

## PRODUCT DISCLOSURE SHEET

(Please read this Product Disclosure Sheet before you decide to take the Maybank Islamic LETTER OF CREDIT-i (LC-i). Be sure to also read the general terms and conditions.

**Product Name:**  
LETTER OF CREDIT-i (LC-i)

**Date:**

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

### 1. WHAT IS THIS PRODUCT ABOUT?

LETTER OF CREDIT-I (LC-I) IS A DOCUMENT/Written UNDERTAKING GIVEN BY THE ISSUING BANK TO A BENEFICIARY/SELLER AT THE REQUEST OF THE APPLICANT/BUYER ("CUSTOMER") TO PAY A STATED SUM OF MONEY UPON COMPLIANT PRESENTATION OF DOCUMENTS AS PER THE LC TERMS IMPOSED BY THE BENEFICIARY/SELLER.

THE PURPOSE OF FACILITY IS TO FACILITATE LOCAL PURCHASE/IMPORT OF GOODS RELATED TO CUSTOMER'S BUSINESS.

### 2. WHAT IS THE SHARIAH CONTRACT APPLICABLE?

THE SHARIAH CONTRACT APPLIED FOR LETTER OF CREDIT-i:

LC-i - WAKALAH ("AGENCY")	LC-i MURABAHAH ("COST-PLUS")
UNDER THIS CONTRACT, THE BANK ACT AS THE PAYMENT AGENT ON BEHALF OF CUSTOMER (BUYER) FOR THE ISSUANCE OF LC-i TO THE BENEFICIARY (SELLER).	UNDER THIS CONTRACT, THE BANK PURCHASE THE IMPORTATION AT COST AND SELL TO CUSTOMER AT COST PLUS PROFIT ON DEFERRED PAYMENT TERMS.

### 3. WHAT DO I GET FROM THIS PRODUCT?

BENEFITS OF USING LETTER OF CREDIT-i;

- BENEFICIARY IS ASSURED OF PAYMENT UPON COMPLIANT PRESENTATION AND APPLICANT HAS THE COMFORT OF PAYING AFTER GOODS HAVE BEEN SHIPPED
- PLATFORM FOR BOTH PARTIES TO AGREE TRADE TERMS AND EFFICIENT PAYMENT ARRANGEMENT
- OBTAIN FINANCING TO PAY THE BENEFICIARY
- DOCUMENTS PRESENTED WILL BE EXAMINED BY EXPERIENCED BANKING PERSONNEL

### 4. WHAT ARE MY OBLIGATIONS?

- TO HAVE TRADE FACILITY WITH THE BANK PRIOR TO APPLICATION OF LC-i.
- TO PROVIDE CLEAR AND DETAIL INFORMATION IN LC-i APPLICATION FORM.
- ADHERE TO TERMS AND CONDITIONS GOVERNING ISLAMIC TRADE CREDIT FACILITIES GRANTED BY MAYBANK ISLAMIC AS DEFINED IN THE LETTER OF OFFER, GENERAL STANDARD TERMS AND CONDITIONS GOVERNING FACILITIES OR APPLICATION FORMS.

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

▪ COMMISSION	0.1% PER MONTH OR PART THEREOF (MINIMUM OF RM75)
▪ STAMP DUTIES	AS PER THE STAMP ACT 1949
▪ HANDLING CHARGES	RM50 PER TRANSACTION

▪ OTHER FEES AND CHARGES

ALL OTHER COSTS AND EXPENSES I.E. LEGAL FEES AND OTHER CHARGES INCURRED IN THE PREPARATION OF ALL DOCUMENTATION PERFECTION AND PRESERVATION OF THE BANK'S SECURITY DOCUMENTS.

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?](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 CHARGE (LPC)

- A. THE BANK MAY BY WRITTEN NOTICE TO YOU, DEMAND FOR IMMEDIATE PAYMENT OF AMOUNT OVERDUE FROM YOU AND/OR THE GUARANTOR.
- B. THE BANK HAS THE RIGHT TO BE COMPENSATED ON LATE AND/OR DEFAULT PAYMENT BASED ON THE FOLLOWING MECHANISM:-
- I. OVERDUE (EXCESS)  
FOR FAILURE TO PAY ANY INSTALMENT OR ANY PAYMENT DUE FROM THE DATE OF THE FIRST DISBURSEMENT OF THE FACILITY UNTIL ITS EXPIRY OR MATURITY DATE, AN LPC SUM EQUIVALENT TO ONE PER CENT (1%) PER ANNUM OF THE OVERDUE INSTALMENTS/PAYMENT OR BY ANY OTHER METHOD APPROVED BY BANK NEGARA MALAYSIA (BNM).
- II. UPON MATURITY/JUDGMENT (WHICHEVER IS EARLIER)  
LPC AT 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.
- C. HOWEVER, THE AMOUNT OF LPC CHARGED TO THE CUSTOMER WILL NOT BE FURTHER COMPOUNDED.
- NOTE:  
LEGAL ACTION WILL BE INITIATED IF YOU FAIL TO RESPOND TO THE REMINDER NOTICES.

▪ RIGHT TO SET-OFF

THE BANK MAY WITH NOTICE 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 FINANCING BEFORE ITS MATURITY?**

LOCK IN PERIOD

NIL

EARLY SETTLEMENT PENALTY FEES

NIL

**8. DO I NEED ANY INSURANCE / TAKAFUL COVERAGE?**

IT DEPENDS ON THE TERMS AGREED BETWEEN CUSTOMER (BUYER) AND SUPPLIER.

**9. WHAT ARE THE MAJOR RISKS?**

PAYMENT TO BENEFICIARY OR ACCEPTANCE OF LC-I IS UPON COMPLIANT PRESENTATION BY BENEFICIARY AS PER LC-I TERMS. BANK WILL ONLY DEAL WITH DOCUMENTS AND NOT OBLIGED TO CONDUCT VERIFICATION OF PHYSICAL GOODS.

#### 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 ANY MAYBANK BRANCH.

#### 11. WHAT 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](mailto:BNMTELELINK@BNM.GOV.MY)

#### 12. WHERE CAN I GET FURTHER INFORMATION?

IF YOU HAVE FURTHER ENQUIRIES, PLEASE CONTACT US AT :

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 MONTHLY INSTALLMENT PAYMENTS ON THE BUSINESS FINANCING.***

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