



Small Medium Enterprise Development  
Bank Malaysia Berhad 49572-H

## PRODUCT DISCLOSURE SHEET

(Please read this Product Disclosure Sheet before you decide to take-up the Revolving Credit-i. 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)

### Revolving Credit-i

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

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

##### Revolving Credit-i

Revolving Credit-i is a Shariah-compliant short-term financing facility that provides funds to companies for working capital or construction requirements to support company's day-to-day operations.

#### 2. What is the Shariah concept applicable?

##### 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.

##### Wakalah

Wakalah refers to a contract where the Customer, as principal (Muwakkil) authorizes the Bank as his agent (Wakil) to perform a particular task on matters that may be delegated, with or without imposition of a fee.

In the Tawarruq arrangement, the Bank acts as an agent to purchase the Shariah-compliant specified commodity (such as crude palm oil) from himself on behalf of the Customer, and subsequently acts as an agent to sell the same commodity on behalf of the Customer to a third party (i.e. Bursa Suq Al-Sila) for commodity trading services.

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

Total Amount Finance	:	Minimum financing starts at RM100,000 and the maximum financing amount is based on the Customer's eligibility.
Margin of Financing	:	Up to 100% (up to highest deficit in projected cash flow or average conversion cycle).
Tenure	:	Up to 5 years (subject to Annual Review).
Profit Rate	:	<ul style="list-style-type: none"> <li>▪ The profit rate mechanism can be:               <ul style="list-style-type: none"> <li>i. Fixed rate; or</li> <li>ii. Variable rate (which will be fixed at the point of each utilization throughout duration of payment period).</li> </ul> </li> <li>▪ For variable rate, the profit rate will be set at BFR + Spread and it shall not exceed the Ceiling Profit Rate ("CPR"), which is set at BFR + 4.0%.</li> </ul> <p>Note: Current BFR ("Base Financing Rate") is at 7.0% and may vary from time to time.</p>

#### 4. What are my obligations?

- To pay the bullet payment of principal and profit upon maturity of each disbursement/ utilization as per approved duration of payment.
- You must settle the financing amount in full upon expiry of the tenure of each contract.

##### Illustration of bullet payment on Revolving Credit-i facility:

##### Fixed Rate

Facility Amount/ Limit	:	RM1,000,000.00
Tenure	:	5 years, subject to annual review
Profit Rate	:	5.0% fixed per annum (subject to funding requirements)
Bank's Selling Price	:	RM1,250,000.00
Duration of Payment	:	Up to 90 days

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

- Amount Utilized : RM500,000.00
- Profit Rate : 5.0% per annum
- Duration of Payment : 90 days
- Profit Amount : RM6,164.38
- Settlement Amount : RM506,164.38

The settlement amount of RM506,164.38 must be fully paid upon maturity of 90 days.

#### Variable Rate

- Facility Amount/ Limit : RM1,000,000.00
- Tenure : 5 years, subject to annual review
- Prevailing Profit Rate : BFR + 1.0% per annum
- Ceiling Profit Rate : 11.0% (BFR + 4.0%)
- Bank's Selling Price : RM1,550,000.00
- Duration of Payment : Up to 90 days

The bullet payment for the principal and profit payable is calculated daily based on the prevailing profit rate at the point of each disbursement, the amount utilized, and the duration of payment.

- Amount Utilized : RM500,000.00
- Profit Rate : 8.0% per annum (based on BFR + 1.0% at the point of utilization)
- Duration of Payment : 90 days
- Profit Amount : RM9,863.02
- Settlement Amount : RM509,863.02

The settlement amount of RM509,863.02 must be fully paid upon maturity of 90 days.

### 5. What other charges do 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 (as applicable).

#### c) Valuation Fee:

As charged by the Valuer (if applicable).

#### d) Trading Fee:

The trading fee for buying and selling the commodities shall be charged to the customer 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 payments 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 the date of maturity to the date of payment on actual loss up to the prevailing IIMM rate on the 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 a 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 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.

For variable rate financing, the Bank shall grant Ibra' on the difference between CPR and prevailing profit rate.

Formula calculation of Ibra':

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

For a 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 a 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?**

- Should there be a reduction in the Bank's BFR, you will not be entitled to enjoy any reduction in the agreed profit rate once the financing has been disbursed/ utilized.
- If you fail to service the payments, the Bank may exercise its rights and start its recovery process including legal action.
- If you have problems meeting your financing obligations, please contact us early to discuss possible 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 contact details to ensure that all correspondence reaches you in a 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 INSTALMENTS ON YOUR FINANCING ARE NOT PAID PROMPTLY ON THE DUE DATES**

The information provided in this disclosure sheet is valid as at