

## PRODUCT DISCLOSURE SHEET

(Please read and understand this Product Disclosure Sheet together with the general terms and conditions governing the Trade Credit Takaful (TCT) before you decide to take up this product. It is advisable for you to seek clarification on any of the terms and conditions governing the said product.)

Export-Import Bank of Malaysia Berhad  
Trade Credit Takaful

Date: \_\_\_\_\_

(to be filled by Relationship Manager)



### 1. What is this product about?

TCT one of the products by EXIM bank to assure further payments for export/import of goods or services, either from overseas buyer/seller of from EXIM bank by way of Takaful Claims. Trade Credit Takaful can be assigned to commercial banks to facilitate your application for trade finance and domestic sales facilities.

There are 3 types of Trade Credit Takaful cover:

- Export – to insure the risk of non-payment by Overseas Buyers.
- Domestic – to insure the risk of non-payment by Domestic buyers.
- Import – to insure risk of default or non-payment by the Domestic Buyers arising from import trade transactions of strategic goods.

### 2. What are the Shariah concepts applicable?

EXIM Bank's Takaful model is based on Wakalah and Mudarabah.

- **Tabarru'**  
A donation, charity or gift by the participant to the operator (as the manager of the takaful fund) is known as contribution of which 65% of the participant's contribution is treated as Tabarru' and pooled into a Risk fund to pay claim for fellow participants who suffers misfortune. The fund shall be invested in a Shariah Compliant Investment. The remaining 35% shall represent the Wakalah fee payable to EXIM Bank for managing the Takaful scheme.
- **Wakalah**  
Under this concept, EXIM Bank acts as agent to the participants to manage the pool of contributions (Risk fund) i.e underwriting, assessment & payment of claim. In return, EXIM Bank receives a pre-agreed upfront Wakalah fee to cover the operating expenses.
- **Mudarabah**  
Mudarabah concept is applied on the remaining 65% of the contribution which will subsequently managed by EXIM Bank as Manager/Mudarib and shall be invested in Shariah compliant investment funds and agreed that the profit sharing ratio shall be on apportion of 20:80 to Risk Fund (Tabarru') and EXIM Bank accordingly in consideration of EXIM Bank managing the investment of Risk Fund (Tabarru').

Wakalah concept is applied in the underwriting aspect of the model while Mudarabah concept is applied in the sharing of investment profit of the Risk fund.

### 3. What is the percentage of cover?

Export	Domestic / Import
<ul style="list-style-type: none"><li>• Commercial Risk – up to 90%</li><li>• Political &amp; Country Risk – up to 95%</li></ul>	Up to 90% of loss suffered

### 4. How does it work?

Exporters/Importer contributes to a fund which is managed by EXIM Bank to underwrite the risks of payment default by approved overseas/local buyers or issuing banks.

#### 5. How much contribution do we have to pay?

The contribution that you have to pay is based on the estimated annual turnover.

#### 6. What are the risk covered?

Export	Domestic / Import
<b>Commercial Risks</b> <ul style="list-style-type: none"><li>• Buyer's insolvency</li><li>• Buyer's payment default</li><li>• Buyer's failure to accept goods</li></ul> <b>Political &amp; Country Risks</b> <ul style="list-style-type: none"><li>• Blockage or delay in the transfer of payment</li><li>• Imposition of import license</li><li>• Cancellation of import license</li><li>• War between Buyer's country and Malaysia</li><li>• War, revolution and civil disturbances in the Buyer's country</li><li>• Default by Government Buyer</li></ul>	<b>Commercial Risks</b> <ul style="list-style-type: none"><li>• Buyer/Issuing Bank's insolvency</li><li>• Payment default</li></ul>

#### 7. What is the payment terms and tenure?

- Irrevocable Letter of Credit (ILC), Document Against Payment (DP), Document Against Acceptance (DA) and Open Account (OA)
- The period of cover is credit terms of up to 180 days

#### 8. What are the fees and charges?

Export	Domestic/Import
<ul style="list-style-type: none"><li>• CLA fees: RM250 per buyer</li><li>• Initial fee: Not Applicable</li><li>• Renewal Fee: Not Applicable</li><li>• Annual Review of Buyer: RM 250</li></ul>	<ul style="list-style-type: none"><li>• CLA fees: RM50 per buyer</li><li>• Annual Review of Buyer: RM50</li><li>• Initial fee: Not Applicable</li><li>• Renewal fee: Not Applicable</li></ul>

Note: All fees and charges are subject to Goods and Services Tax (GST)

#### 9. Is the contribution paid eligible for Tax relief?

TCT (Export) Participant is eligible for double deduction tax relief under Section 33 of the Income Tax 1967. Tax Certificate will be issued within one (1) month of the Participant financial year end.

## 10. 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, branches or call centre at 03-2601 2000.

## 11. 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, Communications & Stakeholder Management 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](http://www.exim.com.my)

If your query or complaint 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](mailto:bnmtelelink@bnm.gov.my)

## 12. Where can I get further information?

Additional information on Trade Credit Takaful are available at our office and corporate website: [www.exim.com.my](http://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

The information provided in this disclosure sheet is valid as at 31 March 2017.

*I / We hereby confirm having explained the Product Disclosure Sheet (PDS) to the customer.*

Staff Name	:	Customer Name	:
Staff ID	:	Date	:
Date	:		