

PRODUCT DISCLOSURE SHEET

(Please read and understand this Product Disclosure Sheet together with the general terms and conditions governing the Export Credit Refinancing-i (ECR-i) 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 Credit

Refinancing-i



1. What is this product about?

Export Credit Refinancing-i (ECR-i) provides an alternative short term pre- and post-shipment financing to direct/indirect exporters to promote export of manufactured products, agriculture products and primary commodities that are 'Halal', via the provision of Shariah compliant financing facilities.

The pre-shipment ECR-i facility facilitates the production of eligible goods for export prior to shipment and to encourage the backward linkages between the exporters and local suppliers in industrial development.

The post-shipment ECR-i facility bridges the funding requirement of exporter from shipment to receipt of payment of the export bill.

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

Pre-shipment ECR-i

The applicable contract/concept for financing of the purchase of raw material and other incidental cost between the Malaysian exporter and ECR-i Banks, shall be '*Murabahah*' (cost plus profit) followed by the '*Tawarruq*' between EXIM Bank and ECR-I Banks for refinancing of bills.

- **Murabahah:**

Murabahah is a trust sale in which the seller sells the goods to the buyer at cost plus markup payable on spot or deferred term. Detail of cost and profit shall be disclosed to the buyer.

- **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.

Post-shipment ECR-i

These transactions are made between the exporter, ECR-i Banks and EXIM Bank and the applicable concept shall be '*Tawarruq*'. Under this arrangement, the exporter, as an owner of the export, appoints the ECR-i Bank as collecting agent to collect payment from the importer's Bank.

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3. What do I get from this product?

Selling Price	Currency ()* : _____ * Acceptable currencies are RM and USD.
Financing Amount	Currency ()* : _____ * Acceptable currencies are RM and USD.

Margin of Financing	<p>Pre-shipment</p> <ul style="list-style-type: none"> Order-Based <ul style="list-style-type: none"> Direct Exporter: margin of financing is up to 95% on value of export order Indirect Exporter: up to 95% of ECR-i Domestic Letter of Credit (DLC), ECR-i Domestic Purchase Order (DPO) or Local Purchase Order (LPO) Certificate of Performance (CP) <ul style="list-style-type: none"> Direct Exporter (Manufacturing & Trading)- 100% of Export Value of preceding 12 months Indirect Exporter (Manufacturing & Trading)- 80% of Export Value of preceding 12 months <p>Post-shipment Up to a maximum of 100% of export bill value. Subject to availability of ECR credit limit with the commercial bank and EXIM Bank's administrative limit.</p>
Tenure	Pre-Shipment: Up to 120 days Post-Shipment: Up to 183 days
Profit Rate	Determined by EXIM from time to time.
<p><i>Example:</i></p> <ul style="list-style-type: none"> Total amount financed : RM xxx Bank's Profit rate (Ceiling profit rate) : XX% Effective profit rate: COF-i + Spread <ul style="list-style-type: none"> Margin of financing: XX% Tenure: XX days Bank's Selling price : RM xxx 	
<p><i>Note: 1. The above example is only for illustration purpose and may not show the actual financing obligation.</i> 2. The profit rate is subjected to Islamic cost of fund plus spread. The spread is based on the risk rating of the company and other non-quantitative considerations.</p>	

4. What are my obligations?

- You are required to pay the Bank's Profit based on utilization amount which is computed based on Bank's Effective Profit Rate, which will not exceed the Ceiling Rate.
- The difference sum between the total Bank's Sale Price and the actual amount charged to you (based on Effective Profit Rate) is subject to *Ibra'* (rebate).
- 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.

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

No.	Type of Fees and Charges	Quantum
1.	New application for access	RM50
2.	Application for ECR-i Certificate of Performance (CP) <ul style="list-style-type: none"> Issuance of CP Revision of CP Limit 	RM50 RM50

No.	Type of Fees and Charges	Quantum
3.	Pre-Shipment (Processing Fee per transaction) <ul style="list-style-type: none"> Lodgment Disbursement Partial Disbursement Early Settlement Redemption 	RM5 RM5 RM5 RM5 RM5
4.	Post-Shipment (Processing Fee per transaction) <ul style="list-style-type: none"> Refinancing Early Settlement Redemption 	RM5 RM5 RM5
5.	Report (Processing Fee per transaction) <ul style="list-style-type: none"> Daily Confirmation Report Pre-Shipment Month-end Profit Report Post-Shipment Quarterly Report 	RM5 RM10 RM10
6.	Online update for ECR-i Transactions Pre-Shipment <ul style="list-style-type: none"> Lodgment Disbursement Partial Disbursement Early Settlement Redemption Post-Shipment <ul style="list-style-type: none"> Refinancing Early Settlement Redemption 	RM10 RM10 RM10 RM10 RM10 RM10 RM10 RM10
7.	Others <ul style="list-style-type: none"> Request for Increase in Administrative Limit (more than RM100 Million) Special Approval Handling Fees Remittances Fees 	RM200 RM50 RM50 RM5
8.	Stamp Duty	As per the Stamp Duty Act 1949 (Revised 1989)
9.	SWIFT Charges	RM70
10.	Audit Confirmation Fee	RM100
11.	Redemption Letter/Statement Fee	RM50 (SME Customer)
12.	Letter of Support Fee	RM100 (SME Customer)
13.	Legal Fee	As charged by Lawyer
14.	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

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

At one percent (1%) per annum:-

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

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

or

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 1% x No. of overdue day(s)/ *365

After Maturity/ Post Judgement

At 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;

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

or

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

Formula: ***Judgement Sum x Prevailing IIMM Rate 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 Principal + Accrued Profit

***Judgement Sum is equivalent to Outstanding Balance

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

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

- On profit for the difference between profit at Ceiling Rate and the Prevailing Prescribed Rate (PPR);
- 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 PPR (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

Not required.

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.

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, Communications & Stakeholder Relations
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 Export Credit Refinancing-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 trade financing products available?

- Supplier Financing-i
- Trust Receipt-i
- IDB-Co Financing
- Vendor Financing Scheme-i
- Foreign Bill of Exchange Purchase-i
- Letter of Credit-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 31 December 2019.

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

Staff Name	:	Customer Name	:
Staff ID	:	Date	:
Date	:	Authorize Signature/Company Stamp	:
Signature	:		