

PRODUCT DISCLOSURE SHEET

Please read this Product Disclosure Sheet (PDS) before you decide to APPLY for the PRODUCT.

We advise you to also read the general terms and conditions in the Agreement. Seek clarification if you do not understand any part of this documents or the general terms.

PRODUCT NAME:
ISLAMIC HIRE PURCHASE

DATE:
[The date issued to customer to be filled in by Sales Personnel]

1. WHAT IS THIS PRODUCT ABOUT?

Islamic Hire Purchase facility is provided for the financing of motor vehicle governed by the Hire Purchase Act 1967. The rental amount for this financing is calculated based on fixed or variable rate over the tenure of the facility. The ownership of the vehicle remain with the Bank until the customer purchase the vehicle from the Bank. The leasing period shall be up to a maximum period of nine (9) years only.

2. WHAT IS THE SHARIAH CONTRACT APPLICABLE?

The applicable Shariah contract is *Al-Ijarah Thumma Al-Bai'* (AITAB). AITAB is a leasing contract (*Ijarah*) followed by sale contract (*al Bai'*). Customer is appointed as agent to the Bank to inspect, examine to his satisfaction and take delivery of the motor vehicle on behalf of the Bank. Under the leasing contract the customer leases the asset from the Bank at an agreed rental payment over a specific period. Upon expiry of the leasing period, the customer enters into a sale contract to purchase the asset from the Bank at an agreed price.

3. WHAT DO I GET FROM THIS PRODUCT?

Finance Amount	RM _____
Facility Tenure	_____ years (_____ months)
Term Charges	i. Fixed rate _____ % per annum Annual Percentage Rate _____ % per annum or ii. Variable rate _____ % per annum

4. WHAT ARE MY OBLIGATIONS?
A. Fixed Rate*

Monthly Rental	RM _____ for a period of _____ month and a final rental of RM _____
Total amount payable	RM _____

OR

B. Variable Rate**

Monthly Rental	RM _____ for a period of _____ month and a final rental of RM _____
Total amount payable	RM _____

* The maximum term charges for facility under fixed rate is 10% flat per annum.

**For facility under Variable Rate, the minimum rate will be quoted at 4.10% per annum and the maximum rate is capped at 17% per annum. The monthly rental and total payment amount payable will vary if the Base Financing Rate (BFR) changes. The Bank will give at least twenty one (21) calendar days' notice prior to the implementation date of revised monthly rental. As hirer, you have the obligation to pay the rental on time, to notify the Bank of any changes in your address, personal information and to continue to ensure that the vehicle financed is adequately covered.



5. WHAT ARE THE FEES AND CHARGES I HAVE TO PAY?

Standard Fees	RM
Stamp Duty - without guarantor	20
Stamp Duty - with guarantor	60
e-Hakmilik charges	3.24
Postages- without guarantor	10
Postages- with guarantor	20

Description / Service	Charges / Fees
Photocopy charges	RM10.00
Courier, fax and telephone charges	RM10.00
Colour photographs	RM30.00
Transport expenses for inspection of cars	RM30.00
Handling fees	RM30.00
Valuation fees	RM10.00
Total	RM120.00

6. WHAT IF I FAIL TO FULFILL MY OBLIGATIONS?

The consequences of failing to meet your monthly rental include:-

Late Payment Charges (LPC)	<p>i. <u>Overdue rental or scheduled payments</u> 1% per annum on the overdue rental from the date of the first drawdown of the Facility until its Maturity Date</p> <p>ii. <u>Upon maturity date of the Facility or upon judgment, whichever is earlier</u> Prevailing daily overnight Islamic Interbank Money Market (IIMM) rate on the outstanding balance due and payable</p> <p>Notwithstanding the LPC charged, the said amount of LPC shall not be further compounded.</p>
Right to Set-Off	The Bank reserves the right to set-off any credit balance in your savings/current account maintained with us against any outstanding balance in this facility account by giving you seven (7) calendar days prior notice.
Legal Actions	<p>i. The Bank as the owner has the right to repossess the vehicle.</p> <p>ii. In addition, legal action may be taken against you to recover the amount outstanding under the facility. This will affect your credit rating leading to credit being more difficult or expensive to you.</p>

a) Repossession will take place when there is:-

- (i) Two successive defaults of monthly rental, OR,
- (ii) Failure to pay final rental, OR,
- (iii) Four successive defaults of monthly rental by next of kin if the hirer is deceased.

b) Repossession Procedures

- (i) The Bank will issue a Notice of Intention to Repossess (pursuant to Section 16 (1) of the Hire Purchase Act 1967 (HP Act)). This notice (commonly referred to as the 4th Schedule Notice) giving you as the hirer 21 days to make good the rental in arrears.
- (ii) If no payment is made within 14 days after the issuance of the 4th Schedule Notice, a notice pursuant to Rule 15 of the Hire Purchase (Application of Permit and Procedure of Repossession) Regulations 2011 will be issued, informing you of the intention of the Bank as the owner to take possession of the vehicle upon expiry of the 4th Schedule Notice.
- (iii) Upon expiry of grace period, the Bank may initiate repossession by issuing Repossession Order to the authorised Repossessors to take possession of the vehicle.

