



RHB ISLAMIC BANK BERHAD 200501003283 (680329-V) Incorporated in Malaysia

## PRODUCT DISCLOSURE SHEET

(Please read and understand this Product Disclosure Sheet together with the general terms and conditions governing the Hire Purchase-i (Fixed Rate) before you decide to take up this product. Seek assistance from RHB Islamic Bank Berhad if you need further clarification on any part of this document or the terms used.)

## HIRE PURCHASE-i (FIXED RATE)

Date : \_\_\_\_\_  
[to be filled by Relationship Manager / Marketing Officer]

### 1. What is this product about?

Hire Purchase-i (Fixed Rate) ("the Facility") is a financing product that allows you to hire a vehicle ("the Vehicle") from the Bank and to purchase and take ownership of the Vehicle after settlement of the last rental payment, based on the Shariah concept of AL- IJARAH THUMMA AL-BAI' (AITAB) (hire followed by purchase).

### 2. What is the Shariah concept applicable?

The Shariah concepts applicable to the Facility are:

- IJARAH:** Also known as leasing/hiring. You will hire the Vehicle from the Bank at an agreed monthly instalment over a specific period ("the Hire Term").
- WAKALAH:** The Bank will appoint you as a Bank's agent for the purpose of maintenance of the Vehicle during the Hire Term.
- BAI':** Literally means sale, where on expiry of the Hire Term/ early settlement/ prepayment, you will enter into a contract to purchase the Vehicle from the Bank at an agreed price. In this regard, you are deemed to have an option of purchasing the Vehicle if you have paid a deposit to the Bank. During the Hire Term, the ownership of the Vehicle belongs to the Bank. On completion of the entire rental payment, a Sales Contract will be executed to transfer the ownership of the Vehicle from the Bank to you.

### 3. What do I get from this product?

Vehicle Financing Amount	: RM _____	
Margin of vehicle financing	: _____%	(up to 90% of Purchase Price)
HP Reducing Term Takaful (if applicable)	: RM _____	HPRTT
Total financing (including HPRTT)	: RM _____	Vehicle Financing & HPRTT
Profit Rate	: _____ % Flat Rate	(up to 10% p.a.)
Effective yield / Annual Percentage Rate	: _____ % p.a.	
Tenure	: _____ years	(up to 9 years)

\*Profit rate to be charged is determined by the financial and credit position of the hirer.

### 4. What are my obligations?

Duration of monthly payment	: _____ Months
Amount for first monthly payment	: RM _____
Amount of each monthly payment	: RM _____
One (1) final instalment	: RM _____

**Note:** The Bank will inform you in writing, any changes in the profit rate that is applicable to the Facility, at least seven (7) calendar days before the effective date of implementation of such change.

### 5. What other charges I have to pay?

No.	Types of fees/ charges	Fees and Charges Amount (inclusive but not limited to ST)
I.	The Facility Agreement	RM 10.00 per agreement for stamp duty
II.	Variation on the Facility Agreement upon request	RM 10.00 per agreement for stamp duty
III.	Postal	<ul style="list-style-type: none"> <li>• RM 3.50 for account without guarantor</li> <li>• RM 7.00 for account with 1 guarantor</li> <li>• RM 10.50 for account with 2 guarantors</li> </ul>
IV.	Road Tax renewal	RM 10.00 per transaction
V.	Redemption statement (as requested by third party)	RM 30.00 per request
VI.	Discharge and release letter (as requested by third party)	RM 30.00 per request
VII.	Financial Information Services (FIS) Data Reference	RM 4.20 per transaction
VIII.	Request for retrieval and copy of documents <ul style="list-style-type: none"> <li>• Additional statement of the Facility</li> <li>• Issuance of letter of consent for transfer of Vehicle from East Malaysia to West Malaysia and vice versa</li> <li>• Issuance of letter of undertaking for insurance/ takaful claim</li> <li>• Audit confirmation per account</li> <li>• Request for copy of the Facility documents</li> </ul>	RM 22.00 per request
IX.	Photocopy of the Facility Agreement	RM 25.00 per request

**Note 1:** The Bank will inform you in writing, of any changes in fees and charges that are applicable to the Facility, at least twenty-one (21) calendar days before the effective date of implementation of such change.

