

**PRODUCT DISCLOSURE SHEET**



<p><b>Read this Product Disclosure Sheet before you decide to take up Letter of Credit-i. The final terms and conditions will be documented in the form of Letter of Offer and/or Facilities Agreement.</b></p>		<p><b>AmBank Islamic Berhad</b></p> <p><b>Letter of Credit-i</b> <b>Date:</b></p>																																	
<p><b>1. What is this product about?</b></p> <p>(a) Letter of Credit-i (“LC-i”) is a written undertaking (“Product” / “Facility”) issued by the Issuing Bank at the request of the Buyer/Applicant (“Customer”), to pay the Seller (“Beneficiary”) at sight or a determinable future date up to a stated sum of money, within a prescribed time limit upon presentation of stipulated documents that conform to the terms and conditions of the credit.</p> <p>(b) LC-i is governed by International Chamber of Commerce (ICC) Uniform Rules for Documentary Credits (UCP).</p>																																			
<p><b>2. What are the Shariah concepts applicable?</b></p> <p>LC-i is structured based on Shariah principle of <i>Wakalah</i> (agency) where AmBank Islamic (“the Bank”) is acting as an agent for the Buyer to issue LC-i to Seller. <i>Wakalah</i> refers to a contract in which a party mandates another party as an agent to perform particular task. In the Product, the customer appoints the Bank as an agent to perform the <i>Tawarruq</i> transactions.</p>																																			
<p><b>3. What do I get from this product?</b></p> <p>(a) Issuance of LC-i is subject to Customer’s LC-i limit.</p> <p>(b) LC-i facility is offered in Ringgit Malaysia (“RM”) or foreign currencies acceptable by the Bank.</p> <p>(c) On sight payment basis or deferred payment basis.</p> <p>(d) Payment to Beneficiary or acceptance of LC-i is only upon presentation of complying documents.</p> <p>(e) May arrange for financing under Accepted Bills-i(“AB-i”) Import/Purchase, Trust Receipt-i(“TR-i”), Invoice Financing-i (“IF-i”), or Foreign Currency Trade Financing-i (“FCTF-i”)(subject to Buyer’s MTF-i limit) to pay the Seller.</p>																																			
<p><b>4. What are my roles and obligations?</b></p> <p>(a) You are required to pay the beneficiary on sight or accept the draft upon presentation of complying documents.</p> <p>(b) You are required to ensure your LC-i limit is active and adequate for utilisation.</p> <p>(c) You are required to ensure sufficient funds in your current account with us to debit the applicable fees and charges and payment to beneficiary.</p> <p>(d) You are to ensure your assets/goods in the invoices are Shariah-compliant.</p>																																			
<p><b>5. What are the fees and charges I have to pay?</b></p> <table border="1"> <thead> <tr> <th>No.</th> <th>Type of Fees and Charges</th> <th>Tariff</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Opening commission</td> <td>0.1% per month (or part of month). Min: RM100.</td> </tr> <tr> <td rowspan="2">2</td> <td>LC-i amendment</td> <td rowspan="2">RM50 flat.</td> </tr> <tr> <td>(a) Other than extension of expiry date / increase in amount</td> </tr> <tr> <td></td> <td>(b) Extension of expiry date / increase in amount</td> <td>Commission of 0.1% per month or part thereof for the extended period/ incremental value. Min: RM50  Note: If amendment involving incremental in LC-i amount, commission will be calculated on the amended amount from the original issuance date less commission collected.</td> </tr> <tr> <td>3</td> <td>Cancellation / non utilization of LC-i – Handling fee</td> <td>RM50 flat.</td> </tr> <tr> <td>4</td> <td>Acceptance commission on Usance Credits</td> <td>0.1% per month or part thereof Min: RM50</td> </tr> <tr> <td rowspan="3">5</td> <td rowspan="3">Import Bills under LC-i</td> <td><b><u>Drawing against expired LC-i</u></b></td> </tr> <tr> <td> <ul style="list-style-type: none"> <li>0.1% per month or part thereof from LC-i expiry date to LC-i drawing date. Min: RM100</li> </ul> </td> </tr> <tr> <td><b><u>Drawing against excess of LC-i amount (will only be charged upon customer accepting the discrepancy)</u></b></td> </tr> <tr> <td></td> <td></td> <td> <ul style="list-style-type: none"> <li>0.1% per month or part thereof from LC-i issuance date to drawing date based on the excess amount. Min: RM100</li> </ul> </td> </tr> <tr> <td></td> <td></td> <td><b><u>Direct presentation of documents from beneficiary (Inward Bill)</u></b></td> </tr> <tr> <td></td> <td></td> <td> <ul style="list-style-type: none"> <li>0.1% of invoice value (to be charged to beneficiary's or applicant's account depending on LC-i terms). Min: RM50 Max: RM100 (FCY bill); RM300 (RM bill) Checking fee: RM30</li> </ul> </td> </tr> </tbody> </table>			No.	Type of Fees and Charges	Tariff	1	Opening commission	0.1% per month (or part of month). Min: RM100.	2	LC-i amendment	RM50 flat.	(a) Other than extension of expiry date / increase in amount		(b) Extension of expiry date / increase in amount	Commission of 0.1% per month or part thereof for the extended period/ incremental value. Min: RM50  Note: If amendment involving incremental in LC-i amount, commission will be calculated on the amended amount from the original issuance date less commission collected.	3	Cancellation / non utilization of LC-i – Handling fee	RM50 flat.	4	Acceptance commission on Usance Credits	0.1% per month or part thereof Min: RM50	5	Import Bills under LC-i	<b><u>Drawing against expired LC-i</u></b>	<ul style="list-style-type: none"> <li>0.1% per month or part thereof from LC-i expiry date to LC-i drawing date. Min: RM100</li> </ul>	<b><u>Drawing against excess of LC-i amount (will only be charged upon customer accepting the discrepancy)</u></b>			<ul style="list-style-type: none"> <li>0.1% per month or part thereof from LC-i issuance date to drawing date based on the excess amount. Min: RM100</li> </ul>			<b><u>Direct presentation of documents from beneficiary (Inward Bill)</u></b>			<ul style="list-style-type: none"> <li>0.1% of invoice value (to be charged to beneficiary's or applicant's account depending on LC-i terms). Min: RM50 Max: RM100 (FCY bill); RM300 (RM bill) Checking fee: RM30</li> </ul>
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6	Commission in lieu of Exchange on Foreign Currency bills settled in Foreign Currency	0.1% on invoice value. Min: RM50 Max: RM300.
7	SWIFT / Telex charge for transmission of LC text	Issuance: <ul style="list-style-type: none"> <li>• Within Malaysia: RM40 flat.</li> <li>• Outside Malaysia: RM100 flat.</li> </ul>
		Amendment <ul style="list-style-type: none"> <li>• Within Malaysia: RM20 flat.</li> <li>• Outside Malaysia: RM50 flat.</li> </ul>
8	SWIFT Charges	For customer's account <ul style="list-style-type: none"> <li>• Within Malaysia: RM20 flat.</li> <li>• Outside Malaysia: RM40 flat.</li> </ul>
		For foreign counterparty's account - USD20 equivalent.
9	RENTAS Payment / Interbank GIRO	RM2 flat.
10	Postage / Registered post	<ul style="list-style-type: none"> <li>• Within Malaysia: RM5 flat.</li> <li>• Outside Malaysia: RM20 flat.</li> </ul>
11	Courier Services	<ul style="list-style-type: none"> <li>• Within Malaysia: RM15 flat.</li> <li>• Outside Malaysia: Subject to destination</li> </ul>
12	Stamp Duty	As per Stamp Duty Act 1949 (Revised 1989)

