

## 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. Seek clarification from your institution if you do not understand any part of this document or the general terms.



## Outward Bill for Collection-i (OBC-i)

May 2018

### 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. The bank will charge fee under *Ujrah* principle for the services rendered under OBC-i. Under this concept, The Bank shall act as the agent for the principal who is the seller/exporter to:

- (i) Handling the processing of documents (sending transport documents together with commercial/financial documents to buyer/importer's bank ("Collecting Bank") and
- (ii) Collect payment from Collecting Bank on their behalf
- (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 authorize 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 authorize 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.

c) **OBC-i Commission**

- 0.106% on bill amount, subject to a minimum of RM 53.00 and a maximum of RM 159.00

## 5. Besides commission fee, what are the other fees and charges that I have to pay?

### Cost of Courier

- As per courier company's rate

### Documents Handling Fee

- RM 53.00 flat (applicable to bills under LC only)

### Cost of Postage

- RM 5.30 flat

#### Note:

- Above fees and charges are inclusive of 6% GST, whenever applicable.
- 6% GST is not applicable for Zero Rated / Exempt / Out-Of-Scope supplies

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

Descriptions	Cut-off times
OBC-i Issuance	2 pm
OBC-i Payment (RENTAS)	12 pm
OBC-i Payment (Non-RENTAS) (Foreign currency payment is subject to cut off time for each currency. Refer to Trade Services Centre for cut off time for each currency.)	2pm*

## 7. What if I fail to fulfil my obligations?

Upon the Bank's receipt of incoming funds from the Collecting Bank in relation to the OBC-i, the Bank shall be entitled at its absolute discretion to 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.

The Bank has the right to proceed with legal action and foreclosure of your asset financed by the Bank should you fail to pay your payment promptly.

## 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, please contact us at +603-76268899 or visit any of our business centres nationwide.

## 9. 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:

Hong Leong Islamic Bank, Wholesale Banking-i,  
Address : Level 23, Menara Hong Leong, No. 6, Jalan Damanlela, Bukit Damansara, 50490 Kuala Lumpur  
Telephone : +603-2081 8888  
E-mail : [sme@hlbb.hongleong.com.my](mailto:sme@hlbb.hongleong.com.my)  
Website : [www.hlisb.com.my](http://www.hlisb.com.my)

- Small Debt Resolution Committee (SDRC), established by Bank Negara Malaysia that provides assistance to viable small and medium scale enterprises (SMEs). You may contact SDRC at:  
SDRC Secretariat, Development Finance and Enterprise Department

Address : Bank Negara Malaysia (BNM), Jalan Dato' Onn 50480 Kuala Lumpur

Telephone : 1-300-88-5465

E-mail : [bnmtelelink@bnm.gov.my](mailto:bnmtelelink@bnm.gov.my)

Website : [www.bnm.gov.my](http://www.bnm.gov.my)

- If you wish to complaint on the products or services provided by us, you may contact us at:  
Hong Leong Islamic Bank, Wholesale Banking-i,  
Address : Level 23, Menara Hong Leong, No. 6, Jalan Damanela, Bukit Damansara, 50490 Kuala Lumpur  
Telephone : +603-2081 8888  
E-mail : [sme@hlbb.hongleong.com.my](mailto:sme@hlbb.hongleong.com.my)  
Website : [www.hlisb.com.my](http://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 BNMTELELINK  
Address: Block D, Bank Negara Malaysia Jalan Dato' Onn 50480 Kuala Lumpur.  
Telephone : 1-300-88-5465 Fax : 03-2174 1515  
E-mail : [bnmtelelink@bnm.gov.my](mailto:bnmtelelink@bnm.gov.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](http://www.hlisb.com.my)

The information provided in this disclosure sheet is valid as at May 2018.