

PRODUCT DISCLOSURE SHEET ([Versi Bahasa Malaysia](#))
Business and Corporate Banking-i

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

Product: Accepted Bills-i (AB-i (Sale))
Date: / /
1. What is Accepted Bills-i (AB-i) (Sale)?

AB-i Sale is an Islamic trade financing facility, which complies with Shariah principles, to finance customer's genuine trade related sale/export of goods to another person who may be a resident (any party within Malaysia) or non-resident (any party outside Malaysia), evidenced by proper and adequate documentation. The actual selling price, financing tenure and maturity date are to be determined at point of each disbursement / utilisation. AB-i (sale) in general is a usance bill of exchange drawn by customer to his/her order and accepted by the Bank and payable on a specified future date. AB-i (sale) facility is to be used only for genuine working capital requirements and must not be used to finance sales of fixed assets or services. The Shariah contract applicable for AB-i Sale is Tawarruq, which refers to two (2) sale and purchase contracts. The first involves the sale of an asset by the Bank to the Customer on a deferred basis. Subsequently, the Customer will sell the same asset to a third party to obtain cash.

Benefits – What do you get from this product?

- Profit Rate (PR) is pegged against the rate of AB-i (Sale) Islamic Cost of Funding to be quoted by the Bank at the point of utilisation + Accepted Commission.
- Multiple disbursements/utilisation within the approved Facility Limit.
- Financing tenure differs for each utilisation. Minimum period of financing is twenty-one (21) days and the maximum period must not exceed the approved financing tenure subject to a maximum period of three hundred and sixty-five (365) days.
- The minimum financing amount is set at RM 50,000 and in multiples of RM1,000

2. Know Your Obligations
Pricing

- For every utilisation of AB-i (Sale), you have to make bullet payment on the whole profit and principal at maturity.
- Selling Price is to be fully paid at maturity of every disbursement. Profit Rate is fixed upfront for each utilisation based on AB-i Islamic Cost of Fund ("ICOF") + Accepted Commission.

Profit Rate	AB-i Islamic Cost of Fund (ICOF) + Acceptance Commission (spread) (%) per annum (p.a)
Acceptance Commission*	Rate as specified in the Letter of Offer; Minimum RM50.00. No Maximum

- Selling Price which is inclusive of profit charges is fixed at point of each disbursement calculated based on prevailing AB-i Islamic Cost of Fund ("ICOF") Rate illustrated as follows:

i) Computation of Financing Value (Cost Price)

$$\text{Formula: } FV = IV \left(1 - \frac{r \times t}{36500} \right)$$

Where:

FV	Financing Value
IV	Invoice Value (Selling Price)
r	Profit rate per annum
t	Financing Tenure

Illustration only (On Discounted Basis)

Invoice Value (Selling Price)	RM1,000,000.00
Tenure	90 days
AB-i ICOF Rate	3.0% p.a.
Accepted Commission Rate	0.5% p.a.
Financing Value (Cost Price)	= RM 1,000,000.00 x (1 - [(3.5% x 90) / 36500]) = RM 991,369.86
Accepted Commission*	= RM1,000,000.00 x 0.5% x 90/365 = RM1,232.88

* Accepted Commission is charged upfront. Hence, it is not a part of the Selling Price.

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.



Authorize the Bank to debit your account for all fees, charges, profits, compensation charges, acceptance commission, costs or expenses in respect of disbursement, payment of the AB-i (Sale).



Avoid financing the same trade transaction using other facilities with our Bank or other banks.



Ensure all documents presented to the Bank pertaining to the financing are genuine and relate to actual trade transactions.



Certify that the goods 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.

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>


3. Know Your Risks

What will happen if you ignore your obligations?

1. If payment is not made on the maturity date, the AB-i (Sale) will be classified as a past due bill.
2. Compensation charges:
 - a) If you default your payment after the expiry of Facility Tenure, you are to pay compensation charges = BNM's prevailing daily overnight 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 = BNM's prevailing daily overnight IIMM rate on the basic judgement 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.)
3. The Bank may set-off any credit balance in your deposit account maintained with the Bank against any of your outstanding balance subject to the issuance of seven (7) days' prior written notice by the Bank to you.
4. The AB-i (Sale) facility and other trade facilities will be suspended immediately once the bill becomes past due.
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 to obtain.

What is the major risk?

For default payment, you shall be levied with compensation charges for late payment.

4. Other Key Terms

1. The Bank will grant you rebate (Ibra') at the point of early settlement. Rebate formula is as below:

Rebate (Ibra) on early settlement = Remaining unearned profit

Note:

 - (i) Remaining Unearned Profit = Total Profit (-) Accrued Profit
 - (ii) Total Profit = Selling Price (-) Financing Amount
 - (iii) No early settlement fee will be imposed
2. Customer is to be granted rebate for prepayment after considering the applicable pre-payment cost. Prepayment is allowed subject to the AB-i (Sale) draft is not sold to the secondary market. Early partial settlement is not allowed.
3. The following takaful coverage are recommended/required to be taken from the Bank's panel:
 - Takaful coverage to cover the company in the event of death or permanent disability of the customer or key men of the company (applicable).
 - Takaful coverage over the goods (where applicable).

Where can you get assistance and redress?

 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

The information provided in this disclosure sheet is valid as of 31 December 2025.