

# PRODUCT DISCLOSURE SHEET



United Overseas Bank (Malaysia) Bhd

Dear Customer,

This Product Disclosure Sheet (PDS) provides you with key information on **Credit Bills Purchase**.

Date:

Other customers have read this PDS and found it helpful; **you should read it too.**

## Know Your Credit Bills Purchase

Credit Bills Purchase (CBP) is a post-shipment financing, drawn against presentation of compliant documents under a Letter of Credit, predicated on the Issuing Bank's risk. When requested upon by the Beneficiary (Customer/ Seller), the Bank may purchase (Sight) or discount (Usance) compliant documents drawn under Letter of Credit accordingly.

The Customer may also request the Bank to present the documents to the Issuing Bank for payment, especially when the documents are discrepant. The Bank will dispose the sale or export proceeds to the Customer upon receipt from the Issuing Bank.

The main features of this product are as follows:

- CBP financing is denominated in the currency of the Letter of Credit.
- For foreign currency denominated Letter of Credit, the financing rate is pegged to the Bank's prevailing Foreign Currency Effective Cost of Fund (FC ECOF) plus a Margin, determined on the CBP drawing date.
- For RM denominated Letter of Credit, the financing rate is pegged to the Bank's prevailing Base Lending Rate (BLR) plus a Margin, determined on the CBP drawing date (total being the "prescribed rate").
- Under Usance Letter of Credit, financing tenor is up to the remaining credit term granted to the Buyer as stipulated in the Letter of Credit.
- The Bank will examine the documents against the underlying Letter of Credit and advise you accordingly on its compliance status.

## Know Your Obligations

To correct discrepant documents for representation to the Issuing Bank, when called upon by the Bank.

Interest is calculated as follows:

$$\frac{[\text{CBP Principal Amount} \times \text{Financing Rate (FC ECOF or BLR* + Margin)} \times \text{Financing Tenor}]}{(360 \text{ or } 365) \times 100}$$

For this CBP **as an illustration**:

- Your Principal Amount: RM 100,000
- Your Financing Rate: 6.57% (BLR) + 1.25% (Margin)
- Your Financing Tenor: 90 days
- Your Interest: RM 1,928.22

In **total** you will pay **RM 101,928.22** on the maturity date.

It is your responsibility to:



Read and understand the **key terms** in the **Bank's standard Application Form/Indemnity** before you sign it



Pay your CBP Facility in **full on maturity date** if no payment is received from Buyer

\*BLR is a variable financing rate published by the Bank and may change from time to time. Any increase in the BLR will result in higher repayment amount.

You also have to pay the following fees and charges:

	Sale / Export
Interest	As mentioned above
Document Examination Fee	RM 50
Negotiation Fee	RM denominated CBP: 0.1% flat with minimum RM 100 and maximum RM 500 FCY denominated CBP: RM 100
Stamp Duty	As per Stamp Duty Act 1949 (Revised 1989)
Other Charges	Please refer to our Letter of Offer and the Bank's Corporate website at <a href="http://www.uob.com.my">www.uob.com.my</a> for details

## Know Your Risks

- If the LC is not confirmed, the advances made by the Bank is with full recourse to you. In short, you are required to repay the Bank if payment is not forthcoming from the Letter of Credit Issuing Bank.
- Presentation of non-compliant documents may result in non-payment by the Letter of Credit Issuing Bank.

### What happens if you fail to make full repayment on the maturity date of the CBP?

- If the sale or export proceeds are not received from the Issuing Bank by the maturity date, the CBP will be classified as past due.
- Default interest at 1.0% p.a. above the “prescribed rate” or 3.5% p.a. above the Bank’s prevailing Base Lending Rate will be imposed on the CBP principal amount\*\*.
- Any past due CBP may hinder further drawdown on your other facilities with the Bank.
- If the past due CBP remains unpaid after 3 months, your facilities with the Bank will be classified as non-performing.
- The Bank has the right to set-off any credit balances in your account(s) against the past due CBP following prior notification of 7 days to you.
- The Bank may exercise its rights and start its recovery process/ legal action against you and your other facilities with the Bank may be recalled.

## Other Key Terms

- No prior approved facility is required to apply for this product. However, the Bank may exercise its discretion to decline or accept your request based on the credit worthiness of the Letter of Credit Issuing Bank.
- Application must be made in the Bank’s standard Application Form, along with Bills of Exchange, duly completed and signed by your authorised signatory/ies.
- Each application must be accompanied by the underlying original Letter of Credit and its required shipping documents.
- Please inform us of any changes in your contact details to ensure that all correspondences reach you in a timely manner.

## Avenue for Redress or Assistance

- If you have difficulties in making settlement, please contact the Bank earliest possible to discuss settlement alternatives. You may contact your UOB Account Relationship Manager or send an E-mail to us at [uobcustomerservice@uob.com.my](mailto:uobcustomerservice@uob.com.my) or contact us at the numbers below.
- Alternatively, you may seek the services of Agensi Kaunseling dan Pengurusan Kredit (AKPK). AKPK has been established by Bank Negara Malaysia to provide free services on money management, credit counselling, financial education and debt restructuring for individuals. You can contact AKPK at Level 5 & 6, Menara Bumiputra Commerce, Jalan Raja Laut, 50350 Kuala Lumpur (Tel: 03-26167766 or E-mail at [enquiry@akpk.org.my](mailto:enquiry@akpk.org.my)).

\*\*Note: subject to Bank’s credit assessment.

If you have any questions or require assistance on your CBP facility, you can:



Call us at

Kuala Lumpur +6 03-26128 121  
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Visit us at the nearest  
UOB branch



Email us at

[uobcustomerservice@uob.com.my](mailto:uobcustomerservice@uob.com.my)



Log on to

<https://www.uob.com.my/business/trade/index.page>

The information provided in this disclosure sheet is valid as at January 2026 and is subject to change from time to time.