However, for cases where the total rental paid by the hirer exceed 75% of the original cash price of the vehicle, the Bank will obtain a Court Order and thereafter proceed with 6 b) (i), (ii) and (iii) as above.

c) Repossessor's Action

- (i) The authorised Repossessor is a holder of permit issued by the Ministry of Domestic Trade, Co-operatives and Consumerism who will carry out repossession of the motor vehicle and will be equipped with the following documents:-
 - (1) Repossession Order issued by the Bank,
 - (2) Court Order (if applicable) for repossession.
- (ii) In carrying out the repossession, the Repossessor must make available for inspection and verification the above documents, together with his Identification Card and Permit.
- (iii) The Repossessor must adhere to the guidelines and code of ethics as issued by the authorities, including those set up by the Association of Hire Purchase Companies, Malaysia (AHPKM).



Upon repossession, the Bank will issue a Notice to Redeem (also known as the 5th Schedule Notice) which gives you 21 days to do any of the following:-

- a) Pay all outstanding arrears and incidental expenses incurred by the Bank to make good the repossession of the vehicle (including repossession's fees, towage, storage, etc.), OR
- b) Pay in full the entire amount outstanding for the facility, including incidental expenses incurred by the Bank (as above), OR
- c) Introduce a buyer to purchase the vehicle at the price indicated on the notice.

The Bank may sell/dispose the vehicle either by public auction or private sale in order to recover the amount due under the Islamic Hire Purchase (AITAB) Agreement if hirer fail to meet the 21 days deadline on the 5th schedule.

7. WHAT IF I FULLY SETTLE THE FINANCING BEFORE ITS MATURITY?

You will be entitled to a rebate for purchase of the financed vehicle before the maturity of the facility tenure and applicable for facility under fixed rate only. The rebate is a partial refund of the rental fee calculated according to a formula stipulated in the HP Act.

8. DO I NEED ANY TAKAFUL COVERAGE?

Yes. You are required to take up comprehensive Takaful coverage for vehicle financed under AITAB.

You shall subscribe for the following Takaful covers offered by Takaful operators to protect the vehicle from any risks, losses and damages:

- i. Comprehensive Motor Takaful (coverage against fire, theft and accident)
- ii. Special Perils (coverage against damage arising from flood, typhoon, hurricane, storm, tempest, volcanic eruption, earthquake, landslide, landslip, subsidence or sinking of the soil / earth or other convulsions of nature).
- iii. Compensation for Assessed Repair Time (CART).
- iv. Compensation for Loss of Use.
- v. Such other relevant Takaful coverage.

If you fail to subscribe for the Takaful covers as recommended by the Bank, you shall indemnify the Bank for any loss or damage to the vehicle. It is recommended to obtain Takaful coverage from the Bank's panel Takaful operators or other Takaful operators approved by the Bank

In taking the above Takaful protection, the Bank advise you the following:

- i. Takaful scheme/plan should be your first option for coverage of the vehicle.
- ii. You may obtain conventional insurance to cover the vehicle in the followings circumstances:
 - a) If there is no takaful coverage offered or available in the market for the vehicle; or
 - b) Your application for Takaful coverage for the vehicle is rejected by all Takaful operators; or
 - c) The cost of insurance coverage is significantly more competitive compared to the cost of Takaful.

9. WHAT DO I NEED TO DO IF THERE ARE CHANGES TO MY CONTACT DETAILS?

It is important that you inform the Bank of any changes in your contact details to ensure that all correspondence reach you in a timely manner.

10. WHERE CAN I GET ASSISTANCE AND REDRESS

- If you have difficulties in making monthly payments, you should contact us earliest possible to discuss payment alternatives. You may also contact us if you wish to complain on the products or services provided by us at:

Automobile Financing, Malayan Banking Bhd, No. 1, Jalan Maarof, 59000 Kuala Lumpur.
Tel: 03-2297 2304, Fax: 03-2283 2020

- 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 counseling and debt restructuring for individuals. You can contact AKPK at:

Tingkat 1, Menara Aras Jaya,
Jalan Raja Laut, City Centre,
50350 Kuala Lumpur
Tel : 03-26167766
E-mail : enquiry@akpk.org.my



- If your query or complaint is not satisfactorily resolved by us, you may contact Bank Negara Malaysia LINK or TELELINK at:

Block D, Bank Negara Malaysia
Jalan Dato' Onn
50480 Kuala Lumpur
Tel : 1-300-88-5465
Fax: 03-2174 1515
Email : bnmtelink@bnm.gov.my

'IMPORTANT NOTE: LEGAL ACTION MAY BE TAKEN AGAINST YOU IF YOU DO NOT KEEP PAYING RENTAL ON YOUR ISLAMIC HIRE PURCHASE (AITAB)

The information provided in this disclosure sheet is valid from March 2024.

I hereby confirm that I have read and understood the contents of this Product Disclosure Sheet

Signature: _____

Name: _____