

# Communication Pack for Simplification of Letter of Offer (“LO”) and Revision of Security Documents for SME Banking (“SME”) Customers

Jointly by SME Banking & Group Islamic Banking

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# 01 Introduction



# Simplification of LO and FA/GFA for SME Banking (“SME”) Customers

- SME Banking is pleased to announce the completion of the project for “Simplification of Letter of Offer (“LO”) and Facility Agreement/General Facility Agreement (“FA/GFA”)” for SME Customers.
- The following are the changes:

| Existing Format  | New Format  |
|--|---|
| LO and FA/GFA contain all the terms and conditions i.e. credit/commercial terms, General Terms and Conditions (“GTC”) and Shariah terms. | <ul style="list-style-type: none"><li>• LO comprises of credit/commercial terms only.</li><li>• The GTC and Shariah terms comprise of generic and/ or boiler plate clauses.</li><li>• Both Conventional and Islamic have its respective LO and GTC.</li><li>• For Islamic, the Shariah terms are included in the GTC for CIMB Islamic Bank.</li><li>• The GTC for CIMB Bank and CIMB Islamic Bank are published on the website: <a href="http://www.cimb.com.my/en/business/general-terms-conditions.html">www.cimb.com.my/en/business/general-terms-conditions.html</a>.</li><li>• The standard terms and conditions for trade finance facility (“STTAC”) can be obtained from CIMB’s <b>website</b> : <a href="https://www.cimb.com.my/en/business/solutions-products/trade-finance/trade-smart-forms.html">https://www.cimb.com.my/en/business/solutions-products/trade-finance/trade-smart-forms.html</a>.</li><li>• The revised simplified FA/GFA has been uploaded into solicitor’s portal.</li></ul> |

## What are the changes to the Terms and Conditions for LO and FA?

| No | Existing   | New   | Remarks   |
|----|--|---|---|
| 1. | The GTC is part of schedule of the LO and FA/GFA.  | All the boiler plate clauses will be published in the Bank's website known as General Terms and Conditions  | <ul style="list-style-type: none"> <li>Customer may retrieve all the GTC based on the link given in the LO or by scanning the QR code given or accessing the website link given.</li> </ul> |
| 2. | The terms and conditions for trade finance facility is part of the main body of the LO template. | a) All the terms and conditions for trade finance facility will be stated in the schedule of the LO.<br>b) The trade finance facility will also be subjected to the STTAC published in the Bank's website <a href="https://www.cimb.com.my/en/business/solutions-products/trade-finance/trade-smart-forms.html">https://www.cimb.com.my/en/business/solutions-products/trade-finance/trade-smart-forms.html</a> . | <ul style="list-style-type: none"> <li>Customer may retrieve the STTAC for the trade finance facility via the link given in the LO.</li> </ul>  |
| 3. | <b><u>FA/GFA</u></b><br><br>There is a total of 67 pages of FA/GFA.                              | The FA/GFA has been simplified to 3 pages only. All the boiler plate clauses had been removed from the LO and FA/GFA and incorporated into the General Terms and Conditions which are available in the Bank's website.  | <ul style="list-style-type: none"> <li>All LOs issued with effect from <b><u>16<sup>th</sup> December 2021</u></b> will use the simplified FA/GFA format.</li> </ul>                        |

## What are the changes to the Security Documents?

| No  | Type of Document                        | What are the changes   |
|-----|---|--|
| 1.  | <b>First Party Charge</b>               | <ol style="list-style-type: none"> <li>1. Insertion of the new definition i.e “Transaction Documents”;</li> <li>2. References to LO and FA/GFA have been changed to references to the Transaction Documents;</li> <li>3. For consistency, the definitions in the Security Documents have been revised to adopt the definition in GTC (except for PA);</li> <li>4. Revision of “Service/ Notice” clause (except for PA); and</li> <li>5. For any inconsistencies of the terms and conditions relating to the security between the Security Documents and other Transaction Documents, the Security Documents will prevail (except for PA).</li> </ol> |
| 2.  | <b>Third Party Charge</b>               |  |
| 3.  | <b>Debenture</b>                        |  |
| 4.  | <b>Deed of Assignment</b>               |  |
| 5.  | <b>DOA of Benefits of Contract</b>      |  |
| 6.  | <b>DOA of Rental Proceeds</b>           |  |
| 7.  | <b>Guarantee &amp; Indemnity</b>        |  |
| 8.  | <b>Memorandum of Charge and Deposit</b> |  |
| 9.  | <b>Memorandum of Stock Shares</b>       |  |
| 10. | <b>MOC over FD/ Bank Accounts</b>       |  |
| 11. | <b>Power of Attorney (“PA”)</b>         |  |

