

**PRODUCT DISCLOSURE SHEET**

**(Read this Product Disclosure Sheet before you decide to take-up the Bank Guarantee-i (BG-i). Be sure to also read the terms in the Letter of Offer. Seek clarification from Bank Pembangunan Malaysia Berhad ("the Bank") if you do not understand any part of this document or the general terms)**



**Bank Pembangunan Malaysia Berhad**

**Bank Guarantee-i (BG-i)**

**Date :**

**1. What is the product about?**

BG-i is a credit enhancement facility to secure an obligation by Customer.

**▪ The facility has the following features:-**

- i. Amount : Based on approval of the Bank's Approving Authority (AA)
- ii. Tenure : Up to the period of the project requirement with the option to extend the guarantee period
- iii. Claim Period : Serves as additional period for Beneficiary to claim from the Bank after maturity of the guarantee period **(\* Optional)**
- iv. Liquidation : Customer is required to reimburse the claimed BG-i facility amount by the next day (T+1) the payment is being released to the Beneficiary **(\* Based on approval of the Bank's AA)**

**2. What is the purpose of the product?**

To secure an obligation by Customer for financial and non-financial guarantee in favor of the Beneficiary.

**3. What is the Shariah concept that is applicable?**

The facility is structured based on Kafalah, which is described as a surety given by one party who agrees to discharge the liabilities of a third party in the event the third party defaults in fulfilling its obligations. The Bank provides financial and/or non-financial guarantee on specific tasks or liabilities assumed by Customer to a Beneficiary (third party).

The brief structure and flow are as follows:

1. Customer enters into a contractual agreement with the Beneficiary. To mitigate the breach of contract, Beneficiary may request for a security by Customer in the form of BG-i facility.

2. Customer approaches the Bank to request for the BG-i facility. The Bank assesses the feasibility of the request and Customer's credit-worthiness.
3. The Bank issues BG-i certificate to Beneficiary as per Customer's requirement, as a surety to discharge the liability of Customer in the event Customer defaults.
4. In the event of default by the Customer with Beneficiary, Beneficiary will claim BG-i facility from the Bank. The Bank will make immediate payment on first demand provided the claims meet all conditions of the guarantee.
5. Customer is obligated to pay the Bank on the claimed amount together with late payment charges and other costs, if any.
6. If there is no default, the Beneficiary will return the BG-i certificate to the Customer followed by the Bank's cancellation upon maturity.

#### 4. What are my obligations?

- Customer is required to pay the fees and charges timely before the issuance of BG-i facility.
- Any other agreed obligations as stipulated under Facility Agreement and Security Documents.
- Upon liquidation of BG-i facility, Customer shall reimburse the Bank immediately. Failing which, Customer is subject to late payment charges.

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

The facility may attract including but not limited to the following fees and charges, whenever applicable:

- i. BG-i Fee (1.5% per annum or 0.125% per month)

An illustration of calculation for BG-i Fee as follows:

$$\text{Guaranteed Amount} \times \text{BG-i Fee (p.a)} \times \frac{\text{Facility Period (in months)}}{12 \text{ months}}$$

$$\text{RM1,000,000.00} \times 1.5\% \text{ p.a} \times (24 \text{ months}/12 \text{ months}) = \text{RM30,000.00}$$

**DISCLAIMER : Figures displayed are for illustration purposes only**

- ii. Stamp Duties as per the Stamp Duty Act 1949 (Revised 1989)
- iii. Administrative Fee (Not applicable to SME Customers)
- iv. Legal Fee, as charged by solicitor
- v. Sales & Services Tax, if applicable

Details on the fees and charges is available in the Bank's website ([www.bpmb.com.my](http://www.bpmb.com.my)).

