



Small Medium Enterprise Development Bank  
Malaysia Berhad 49572-H  
(Formerly known as Bank Perusahaan Kecil &  
Sederhana Malaysia Berhad)

### **Bank Guarantee-i (Kafalah)**

Date :

## **PRODUCT DISCLOSURE SHEET**

(Read this Product Disclosure Sheet before you decide to take-up the **Bank Guarantee-i (Kafalah)**. 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 the product about?**

It is a Bank Guarantee facility on behalf of the customer to contract awardee/third parties. Kafalah is a contract made between the Bank and the customer which the Bank agreed to discharge the liability of a third party in the case of default by customer. This product is package with a Shariah-compliant term financing in case of any default.

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

- The Shariah concept applied is Kafalah.
- Under this concept, the Bank as guarantor shall issue a Kafalah (Bank Guarantee) to the contract awardee/third party on behalf of the company/firm which signifies a guarantee for the implementation of specified project/contract.

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

- A guarantee on specified liability required by contract awardee/third party in fulfilling the contract requirement.
- Specific Kafalah to meet your requirements as follows:
  - Supplier Bond
  - Performance Bond
  - Advance Payment Guarantee
  - Tender Bond
  - Other Guarantee

#### **Illustration:**

Guarantee value: RM7,820,550.20

Kafalah Fees : 1.5% p.a. on the value of the Guarantee Letter

Guarantee Period : 24 months from issuance date or contract period whichever earlier.

**Note: The above example is only for illustration. The illustration may not show the specific circumstances or obligations of each Kafalah.**

### **4. What are my obligations?**

- Your obligation is to fulfill the contract awardee/third party's requirement as specified in your contract/agreement.

#### **Illustration:**

- Annual fee of RM117,308.25
- Payment can be in the form of cheque by mail, cheque / cash deposit at Branch or by interbank GIRO from any participating bank branch or online banking.

**Note: The above example is only for illustration. The illustration may not show the specific circumstances or obligations of each Kafalah.**

### **5. What are the charges that 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. (If applicable)

**c) Takaful/insurance coverage:**

Takaful/insurance coverage is mandatory if the asset is given as security for the financing. (If applicable)

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

- We will liquidate your kafalah as claimed by the contract awarder/third party and you must compensate the Bank equivalent to the amount paid within 10 working days.
- Pending your payment, the amount will be parked under a Shariah-compliant term financing account at BFR + 2.50% p.a. on annuity monthly rest.
- If your account remains unpaid, it shall be classified as Non-Performing Financing (NPF). This will affect your further utilization of other banking facilities with the Bank.
- 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 enforced.
- Legal action against you may affect your credit rating leading to credit being more difficult or expensive to you.

**7. Do I need a guarantor or collateral?**

We will evaluate this requirement and advise you on this before we offer the Kafalah facility.

**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 timely manner.

**9. 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:

Contact Centre: 1-800-88-3131

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 1-800-88-3131 or email us at [customercare@smebank.com.my](mailto:customercare@smebank.com.my) or send your letter to:

Head of Customer Relations Enhancement  
SME Bank, Level 7, Menara SME Bank  
Jalan Sultan Ismail  
50250 Kuala Lumpur

- If our reply to your query/complaint is not satisfactory, 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)

**10. 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 1800 88 3131.

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.

**11. Other asset financing packages available?**

We also provide asset financing, working capital financing, contract financing, i-EPF, i-Cash and dedicated product programs such as i-SPLASH, i-REACH and i-SURF.

**IMPORTANT NOTE: LEGAL ACTION MAY BE TAKEN AGAINST YOU IF YOU DEFAULT ON ANY TERMS OF FINANCING THEREIN ON THE DUE DATES**

*As per Bank Negara Malaysia & Shariah Committee approval*