



# **Commodity Murabahah Revolving Credit-i Product Disclosure Sheet**

<p><b>PRODUCT DISCLOSURE SHEET</b></p> <p>Please read this Product Disclosure Sheet (PDS) before you decide to apply for Commodity Murabahah Revolving Credit-i. If your application has been approved, kindly ensure that you have read the terms in the letter of offer before accepting the Bank's offer for the facility. Please consult your relationship manager if you require clarification on the terms.</p>	<p><b>Alliance Islamic Bank Berhad ("Bank")</b></p> <p><b>Product name: Commodity Murabahah Revolving Credit-i</b></p>
<p><b>1. What is this product about?</b></p>	
<p>This is a revolving financing facility to assist small and medium enterprises (SME), commercial and corporate customers. Commodity Murabahah Revolving Credit-i is used to finance:</p> <ul style="list-style-type: none"> <li>• General working capital</li> <li>• Any other purpose approved by the Bank</li> </ul>	
<p><b>2. What is the Shariah contract applicable?</b></p>	
<ul style="list-style-type: none"> <li>• The Shariah concept applicable is Commodity Murabahah (Murabahah via Tawarruq).</li> <li>• A Tawarruq consists of two (2) sale and purchase contracts. The Bank purchases commodities from a supplier and enters into a Commodity Murabahah Contract with the customer for the sale of commodities to the customer on deferred payment terms at the Bank's Selling Price. Thereafter, the customer sells the same commodities to a third party on cash and spot terms.</li> <li>• Murabahah refers to a sale and purchase of an asset where the acquisition cost and the mark-up are disclosed to the purchaser.</li> <li>• Tawarruq refers to two sale and purchase contracts where the first contract involves the sale of an asset to a purchaser on a deferred basis and the subsequent sale involves sale of the asset to a third party on a cash and spot basis.</li> <li>• The sale and purchase contracts are carried out via a "dual-agency" arrangement. The Customer as principal shall appoint the Bank as agent via an Agency Appointment document (Wakalah contract) to: a) purchase commodities from the Bank; and b) sell the commodities to a third party on cash basis. Once the Tawarruq has been completed, the proceeds from the sale of commodities to the third party will be released to the customer in full.</li> <li>• The sale and purchase transactions shall be effected through the Eiger Trading Platform or the Bursa Commodity House trading platform.</li> <li>• The commodities in the sale and purchase contracts shall be crude palm oil or Shariah compliant metals [London Metal Exchange (LME) Primary Aluminium, Platinum, LME Special High Grade zinc, LME Copper Grade A, Palladium].</li> </ul>	
<p><b>3. What do I get from this product?</b></p>	
<p>Facility Limit</p>	<p>RM</p>
<p>Effective Profit Rate</p>	<p>Cost of Funds* + Profit spread (*Note: The Bank's Cost of Funds for 30 days, 60 days, 90 days or 180 days)</p>
<p>Financing Tenure</p>	<p>Up to 30 days, 60 days, 90 days or 180 days</p>
<p>Bank's Selling Price</p>	<p>The facility is subject to the Bank's periodic review and is payable on demand.</p> <p>RM</p> <p><b>Selling Price = Drawdown / Rollover Amount + Effective Profit</b></p> <p>Calculation of selling price is based on the following formula:</p> $SP = P + \left[ P \times \frac{(r \times t)}{365} \right]$ <p>Where,</p> <p>SP = Bank's Selling Price</p> <p>P = Principal amount</p> <p>r = Effective profit rate</p> <p>t = Tenure (days)</p> <p>*Note: Profit will be computed based on 366 days if the transaction takes place within a leap year.</p> <p><u>Example</u></p> <p>CMRC-i drawdown / rollover amount: RM500,000  Financing tenure: 90 days  Effective Profit Rate: All-in rate of 5.5% p.a.</p> <p>Selling Price = RM500,000 + <math>\left[ RM500,000 \times \frac{(0.055 \times 90 \text{ days})}{365} \right]</math></p>

	<p>= RM506,780.82</p> <p>The Selling Price will remain fixed for the tenure of the transaction.</p>
Utilisation of CMRC-i	<p>The Customer must furnish a Drawdown Notice or Rollover Notice executed by the Customer's authorised signatory(ies) to the Bank at least three (3) business days prior to the drawdown date or rollover date.</p> <p>Drawdown may be made in a single transaction or multiple transactions subject to availability of the facility limit. Each drawdown is subject to a minimum amount of RM50,000.</p> <p>Rollover is subject to a minimum amount of RM50,000 and shall be carried out on a business day.</p> <p>The Customer may request for a copy of the Commodity Murabahah Contract from the Bank after completion of the drawdown or rollover transaction.</p>

#### 4. What are my obligations?

##### **Payment of Principal and Profit (Selling Price)**

The payment options are as follows:-

- a) Full settlement - Full payment of principal (amount utilised) and profit on maturity date;
- b) Rollover – Only profit is paid on maturity date. The principal is carried forward for a further period.

