PRODUCT DISCLOSURE SHEET

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| **PRODUCT DISCLOSURE SHEET**(Read this Product Disclosure Sheet before your business/company decides to take up the Documentary Credit-i (DC-i) product by HSBC Amanah Malaysia Berhad (“Bank”) (“DC-i”). Be sure to also read the general terms and conditions.) | **HSBC Amanah Malaysia Berhad (Bank)****Documentary Credit-i (DC-i)**<Date> |
| **1. What is this product about?** |
| A Documentary Credit-i (DC-i) is a written undertaking by an issuing bank, on behalf of the buyer/importer (applicant) to the seller/exporter (beneficiary), that payment will be made for the goods or services (subject to being halal goods or services) supplied by the seller, provided that the seller complies with all the terms and conditions established by the DC-i. DC-i issued is irrevocable which means that they constitute a definite undertaking and cannot be revoked or amended without the agreement of all parties to the DC-i.For urgent DC-i issuances, customers with or without a Trade facility may apply for this service by providing Bank with 100% cash cover/cash margin (Margin Payments) in the currency of the DC-i. All rights, title and profit in the Margin Payments will be vested in the Bank and any un-utilised amount of the Margin Payments shall be refunded to our customer after the DC-i has been discharged and/or repaid in full. This Margin Payments service is known as “SpeedyLC” and same day issuance (or 24 hour) service is available subject to the DC-i application meeting the required terms and conditions such as submission of a complete set of documents and appropriate company mandate is in place for the customer’s authorised signatories to place the Margin Payments for the service. For our customers’ convenience, applications can be submitted via HSBCnet Internet Trade Services or physical application forms by uploading / attaching the Margin Payment Form to the DC-i template/application form. Customers are advised to contact our Client Service Team for further details. |
| **2. What is the underlying contract of this product?** |
| DC-i is provided based on either the principle of agency (Wakalah) or principle of guarantee (Kafalah).**DC-i (Wakalah) – whereby Importer places a marginal deposit of 110% with the Bank (ie Speedy LC-i). No facility line is required.**Under the Wakalah concept, the Bank will be appointed as an agent by the customer (importer) to facilitate the purchase of goods (subject to being halal goods) from an exporter.**DC-i (Kafalah) – marked against facility**Under the Kafalah concept, the Bank issues a written undertaking (or guarantee) on behalf of the customer (importer) to the seller/exporter that payment will be made for the goods or services supplied by the seller. |
| **3. What do I get from this product?** |
| By issuing a DC-i/Speedy LC, the Bank will undertake, on your behalf, to make payment to your supplier against presentation of complete documents as per the terms and within the validity of the credit. With DC-i/Speedy LC, your business/company may :-* Defer payment for goods (subject to being halal goods ) until the goods or documents arrive
* Enjoy a relatively safer and cheaper alternative to making deposits or advance payments as requested by your supplier
* Specify the terms and conditions of payment
* Negotiate longer trade terms with your supplier with usance DC-i(s).
* Speedy LC is issued within 24 hours, once your business current is in place and no credit facility required.

**Facility Amount**: [RM to indicate full Import/Export facility amount ]**Tenure:** [RM to indicate]**Commission**Currently at 0.1% for each month or part thereof (subject to minimum of RM200-00).Where a bill under a Documentary Credit-i is drawn at usance, in addition to the above, an opening charge on usance period of 0.1% is levied on the amount of the Documentary Credit-i for each month or part thereof.The facility is subject to the Bank’s right to call for cash cover/cash margin on demand for prospective and contingent liabilities under the documentary credits issued/to be issued. [RM to indicate whether there is cash cover/cash margin for this DC-i issued.][RM to complete the above prior to forwarding the PDS to the customer.] |
| **4. What are my obligations?** |
| * Your obligations are to ensure performance of the trade and that they are bona-fide transactions.
* Your business/company will need to pay the full DC-i amount on due date (including commission charged as applicable). Alternatively, your business/company can request for the DC-i to be financed by the Bank and converted into a Trust Receipt-i/ Accepted Bills-i.
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| **5. What are the fees and charges I have to pay?** |
| *Note: The fees and charges for the items below are exclusive of any statutory – tax (“Tax”). Where Tax is chargeable on any of these items, the applicable Tax sum shall be imposed in addition to such fees and charges, and shall be payable by the customer*.Please refer to our schedule of tariff and charges at [www.hsbcamanah.com.my](http://www.hsbcamanah.com.my) for full list of charges. Key charges are as follows:-Irrevocable Documentary Credit-iOpening Commission 0.1% per month\* (or part of month) on the DC-i amount- If for account of Applicant, payable in RM **(min. RM100)**- If for account of Beneficiary, payable in USD **(min. USD75)**Handling Fee for same day min RM150processing received after 12 pm Marginal Payment handling fee min RM150for non-trade CustomerBack-to-Back Documentary Credit-iOpening Commission 0.1% per month\* (or part of month) on the DC-i amount- If for account of Applicant, payable in RM **(min. RM100)**- If for account of Beneficiary, payable in USD **(min. USD75)***Plus*Handling Fee **min. RM150**Revolving Documentary Credit-iOpening Commission 0.1% per month\* (or part of month) on the DC-i amount- If for account of Applicant, payable in RM **(min. RM200)**- If for account of Beneficiary, payable in USD **(min. USD75)**PlusHandling Fee min. RM150Usance Documentary Credit-iOpening Commission 0.1% per month\* (or part of month) on the DC-i amount- If for account of Applicant, payable in RM (min. RM200)- If for account of Beneficiary, payable in USD (min. USD75)PlusOpening Charge on Usance period 0.1% per month (or part of month) for the usance period of the DC-iStandby Documentary Credit-iOpening Commission\*\* 0.1% per month\* (or part of month) on the DC-i amount- If for account of Applicant, payable in RM (min. RM200)- If for account of Beneficiary, payable in USD (min. USD75)PlusHandling Fee min. RM150Cable cost per DC-i Local – min. RM50issued under SWIFT Overseas – min. RM100Amendments to Documentary Credit-iCharge RM50 for 1st amendmentRM100 for subsequent amendmentIncrease in DC-i amount 0.1% per month (or part of month)And / orExtension of DC-i validity 0.1% per month (or part of month)Cable cost per amendment DC-I Local –RM50 flat Overseas –RM100 flatissued under SWIFTCourier Charges As per DHL published ratesCancellation of Documentary Credit-iCancellation Fee RM100 flat (RM50 flat-SME)Communication Charge by cable Local –RM50 flat Overseas –RM100 flatCourier Charges As per DHL published rates(\*) Opening Commission is calculated at the prescribed rate from the date of DC-i issuance and payable in the full at the time of establishment of all DC-i. If there is any subsequent extension to the expiry date / increase in the amount of the DC-i, additional commission will be imposed based on the extended period or the increased DC-i amount and will be collected at the time of establishment of the extension / increase. |
|  **6. What if I fail to fulfill my obligations?** |
| Right To Set-OffIf you fail to pay the DC-i amount on due date, your business/company will need to pay all additional costs, charges and expenses incurred until the DC-i is fully paid, which will be debited and/or set off from any credit balance(s) in any of your business/company’s account(s). |
| **7. What if I fully settle the financing before its maturity?** |
| DC-i does not involve the financing of your purchases, however the following types of financing are available for your purchases under DC-i if required:* Accepted Bills-i
* Trust Receipt-i
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| **8. Do I need any takaful coverage?** |
| Yes, appropriate protection for the goods should be taken out by either your supplier or yourself depending on the terms of the sale of goods contract. You should also consider taking up appropriate coverage to protect your business via Fire Commercial or Flexi Business Shield. Please contact your Relationship Manager for further details. |
| **9. Do I need a guarantor or collateral?** |
| On a case to case basis depending on your payment capabilities and other credit considerations. |
| **10. What are the major risks?** |
| Under a DC-i, you are obligated to pay if the supplier presents compliant documents, even if the goods are damaged or do not meet your expectations. This is because the DC-i is a separate and independent transaction from the sale of goods contract. You can take additional steps to enhance protection by:* Verifying the supplier’s reputation, financial standing and ability to produce the goods required; and obtaining samples of goods.
* Ensuring your DC-i calls for a certificate of inspection issued by an independent inspection agency, showing a report of ‘clean findings’ certifying that goods meet the standard as clearly defined by criteria set out.
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| **11. What do I need to do if there are changes to my contact details?** |
| It is important that the Bank is informed of any change in your business/company’s contact details to ensure that all correspondences reach your business/company in a timely manner. Changes in your business/company’s contact details should be formally submitted in writing and duly authorized by the company’s authorized signatories. Please contact your Relationship Manager for further clarification. |
| **12. Where can I get further information?** |
| If you have difficulties in making payments, you should contact your Relationship Manager earliest possible to discuss payment alternativesIf you wish to speak to our Trade representative, you may contact us at:Client Service TeamTel: 1-300-88-1099Email: gtrf.client.services.my@hsbc.com.my |
| **13. 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:

 [RM to fill up contact details: name, address, contact number and e-mail address]* If you wish to complain on the products or services provided by us, you may contact us at:

Customer Experience TeamHSBC Bank Malaysia Berhad2 Leboh Ampang50100 Kuala LumpurMalaysiaFax: +603-2179 1111 (9.00AM to 4.00PM – Monday to Friday)E-mail: complaints@hsbc.com.my * If your query or complain is not satisfactorily resolved by us, you may contact Bank Negara Malaysia LINK or TELELINK at:

Bank Negara MalaysiaP.O. Box 1092250929 Kuala Lumpur.Tel: 1-300-88-5465 (1-300-88-LINK)(Overseas: 603-2174-1717)Fax: 603-21741515E-mail : bnmtelelink@bnm.gov.mySMS: 15888Operating Hours: 9:00AM to 5:00PM – Monday to Friday |
| **14. Other trade financing facilities available?** |
| Other trade finance solutions available are* Bills Purchased-i
* Trust Receipt-i
* Clean Import and Export Financing-i (for Ringgit and foreign currency financing)
* Accepted Bills-i
* Documentary Credit Negotiation-i
* Bank Guarantee-i

Please also contact your Relationship Manager or Trade Representative for details of other Non-Financed Trade Services. |

The information provided in this disclosure sheet is valid as at dd/mm/yy.