PRODUCT DISCLOSURE SHEET

Dear Customer,

This Product Disclosure Sheet (PDS) provides you with key information on **Letter of Credit-i.**

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

United Overseas Bank (Malaysia) Bhd

Date:

Know Your Letter of Credit-i

Letter of Credit-i (LC-i) is known as a documentary credit, and it constitutes as an irrevocable and definite undertaking of the issuing bank to honour a complying presentation. It can be issued on sight or usance basis, depending on instructions given by the applicant.

The main features of this product are as follows:

- LC-i is a definite undertaking by UOB to honor the payment (pay at sight or pay at a maturity date) upon presentation of documents that is in accordance with the terms and conditions of the LC-i, the applicable rules (Uniform Customs and Practice for Documentary Credits - UCP600) and international standard banking practice as from time to time applicable for issuance of the LC-i.
- Terms and conditions of LC-i are binding on all parties unless expressly modified or excluded by the LC-i.
- Beneficiary is assured of payment upon compliant presentation and applicant has the comfort of paying after goods have been shipped.

The applicable Shariah concept:

- The Shariah concept used is **Wakalah.**
- Wakalah can be defined as an agency relationship where bank acts as an agent on behalf of a company or individual. Wakalah refers to the Bank acts as an agent to the customer to issue the LC-i and pay to supplier under the terms and conditions of the LC-i.

Know Your Obligations

You are required to pay immediately (Sight LC-i) or accept and pay on the maturity date (Usance LC-i) upon notification by the Bank, following the receipt of shipping documents that complied with the terms and conditions of the underlying LC-i.

If the shipping documents are discrepant i.e. did not comply with the LC-i terms and conditions, you must decide promptly whether to take-up or reject the shipping documents, upon notification by the Bank on the discrepancies noted.

It is your responsibility to:

- Read and understand the **key terms** in the **Bank's standard Application Form/Indemnity/Agreement where applicable** before you sign it
- Pay your LC-i Facility in **full when it is due for payment**
- **Contact us immediately,** if you are unable to pay your LC-i facility
- Check your **takaful/insurance** arrangement under the LC-i

You also have to pay the following fees and charges:

Fees and charges	Type of Charges	Amount (RM)
Commission	Issuance of Letter of Credit-i	0.1% of LC-i Amount per month or part thereof or RM100 whichever higher.
	Amendment of Letter of Credit-i - If related to the extension of LC-i /increase of amount - If not related to extension of LC-i/increase of amount	 0.1% per month or part thereof, min RM50 RM50
	Acceptance Commission on Usance Credits	0.1% per month of part thereof or RM100 whichever higher.
Discrepancies Fee (on beneficiary)	RM 100 for RM denominated LC-i USD 75 or equivalent, for foreign currency denominated LC-i	
Stamp Duty	As per Stamp Duty Act 1949 (Revised 1989)	
Other Charges	Please refer to our Letter of Offer and the Bank's published website under Islamic Banking https://www.uob.com.my/islamic/tools-guide/fees-and-charges.page	

Effective 1 October 2025, the above trade related charges will be subject to an 8% Service Tax (SST), or any prevailing rate by the Malaysian Government, and will be payable by you, where applicable.

Note: The Bank may revise the commission, profit rate, fee and charges from time to time, subject to the Bank giving you advance notice of 21 calendar days.

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Know Your Risks

- You will be exposed to the risk that the goods received are not in accordance to sales contract as under UCP 600 (the international rules governing Letter of Credit-i):
- Banks only deal in documents and not in goods in Letter of Credit-i.
- Delayed and/or non-take up of shipping documents may result in demurrage charges being imposed on you during clearance of goods at a later stage.
- Do you need any Takaful coverage?
    - i) Takaful is required subject to the terms of the underlying sales contract in the LC-i and Insurance is allowed subject to Shariah Advisory Council of Bank Negara Malaysia resolution requirements.
    - ii) Marine cargo insurance policy / certificate for shipment / delivery of goods pertaining to LC-i transaction, is subject to arrangement in your sales contract. Insured/coverage amount is normally at 110% of transaction value

What happens if you fail to fulfil your obligations in a timely manner?

- You will need to pay all additional costs, charges, expenses, compensation incurred until the LC-i is fully paid.
- Compensation charges are computed as follows:

Default payment which exceeded the maturity date	$\frac{\text{Outstanding Balance x IIMM Rate x No. of Days Overdue}}{365}$ Note: **IIMM** = Islamic Interbank Money Market

- Default in LC-i payment will affect your further drawdown of the LC-i Facility and any other facilities with the Bank.
- The Bank has the right to set-off any credit balances in your account(s) against any outstanding balances following prior notification to you.
- The Bank may exercise its rights and start its recovery process/ legal action.
- Your LC-i Facility along with any other facilities with the Bank may be recalled.
- The Bank have the right to cancel the LC-i Facility and to require you to fully settle the LC-i if you, your partner or your joint obligor dies (for sole proprietorship and partnership).

Other Key Terms

- You will need to have an approved LC-i Facility with the Bank and application must be made in the Bank's standard Application Form, duly completed and signed by your authorised signatory/ies.
- Each application to be accompanied by a copy of Purchase Order or Sales Contract, if available.

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 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).

If you have any questions or require assistance on your LC-i facility, you can:

Call us at

Kuala Lumpur	+6 03-26128 121
Penang	+6 04-2402 121
Johor Bahru	+6 07-2881 121
Kuching	+6 082-287 121
Kota Kinabalu	+6 088-477 121

Visit us at the nearest UOB branch

Email us at
uobcustomerservice@uob.com.my

Log on to
https://www.uob.com.my/islamic/business/trade.page

The information provided in this disclosure sheet is valid as at 1 July 2026 and is subject to change with prior notice by the Bank from time to time.