



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

Kafalah Bank Guarantee-i

Date :

PRODUCT DISCLOSURE SHEET

(Read this Product Disclosure Sheet before you decide to take-up the *Kafalah Bank Guarantee-i* . Be sure to also read the terms in the letter of offer. Seek clarification from your institution if you do not understand any part of this document or the general terms)

1. What is the product about?

- It is a guarantee issued by the Bank to the Beneficiary (contract awarder/third party) where the Bank undertakes to pay the Beneficiary an agreed sum if the Customer defaults in fulfilling the obligations with the Beneficiary.

2. What is the Shariah concept applicable?

- **Kafalah**
Kafalah refers to a contract where the guarantor (Bank) conjoins the guaranteed party (Customer) in assuming the latter's specified liability. The guarantor shall impose ujah (fee) for providing the Kafalah service.

3. What do I get from this product?

- A guarantee on specified liability required by beneficiary in fulfilling the contract/agreement requirement as follows:
 - Performance Bond
 - Advance Payment Guarantee
 - Tender Bond
 - Security Deposit Bond
 - Other Guarantee
- Guarantee Amount : As per beneficiary's requirements
- Guarantee Period : As per beneficiary's requirements
- Guarantee Fee : 1.5% p.a. on the value of the Guarantee Letter

4. What are my obligations?

- Your obligation is to fulfill the beneficiary's requirement as specified in your contract/agreement and payment of BG-i fee.
Illustration for Kafalah BG-i
 - Contract Amount : RM10,000,000.00
 - Contract Period : 3 years
 - Guarantee Requirement : RM1,000,000.00
 - Kafalah BG-i Amount : RM1,000,000.00
 - Guarantee Fee : 1.5% x 1,000,000.00 x 3 years
= **RM45,000.00**
- Payment of guarantee fee can be in the form of cheque by mail, cheque deposit at Branch or by interbank GIRO from any participating bank or online banking.

Note: The above example is only for illustration. The illustration may not show the specific circumstances or obligations of each Kafalah Bank Guarantee-i.

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

a) Stamp Duties:

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

b) Legal fee / Company searches:

As charged by the Lawyer (If applicable).

c) Brokerage Fee

Not applicable.

d) Valuation report:

As charged by the Valuer (If applicable).

e) Takaful/insurance coverage:

Takaful/insurance coverage is mandatory if an asset is given as security for the facility (If applicable).

f) Late payment charges:

- Before Maturity - Overdue Instalment (s) x 1.0% x No. of Day(s) Overdue /365
- After Maturity - Outstanding Balance x IIMMR x No. of Day(s) Overdue /365
- Post Judgement - Judgement Sum x IIMMR x No. of Day(s) Overdue /365

Note:

- IIMMR = Islamic Interbank Money Market Rate (%).
- Late payment charges shall not be compounded and more than the outstanding principal.

6. What if I fail to fulfill my obligations?

- In case the Kafalah Bank Guarantee-i is claimed by the Beneficiary, you are required to pay the amount to the Bank immediately or before the lapses of Notice of Claim.
- Should you failed to service your payment obligation in a timely manner, the Customer shall be levied with compensation charges or any other rate determine by BNM.
- 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.
- Legal action against you may affect your credit rating leading to credit being more difficult or expensive to you.

7. What is my major risk?

Should you fail to fulfil the obligations with the Beneficiary and upon claim by the Beneficiary, the Bank will proceed to honor the guarantee by making payment and debiting your account and/or may liquidate your collateral.

8. Do I need to provide collateral?

The Bank shall request certain amount of cash for collateral purposes.

9. 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 correspondences reach you in timely manner.

10. 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 Contact Centre: 03- 2603 7700 Website: www.smebank.com.my
- If you wish to complaint about the products and services provided by us, you may contact us at 03- 2603 7700 or email us at customercare@smebank.com.my or send your letter to:
Head of Customer Service Management
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 BNM TELELINK at:
Tingkat Bawah, Block D
Bank Negara Malaysia
Peti Surat 10922
50929 Kuala Lumpur
Tel: 1-300-88-5465
Fax: 03-21741515
E-mail: bnmtelelink@bnm.gov.my

11. 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 or call our Customer Contact Centre 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 website.

12. Other asset 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 AGAINTS YOU IF PAYMENTS ON YOUR FACILITY(IES) ARE NOT PAID PROMPTLY ON THE DUE DATES.

The information provided in this disclosure sheet is valid as at