

**PRODUCT DISCLOSURE SHEET**

Please read this Product Disclosure Sheet before you decide to apply for Export Credit Refinancing. 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.

**EXPORT CREDIT REFINANCING (ECR)**

**1. What is this product about?**

Export Credit Refinancing (ECR) is a refinancing scheme introduced by Bank Negara Malaysia. It is a form of scheme which assist the Malaysia's exporter to finance the export of eligible goods e.g., manufactured, agriculture products and primary commodities through designated commercial banks.

The scheme is currently funding by Export-Import Bank of Malaysia Berhad (EXIM Bank). ECR scheme offered two facilities, namely:

1. Pre-shipment ECR – credit advanced to exporters to facilitate the production of goods prior to shipment for the execution of the export orders and to encourage the backward linkages between direct exporters and local suppliers (indirect exporters).
2. Post-shipment ECR – credit advanced mainly to direct exporters for bridge capital requirement for a period after shipment to export the eligible goods on sight credit or usance terms.

The ECR funding rate shall be prescribed by EXIM Bank from time to time and the maximum spread rate allowed by EXIM Bank is 1.0% p.a.

**2. What are the main features of this product?**

- ECR scheme is drawdown in Ringgit Malaysia (RM) and the eligibility criteria is subject to product not listed under the First Schedule of Custom Duties.
- For any foreign currency amount, the Bank shall determine the ringgit value by converting the foreign amount of the export order at the prevailing counter or spot rates at the time of the financing.

<b>ECR Pre-shipment</b>	<ul style="list-style-type: none"> <li>• Tenor up to 120 days or 4 months</li> <li>• For Order-based method, eligible financing amount up to 95% of export order value.</li> <li>• For Certificate of Performance (CP) method, must be based on amount specified on CP which issued by EXIM Bank once a year.</li> <li>• Minimum ECR amount lodged with EXIM Bank must be at least RM10,000.00. Each drawdown made against the lodgement shall be at least RM2,000.00.</li> </ul>
<b>ECR Post-shipment</b>	<ul style="list-style-type: none"> <li>• Tenor with a minimum period of 7 days and maximum period of 183 days (or 6 months).</li> <li>• Eligible only for direct exporter with an aggregate maximum limit of RM50 million.</li> <li>• 100% financing amount within the value of export orders.</li> <li>• Minimum ECR amount lodged and discounted with EXIM Bank must have a minimum nominal value of RM10,000.00.</li> </ul>

**3. How are the interest payable being calculated?**

- ECR Pre-shipment interest payable is computed on daily outstanding balance and is calculated as follow: -

$$\text{Interest} = \frac{\text{Financing amount (P)} \times \text{Interest rate (R)} \times \text{Tenor (T)}}{36500}$$

- ECR Post-shipment interest payable is deducted upfront which the exporters only receive the discounted proceeds from the financing amount and is calculated as follow: -

$$\text{Proceed received (P)} = \frac{\text{Nominal Value (NV)}}{[\text{Interest rate (I)} \times \text{Tenor (T)}] + 1 / 36500}$$

**4. How do I apply for this product?**

You will need to have an approved facilities limit with EXIM Bank to lodge an amount prior to drawdown with the Bank and each drawdown must present relevant documents prescribed in the Export Credit Refinancing scheme according to the method of financing.

**5. What are my obligations?**

- For ECR pre-shipment and post-shipment, to ensure repayment full amount of the outstanding value including any related charges upon maturity. The export proceeds received shall be used mainly to liquidate the credit advances.
- Comply with all requirements, terms and conditions as specified in the “Guidelines on ECR facilities” by EXIM Bank and all other requirements and conditions which may be prescribed by Bank Negara Malaysia from time to time.

**6. What if I fail to fulfil my obligations?**

- The financing will be converted to past due if there is no payment or export proceeds received before or by the maturity date.
- The late payment interest shall take course in the time of non-repayment occurred. The Banks shall not discharge the export documents till the outstanding fully repaid. Any past due ECR may hinder further drawdown for any other facilities with the Bank.
- The Bank has the right to set-off any credit balances in your account(s) against the past due. The Bank may exercise its rights and start its recovery process/ legal action.

**7. What are the major risks?**

You bare a minimum risk in terms of changes in interest rate during the period of financing as it may change occasionally based on EXIM Bank funding rate.

**8. What are the fees and charges I must pay?**

Interest payable	As mentioned in item 3 above
Other Charges	Please refer to the relevant Letter of Offer and the Bank’s Corporate website at <a href="https://www.bk.mufg.jp/malaysia/index.html">https://www.bk.mufg.jp/malaysia/index.html</a> for details

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 operating expenses included in its computation. As such, the rate indicated act as a general guidance but can be charged at the discretion of the bank as deemed appropriate.

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](https://www.bk.mufg.jp/malaysia/pdf/Tariff_and_Charges_Conventional_Banking_Business_June_2022.pdf)

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: 03-2034 8000 / 03-2034 8008  
 Via email to: [customercare@my.mufg.jp](mailto: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 to: 03-2034 8000 / 03-2034 8008  
 Via email to: [customercomplaint@my.mufg.jp](mailto: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 to: 1-300-88-5465  
 Via fax to: 03-2174 1515  
 Via email to: [bnmteleshink@bnm.gov.my](mailto:bnmteleshink@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.