

## Frequently Asked Question (FAQ)

### Express Letter of Credit (Express LC) / Express Letter of Credit-i (Express LC-i)

NO.	QUESTION & ANSWER
1.	<p><b>Q:</b> <b>What is Express Letter of Credit / Express Letter of Credit-i (LC/LC-i)?</b></p> <p><b>A:</b> <i>Express LC/LC-i is a written undertaking issued by the Bank in favour of a seller against Cash Deposit or Fixed Deposit (FD)/Term Deposit-i(TD-i) on a one-to-one basis without the need to apply for an upfront trade facility.</i></p> <p><i>Express LC-i is structured under the concept of Wakalah, which is defined as referring to a contract where a party, as principal (muwakkil) authorises another party as his agent (wakil) to perform a particular task on matters that may be delegated, with or without the imposition of a fee (as defined in BNM's Wakalah Policy Document).</i></p>
2.	<p><b>Q:</b> <b>Is an existing customer eligible to apply for an Express LC/LC-i?</b></p> <p><b>A:</b> <i>Existing borrowing/financing and non-borrowing/non-financing customers are eligible to apply provided that Current Account / Current Account-i or Foreign Currency Account / Foreign Currency Account-i is maintained with Affin Bank Berhad/Affin Islamic Bank Berhad.</i></p> <p><i>Whether you're already enjoying our financing solutions or simply maintaining an account with Affin Bank Berhad/Affin Islamic Bank Berhad —you're welcome to apply for Express LC/ LC-i.</i></p> <p><i>Want to apply? Simply contact your Relationship Manager or visit your nearest AFFIN branch to get started with Express LC/LC-i — fast, convenient, and Shariah-compliant.</i></p>
3.	<p><b>Q:</b> <b>Can an existing Customer with LC/LC-i facility apply for Express LC/LC-i?</b></p> <p><b>A:</b> <i>Yes, customers with existing LC/LC-i facility can still apply for Express LC/LC-i on an ad-hoc basis with pledged Cash Deposit or Fixed/Term Deposit/-i.</i></p> <p><i>Contact your Relationship Manager or visit your nearest AFFIN branch to get started with Express LC/LC-i today!</i></p>
4.	<p><b>Q:</b> <b>What types of Express LC/LC-i can be issued under this product?</b></p> <p><b>A:</b> <i>Only Irrevocable Non - Transferable LC/LC-i is allowed.</i></p>
5.	<p><b>Q:</b> <b>What type of Currency is allowed for issuance of Express LC / LC-i?</b></p> <p><b>A:</b> <i>Issuance of Express LC/LC-i can be in Ringgit Malaysia (MYR) or Foreign Currency.</i></p>

