

Sarawak Micro Credit Scheme 2**PROGRAM DISCLOSURE SHEET**

Date : _____ (To be filled by Branches)

[Please read and understand this Program Disclosure Sheet together with the terms and conditions governing this program before you decide to apply or to accept the offer of Skim Credit Micro Sarawak 2 (SKMS2)]

Kindly seek clarification from Agrobank ('Bank') if you do not understand any part of this document or the terms and conditions.

1. What is the Program about?

The Sarawak Micro Credit Scheme (SKMS 2) is a financing Program for the purpose of capital expenditure and working capital offered to B40 group, micro, small and medium entrepreneurs including association and cooperatives residing and operating in Sarawak; including those that has been affected by the COVID-19 outbreak.

2. What is the Shariah concept applicable?

This Program adopts Shariah contract of *Tawarruq* which consists of two sale and purchase transactions. The first involves the sale of an Asset (commodity) by a Seller to a Purchaser on a deferred payment basis. Subsequently, the Purchaser of the first sale will sell the same Asset (commodity) to a Third Party on a cash and spot basis.

Through *Tawarruq* arrangement, the Bank will buy the Asset (commodity) from the Commodity Supplier with the Cost Price (equivalent to the approved financing amount). Subsequently, the Bank sells the Asset (commodity) to the Customer based on *Murabahah* concept (Cost Price plus Profit) on a deferred payment basis. Next, Bank (acting as Customer's Agent) will sell the Asset (commodity) to a Third Party at Cost Price, on a cash and spot basis. Proceeds of sale will be credited into Customer's account as financing amount required by the Customer.

"Commodity" in the context of *Tawarruq* transaction refers to any type of Shariah-compliant commodities acceptable by the Bank such as crude palm oil, plastic resin, air time or any other commodity as advised by the Commodity Supplier through any Commodity Trading Platform approved by the Bank. The purchase and sale of the commodity are performed based on the mandate of the customer, where the Bank trades the commodity as made available and provided by commodity providers subject to the Bank's prevailing policies.

3. What are the eligibility conditions for this Program?

- Malaysian citizen born in Sarawak
- Applicant by individual and/or sole proprietorship
- Aged between 18 years old and not more than 60 years old; Customers aged 60 years old and above is required to nominate an immediate family member as co-borrower age not more than 60 years old
- Business operates in the State of Sarawak
- The business is legally registered under the Laws of Malaysia and has been operating for at least 6 months from the date of the application
- Entrepreneurs under Category B40, micro, small and medium entrepreneurs including associations as well as cooperatives

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4. What do I get from this Program?

The features of this Program are as below:

Selling Price	RM_____
Financing Amount	RM_____
Margin of Financing	__%
Facility Limit	Minimum : RM5,001 Maximum : RM50,000.00 Facility limit up to 100% of the total cost/ project subject to credit evaluation.
Facility Tenure	Maximum: 60 months
Profit Rate	4% per annum calculated based on the monthly balance starting on the 43rd month.

5. What are my obligations?

- To make payment based on the Selling Price (total amount payable is inclusive of profit).
- To execute *akad* in the *Tawarruq* transaction.
- To make payment of security deposits as specified in Letter of Offer, if any.
- To pay monthly payment as specified in the Letter of Offer.

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

Type of Fees & Charges	Details of Fees & Charges
Takaful Contribution	Based on financing amount approved.
Stamping Fees	As stipulated in the Stamp Act 1949.
Brokerage Fee	RM 7.00 for every RM1,000,000.00 of the financing amount or any other price as set out by the commodity supplier.

Note :

- The Bank from time to time will notify you with at least 21 days' notice before any changes is made to the fees and charges (if applicable).
- If applicable, fee and charges are subject to Sales and/or Service Tax ("SST") of 6% (or any rate as fixed by the Government of Malaysia).

7. What happens if I fail to fulfill the obligations as required?

- The Bank shall have the right to impose and claim for compensation (*Ta'widh*) from you on the Bank's loss due to the default/failure in your instalment payment based on following method:
 - Prior maturity date, *Ta'widh* is charged up to the amount of actual loss and shall not be more than 1 % per annum on the overdue amount and will be calculated on a daily basis.
 - Upon maturity date, *Ta'widh* is charged at the prevailing Islamic Interbank Money Market (IIMM) rate as determined by the Bank based on the guidelines issued by Bank Negara Malaysia on the entire principal balance.

