

PRODUCT DISCLOSURE SHEET

Please read this Product Disclosure Sheet before you decide to take the Maybank Islamic INVOICE FINANCING-i (IF-i). Be sure to also read the general terms and conditions.

Product Name:
INVOICE FINANCING-i (IF-i)

Date:

[The date issued to customer to be filled in by Sales Personnel]

1. WHAT IS THIS PRODUCT ABOUT?

INVOICE FINANCING-i ("IF-i") IS A SHORT TERM FINANCING FACILITY FOR COMMERCIAL AND SMALL & MEDIUM ENTERPRISE (SME) CUSTOMERS.

THE FACILITY IS FOR A FINANCING OF IMPORT AND EXPORT GOODS THAT ARE PERMISSIBLE BY SHARIAH. IF -I FALLS UNDER OPEN ACCOUNT BASIS WHICH IS ONE OF THE PAYMENT/SETTLEMENT METHODS OTHER THAN DOCUMENTARY CREDIT AND DOCUMENTARY COLLECTION.

2. WHAT IS THE SHARIAH CONTRACT APPLICABLE?

THE SHARIAH CONTRACT APPLIED IS MURABAHAH (COST PLUS SALE) VIA COMMODITY MURABAHAH/TAWARRUQ ARRANGEMENT. IT IS A METHOD OF SALE WITH A MARK-UP PRICE WHERE CUSTOMER PAYS A PRICE OVER AN AGREED PERIOD OF TIME. THE UNDERLYING ASSET FOR THE SALE TRANSACTION BETWEEN THE CUSTOMER AND THE BANK WILL BE A SPECIFIC TRADABLE SHARIAH COMPLIANT COMMODITY.

THE FOLLOWING IS THE PROCEDURE TO EMPLACE THE FACILITY LIMIT TO A CUSTOMER:-

- i. IN ACCORDANCE TO FINANCING UNDER THE COMMODITY MURABAHAH, THE BANK ACQUIRES A SPECIFIC SHARIAH COMPLIANT COMMODITY FROM A THIRD PARTY (COMMODITY TRADER 1).
- ii. THE BANK THEN SELLS THE SAID COMMODITY TO THE CUSTOMER AT THE BANK'S SALE PRICE WHICH COMPRISED OF THE FACILITY AMOUNT PLUS PROFIT MARGIN TO BE PAID ON DEFERRED PAYMENT BASIS WITHIN THE AGREED TENURE.
- iii. THE CUSTOMER THEN APPOINTS THE BANK AS ITS AGENT TO PERFORM THE COMMODITY SALE TRANSACTION TO A THIRD PARTY FOR CASH.
- iv. THE BANK, ACTING AS AGENT TO THE CUSTOMER THEN SELLS THE COMMODITY TO A THIRD PARTY (COMMODITY TRADER 2) AT A PRICE EQUIVALENT TO THE FACILITY AMOUNT OR LIMIT.
- v. PROCEEDS OF SALE OF THE COMMODITY WILL BE REMITTED TO THE CUSTOMER THROUGH EMPLACEMENT OF THE FACILITY LIMIT FOR UTILIZATION BY CUSTOMER.

FOR COMMODITY MURABAHAH TRADING PURPOSES, THE BANK SHALL AT ALL TIMES BE YOUR NON-EXCLUSIVE AGENT TO UNDERTAKE THE REQUIRED COMMODITY MUDARABAH TRANSACTIONS RELATED TO THE FACILITY.

