

PRODUCT DISCLOSURE SHEET

TRADE CREDIT TAKAFUL

Dear Customer,
This Product Disclosure Sheet (PDS) provides you with key information on your Trade Financing.

Other customers have read this PDS and found it helpful, **you should read it too.**



Export-Import Bank of Malaysia Berhad
(A Subsidiary of Bank Pembangunan Malaysia Berhad (BPMB))

Date:

1. What is Trade Credit Takaful?

Trade Credit Takaful (TCT) is a product offered by EXIM Bank to provide assurance of payment for the export or import of genuine and Shariah compliant goods or services from overseas or domestic buyers. TCT can be assigned to commercial banks to facilitate your application for trade finance and domestic sales facilities.

There are three types of TCT coverage:

- **Export:** Protects against the risk of non-payment by overseas buyers.
- **Domestic:** Protects against the risk of non-payment by domestic buyers.
- **Import:** Protects against the risk of non-payment by domestic buyers arising from import trade transactions of strategic goods.

The EXIM Bank's Takaful model is based on Wakalah and Mudarabah, and the applicable Shariah concepts are Tabarru' and Qard.

- **Wakalah:** A contract where one party, as a principal, authorizes another party as an agent to perform a specific task, with or without a fee.
- **Tabarru':** A portion of a participant's contribution shall be allocated to a pool (Risk Fund) used to pay claims submitted by eligible claimants.
- **Mudarabah:** A contract between a capital provider and an entrepreneur. The capital provider extends capital to be managed by the entrepreneur, and any profit is shared according to a mutually agreed-upon ratio. Financial losses are borne by the capital provider, provided they are not due to the entrepreneur's misconduct or negligence.
- **Qard:** A non-profit bearing loan where a borrower is bound to repay an equivalent replacement amount to the lender. In takaful operations, an interest-free loan is extended from the Operator Fund to the Risk Fund if it is in a deficit. The loan will be paid back when the Risk Fund is in a surplus position.

2. Know Your Coverage/Benefits

The certificate is issued for 12 months and is renewable annually. The period of coverage per shipment is up to 180 days. The TCT provides coverage against the following risks:

	Export	Domestic/Import
Coverage	Commercial Risk: up to 90%. Political & Country Risk: up to 95%.	Up to 90% of loss suffered.
Type of Risk Covered	Commercial Risks: Buyer's insolvency or payment default, and buyer's failure to accept goods. Political & Country Risks: Blockage or delay in payment transfer, imposition or cancellation of import licenses, war between the buyer's country and Malaysia, war, revolution, and civil disturbances in the buyer's country, and default by a government buyer.	Commercial Risks: Buyer/Issuing Bank's insolvency and payment default.
Payment Terms	Irrevocable Letter of Credit (ILC), Documents Against Payment (DP), Documents Against Acceptance ("DA") and Open Account ("OA").	
Commencement of Cover	Coverage of risk exposure commences when the goods are shipped to Overseas Buyer	Coverage of risk exposures commences upon the acceptance of the goods by Domestic Buyer.

Exclusions: If you fail to fulfill your obligation, your Takaful Certificate cannot be enforced. Hence, the business transaction will not be covered.

3. Know Your Obligations

Your contribution amount shall depend on the following criteria:

- Terms of payment
- Buyer/Community rating
- Trading and claim experience
- Type of coverage: ie. whole Turnover or Selective Policy

You shall also have to pay the following fees and charges:

- **Export:** Credit Limit Application (CLA) Fee (RM250 per buyer), Annual review of Buyer (RM250 per buyer), Initial Fee (RM250), Renewal Fee (RM100).
- **Domestic/Import:** Credit Limit Application (CLA) Fee (RM50 per buyer), Annual review of Buyer (RM50 per buyer), Initial Fee (RM250), Renewal Fee (RM100).
- Subscription fees under TCT export shall automatically over TCT Domestic coverage.

4. Other Key Terms

- **Certificate Cancellation:** You may cancel your certificate at any time by giving written notice to the Bank. You are entitled to a refund of the contribution based on the unexpired period of coverage, subject to the certificate's terms and conditions.
- **Changes to Contact Details:** You must inform the Bank of any changes to your contact details to ensure that all correspondences reach you in a timely manner. You can inform the Bank via our website or call center at +603 2601 2000.

Assistance and Redress

If you have complaints or need assistance, you can contact:



Export-Import Bank of Malaysia Berhad

+603 2601 2000
communications@exim.com.my
www.exim.com.my



Agensi Kaunseling dan Pengurusan Kredit (AKPK)
For free services such as credit counselling, financial education and debt restructuring for SMEs

+603 2616 7766
https://services.akpk.org.my



Bank Negara Malaysia LINK or TELELINK
If your complaint is not satisfactorily resolved by the Bank

1-300-88-5465
bnmtelelink@bnm.gov.my



Financial Market Ombudsman Service (FMOS)

+603 2272 2811
www.fmos.org.my

Disclaimer: The information, terms and conditions in this product disclosure sheet are indicative and not binding on the Bank. The final terms and conditions shall be stipulated in the Letter of Offer/Facility Letter/Master Agreement after proper credit assessment and final approval by the Bank's management.

IMPORTANT NOTE: YOU SHOULD READ AND UNDERSTAND THE TAKAFUL CERTIFICATE AND DISCUSS WITH THE RELATIONSHIP MANAGER FOR MORE INFORMATION. WE SHALL INCUR NO LIABILITY IN THE EVENT THAT YOU FAIL TO MAKE PAYMENT ON CONTRIBUTION CHARGED BY US ON A RESPECTIVE COVERAGE.

Customer's Acknowledgement*

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

- ☐ I acknowledge that EXIM Bank 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 right to seek redress in the event of subsequent dispute over the product terms and conditions.

Name: _____ Company Stamp
Date: _____