

PRODUCT DISCLOSURE SHEET

Read this Product Disclosure Sheet before you decide to take out the **Murabahah Letter of Credit-i**. Be sure to also read the general terms and conditions in the Letter of Offer. Seek clarification from **MBSB Bank** if you do not understand any part of this document or the general terms

MBSB BANK BERHAD

MURABAHAH LETTER OF CREDIT-i

DATE:

1. What is this product about?

- i. LC-i is a written undertaking also known as a Documentary Credit to facilitate trade transactions. It constitutes an irrevocable and definite undertaking of the issuing Bank to honor a complying presentation depending on instructions given by the LC applicant.
- ii. The goods/merchandise purchased will be sold to customer at a marked up price for a deferred payment.

2. What is the Shariah concept applicable?

The Shariah concept used is Murabahah whereby it refers to the sale of good at a price, which includes cost-plus profit as agreed by both seller and the buyer. This is a contract where the merchandise is delivered immediately and the price is paid in lump sum at a later date.

3. What are the minimum documents required?

- i. Completed and signed Documentary Credit Application Form
- ii. Signed Letter of Hypothecation
- iii. Signed Documentary Credit Murabahah Contract Note
- iv. Signed Bill of Exchange or Signed Accepted Bills-i Draft
- v. Sale Offer
- vi. Acceptance of Sale Offer.

4. How does this product operate?

1.	The Bank issue MLC-i upon application by the Applicant/Buyer to the Beneficiary/ Seller.
2.	Upon complied presentation for payment against the MLC-i by the Beneficiary/ Seller, the bank will undertake to pay in accordance to the terms and conditions of the MLC-i.
3.	The Bank later will sell the goods to the Applicant/Buyer on a deferred payment term.
4.	Payment to the beneficiary/seller based on documents and not on goods or services to which it may refer.
5.	MLC-i is governed by the current Uniform Customs and Practice for Documentary Credits (UCP) published by International Chamber of Commerce.

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

	IMPORT LC (Outward LC)		EXPORT LC (Inward LC)
Issuance	0.1% per month OR. Minimum – RM300 **	Credit Advising	Minimum - RM30 *
Amendment	0.1% per month OR. Minimum – RM150 **	Transfer	Minimum - RM500 *
Cancellation	Flat rate – RM100 **	Confirmation	Minimum - RM150 *

** Postage charges of RM60

* Postage charges of RM15

6. What do I need to do if there are changes to my contact details?

It is important that you inform us of any changes in your contact details to ensure that all correspondences reach you in a timely manner. To update your contact details, you may inform us in writing or reach us via one of the following channels:

1. Please visit your Home Branch.
2. Please call our Call Centre at 03-2096 3000

7. Where can I get assistance and redress?

Should you encounter any difficulties in meeting your obligations, please contact your dedicated Relationship Manager in advance to discuss other payment alternatives. This is to avoid any legal action against you in the event you are unable to pay your bill(s).

If you wish to complain on the products or services provided by us, you may contact us at:

Customer Relationship Management

7th Floor, Wisma MBSB,
48, Jalan Dungun, Damansara Heights,
50490 Kuala Lumpur
Phone : 03 - 2096 3000
email: enquiry@mbsbbank.com

If your query or complaint is not satisfactorily resolved by us, you may contact

Bank Negara Malaysia LINK or TELELINK

Block D, Bank Negara Malaysia
Jalan Dato' Onn
50480 Kuala Lumpur
Tel No: 1-300-88-5465
Fax: +603-21741515
E-mail: bnmtelelink@bnm.gov.my

8. Where can I get further information?

Should you require additional information on the product, please visit our website at www.mbsbbank.com or alternatively call your respective Relationship Manager.

9. Other trade services available

- i. Trust Receipt-i
- ii. Bank Guarantee-i
- iii. Wakalah Letter of Credit-i
- iv. Tawarruq Working Capital Financing-i

IMPORTANT NOTE :

LEGAL ACTION MAY BE TAKEN AGAINST YOU IF YOU FAIL TO SERVICE YOUR PAYMENTS OF THIS FACILITY ON A REGULAR BASIS

The information provided in this disclosure sheet is valid as at :