



Small Medium Enterprise Development  
Bank Malaysia Berhad (49572-H)

## PRODUCT DISCLOSURE SHEET

(Read this Product Disclosure Sheet before you decide to take-up the HalalBiz Financing Program. Be sure to also read the terms in the Letter of Offer. Seek clarification from SME Bank if you do not understand any part of this document or the general terms)

### HALALBIZ FINANCING PROGRAM

Date : \_\_\_\_\_  
(to be filled by Relationship Management)

#### 1. What is this Financing about?

HalalBiz is a financing Program for asset acquisition and/or working capital (including the cost of Halal certification expenses) to encourage participation of MSMEs entrepreneurs in the Halal industry ecosystem in Malaysia.

#### 2. What is the Shariah concept(s) applicable?

The Shariah concept(s) applicable to this financing are:

##### Commodity Murabahah via Tawarruq

Commodity Murabahah is Murabahah (cost-plus-profit) via Tawarruq arrangement. A Tawarruq consists of two sale and purchase contracts. The first involves the sale of a specified commodity (such as crude palm oil) by the Bank to the Customer on a deferred basis at a cost-plus-profit price over an agreed period of time. Subsequently, the Customer will sell the same commodity to a third party on a cash and spot basis.

##### Ijarah Thummal Bai'

Ijarah Thummal Bai' is leasing contract (Ijarah) followed by sale by way of conduct (Bai' Mu'atah). Under the leasing contract, the customer leases the asset from the Bank at an agreed rental payment over a specific period. Upon expiry of the leasing period, the sale of lease asset from the Bank to customer shall be effected by way of conduct (Mu'atah) based on agreed price.

#### 3. What do I get from this Financing?

We shall provide you financing facility(ies) via our existing product(s) as follows:

- i) Commodity Murabahah Term Financing-i (CMTF-i) Facility; and/ or
- ii) Ijarah Thummal Bai' (ITB) Financing Facility; and/ or
- iii) Cash Line-i (CL-i); and/ or
- iv) Revolving Credit-i (RC-i);

##### Illustration:

Financing Amount	:	<ul style="list-style-type: none"> <li>• Minimum: RM100,000</li> <li>• Maximum: RM1.0 million</li> </ul>
Tenure	:	<ul style="list-style-type: none"> <li>• Asset Acquisition : 7 years</li> <li>• Working Capital: 5 years</li> </ul>
Margin of Financing	:	<ul style="list-style-type: none"> <li>• Asset Acquisition : Up to 90%</li> <li>• Working Capital : Up to 100%</li> </ul>
Profit Rate	:	5.0% per annum (net after 1.5% subsidy)

**Note: Current BFR (Base Financing Rate) is at 7.00% per annum and may vary from time to time.**

#### 4. What are my obligations?

##### CMTF-i Facility

- To pay the scheduled payments comprising of principal and profit.
- Payments are generally scheduled on monthly/ quarterly/ half-yearly/ yearly basis.
- To settle all amounts outstanding at or before maturity date.

##### Illustration:

- Financing Amount : RM1,000,000.00
- Tenure : 5 years
- Profit Rate: 5.0% per annum

- Bank's Purchase Price: RM1,000,000.00
  - Bank's Selling Price : RM1,132,273.80
  - Your Monthly Installment : RM18,871.23
- Total payment amount at the end of 5 years : RM1,132,273.80

#### ITB Financing Facility

- To pay the monthly installment comprising of principal and profit.
- To settle all amounts outstanding at or before maturity date.

#### Illustration:

- Financing Amount : RM1,000,000.00
  - Tenure : 5 years
  - Profit Rate : 5.0% per annum
  - Your Monthly Installment : RM18,871.23
- Total payment amount at the end of 5 years: 1,132,273.80

#### CL-i Facility

- To pay the monthly profit portion.
- To pay the principal portion on lump sum (bullet payment) upon maturity.

#### Illustration on profit charged:

The monthly profit payable is calculated daily based on the fixed profit rate, the facility amount utilized and number of days utilized for the month.

- Facility Amount/ Limit: RM1,000,000.00
- Tenure: 5 years
- Profit Rate: 5.0% per annum
- Bank's Purchase Price: RM1,000,000.00
- Bank's Selling Price: RM1,250,274.16
- Facility Amount Utilized: 1) RM800,000.00  
2) RM200,000.00

Utilization	Monthly Profit Payment
1) Utilization of RM800,000.00 Monthly profit payable	RM3,397.26
2) Utilization of RM200,000.00 Monthly profit payable	RM849.32
Monthly Profit Payable for both utilizations	RM4,246.58

#### RC-i Facility

- To pay the bullet payment of principal and profit (Selling Price) upon maturity of each disbursement/ utilization tenure.
- You must settle the financing amount in full upon maturity of each disbursement/ utilization tenure.

#### Illustration of bullet payment:

The bullet payment for principal and profit payable is calculated daily based on the fixed profit rate, the facility amount utilized and number of days utilized.

- Facility Amount Utilized: RM1,000,000.00
- Profit Rate: 5.0% per annum
- Utilization Tenure: 90 days
- Profit Amount: RM12,328.77
- Bank's Purchase Price: RM1,000,000.00
- Bank's Selling Price: RM1,012,328.77

The Bank's Selling Price of RM1,012,328.77 to be fully paid upon maturity of 90 days.

**Note: The above examples are for illustration only. The illustrations may not show the specific circumstances or obligations of each facility.**

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

### a) Stamp Duties:

As per the Stamp Duty Act 1949 (Revised 1989).

