



<p><b>PRODUCT DISCLOSURE SHEET</b></p> <p>(Please read this Product Disclosure Sheet before you decide to take-up the Letter of Credit-i. Be sure to also read the general terms and conditions).</p>	<p><b>BANK RAKYAT</b></p> <p><b>LETTER OF CREDIT-i (LC-i)</b></p> <p>Date:</p>																
<p><b>1. What is this product about?</b></p> <p>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.</p>																	
<p><b>2. What is the Shariah concept applicable?</b></p> <p>LC-i is under the Shariah principles of Wakalah bil Ujrah where one party is appointed to act as an agent on behalf of another party with payment for a manfa'ah i.e payment for a service. 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.</p>																	
<p><b>3. What do I get from this product?</b></p> <ul style="list-style-type: none"> <li>• Hassle free when dealing with a foreign seller as the whole transaction will be routed through and handled by the Bank.</li> <li>• Provides platform for both parties to agree on trade terms and efficient payment arrangement.</li> <li>• Enables customer to fulfil the sales contract requirement with bargaining power for favourable terms from the beneficiary.</li> </ul>																	
<p><b>4. What are my obligations?</b></p> <p>Customer is to honour the payment made to the beneficiary upon arrival of the documents that comply with the terms and conditions of the LC-i.</p>																	
<p><b>5. What are the fees and charges I have to pay?</b></p> <p>All costs and charges incurred in relation to the facility are to be borne by the customer.</p> <table border="1" data-bbox="240 1440 1425 1787"> <thead> <tr> <th>Type of fee/charges</th> <th>Rate/Cost</th> </tr> </thead> <tbody> <tr> <td>Issuance</td> <td>0.1% per month or part thereof (min RM50) or as per Letter of Offer</td> </tr> <tr> <td>Amendment</td> <td><i>Increase in value and/or extension of expiry date:</i> 0.1% per month or part thereof (min RM50) or as per Letter of Offer <i>Others:</i> RM50 flat</td> </tr> <tr> <td>Usance/Acceptance</td> <td>0.1% per month or part thereof from LC-i expiry date to usance expiry date (min RM50) or as per Letter of Offer</td> </tr> <tr> <td>Cancellation (prior to LC-i expiry date)</td> <td>RM50</td> </tr> <tr> <td>SWIFT</td> <td><i>Issuance:</i> Local RM50 Foreign RM75 <i>Others:</i> RM25</td> </tr> <tr> <td>RENTAS</td> <td>RM5</td> </tr> <tr> <td>General expenses (Courier)</td> <td>Actual cost</td> </tr> </tbody> </table>		Type of fee/charges	Rate/Cost	Issuance	0.1% per month or part thereof (min RM50) or as per Letter of Offer	Amendment	<i>Increase in value and/or extension of expiry date:</i> 0.1% per month or part thereof (min RM50) or as per Letter of Offer <i>Others:</i> RM50 flat	Usance/Acceptance	0.1% per month or part thereof from LC-i expiry date to usance expiry date (min RM50) or as per Letter of Offer	Cancellation (prior to LC-i expiry date)	RM50	SWIFT	<i>Issuance:</i> Local RM50 Foreign RM75 <i>Others:</i> RM25	RENTAS	RM5	General expenses (Courier)	Actual cost
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*Formula for Commission: C = P (r x n)*

C : Commission payable upfront (upon issuance and/or amendment)

P : LC-i value

r : Commission rate as per Letter of Offer

n : LC-i tenor

**6. What if I fail to fulfil my obligations?**

Upon arrival of documents presented by beneficiary/seller, customer may opt to make full payment or to request for financing from the Bank as per Letter of Offer. The Bank reserves the right to claim for full payment of the invoice value and to take legal action against default in financing. All cost incurred will be borne by the customer.

All other terms and conditions as per spelt out in Letter of Offer.

**7. Do I need any takaful coverage?**

Marine Cargo Policy as per arrangement between buyer and seller (if applicable).

**8. What if I wish to cancel the LC-i before expiry date?**

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

**9. What are the major risks?**

Customer is obligated to pay upon receiving non-discrepant documents from beneficiary/supplier even in case of damaged goods.

**10. Where can I get more information?**

Please refer to the product brochure or visit [www.bankrakyat.com.my](http://www.bankrakyat.com.my)

**11. Any suggestions and your questions can be directed to:**

Trade Finance Department  
Level 28 Menara 1  
Menara Kembar Bank Rakyat  
No. 33 Jalan Travers  
50470 Kuala Lumpur  
Tel: 03-26129600 General line  
Email: [trade@bankrakyat.com.my](mailto:trade@bankrakyat.com.my)

Or

Business Banking Division  
Level 26 Menara 1  
Menara Kembar Bank Rakyat  
No. 33 Jalan Travers  
50470 Kuala Lumpur  
Tel: 03-26129600 General line

**12. If you wish to complaint on the products and services provided by us, you may contact:**

Public Complaints Bureau  
Customer Service, Menara 1  
Menara Kembar Bank Rakyat  
No. 33 Jalan Travers  
50470 Kuala Lumpur  
Tel: 1-300-80-5454  
Website: [www.bankrakyat.com.my/enquiries-feedback](http://www.bankrakyat.com.my/enquiries-feedback)

Or

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  
E-mail: [bnmtelelink@bnm.gov.my](mailto:bnmtelelink@bnm.gov.my)



### 13. Other Trade Finance products available?

- Export Letter of Credit Advising-i
- Export Letter of Credit Confirmation-i
- Inward Bills Collection-i
- Outward Bills Collection-i
- Outward Bills Financing-i
- Credit Bills Financing-i
- Tawarruq Trade Financing
- Murabahah Working Capital Financing
- Shipping Guarantee-i
- Bank Guarantee-i

#### **IMPORTANT NOTE:**

LEGAL ACTION MAY BE TAKEN AGAINST YOU IF YOU DO NOT MAKE PAYMENT ON REGULAR BASIS.  
PRODUCT DISCLOSURE SHEET MUST BE READ, UNDERSTAND, ACCEPTED AND MUST BE SIGNED  
BY THE CUSTOMER.

THE PRODUCT HAS BEEN APPROVED BY SHARIAH COMMITTEE OF BANK RAKYAT ON 25<sup>th</sup> JUNE 2015.

The information provided in this disclosure sheet is valid as at 09<sup>th</sup> January 2019.