

(Please read and understand this Product Disclosure Sheet together with the general terms and conditions governing the Letter of Credit-i (LC-i) before you decide to take up this product. You are required to seek clarification with EXIM Bank's (Bank) Relationship Manager assigned to you on any of the terms and conditions governing the said product. Please ensure that you have fully understood the product and the terms and conditions are suited to your financing and/or business requirement.)

1. What is this product about?

Letter of Credit-i (LC-i) is a Shariah compliant document/ written undertaking by the Bank who acts at the request and on the instructions of you (the Importer/Applicant) to pay your customer (Exporter/Beneficiary) a stated sum of money against the compliant of the terms and conditions of the LC-i. The purpose of the facility is to facilitate purchase/ import of goods related to customer's business.

2. What are the applicable Shariah contracts/concepts for this product?

The Shariah contracts/concepts applicable to Letter of Credit-i (LC-i) are *Wakalah* and *Murabahah*.

Wakalah:

- *Wakalah* refers to a contract where a party, as principal (*muwakkil*) authorizes another party as his agent (*wakil*) to perform a particular task on matters that may be delegated, with or without imposition of a fee.
- Without trade financing.
- 100% collateral (cash).

Murabahah:

- *Murabahah* refers to a sale and purchase of an asset where the acquisition cost and the mark-up are disclosed to the purchaser.
- With trade financing.
- Collateral subject to credit evaluation.

3. What do I get from this product?

- Beneficiary is assured of payment upon compliant presentation and applicant has the comfort of paying after goods has been shipped.
- As a platform for both parties to agree trade terms and efficient payment arrangement.
- May avail for subsequent import financing to meet your payment requirement.
- Documents presented will be examined by experience banking personnel.

4. What are my obligations?

- Pay all Bank's charges related to the opening of LC-i together with commission at such rate as may be prescribe by the Bank from time to time.
- Certify that the goods purchased is not prohibited or restricted and that you hold and undertakes to provide to the Bank a valid license if such required.

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

For full list of Bank's fees and charges, please visit our website at <https://www.exim.com.my>

No.	Type of Fees and Charges	Quantum
1.	Issuance Commission	0.1% per month or part thereof for validity of LC-i, Min: RM100
2.	Amendment <ul style="list-style-type: none"> • Extension of validity date • Increase in amount • Other amendments 	<ul style="list-style-type: none"> • 0.1% per month or part thereof for the extended period, Min: RM100 • 0.1% per month or part thereof for the incremental value, Min: RM100 • Flat: RM50
3.	Cancellation	RM50 flat
4.	Discrepancy fee for documents presented under our LC-i <ul style="list-style-type: none"> • Flat (per presentation) • For Foreign denominated LC-i 	<ul style="list-style-type: none"> • RM50 for RM denominated LC-i • USD50 equivalent

No.	Type of Fees and Charges	Quantum
5.	Handling fee for issuance and amendment of LC- <i>i</i> in hardcopy i.e. mode of transmission is mail/courier (applicable to all types of LC- <i>i</i>)	RM100

Please request from your Relationship Manager for the Bank's Standard Fees and Charges on Islamic Products and Services. If there are any changes in fees and charges that are applicable to your facility, the Bank will notify you at least 21 calendar days prior to the effective date of implementation.

6. What if I fail to fulfil my obligation?

- The Letter of Credit-*i* will not be issued.
- The Bank may suspend your facility when you default on your payment.
- For other obligation, please refer to your Letter of Offer.

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

Not applicable.

8. Do I need a guarantor or collateral?

Yes. Bank may require you to provide collateral which is acceptable by the Bank.

9. Do I need takaful coverage?

It is optional. However, you are advised to subscribe to any appropriate takaful coverage.

10. What are the major risks?

- Delayed of shipping documents called under LC-*i* may result in demurrage charges being imposed on you during clearance of goods at a later stage.
- Goods purchased or imported may not be in accordance to your sale contract and the bank has no obligation to verify/validate such event as the Bank only deals with documents. The Bank however has the sole right to accept/ reject any discrepant documents.

11. What do I need to do if there are changes to my contact details?

- a) It is important that you inform the Bank of any changes to your contact details to ensure that all correspondences reach you in a timely manner.
- b) You may inform the Bank such changes via various channels of communication such as the website or call centre at 03-2601 2000.

12. Where can I get an assistance and redress?

If you wish to complain on the product or services provided by us, you may contact us at:

Head, Corporate Communication Department
 Export-Import Bank of Malaysia Berhad
 Level 1, EXIM Bank, Jalan Sultan Ismail,
 50250 Kuala Lumpur, Malaysia
 Tel: +603-26012000
 Fax: +603-26012469
 Website: www.exim.com.my

If you have difficulties in making payments, you should contact us earliest possible to discuss payment alternatives. You may contact your Relationship Manager or send an e-mail to us communications@exim.com.my or contact us at +603-26012000.

Alternatively, you may seek the services of Agensi Kaunseling dan Pengurusan Kredit (AKPK), an agency established by Bank Negara Malaysia to provide free services and money management, credit counselling, financial education and debt restructuring for SMEs. You can contact AKPK at:

Agensi Kaunseling dan Pengurusan Kredit (AKPK)
Level 5 and 6, Menara Bumiputera Commerce,
Jalan Raja Laut, 50350 Kuala Lumpur
Tel: +603-26167766
Website: <https://services.akpk.org.my/>

If your query or complain is not satisfactorily resolved by us, you may contact Bank Negara Malaysia LINK or TELELINK at:

Blok D, Bank Negara Malaysia,
Jalan Dato' Onn,
50480 Kuala Lumpur
Tel: 1-300-88-5465
Fax: +603-2174 1515
Email: bnmtelelink@bnm.gov.my

OR

Ombudsman for Financial Services (OFS)
(Formerly known as Financial Mediation Bureau) at:
Level 14, Main Block, Menara Takaful Malaysia,
No. 4, Jalan Sultan Sulaiman,
50000 Kuala Lumpur
Tel: +603-22722811
Fax: +603-22721577
Email: enquiry@ofs.org.my
Website: <http://www.ofs.org.my>

13. Where can I get further information?

Additional information on Letter of Credit-*i* is available at our office and corporate website: www.exim.com.my
If you have any enquiries, please contact us at:

EXPORT-IMPORT BANK OF MALAYSIA BERHAD
Level 1, EXIM Bank, Jalan Sultan Ismail,
50250 Kuala Lumpur, Malaysia
Tel: +603-26012000
Fax: +603-26012469

14. What are other types of Letter of Credit-*i* services available?

- Letter of Credit Advising-*i*
- Letter of Credit Collection-*i*
- Letter of Credit Confirmed-*i*
- Standby Letter of Credit-*i*
- Letter of Credit Transfer-*i*

IMPORTANT NOTE: LEGAL ACTION MAY BE TAKEN AGAINST YOU IF YOU FAIL TO SERVICE YOUR PAYMENT FOR THE FACILITY ON REGULAR BASIS

The information provided in this disclosure sheet is **valid as at 20 October 2023**.