



ALLIANCE ISLAMIC BANK

# Murabahah Trust Receipt-i Product Disclosure Sheet

PRODUCT DISCLOSURE SHEET																			
<p>Please read this Product Disclosure Sheet (PDS) before you decide to apply for Murabahah Trust Receipt-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>	 <b>ALLIANCE ISLAMIC BANK</b> <small>Alliance Islamic Bank Berhad 200701018870 (776882-V)</small>																		
<b>Product name: Murabahah Trust Receipt-i</b>																			
<b>1. What is this product about?</b>																			
<ul style="list-style-type: none"> <li>Murabahah Trust Receipt-i (MTR-i) is a facility offered to finance imports and local purchases of goods that are not prohibited by Shariah.</li> <li>It enables a buyer/importer to take delivery of goods prior to payment to the supplier.</li> <li>The Bank retains the legal title to the goods but relinquishes physical possession to the buyer/importer of the goods that acts as the trustee or agent to the Bank. The buyer/importer will dispose of the goods through sale to its customers and utilise the sale proceeds to pay the amount due to the Bank on or before the maturity date of the MTR-i financing transaction.</li> </ul>																			
<b>2. What is the Shariah contract applicable?</b>																			
<ul style="list-style-type: none"> <li>MTR-i is based on Shariah principles of Murabahah to the Purchase Orderer (MPO).</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>MPO refers to an arrangement whereby the purchase orderer (purchaser i.e. Customer) promises (Wa'd) to purchase an identified and specified asset from a seller (i.e. the Bank) on Murabahah terms upon the latter's acquisition of the asset. The mechanics involved in MTR-i financing for every utilisation of MTR-i facility: <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 5%;">1.</td> <td>Bank (i.e. Seller) appoints Customer (i.e. Purchase Orderer) under Shariah principle of Wakalah as the undisclosed purchasing agent of the Shariah compliant goods on behalf of Bank.</td> </tr> <tr> <td>2.</td> <td>Customer gives promise (Wa'd) to purchase Shariah Compliant goods from Seller.</td> </tr> <tr> <td>3.</td> <td>Customer on behalf of Bank, purchases the Shariah compliant goods from Supplier.</td> </tr> <tr> <td>4.</td> <td>By virtue of the promise to purchase by Customer, Bank sells the Shariah Compliant goods to Customer at mark-up price (same value as selling price) on deferred payment basis. Customer now owns the goods.</td> </tr> </table> </li> </ul>		1.	Bank (i.e. Seller) appoints Customer (i.e. Purchase Orderer) under Shariah principle of Wakalah as the undisclosed purchasing agent of the Shariah compliant goods on behalf of Bank.	2.	Customer gives promise (Wa'd) to purchase Shariah Compliant goods from Seller.	3.	Customer on behalf of Bank, purchases the Shariah compliant goods from Supplier.	4.	By virtue of the promise to purchase by Customer, Bank sells the Shariah Compliant goods to Customer at mark-up price (same value as selling price) on deferred payment basis. Customer now owns the goods.										
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<b>3. What do I get from this product?</b>																			
Financing	Financing is against invoice and supporting documents evidencing delivery of goods on open account, collection or letter of credit basis.																		
Margin of financing	100% of invoice value.																		
Profit Rate	BFR + ___ % per annum.																		
Tenure	___ days.																		
<p>Sale Price which is inclusive of profit charges is fixed at point of each disbursement calculated based on prevailing Profit Rate illustrated as follow:</p> <p>Illustration only:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>Facility Amount / Limit</td> <td>:</td> <td>RM1,000,000</td> </tr> <tr> <td>Utilised Amount</td> <td>:</td> <td>RM300,000</td> </tr> <tr> <td>Tenure</td> <td>:</td> <td>90 days</td> </tr> <tr> <td>Profit Rate</td> <td>:</td> <td>9%</td> </tr> <tr> <td>Selling Price</td> <td>:</td> <td>RM306,657.53</td> </tr> <tr> <td>Profit Amount</td> <td>:</td> <td>RM6,657.53</td> </tr> </table> <p>The formula to calculate the profit is: Utilised Amount x Profit Rate x Tenure (in days) / Number of days in a year</p>		Facility Amount / Limit	:	RM1,000,000	Utilised Amount	:	RM300,000	Tenure	:	90 days	Profit Rate	:	9%	Selling Price	:	RM306,657.53	Profit Amount	:	RM6,657.53
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<b>4. What are my obligations?</b>																			
<ul style="list-style-type: none"> <li>Full settlement of the selling price (principal and profit) on maturity date. You may make partial settlement at any point of time during the tenure of the MTR-i transaction.</li> </ul>																			
<b>5. What are the fees and charges I have to pay?</b>																			
The following are the salient fees and charges applicable for the facility:																			

