

PRODUCT DISCLOSURE SHEET

Date:

Dear Customer,

This Product Disclosure Sheet (PDS) provides you with key information on Letter of Credit-i (LC-i) Murabahah. Other customers have read this PDS and found it helpful, **you should read it too.**

1 WHAT IS LETTER OF CREDIT-i (LC-i) MURABAHAH

Letter of Credit-i (LC-i) Murabahah is a written undertaking given Bank Muamalat Malaysia Berhad ("the Bank") as the issuing bank, given to the seller/beneficiary at the request and on the instructions of the customer (buyer/applicant), to pay at sight or at a determinable future date up to a stated sum of money within a prescribed time limit and against stipulated documents which are in compliance with the terms and conditions of the credit and subject to current Uniform Customs and Practice for Documentary Credit (UCP) 600 rules.

The Shariah contract applicable is Murabahah. Murabahah is a contract that refers to the sale and purchase transaction for the financing of an asset/commodity/merchandise whereby the cost and profit margin are disclosed and agreed upon by all parties involved. Murabahah LC-I is issued to the beneficiary by BMMB (the issuing bank) whereby BMMB will buy the goods from the supplier through the Customer who is appointed as BMMB's agent to purchase at invoice price (the purchase price) and BMMB then sells it to the Customer (buyer/applicant) at the selling price (which is the cost plus profit).

2 KNOW YOUR OBLIGATIONS

Product Features

The facility limits are based on customer requirements and are subject to BMMB's credit evaluation. The facility is subject to annual review.

The details of obligations and conditions will be stated in the letter of offer and/or financing agreement. The tenor of the trade financing is based on customer's requirements and credibility.

Obligations

Your business/company will need to make payment the full value of the selling price amount as stated in the Murabahah Contract Note on the maturity date with relevant fees and charges as available in Trade Finance.

It is your responsibilities to:



Read and understand the **key terms** in the **contract** before you sign it.



Pay your obligations accordingly to avoid any difficulties in future transaction. Speak to us if any dispute arises.



Contact us immediately if you encounter any difficulties in using this product or its services.

Fees & Charges

Stamp Duty

Amount

As per the Stamp Act 1949 (Revised 1989), subject to any stamp duty exemption or remission orders.

Outward Letter of Credit

Inward Letter of Credit

Inward Transferable Letter of Credit

Others

-Mailing

Cable/SWIFT

Refer to BMMB's website [Trade Finance - Bank Muamalat Malaysia Berhad](http://www.muamalat.com.my) for details of commissions, handling charges and other applicable charges.

- Kindly refer to our website at www.muamalat.com.my for details of fees and charges
- For financial consumers including Small Medium Enterprise (SME) customers, BMMB will communicate to you at least twenty-one (21) calendar days prior to the effective date of implementation if there are any changes in fees and charges that are applicable to this product.
- The fees and charges are subject to the service tax (8%) imposed under the Service Tax Act 2018 (as amended), where applicable.

If you wish to settle your financing early you should know:

- You will receive a rebate (Ibra') on deferred profit according to Shariah principles.
- The rebate is final and binding.
- The Bank calculates the rebate based on early settlement and total payments made.
- Ibra' formula: Outstanding Selling Price - Outstanding Principal - Amount Due to the Bank - Reduction of Ibra'

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3 KNOW YOUR RISKS

4 OTHER KEY TERMS

What happens if you ignore your obligations?

- a) Ta'widh (Compensation): A sum equivalent to the BNM's Islamic Interbank Money Market (IIMM) Rate on the balance principal amount outstanding on default payment which exceeded the maturity date.
- b) Legal action will be taken against you if you fail to responds to the reminder notices on your payment arrears.
- c) Legal action against you may affect your credit rating leading to credit being more difficult or expensive to you.
- d) Right to set-off: BMMB is entitled to set-off any outstanding amount due in this financing account from any of your credit balances in your accounts maintained with BMMB. BMMB will notify you at least seven (7) calendar days in advance.
- e) The LC-i Murabahah will be issued to you based on a fixed rate.
Under UCP 600 (or latest,) BMMB deals on the basis of documents and not the goods. BMMB has to pay in the event that the documents are compliant to the LC-i. There are risks as below:
 - i. The goods may not be shipped/delivered and there is no guarantee that you will actually receive the goods.
 - ii. The goods quality may not be as expected by you as per underlying contract.

- a) As for Collateral, it will be subjected to credit assessment and BMMB's decision.

If you have any questions or require assistance on your Letter of Credit-i (LC-i) Murabahah, you can:



Call us at:
03-26005500



Visit us at:
[Letter of Credit-i \(Murabahah\)](#)



Email us at:
feedback@muamalat.com.my

Customer's Acknowledgment*

Ensure you are filling this section yourself and are aware of what you are placing your signature for.

- I acknowledge that BMMB has provided me with a copy of the PDS.
- I have read and understood the key information contained in this PDS.

**A customer's acknowledgement of this PDS shall not prejudice his/her rights to seek redress in the event of subsequent dispute over the product terms and conditions.*

Name:

Date:

The information provided in this product disclosure sheet is valid effective: **1st January 2026.**