If the Customer requests for rollover of the principal, the effective profit due on the matured CMRC-i must be fully settled prior to the rollover.

##### **Utilisation of CMRC-i for Shariah compliant purposes**

The financing must not be utilised for Shariah prohibited business activities (Examples: Activities involving alcohol, gambling, pig farming, pork-related products). For more information on Shariah prohibited activities, please enquire from your relationship manager or any of the branch staff.

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

The following are the salient fees and charges applicable for the facility:

<b>Fees and Charges</b>	<b>Details</b>
Facility Fee*	To be determined based on the credit assessment of the Bank.
Renewal Fee*	To be determined based on the credit assessment of the Bank.
Processing Fee*	To be determined based on the credit assessment of the Bank.
Brokerage Fee	Fees payable to the commodity trade service provider. Unless notified by the Bank in writing to the customer, this fee will be borne by the Bank.

##### **Note:**

\*Not applicable for SME customers.

You will be notified of any changes to the fees and charges at least twenty-one (21) calendar days prior to the effective date(s) of such changes.

#### 6. What if I fail to fulfil my obligations?

Late Payment Charges ("LPC") will apply:

- i. In the event of default/non-payment during the tenure of the Facility and up to the maturity date of the Facility, the customer shall pay late payment charges as compensation (ta'widh) at the Bank's actual cost not exceeding 1% per annum or such other maximum rate prescribed by Bank Negara Malaysia on the overdue amount accruing from the due date up to the date of settlement.
- ii. In the case of default causing the entire Facility to be recalled or brought to court for judgement prior to the maturity date of the Facility, the customer shall pay late payment charges as compensation (ta'widh) at the Bank's actual cost not exceeding 1% per annum or such other maximum rate prescribed by Bank Negara Malaysia on the outstanding balance (outstanding principal and accrued profit) accruing from the due date up to the date of settlement or judgement (whichever is earlier).
- iii. In the event of default/non-payment after the maturity date of the Facility, the Bank shall collect late payment charges as compensation (ta'widh) at the Bank's actual cost not exceeding the prevailing daily overnight Islamic Interbank Money Market (IIMM) rate prescribed by Bank Negara Malaysia on the outstanding balance (outstanding principal and accrued profit) accruing from the due date up to the date of settlement.
- iv. In the event of default causing the Facility to be recalled and brought to court for judgement after maturity of the Facility, the customer shall pay compensation (ta'widh) at the current prevailing IIMM rate prescribed by Bank Negara Malaysia on the outstanding balance (which excludes outstanding uncollected late payment charges and other costs prior to judgement) from the date of judgement until the judgement sum is fully settled.

Notwithstanding the above, the amount of compensation shall not be compounded.

**Formula:**

Late Payment Charges ("LPC") = Outstanding amount x LPC rate x No. of days overdue / 365 days

Illustration of LPC computation:

Outstanding balance	RM100,821.92
LPC rate	1.72%
No. of days overdue	10 days
LPC amount	$\frac{\text{RM100,821.92} \times 1.72\% \times 10 \text{ days}}{365}$ = RM47.51

LPC imposed will increase the outstanding balance due to the Bank.

- Right to set-off: The Bank has the right to set-off any credit balances in your account(s) maintained with the Bank against any outstanding balances under the facility with prior notice of at least 7 calendar days if you fail to settle the amounts due on their maturity dates.
- The Bank has the right to commence legal action against you and your guarantor (if any) if you fail to respond to our reminder notices for payment and you will have to bear all costs in relation thereto. The collateral (if any) securing the facility may also be liquidated or foreclosed to settle the overdue amount.
- Legal action against you may affect your credit rating and this will affect your ability to obtain additional facilities from banks.

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

- The facility may be redeemed at any time prior to the maturity of the tenure of the Facility subject to at least 1 month prior written notice to the Bank.
- The Bank shall grant *ibra'* (rebate) on the settlement date based on the formula as set out below in the event of any of the following scenarios:
  - Early redemption / settlement, where the customer has given prior written notice to the Bank;
  - Settlement due to restructuring of the financing facility;
  - Settlement by customer where the financing facility is in default / after the Bank executed foreclosure proceedings and auctioned the asset pledged as collateral;
  - Settlement by customer in the event of termination or cancellation of financing facility before the maturity date of the contract.

**Formula:**

**Settlement Amount = Outstanding Facility Amount + Profit due – *ibra'* (rebate) + Late Payment Charges (if any) + Miscellaneous charges (if any)**

Where:

***ibra'* (rebate) = Deferred profit – Early Settlement Charges (if any)**

**Note:**

The remaining unearned profit is equal to unrealized profit at the time of full settlement. The calculation of *ibra'* (rebate) shall be made in accordance with Guidelines *ibra'* (Rebate) for Sale-Based Financing issued by Bank Negara Malaysia.

