

PRODUCT DISCLOSURE SHEET
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Kindly read this Product Disclosure Sheet ("PDS") together with the terms in the Letter of Offer before you decide to take up the Accepted Bills-i Purchase ("AB-i Purchase") with Hong Leong Islamic Bank ("Bank"). Be sure to also read the general terms and conditions.

The information provided is merely general information of the product. The terms and conditions indicated in this PDS are tentative /indicative and may change at the discretion of the Bank. Final terms and conditions will be read jointly and superseded as stipulated in the letter of offer and facility agreement after credit assessment and approval for the financing.

Please seek clarification from the Bank if you do not understand any part of this document or the general terms.

Accepted Bills-i (Purchase)

December 2024

1. What is this product about?

- AB-i Purchase is an Islamic trade financing facility, which complies with Shariah principles, to finance the customer's trade related purchases evidenced by proper and adequate documentation. The actual sale price, financing tenure and maturity date are to be determined at the point of each disbursement/utilisation.
- Purchase of services and fixed assets are not eligible for AB-i Purchase financing.

2. What is the Shariah contract applicable?

- AB-i Purchase financing is based on the Shariah contract of Murabahah Purchase Orderer (MPO). Murabahah refers to a sale and purchase of an asset where the acquisition cost (principal) and the mark-up (profit) are disclosed to the purchaser. MPO refers to an arrangement whereby the purchase orderer (Customer) promises (Wa`d) to purchase an identified and specified asset from a seller (the Bank) on Murabahah terms upon the latter's acquisition of the asset.
- The mechanics involved for every utilisation of AB-i (Purchase) facility are as follows:
 - Bank (Seller) appoints Customer (Purchase Orderer) under Shariah principle of Wakalah as the undisclosed purchasing agent of the Shariah Compliant goods on behalf of Bank.
 - Customer gives undertaking (Wa`d) to purchase Shariah Compliant goods from Seller.
 - Customer on behalf of Bank, purchases the Shariah Compliant goods from Supplier.
 - By virtue of the promise to purchase by Customer, Bank sells the Shariah Compliant goods to Customer at mark-up price (same value as selling price) on deferred payment basis. Customer now owns the goods.

3. What do I get from this product?

- Profit Rate (PR) is pegged against the rate of AB-i (purchase) Islamic Cost of Funding to be quoted by the Bank at the point of utilisation + Accepted Commission.
- Multiple disbursements/utilisation within the approved Facility Limit.
- Financing tenure differs for each utilisation. Minimum period of financing is twenty one (21) days and the maximum period must not exceed the approved financing tenure subject to a maximum period of three hundred and sixty-five (365) days.
- The minimum financing amount is set at RM 50,000 and in multiples of RM 1,000.

4. What are my obligations?

Pricing:

- For every utilisation of AB-i Purchase facility, you will have to pay bullet payment of profit and principal (at maturity).
- Sale Price is to be fully paid at maturity of every utilization. Profit Rate is fixed upfront for each utilisation based on AB-i Islamic Cost of Fund ("ICOF") + Accepted Commission.

Profit Rate	AB-i Islamic Cost of Fund (ICOF) + Acceptance Commission (spread) (%) per annum (p.a)
Acceptance Commission	<ul style="list-style-type: none">Rate as specified in the Letter of OfferMinimum RM50.00No Maximum

- Sale Price which is inclusive of profit charges is fixed at point of each disbursement calculated based on prevailing Profit Rate illustrated as follow:

i) Computation of Financing Value (Selling Price)

$$FV = IV \left(1 + \frac{(r \times t)}{36500} \right)$$

Where: FV = Financing Value (Selling Price)
 IV = Invoice Value (Cost Price)
 r = Profit Rate
 t = Financing Tenure

Illustration only

Invoice Value (Cost Price)	RM 1,000,000.00
Tenure	90 days
AB-i ICOF rate	3.5% p.a.
Accepted commission rate	3.0% p.a.
Financing Value (Selling Price)	RM 1,008,630.13
Accepted Commission*	RM 7,397.26

*Accepted Commission is charged upfront. Hence, it is not apart of the Selling Price.

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

Stamp Duties	As per Stamp Duty Act 1949 (revised 1989).
Legal and Disbursement Fees	Solicitor fee as per the Solicitor's Remuneration Order 2005 including fees for registration of charge, land search, bankruptcy search, related government tax and other tax or levy as per the scale fees charged by the respective authorities.
Others	Please refer Trade Services Fees & Charges in our website at URL: https://www.hlisb.com.my/en/personal-i/help-support/fees-and-charges/trade-service-i.html