## 02 Guide



# Update in Solicitor Portal for the Revised Security Documents



## Security Documents for Conventional Facilities

- [Charge Annexure 1st party \(Conventional\) >](#)
- [Charge Annexure 3rd party \(Conventional\) >](#)
- [Debenture \(Conventional\) >](#)
- [Deed of Assignment \(Conventional\) >](#)
- [Deed of Assignment on the Benefits of Contract \(Conventional\) >](#)
- [Deed of Assignment on the Rental Proceeds \(Conventional\) >](#)
- [Foreign Exchange Contract Limit \(Conventional\) >](#)
- [Letter of Guarantee and Indemnity \(Conventional\) >](#)
- [Memorandum of Charge Over FD Bank Account \(Conventional\) >](#)
- [Form 34 \(Conventional\) >](#)
- [Letter of Notification of Charge \(Conventional\) >](#)
- [Power of Attorney \(Conventional\) >](#)
- [SME General Facility Agreement \(Conventional\) \(for Letter of Offer dated before 16/12/2021\) >](#)
- [SME General Facility Agreement \(Conventional\) \(for Letter of Offer dated after 16/12/2021\) >](#)
- [Subordination Letter \(Conventional\) >](#)
- [Memorandum of Charge over FD \(Conventional\) \(for Letter of Offer dated before 23/08/2021\) >](#)
- [Memorandum of Charge over Account \(Conventional\) \(for Letter of Offer dated before 23/08/2021\) >](#)
- [Letter of Notification \(Conventional\) \(for Letter of Offer dated before 23/08/2021\) >](#)

The revised Security Documents will be available in the solicitor's portal

# Update in Solicitor Portal for the Revised Security Documents



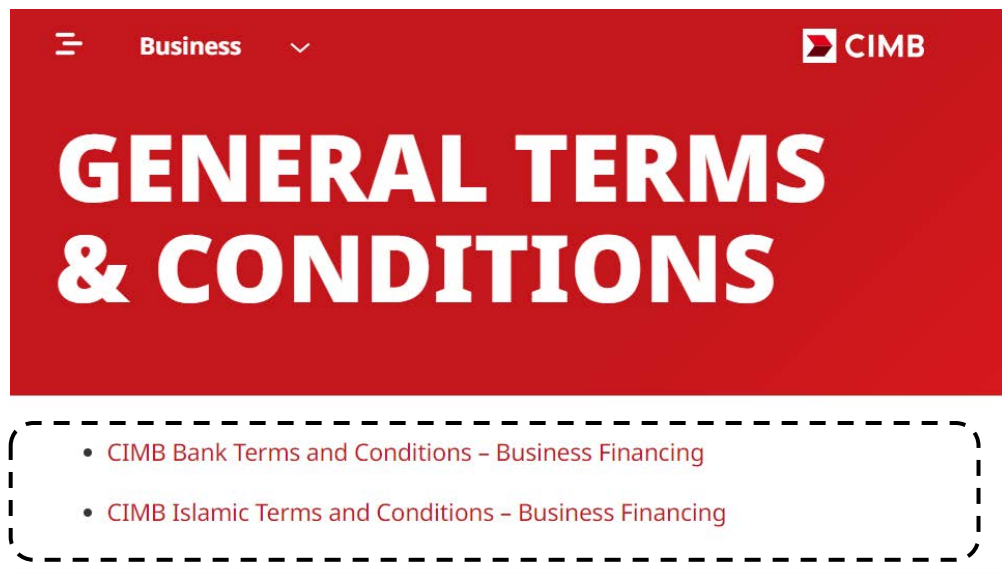
## Security Documents for Islamic Facilities