## 8. What are the major risks?

- For financing with variable Effective Profit Rate, the Base Rate, Base Financing Rate and Cost of Funds are subject to fluctuations which may vary the instalment payments. However, the profit rate increase is capped at the ceiling profit rate.
- The Bank may take legal action if you do not honour your payment obligations to the Bank.

**Note:** If you are having difficulty meeting your financing obligations, contact your relationship manager early to discuss payment options.

## 9. Do I need a guarantor or collateral?

The facility may either be offered as:

- Unsecured; or
- Secured by the following:
  - Property / land
  - Cash / Term Deposit-i / Special Investment Account-i
  - Conventional Fixed Deposit (up to principal amount only)
  - Shariah compliant shares / equities
  - Guarantee
  - Other collaterals acceptable to Shariah.

The security structure is subject to the Bank's credit evaluation.

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

It is important that you inform us of any change in your contact details to ensure that all correspondences reach you in a timely manner.

#### 11. Where can I get assistance and redress?

- If you have difficulties in making payments, you should contact your relationship manager as soon as possible to discuss payment alternatives. You may contact us at:

**Alliance Islamic Bank Berhad, Consumer Collections, 2<sup>nd</sup> Floor, 3 Alliance, 3 Jalan SS15/2A, 47500 Subang Jaya, Selangor.**  
Tel: 03-5516 9988 Fax: 03-5516 9399 Email: [info@alliancefg.com](mailto:info@alliancefg.com)

- Alternatively, you may seek the services of Agensi Kaunseling dan Pengurusan Kredit (AKPK), an agency established by Bank Negara Malaysia to provide free services on money management, credit counselling, financial education and debt restructuring for individuals. You may also join the "Program Pengurusan Wang Anda (POWER)" to help your credit management. The contact details and list of branches are on AKPK's website at <https://www.akpk.org.my/contact-us>

**Level 8, Maju Junction Mall, 1001, Jalan Sultan Ismail, 50250 Kuala Lumpur.**  
Tel: 03-26167766 Email: [enquiry@akpk.org.my](mailto:enquiry@akpk.org.my)

- If you wish to lodge a complaint on the products or services provided by the Bank, you may contact the Bank at:  
**Alliance Bank Malaysia Berhad, Group Complaints Unit, 4 Floor, Menara Multi-Purpose, Capital Square, 8 Jalan Munshi Abdullah, 50100 Kuala Lumpur.**  
Tel: 03-2604 3300 Fax: 03-2691 8229 Email: [info@alliancefg.com](mailto:info@alliancefg.com)
- If your query or complaint is not satisfactorily resolved by the Bank, you may contact Bank Negara Malaysia LINK or TELELINK at:  
**Block D, Bank Negara Malaysia, Jalan Dato' Onn, 50480 Kuala Lumpur.**  
Tel: 1-300-88-5465 Fax: 03-2174 1515 Email: [bnmtelelink@bnm.gov.my](mailto:bnmtelelink@bnm.gov.my)

- You may also contact Financial Markets Ombudsman Services (FMOS) at:  
**Level 14, Main Block, Menara Takaful Malaysia, No. 4, Jalan Sultan Sulaiman, 50000 Kuala Lumpur.**  
Tel: 03-2272 2811 Fax: 03-2272 1577 Email: [enquiry@ofs.org.my](mailto:enquiry@ofs.org.my) Website: [www.fmos.org.my](http://www.fmos.org.my)

#### 12. Where can I get further information?

If you would like to have more information about Commodity Murabahah Revolving Credit-i and/or our other products and services, please visit our Bank's website at <https://www.alliancebank.com.my/Islamic> or contact your business relationship manager.

#### 13. Other type of Business Financing packages available:

No.	Services
1.	Islamic Trade Products and Services
2.	Cashline Facility-i
3.	Commodity Murabahah Term Financing-i
4.	Biz Prop Term Financing-i
5.	Industrial Hire Purchase-i

#### 14. Disclaimer

This Product Disclosure Sheet is for information purposes and shall not be construed as an obligation by the Bank to grant facilities to you. The terms herein are subject to the Bank's credit evaluation and approval.

The information provided in this product disclosure sheet is valid as at [to insert date].

**IMPORTANT NOTE: LEGAL ACTION MAY BE TAKEN AGAINST YOU IF YOU DO NOT HONOUR YOUR PAYMENT OBLIGATIONS FOR THE FACILITY.**

#### ACKNOWLEDGEMENT BY CUSTOMER:

I/We acknowledge that I/we have read and understood the features of the product, its salient terms and the obligations attached to it. I/we understand that this product disclosure sheet is only for information purposes and shall not be construed as an offer by the Bank or an obligation by the Bank to grant any facilities to us.

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Name:  
Date: