

PRODUCT DISCLOSURE SHEET

Read this Product Disclosure Sheet before you decide to take the **Letter of Credit (LC)** with Affin Bank Berhad (“the Bank”). Be sure to also read the terms and conditions in the Letter of Offer. Seek clarification from the Bank if you do not understand any part of this document or the general terms in particular the terms affecting your obligations.



1. What is this product about?

Letter of Credit (LC) is a written undertaking by the Bank, given to a seller (the Beneficiary) at the request and on the instruction of the buyer (the Applicant), to pay at sight or at the determinable future date up to a stated sum of money within a prescribed time limit and against the stipulated documents which are in accordance with terms and conditions of the LC.

LC issued is subject to Uniform Customs and Practice for Documentary Credits (UCP) and Uniform Rules for Bank-to-Bank Reimbursements under Documentary Credit (URR), International Chamber of Commerce Publication currently in force and guided by International Standard Banking Practice (ISBP).

You will need to have an approved LC Facility with the Bank.

2. What do I get from this product?

- Able to negotiate with supplier for a better credit terms and pricing as LC is a more secured payment term where undertaking of payment is from a bank.
- Payment will only be made upon presentation of compliant documents / document of title to the goods.
- May avail for subsequent import financing to meet your payment requirement.

3. What are my obligations?

- Pay the Bank all charges pursuant to the opening of the LC together with commission at such rate(s) as may be prescribed by the Bank from time to time and the Bank's agent charges, if any.
- Undertake to pay immediately (sight LC) or accept and pay on the maturity date (usance LC) upon notification by the bank of presentation of documents in compliance with the terms and conditions of the LC and/or upon documents being negotiated.
- If documents presented did not comply with the LC terms and conditions, you must immediately revert whether to take-up or reject the documents, upon notification by the Bank on the discrepancies noted.
- Certify that the goods purchased is not prohibited or restricted and that you hold and undertake to provide to the Bank a valid license if such license is required.

4. What are the fees and charges I have to pay?

Fees and charges	Amount (RM)
Issuance	0.1% per month (or part of month thereof). Minimum RM100.00
Amendment (extend validity / increase of amount)	0.1% per month (or part of month thereof). Minimum RM50.00
Other Amendment	RM50.00
Acceptance	0.1% per month (or part of month thereof). Minimum RM100.00
Stamp duty	RM10.00
LC Discrepancy Fee: <ul style="list-style-type: none">• Foreign• Local	USD30.00 @ (RM100.00 equivalent) RM50.00
Cost of SWIFT <ul style="list-style-type: none">• Issuance of Letter of Credit (LC)• Amendment of LC• Payment of LC	RM30.00 RM15.00 RM15.00
Postage	RM10.00

Note: Base Lending Rate (BLR) is subject to change from time to time as published on <https://www.affinways.com/en/rates-and-pricing>

5. What if I fail to fulfill my obligations?

- Default / Penalty interest at 3.5% p.a. above the Bank's Base Lending Rate or rate as stated in the Letter of Offer will be imposed on the sum paid by the Bank on the LC issued and shall be computed from the day the date of the paid LC amount until full and final settlement of the paid LC amount.
- The Bank will suspend your LC facility and your other facilities when you default on your LC repayment.
- The Bank may exercise its rights and start its recovery process and / or legal action if you fail to respond to reminder notices. You will have to bear all legal costs.
- For other obligations, please refer to the Bank's Letter of Offer.

6. What are the major risks?

- Goods purchased or imported may not be in accordance to your sales contract and the Bank has no obligations to verify and/or validate such event as the Bank only deals with the documentation.
- Delayed and/or non-take up of shipping documents called under the LC may result in demurrage charges being imposed on you during clearance of goods at a later stage.
- The Bank however has the sole right to accept / reject any discrepant documents.

7. Where can I get assistance and redress?

- If you have difficulties in making payments, please contact us at your earliest convenience to discuss on the payment alternatives.
- If you wish to make a complaint on the products or services provided by us, you may contact us at:
Customer Feedback & Resolution Management
Level 9, Menara Affin,
Lingkar TRX, Tun Razak Exchange,
55188 Kuala Lumpur
Contact Centre : 03-8230 2222
E-mail : yourvoice@affingroup.com
Website : <https://www.affinalways.com>
- Alternatively, you may seek the services of Agensi Kaunseling dan Pengurusan Kredit (AKPK), an agency established by Bank Negara Malaysia to provide free services on money management, credit counselling, financial education and debt restructuring for individuals. You can contact AKPK at:
Agensi Kaunseling dan Pengurusan Kredit (AKPK)
Level 5 and 6,
Menara Aras Raya (Formerly known as Menara Bumiputra-Commerce),
Jalan Raja Laut, 50350 Kuala Lumpur
Hotline : 03-2616 7766
E-mail : enquiry@akpk.org.my
Website : www.akpk.org.my
Operation Hours : 9.00 am – 5.00 pm (Monday – Friday)
- If your query or complaint is not satisfactorily resolved by us, you may contact Bank Negara Malaysia (BNM) LINK or TELELINK at:
BNMLINK
Bank Negara Malaysia
P.O. Box 10922
50929 Kuala Lumpur
Telephone : 1-300-88-5465
eLINK : <https://bnmlink.bnm.gov.my/>

8. What do I need to do if there are changes to my contact details?
It is important that you inform us (via a written notice sent to the account holding branch) of any changes in your contact information to ensure that all correspondences reach you in a timely manner.
9. Where can I get further information?
Should you require additional information, please contact us at the nearest branch to you or call our Contact Centre at 03-8230 2222 or visit our web site www.affinalways.com
10. Other facilities available.
The Bank offers other trade bills facilities such as Bank Guarantee (BG), Bankers Acceptance (BA), Bills Negotiation (BN), Bills Purchased (BEP), Export Credit Refinancing (ECR) Shipping Guarantee (SG), Flexi Trade Loan (FTL) and Trust Receipt (TR).
Disclaimer: This Product Disclosure Sheet is for information purposes only and does not constitute any advice on any matter discussed. All information and materials including those on services, products, financial information, data, text or other items are provided strictly 'as is', and 'as available' and is so provided for your information and reference only. Affin Bank Berhad does not guarantee the usefulness or adequacy of the information provided and shall not be liable for any errors and will not be responsible for the consequences of reliance upon any opinion or statement contained herein or for any omission. This Product Disclosure Sheet is confidential and may not be reproduced (in whole or in part) to any other person without the prior written permission of Affin Bank Berhad.
Product Transparency and Disclosure: Affin Bank Berhad is committed in ensuring customer is being treated and guided under the prevailing BNM's Fair Treatment of Financial Consumers and Prohibited Business Conduct .
IMPORTANT NOTE: LEGAL ACTION MAY BE TAKEN AGAINST YOU IF YOU DO NOT KEEP UP REPAYMENTS ON YOUR FACILITIES.

The information provided in this disclosure sheet is valid as at 30 September 2023.

I / We hereby acknowledge that the key terms of this product disclosure sheet, in particular, the terms affecting my / our obligations, have been adequately explained to me / us by the Bank's staff, representative or agent.

Signature : _____

Name : _____

NRIC No : _____

Date : _____