

PRODUCT DISCLOSURE SHEET

Read this Information Sheet before you decide to make placement with Maybank Islamic Berhad.

Also read and understand the General Terms and Conditions Governing Global Markets Islamic Money Market Products and Terms and Conditions Governing Banking Accounts for Islamic Banking

MAYBANK ISLAMIC BERHAD

CORPORATE COMMODITY MURABAHAH DEPOSIT

The information in this document is valid as at 23 October 2020

ABOUT THE PRODUCT

Corporate Commodity Murabahah Deposit

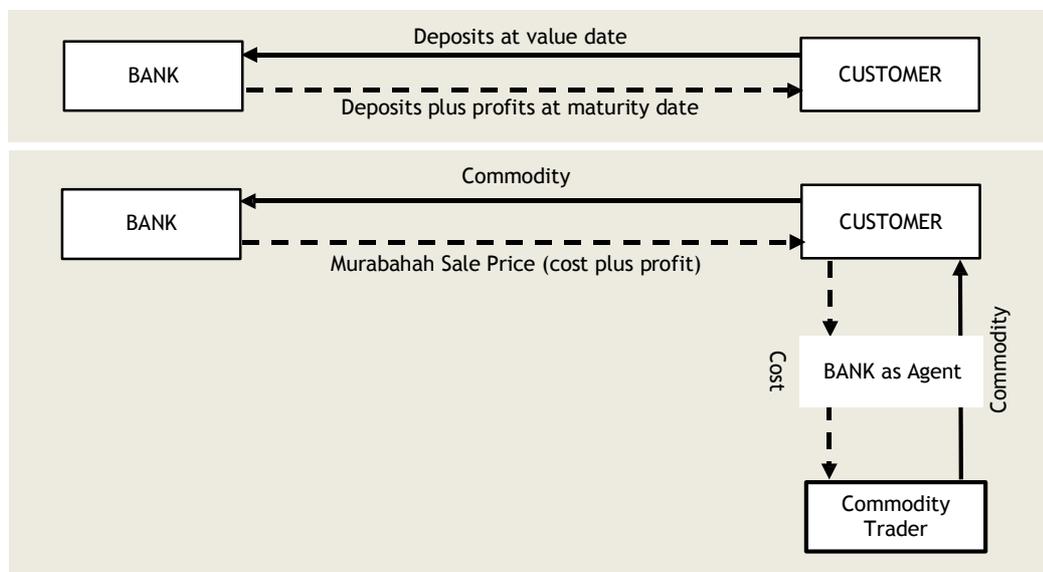
The Corporate Commodity Murabahah Deposit (“CCMD”) is an Islamic Money Market deposit that is based on the Shariah contract of Murabahah via Commodity Murabahah arrangement. Murabahah is a contract of sale and purchase of an asset where the acquisition cost and the markup are disclosed to the customer. The profit is pre-determined and agreed upfront and fixed through a Murabahah transaction and payable on the maturity date, together with the deposit amount.

Before the placement of deposits, both the Customer and the Bank would agree on the deposit rate for the placement amount and tenure of placement. Upon the agreement of the deposit terms, the Bank would engage in a Commodity Murabahah Transaction both as principal and as the agent of the Customer to reflect the acceptance of deposits on the value date and payment of the initial deposit plus profit on the maturity date.

The Commodity Murabahah (CM) Transaction

The Bank would act as a purchasing agent to the Customer to buy Shariah compliance commodity acceptable to the Bank on the spot from commodity trader(s) at the price equivalent the deposit amount. Subsequently, the Bank, again acting as the sale agent to the Customer, sell the commodity on behalf of the Customer to the Bank in the capacity of purchaser at the price equivalent to the deposit amount together with the profit payable on the maturity date.

The CM Transaction will be executed on the value date each time the Customer places deposit with the Bank. Each placement would be treated as a new contract. Hence, the sequence would be repeated on each value date.



The roles and responsibilities of the Bank and the Customer who are acting as agent and principal under the Commodity Murabahah Transactions are as follows:

- The Bank, who is acting as the Customer's agent for the purchase and sale of the commodity, shall execute all transactional documents and by the terms and conditions as stipulated in the Terms & Condition of CCMD ("Terms and Conditions") as enclosed herein.
- The Bank will only act as the Customer's agent and will not assume, or be deemed to have assumed, any other additional obligations to, or to have any particular relationship with the Customer other than those specified in the Terms & Conditions.
- Both parties shall agree on the agency fees to be paid to the Bank, before each placement. The Bank has the right to waive this agency fee.
- The Bank may engage in the Commodity Murabahah Transactions either on a case-to-case basis for the Customer or on a pool basis.
- For Commodity Murabahah trading purposes, the Bank shall at all times be your non-exclusive agent to undertake the required Commodity Murabahah transactions

Principal Protection

The Islamic Financial Services Act (2013) classify murabahah-based products as Islamic deposit. Hence, the CCMD is protected by Perbadanan Insurans Deposit Malaysia (PIDM) up to RM250,000 for each depositor - <http://www.pidm.gov.my/>.

KEY SHARIAH PRINCIPLES

The following are the Shariah concepts and principles of the CCMD.