**Note 2:** You are also responsible to pay all professional fees, taxes (including Service Tax (ST))/or any applicable taxes imposed from time to time, out-of-pocket expenses incurred and any other fees, expenses or recourse in respect of the Facility.

**Note 3:** If you wish to get the Facility account statement, please email to [custserv.autofinop@rhbgroup.com](mailto:custserv.autofinop@rhbgroup.com) or register with RHB Now for e-statement and online payment. The first request is free of charge but any further requests will be charged according to item VIII above.

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

- (a) You are liable to pay the Bank compensation (**Ta'widh**) as follows:
- If you fail to pay the payment due under the Facility from the date of first disbursement by the Bank until the date of maturity of the Facility, the applicable compensation (**Ta'widh**) rate is not more than one percent (1%) per annum:
    - on the overdue amount in case of default of scheduled payments; or
    - on the outstanding balance of the Facility in case of default causing the Facility to be terminated or brought to court for judgement before the expiry of the Facility.
  - if you fail to pay any amount overdue and such failure continues beyond the Facility tenure or after judgement is obtained (whichever is earlier), at such rate per annum as determined by the Bank from time to time (before as well as after judgement), and the applicable compensation rate will not at any time exceed the prevailing Bank Negara Malaysia's (BNM) Islamic Interbank Money Market (IIMM) Rate on the total outstanding balance of the Facility calculated on daily rest basis; or
  - by any other method approved by the Shariah Advisory Council of BNM; and
  - the amount of such compensation (**Ta'widh**) will not be compounded.
- (b) Legal action will be taken if you fail to respond to reminder notices. The Vehicle may be repossessed and you will have to pay the applicable costs. You are also responsible to settle any shortfall after the Vehicle is auctioned off. Legal action against you may affect your credit rating causing credit to be more difficult or expensive to you.
- (c) If you fail to perform your obligation to pay the rental payment or violate other terms and conditions stated in the Facility Agreement, the Bank has the right to exercise reasonable actions to mitigate losses.
- (d) Right to set-off: The Bank may set-off any outstanding amount due in this Facility account from any of your deposit accounts maintained with the Bank, which the Bank will notify you at least seven (7) calendar days in advance.

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

If the Facility is fully settled before maturity, you will be given a rebate. The rebate is calculated based on the following formula:

$$\text{Rebate} = \frac{n \times (n+1) \times \text{TC}}{N \times (N+1)}$$

- n** = Remaining monthly payment (months) at the point of early settlement.  
**N** = Total monthly payment (months) in the Facility (Original Tenure).  
**TC** = Total amount (RM) of Terms Charges (Profit Margin).

For example, if the Facility tenure is seventy two (72) months and you wish to fully settle the Facility after paying forty eight (48) monthly payments, the Bank will grant you rebate subject to deduction of other charges and/or arrears for the remaining tenure (i.e. 72- 48 months = 24 months)

Financing amount = RM 60,000 at 3.0% p.a. for six (6) years, total amount of Terms Charges (Profit Margin) is RM 10,800.

$$\text{So, rebate on profit: } \frac{24 \times (24+1) \times 10,800}{72 \times (72+1)} = \text{RM } 1,232.88$$

The early settlement amount can be computed as follows:

**Total Amount Payable less monthly payment Paid less Rebate to add Other Costs/ Expenses**

**Note:** Other costs/ expenses may include postage charges, repossession charges, storage, legal fees and etc. (where applicable).

## 8. Do I need any TAKAFUL protection?

**MOTOR TAKAFUL:** Motor Takaful is required. The Vehicle must be adequately covered under comprehensive protection against fire, accident, theft, force majeure events such as natural disaster (flood, typhoon, hurricane, storm, volcanic eruption, earthquake, landslide, etc.) and such other risk as the Bank may require from time to time during the Hire Term. Failure to obtain adequate protection will make you liable and the Bank may claim the outstanding financing from you.

**HIRE PURCHASE REDUCING TERM TAKAFUL (HPRTT):** HPRTT is optional/not required. If you pass away or suffer total permanent disability, the HPRTT will pay off the amount in accordance with the Schedule of Sum Covered as stated in the policy. This will relieve the burden of monthly payment on your survivors or next of kin.

You may choose to include HPRTT contribution into the total Facility with RHB Islamic Bank and enjoy the protection throughout the Facility tenure.

