

PRODUCT DISCLOSURE SHEET		NEGOTIATION OF EXPORT LETTER CREDIT (NON-RECOURSE DISCOUNTING)
<p>Please read this Product Disclosure Sheet before you decide to apply for Negotiation of Export Letter of Credit. Be sure to also read the specific terms and conditions set out in the relevant Letter of Offer. You may seek clarification from MUFG Bank (Malaysia) Berhad if you do not understand any part of this Product Disclosure Sheet or the general terms stated herein.</p>		
1. What is this product about?		
<p>Negotiation of Export Letter Credit is principally backed by the credit of the Issuing Bank upon presentation of documents accordance with the terms and conditions of the Letter of Credit. Non-recourse Discounting Letter of Credit is a purchase of documents under LC on discounting basis and without recourse to the beneficiary. The product offered exporters whom actively trade using LC but with a requirement to negotiate by discounting on a non-recourse basis. In this sense, the Bank is relying solely on issuing bank for repayment after the discounting.</p>		
2. What are the main features of this product?		
<ul style="list-style-type: none"> You may negotiate up to 100% of the LC amount considering the negotiation of letter credit is structured accordance to the availability of the bank and country limits of the Issuing Bank. By presenting the export documents, the exporter (Beneficiary) shall receive aggregate value for the presented documents upon negotiation of letter credit. 		
3. How are the interest payable being collected?		
<p>The interest payable for Negotiation of LC must be collected as per formula stipulated below: -</p> $\text{Interest} = \frac{(\text{Cost of fund} + \text{pricing}) \% \times \text{Bill Amount} \times \text{Number of Days}}{360/365}$ <p>For usance bill, the interest payable need to be collected upfront from date of discounting till maturity date.</p>		
4. How do I apply for this product?		
<p>You are required to apply the negotiation of letter credit from the Bank upon presentation of the documents as per LC terms.</p>		
5. What are my obligations?		
<p>For Negotiation of Export Letter Credit with non-recourse discounting, you need to ensure to present the documents compliant with the terms and condition of LC.</p>		
6. What if I fail to fulfil my obligations?		
<ul style="list-style-type: none"> The bills will be classified as delinquent bills in view of there is no payment received from Issuing Bank for over five (5) business days from the maturity date. In this case, the delayed interest shall be imposed and collected on the settlement date. The Bank has the right to set-off any credit balances in your account(s) against any outstanding amount. The Bank may exercise its rights and start its recovery process/ legal action. 		
7. What are the major risks?		
<ul style="list-style-type: none"> The Bank may take legal action if you failed to perform your obligation according to the terms and conditions of this Product Disclosure Sheet. Exposed to the risk that the good received are not in accordance with UCP600 (the international rules governing Letter of Credit) which the Bank only deal in documents and not in goods in Letter of Credit. 		
8. What are the fees and charges I must pay?		
Interest Charges	As mentioned in item 3 above	
Other Charges	Please refer to the relevant Letter of Offer and the Bank's Corporate website at https://www.bk.mufg.jp/malaysia/index.html for details	
<p>Note: The Bank may revise the commission, interest rate, fee, and charges from time to time at its absolute discretion. The opening commission and relevant commission on Usance LC are a form of product pricing with components of credit risk, cost of funds and operation expenses included in its computation. As such, the rate act as a general guidance but can be charged at the discretion of the bank as deemed appropriate.</p> <p>For more details and full list of bank charges, you may refer to the tariffs and charges in the MUFG Corporate website at https://www.bk.mufg.jp/malaysia/pdf/Tariff_and_Charges_Conventional_Banking_Business_June_2022.pdf</p>		

The fees and charges above may be updated from time to time and in case of inconsistency, the fees and charges stated in the standard tariff and charges shall prevail over fees and charges stated in this Product Disclosure Sheet.

9. What do I need to do if there are changes to my contact details?

It is important that you inform us of any change in your contact details to ensure that all correspondences reach you in a timely manner. You may contact your Account Relationship Manager directly or the Bank:

Via phone to: 03-2034 8000 / 03-2034 8008
 Via email to: customercare@my.mufg.jp

10. Who should I contact for further information or to lodge a complaint?

For internal dispute resolution, you may contact the Bank:

MUFG Bank (Malaysia) Berhad
 Menara IMC, 8 Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia
 Via phone: 03-2034 8000 / 03-2034 8008
 Via email to: customercomplaint@my.mufg.jp

If you are dissatisfied with the outcome of the internal dispute resolution process, you may contact Bank Negara Malaysia LINK or TELELINK:

Via phone: 1-300-88-5465
 Via fax: 03-2174 1515
 Via email to: bnmteleshop@bnm.gov.my
 Via letter to: Bank Negara Malaysia
 Jalan Dato' Onn,
 P.O. Box 10922
 50929 Kuala Lumpur, Malaysia

The information provided in this Product Disclosure Sheet is valid as of August 2023 and is subject to change at the Bank's discretion from time to time.