

# PRODUCT DISCLOSURE SHEET

## iTEKAD Maju Microfinance

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Please read this Product Disclosure Sheet before you apply and decide to accept the iTEKAD Maju Microfinance. Be sure to read the terms and conditions in the letter of offer. Seek clarification from the Bank if you do not understand any part of this document or the general terms.

Bank Islam Malaysia Berhad  
(198301002944 [98127-X])

iTEKAD Maju Microfinance

1 October 2024

## 1. What is iTEKAD Microfinancing Programme?

- iTEKAD is an umbrella programme that has been established by Bank Negara Malaysia, with the aim of assisting low-income microentrepreneurs to strengthen their financial management and business acumen towards generating sustainable income. Each iTEKAD programme combines the provision of business assets funded by social finance instruments (e.g. donations, social impact investment, zakat and cash waqf) with microfinance, supplemented with structured financial and business training. Bank Islam Malaysia Berhad fully supports the implementation by introducing iTEKAD Maju Microfinance.
- A programme designed for micro-entrepreneurs who want to develop a business to generate continuous income.
- This Programme involves on-boarding and educating applicants as well as monitoring their performance and success. The Programme is offered to Malaysian Micro Enterprise that fulfils the following eligibility criteria:-
  - Meets Micro Enterprise definition by SME Corporation Malaysia;
  - Malaysian Micro Enterprise (Malaysians residing in Malaysia that hold a minimum of 51% shareholding in the micro enterprise);
  - Small Medium Enterprises (SMEs) registered with the Companies Commission of Malaysia (SSM), authorities/ district offices in Sabah and Sarawak or statutory bodies for professional service providers;
  - Minimum 1 year in business;
  - Age between 21 to 60 years on the date of application;
  - Having business plan projecting positive cash flow to repay the financing.
- Bank Islam will evaluate and identify applicants who meet the programme criteria.
- Approved applicants will need to attend onboarding session organized by Bank Islam and/or Implementation Partners appointed by Bank Islam.
- Upon completion of onboarding session, Bank Islam will disburse the financing to micro entrepreneurs.
- Throughout the financing period, the applicants will be given training and guidance from Bank Islam and/or Implementation Partner appointed by Bank Islam in developing the business.

## 2. What is the Shariah concept applicable?

- The Shariah concept used is Tawarruq.

**A tawarruq consists of two sale and purchase contracts. The first involves the sale of an asset by a seller to a purchaser on a deferred basis. Subsequently, the purchaser of the first sale will sell the same asset to a third party on a cash and spot basis. Tawarruq concept is further described as per below:**

The customer purchases the commodity from the Bank on a Murabahah basis at the Bank's Sale Price. In this arrangement, the purchase will be performed by the Bank as the Purchase Agent for the customer. As the Sale Agent for the customer, the Bank shall sell the commodity to a commodity purchaser at a cost price. Proceeds from the transaction will be credited for customer's utilisation. The customer is obliged to pay the amount due from the Murabahah transaction as per the agreed terms.

"Commodity" means any commodity acceptable to the Bank e.g. palm oil, plastic resin, rubber, cocoa beans, soy beans, timber and metal (excluding gold and silver) traded at any commodity trading platform approved by the Bank. The purchase and sale of the commodity are performed based on the mandate of the customer, where the Bank as Purchase Agent and Sale Agent trades the commodity as made available and provided by commodity providers subject to the Bank prevailing policies.

