

**PRODUCT DISCLOSURE SHEET [\(VERSI BAHASA MALAYSIA\)](#)**

Please read and understand this Product Disclosure Sheet before you decide to take up the Auto Financing-i Fixed Rate.

Be sure to also read the general terms and conditions. Seek clarification from Hong Leong Islamic Bank ("the Bank") if you do not understand any part of this document or the general terms and conditions.

**Auto Financing-i Fixed Rate**

Date :

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

This is an Islamic Hire Purchase facility (the Facility), offered to you to part-finance the purchase of your desired vehicle. Upon your acceptance of the Facility, you will enter into an Islamic Hire Purchase agreement with the Bank where the Bank will lease the vehicle to you for an agreed period and rental (Instalment). Subsequently, you will undertake to purchase and take ownership of the vehicle upon payment of the final instalment. Profit on this Facility will be charged at a **fixed rate** per annum flat. Upon payment of the final instalment, which comprises the sale price of RM1.00, the ownership of the vehicle will be transferred to you.

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

This product is based on Shariah Contract of Al-Ijarah Thumma Al-Bai' (AITAB). AITAB refers to leasing which ends with the sale of the asset.

**3. What do I get from this product?**

- ☐ Total amount financed: **RM** \_\_\_\_\_ ( \_\_\_\_\_ % of vehicle selling price)
- ☐ Tenure: [ \_\_\_\_\_ ] months
- ☐ Profit Rate: \_\_\_\_\_ % per annum flat
- ☐ Annual Percentage Rate \_\_\_\_\_ %

Note:

In accordance with the Hire Purchase Act 1967, you are required to place a minimum deposit of 10% of the vehicle's selling price. The minimum deposit to be paid by you serves as a security deposit and shall be set-off against the vehicle selling price upon executing the Hire Purchase-i agreement. Should you decide not to proceed with the Hire Purchase-i agreement, the minimum deposit may be used to fulfil obligations prescribed by the said Act and compensate against actual loss incurred by the Bank.

**4. What are my obligations?**

- Your monthly instalment is **RM** \_\_\_\_\_
- Total payment amount at the end of [ \_\_\_\_\_ ] months is **RM** \_\_\_\_\_

Note: Any payment made which is more than the scheduled monthly instalment will be treated as an advance payment. Such payment does not in any way reduce the total profit payable and cannot be redrawable. The advanced payment will be used to pay the next instalment when it becomes due, as well as any applicable fees and charges (where necessary).

**5. What other charges do I have to pay?**

For a full list of fees and charges, please visit our website [www.hlisb.com.my/financing1](http://www.hlisb.com.my/financing1) or scan here

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

a) Compensation Charges

1. For default payment during facility tenure = up to 1% p.a. on the overdue instalment amount;
2. For default payment causing the facility to be terminated or brought to court = up to 1% p.a. on the outstanding balance (outstanding principal plus accrued profit);
3. For default payment after expiry of facility tenure = Islamic Interbank Money Market ("IIMM") rate on the outstanding balance (outstanding principal plus accrued profit); and
4. For default payment post judgment = IIMM rate on the basic judgment sum.

Note:

- (i) Compensation charges shall not be compounded and shall not be more than the outstanding principal.
  - (ii) Compensation charges method and rate are subject to changes as may be prescribed by Bank Negara Malaysia.
  - (iii) Compensation charges are computed on a daily basis from the payment due date/maturity date/judgment date.
- b) We will repossess the vehicle if there has been
- Two (2) consecutive defaults of payment and Fourth Schedule Notices issued on that defaults have expired; or
  - Failure to pay the final instalment; or
  - Four (4) consecutive defaults of payment by the next of kin in a case where the Hirer is deceased.
- c) All expenses incurred during the repossession will be charged to your Auto Financing-i Fixed Rate account.
- d) We may set-off any credit balance in your deposit account(s) maintained with us against any outstanding balance in this financing account. We will provide seven (7) days prior notice to you before exercising this right.
- e) You are responsible to settle any shortfall after the vehicle is sold.
- f) Legal action will be taken if you fail to respond to reminder notices.
- g) Legal action against you may affect your credit rating leading to credit being more difficult or expensive to you.

