



Your Choice Bank

PRODUCT DISCLOSURE SHEET

<p>Please read this Product Disclosure Sheet before you decide to subscribe for <i>Tawarruq</i> Trade Financing. Be sure to also read the terms and conditions of this product. Seek clarification if you do not understand any part or this document or the general terms.</p>	<p style="text-align: center;">BANK RAKYAT TAWARRUQ TRADE FINANCING (TTF)</p> <p>Package: _____</p> <p>Date: _____</p>
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1. What is this product about?

Tawarruq Trade Financing (TTF) is a facility to finance customer's purchases/importation, sales/exportation, raw materials, intangible goods or services that is Shariah compliant as required by the customer (buyer/importer/seller/exporter) for its business operations against Letter of Credit-i issued by the Bank or under open account basis.

2. What is the Shariah concept applicable?

- This financing is under the Shariah principles of *Murabahah* (by adopting *Tawarruq* practices) where based on *Wa`d* from the customer, the bank will purchase commodity from a commodity trader and then sells the commodity to the customer based on *Murabahah* sales price (cost of commodities with profit) on deferred payment basis and as the customer's agent, the Bank sells the commodity to third party buyer at cash. The cash collected from third party buyer will be deposited into customer's special designated account. Currently the commodities being used are Crude Palm Oil (CPO) and Plastic Resin (PE).
- The goods/ items of saleable value involved must not be prohibited by Shariah. Examples of prohibited items are alcohol, pork, destructive drugs, weapon, etc.

3. What do I get from this product?

Total selling price : RM _____ (Total amount due on maturity based on ceiling rate)
 Total financing amount : RM _____ (Amount to be financed / Invoice value)
 Profit rate : BFR or COF or eCOF + Spread
 Tenure : Ranging between 1-6 months

Formula for financing: $FV = P / [1 + (R \times T / 36500)]$

Minimum Financing Amount : RM10,000.00
 Minimum Financing Tenure : 30 days

FV : Face value / maturity value (Bank's Selling Price)
 P : Invoice value
 R : Profit rate as per Letter of Offer
 T : Tenure of financing
 BFR : Based Financing Rate
 COF : Cost of Fund
 eCOF : Effective Cost of Fund

4. What are my obligations?

Customer is to honour the payment on or before maturity date of financing.

5. What are the fees and charges I have to pay?

All costs and charges incurred in relation to the facility are to be borne by the customer.

Type of Fee/Charges	Rate/Cost
RENTAS	RM5
IBG (as per over the counter)	RM2
SWIFT	RM25
General expenses (Courier)	Actual cost

6. What if I fail to fulfil my obligations?

- The Bank reserves the right to set off the customer's eCurrent Account-i (eCA-i) or Term Deposit-i Account (TD-i) with the Bank as payment for outstanding amounts. Bank also 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.
- Compensation charges for late payment (*Ta`widh*) or settlement after maturity date of financing shall be imposed on customer.
- Formula for Ta`widh:*

$$\text{Outstanding Principal Amount} \times \text{Islamic Interbank Money Market Rate} \times (\text{Number of days in default} / 365)$$

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

- For financing fully settled before maturity, the Bank shall provide rebate (*Ibra'*) on the total balance deferred profits / profit not accrued.
- Formula for Early settlement amount :*

$$\text{Outstanding Selling Price} - Ibra' + \text{Late Payment (if any)}$$
- Note:

$$Ibra' = \text{Deferred Profit} + \text{Undisbursed Principal (if any)} - \text{Other Charges (if any)}$$

8. Do I need any Takaful coverage?

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

9. What are the major risks?

- Customer shall not be able to utilize any other trade facility should there be any default in financing.
- All other terms and conditions as per spelt out in Letter of Offer.

<p>10. Where can I get more information?</p> <p>Please visit www.bankrakyat.com.my</p>	<p>Any suggestions and questions can be directed to:</p> <p>Trade Finance Department Level 28 Menara 1 Menara Kembar Bank Rakyat No. 33 Jalan Rakyat KL Sentral 50470 Kuala Lumpur Tel: 03-26129600 General line Email: trade@bankrakyat.com.my</p> <p>Or</p> <p>Business Banking Division Level 26 Menara 1 Menara Kembar Bank Rakyat No. 33 Jalan Rakyat KL Sentral 50470 Kuala Lumpur Tel: 03-26129600 General line</p>	<p>You can make a complaint by calling:</p> <p>Public Complaints Bureau Customer Service, Menara 1 Menara Kembar Bank Rakyat No. 33 Jalan Rakyat KL Sentral 50470 Kuala Lumpur Tel: 1-300-80-5454 Website: www.bankrakyat.com.my/enquiries-feedback</p> <p>Or</p> <p>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</p>
<p>11. Other Trade Finance products available.</p>		
<ul style="list-style-type: none"> • Letter of Credit-i • 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 • <i>Murabahah</i> Working Capital Financing • Shipping Guarantee-i • Bank Guarantee-i 		
<p>IMPORTANT NOTE:</p> <ul style="list-style-type: none"> • 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 25th JUNE 2015. • THE INFORMATION PROVIDED IN THIS DISCLOSURE SHEET IS VALID AS AT OR UNTIL _____. 		