

PRODUCT DISCLOSURE SHEET ([Versi Bahasa Malaysia](#))

This Product Disclosure Sheet (PDS) contains general information about the product, which is subject to change at the Bank's discretion.

Business and Corporate Banking-i
Product: Shipping Guarantee-i (SG-i) / Endorsement of Airway Bill ("AWB") / Parcel Post Receipt ("PPR") / Bill of Lading ("BL")
Date: / /
1. What is Shipping Guarantee (SG-i) / Endorsement of Airway Bill (AWB) / Parcel Post Receipt (PPR) / Bill of Lading (BL)?

SG-i is an indemnity issued by the Bank addressed to the shipping company on the instruction of the importer for release of goods without the production/ presentation of original Bills of Lading (BL). The guarantee is to accommodate importer/ buyer who may need to clear goods urgently, prior to receipt of the original bill of lading from the negotiating bank. The Bank undertakes to indemnify the shipping company or its agent against all consequences and/ or liabilities relating to the delivery of the merchandise under this guarantee. SG-i is valid indefinitely, i.e. no expiry date and amount. It is valid until such time as the original Bill of Lading is presented by shipping company for redemption.

- **Endorsement of Airway Bill (AWB)/Parcel Post Receipt (PPR)/Bill of Lading (BL) (Endorsement)**

There may be occasions where the customer receives 1 of the 3 of the original Bill of Lading directly from the seller prior to the arrival of remaining documents at the Bank. Under such circumstances, endorsement by the Bank of the Bill of Lading may be necessary to expedite the delivery of the goods to the customer.

- **The Endorsement of Airway Bill/ Parcel Post Receipt**

It is done for goods which are dispatched by air or parcel post. Customer may receive a copy of the Airway Bill or Parcel Post Receipt prior to the arrival of the documents. Under such circumstances, an endorsement on the Airway Bill/ Parcel Post Receipt will be done by the Bank in order to enable Customer to take delivery of the goods.

The Shariah contract applicable for SG-i is Kafalah bil Ujah, whereby the Bank as a guarantor conjoins the guaranteed party in assuming the latter's specified liability, with imposition of a fee. Under this contract, the Bank guarantees to pay an agreed sum to the shipping company or its agent in case customer fails or default or incapable in fulfilling its obligation as per conditions set out in the guarantee.

Benefits – What do you get from this product?

- The ability to obtain goods faster, especially in cases of unforeseen delay in the arrival of the original Bill of Lading/Airway Bill/Parcel Post Receipt document.
- Savings on port charges and demurrage (i.e., storage) fees, etc.

2. Know Your Obligations
Pricing

A commission of 0.10% flat on the invoice value, with minimum RM50

Illustration

Your Invoice amount = RM200,000

Commission: RM200,000 x 0.10% = RM200

You will need to pay for the SG-i Commission of RM200.

You also have to pay other fees and charges, where applicable, per our full list of fees and charges published at:

<https://www.hlisb.com.my/en/personal-i/help-support/fees-and-charges/trade-service-i.html>



It is your responsibility to:



Read and understand the pricing and the terms and conditions in the letter of offer and/or facility agreement and/or application form before taking up and/or utilizing the facility.



Redeem the Shipping Guarantee-i from the shipping company promptly and return the same to the bank for cancellation. This is following the receipt and release of the related original shipping documents to you by the Bank.



Authorize the bank to debit your account for the payment of commission, fees and charges, Bank or Agent charges and all monies paid or for which the Bank is liable under the SG-i.



Certify that the goods/services and affiliated parties / counterparties pertaining to the trade transaction are not sanctioned/prohibited/restricted and in line with your company's nature of business.



Inform us of any change in your contact details to ensure that all correspondences reach you in a timely manner.

3. Know Your Risks

What will happen if you ignore your obligations?

1. For non-return of SG-i within three (3) months - A charge of 0.5% p.a. will be collected on monthly basis starting from the fourth month until the date of return of SG-i
2. In case SG-i is claimed by the beneficiary, you are required to pay the guarantee amount paid by the Bank immediately.
3. Compensation Charges - Should you fail to service your payment obligation in a timely manner, you shall be levied with compensation charges or any other rate determined by Bank Negara Malaysia (BNM).
 - a) If you default your payment after the expiry of Facility Tenure, you are to pay compensation charges = BNM Islamic Interbank Money Market ("IIMM") rate on the outstanding balance (outstanding principal plus accrued profit);
 - b) If you default your payment, causing the Facility to be terminated and brought to court, the compensation charges will be = Up to 1% p.a. on the outstanding balance (outstanding principal plus accrued profit);
 - c) For default payment after court judgement, the compensation charges = IIMM rate on the basic judgment sum

(Note: Compensation charges is computed on daily basis & shall not be added to the outstanding Principal & shall not be more than the outstanding Principal. The computation method and rates are subject to changes as may be prescribed by BNM.)
4. When a Shipping Guarantee-i becomes past due, all related trade facilities will be immediately suspended.
5. Right to commence recovery or legal action:
 - i. Legal action will be taken if you fail to respond to reminder notices. Your asset may be foreclosed, and you will have to bear all costs. You are also responsible for settling any shortfall after your asset is sold.
 - ii. The Bank has the right to commence recovery activities (including engaging third-party debt collection agencies), foreclosure, and bankruptcy proceedings.
 - iii. Legal action against you may affect your credit rating, leading to credit being more difficult or expensive.
6. The Bank may set off/deduct any outstanding balance from any credit balance you maintain in your deposit account with the Bank-subject to issuance of-seven (7) days' prior written notice by the Bank to you.

What is the major Risk?

- In the event the shipping company loses the SG-i, they will then need to provide a discharge letter to the Bank in order to release your company from your financial obligation with the Bank.

4. Other Key Terms

Where can you get assistance and redress?

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|  Call us at: 03-7626 8899 / 03-7661 7777 |  Visit us at: www.hlisb.com.my/bcbi |  Email us at: HLOnline@hlbb.hongleong.com.my | Agensi Kaunseling dan Pengurusan Kredit (AKPK) Tel: 1-800-88-2575 https://www.akpk.org.my/smehelpdesk |
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If you have a query or a complaint that is not satisfactorily resolved by us, you may contact:

| HLISB | BNMLINK |
|---|--|
| Customer Advocacy Tel: 03-7626 8821 / 03-76268802 / 03-76268812 Email: customerservice@hlbb.hongleong.com.my | Tel: 1-300-88-5465 Overseas: 603-2174 1717 Website: bnm.gov.my/BNMLINK |