

**PRODUCT DISCLOSURE SHEET**

Date : \_\_\_\_\_ (To be filled by Branches)

**[Please read this Product Disclosure Sheet before you decide to apply and accept the Paddy Financing which includes BERNAS Paddy-i, PPK Paddy-i, KPK Paddy-i, Agro Paddy-i (Please choose where applicable)]. Be sure to also read the terms in the Letter of Offer.**

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

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

Paddy Financing is a financing which does not require collateral to finance working capital for rice planting activities in a paddy field which is certified by related government agency.

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

This product adopts Shariah contract of *Tawarruq* which consists of two sale and purchase contracts. The first involves the sale of an Asset by a Seller to a Purchaser on a deferred basis. Subsequently, the Purchaser of the first sale will sell the same Asset 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 product?**

The main eligibility:

- Malaysian citizenship residing in Malaysia.
- Aged 18 years old and up to 70 years old at the end of the financing period.
- Farmers need to channel the "*Skim Subsidi Harga Padli*" (SSHP) proceeds with incentive received from Government via the farmer's saving account at Agrobank.
- For the second application of financing or subsequent financing season; the total balance of the financing must be completely settled.

Agro Paddy-i

- Registered as SSHP's recipient.
- Farmers need to channel the SSHP proceeds with incentive received from Government via the farmer's saving account at Agrobank.

**BERNAS Paddy-i**

- The paddy farmers must be registered with Program Rakan Ladang (PRL) BERNAS.
- Paddy to be sold to *Kilang Beras BERNAS* (KBB) or to *Pusat Belian Padi BERNAS*.

**PPK/ KPK Paddy-i**

- Registered as SSHP's recipient
- Registered as members of PPK/KPK.

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

The features of this product are as below:

<b>Selling Price</b>	RM _____
<b>Financing Amount</b>	RM _____
<b>Financing Limit</b>	<ul style="list-style-type: none"> <li>▪ Minimum: (i) Semenanjung Malaysia; RM1,000.00 (ii) Sabah &amp; Sarawak; RM600.00</li> <li>▪ Maximum: RM50,000.00</li> </ul>
<b>Facility Tenure</b>	<ul style="list-style-type: none"> <li>▪ Minimum: Six (6) months</li> <li>▪ Maximum: Seasonal review, not exceeding five (5) years</li> </ul>
<b>Profit Rate</b>	Agro Paddy-i 3.25% per season (6 months) on a monthly rest  BERNAS Paddy-i 2.52% per season (6 months) on a monthly rest  PPK/KPK Paddy-i 2.75% per season (6 months) on a monthly rest

**5. What are my obligations?**

- Execute *akad* for *Tawarruq* transaction.
- Make periodic payment as per determined in the Letter of Offer.
- Payment per season: RM \_\_\_\_\_.
- Total amount to be paid by end of the tenure of \_\_\_\_\_ (years) is RM \_\_\_\_\_.
- Payment is deducted directly from paddy subsidies of the Customer and channelled to the Customer's account at Agrobank.
- If subsidies are insufficient, the Bank is entitled to be paid of the periodic instalment from other sources.
- Total saving account retention amount of RM \_\_\_\_\_.

Note: Prepayment or excess payment of the periodic instalment is allowed and will be treated as subsequent month instalment payment. The prepayment or excess payment however will affect to the profit calculation of your financing account.

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

Type of Fees & Charges	Details of Fees & Charges
<b>Stamping Fees</b>	As per the Stamp Act 1949
<b>Brokerage Fee</b>	RM 20.00 for every RM1,000,000.00 of the financing amount or any other price as set out by the commodity supplier.
<b>Other Charges</b>	Legal fees and disbursement fees (where applicable).

## Note:

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

**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 the Customer on the Bank's loss due to the Customer's default/failure in the instalment payment, the balance of the Sale price or any other payment payable by the Customer to the Bank is calculated from the date the payment becomes due until settlement based on the following guidelines issued by Bank Negara Malaysia (BNM):
  - i. Prior to 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 is calculated on a daily basis.
  - ii. Upon maturity date and judgment obtained, *Ta'widh* is charged at the prevailing Islamic Interbank Money Market (IIMM) rate on the entire outstanding balance as determined by the Bank from time to time based on the guidelines issued by BNM.
- The Bank may set-off any credit balance in your account maintained with us against any outstanding balance in this financing account.
- The Bank reserves the right to take legal action if the Customer fails to comply with the reminder notice(s) issued by the Bank.
- The Bank reserves the right to review and terminate the facility granted to the Customer by giving prior notice to the Customer upon occurrence of any event of defaults as agreed in the terms and conditions of the facility.
- Legal action against you may affect your credit rating leading to credit being more difficult or expensive to you.