### 3. What do we get from this Programme?

No.	Features	Details
1.	Programme	iTEKAD Maju Microfinance
2.	Programme Limit	RM25,000,000-00
3.	Programme Availability	1 May 2020 until Programme limit of RM25,000,000-00 is fully utilised
4.	Type of Financing	Business Financing-i Tawarruq
5.	Financing Purpose	<p>1. To finance underbanked<sup>(a)</sup> micro-entrepreneurs for the following:</p> <ul style="list-style-type: none"> <li>(i) Working capital (including Takaful Contribution (optional)) and/or</li> <li>(ii) Capital expenditure.</li> </ul> <p>Note (a): underbanked is referred to business which is not yet eligible to obtain normal SME financing from any Financial Institutions including Bank Islam.</p> <p>2. The financing shall not be used for the following activities:</p> <ul style="list-style-type: none"> <li>(i) Purchase of shares;</li> <li>(ii) Refinancing of existing credit/financing facilities with other bank;</li> <li>(iii) Purchase of land/real estate investment;</li> <li>(iv) Property development;</li> <li>(v) Investment by investment holding companies;</li> <li>(vi) Activities where the stock in trade is money (including credit, leasing, factoring and insurance businesses);</li> <li>(vii) Gambling, alcohol, tobacco or other similar activities/ products; and</li> <li>(viii) Non-Shariah compliant activities</li> </ul> <p>3. Overlapping financing (refinancing) is allowed, subject to the following conditions:</p> <ul style="list-style-type: none"> <li>(i) Overlapping financing is only extended to the Bank's existing iTEKAD Maju micro-entrepreneurs;</li> <li>(ii) iTEKAD Maju micro-entrepreneurs applying for refinancing must have good repayment track records;</li> </ul>
6.	Financing Amount	<p><b>Minimum</b> : RM10,000-00  <b>Maximum</b> : RM50,000-00 per application</p> <p>Note: The aggregate amount of financing obtained through iTEKAD Maju is limited to RM150,000-00 per microenterprise. The microenterprise may have more than one (1) outstanding facilities under this program subject to aggregate approved financing is not more than RM150,000-00.</p> <p>The maximum aggregate amount of financing obtained under the Micro Enterprises Facility (MEF) and any of the facilities under the BNM Fund shall be limited to RM5 million per microenterprise. This would include financing to any related companies of the microenterprise with common shareholder(s), unless the related companies of the microenterprise have different workforces. In such cases, each microenterprise has a financing limit of RM5 million respectively.</p>
7.	Tenure of financing	<p><b>Minimum</b> : 1 year  <b>Maximum</b> : 7 years</p>
8.	Profit rate	<ul style="list-style-type: none"> <li>• Fixed rate</li> <li>• 4.0% per annum</li> </ul>

The sample calculation is illustrated below:

**Example**

Financing Amount : RM50,000-00  
 Bank's Profit rate : 4.00% per annum  
 Tenure : 5 years

Monthly Payment : RM920.83  
 Bank's Sale Price : RM55,249.80

**Note:** The above example is only for illustration purpose, and it may not show the actual financing obligation of each iTEKAD Maju Microfinance.

#### 4. What are our obligations?

- You are required to pay the monthly instalment as approved by the Bank.
- You are obliged to pay the monthly payments until full settlement of the financing. However, you may opt at any time to settle the financing in full.

#### 5. What are the fees and charges that we have to pay?

- You are required to pay the Tawarruq Agency fees of RM50.00.
- You are required to pay the Bank all costs (if any) for the preparation of documentation that has been incurred by the Bank in connection with the facility including all expenses incurred during the claim process if the facility is cancelled.

#### 6. What if we fail to fulfill our obligations?

Should you fail to fulfill your obligation in a timely manner, the following shall apply: -

- **Event of Default**

- a. In the event of default of payment, the Bank may by a written notice, demand for immediate payment of amount overdue from you.
- b. The Bank has the right to set-off any credit balance in your deposit and/or investment account which is maintained with the Bank against any overdue payment under this financing.
- c. Legal action will be taken if you fail to respond to the reminder notices.
- d. Legal action against you may affect your credit rating leading to any future credit assessment being more difficult or expensive to you.
- e. Trigger of cross default of other facilities with the Bank.

- **Late Payment**

The Bank shall impose Ta'widh (compensation for late payment) to you as follows:-

- a. **Before maturity of the facility**

A sum equivalent to one per centum (1%) per annum on overdue instalment(s) until date of full payment;

**Formula: Overdue instalment(s) x 1% x No. of overdue day(s) / 365**

- b. **After maturity of the facility**

A sum equivalent to the prevailing daily overnight Islamic Interbank Money Market Rate (IIMM) on outstanding balance i.e. outstanding Sale Price less ibra' (rebate) (if any);

**Formula: Outstanding Sale Price (less ibra'(rebate)) x Prevailing IIMM% x No. of overdue day(s) / 365**

- c. **Post judgment debt**

A sum equivalent to the prevailing daily overnight Islamic Interbank Money Market Rate on basic judgment sum calculated from judgment date until date of full payment.