The fees and charges are exclusive of any taxes, including but not limited to, goods and services tax, value added tax, consumption tax, consumer tax, indirect tax, service tax, sales tax, duties, levies or any other taxes ("Taxes") which may now be or hereafter imposed by the Government of Malaysia.

**6. What if I fail to fulfill my obligations?**

If you do not maintain sufficient funds in your current account for the Bank has a right to utilise any credit balance in your account(s) maintained with us to settle outstanding amount under any facilities with AmBank Islamic. The set-off amount shall be made known to you.

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

Not applicable.

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

Not applicable.

**9. What are the major risks?**

- Payment to Beneficiary or acceptance of LC-i is only upon presentation of complying documents and no verification of quality and quantity of goods.
- For international trade transaction, currency exchange rate may different at the point of buyer and seller contracting the sale and at the point of payment of the contract and result in loss due to currency fluctuation.

**10. Do I need a guarantor or collateral?**

- A guarantor(s) is to be provided if required.
- Collateral is to be provided if required and must be acceptable to the Bank.

Note: The requirements above are depending on your creditworthiness.

**11. What do I need to do if there is change(s) to my contact details?**

It is important that you inform us of any change in your contact details to ensure all correspondences reach you in a timely manner. For assistance, you may contact / notify in writing to your respective Relationship Manager.

**12. Where can I get assistance and redress?**

- If you wish to complain on the products or services provided by us, you may contact us at:

AmBank Islamic Berhad,  
Transaction Banking Service Centre,  
Level 24, Menara AmBank,  
No. 8, Jalan Yap Kwan Seng,  
50450 Kuala Lumpur.  
General Line: +603 2058 2800  
Fax: +603 2078 0230  
E-mail: [AmTradeOnline-KL@ambankgroup.com](mailto:AmTradeOnline-KL@ambankgroup.com)

- 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,  
50450 Kuala Lumpur.  
Tel: 1-300-88-5465  
Fax: 03-2174 1515  
E-mail: [bnmtelelink@bnm.gov.my](mailto:bnmtelelink@bnm.gov.my)

**13. Where can I get further information?**

For details of benefits, fees and charges, you can visit [www.ambankgroup.com](http://www.ambankgroup.com).

**14. Other Islamic trade products available:**

- Trust Receipt-i
- Accepted Bills-i
- Foreign Currency Trade Financing-i
- Export Credit Refinancing-i
- Credit Bills Negotiation-i
- Outward Bills Purchased-i
- Bank Guarantee-i
- Invoice Financing-i
- Standby Letter of Credit-i
- Shipping Guarantee-i
- Inward Bills for Collection-i
- Outward Bills for Collection-i

**IMPORTANT! YOUR COLLATERAL MAY BE LIQUIDATED IF YOU DO NOT KEEP UP WITH YOUR PAYMENTS**

**All calculations and rates above are for illustration purpose only. Terms and conditions apply.**

**Disclaimer: The actual amount of LC-i facility to be provided by AmBank Islamic Berhad is dependent upon your credit evaluation by AmBank Islamic Berhad. The transmission of this Product Disclosure Sheet to you does not create any obligation by AmBank Islamic Berhad to grant you any facilities.**

**AmBank Islamic Berhad (295576-U)**  
A member of the AmBank Group