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

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

- i. Early settlement or early redemption or pre-payments;
- ii. Settlement of the financing due to restructuring exercise;
- iii. Settlement by the Customer in the case of default whereby even though the Customer is in default, the Customer makes full settlement of the indebtedness under the Facility before maturity date;
- iv. 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:-

$$\textit{Ibra}' \text{ at Early Settlement} = \text{Deferred Profit}$$

**9. Do I need any Takaful coverage?**

Customer is encouraged to take Takaful Credit Scheme to secure the indebtedness amount under the financing. Payment can be made through the deduction from the amount of financing. The takaful protection plan is necessary to cover your outstanding financing and / or term of coverage in the event of any unfortunate circumstances. As to safeguard the interest of the Bank and Customers, the appointment of Takaful panel is highly recommended. However, Customers are allowed to choose non-panel takaful provider as approved by the Bank. Any fees and charges involved will be informed to Customers.

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

- In the event of a natural disaster or damage to crops and subsidies received are not sufficient to pay the financing, then the Customer must make payment(s) using its own funds. Customer is not eligible for the next season's financing if the current financing is not settled yet.
- If Customer fails to reply to email, fax or any other mediums of *akad* as advised by the Bank, Customer would be at risk of not obtaining the financing as requested. Therefore, it shall be Customer's responsibility to respond to the *akad* via medium of *akad* advised by the Bank.

**11. Do I need a guarantor or collateral?**

No guarantor or collateral is required.

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

It is important for you to inform us of any changes in your contact details to ensure that all correspondences reach you in a timely manner.

**13. Where can I get assistance and redress?**

- If you have difficulties in making payments, please do not hesitate to contact us in advance to discuss alternatives payments. Please contact us at the nearest branch or:  
Agrobank, Bangunan Agrobank, Leboh Pasar Besar, 50726 Kuala Lumpur.
  - Tel: 1-300-88-2476 • Fax: 603-2691 7790 • Email: [customer@agrobank.com.my](mailto:customer@agrobank.com.my)
- Alternatively, you may seek the services of Agensi Kaunseling dan Pengurusan Kredit (AKPK), an agency established by BNM to provide free financial management services, credit counselling and debt

restructuring for individuals. Please 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](mailto:enquiry@akpk.org.my)

- If you wish to make a complaint about the products or services provided by us, please may contact us at: Agrobank, Client Relationship Management, Bangunan Agrobank, Leboh Pasar Besar, 50726 Kuala Lumpur.  
• Tel: 1-300-88-2476 • Fax: 603-2691 7790 • Email: [customer@agrobank.com.my](mailto:customer@agrobank.com.my)
- If your query or complaint is not 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: [bnmteleshink@bnm.gov.my](mailto:bnmteleshink@bnm.gov.my)

#### **14. Where can I get further information?**

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

• Tel: 1-300-88-2476 • Fax: 603-2691 7790 • Email: [customer@agrobank.com.my](mailto:customer@agrobank.com.my)

#### **15. What other financing products available?**

Not applicable.

**OTHER INFORMATION**

- The information provided in this Product Disclosure Sheet is valid as at date hereof.
- You are advised to carefully consider all risk factors before deciding to apply for the financing.
- Customer is required to reply to email, fax or any other medium of *akad* as advised by the Bank as a purchase and sale *akad* in order to complete the *Tawarruq* transaction.

**IMPORTANT NOTE:**

**LEGAL ACTION MAY BE TAKEN AGAINST YOU IF YOU FAIL TO KEEP UP PAYMENTS ON YOUR PADDY FINANCING WHICH INCLUDES BERNAS PADDY-*i*, PPK PADDY-*i*, KPK PADDY-*i*, AGRO PADDY-*i* FINANCING] (PLEASE CHOOSE WHERE APPLICABLE)**

**Disclaimer:**

The terms and conditions indicated in this Product Disclosure Sheet are tentative/ indicative only and are 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](http://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 Product Disclosure Sheet as explanation given to me/us.		
Signature	:	
Name	:	
NRIC	:	
Date	:	