**GUARANTEED ASSET PROTECTION (GAP):** GAP is optional/not required, and you may get the GAP from various Takaful services providers. If there is total loss or theft of the Vehicle, the GAP will cover the difference between the Motor Takaful claim pay out and the outstanding financing. This will relieve the burden of monthly payment on your survivors or next of kin.

You may choose to purchase GAP contribution separately in order to enjoy the protection throughout the Facility tenure.

### Note:

- The agent will provide quotations for Motor Takaful/HPRTT/GAP offered by the Bank's panel of Takaful providers or any other legitimate Takaful operators of your choice and acceptable to the Bank. However, to avoid any delay, the appointment of the Bank's panel of Takaful providers is highly encouraged.
- In taking the above Takaful protection, the Bank hereby advise you the following:
  - You are advised to get the Motor Takaful, HPRTT and GAP.
  - You may get conventional insurance to protect the Vehicle if:
    - Your application for Takaful protection is rejected by all Takaful operators; or
    - The cost of insurance protection is much more competitive compared to the cost of Takaful protection.
- The Takaful protection is important to ensure end-to-end Shariah compliant offering of this product. However, the Bank has the right to claim any amount due even if you choose the conventional insurance.
- In the event where you opt for conventional Motor Insurance, a portion of deposit paid by you is deemed to be used as payment for the insurance premium.

## 9. Do I need a guarantor?

Whether a guarantor is required depends on the merits of each application. If a guarantor is required, such guarantor will be duly informed of its rights and obligations.

10. What are the documents that I have to submit?	
Salaried Applicant	Self-Employed Applicant
<ul style="list-style-type: none"> <li>➢ MyKad / NRIC photocopy</li> <li>➢ Driver's license</li> <li>➢ Latest 3-months' salary slip</li> <li>➢ Latest EPF statement</li> <li>➢ Latest income tax return form</li> </ul> <p><b>*NOTE:</b> The Bank may require up to six (6) months of income statement if the income comprises variable components.</p>	<ul style="list-style-type: none"> <li>➢ MyKad / NRIC photocopy</li> <li>➢ Business registration photocopy</li> <li>➢ Latest six (6) months bank account statement</li> <li>➢ Financial statement</li> </ul>
11. What are the major risks?	
<p>If you fail to pay the monthly instalment consistently throughout the Hire Term, the Bank has the right to take possession and auction off the Vehicle. If you have problems in meeting your financial obligation under the Facility, kindly contact the Bank immediately to discuss the payment alternatives.</p>	
12. What do I need to do if there are changes to my contact details?	
<p>It is important that you inform the Bank of any changes to your contact details to ensure that all correspondences reach you in a timely manner. You may inform the Bank of such changes through various channels of communication such as the Bank's website, branches or RHB Customer Contact Centre at 03-9206 8118.</p>	
13. Where can I get assistance and redress?	
<p>a) If you have difficulties in making payments, you should contact the Bank immediately to discuss payment alternatives.</p> <p>b) Alternatively, you may also seek the services of Agensi Kaunseling dan Pengurusan Kredit (AKPK), an agency established by Bank Negara Malaysia (BNM) to provide free services on money management, credit counselling, financial education and debt restructuring for individuals. You can contact AKPK at:</p> <p style="padding-left: 40px;"><b>Level 5 &amp; 6, Menara Aras Raya (formerly known as, Menara Bumiputra Commerce) Jalan Raja Laut, 50350 Kuala Lumpur. Tel: 03-2616 7766 Email: <a href="mailto:enquiry@akpk.org.my">enquiry@akpk.org.my</a></b></p> <p>c) If you wish to complaint about the products or services provided by the Bank, you may contact us at:</p> <p style="padding-left: 40px;"><b>Customer Advocacy, Group Customer Experience and Channel Management, RHB Bank Berhad, Level 2, Tower 2, Jalan Tun Razak, 50400 Kuala Lumpur Email: <a href="mailto:customer.advocacy@rhbgroup.com">customer.advocacy@rhbgroup.com</a> Web: <a href="http://www.rhbgroup.com">http://www.rhbgroup.com</a></b></p> <p>d) If your query or complaint is not satisfactorily solved by the Bank, you may contact Bank Negara Malaysia LINK or BNMLINK at:</p> <p style="padding-left: 40px;"><b>4th Floor, Podium Bangunan AICB, No. 10, Jalan Dato' Onn, 50480 Kuala Lumpur. Tel: 1-300-88-5465 or +603 2174 1717 (for overseas calls) Fax: 03-2174 1515 Web form: <a href="http://bnmlink.bnm.gov.my">bnmlink.bnm.gov.my</a></b></p> <p>e) Alternatively, you may also seek the services of Ombudsman for Financial Services (OFS) (formerly known as Financial Mediation Bureau), a non-profit organization which functions as an alternative dispute resolution channel to settle disputes between OFS members (i.e. the financial service providers licensed or approved by BNM) and financial consumers. You can contact OFS at:</p> <p style="padding-left: 40px;"><b>Level 14, Main Block, Menara Takaful Malaysia, No 4, Jalan Sultan Sulaiman, 50000 Kuala Lumpur Tel: 03-2272 2811 Email: <a href="mailto:enquiry@ofs.org.my">enquiry@ofs.org.my</a> Web: <a href="https://www.ofs.org.my">https://www.ofs.org.my</a></b></p>	
14. Where can I get further information?	
<p>If you have any questions, please contact us at:</p> <p style="padding-left: 40px;"><b>RHB Islamic Bank Berhad Level 2, Tower 3, RHB Centre, Jalan Tun Razak, 50400 Kuala Lumpur. Tel: 03-9206 8118 Email: <a href="mailto:customer.service@rhbgroup.com">customer.service@rhbgroup.com</a> Web: <a href="http://www.rhbgroup.com">www.rhbgroup.com</a></b></p>	
15. Other Al-Ijarah Thumma Al-Bai' packages?	
<p>Vehicle Financing-i (Variable Rate)</p>	