- [Charge Annexure 1st party \(Islamic\) >](#)
- [Charge Annexure 3rd party \(Islamic\) >](#)
- [Deed of Debenture \(Islamic\) >](#)
- [Deed of Assignment \(Islamic\) >](#)
- [Deed of Assignment on the Benefits of Contract \(Islamic\) >](#)
- [Deed of Assignment on the Rental Proceeds \(Islamic\) >](#)
- [Foreign Exchange Contract Limit-i \(Islamic\) >](#)
- [Letter of Guarantee and Indemnity \(Islamic\) >](#)
- [Memorandum of Charge Over FD Bank Account \(Islamic\) >](#)
- [Form 34 \(Islamic\) >](#)
- [Letter of Notification of Charge \(Islamic\) >](#)
- [SME General Facility Agreement \(Islamic\) \(for Letter of Offer dated before 16/12/2021\) >](#)
- [SME General Facility Agreement \(Islamic\) \(for Letter of Offer dated after 16/12/2021\) >](#)
- [Subordination Letter \(Islamic\) >](#)
- [Memorandum of Charge over FD \(Islamic\) \(for Letter of Offer dated before 23/08/2021\) >](#)
- [Memorandum of Charge over Islamic Account \(Islamic\) \(for Letter of Offer dated before 23/08/2021\) >](#)
- [Letter of Notification \(Islamic\) \(for Letter of Offer dated before 23/08/2021\) >](#)

The revised Security Documents will be available in the solicitor's portal



# How to retrieve the GTC for Business Financing?



1. Visit CIMB website at:  
[www.cimb.com.my/en/business/general-terms-conditions.html](http://www.cimb.com.my/en/business/general-terms-conditions.html)
2. For CIMB Bank Facilities:  
Go to [www.cimb.com.my](http://www.cimb.com.my) > Business > General Terms & Conditions > **CIMB Bank Terms and Conditions - Business Loan.**
3. For CIMB Islamic Facilities:  
Go to [www.cimb.com.my](http://www.cimb.com.my) > Business > General Terms & Conditions > **CIMB Islamic Terms and Conditions - Business Financing.**
4. Scan this QR code:



# How to retrieve the Standard Trade Terms and Conditions (“STTAC”) for Trade Finance Facility?



Retrieve the STTAC for Trade Finance Facility by :

visiting CIMB website at:

<https://www.cimb.com.my/en/business/solutions-products/trade-finance/trade-smart-forms.html>

## Key Downloads

[Trade Smart Form >](#)

[Trade Smart Form \(Islamic\) >](#)

*Note: The recommended Adobe Reader version for the Trade Smart Form is version 10 or version 11. Click on the above links to download the form.*

## Terms and Conditions

[Terms and Conditions \(ENG\) >](#)

[Terms and Conditions \(BM\) >](#)

[Islamic Terms and Conditions \(ENG\) >](#)

[Islamic Terms and Conditions \(BM\) >](#)



## 03 Frequently Asked Question

# Frequently Asked Question

| No | Question  | Answer  |
|----|---|---|
| 1. | What do you mean boiler plate clauses?  | Boiler plate clauses refer to general terms and conditions which are applicable to all type of loan/financing facility offered by the Bank. The terms and conditions seldom change unless there is a revision in Bank Negara Malaysia's guidelines or change of the Bank's policy and procedures. |
| 2. | Would the GTC comprise of credit terms i.e. tenure, instalment amount and etc the Bank offer to customer? | No. All credit terms which are specific to customer's financing requirement will be incorporated into the LO.   |
| 3. | Is customer allowed to change or disagree with the GTC?   | Yes, customer must put in a request to the Bank for any deviation on the GTC to be approved by the Bank. Upon approval the deviation will be stated in the LO or supplemental letter.   |
| 4. | What is the purpose of moving GTC into the Bank's website?  | This is part of the Bank's sustainability initiatives considering the environmental aspect by reducing number of pages to be printed for LO.  |
| 5. | If a customer wants hard copy of the GTC, how do we proceed?  | You may print a copy for customer. However, you should encourage customer to visit our website or scan the QR code in the LO for them to refer anytime as this is part of the Bank's sustainability initiatives to go "GREEN".  |
| 6. | How to retrieve the STTAC for trade finance facility?   | Customer may retrieve the STTAC from the Bank's website as per the link given in the LO.  |

**Thank You!**