

## PRODUCT DISCLOSURE SHEET

(Please read and understand this Product Disclosure Sheet together with the general terms and conditions governing the Letter of Credit Advising-*i* (LCA-*i*) before you decide to take up this service. You are required to seek clarification with EXIM Bank's (Bank) Relationship Manager assigned to you on any of the terms and conditions governing the said product. Please ensure that you have fully understood the product and the terms and conditions are suited to your financing and/or business requirement.)



# Letter of Credit Advising-*i*



### 1. What is this product about?

Letter of Credit Advising-*i* (LCA-*i*) is a service provided by us to you in relations to the advising of Letter of Credit received from an Issuing Bank. We will notify you of the arrival of the Letter of Credit upon authenticity of the Letter of Credit-*i* has been satisfied.

### 2. What are the applicable Shariah contracts/concepts for this product?

- The Shariah contract applicable to Letter of Credit-*i* Advising (LCA-*i*) is *Wakalah*.
- *Wakalah* refers to a contract where a party, as principal (muwakkil) authorizes another party as his agent (wakil) to perform a particular task on matters that may be delegated, with or without imposition of a fee.

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

- You are given an assurance that the Letter of Credit has been authenticated when you present the documents stipulated under the Letter of Credit-*i*, it is unlikely that the Issuing Bank should challenge the authenticity of such Letter of Credit.
- It helps you from exposing to transit risk which normally associated with the physical movement of the Letter of Credit-*i* to and from your good office.
- Enable you to prepare for the shipment and documentation immediately.

### 4. What are my obligations?

- Pay the advising commission
- Ensure your assets/goods in the invoices are Shariah-compliant.

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

Where applicable;

No.	Type of Fees and Charges	Quantum
1.	Advising Commission  When the bank advises directly to the beneficiary, including pre-advice, original and amendments of commercial LC, SBLC and special clause LC.	For Beneficiary's Account RM50
2.	Advising commission  When the bank advise the LC through Second Advising Bank, including pre-advice, original and amendments of commercial LC, SBLC and special clause LC.	RM50

No.	Type of Fees and Charges	Quantum
3.	SWIFT Charges	RM70
4.	Postage / Delivery Charges	
	<u>Local Party</u> <ul style="list-style-type: none"> <li>• Normal Mail</li> <li>• Registered Mail</li> <li>• Courier / Hand delivery</li> </ul>	Min.RM3 Min.RM6 Min.RM7
	<u>Foreign Party</u> <ul style="list-style-type: none"> <li>• Normal Mail</li> <li>• Registered Mail</li> </ul> Courier	Min.RM4 Min.RM8 Min.RM50 – varies based on location

Please request from your Relationship Manager for the Bank's Standard Fees and Charges on Islamic Products and Services. If there are any changes in fees and charges that are applicable to your facility, the Bank will notify you at least 21 calendar days prior to the effective date of implementation.

#### 6. What if I fail to fulfill my obligation?

Not applicable.

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

Not applicable.

#### 8. Do I need takaful coverage?

Not applicable.

#### 9. What are the major risks?

- You might be exposed to transit risk associated with the physical movement of the Letter of Credit to and from your good office if you don't subscribe to this service.
- Possibility of Issuing Bank's protest against the Letter of Credit received.
- You might be exposed to receipt of non-authenticated Letter of Credit if your customer send the Letter of Credit directly to you.

#### 10. What do I need to do if there are changes to my contact details?

- a) It is important that you inform the Bank of any changes to your contact details to ensure that all correspondences reach you in a timely manner.
- b) You may inform the Bank such changes via various channels of communication such as the website or call centre at 03-2601 2000.

#### 11. Where can I get an assistance and redress?

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

Head, Corporate Communication Department  
 Export-Import Bank of Malaysia Berhad  
 Level 1, EXIM Bank, Jalan Sultan Ismail,  
 50250 Kuala Lumpur, Malaysia  
 Tel: +603-26012000  
 Fax: +603-26012469  
 Website: [www.exim.com.my](http://www.exim.com.my)

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

Blok D, Bank Negara Malaysia,  
 Jalan Dato' Onn,  
 50480 Kuala Lumpur  
 Tel: 1-300-88-5465  
 Fax: +603-2174 1515  
 Email: [bnmtelelink@bnm.gov.my](mailto:bnmtelelink@bnm.gov.my)

#### 12. Where can I get further information?

Additional information on Letter of Credit Advising-*i* is available at our office and corporate website:

[www.exim.com.my](http://www.exim.com.my)

If you have any enquiries, please contact us at:

EXPORT-IMPORT BANK OF MALAYSIA BERHAD  
 Level 1, EXIM Bank, Jalan Sultan Ismail,

50250 Kuala Lumpur, Malaysia  
Tel: +603-26012000  
Fax: +603-26012469

**13. What are other types of Inward Letter of Credit services available?**

- Letter of Credit Confirmation-*i*
- Letter of Credit Transfer-*i*
- Letter of Credit Collection-*i*

**IMPORTANT NOTE: LEGAL ACTION MAY BE TAKEN AGAINST YOU IF YOU FAIL TO SERVICE YOUR PAYMENT FOR THE FACILITY ON DEMAND**

The information provided in this disclosure sheet is valid as at 30 July 2021.