**16. The Illustration on the issuance of reminders and notices****IMPORTANT NOTICE:**

**REPOSSESSION OF MOTOR VEHICLE AND LEGAL ACTION MAY BE TAKEN AGAINST YOU AND YOUR GUARANTOR (IF ANY) IF YOUR HIRE PURCHASE PAYMENT ARE NOT KEPT UP TO DATE.**

**Illustration on the issuance of reminders and notices**

All reminders and notices will be issued based on the illustration below:

Instalment Due Date: Every 5<sup>th</sup> of the month.

1<sup>st</sup> instalment overdue: March 5<sup>th</sup> 2020

Reminder / Notice	Days / Months (after Instalment Due Date)	Issuance date of Reminders/ Notice	Expiry date of Reminders/ Notice
First (1 <sup>st</sup> ) Reminder	10 days after due date	15/03/2020	
Fourth (4 <sup>th</sup> ) Schedule	After 2 successive default of payments	06/03/2020	27/03/2020
7-Days' Notice	7 days before expiry of 4 <sup>th</sup> Schedule	21/03/2020	28/03/2020
Repossession Order	On expiry of the 7-Days' Notice	29/03/2020	

**17. The Code of Ethics on Repossession for Repossession of Motor Vehicle.**

1. Authorised repossessioners must have a valid permit card as "Ejen Pemilikan Semula" (EPS) and ensure validity period is relevant during the repossession activity.
2. EPS permit holder should only enter the premises with the knowledge and consent of the occupant.
3. EPS permit holder should be well mannered and dress decently. They must practice professionalism and dignity in carrying out their work.
4. The use of "strong arm tactics" of any kind is strictly prohibited in the performance of their work.
5. At the time of repossession, the EPS permit holder must:
  - (i) show to you the EPS permit, NRIC and repossession order issued by the Bank;
  - (ii) give reasonable time for you to inspect the Vehicle and remove your personal items and belongings;
  - (iii) take photos of the Vehicle's interior, external condition and your personal belongings; and
  - (iv) issue inventory list for the Vehicle's condition during the repossession activity.
6. EPS permit holder is not allowed to enter any personal premise without Court's Order.
7. EPS permit holder must lodge a police report within 24 hours after such repossession activity is completed. Extension is given in certain situation but such extension will not exceed 48 hours.
8. EPS permit holder must act in accordance with the laws and regulations and any other Code of Ethics (as introduced by the Association of Hire Purchase Companies Malaysia of Finance Companies of Malaysia and the Ministry and Ministry of Domestic Trade and Consumer Affairs from time to time) at all times in carrying out their work.

**The information provided in this Product Disclosure Sheet is valid as of 22 Feb 2024.**