Commodity Murabahah

The CCMD relates to the Shariah concept of Commodity Murabahah where the first leg involves the Bank acting as the Customer's agent, shall purchase Shariah compliant Commodity on the spot from commodity trader(s) at the price equivalent to the deposit amount. Subsequently, the bank on behalf of the Customer will sell the Commodity to the Bank at a price that consists of the cost of the Commodity plus the profit (Murabahah Sale Price) payable by the Bank on a deferred basis.

Wakalah

Wakalah refers to a contract in which a party, as principal authorizes another party to act as his agent to perform a particular task in matters that may be delegated, with or without the imposition of a fee.

PRODUCT SUITABILITY

The CCMD is only suitable for Customers who are seeking capital protection and stable (low) returns from a short-to-medium term deposit placement. The Customer also understands that the returns may be affected by any request for early withdrawal.

KEY PRODUCT FEATURES

Currency	:	Multi-currency
Amount	:	Minimum RM50,000
Duration for CCMD (RM)	:	Minimum tenor of one day and up to maximum of 12 months
Duration for CCMD (FC)	:	Minimum tenor of one day and up to maximum of 36 months.
Commencement Date	:	The value date of the deposit.
Profit Rate	:	The profit rate in per cent per annum is determined upfront.
Frequency of payment	:	Lump-sum (principal + profit) on the maturity date, unless decided otherwise.
Murabahah Sale Price	:	Deposit Amount + Profit
Day Count fraction	:	365 or 360, depending on the currency
Profit Amount Calculation	:	$\frac{\text{Deposit Amount} \times \text{Profit Rate (\%)} \times \text{Tenor (days)}}{\text{Day Count Fraction}}$

KEY TERMS AND CONDITIONS**Prepayment / Early Withdrawal by Customer**

Prepayment/early withdrawal is allowed upon fulfilment of any terms and conditions of prepayment/early withdrawal as shall be determined by the Bank.

Rebate (Ibra')

In the event of prepayment /early withdrawal, the Customer will grant a rebate on the Murabahah Sale Price, as stipulated in the Terms and Conditions.

Agency Appointment

The Customer appoints the Bank as the agent of the Customer based on the Shariah principle of Wakalah whereby the Bank will carry out the agency duties as stipulated in the Terms and Conditions in order to facilitate the Commodity Murabahah Transactions.

FEES

There is no fees or charges charged for making the deposit. However, the Customer may be required to open and maintain one or more accounts with the Bank.

Fees and charges may be chargeable on such account(s), the details of which are available on request or at the Bank's branches, website or any other delivery channels of the Bank. The Bank reserves the right to vary such fees and charges with prior notice to the Customer.

RISK DISCLOSURE

The objective of this Risk Disclosure Statement (this “Statement”) is to explain to the Customer, briefly, the particular risks relating to the deposits (each as “the CCMD”) offered by the Bank to the Customer.

Before undertaking any CCMD, the Customer shall be made aware of the relevant risk associated to the CCMD, the nature and extent of the Customer’s risk of loss and nature of contractual relationship into which the Customer is entering. The Customer should also carefully evaluate whether the transaction is appropriate for the Customer in light of the Customer’s objectives, financial resources and other relevant circumstances.

The following list of risk factors is not intended to be exhaustive. All persons should seek such advice as they consider necessary from their professional advisors, legal, tax or otherwise, without reliance on the Bank and/or its affiliates.

Credit Risk

The Customer may assume the risk that the Bank may not honour its obligations to pay the Murabahah Sale Price on or before the maturity date.

Prepayment / Early Withdrawal Risk

In the event of prepayment/early withdrawal by the Customer, the Customer must understand that in such circumstances, the Customer runs the risk of losing part or all the profit portion of the Murabahah Sale Price.

Legal Risk

The Customer should ensure that the Customer is not in breach of any law, regulations, contractual or other legal limitations that may apply to the Customer which may prevent the Customer from entering into the transaction.

Currency Risk

Where the CCMD involves a currency or currencies other than the Customer’s home currency, changes in rates of exchange may have an adverse effect on the value of the CCMD.

Operational Risk

The CCMD depends on the smooth functioning of multiple operational parts and the Bank’s employees’ knowledge, skills and integrity. Any disruption to any of these parts caused by (including but not limited to) market disruption or system interruption may cause delays in settlement beyond the control of the Bank. The Customer should be aware of the need to monitor the CCMD and take any follow-up action when the CCMD matures, when the CCMD is terminated or when in a receipt.

Potential Conflicts of Interest

In the ordinary course of their business, the Bank may effect transactions for their own account or the account of their customers. In conducting such business, the Bank is not obliged to consider the circumstances of any customers or act in a manner which is favourable to them. Such activity may, or may not affect the CCMD, and potential customers should be aware that a conflict may arise.

Inflation Risk

Inflation may cause any real rate of return under the CCMD to be adversely affected.

Event Risk

There may be adjustments to the terms of the placement due to events such as but not limited to change in law or taxation.

Shariah Non-Compliance Risk

The Customer should make its own investigation and satisfy itself as to the Shariah compliance of the CCMD and underlying Shariah structures, including the obtaining of a declaration, pronouncement, opinion or other attestation of an independent or its own Shariah advisor, board or panel.

CONTACT INFORMATION

It is important that the Customer informs or updates the Bank of any change in the Customer's contact details to ensure that all correspondences reaches the Customer promptly. Should the Customer require additional information or any complaint or suggestion on this product, the Customer may contact the Bank's representatives as follows:

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