**Formula: Outstanding Sale Price (less ibra'(rebate)) x Prevailing IIMM% x No. of overdue day(s) / 365**

**Note:** The imposition of Ta'widh shall be in such manner as approved by BNM.



## 7. What if we fully settle the financing before its maturity?

- The Bank undertakes to grant you an ibra' (rebate) which is equivalent to the deferred profit at the point of settlement.
- Ibra' (rebate) Formula:

$$\text{Ibra' (Rebate on early settlement)} = \text{Deferred Profit}$$

### Note :

- Deferred Profit = Total Contracted Profit - Accrued Profit
- Total Contracted Profit = Sale Price - Purchase Price (or Financing Amount)
- Accrued Profit is calculated based on effective profit rate of the outstanding Purchase Price (or Financing Amount) being disbursed (or utilized)
- The Bank does not impose a lock-in period for this facility and there is no fee imposed for early settlement before maturity.

## 8. Do we need a guarantor or collateral?

Neither guarantor nor collateral is required for this Programme.

## 9. Do we need any Takaful coverage?

Takaful coverage is optional.

## 10. What do we need to do if there are changes to our contact details?

It is important for you to immediately inform us of any changes in your contact details to ensure that all correspondence reaches you in a timely manner.

## 11. Where can we get assistance and redress?

- If you have difficulties in servicing the payments, you should contact us earliest possible to discuss the payment options. You may contact us at:

**Relationship Manager**  
 Social Finance Division  
 Bank Islam Malaysia Berhad  
 27th Floor, Menara Bank Islam  
 No 22, Jalan Perak,  
 50450 Kuala Lumpur  
 Tel : 03-2707 8053  
 Email : [microfinance@bankislam.com.my](mailto:microfinance@bankislam.com.my)

- Alternatively, you may seek the services of Agensi Kaunseling dan Pengurusan Kredit (AKPK), an agency established by Bank Negara Malaysia to provide free services and money management, credit counseling, financial education and debt restructuring for SME. You can contact AKPK at:

**Agensi Kaunseling dan Pengurusan Kredit (AKPK)**  
 Level 5 and 6,  
 Menara Bumiputra Commerce  
 Jalan Raja Laut  
 50350 Kuala Lumpur  
 Tel : 603 -2616 7766  
 Fax : 603 -2616 7601  
 Website : [www.akpk.org.my](http://www.akpk.org.my)

- If you wish to complaint on the products or services provided by us, you may contact us at:

**Contact Centre & Customer Care Department**  
 Bank Islam Malaysia Berhad  
 17th Floor, Menara Bank Islam  
 No 22, Jalan Perak,  
 50450 Kuala Lumpur  
 Tel : 03-26 900 900  
 Email : [customercare@bankislam.com.my](mailto:customercare@bankislam.com.my)

- d. If the query or complaint is not satisfactorily resolved by us, you may contact Bank Negara Malaysia LINK or TELELINK at:

Block D, Bank Negara Malaysia,  
Jalan Dato' Onn,  
50480 Kuala Lumpur.  
Tel : 1-300-88-5465  
Fax : 03-2174 1515  
Email : [bnmtelelink@bnm.gov.my](mailto:bnmtelelink@bnm.gov.my)

## 12. Where can we get further information?

- e. Should you require additional information about this Programme, please refer to our branches or contact:

Contact Centre & Customer Care Department  
Bank Islam Malaysia Berhad  
17th Floor, Menara Bank Islam,  
No. 22, Jalan Perak,  
50450 Kuala Lumpur.  
Tel : 03-26 900 900  
Email : [contactcenter@bankislam.com.my](mailto:contactcenter@bankislam.com.my)

## **IMPORTANT NOTE: LEGAL ACTION MAY BE TAKEN AGAINST YOU IF YOU DO NOT KEEP UP PAYMENTS OF YOUR FACILITY.**

The information provided in this Product Information Sheet is valid with effect from 1 October 2024.

### Acknowledge Receipt by Customer

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Name :  
I/C Number :  
Date :