

# KEY FACTS STATEMENT (KFS) Auto Finance



**WARNING:** Read this document carefully and sign only if you clearly understand and agree to the content of the Key Fact Statement (KFS), which is available in English and Arabic. You may also use this document to compare different Credit Cards offered by other Banks. You have the right to receive KFS from other Banks for comparison.

Date: \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_

This Key Facts Statement is provided to help you (you", "Consumer or "Customer") compare this Auto Finance with the Auto Finance of other financial institutions.

Below are the information you provided in the application form enabling aafaq Islamic finance (the" finance company" or "aafaq") to prepare this Key Fact Statement.

Customer Name: \_\_\_\_\_

Emirates ID No: \_\_\_\_\_

Vehicle Value: \_\_\_\_\_

Requested Tenor: \_\_\_\_\_

Vehicle from Dealer (Name of the Dealer) or Individual Seller: \_\_\_\_\_

Nationality: \_\_\_\_\_

Vehicle Status: (New / Old) \_\_\_\_\_

Anticipated Down Payment to be Paid by Customer (min. 20%): \_\_\_\_\_

## Definition

"You", "your", "Consumer "or "Customer "means the customer "We", "our" and "us refers to aafaq Islamic finance private Stock Company licensed and regulated by the Central Bank of the UAE or "aafaq" or the "finance company" and/or its successors and assigns or to any "Affiliate" if any services are being provided by an Affiliate under the general terms and conditions for accounts and Islamic Banking services of aafaq (where applicable)

## Product Definition

This product is based on Murabaha where aafaq, based on your request, purchases an identified car from a dealer or third party then sells it to you on Murabaha basis (by disclosing the cost and profit) upon aafaq getting title and possession of the same.

Finance Amount (Refer to the example)	Anticipated Down Payment eg,20%	Example: Vehicle value: AED 100,000 Down payment AED 20,000 Net Finance Amount AED 80,000
Payment method (refer to the example)	Equated monthly installment (EMI)	Example: Net Finance Amount AED 80,000 + profit portion /Tenor

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Fee and Charges	Fee and Charges Amount Details	Example
Profit Rate	3.50% p.a to 8.00% p.a fixed rate (6.40% p.a to 14.64% p.a in reducing financing)	Profit Rate (Reducing): 7.00% p.a Finance balance at the beginning of the month x Profit Rate. 12 x 100 Profit Charged at the beginning of the month = AED 100,000 x 7.00% / 12 x 100 = AED 583.33
Applicable due diligence and processing fee (Retail Customers)	1% of the finance amount (Min AED 500 - Max AED 2,500) All processing fees calculated based on actual expenses.	If the total auto finance amount is AED 100,000 then the calculation of due diligence and processing fee will be as follows: AED 100,000 x 1% = AED 1,000.00
Applicable due diligence and processing fee (Company /Fleet Deal)	1.5% of the finance amount or minimum AED 500. All processing fees calculated based on actual expenses.	If the total auto finance amount is AED 200,000 then the calculation of due diligence and processing fee will be as follows: AED 200,000 x 1.5% = AED 3,000.00
Applicable late payment undertaking to donate	AED 500	In the event of customers failure to pay any sum due and payable under the finance agreement and documents ( the due amount), the customer donates an amount of AED 500 in relation to such due amount which shall be routed to the designated charity through the finance company (on behalf of the customer) under the supervision of its internal shari'a supervision committee (ISSC) after deducting of its actual collection expenses (attributable to the subject transaction) as per the approved police by the finance company's ISSC
Applicable documentation coordination / credit appraisal fee /deferralment /postponement fee	AED 100	Incase of customers' request to defer an instalment the finance company needs to process the Deferral request where some documentation coordination and credit appraisal will be involved and the finance company will charge processing fee to the customer for these services throughout the Murabaha tenor, the customer is allowed to postpone up to (3) installments
Applicable early settlement charges (Retail Customers)	1% of the remaining value	Incase you intend to early pre-settle (full or partial pre settlement) the facility before making the full final installment date payment to the finance company, the finance company at its own discretion and as per the central bank of UAE guidelines may offer you a rebate on the outstanding component of the amount due to the finance company. Please refer to see the below example for how the fees will be calculated If the total outstanding is AED 79,000 then the calculation of early settlement fee will be as follows: AED 79000 x 1% = AED 790

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Applicable early settlement charges (Company /Fleet Deal)	2% of the remaining value	Incase you intend to early pre-settle (full or partial pre settlement) the facility before making the full final installment date payment to the finance company, the finance company at its own discretion and as per the central bank of UAE guidelines may offer you a rebate on the outstanding component of the amount due to the finance company. Please refer to see the below example for how the fees will be calculated If the total outstanding is AED 100,000 then the calculation of early settlement fee will be as follows: AED 100,000 x 2% = AED 2,000.00
DDA / Cheque Return Fee	AED 100/-	
Financing tenure	Up to 5 years	
Applicable early settlement charges (Retail Customers)	1% of the remaining value	
Other fees and charges	All charges related to auto finance product are available in the aafaq schedule of charges at the aafaq website. These charges are subject to changes which will be notified through the proper channels to the customers. Please refer to <a href="https://www.aafaq.ae/en/products?38&amp;Schedule-of-Charges-&amp;Fees">https://www.aafaq.ae/en/products?38&amp;Schedule-of-Charges-&amp;Fees</a> for other charges that may apply during the tenor of your relationship with the finance company.	
Down payment	Standard down payment of 20% of vehicle value is required as per the UAE central bank regulations. The down payment may vary based on the vehicle category, Client segment, self-employed and Companies. The down payment paid by the customer shall be made part of the Murabaha sale price and shall be deducted from the cost (financing Amount) _____ AED	

\*All fees and charges are excluding 5% Value Added Tax (VAT).

Total amount to be paid back (including finance amount and fees)	AED
Due diligence / documentation fee /Processing fee	AED
Payment per month (EMI)	AED

There may be circumstances in which other fees such as vehicle evaluation fee (if applicable) and car registration fee may be payable. Fees applicable for the finance you apply for will be shown in the finance contract. You can also obtain a list of fees applicable to this type of finance through our website at [www.aafaq.ae](http://www.aafaq.ae)

### Will the profit change on this finance?

There will be no change of profit rate and it will remain fixed for the entire finance period. Aafaq is not permitted to charge profit on accrued profit in accordance with the Article (121), Clause 3 in Decretal Federal law No. (14) of 2018, Regarding the Central Bank & Organization of Financial Institutions and Activities.

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### How to find the best deals for you?

To obtain the best deals for you, it is important to check other aafaq auto finance or other financial institutions offers and compare profit rates, fees and features before you apply for an auto finance. Choosing the best auto finance for you may save your money. You should request key facts statements when looking for an auto finance from other financial institutions to help you find the auto finance that is right for you.

### Services and features

As part of availing this product, you will be entitled to the following services and features:

- Installment postponement
- Liability certificate
- Early settlement
- Add-modify delete guarantor
- Mortgage release (Active/closed/temporary)
- Registration services
- Change of vehicle description
- Block/unblock/change block amount
- Deal cancellation
- Booking/amendment/cancelation
- Change of payment account

All charges related are available in the aafaq schedule of charges at the aafaq website if applicable. These charges are subject to changes which will be notified through the proper channels to the customers. Please refer to <https://www.aafaq.ae/en/products?38&Schedule-of-Charges-&Fees> for other charges that may apply during the tenor of your relationship with the finance company.

### Warnings and consequences

#### By availing this product, you might be exposed to the following risks:

- In the event of default in the payment of monthly instalments of credit facilities availed Aafaq and or its authorized collections agents might visit your office premises for follow up against the overdue and outstanding instalments amount towards Aafaq.
- If you default, Aafaq will report any default or payment delays to Al Etihad Credit Bureau and Central Bank Risk Bureau (CBRB) which may affect your credit rating and may limit your ability to access financing in the future.
- In case of early settlement of this Auto Finance, Aafaq will be entitled to charge the actual cost incurred by it which will be decided at the time of early settlement.
- In case of late payments or non-payment of this Auto Finance, you may be exposed to and not limited to the following consequences:
  - Late payment donation, where we will ask you for donation of a specified amount you have undertaken pursuant to the facility documents as mentioned under fees and charges section
  - A negative Credit Information Agency rating and the possible limitations on the ability to obtain financing in the future.
  - Collection measures involving collaterals, collection Fees and claim on guarantees.
  - legal actions through the courts.

**Cooling Off Period:** Khiyar Al-Shart (Cooling off Period) is defined as a period after a contract is agreed during which the buyer can cancel the contract without incurring a penalty. Aafaq provides a 'Cooling Off Period' of 5 complete business days from the date of signing this KFS for you to decide in continuing to proceed with your finance application. Customers have the right and may waive cooling-off period of complete 5 business days by signing a written waiver provided by Aafaq Islamic Finance. If you choose to waive your Cooling Off Option, you will be entering in to the contract / agreement with immediate commitment, and will be bound by the terms and conditions of the contract / agreement once signed.

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- in case of Auto Finance against fixed deposit as security, the financial institution may liquidate your fixed deposit in case of payment default.
- Aafaq may use your Personal data to send you promotions.
- You shall pay the instalments specified into respective Auto finance agreement when due as set out and if you fail to pay two installments for any reason after being notified in writing to pay within (14) days, all the remaining installments shall fall due and payable in one single payment, and you shall pay them accordingly.

### Where to apply for this product?

This Auto finance is available through

- Outlets
- Direct sales team
- Branches
- Agents & affiliates

### Terms and conditions

- Key Facts Statement contains information about auto finance product to help you compare and select the most appropriate auto finance for you.
- This Key Facts Statement is not an offer of credit. The financial institution is not obliged to provide you with the auto finance described in this Key Facts Statement. You will need to apply for the finance and meet the financial institution's credit eligibility criteria before we can determine whether you are eligible for this finance.
- The profit rates fees and charges are those that apply as at the date of production of this Key Facts Statement.
- The amount required to be paid does not include fees, which are dependent on events that may not occur (for example, late payment donation if you do not pay on time).
- The amount shown in this Key Facts Statement will change if profit rates, fees and charges change and if a different finance type, finance term or finance amount is used.
- Customer is responsible for the following:
  - Keeping his/her banking correspondence secure for future reference.
  - Verifying the accuracy of any account / transaction statements sent to them.
  - Confirming his/her contact information and identification when changes occur through Aafaq branches and Call Centre only.
- In the event that the Customer fails to meet the agreed terms and conditions, Aafaq reserves the right to terminate the relationship, restrict the Customer's accounts, apply fees or charges in accordance with the signed terms and conditions, apply a penalty or submit adverse reports to the credit agency. Additionally, you may also be exposed to other Risks and Consequences stated in this KFS.
- The Customer alone shall be responsible for the correctness of the information and data that are provided to make this Key Fact Statement.
- The financial institution may refuse to execute any requests, instructions or services requested by the Customer if the Customer fails to comply with the necessary procedures, or if the information or data are incorrect or are in violation of the law applicable in the United Arab Emirates.
- The financial institution shall reserve the right to change and modify these terms and conditions or the services and products offers as required by the applicable law or financial institution policy. Such changes shall be notified to the Customer within a period of 60 days.
- Aafaq Islamic Finance (aafaq) has a strict policy of keeping Customer information secret and secure.
- If the finance is approved, Aafaq Islamic finance (aafaq) will provide you with a copy of the Islamic financing contract to read and with appropriate time to review before signing it.
- In order to start with your auto finance, you must Read and Sign this Key Fact Statement and submit it to a financial institution's sales representative.

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- Full version of these terms and conditions is available on the website at the following [www.aafaq.ae](http://www.aafaq.ae)
- Governing Law and Jurisdiction of court: The finance facility agreement and other terms and conditions shall be governed by the UAE federal laws as applied by the competent courts of the UAE to the extent these laws do not conflict with the principles of shari'a as interpreted by the Internal shari'a Supervision Committee of the financial institution.
- This is a shari'a compliant product, please visit aafaq website <http://www.aafaq.ae/en/shari'a-compliance> for details.

## Acknowledgement

I acknowledge the receipt of and understanding of this Key Fact Statement. I also acknowledge that I understand the product/service features, pricing, benefits, risks, fees and Consumer's rights and obligations as detailed in the Key Fact Statement, I confirm that the information provided in this Statement is accurate and complete. I authorize Aafaq Islamic Finance (aafaq) to verify the information provided herein or any other information available with aafaq from whatever source(s) it considers appropriate, including specifically any credit reports from any credit rating agency or bureau. I understand that aafaq is not obliged to provide me with finance solely based on the finance application. I acknowledge that any finance provided shall be at aafaq's discretion and subject to all applicable terms and conditions of Auto Finance agreement and aafaq financing Services General Terms and Conditions, which may be revised from time to time.

## How to file a complaint?

You may log your complaint at:

- Any branch
- Call center 600502006
- Internet
- Email [customer.care@aafaq.ae](mailto:customer.care@aafaq.ae)
- By post: complaints management team, Aafaq Islamic finance, POBox 282400, Dubai UAE

We will acknowledge your complaint within 2 business days and strive to respond to your complaint within an estimated average of 5 working days.

Customer signature: \_\_\_\_\_

Date of signature: \_\_\_\_\_

## Disclaimer

This communication has been issued by Aafaq Islamic Finance PSC (aafaq) - regulated by the Central Bank of the United Arab Emirates. The information contained in the underlined documents has been compiled with the objective of summarizing the key features of the promoted products and services to confirm the Customer's understanding of the products and services and its associated risks before the Customer's application is executed by the financial institution. It does not constitute (i) an offer or a solicitation to deal in any promoted product, or (ii) legal, tax, regulatory, financial, or accounting or shari'a advice. Any decision to avail aafaq product and services should be based upon an independent analysis by the Customer of the information contained in the associated offering document or other legal document. The Customer is responsible for consulting his/her own legal, tax or financial advisors for this purpose.

I hereby the undersigned (.....), As applicant applying for Auto finance facility from

Aafaq Islamic finance, Holding emirates ID no /.....

Nationality/....., Undertake and acknowledge that I have fully read and understood all the terms & condition written heretofore received by Aafaq Islamic finance.

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- I/We authorize Aafaq to communicate/ contact me/us on communication including marketing of existing products/-services or promoting new financial products/ services or other related products (including market research and customer surveys) via Email / SMS / Phone Call. Aafaq Islamic Finance PSC reserves the right to communicate with customers via SMS/Email/Phone calls and/or other channels for notification related and other regulatory related messages / information.
- I/we understand and accept that my/our expressed consent is required for Aafaq to collect, process and share my/our personal information for the purposes listed in the Terms and Conditions. The information provided will be shared and retained in accordance with applicable law concerning data security and privacy protections to safeguard my/our interest as per specifications of the Central Bank of the United Arab Emirates. I/we understand that I/we have the right to withdraw expressed consent for the processing or sharing of my/our information except for the services which requires such consent for Aafaq's business operations, however in such case some services may not be available to me/us.
- I/we give my/our expressed consent for the Bank to collect, process and share my/our personal information
- I/We confirm having read the Key Fact Statement
- I/We wish to waive the 5-business day cooling off period to proceed Proceed after 5-business days.

Customer signature: \_\_\_\_\_

Date: \_\_\_\_\_