### b) Legal and Disbursement Fees:

As per Solicitor's Remuneration Order including fees for registration of charge, land search, bankruptcy search, taxes and other charges as per the scale fees charged by the Solicitors.

### c) Valuation Fee:

As charge by the Valuer (if applicable).

### d) Trading Fee:

The trading fee for buying and selling the commodities shall be charged to the customer's as part of fees & charges. The customer shall pay the trading fee of RM10.00 for RM1,000,000.00 or part thereof for every transaction (if applicable).

### e) Other Fees and Charges:

Should the facility requires guarantee coverage from Syarikat Jaminan Pembiayaan Perniagaan Berhad (SJPP) or Credit Guarantee Corporation Malaysia Berhad (CGC), with guarantee fee of up to 1.0% per annum will be imposed by SJPP or up to 4.0% per annum will be imposed by CGC, and to be borne by you (if applicable).

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

- Ta'widh (compensation) for Late Payment

**The Bank has the right to be compensated on late and default payment based on the following mechanism:**

### Before maturity

Actual loss up to 1% on overdue payment for facility within default period as per the following formula:

$$\text{Overdue Installment(s)} \times 1\% \times \text{No. of Overdue day(s)} / 365$$

### After maturity

Bank shall collect compensation charges from date of maturity to date of payment on actual loss up to prevailing IIMM rate on outstanding balance, as per the following formula:

$$\text{Outstanding Balance} \times \text{IIMM}\% \times \text{No. of Overdue day(s)} / 365$$

### Post Judgement

The court may impose a late payment charge on judgement debt, subsequent to the judgement.

The formula for late payment charges on post judgement as following:

$$\text{Judgement Sum} \times \text{IIMM}\% \times \text{No. of Overdue day(s)} / 365$$

Note:

- i. IIMM = Islamic Interbank Money Market
  - ii. The compensation for late payment shall not be further compounded or by any other method approved by the Shariah Advisory Council of Bank Negara Malaysia.
  - iii. \*The Bank may charge the actual cost/loss incurred up to 1% or IIMM rate, whichever is lower.
- Legal action will be taken if you fail to respond to reminder notices. The security may be enforced and you will have to bear all costs. You are also responsible to settle any shortfall after the security is disposed.

For sample of illustrations on the application of Ta'widh, kindly refer to our website at [www.smebank.com.my](http://www.smebank.com.my)

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

In line with BNM Guideline on Ibra' (rebate) for Sale Based Financing, Ibra' shall be granted for early settlement before the end of the financing tenure. Settlement prior to the end of the financing tenure shall include, but is not limited to, the following situations:

- Early settlement or early redemption, including those arising from prepayments;
- Settlement of the original financing contract due to financing restructuring exercise;
- Settlement in the event of default; and
- Settlement in the event of termination or cancellation of financing before the maturity date.

Formula calculation of Ibra':

$$\text{Ibra' (Rebate)} = \text{Unearned Profit} - \text{Early Settlement Charges (if any)}$$

For sample of illustrations on the application of Ibra' and settlement amount formula, kindly refer to our website at [www.smebank.com.my](http://www.smebank.com.my)

**8. Do I need to provide collateral or guarantor?**

The Bank will evaluate the requirement for collateral and/ or guarantor and advise you on it before we offer the financing facility.

**9. Do I need any Takaful coverage?**

You may maintain such Takaful policies against all risks acceptable to the Bank in respect of your banking facilities.

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

- If you fail to pay the monthly installment consistently throughout the Hire Term, the Bank has the right to take possession and auction off the asset.
- For fixed rate, should there be a reduction in Bank's BFR, you may not be able to enjoy any reduction in the agreed fixed profit rate.
- If you have problems meeting your payment obligations, please contact us early to discuss payment alternatives

**11. What do I need to do if there are changes to my contact details?**

It is important that you inform us of any changes in your phone number and address to ensure that all correspondences reach you in timely manner.

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

- If you have difficulties in making payments, you should contact us as soon as possible to discuss payment alternatives. You may contact us at:  
Customer Service Management: 03-2603 7700 Website: [www.smebank.com.my](http://www.smebank.com.my)
- If you wish to complain about the products and services provided by us, you may contact us at 03-2603 7700 or email us at [customercare@smebank.com.my](mailto:customercare@smebank.com.my) or send your letter to:  
Customer Service Management  
SME Bank, Level 10, Menara SME Bank  
Jalan Sultan Ismail  
50250 Kuala Lumpur
- If our reply to your query or complaint is not satisfactory to you, 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: 03-21741515  
E-mail: [bnmtelelink@bnm.gov.my](mailto:bnmtelelink@bnm.gov.my)

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

Should you require additional information of the product, please refer to our brochures, which is available at our nearest branch or our website at [www.smebank.com.my](http://www.smebank.com.my) or call our Hot Line 03-2603 7700.

For more information on obtaining a financing facility, please refer to banking info booklet, available at all our branches and the [www.bankinginfo.com.my](http://www.bankinginfo.com.my) website.

**14. Other financing packages available?**

We also provide asset financing/refinancing, working capital financing, contract financing, project financing and other dedicated program financing.

**IMPORTANT NOTE: LEGAL ACTION MAY BE TAKEN AGAINST YOU IF PAYMENTS ON YOUR FINANCING FACILITY(IES) ARE NOT PAID PROMPTLY ON THE DUE DATES**

The information provided in this disclosure sheet is valid as at