**6. What if I fail to reimburse claimed BG-i facility after liquidation?**

In general, the Bank may impose late payment charges at the following rate:

- i. Compensation (Ta'widh) at the prevailing daily overnight of Islamic Interbank Money Market (IIMM) rate or other rates that Bank Negara Malaysia may specify against the claimed amount in the event the claimed amount being paid after the grace period of one (1) day from the date of payment by the Bank
- ii. Compensation (Ta'widh) on Advance Payment at one per centum (1%) per annum or other rates that Bank Negara Malaysia may specify against the amount due commencing from the next day after one (1) day of grace period until full payment of such amount is made
- iii. Penalty (Gharamah) at zero per centum (0%) per annum

**NOTE : The amount of late payment charges shall not be compounded and shall be applicable both before and after any judgement or order of a court**

Legal action may be taken by the Bank against you and your security parties (if any) if you fail to respond to reminder notices. It may affect your credit rating which may lead to credit being more difficult or expensive to you.

The Bank also retains the following rights:

- Review: The Bank has the right to review the facility from time to time and to terminate the facility upon occurrence of any events of defaults as agreed in the terms and conditions of the facility
- Bankruptcy/Winding Up: The Bank has the right to initiate bankruptcy/winding up proceedings upon occurrence of any events of defaults as agreed in the terms and conditions of the facility

**7. Do I need a guarantor/security/collateral/takaful coverage?**

Yes. Among the security requirement include but not limited to the project assets, debenture, assignment of concession agreement / project account / takaful plan etc. depending on the type of project and guarantee.

The Guarantor as surety shall be liable to the Bank as creditor in the event of any breach or default committed by the Customer being the principal debtor.

**8. What are the major risks?**

- Where any of the BG-i facility is called upon or liquidated for non-completion or non-compliance or whatsoever reason by the Beneficiary, you shall be liable to pay the claimed amount under the BG-i facility by the next day (grace period) of the date of liquidation.
- If you have problems meeting your obligations, please contact us early to discuss your alternatives.

**9. What do I need to do if there are changes to my contact details?**

It is important that you inform us immediately or as soon as practicable of any change in your contact details to ensure that all correspondences reach you in a timely manner.

**10. Where can I get assistance and redress?**

- If you have any enquiries with regards to the facility, please contact us at:  
  
Business Banking  
Level 26, Menara Bank Pembangunan,  
Jalan Sultan Ismail, Kuala Lumpur.  
Tel: 03-2611 3928/3124  
Email: [hildah@bpmb.com.my](mailto:hildah@bpmb.com.my) or [sulaiman.ar@bpmb.com.my](mailto:sulaiman.ar@bpmb.com.my)
  
- If you wish to file a complaint on the facility or services provided by the Bank, you may contact us at:  
  
Corporate Communication  
Level 27, Menara Bank Pembangunan,  
Jalan Sultan Ismail, Kuala Lumpur.  
Tel: 03-2611 3888  
Email: [feedback@bpmb.com.my](mailto:feedback@bpmb.com.my)
  
- If your query or complaint is not satisfactorily resolved by the Bank, you may contact:  
  
Bank Negara Malaysia LINK or TELELINK  
Block D, Bank Negara Malaysia,  
Jalan Dato' Onn,  
50480 Kuala Lumpur.  
Tel: 1-300-88-5465  
Fax: 03-2174 1515  
Email: [bnmtelelink@bnm.gov.my](mailto:bnmtelelink@bnm.gov.my)

**11. Where can I get further information?**

Should you require additional information on the facility, please refer to the Bank's brochures or the Bank's website at [www.bpmb.com.my](http://www.bpmb.com.my) or call **03-2611 3888**.

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

**12. Other products available?**

The Bank also provide Tawarruq Asset Financing (TWA), Tawarruq Financing for Fixed Working Capital (TWF) and Tawarruq Revolving Working Capital (TWQR).

**IMPORTANT NOTE :**

**LEGAL ACTION MAY BE TAKEN AGAINST YOU IF YOU DO NOT FULFILL OBLIGATIONS OF THE FACILITY AND BREACHED ANY AGREED TERMS AND CONDITIONS STIPULATED UNDER FACILITY AGREEMENT AND SECURITY DOCUMENTS.**

The information provided in this product disclosure sheet is valid as at 22 February 2021.