3. WHAT DO I GET FROM THIS PRODUCT?

■ TOTAL FACILITY AMOUNT	FACILITY AMOUNT AS APPROVED BY THE BANK BASED ON BANK'S CREDIT EVALUATION
■ MARGIN OF FINANCING	UP TO 100% INVOICE VALUE
■ MAXIMUM ALLOWABLE TENOR	MAXIMUM 6 MONTHS BUT SUBJECT TO CUSTOMER'S USUAL TRADE CYCLE AND CREDIT TERM OF INVOICES FINANCED.
■ FACILITY TENURE	UP TO FIVE (5) YEARS, AND UPON RENEWABLE BY THE BANK

<ul style="list-style-type: none"> ▪ PRICING 	<p>1) <u>FOR COMPUTING OF BANK'S SALE PRICE</u> BFR + 4 OR 10% PER ANNUM WHICHEVER IS HIGHER</p> <p>NOTE: THIS IS TO ENABLE THE COMPUTATION OF BANK'S SALE PRICE.</p> <p>FOR BB/CB CUSTOMER WITH CASH LINE-I FACILITIES, THE IF-I PROFIT RATE MAYBE PEGGED AT 15 BPS BELOW THEIR CASHLINE RATE.</p> <p>2) <u>EFFECTIVE PROFIT RATE</u> WILL BE DETERMINED BY THE BANK</p> <p>FRESH ASA WILL HAVE TO BE EXECUTED SHOULD THE FINANCING NEED TO BE EXTENDED AFTER THE EXPIRY OF THE AGREED FACILITY TENURE I.E 5 YEARS</p>
<ul style="list-style-type: none"> ▪ BASE FINANCING RATE 	CURRENT BASE FINANCING RATE (BFR) PER ANNUM
<ul style="list-style-type: none"> ▪ ISLAMIC CONTRACT 	TAWARRUQ VIA COMMODITY MURABAHAH ARRANGEMENT

4. WHAT ARE MY OBLIGATIONS?

PAYMENT OF UTILISED FACILITY AMOUNT AND BANK'S PROFIT.

THE UTILISED FACILITY AMOUNT AND BANK'S PROFIT SHALL BE MADE IN FULL ON THE MATURITY DATE. THE BANK'S PROFIT SHALL BE CALCULATED DAILY BASED ON FACILITY TENOR, PREVAILING EFFECTIVE PROFIT RATE AND THE UTILISED AMOUNT.

SAMPLE ILLUSTRATION

PRICING	: COF + 1.0% PER ANNUM
FACILITY AMOUNT	: RM1 MILLION
MAXIMUM ALLOWABLE TENURE	: 6 MONTHS/ 180 DAYS
UTILISED FACILITY AMOUNT	: RM 100,000.00

RATE	TODAY (COF = 4.15%) I.E. 4.15% + 1% = 5.15%	IF COF GOES UP 1% I.E. 5.15% + 1% = 6.15%	IF COF GOES UP 2% I.E. 6.15% + 1% = 7.15%
UTILISATION	RM100,000.00	RM 100,000.00	RM 100,000.00
TOTAL PROFIT COST FOR 6 MONTHS	RM 2,539.73	RM 3,032.88	RM 3,526.03
TOTAL PAYMENT AMOUNT	RM102,539.73	RM 103,032.88	RM 103,526.03

NOTE: *SERVICING THE TOTAL PAYMENT AMOUNT MAY VARY ACCORDINGLY WITH THE CHANGES IN COF. HOWEVER, THE TOTAL PAYMENT AMOUNT SHALL NOT EXCEED THE BANK'S SALE PRICE.

5. WHAT ARE THE FEES AND CHARGES I HAVE TO PAY?

▪ STAMP DUTIES	AS PER THE STAMP DUTY ACT 1949 (REVISED 1989)
▪ TRADING FEES	A TRADING FEE OF RM15 PER RM1.0 MILLION OF THE FACILITY AMOUNT FOR THE SALE AND PURCHASE OF COMMODITIES WILL BE CHARGED AND SHALL BE PAID BY CUSTOMERS PRIOR TO THE DISBURSEMENT OF THE FACILITY, UNLESS OTHERWISE WAIVED BY THE BANK.
▪ OTHER FEES AND CHARGES	ALL OTHER COSTS AND EXPENSES I.E. LEGAL FEES AND OTHER CHARGES INCURRED IN THE PREPARATION OF ALL DOCUMENTATION AND PERFECTION OF THE BANK'S SECURITY DOCUMENTS
▪ HANDLING FEE	RM 50 PER TRANSACTION

