

TRADE FINANCE PRODUCTS

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

Date :

Please read this product disclosure sheet before you decide to accept the Wakalah 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 Wakalah 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.
- 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 govern by International Chamber of Commerce (ICC) under Uniform Custom and Practice for Documentary Credits (UCP)

2. How does this product operate?

- This is a written undertaking by the Bank at customer request as a Buyer/Applicant to pay the Seller/ Beneficiary upon complied presentation against the LC.
- Payment is based on documents and not on goods or services to which it may refer.
- Issued against 100% cash margin for LC-i dominated in Ringgit Malaysia and 110% for foreign currency LC-i

3. What is the Shariah concept and contract applicable?

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

4. Legal documentations

- Facility agreement together with the transaction documents and other existing legal requirements are to be completed, where applicable as advised by the Bank's solicitors.

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 are the minimal documents required?

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

7. 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.

8. 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.

9. 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