

PRODUCT DISCLOSURE SHEET



Dear Customer,

This Product Disclosure Sheet ("PDS") is designed to provide you with key information on your **Domestic Recourse Factoring-i** ("DRF-i"). Other customers have read this PDS and found it helpful; you should read it too.

1. WHAT IS DOMESTIC RECOURSE FACTORING-i?

Domestic Recourse Factoring-i

- Factoring-i is a transaction in which a business entity ("Client") sells its accounts receivable, or invoices, to a third-party financial institution or factoring house ("Factor") on a short-term period. This allows the Client to receive cash faster instead of waiting for their customer ("Customer") to pay on credit terms.
- There are a few types of Factoring-i and one of it is DRF-i; a factoring facility with recourse to the Client. The Customer is notified of the factoring arrangement.

Applicable Shariah Contract

The Shariah concept applicable is *Bai' al-Dayn* (Sale of Debt). It refers to sale of debt arising from a deferred payment trade transaction.

2. KNOW YOUR OBLIGATIONS

What I do get from this product:

For this financing, as an illustration:

Invoice Value	MYR 100,000.00
Margin of Financing	80%
Purchase Price	MYR 80,000.00
Profit Rate (per annum)	7.25%
Reference Rate (Rate)*	BFR
Financing Tenure	90 days
Profit Amount	MYR 1,430.14

* Rate can be Base Financing Rate ("BFR") or Islamic Cost of Fund ("iCOF").

Other Features:

Tenure	Up to 180 days.
Profit Structure (Mark-up profit)	Fixed (one-time benchmark against the Bank's prevailing BFR or iCOF).
Currency	Malaysian Ringgit ("MYR")
Disbursement Amount	Purchase Price less Factoring Charge and other applicable charges.

It is your responsibility to:



Read the Letter of Offer ("LO") and understand the terms before you sign it.



Ensure the payment from Customer is timely and in full on maturity.



Make sure you **can afford to repurchase the receivable** in higher amount in case of the **non-payment** by Customer.



Contact us immediately should you find the Customer **unable to pay** the invoices/bills on maturity.

For this financing, you have to pay the following charges (where applicable).

No.	Type of Fees and Charges	Tariff
1.	Factoring Charge Rate	1.0%* of the invoice value
2.	Disbursement to a third party	RM50* per transaction
3.	Request for statement by Client / Customer	RM20* per statement

Refer to our standard tariff / charges on our website here for more details: -

<https://www.ambankgroup.com/products-and-services/islamic/islamic-banking/product-and-services/business-and-institutional/trade-services/tariff-charges>

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.

Note: Further terms shall be stipulated in the LO / Factoring-i Agreement issued by the Bank

3. KNOW YOUR RISK

What happens if you ignore your obligations?

1. On the maturity date, AmBank Islamic **may charge late payment fees** for failure in making payment of any amount or upon **Factoring-i expiry/cancellation**.
2. **Right to Set-off:** The Bank has the right to utilise any credit balance in your account(s) maintained with the Bank to settle any payment in arrears under the Facility, subject to seven (7) calendar days' notice to you.
3. The Bank has the **right to commence legal action against you and Guarantor** (if any) and/or liquidate / foreclose the collateral provided (if any) to recover any amount due but unpaid under the Facility.
4. Legal action against you may **affect your credit rating**, making credit more difficult or expensive to obtain.

4. OTHER KEY TERMS

1. You are **required to notify Customer** on the Factoring-i arrangement.
2. In the event of **non-payment** by Customer, AmBank Islamic **has recourse on you** for the unpaid bills/invoices.
3. You are required to **ensure sufficient funds** in your current account with us to debit the applicable fees and charges.
4. You are required to **ensure your assets/goods** in the invoices are **Shariah-compliant**.
5. You are required to **ensure your Factoring-i limit** is **active and adequate** for utilisation.
6. We may **deduct money** from your current account with us to settle/reduce your outstanding financing.
7. AmBank Islamic **may take legal action** if you do not keep up with your payment.
8. **Upon receipt of payment** from Customer or **early settlement** by Client, *Hibah* (Gift) may be given to you.

If you have any questions about our **Domestic Recourse Factoring-i**, you can:



Call us at
+603 2178 8888
(Contact Centre)



Visit us at
www.ambankgroup.com



Email us at
customercare@ambankgroup.com



Scan the QR code