

PRODUCT DISCLOSURE SHEET

Kindly read this Product Disclosure Sheet together with the terms and conditions before you decide to take up Outward Bill for Collection-i with Hong Leong Islamic 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 Product Disclosure Sheet are tentative/ indicative and may change at the discretion of the Bank.

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



Outward Bill for Collection-i (OBC-i)

October 2020

1. What is this product about?

An Outward Bill for Collection-i (OBC-i) is a trade service provided by the Bank (called the Remitting Bank) to send out customer's sales/export shipping documents and collection instructions to the collecting bank in the buyer's/importer's country for presentation to the buyer (drawee) for payment. This intermediary service facilitates trade settlement on terms agreed between customer and their buyer.

The handling by the Remitting Bank of the shipping documents is based on customer's instructions in order to obtain payment or acceptance or based on other pre-determined terms and conditions in the Bank's collection instructions.

Documents for collection are subject to Uniform Rules for Collections, International Chamber of Commerce Publication No. 522 currently in force.

2. What is the Shariah concept applicable?

OBC-i is structured under the *Wakalah bil Ujrah* concepts. *Wakalah bil Ujrah* refers to a contract where a party, as principal (muwakkil) authorises another party as his agent (wakil) to perform a particular task on matters that may be delegated, with imposition of a fee. Under this concept, The Bank shall act as the agent for the principal who is the seller/exporter to:

- (i) Handle the processing of documents (sending transport documents together with commercial/financial documents to buyer/importer's bank ("Collecting Bank");
- (ii) Collect payment from Collecting Bank on their behalf; and
- (iii) Manage the collection account in providing day-to-day operations/maintenance of the account.

3. What do I get from this product?

- a) This is a payment mechanism by which a seller/exporter uses the services of banks to obtain payment from their buyer/importer. It provides a compromise between "open account" terms and payment in advance. Banks do not guarantee payment but only provide a service to collect funds as instructed. The remitting bank acts as agent for the seller/exporter (i.e. the principal).
- b) This payment method is simpler and cost efficient as compared to other trade services.

4. What are my obligations?

- a) In receiving documents for collection the Bank acts only as a collecting agent and has no obligation to examine the documents beyond the exercise of reasonable care. Therefore you are required to provide clear instruction to the Bank on the handling of the documents.
- b) You authorise the Bank to debit your account in the Bank for the payment of commission and all customary charges and Bank Agent's charges, if any. In addition, you authorise the Bank to debit your account in the Bank with all monies so paid or for which the Bank is liable under the OBC-i.

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

OBC-i Commission

- 0.10% on bill amount, subject to a minimum of RM 50.00 and a maximum of RM 150.00

Cost of Courier

- As per courier company's rate

Documents Handling Fee

- RM 50.00 flat (applicable to bills under LC/-i only)

Cost of Postage

- RM 5.00 flat

Note:

- All fees, commission, charges and other monies payable shall be exclusive of and subject to any Government Tax, where applicable.
- For other fees and charges related to OBC-i, you may refer to the relevant Fees and Charges at the Bank's website at <https://www.hlisb.com.my/>.

6. What are the cut-offs times to observe for OBC-i?

Descriptions	Cut-off times
OBC-i Issuance	2.00 pm
OBC-i Payment (RENTAS)	4.00 pm
OBC-i Payment (Non-RENTAS) (as per BNM Foreign Exchange Notices (FE Notices) rules. For details, please refer to Trade Services Centre for cut off time.)	12.00 pm*

7. What if I fail to fulfil my obligations?

In the absence of you fixing a foreign currency exchange contract with the Bank to cover the OBC-i, upon the Bank's receipt of incoming funds from the Collecting Bank in relation to the OBC-i, the Bank may convert the amount received in foreign currency into Ringgit Malaysia at the Bank's prevailing counter rate of exchange before remitting the same to you.

8. 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 a timely manner. To update your correspondence details, you may visit any of our branches/ business centres nationwide or inform us in writing at:

Hong Leong Islamic Bank Berhad, Commercial and SME Banking

Address : Level 9, Menara Hong Leong,
No. 6, Jalan Damanlela,
Bukit Damansara, 50490 Kuala Lumpur

E-mail : sme@hlbb.hongleong.com.my

9. Where can I get assistance and redress?

- If you have any enquiries or difficulties, you may contact us at:

Hong Leong Islamic Bank Berhad, Commercial and SME Banking,
Address : Level 9, Menara Hong Leong, No. 6, Jalan Damanlela, Bukit Damansara, 50490 Kuala Lumpur
Telephone No. : +603-7661 7777
E-mail : sme@hlbb.hongleong.com.my
Website : www.hlisb.com.my

- Agensi Kaunseling Dan Pengurusan Kredit (AKPK), an agency established by Bank Negara Malaysia to provide free services on Money Management, Credit Counselling, Financial Education and Debt Restructuring for Individuals and small and medium scale enterprises (SMEs). You may contact AKPK at:-

Address : Agensi Kaunseling dan Pengurusan Kredit (AKPK),
Tingkat 5 dan 6, Menara Bumiputra Commerce
11 Jalan Raja Laut
50350 Kuala Lumpur
Telephone No. : 03-2616-7766
E-mail : enquiry@akpk.org.my
Website : <https://www.akpk.org.my/>

- If you wish to complaint on the products or services provided by us, you may contact us at:

Hong Leong Islamic Bank Berhad, Commercial and SME Banking,
Address : Level 9, Menara Hong Leong, No. 6, Jalan Damanlela, Bukit Damansara, 50490 Kuala Lumpur
Telephone No. : +603-7661 7777
E-mail : sme@hlbb.hongleong.com.my
Website : www.hlisb.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 BNMTLELINK
Address : Block D, Bank Negara Malaysia Jalan Dato' Onn 50480 Kuala Lumpur.
Telephone No. : 1-300-88-5465
Fax : 03-2174 1515
E-mail : bnmtelelink@bnm.gov.my
Website : www.ofs.org.my

10. Where can I get further information?

Should you require additional information on Hong Leong OBC-i, please visit any of our business centres nationwide or you may visit our website at www.hlisb.com.my or at www.bankinginfo.com.my website.

11. Other Financing Packages Available

- Hong Leong Commodity Murabahah Term Financing-i
- Hong Leong CM Flexi Term Financing-i
- Hong Leong Commodity Murabahah Revolving Credit-i
- Hong Leong CM Cashline-i
- Other Islamic Trade Financing-i

The information provided in this disclosure sheet is valid as at October 2020.