PLEASE REFER TO BELOW LINK FOR LATEST FEE AND CHARGES.

https://www.maybank2u.com.my/maybank2u/malaysia/en/business/trade/sme/other/trade_finance_operational_charge.page

6. WHAT IF I FAIL TO FULFILL MY OBLIGATIONS?

▪ LATE PAYMENT CHARGES (LPC)	<p>▪ THE BANK HAS THE RIGHT TO BE COMPENSATED ON LATE AND DEFAULT PAYMENT BASED ON THE FOLLOWING MECHANISM:-</p> <p>I. <u>UPON MATURITY</u></p> <p>FOR FAILURE TO PAY ANY PAYMENT DUE AND WHICH FAILURE CONTINUES BEYOND THE EXPIRY OR MATURITY DATE OF THE FACILITY OR UPON JUDGMENT, WHICHEVER IS EARLIER, AT THE LPC RATE WHICH SHALL BE THE PREVAILING DAILY OVERNIGHT ISLAMIC INTERBANK MONEY MARKET (IIMM) RATE ON THE OUTSTANDING BALANCE DUE AND PAYABLE OR ANY OTHER METHOD APPROVED BY BANK NEGARA MALAYSIA FROM TIME TO TIME.</p> <p>▪ NOTWITHSTANDING THE AMOUNT OF LPC CHARGED, IT IS EXPRESSLY ACKNOWLEDGED AND AGREED THAT THE SAID AMOUNT OF LPC SHALL NOT BE FURTHER COMPOUNDED.</p> <p>▪ LEGAL ACTION WILL BE INITIATED IF YOU FAIL TO RESPOND TO THE REMINDER NOTICES.</p>
▪ RIGHT TO SET-OFF	THE BANK MAY AFTER A SEVEN (7) DAYS NOTICE GIVEN TO YOU, COMBINE, CONSOLIDATE OR MERGE ALL OR ANY OF YOUR ACCOUNTS WITH, AND LIABILITIES THE BANK AND MAY SET OFF OR TRANSFER ANY SUM OUTSTANDING TO THE CREDIT OF ANY SUCH ACCOUNTS IN OR TOWARDS THE SATISFACTION OF ANY OF YOUR LIABILITIES TO THE BANK UNDER THE FACILITY.

7. WHAT IF I FULLY SETTLE THE FACILITY BEFORE ITS MATURITY?

LOCK IN PERIOD	NIL
EARLY SETTLEMENT FEES	NIL



REBATE

THE BANK SHALL GRANT REBATE (IBRA*) TO YOU FOR ANY SALE BASED FACILITY ON, BUT NOT LIMITED TO, THE FOLLOWING EVENTS:

- (a) EARLY SETTLEMENT OR EARLY REDEMPTION, INCLUDING THOSE ARISING FROM PREPAYMENTS;
- (b) IN THE EVENT OF EARLY COMMENCEMENT OF MONTHLY INSTALMENT PRIOR TO THE EXPIRY OF GRACE PROFIT PERIOD (FOR PROPERTIES UNDER CONSTRUCTION); AND
- (c) IN THE EVENT THE EFFECTIVE PROFIT RATE IS LOWER THAN THE CEILING PROFIT RATE.
- (d) IN THE EVENT THE ACTUAL DISBURSED AMOUNT IS LESS THAN THE FACILITY AMOUNT

FOR AVOIDANCE OF DOUBT, IT IS HEREBY ACKNOWLEDGED AND AGREED THAT THE REBATES REFERRED TO HEREIN SHALL NOT BE CONSTRUED IN ANY MANNER WHATSOEVER AS CASH REBATE PAYABLE TO YOU, BUT SHALL BE REFLECTED AS A REDUCTION IN THE PROFIT ELEMENT OF THE BANK'S SALE PRICE. THE REBATE SHALL ONLY BE DEEMED GRANTED UPON RECEIPT OF THE SETTLEMENT/REDEMPTION SUM AS DETERMINED BY THE BANK BASED ON THE FOLLOWING FORMULA:

OUTSTANDING BANK'S SALE PRICE	LESS	OUTSTANDING FACILITY AMOUNT	LESS	OTHER AMOUNT DUE TO THE BANK
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FOR FURTHER ILLUSTRATION OF REBATE, PLEASE REFER TO OUR ARTICLE "BANK NEGARA MALAYSIA'S GUIDELINE ON IBRA' (REBATE) FOR SALE-BASED FINANCING", AT WWW.MAYBANK2U.COM.MY WEBSITE.