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- The Bank reserves the right to take legal action if you fail to comply with the reminder notices issued by the Bank. The Bank also reserves the right to review and terminate the loan facility granted to you by giving notice to you upon occurrence of any event of default as agreed pursuant to the terms and conditions of the facility.

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

Rebate (*Ibra'*) shall be granted to the Customer based on the formula set out below, in the event of any of the following scenarios:-

- Early settlement or early redemption or payments;
- Settlement of the financing due to restructuring exercise;
- Settlement by the Customer in the case of default where even though the Customer is in default, the Customer makes full settlement of the indebtedness under the Facility before maturity date;
- Settlement by the Customer in the event of termination or cancellation of financing before maturity date.

The amount of rebate/*ibra'* at the point of early settlement before maturity date shall be as follows:

Ibra' at Early Settlement = Deferred Profit

9. Do I need any Takaful coverage?

You are encouraged to take Takaful Credit Scheme to secure the indebtedness amount under the loan in circumstances of death and Total Permanent Disability. Payment can be made through the deduction from the amount of loan. You may choose non-panel Takaful Provider of the Bank. Nevertheless, to safeguard your and the Bank's interest, the appointment of Bank's panel Takaful provider is highly recommended.

10. Do I need a guarantor or collateral?

Kafalah or individual guarantor (at least one person) is required to guarantee financing of RM10,000 and above. No collateral shall be required by the Bank.

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

It is important that you inform us 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:

Agrobank, Bangunan Agrobank, Leboh Pasar Besar, 50726 Kuala Lumpur

• Tel: 1-300-88-2476 • Fax: 603-2692 2053 • Email : customer@agrobank.com.my

12. Where can I get assistance and redress?

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

Agrobank, Bangunan Agrobank, Leboh Pasar Besar, 50726 Kuala Lumpur.

• Tel: 1-300-88-2476 • Fax: 603-2692 2053 • Email : customer@agrobank.com.my

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- Alternatively, you may seek the services of Agensi Kaunseling dan Pengurusan Kredit (AKPK), an agency established by BNM which provides free services on monetary management, credit counselling and debt restructuring for individuals. You may contact AKPK at:
Level 5 and 6, Menara Bumiputra-commerce, Jalan Raja Laut, 50350 Kuala Lumpur.
• Tel: 03-2616 7766 • Emel: enquiry@akpk.org.my
- If you wish to complaint on the Programs or services provided by us, you may contact us at:
Agrobank, Bangunan Agrobank, Leboh Pasar Besar, 50726 Kuala Lumpur.
• Tel: 1-300-88-2476 • Fax: 603-2692 2053 • Email : customer@agrobank.com.my
- If your query or complaint is not satisfactorily resolved by us, you may contact BNM LINK or TELELINK at:
Block D, Bank Negara Malaysia, Jalan Dato’ Onn, 50480 Kuala Lumpur.
•Tel: 1-300-88-5465 •Fax: 603-2174 1515 •Email : bnmteletelink@bnm.gov.my

13. Where can I get further information?

For further information or enquiries, please visit any nearby Agrobank branches or kindly contact us at:
Agrobank, Bangunan Agrobank, Leboh Pasar Besar, 50726 Kuala Lumpur.

- Tel: 1-300-88-2476 • Fax: 603-2691 7790 • Email: customer@agrobank.com.my

OTHER INFORMATION

- The information provided in this Program Disclosure Sheet is valid as at date hereof.
- The Customer is advised to carefully consider all risk factors before deciding to apply for the financing.

IMPORTANT NOTE:

LEGAL ACTION MAY BE TAKEN AGAINST YOU IF YOU FAIL TO KEEP UP PAYMENTS ON YOUR SARAWAK MICRO CREDIT SCHEME 2 (SMCS 2).

Disclaimer:

The terms and conditions indicated in this Program Disclosure Sheet are tentative/indicative only and not binding on the Bank. The final terms and conditions are as stipulated in the Letter of Offer and Facility Agreement after credit assessment and financing approval.

Please note that all information disclosed under this document shall be processed in accordance with the relevant laws, including the Personal Data Protection Act 2010. Please read our PDPA Policy which is available at our website at www.agrobank.com.my or you may visit our nearest branch if you have any enquiry.

I/We hereby accept and understand the contents of the above Program Disclosure Sheet as explanation given to me/us.		
Signature	:	
Name	:	
NRIC	:	
Date	:	

