

**Product Disclosure Sheet (PDS)**

Read this Product Disclosure Sheet before you decide to take-up this product. 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 Asset Financing (TWA)**

**Date:** <to be completed by Relationship Manager>

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

- Tawarruq Asset Financing (TWA) is an Islamic term financing facility offered to finance asset acquisition such as land, building, plant, machinery, equipment, vessels etc.

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

- The facility is structured based on Shariah concept of Tawarruq.
- A Tawarruq 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.
- Brief structure are as follows:

No	Description
i	Upon request and undertaking by the Customer to purchase an identified commodity (“Commodity”), the Bank or its agent purchases the Commodity from a supplier, on cash basis. The Bank or its “agent” as appointed by 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).  “Commodity” means any commodity acceptable by the Bank e.g. crude palm oil or any other Shariah compliant commodities (excluding ribawi items in the category of medium or exchange such as currency, gold and silver)
ii	The Bank or its agent 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 or its agent.
iii	Upon instruction by the Customer, the Bank or its agent sells the Commodity to other supplier, on cash basis for disbursement purpose.
iv	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.

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

- Features of **Tawarruq Asset Financing (TWA)**:
  - i) Financing Amount / Limit : Minimum RM20.0 million  
: Maximum RM500.0 million, subject to the margin of finance.
  - ii) Tenure : Up to 25 years
  - iii) Margin of Financing : Up to 90%

- **Example** of financing with TWA:

Financing Amount / Bank's Purchase Price (PP)	: RM 20,000,000.00
Profit Rate (r)	: 10% per annum (p.a.)
Tenure (t)	: 20 years (240 months)
Bank's Selling Price (SP) SP = [PP x r (annuity) x t (months)]	: RM 46,321,039.20 [20,000,000 x 0.0096502165] x 240 months]
Amount of Profit	: RM 26,321,039.20

- The difference in sum between the total Bank Selling Price and the actual amount charged based on Effective Profit Rate, is subject to rebate (Ibra').

Note: The above example is for illustration purposes only. The final approved amount of your financing, tenure and Effective Profit Rate is subject to the Bank's credit evaluation and approvals and may differ from the above.

### 4. What are my obligations?

You are required to:

- Pay the scheduled payment installments in a timely manner. Payments are generally scheduled on monthly / quarterly / half-yearly / yearly basis.
- Make a full settlement (principal and profit) upon maturity of the facility and any other agreed obligations as stipulated under Facility Agreement, Security Documents and Transaction Documents.
- An illustration of your payment obligations based above example:

Monthly Instalment Amount : RM 193,004.33  
 Total payment amount at the end of financing tenure : RM 46,321,039.20 (Bank's Selling Price)

Note: The above example is only for illustration purposes. The monthly installment amount will be based on the final financing amount, tenure and Effective Profit Rate approved by the Bank.

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

- Stamp Duties as per the Stamp Duty Act 1949 (Revised 1989)
- Legal and Disbursement Fees as per Solicitor's Remuneration Order including fees for registration of charge, land search, bankruptcy search, taxes and other charges as per the scale fees charged by the Solicitors (where applicable)
- Processing Fee and Administrative Fee (Not applicable to Small and Medium-sized Enterprise (SME) Customers)
- Valuation Fee as charge by the Valuer (if applicable)
- Transaction Fees for transaction of commodity as charged by commodity trading platform.
- Sales & Services Tax (if applicable)

For details on the fees and charges, visit the Bank's website [www.bpmb.com.my/fees-and-charge](http://www.bpmb.com.my/fees-and-charge)

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

- The Bank may impose a compensation (Ta'widh) charge on late payment and breach of undertaking (Wa'd) at the following rate:
  - i. Ta'widh at 1% per annum on the overdue instalment (where applicable) during the tenure of the facility.
  - ii. 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.
  - iii. 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.
  - iv. For breach of Wa'd arrangement, the charge is at actual loss amount incurred by the Bank.
  - v. Penalty (Gharamah) at 0% per annum.
- 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:
  - i. 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.

