



Bank Pilihan Anda

PRODUCT DISCLOSURE SHEET

Please read this Product Disclosure Sheet before you decide to subscribe for Vehicle Financing-i. Be sure to also read the terms and conditions of this product.

**BANK RAKYAT
VEHICLE FINANCING-i**

Date: _____

1. What is this product about?

- This product offers financing facility to purchase national and non-national vehicle for personal use.
- The following types of vehicle are applicable under certain Shariah concepts:

No.	Type of Vehicle	Shariah Concept
1.	Automobile	Tawarruq and Al-Ijarah Thumma Al-Bai` ("AITAB")
2.	Motorcycle with High-Powered Engine Capacity "Superbikes" (250cc and above)	Al-Ijarah Thumma Al-Bai` only
3.	Motorcycle with Low-Powered Engine Capacity (Below 250cc)	Tawarruq only

2. What is the Shariah concept applicable?

TAWARRUQ

- This financing is under the Shariah principles of Murabahah (by adopting Tawarruq practices) where based on Wa'd (promise) from the customer, the Bank will purchase the commodity from a commodity trader and then sells the commodity to the customer based on the Murabahah sale price (cost of commodities with profit) on deferred payment basis. The Bank then, as the customer's agent, will sell the commodity to a third party buyer on cash. The cash collected from third party buyer will be deposited into dealer's account.
- The commodities being used are the commodities permissible by Shariah available in Bursa Suq Al-Sila`.

AL-IJARAH THUMMA AL-BAI` ("AITAB")

- AITAB consists of two (2) main Shariah contracts which are Ijarah (rental) and Bai` (sale).
- Upon financing origination, Bank and customer will enter into Ijarah contract whereby the Bank will rent the vehicle to the customer with specified rental amount and period.
- Customer at the same time undertake to purchase the vehicle under the concept of Wa'd (promise) upon expiry of Ijarah, early settlement and/or occurrence of default by the customer.
- Upon triggering any of the above events, transfer of the vehicle ownership from the Bank to the customer will take effect via execution of sale contract between both parties or delivery of notice to the customer.
- Selling price payable by the customer to the Bank will be stated in the sale contract or the notice sent to the customer.

3. What do I get from this product?

Total Financing Amount*	RM
Profit Rate (Fixed Rate)	%
Total Selling Price	RM

Financing Margin	%
Financing Tenure	years

*Total Financing Amount may or may not include 1st year Takaful contribution of the vehicle.

4. What are my obligations?

Your monthly instalment / monthly rental is RM _____.

Total payment amount is RM _____.

Note:

- Pre-payment or overpayment of the monthly instalment / monthly rental is allowed and will be considered as advance monthly instalment / monthly rental.
- The pre-payment or overpayment of the monthly instalment / monthly rental has not impact on the calculation of profit charges.
- No charge will be imposed on the pre-payment.

5. What other charges do I have to pay?
 TAWARRUQ

No.	Type of Fee	Fee Amount / Detail
i.	Stamp Duty	0.5% of total financing as per Stamp Duty Act 1949 (Revised 1989).
ii.	Wakalah Fee	RM30 inclusive of GST.

 AL-IJARAH THUMMA AL-BAI` ("AITAB")

No.	Type of Fee	Fee Amount / Detail	
i.	Stamp Duty	Ijarah Agreement	RM10
		Guarantor Agreement (if applicable)	RM10

OTHERS (Applicable to all)

No.	Type of Fee	Fee Amount / Detail
i.	Issuance of letter to JPJ for change of vehicle engine no., interchange of vehicle registration no., duplicate registration card etc.	RM15 per document
ii.	Issuance of letter to authority for transfer of vehicle to East Malaysia or vice versa	RM15 per document

Note: The fee amount is exclusive of Goods and Services Tax ("GST") except for Wakalah Fee.

Note 1: The Bank will communicate to you at least 21 calendar days prior to the effective date of implementation if there are any changes in terms & conditions, fees and charges that are applicable to your financing facility.

Note 2: You are also responsible for bearing all professional fees, any taxes including but not limited to Goods and Service Tax (GST), out of pocket expenses incurred and any other fees, expenses or recourse in respect of the facility.

6. What if I fail to fulfil my obligations?

- Compensation charge (Ta`widh) for late payment is as follows:

During the financing tenure	1% per annum on the overdue instalment / rental amount.
After expiry of financing tenure	Based on the prevailing daily overnight Islamic Interbank Money Market rate on the outstanding balance.

- The Bank reserves the right to deduct / set-off customer's account balances (Savings, Investment and/or Share Membership Account) with the Bank as payment for the outstanding amount. The Bank will notify customer seven (7) calendar days in advance.
- The Bank also reserves the right to repossess the vehicle and take legal action on the customer with all the related costs be borne by the customer.

7. What if I fully settle the financing before its maturity?

- Customer shall provide one (1) month prior notice for early settlement.
- The Bank shall grant rebate (Ibra') on the deferred profits according to the applicable Shariah concept.

TAWARRUQ

- The amount of early settlement is as per the formula below:

$$\text{Early Settlement Amount} = \text{Selling Price} - \text{Principal Paid} - \text{Undisbursed Principal} - \text{Ibra}' + [(\text{COF}) - \text{EPR}] \times \text{Principal Disbursed} + \text{Other Actual Costs}$$

Note: Ibra' means deferred profit which has not been accounted as profit earned. The difference between Cost of Fund ("COF") and Effective Profit Rate ("EPR") can only be claimed whenever the COF is higher than the EPR.

AL-IJARAH THUMMA AL-BAI' ("AITAB")

- Customer shall pay the Settlement Sum which is referred to balance of outstanding or sum equivalent to the aggregate of:
 - i) the balance of the originally payable under the AITAB Agreement; and
 - ii) late payment charges, if any; and
 - iii) other sums payable by the customer to the Bank.
 Less the aggregate of:
 - i) the amount paid by or on behalf of the customer; and
 - ii) statutory rebate for terms charges, if any; and
 - iii) cancellation of Takaful policy or statutory rebate for Takaful, if any.

8. Do I need any Takaful coverage?

- You are advised to subscribe for motor coverage from the appointed Bank's panel Takaful companies.
- If customer prefers to subscribe for insurance coverage, the premium cost shall be borne by the customer.

9. What are the major risks?

Customer is responsible to ensure that the monthly instalment / monthly rentals are paid according to the agreement even when customer is facing financial problems (such as unemployed or illness) or upon pending Takaful claims.



Bank Pilihan Anda

Appendix 2

Date: _____

Branch Manager
Bank Kerjasama Rakyat (M) Berhad
_____ **Branch**

Sir,

CONFIRMATION ON _____ PRODUCT FEATURES EXPLANATION

I/We hereby confirmed have been explained and understood the above product features.

If there is any doubt, I/we will contact the Bank.

Regards,

Customer signature
I/C No: _____