

## PRODUCT DISCLOSURE SHEET

## WAKALAH LETTER OF CREDIT-i

Read this Product Disclosure Sheet before you decide to take up this product. Be sure to also read the terms in the letter of offer. Seek clarification from the Bank if you do not understand any part of this document or the general terms stated herein.

Date: \_\_\_\_\_

### 1. What is this product about?

- 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 honour a complying presentation depending on instructions given by the LC applicant.
- It is issued to the beneficiary (seller) at the request by the applicant (buyer) and to pay at sight or at a determinable future date, up to a stated sum of money within a prescribed time limit and against stipulated documents presented in compliance with the terms and conditions of the LC-i.
- It is governed by International Chamber of Commerce (ICC) under Uniform Custom and Practice for Documentary Credits (UCP).

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

The Shariah concept used is Wakalah whereby the Bank is appointed as an agent and to act on the customer's behalf.

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

You will be provided a facility with the following key features:

Total facility amount	Up to 100% of sales contract / proforma invoice value
Tenure	Depending on the agreement between the Buyer and the Seller
Bank's effective commission rate	0.1% per month or part thereof of LC-i value or as per Letter of Offer with minimum RM50

### 4. What are my financial obligations?

Before issuance of LC-i, you are obliged to deposit the LC-i amount stated in the documents if you opt for Letter of Credit-i (Wakalah).

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

The fees and charges for this product are as follows:

Import LC-i (Outward LC-i)	
Issuance	0.1% per month or part thereof of LC-i value or as per Letter of Offer with minimum RM50
Amendment	0.1% per month or part thereof of LC-i value or as per Letter of Offer with minimum RM50
Cancellation	Flat RM50
Export LC-i (Inward LC-i)	
Credit Advising	Flat RM30
Transfer	Minimum RM500
Confirmation	Minimum RM150

Note: Courier/Postage/Delivery charges depending on destination

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

- The Bank may impose and demand from you late payment compensation by way of Ta'widh (compensation charges) for the following:

- Default payment(s) during facility tenure:  
1% p.a. on overdue amount;
- Default payment of any sum agreed to be paid for recalled/terminated cases:  
1% p.a. on the outstanding balance (outstanding principal plus accrued profit);
- Default payment of any outstanding balance after maturity of the facility:  
Bank Negara Malaysia ("BNM") Islamic Interbank Money Market ("IIMM") rate on the outstanding balance (outstanding principal plus accrued profit);
- Default payment of any outstanding balance after judgment:  
BNM IIMM rate on the basic judgment sum (excluding legal costs and late payment charges).

Note: i. Compensation charges will not be compounded;  
ii. Compensation charges methodology and rates are subject to changes as may be prescribed by BNM;  
iii. Compensation charges are computed on daily basis from the payment due date/ termination date/ maturity date/ judgment date.

- The Bank may set-off any credit balance in your account maintained with the Bank against any outstanding balance in this financing account by giving you at least seven (7) days' prior written notice (which also includes via electronic means).
- The Bank may take legal action against you and all costs incurred will be borne by you. This legal action will have an effect on your credit rating and may lead to difficulties in your future financing applications.

### 7. What are the minimum documents required?

- Completed and signed Documentary Credit Application form.
- Proforma Invoice and/or Purchase Order.
- Takaful Certificate / Insurance / Policy (where applicable).

### 8. What are the major risks inherent to this product?

There is no major risk since the facility is short term in nature and the rate is fixed for the whole tenure.

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

- It is important that you inform us of any change in your contact details to ensure that all correspondence reaches you in a timely manner.
- Please contact 03-2096 3000 or visit the Bank's nearest branch to update your contact details.

**10. Where can I get assistance and redress?**

- If you have difficulties in making payments, you should contact us as soon as possible to discuss alternative payment arrangements. You may contact us at:  
**Collection & Recovery Department**  
**Ground Floor, Menara MBSB,**  
**46, Jalan Dungun,**  
**Damansara Heights,**  
**50490 Kuala Lumpur.**  
**Phone : 03-2096 3000**  
**Fax : 03-2092 1035**
- Alternatively, you may seek the service of Agensi Kaunseling dan Pengurusan Kredit ("AKPK"), an agency established by Bank Negara Malaysia to provide free services on money management, credit counselling and debt restructuring for individuals. You can contact AKPK at:  
**Agensi Kaunseling dan Pengurusan Kredit (AKPK)**  
**Tingkat 8, Maju Junction Mall,**  
**1001, Jalan Sultan Ismail,**  
**50250 Kuala Lumpur**  
**Phone : 1800-88-2575**  
**E-mail : [enquiry@akpk.org.my](mailto:enquiry@akpk.org.my)**
- If you wish to complain on the products or services provided by us, you may contact us at:  
**Customer Experience Management**  
**25th Floor, MBSB Bank Tower**  
**Jalan Persiaran Barat, Section 52**  
**46200 Petaling Jaya, Selangor**  
**Phone : 03-2096 3000**  
**E-mail : [complaint@mbsbbank.com](mailto:complaint@mbsbbank.com)/  
[enquiry@mbsbbank.com](mailto: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.**  
**Phone : 1-300-88-5465**  
**Fax : +603-2174 1515**  
**E-mail : [bnmtelelink@bnm.gov.my](mailto:bnmtelelink@bnm.gov.my)**

**11. Where can I get further information?**

- Should you require additional information on the product, please visit our website at [www.mbsbbank.com](http://www.mbsbbank.com) or alternatively call your respective Relationship Manager.

**12. Other facilities available?**

- Bank Guarantee-i
- Shipping Guarantee-i
- Murabahah Working Capital Financing-i
- 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

**Disclaimer:**

The terms and conditions indicated in this Product Disclosure Sheet are tentative/indicative and not binding on the Bank. The final terms and conditions are as stipulated in the letter of offer and Facility Agreement after credit assessment and financing approval.