

## PRODUCT DISCLOSURE SHEET

(Read this Product Disclosure Sheet before you decide to take-up the Tawarruq Financing for Fixed Working Capital (TWF). 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  
(197301003074 (16562-K))**

**Tawarruq Financing for Fixed Working Capital  
(TWF)**

**Date :**

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

TWF is a term financing facility to part finance the working capital requirement.

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

- i. Minimum Financing : RM20.0 million
- ii. Maximum Financing : RM500.0 million
- iii. Tenure : Up to 5 years
- iv. Margin of Financing : Up to 85% of each contract value/invoices or up to 30% of total contract sum

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

To part finance the working capital requirement includes advances, operating and pre-operating expenditure for all sectors financed which do not contradict with Shariah.

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

The facility is structured based on Tawarruq. It consists of two sale and purchase contracts. The first involves the sale of a commodity by a seller to a purchaser on a deferred basis. Subsequently, the purchaser of the first sale will sell the same commodity to a third party on a cash and spot basis.

The brief structure and flow are as follows:

1. Upon request and undertaking by the Customer to purchase an identified commodity (“Commodity”), the Bank purchases the Commodity from a supplier, on cash basis. The Bank is also authorized by the Customer to conclude sale and purchase transactions that will be performed afterwards and to take possession of the Commodity (if requested by the Customer).
2. The Bank then sells the Commodity to the Customer at the Selling Price based on Murabahah concept (comprising of Purchase Price and disclosed profit margin), to be paid on deferred basis. The Customer is now the owner of the Commodity upon acceptance by the Bank.

3. The Bank upon instruction by the Customer, sells the Commodity to other supplier, on cash basis for disbursement purpose.
4. The deferred Selling Price is payable by the Customer on lump sum or instalment basis based on the agreed tenure and payment schedule to be issued by the Bank from time to time.

Commodity:

Crude palm oil or such other Shariah compliant commodities (excluding ribawi items in the category of medium of exchange such as currency, gold and silver) acceptable by the Bank.

#### 4. What do I get from this product?

An illustration of a financing using this facility is as follows:

i.	Bank's Purchase Price/Financing Amount (PP)	RM1,000,000.00
ii.	Profit Rate (r)	10% pa
iii.	Tenure (t)	3 years including 1 year grace period
iv.	Bank's Selling Price (SP)	
	a) During Grace Period, $PP \times r \times t$	RM8,333.33 (1,000,000 x 10%/12) x 12 months = RM99,999.96
	b) Normal Period, $PP \times r \text{ (annuity)} \times t$	RM46,144.93 (1,000,000 x 0.04614493) x 24 months = RM1,107,478.32
	Total SP = (a + b)	RM1,207,478.28
v.	Amount of Profit	<b>RM207,478.28</b>

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

#### 5. What are my obligations?

- An illustration of your payment obligations are as follows:

i.	Monthly Instalment :	During Grace Period, RM8,333.33 Normal Period, RM46,144.93
ii.	Total amount of payment at the end of financing tenure :	RM1,207,478.28

- The difference sum between the total Bank's Selling Price and the actual amount charged to you (based on Prevailing Profit Rate) is subject to rebate (Ibra').
- Any other agreed obligations as stipulated under Facility Agreement, Security Documents and Transaction Documents.

- You are required to make a full settlement (principal and profit) upon maturity of the facility.

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#### **6. 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:

- Stamp Duties as per the Stamp Duty Act 1949 (Revised 1989)
- Processing Fee (Not applicable to SME Customers)
- Administrative Fee (Not applicable to SME Customers)
- Transaction Fees for transaction of commodity as charged by commodity trading platform
- 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)).

#### **7. What if I fail to fulfill my obligations?**

In general, the Bank may impose a compensation charge on late payment (Ta'widh) and breach of undertaking (Wa'd) at the following rate:

- Ta'widh at 1% per annum on the overdue instalment (where applicable) during the tenure of the facility
- Ta'widh at 1% per annum or at the prevailing daily overnight of Islamic Interbank Money Market (IIMM) rate whichever is lower or other rates that Bank Negara Malaysia may specify against the outstanding Selling Price (subject to Ibra' if applicable) if the overdue continues beyond the maturity date of the facility
- Ta'widh on Advance Payment at 1% per annum or other rates that Bank Negara Malaysia may specify against the amount due commencing from the next day after 1 day of grace period until full payment of such amount is made
- For breach of Wa'd, the charge is at actual loss amount incurred by the Bank
- Penalty (Gharamah) at 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 difficulties or exorbitant.**

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

**8. What if I fully settle the financing before its maturity?**

The Bank shall grant rebate (Ibra') under the following circumstances, subject to applicable terms and conditions:

- i. Early redemption of the facility including restructuring exercise, default case and termination or cancelation of facility
- ii. Partial redemption/prepay/advance payment
- iii. Facility is not fully disbursed

For sample of illustrations on the calculation of Ibra', please refer to the Bank's website ([www.bpmb.com.my](http://www.bpmb.com.my)).

**9. 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, guarantee etc. depending on the type of project and financing.

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.

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

- Please be advised that the Prevailing Profit Rate will change according to the changes in the Bank's Financing Rate (BFR) or Cost of Fund (COF). An increase in the Prevailing Profit Rate may result in higher payment amount. However, the Prevailing Profit Rate shall not exceed the Profit Rate.
- For Fixed or Flat Rate, should there be a reduction in the BFR or COF, you may not be able to enjoy any reduction on the agreed profit rate.
- If you have problems meeting your payment obligations, please contact us early to discuss payment alternatives.

**11. 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.

## 12. 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)

## 13. 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 financing facility, please refer to *banking info* booklet, available at the [www.bankinginfo.com.my](http://www.bankinginfo.com.my) website.

## 14. Other products available?

The Bank also provide Tawarruq Asset Financing (TWA), Tawarruq Revolving Working Capital (TWQR) and Bank Guarantee-i (BG-i).

### IMPORTANT NOTE :

**LEGAL ACTION MAY BE TAKEN AGAINST YOU IF YOU DO NOT KEEP UP PAYMENTS ON YOUR FINANCING AND BREACHED ANY AGREED TERMS AND CONDITIONS STIPULATED UNDER FACILITY AGREEMENT, SECURITY DOCUMENTS AND TRANSACTION DOCUMENTS.**

The information provided in this product disclosure sheet is valid as at 11 November 2021.