<b>Fees and Charges</b>	<b>Details</b>
Stamp Duty	Stamp duty is payable in accordance with the Stamp Act 1949 (revised 1989).
Commission (open account trade settlement)	0.1% on the invoice value. Minimum: RM50.00 Maximum: RM100 (foreign currency), RM500 (local currency)

Please refer to the Bank's website for the latest fees and charges applicable for the product. Kindly note that the fees and charges on the Bank's website are updated from time to time. 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 in the following scenarios:
  - In the case of default causing the entire Facility to be recalled or brought to court for judgement prior to the maturity of the MTR-i - Compensation at a rate equivalent to 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).
  - After maturity of the MTR-i – Compensation at a rate equivalent to 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).
  - Facility presented to the court for judgement: Late payment charges shall be imposed at a rate equivalent to the Bank's actual cost not exceeding the 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 debt is fully settled.
  - Notwithstanding the above, the amount of compensation shall not be compounded.

##### **Formula:**

$$\text{Late Payment Charges} = \text{Outstanding balance} \times \text{LPC rate} \times \text{No. of days overdue} / 365 \text{ days}$$

- Illustration of LPC computation:

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

- 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 securing the facility may also be liquidated or foreclosed to settle the overdue amount.
- The Bank may also take legal action against you and/or your guarantor (if any) and liquidate or foreclose the collateral provided (if any) for the facility.

#### **7. What if I pre-pay or fully settle the financing before its maturity?**

If you make a partial payment prior to the maturity of the financing (“pre-payment”) your liability will reduce accordingly as profit for the remaining tenure after pre-payment will be calculated based on the lower principal balance. If you fully settle the financing prior to maturity (“early settlement”) the Bank will not collect profit for the remaining tenure after settlement. The Bank will grant rebate (*ibra*) on the Selling Price (total obligation for the financing) due to the pre-payment/early settlement.

#### **8. Do I need takaful coverage?**

Yes, takaful coverage may be required if the facility is secured by collateral such as property, subject to the type of collateral charged in favour of the Bank. For example, if the collateral is a property, fire/house owner's takaful coverage on that property charged to the Bank is compulsory. If you are having difficulty meeting your financing obligations, contact your relationship manager early to discuss payment options.

<b>9. Do I need a guarantor or collateral?</b>													
<ul style="list-style-type: none"> <li>• Collateral: Subject to the credit evaluation by the Bank.</li> <li>• Guarantor: Subject to the credit evaluation by the Bank.</li> </ul>													
<b>10. What do I need to do if there are changes to my contact details?</b>													
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. Contact your relationship manager or update your account details at any of our bank's branches.													
<b>11. Where can I get assistance and redress?</b>													
<ul style="list-style-type: none"> <li>• If you have difficulties in making payments, you should contact your relationship manager as soon as possible to discuss payment alternatives.</li> <li>• Alternatively, you may seek the services of Agensi Kaunseling dan Pengurusan Kredit (AKPK). AKPK offers specialised solutions to help small and medium enterprises (SMEs) to manage their debt and promote sound financial management practices via their Small Debt Resolution Scheme (SDRS). AKPK's services can be accessed via their online channel at <a href="https://services.akpk.org.my">https://services.akpk.org.my</a>.</li> <li>• If you wish to make a complaint on the products or services provided by us, please inform your relationship manager or you may contact us at: <b>Alliance Bank Malaysia Berhad, Group Complaints Unit</b> <b>7th Floor, Menara Multi-Purpose, Capital Square, 8 Jalan Munshi Abdullah, 50100 Kuala Lumpur</b> <b>Tel: 03-2600 1800; Fax: 03-26918229; Email: <a href="mailto:info@alliancefg.com">info@alliancefg.com</a></b></li> <li>• If your query or complaint is not satisfactorily resolved by us, you can call Bank Negara Malaysia LINK or TELELINK at: <b>Block D, Bank Negara Malaysia,</b> <b>Jalan Dato' Onn, 50480 Kuala Lumpur</b> <b>Tel: 1-300-88-5465; Fax: 03-2174 1515; Email: <a href="mailto:bnmtelelink@bnm.gov.my">bnmtelelink@bnm.gov.my</a></b></li> </ul>													
<b>12. Where can I get further information?</b>													
If you would like to have more information about MTR-i and/or our other products and services, please visit our Bank's website at <a href="https://www.alliancebank.com.my">https://www.alliancebank.com.my</a> / or contact your business relationship manager.													
<b>13. Other type of business financing products/services available:</b>													
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<b>14. Disclaimer</b>													
<p>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.</p> <p>The information provided in this product disclosure sheet is valid as at [to insert date].</p> <p><b>IMPORTANT NOTE: LEGAL ACTION MAY BE TAKEN AGAINST YOU IF YOU DO NOT HONOUR YOUR PAYMENT OBLIGATIONS FOR THE FACILITY.</b></p>													
<b>ACKNOWLEDGEMENT BY CUSTOMER:</b>													
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.													
<hr/> Name: Date:													