

PRODUCT DISCLOSURE SHEET



Buyer Financing-*i*



(Please read and understand this Product Disclosure Sheet together with the general terms and conditions governing the Buyer Financing-*i* (BF-*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?

Buyer Financing-*i* (BF-*i*) is a financing scheme extended to foreign buyers/importers to purchase Malaysian goods and services. These shall include those goods and services that are produced in Malaysia or have Malaysian components.

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

The Shariah contracts/concepts applicable to Buyer Financing-*i* (BF-*i*) are;

Ijarah :

Ijarah refers to a lease contract that transfers the ownership of a usufruct of an asset to another person for a specified period in exchange for a specified consideration.

Istisna` :

Istisna` refers to a contract which a seller sells to a purchaser an asset which is yet to be constructed, built or manufactured according to agreed specifications and delivered on an agreed specified future date at an agreed pre-determined price.

Murabahah:

Murabahah refers to a sale and purchase of an asset where the acquisition cost and the mark-up are disclosed to the purchaser.

Tawarruq:

Tawarruq refers to the purchase and sale with two stages of transaction. The first involves the sale of an asset by a seller to a purchaser on a deferred basis. Subsequently, the purchaser of the first sale will sell the same asset to a third party on a cash and spot basis.

3. What do I get from this product?

Selling Price	Currency ()* : _____ * Acceptable currencies are USD, EURO and other appropriate currencies.
Financing Amount	Currency ()* : _____ * Acceptable currencies are USD, EURO and other appropriate currencies.
Margin of Financing	_____ %* *Max. 85% of Project Cost or Contract Value
Tenure	_____ Years* *Max 10 years include grace period not exceed 2 years
Effective Profit Rate	_____ % per annum (COF- <i>i</i> + Spread)
Example:	<ul style="list-style-type: none">• Total amount financed : USD xxx• Bank's Profit rate (Ceiling profit rate) : XX%• Effective profit rate: COF-<i>i</i> + Spread <ul style="list-style-type: none">• Margin of financing: XX%• Tenure: XX years• Bank's Selling price : USD xxx
Note: 1. The above example is only for illustration purpose and may not show the actual financing obligation. 2. The profit rate is subjected to cost of fund plus spread. The spread is based on the risk rating of the company and other non-quantitative considerations.	

4. What are my obligations?

- You are required to pay the Bank's Profit based on utilization amount which is computed based on prevailing Bank's Effective Profit Rate (EPR), which will not exceed the Ceiling Rate (CR) (maximum profit rate that is allowable to be charged).

- Under the variable rate financing concept, the Bank shall grant *ibra'* on the difference between the amount of profit calculated based on the CR and the amount of profit based on the EPR.
- You are required to make a full settlement for the outstanding profit payment and principal portion of the Bank's Sale Price upon maturity of the facility and based on the payment schedule provided or notified by the Bank from time to time.
- You are also required to provide additional security as and when required by the Bank from time to time.

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

No.	Type of Fees and Charges	Quantum
1.	Processing Fee	Processing fee of 1.0%* of the financing amount. (*) subject to Terms and Conditions. Not applicable to SMEs
2.	Stamp Duty	As per the Stamp Act 1949 in Malaysia and/or stamping requirement in other jurisdiction (if applicable).
3.	SWIFT Charges	RM70
4.	Audit Confirmation Fee	RM100
5.	Redemption Letter/Statement Fee	RM50 (SME Customer)
6.	Letter of Support Fee	RM100 (SME Customer)
7.	Legal Fee	As charged by Lawyer
8.	Postage / Delivery Charges <u>Local Party</u> <ul style="list-style-type: none"> • Normal Mail • Registered Mail • Courier / Hand delivery <u>Foreign Party</u> <ul style="list-style-type: none"> • Normal Mail • Registered Mail • Courier 	Min.RM3 Min.RM6 Min.RM7 Min.RM4 Min.RM8 Min.RM50 – varies on location
9.	Brokerage Fee Note: The fee is only applicable for <i>Tawarruq</i> based products in facilitating buying and selling of commodities at the Commodity Trading Platform.	Up to RM15 or 15 per one million based on currency for each <i>Tawarruq</i> transaction.
10.	Variation of Facility Terms and Condition	Min.RM300 (Not applicable to SME customer)

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 fulfill my obligation?

We shall charge you a compensation for late payment:

Before Maturity

Bank's actual loss or up to one percent (1%) per annum:-

i.on instalment in arrears during the Tenure of the Facility; or

Formula: Instalment(s) in arrears x up to 1% x No. of overdue day(s)/ *365

ii.on the outstanding balance in the event of default causing the entire Facility to be recalled or brought to court for judgement prior to maturity;

Formula: **Outstanding Balance x up to 1% x No. of overdue day(s)/ *365

After Maturity/ Post Judgement

Bank's actual loss or up to Islamic Interbank Money Market ("IIMM") rate or any other rate specified by Bank Negara Malaysia:-

i.on the outstanding balance beyond the maturity period of the financing; or

Formula: **Outstanding Balance x Prevailing IIMM% x No. of overdue day(s)/*365

ii.on the outstanding balance after the judgement notwithstanding the maturity of the Facility.

Formula: ***Judgement Sum x Prevailing IIMM% x No. of overdue day(s)/ *365

The Compensation for Late Payment shall not be compounded.

Note: *May change subject to currency of the financing

**Outstanding Balance = Outstanding Cost + Accrued Profit

*** Judgement Sum is equivalent to Outstanding Balance

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

We shall grant rebate (*ibra'*) on:

- On profit for the difference between profit at CR per annum and the EPR;
- On the Cost (Bank's Purchase Price) and the appropriate profit thereon in case that the Facility is not fully disbursed after expiry of the Availability Period; and
- On the profit for early settlement of the Bank's Sale Price or due to termination of the Facility, restructuring exercise. In the event of default, cancellation, redemption, prepayment before the maturity date.

ibra' (rebate) formula for early settlement = Deferred Profit + Actual *ibra'* due to fluctuation of EPR (if any) – early settlement charges (if any)

Settlement Amount = Outstanding Selling Price + Instalments Due + Compensation for Late Payment / *Ta'widh* (if any) – *ibra'*

8. Do I need takaful coverage?

You may be required to assign the takaful certificate inclusive of all project rights and benefits to us as one of the collaterals accepted by us.

9. What are the major risks?

- Our Effective Profit Rate may subject to fluctuation during the financing tenure. However, the rate shall not exceed the Ceiling Profit Rate.
- Legal action will be instituted against you to recover the indebtedness which includes among others, obtaining judgment and enforcement of judgment such as writ of seizure and sale, garnishee, winding up and bankruptcy action.
- Any non-payment of the Bank's indebtedness under financing facility would also have an adverse record on your credit rating.

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 or call centre at 03-2601 2000.

11. Where can I get an assistance and redress?

If you wish to complaint 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 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

12. Where can I get further information?

Additional information on Buyer Financing-*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

13. What are other types of cross-border financing products available?

- Overseas Project Financing-*i*
- Overseas Investment Financing-*i*
- Contract Financing-*i*
- Term Financing-*i*
- Export of Services-*i*
- Import Financing-*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 30 July 2021.