	<b>Q:</b> <b>What are the types of deposit acceptable under Express LC/LC-i?</b>												
6.	<p><i>Below are the types of deposit acceptable under LC/LC-i:</i></p> <p>(a) Cash Deposit (b) Fixed Deposit (FD) / Term Deposit-i (TD-i) - * Third party individual only</p> <table border="1"> <thead> <tr> <th><i>LC/ LC-i Currency</i></th><th><i>Deposits</i></th><th><i>Remarks</i></th></tr> </thead> <tbody> <tr> <td><i>Ringgit Malaysia (MYR)</i></td><td><i>Ringgit Malaysia (MYR)</i></td><td><i>100% + variance/ tolerance (if any) either:</i> <i>i. Cash Deposit</i> <i>ii. FD/ TD-i</i></td></tr> <tr> <td><i>Foreign Currency</i></td><td><i>Foreign Currency (same as LC/LC-i currency)</i></td><td><i>100% + variance/tolerance (if any) either:</i> <i>i. Cash Deposit</i> <i>ii. FD/ TD-i</i></td></tr> <tr> <td><i>Foreign Currency</i></td><td><i>Ringgit Malaysia (MYR)</i></td><td><i>110% + variance/tolerance (if any) either:</i> <i>i. Cash Deposit</i> <i>ii. FD/ TD-i</i></td></tr> </tbody> </table> <p style="text-align: center;"><i>Table 1</i></p> <ul style="list-style-type: none"> <li>▪ Any conversion for MYR equivalent shall be computed based on the Bank's prevailing counter selling rate. For further illustration on the calculation, kindly refer to the Express LC/LC-i Product Disclosure Sheet.</li> <li>▪ Where LC/ LC-i amendment involves an increase in amount, additional collateral / security is to be collected from the Applicant to cover for the additional amount.</li> <li>▪ Express LC/LC-i transactions involving 'partial settlement' is applicable to Cash Deposit only.</li> </ul> <p><i>* FD/TD-i pledged must be under Shareholders' name and not under company's name.</i></p>	<i>LC/ LC-i Currency</i>	<i>Deposits</i>	<i>Remarks</i>	<i>Ringgit Malaysia (MYR)</i>	<i>Ringgit Malaysia (MYR)</i>	<i>100% + variance/ tolerance (if any) either:</i> <i>i. Cash Deposit</i> <i>ii. FD/ TD-i</i>	<i>Foreign Currency</i>	<i>Foreign Currency (same as LC/LC-i currency)</i>	<i>100% + variance/tolerance (if any) either:</i> <i>i. Cash Deposit</i> <i>ii. FD/ TD-i</i>	<i>Foreign Currency</i>	<i>Ringgit Malaysia (MYR)</i>	<i>110% + variance/tolerance (if any) either:</i> <i>i. Cash Deposit</i> <i>ii. FD/ TD-i</i>
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7.	<b>Q:</b> <b>How long will it take for the issuance of Express LC/LC-i?</b> <p><i>A:</i> <i>Express LC / LC-i applications will be processed on the same business day, provided they are received by 12:00 p.m. and are complete and in order.</i></p>												
8.	<b>Q:</b> <b>Is there a maximum limit for Express LC/LC-i?</b> <p><i>A:</i> <i>There is no maximum limit for issuance of Express LC/LC-i, however all applications remain subject to the Bank's discretion and approval.</i></p>												
9.	<b>Q:</b> <b>What is the maximum Express LC/LC-i tenure?</b> <p><i>A:</i> <i>The tenure shall not exceed 365 days, subject to the Bank's discretion and approval.</i></p>												

	<b>Q</b>	<b>How is the settlement for Express LC/LC-i be made?</b>
10.	A:	<i>Settlement is made via the cash collected upfront or by liquidating the FD/TD-i accordingly. Other related fees &amp; charges are to be debited from the Applicant's account as stated in the Express LC/LC-i application form.</i>
11.	<b>Q</b>	<b>Where can Customer obtain the Express LC/LC-i application form?</b>
	A:	<i>The application form can be downloaded from <a href="https://www.affinalways.com/en/corporate-trade-finance">https://www.affinalways.com/en/corporate-trade-finance</a></i>
12.	<b>Q</b>	<b>Can the Cash deposit or fees &amp; charges under Express LC/LC-i be debited from a third -party account other than the Applicant?</b>
	A:	<i>Yes, provided the third-party account is maintained with Affin Bank Berhad/Affin Islamic Bank Berhad.</i>
13.	<b>Q</b>	<b>Related to item 12 above, does the Bank require a separate third-party authorization letter to allow payment to be debited from their account?</b>
	A:	<i>No, a separate third-party authorization letter is not required. The third-party account holder simply needs to provide their consent and sign-off on the Express LC / LC-i application form only.</i>
	<b>Q</b>	<b>How to submit the Express LC/LC-i application?</b>
14.	A:	<i>Express LC/LC-i applications can be submitted via AFFIN Branches, Trade Finance Centres, or online at <a href="http://www.AffinAlways.com">www.AffinAlways.com</a>.</i>