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

You will be entitled to a rebate, which is a refund of the mark-up charges for the unexpired tenure. The calculation is based on the formula stipulated in the Hire Purchase Act as follows;

$$R = TC \times \frac{n(n+1)}{N(N+1)} \quad \text{where,}$$

R	represents profit rebate
TC	represents the total amount of profit payable over the leasing period
n	represents the remaining leasing period expressed in months
N	represents the original leasing period expressed in months

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

- Yes, you shall ensure the vehicle to be covered under a comprehensive vehicle takaful protection of a licensed takaful operator throughout the lease period under Auto Financing-i.
- In the first year, the Vehicle may be covered under comprehensive insurance, if:
  1. There is no takaful protection offered or available in the market for the vehicle;
  2. Your application for takaful protection for the vehicle is rejected by all takaful operators; or
  3. The insurance premium is significantly more competitive than the takaful contribution of equivalent protection.
- From the second year onwards, you are encouraged to subscribe to a comprehensive takaful protection for the Vehicle.

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

It is important that you inform us of any change in your contact details such as telephone number, mailing address and email address to ensure that all correspondences reach you in a timely manner. To update your correspondence details, please visit any of our branches.

10. Where can I get assistance and redress?		
If you have difficulties in making payments, you should contact us earliest possible to discuss payment alternatives. You may contact us at:	Collection Centre Hong Leong Bank Berhad Level 2, Tower A, PJ City Development, 15A, Jalan 219, Section 51A, 46100 Petaling Jaya Tel: 03-7959 1888 E-mail: <a href="mailto:HPCrControlDept@hlbb.hongleong.com.my">HPCrControlDept@hlbb.hongleong.com.my</a>	
Alternatively, you may seek the services of Agensi Kaunseling dan Pengurusan Kredit (AKPK), an agency established by Bank Negara Malaysia to provide free services on money management, credit counseling, financial education and debt restructuring for individuals. You can contact AKPK at:  POWER! (Pengurusan Wang Ringgit Anda) Programme, offered by AKPK, promotes prudent money management and financial discipline to individual customers. To register and for further information, you can contact at:	Level 5 and 6, Menara Aras Raya (Formerly known as Menara Bumiputra Commerce), Jalan Raja Laut, 50350, Kuala Lumpur. Tel: 03- 2616 7766 Fax: 03-2616 7601 E-mail: <a href="mailto:enquiry@akpk.org.my">enquiry@akpk.org.my</a>  Tel: 03-2616 7766 Website: <a href="https://power.akpk.org.my/">https://power.akpk.org.my/</a> or <a href="http://www.akpk.org.my">www.akpk.org.my</a>	
If you wish to complain on the products or services provided by us, you may contact us at:	Customer Advocacy Hong Leong Bank Berhad Level 13A, Menara Hong Leong, No 6, Jalan Damansara, Bukit Damansara, 50490 Kuala Lumpur. Tel: 03-7626 8821/03-7626 8802/03-7626 8812 E-mail: <a href="mailto:customerservice@hlbb.hongleong.com.my">customerservice@hlbb.hongleong.com.my</a>	
If your query or complaint is not satisfactorily resolved by us, you may contact Bank Negara Malaysia LINK or BNMLINK at:	4th Floor, Podium Bangunan AICB, No.10, Jalan Dato' Onn 50480 Kuala Lumpur Tel: 1 300 88 5465 or 03-2174 1717 (for overseas calls) or Fax: 03-2174 1515 Web: <a href="http://bnmlink.bnm.gov.my">bnmlink.bnm.gov.my</a>	
11. Where can I get further information?		
Should you require additional information about taking vehicle financing, please log on to the HLISB website: <a href="https://www.hlisb.com.my/af-en">https://www.hlisb.com.my/af-en</a> or call Hong Leong Contact Centre at Tel: 03-7626 8899.		
12. Other Auto Financing-i Fixed Rate packages available		
Nil.		
<b>IMPORTANT NOTE: REPOSSESSION OF THE VEHICLE AND LEGAL ACTION WILL BE TAKEN IN THE EVENT OF DEFAULT SUBJECT TO PROVISION UNDER THE HIRE PURCHASE ACT 1967</b>		

The information provided in this disclosure sheet is valid as at        /        /