8. DO I NEED ANY TAKAFUL COVERAGE?

NOT APPLICABLE.

9. WHAT ARE THE MAJOR RISKS?

- A) IF YOU FAIL TO SETTLE MATURED IF-I, YOU ARE NOT ALLOWED TO FURTHER UTILIZE THE FACILITY AND THE RECOVERY PROCESS INCLUDING LEGAL PROCESS MAY BE TAKEN AGAINST YOU TO RECOVER THE AMOUNT DUE.
- B) PLEASE BE ADVISED THAT THE EFFECTIVE PROFIT RATE WILL CHANGE ACCORDING TO THE CHANGES IN THE BFR. AN INCREASE IN THE EFFECTIVE PROFIT RATE MAY RESULT IN HIGHER MONTHLY PAYMENTS AMOUNT.

IF YOU HAVE PROBLEMS MEETING YOUR PAYMENT OBLIGATIONS, CONTACT US EARLIER TO DISCUSS PAYMENT ALTERNATIVES.

10. 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 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 CHANNELS, E.G.: M2U OR HOME BRANCH.

11. WHERE CAN I GET ASSISTANCE AND REDRESS?

- I) IF YOU HAVE DIFFICULTIES IN MAKING PAYMENTS, YOU SHOULD CONTACT US EARLIEST POSSIBLE TO DISCUSS PAYMENT ALTERNATIVES. YOU MAY CONTACT US AT :

NAME OF BRANCH : _____

ADDRESS : _____

TEL/FAX : _____ E-MAIL : _____



- II) ALTERNATIVELY, YOU MAY SEEK THE SERVICES OF AGENSI KAUNSELING DAN PENGURUSAN KREDIT (AKPK), AN AGENCY ESTABLISHED BY BANK NEGARA MALAYSIA TO PROVIDE FREE SERVICES ON MONEY MANAGEMENT, CREDIT COUNSELLING, FINANCIAL EDUCATION AND DEBT RESTRUCTURING FOR INDIVIDUALS. YOU MAY CONTACT AKPK AT:

TINGKAT 5 DAN 6, MENARA BUMIPUTRA-COMMERCE
JALAN RAJA LAUT
50350 KUALA LUMPUR
TEL : 03-2616 7766 WEBSITE : SERVICES.AKPK.ORG.MY

- III) IF YOUR QUERY OR COMPLAINT IS NOT SATISFACTORY RESOLVED BY US, 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 : 03-21741515 EMAIL : BNMTELELINK@BNM.GOV.MY

12. WHERE CAN I GET FURTHER INFORMATION?

IF YOU HAVE FURTHER ENQUIRIES, PLEASE CONTACT US AT :

MAYBANK BRANCH:
ADDRESS :
TEL :
E-MAIL:

DISCLAIMER

THE INFORMATION, TERMS AND CONDITIONS IN THIS PRODUCT DISCLOSURE SHEET ARE INDICATIVE AND ARE NOT BINDING ON THE BANK. THE FINAL TERMS AND CONDITIONS ARE STIPULATED IN THE LETTER OF OFFER AFTER CREDIT ASSESSMENT AND FINAL APPROVAL BY THE BANK.

IMPORTANT NOTE:

THE BANK HAS THE RIGHT TO PROCEED WITH LEGAL ACTION AGAINST YOU IF YOU FAIL TO PAY YOUR PAYMENTS.

THE INFORMATION PROVIDED IN THIS DISCLOSURE SHEET IS VALID FROM JUNE 2023