

PRODUCT DISCLOSURE SHEET



Bank Pilihan Anda

Date: _____

Dear Customer,

This Product Disclosure Sheet (PDS) provides you with key information on your Letter of Credit-i (LC-i).

Other customers have read this PDS and found it helpful;

You should read it too

1 What is Letter of Credit-i?

Letter of Credit-i (LC-i) is a written undertaking by a bank, given to the exporter/seller (the beneficiary) at the request and on the instruction of the importer/buyer (the applicant), 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 which must comply with the terms and conditions of the LC-i.

LC-i is under the Shariah principles of *Wakalah bil Ujah* where one party is appointed to act as an agent on behalf of another party with payment for a service provided. The Bank is appointed by the Customer as an agent to carry out specific/certain task under a facility (e.g., issuance of Letter of Credit-i, handling of documents and payment) on behalf of them.

2 Know Your Obligations?

You must honour the payment to beneficiary upon arrival of the documents that comply with the terms and conditions of the Letter of Credit-i (LC-i).

For this Letter of Credit-i (LC-i), **all costs and charges incurred in relation to this facility are to be borne by you and payable upfront**. All fees/charges are **subject to 8% service tax, where applicable**.

You have to pay the following fees and charges:

Type of fee/charges	Rate/Cost
Commission	i. Issuance: 0.1% per month or part thereof minimum RM50 ii. Usance: 0.1% per month or part thereof from LC-i expiry date to the usance expiry date, min RM50

Formula for Commission: $C = P (r \times n)$ Rate/Cost

C : Commission payable upfront (upon issuance and/or amendment)
P : LC-i/LC value
r : Commission rate as per Letter of Offer
n : LC-i/LC tenure

Type of fee/charges	Rate/Cost
Amendment (if applicable)	i. Increase amount / Extension of LC-i tenure: 0.1% per month or part thereof minimum RM50 OR i. Other amendment: RM50 flat
Cancellation (prior to expiry date)	RM50
RENTAS (if applicable)	RM5 per account
SWIFT (if applicable)	i. Issuance / Amendment: Local – RM50 Foreign – RM75 ii. Others: RM25
Courier (if applicable)	iii. Actual Cost

It is your responsibility to:



Read and understand this Product Disclosure Sheet also the **key terms and conditions of this product** before you sign the Letter of Offer/Contract.



Make payment for all costs and charges incurred related to this Letter of Credit-i.



Contact us immediately if you are unable to make your payment.

If you wish to cancel the LC-I before expiry date, you should know:

- Cancellation can only be performed upon consent from the beneficiary via confirmation by the advising bank.

3 Know Your Risks

What happens if you ignore your obligations?

1. The Bank reserves the right to claim for full payment of the LC-i value issued from you.
2. The Bank may liquidate the collateral/security you have with us towards settling the payment as claimed by the claimant.
3. The Bank may take legal action against you.
4. Any cost and charges incurred shall be borne by you.

4 Other Key Terms

- You shall not be able to utilize this facility should there be any default in any other Trade Facility.
- 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.
- Marine Cargo Policy as per arrangement between buyer and seller (if applicable).
- All other terms and conditions as per spelt out in Letter of Offer.

If you have any questions or require assistance on your Letter of Credit-i, you can:



Call us at:
1-300-80-5454



Visit our website at:
www.bankrakyat.com.my



Email us at:
trade@bankrakyat.com.my



Agensi Kaunseling dan
Pengurusan Kredit has been
established by Bank Negara
Malaysia to provide free
services on money
management, credit counselling
financial education & debt
restructuring for individuals.

Visit:
BNMLINK Webpage:
bnm.gov.my/BNMLINK or

Postage to BNMLINK Address:
4th Floor, Podium Bangunan
AICB, No. 10, Jalan Dato' Onn,
50480 Kuala Lumpur.

Customer's Acknowledgement

Ensure you are filling this section yourself and are aware of what you are placing your signature for.

- I acknowledge that Bank Rakyat has provided me with a copy of the PDS.
- I have read and understood the key information contained in this PDS.

**A customer's acknowledgement of this PDS shall not prejudice his/her rights to seek redress in the event of subsequent dispute over the product term and conditions.*

Name:
Date: