

KEY FACTS DOCUMENT – ISLAMIC FINANCE

KEY FEATUTRES – LOAN TYPE PRODUCTS

1. Murabaha
 2. Diminishing Musharaka
 3. Wakala Finance
 4. Musawamah
- Facilities granted against mortgage/absolute ownership of tangible security such as Vehicles/Machinery and immovable property. Providing of guarantors acceptable to the company is a mandatory requirement irrespective of the security offered
 - Facilities are granted for a maximum tenor of 60 months based on the type of facility and prevailing credit criteria.
 - Facilities are granted for purchase of assets, working capital requirements and other personal and business requirements

PROFIT MARK UP

- The profit mark-up will be agreed with the applicant prior to entering in to contract and will be indicated in the agreement in terms of instalment

PENAL INTEREST RATE

- Penal interest will not be applicable for Islamic Finance Products. Instead, a Delay Penalty and an Administration Fee will be charged. Applicable rates will be communicated to the customer when entering in to contract and will be indicated in the agreement.

APPLICABLE CHARGES

- Documentation charges
- CRIB report charges
- RMV transfer charges and RMV handling charges (if applicable)
- Insurance handling charges (if applicable)
- Facility review charges will be recovered bi-annually for revolving loans

The applicability and value of the above charges will be communicated to you on submission of an application/approval of a facility and should be paid prior to entering in to contract with CLC

PROCEDURE

- You can walk in to any CLC branch and speak to one of our credit officers to apply for an Islamic Finance facility or contact us through our hotline and our representative will provide you with all necessary information and documents required. We can also make arrangements for one of our representatives to visit you at your sight to provide you with the necessary information
- After a preliminary discussion with our representative/explaining of terms and conditions / screening for creditworthiness/re-payment capacity, you will be required to submit a formal application with supporting documents for a detailed evaluation
- Islamic facilities will be approved within 48 hours' subject to submission of all required documents. Approval will be subject to the credit criteria of the company, repayment capacity, creditworthiness, net worth and security offered by the applicant
- On granting approval the documentation/collateral will be finalized and the Islamic facility will be disbursed on receipt of applicable charges

TERMS AND CONDITIONS

- Terms and conditions will be as per the facility agreement signed with the company of which the details will be explained to the customer and a Sinhala or Tamil translation provided wherever necessary. You may obtain all details by visiting the closet CLC branch or by speaking to one of representatives through the hotline.

APPLICABLE LEGAL PROVISIONS

- In case of vehicles provided as security, exposure against such vehicles will be subject to the Central Bank of Sri Lanka (CBSL) loan to value (LTV) guidelines
- All taxes, stamp duty and government transfer charges as applicable should be paid by the customer

COMPLAIN HANDLING PROCEDURE

- Any complaint can be directed to the dedicated customer service officer at the branch who will resolve the issue if within his purview or escalate to the Head of Customer Service at Head Office
- The complaints then will be routed to the respective head of the department who will be attended within a reasonable time

KEY FEATURES – IJARAH (LEASES)

- Ijarah are granted for registered and unregistered vehicles and machinery
- Leases are granted up to a maximum tenor of 60 months
- Absolute owner of the asset will be CLC while the Lessee will be the registered owner. Providing creditworthy guarantors is a mandatory requirement to obtain a Ijarah facility

IJARAH RENTAL CALCULATION

- Competitive profit margins will be applied for calculation of Ijarah rentals. The Ijarah rental will be agreed with the applicant prior to contracting and will be indicated in the lease agreement

PENAL INTEREST RATE

- Penal interest is not applicable for Islamic Finance Products. Instead, a Delay Penalty and an Administration Fee will be charged. These charges are mentioned in the agreement.

APPLICABLE CHARGES

- Documentation charges
- CRIB report charges
- RMV transfer charges and RMV handling charges (if applicable)
- Insurance premium on the asset and insurance handling charges if applicable

The applicability and value of the above charges will be communicated to you on submission of a lease application/approval of loan facility

PROCEDURE TO OBTAIN A LEASE FACILITY

- You can visit the closes CLC branch and speak to one of our credit officers to apply for a Ijarah facility or contact us through our hotline and our representatives will provide you all details and documents required to obtain an Ijarah facility. We can also make arrangements for one of our representatives to visit you at your sight to provide you with the necessary information
- After a preliminary discussion /explaining of terms and conditions / preliminary screening for creditworthiness/re-payment capacity you will be required to submit a formal application with the supporting documents for a detailed evaluation
- The Ijarah facility will be approved within 48 hours of submitting your application subject to all documents are in order. Approval will be subject to the credit criteria of the company, repayment capacity, creditworthiness, net worth and security offered by the applicant

- On approval the documentation will be finalized and a delivery order will be issued to release the asset to the lessee on payment of initial charges
- The payment will be released to the vendor based on the invoice on submission of the certificate of registration with CLC as the absolute owner and Lessee as the registered owner

TERMS AND CONDITIONS

- Terms and conditions will be as per the Ijarah agreement signed with the company of which the details will be explained to the customer and a translation provided in Sinhala or Tamil language wherever necessary

APPLICABLE LEGAL PROVISIONS

- In case of vehicles exposure against such vehicles will be subject to the Central Bank of Sri Lanka (CBSL) loan to value (LTV) guidelines
- All taxes, stamp duty and government transfer charges as applicable should be paid by the customer

COMPLAIN HANDLING PROCEDURE

- Any complaint can be directed to the dedicated customer service officer at the branch who will resolve the issue if within his purview or escalate to the Head of Customer Service at Head Office
- The complaints then will be routed to the respective head of the department who will be attended within a reasonable time
- You may also directly contact the Head of Customer service at CLC head office if you feel your complaint is not addressed