

TRADE FINANCE PRODUCTS

Product Disclosure Sheet – Murabahah Letter of Credit (Murabahah LC-i)

Date :

Please read this product disclosure sheet before you decide to accept the Murabahah Letter of Credit-i. Be sure to read the terms and conditions in the letter of offer and/or the financing agreement. Seek clarification from the Bank if you do not understand any part of this document or the general terms.

1. What is Murabahah LC-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 honour a complying presentation depending on instructions given by the LC applicant.
- The goods/merchandise purchased will be sold to customer at a marked up price for a deferred payment.

2. How does this product operate?

- The Bank issue MLC-i upon application by the Applicant/Buyer to the Beneficiary/ Seller.
- 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.
- The Bank later will sell the goods to the Applicant/Buyer on a deferred payment term.
- Payment to the beneficiary/seller based on documents and not on goods or services to which it may refer.
- MLC-i is governed by the current Uniform Customs and Practice for Documentary Credits (UCP) published by International Chamber of Commerce.

3. What is the Shariah concept and contract 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.

4. 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

5. What are the minimal documents required?

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

6. What is Government's Goods & Service Tax (GST)?

- The Government's Goods & Services Tax (GST) is chargeable on all deemed Taxable Supply (if any) under the Goods & Services Tax (GST) 2014, pursuant to the delivery of the Bank's Products & Services. The GST is exclusive of the value of the deemed Taxable Supply, chargeable at the prescribed rate.

7. What do I need to do if there are changes to my contact detail?

- It is important that customer informs the Bank officially of any changes in customer's contact details to ensure that all correspondences reaches customer in a timely manner. Please contact us at 03-20791000 or visit us at any of our branches for further clarification.

8. Where can I get assistance and redress?

<p>If customer have any queries or require additional information about the product, please contact or email us at:</p>	<p>Contact /email us at :- Asian Finance Bank Berhad Level 2, Podium Block, Kenanga International Jalan Sultan Ismail 50250 Kuala Lumpur Tel : 03-20791000 Fax : 03-20791160 E-mail: feedback@asianfinancebank.com Website : www.asianfinancebank.com</p>	<p>Complaint can be sent to:- ecomplaint@asianfinancebank.com. Or BNM Link / TELELINK Block D, Bank Negara Malaysia Jalan Dato' Onn 50480 Kuala Lumpur Tel : 1-300-88-5465 Fax : 03-21741515 Email : bnmtelelink@bnm.gov.my</p>
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The information stated in the product disclosure sheet is valid as at March 2015