- ii. 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

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.

#### 7. What if I fully settle the financing before its maturity?

- The Bank shall grant rebate (Ibra') under the following circumstances, subject to terms and conditions:
  - i. Early settlement or early redemption of the Selling Price;
  - ii. Partial settlement or partial redemption of the Selling Price;
  - iii. The facility is not fully disbursed and/or utilised by the Customer;
  - iv. Where applicable, settlement of the Selling Price due to restructuring of the Facility;
  - v. Settlement of the Selling Price in the case of the occurrence of an Event of Default; and/or
  - vi. Settlement of the Selling Price in the event of termination and/or cancellation of the Facility before the maturity date of the Facility

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

#### 8. Do I need to provide collateral or guarantor?

- Yes. Collateral is required as part of the security requirement for the financing which includes (but not limited to) the project assets, debenture, assignment of concession agreement / project account / guarantee etc. depending on the type of project and financing.
- Guarantor is required and shall be liable to the Bank as creditor in the event of any breach or default committed by the Customer being the principal debtor.

#### 9. Do I need any Insurance / Takaful coverage?

- Insurance or Takaful coverage / policies against all risks is acceptable to the Bank for the financing facility.

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

- Please be advised that the Effective Profit Rate will change according to the changes in the Bank's Base Financing Rate (BFR) or Cost of Fund (COF). An increase in the Effective Profit Rate may result in higher payment amount. However, the Effective Profit Rate shall not exceed the Profit Rate.
- For the facility offered with 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.

## 11. What do I need to do if there are changes to my contact details?

- It is important that you inform us immediately of any change in your contact details to ensure that all correspondences reach you in a timely manner.
- To update your contact details, please contact your respective Relationship Manager or inform us in writing at:

Corporate Banking  
Level 31, Menara Bank Pembangunan  
Plaza Conlay, Jalan Conlay  
50450 Kuala Lumpur  
Email: [enquiry@bpmb.com.my](mailto:enquiry@bpmb.com.my)

## 12. Where can I get assistance and redress?

- For **enquiries with regards to the facility**, please contact us at:

Corporate Banking  
Level 31, Menara Bank Pembangunan  
Plaza Conlay, Jalan Conlay  
50450 Kuala Lumpur  
Email: [enquiry@bpmb.com.my](mailto:enquiry@bpmb.com.my)

- If you have any difficulties in making payments, you should contact us earliest as possible to discuss payment alternatives.
- 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 may contact AKPK at:

Agensi Kaunseling dan Pengurusan Kredit (AKPK)  
Level 5 & 6, Menara Bumiputra Commerce  
Jalan Raja Laut, 50350 Kuala Lumpur  
Telephone: 1-800-88-2575  
Email: [services@akpk.org.my](mailto:services@akpk.org.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 29, Menara Bank Pembangunan  
Plaza Conlay, Jalan Conlay  
50450 Kuala Lumpur  
Telephone: 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:

BNMTELELINK  
Bank Negara Malaysia  
P.O. Box 1092  
50929, Kuala Lumpur  
Telephone: 1-300-88-5465 / Overseas +603-2174 1717  
Fax: +603-2174 1515  
eLINK web form: <https://telelink.gov.my/>

### 13. Where can I get further information?

- Should you require additional information on the facility, please email us at [enquiry@bpmb.com.my](mailto:enquiry@bpmb.com.my)
- For more information on financing facility, please refer to the Bank's website at [www.bpmb.com.my](http://www.bpmb.com.my)

### 14. Other similar products available.

- None

#### IMPORTANT NOTE

LEGAL ACTION MAY BE TAKEN AGAINST YOU IF YOU DO NOT KEEP UP PAYMENTS ON YOUR FINANCING AND BREACH 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 <JANUARY 2023>