6. What if I fail to fulfil my obligations?

Compensation Charges for Late Payment (Ta'widh)	<p>(a) For default causing the facility to be terminated or brought to court = Up to 1% p.a. on the outstanding balance (outstanding principal plus accrued profit);</p> <p>(b) For default payment after expiry of facility tenure = BNM Islamic Interbank Money Market ("IIMM") rate on the outstanding balance (outstanding principal plus accrued profit);</p> <p>(c) For default payment after court judgement has been obtained against you = IIMM rate on the basic judgement sum.</p> <p>Note:</p> <ul style="list-style-type: none"> (i) Compensation charges shall not be added to the outstanding principal and shall not be more than the outstanding principal. (ii) Compensation charges method and rate are subject to changes as may be prescribed by BNM. (iii) Compensation charges is computed on a daily basis from the payment due date/maturity date/judgment date.
Right to set off	The Bank may to set-off any credit balance in your deposit account maintained with the Bank against any outstanding balance subject to the issuance of seven (7) days' prior written notice to you.
Right to commence recovery or legal action	<ul style="list-style-type: none"> • Legal action will be taken if you fail to respond to reminder notices. • Your asset may be foreclosed and you will have to bear all costs. In the event the sale proceeds are insufficient to settle in full the outstanding amount due and owing, you are also responsible to settle any shortfall. • The Bank may commence recovery activities (including engaging third-party debt collection agencies), foreclosure and bankruptcy proceedings. <p>Note: Legal action against you may affect your credit rating leading to credit being more difficult or expensive.</p>
7. What if I fully settle the financing before its maturity?	
<ul style="list-style-type: none"> • The Bank will grant you rebate (Ibra') at the point of early settlement. Rebate (Ibra') shall be calculated as follows: <div data-bbox="197 1131 933 1200" style="border: 1px solid black; padding: 5px; margin: 10px 0;"> Rebate on early settlement = Remaining unearned profit </div> <p>Note: (i) Remaining Unearned Profit = Total Profit (-) Accrued Profit (ii) Total Profit = Selling Price (-) Financing Amount (iii) No early settlement fee will be imposed</p> <ul style="list-style-type: none"> • Customer is to be granted rebate for prepayment after considering the applicable pre-payment cost. Prepayment is allowed subject to the AB-i Sale draft is not sold to the secondary market. Early partial settlement is not allowed. 	
8. Do I need any takaful coverage?	
<p>The following takaful coverage are recommended/required to be taken from the Bank's panel:</p> <ul style="list-style-type: none"> • Takaful coverage to cover the company in the event of death or permanent disability of the customer or key men of the company (if applicable). • Takaful over the goods (where applicable). 	
9. What are the major risks?	
<p>The Customer as purchasing agent is liable against liabilities, losses, cost, damages, fees (including legal fees) and expenses or whatsoever kind or nature which the Bank may sustain or incur by reason of or in consequence of purchasing agent acting or omitting to act in capacity as purchasing agent due to fault, negligence, and breach of terms and conditions.</p>	
10. What do I need to do if there are changes to my contact details?	
<p>It is important that you inform us of any changes in your contact details to ensure that all correspondences reach you in a timely manner. To update your correspondence details, please contact us at +603-76268899 or visit any of our branches/ business centres nationwide.</p>	
11. Where can I get assistance and redress?	

- If you have any difficulties in making payment, you should contact us earliest possible to discuss payment alternatives. For any enquiries, you may contact us at:

Contact Centre : 03-7626 8899 / 03-7661 7777
 Fax : 03-7946 8888
 E-mail : HLOnline@hlbb.hongleong.com.my

- Alternatively, you may seek the services of:

- Khidmat Nasihat Pembiayaan (KNP)**, a service formalized by Bank Negara Malaysia (BNM) in collaboration with Credit Guarantee Corporation Malaysia Berhad (CGC) and Agensi Kaunseling & Pengurusan Kredit (AKPK) via MyKNP@CGC that provides financial advisory and recommendations to Small & Medium Enterprises (SMEs) who were unsuccessful in obtaining business financing from banks. You may contact KNP at:

MyKNP@CGC Advisory Unit under CGC

Address : CGC Advisory at any CGC branches nationwide.
 Please refer to CGC website for the branch location at <https://www.cgc.com.my/cgc-branches>.
 Telephone : 03- 7880 0088
 E-Mail : myknp@cgc.com.my
 Website : <https://www.bnm.gov.my/MyKNP>

- Agensi Kaunseling dan Pengurusan Kredit (AKPK)**, an agency established by Bank Negara as a one-stop platform for both individuals and SMEs seeking financing restructuring services as well as financial education and credit advisory. You may contact AKPK at:

Agensi Kaunseling dan Pengurusan Kredit (AKPK)

Address : Tingkat 5 & 6, Menara Bumiputra Commerce, Jalan Raja Laut 50350 Kuala Lumpur, Federal Territory
 Telephone : 1-800-88-2575
 E-mail : enquiry@akpk.org.my
 Website : <https://www.akpk.org.my/smehelpdesk>

- To make a complaint on products or services offered, you may contact us at:

Customer Advocacy

Address : Level 13A Floor, Menara Hong Leong, No. 6, Jalan Damanlela, Bukit Damansara, 50490 Kuala Lumpur
 Telephone : 03-76268821 / 03-76268802 / 03-76268812
 E-mail : customerservice@hlbb.hongleong.com.my

- If your query or complaint is not satisfactorily resolved by us, you may contact Bank Negara Malaysia at:

Bank Negara Malaysia LINK or BNMLINK

Address : 4th Floor, Podium Bangunan AICB, No. 10, Jalan Dato' Onn, 50480 Kuala Lumpur
 Telephone : 1-300-88-5465
 Fax : 03-2174 1515
 Website : <https://bnmlink.bnm.gov.my>

12. Where can i get further information?

Should you require additional information on Accepted Bills-i Purchase ("AB-i Purchase"), please visit any of our business centres nationwide or you may visit our website at www.hlisb.com.my website.

13. Other Business Trade Services-i Available

- Trust Receipt-i (TR-i)
- Letter of Credit-i (LC-i)
- Accepted Bills-i Sale (AB-i)
- Bank Guarantee-i (BG-i)
- Shipping Guarantee-i (SG-i)
- Hong Leong Invoice Financing-i (IVF-i)
- Inward/Outward Bill For Collection-i (IBC-i / OBC-i)
- Hong Leong Onshore Foreign Currency Financing-i (OFCF-i)

IMPORTANT NOTICE

THE BANK MAY PROCEED WITH LEGAL ACTION AND FORECLOSURE OF YOUR ASSET FINANCED BY OR CHARGED AS COLLATERAL TO THE BANK SHOULD YOU FAIL TO PAY YOUR PAYMENT PROMPTLY.

The information provided in this disclosure sheet is valid as at December 2024.