Date: