



Small Medium Enterprise Development  
Bank Malaysia Berhad 49572-H

## Commodity Murabahah Revolving Financing-i (CMRF-i)

Date : \_\_\_\_\_  
(to be filled by Relationship Management)

## PRODUCT DISCLOSURE SHEET

(Please read this Product Disclosure Sheet before you decide to take-up the Commodity Murabahah Revolving Financing-i (CMRF-i). Be sure to also read the terms in the Letter of Offer. Seek clarification from your Institution if you do not understand any part of this document or the general terms)

### 1. What is this product about?

#### Commodity Murabahah Revolving Financing-i (CMRF-i)

CMRF-i is a short-term financing facility to finance working capital requirements that is revolving in nature but without the platform of a current account. Each principal payment made will reinstate the limit thus enables customer to reutilize up to the approved limit.

### 2. What is the Shariah concept applicable?

#### Commodity Murabahah via Tawarruq

Commodity Murabahah is Murabahah (cost-plus-profit) via Tawarruq arrangement. A Tawarruq consists of two sale and purchase contracts. The first involves the sale of a specified commodity (such as crude palm oil) by the Bank to the Customer on a deferred basis at a cost-plus-profit price over an agreed period of time. Subsequently, the Customer will sell the same commodity to a third party on a cash and spot basis.

#### Wakalah

Wakalah refers to a contract where the Customer, as principal (muwakkil) authorizes the Bank as his agent (wakil) to perform a particular task on matters that may be delegated, with or without imposition of a fee.

In the Tawarruq arrangement, the Bank acts as an agent to purchase the Shariah-compliant specified commodity (such as crude palm oil) from himself on behalf of the Customer, and subsequently acts as an agent to sell the same commodity on behalf of the Customer to a third party (i.e. Bursa Suq Al-Sila) for commodity trading services.

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

#### Illustration:

Facility Amount/ Limit : RM500,000.00

Margin of Finance : Up to 100%

Tenure : 5 years

Prevailing Profit Rate : BFR\* + 1.5% p.a.

Ceiling Profit Rate : 10.60% p.a. (BFR\* + 4.0% p.a.)

Bank's Purchase Price : RM500,000.00

Bank's Selling Price : RM765,000.00

\*Current Base Financing Rate (BFR) is at 6.60% p.a. and may vary from time to time.

### 4. What are my obligations?

- To pay the monthly profit portion.
- To pay the principal portion on lump sum (bullet payment) upon maturity.

**Important: Your monthly profit payments may vary if the BFR changes.**

#### Illustration of profit charged on CMRF-i facility:

The monthly profit payable is calculated daily based on the Prevailing Profit Rate (PPR), the facility amount utilized and number of days utilized for the month.

- Prevailing Profit Rate : 8.10% p.a.
- Facility Amount/ Limit : RM500,000.00
- Facility Amount Utilized : 1) RM300,000.00  
2) RM200,000.00

Utilization	Today (BFR=6.60%)	If BFR goes up 1%	If BFR goes up 2%
1) 1 <sup>st</sup> utilization of RM300,000.00 Monthly profit payable	RM2,025.00	RM2,275.00	RM2,525.00
2) 2 <sup>nd</sup> utilization of RM200,000.00 Monthly profit payable	RM1,350.00	RM1,516.67	RM1,683.33
Monthly Profit Payable for both utilizations	RM3,375.00	RM3,791.67	RM4,208.33

**Note: The total monthly profit payable may vary accordingly with the changes in BFR and facility outstanding. If the BFR changes, the Prevailing Profit Rate will change but will not exceed the Ceiling Profit Rate.**

#### 5. What other charges do I have to pay?

##### a) Stamp Duties:

As per the Stamp Duty Act 1949 (Revised 1989).

##### b) Legal fee / Company searches:

As charged by the Lawyer.

##### c) Trading fee:

The trading fee for buying and selling the commodities shall be charged to the customer as part of fees & charges. The customer shall pay the trading fee of RM10.00 for every RM1,000,000.00 transaction.

##### d) Valuation report:

As charged by the Valuer (if any).

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

- Ta'widh (compensation) for Late Payment

**The Bank has the right to be compensated on late and default payment based on the following mechanism:**

##### Before maturity

Actual loss or up to 1% on overdue payment for facility within default period as per the following formula:

$$\text{Overdue Installment(s)} \times 1\% \times \text{No. of Overdue day(s)} / 365$$

##### After maturity

Bank shall collect compensation charges from date of maturity to date of payment on actual loss or up to prevailing IIMM rate on outstanding balance, as per the following formula:

$$\text{Outstanding Balance} \times \text{IIMM}\% \times \text{No. of Overdue day(s)} / 365$$

##### Post Judgement

The court may impose a late payment charge on judgement debt, subsequent to the judgement.

The formula for late payment charges on post judgement as following:

$$\text{Judgement Sum} \times \text{IIMM}\% \times \text{No. of Overdue day(s)} / 365$$

Note:

- IIMM = Islamic Interbank Money Market
  - The compensation for late payment shall not be compounded or by any other method approved by the Shariah Advisory Council of Bank Negara Malaysia.
- Legal action will be taken if you fail to respond to reminder notices. The security may be enforced and you will have to bear all costs. You are also responsible to settle any shortfall after the security is disposed.

For sample of illustrations on the application of Ta'widh, kindly refer to our website at [www.smebank.com.my](http://www.smebank.com.my)

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

In line with BNM Guideline on Ibra` (rebate) for Sale Based Financing, Ibra` shall be granted for early settlement before the end of the financing tenure. Settlement prior to the end of the financing tenure shall include, but is not limited to, the following situations:

- Early settlement or early redemption, including those arising from prepayments;
- Settlement of the original financing contract due to financing restructuring exercise;
- Settlement in the event of default; and
- Settlement in the event of termination or cancellation of financing before the maturity date.

For variable rate financing, the Bank shall grant Ibra` on the difference between Ceiling Rate and Prevailing Profit Rate.

Formula calculation of Ibra`:

$$\text{Ibra` (Rebate)} = \text{Unearned Profit} - \text{Early Settlement Charges (if any)}$$

For sample of illustrations on the application of Ibra` and settlement amount formula, kindly refer to our website at [www.smebank.com.my](http://www.smebank.com.my)

## 8. Do I need any Takaful coverage?

Yes. All asset/ property charged/ assigned to the Bank shall be adequately covered under Takaful coverage equivalent to the financing amount with Takaful provider acceptable by the Bank.

## 9. What are the major risks?

- Please be advised that the Prevailing Profit Rate will change according to the changes in the BFR. An increase in the Prevailing Profit Rate may result in higher monthly payments amount.
- For fixed or flat rate, should there be a reduction in Bank's BFR, you may not be able to enjoy any reduction in the agreed profit rate.
- If you have problems meeting your payment obligations, please contact us early to discuss payment alternatives.

## 10. 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 timely manner.

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

- If you have difficulties in making payments, you should contact us as soon as possible to discuss payment alternatives. You may contact us at:  
Customer Service Management: 03-2603 7700 Website: [www.smebank.com.my](http://www.smebank.com.my)
- If you wish to complain about the products and services provided by us, you may contact us at 03-2603 7700 or email us at [customercare@smebank.com.my](mailto:customercare@smebank.com.my) or send your letter to:  
Customer Service Management  
SME Bank, Level 10, Menara SME Bank  
Jalan Sultan Ismail  
50250 Kuala Lumpur
- If our reply to your query or complaint is not satisfactory to you, you may contact Bank Negara Malaysia LINK or TELELINK at:  
Block D, Bank Negara Malaysia  
Jalan Dato' Onn  
50480 Kuala Lumpur  
Tel: 1-300-88-5465  
Fax: 03-21741515  
E-mail: [bnmtelelink@bnm.gov.my](mailto:bnmtelelink@bnm.gov.my)

## 12. Where can I get further information?

Should you require additional information of the product, please refer to our brochures, which is available at our nearest branch or our website at [www.smebank.com.my](http://www.smebank.com.my) or call our Hot Line 03-2603 7700.

For more information on obtaining a financing facility, please refer to *banking info* booklet, available at all our branches and the [www.bankinginfo.com.my](http://www.bankinginfo.com.my) website.

## 13. Other financing packages available?

- a) Contract Financing
- b) Other dedicated product programs such as MySMEBina, MySMEBekal and i-3P.

**IMPORTANT NOTE: LEGAL ACTION MAY BE TAKEN AGAINST YOU IF INSTALMENTS ON YOUR FINANCING ARE NOT PAID PROMPTLY ON THE DUE DATES**

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