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PROSPER HARTANAH Rent-To-Own Disclosure Sheet

*Please read the PROSPER Hartanah Rent-To-Own (RTO)
Disclosure Sheet before you decide to APPLY*



1. WHAT IS THIS PROSPER HARTANAH RENT-TO-OWN ABOUT?

PUNB RTO Programme is a programme introduced by PUNB under PUNB PROSPER Property Scheme that allows Bumiputera entrepreneurs to rent and subsequently own commercial/industrial property at strategic locations nationwide. It aligns with PUNB's mandate to grow sustainable Bumiputera entrepreneur's ecosystem.

2. WHAT BENEFITS DO I GET FROM THE PUNB RTO PROGRAMME?

- ☒ The agreed purchase price protects the applicant from future fluctuations in the real estate market.
- ☒ The rental period provides the tenant with time to improve their financial situation before making the purchase.
- ☒ Exercising the option to purchase the property earlier allows the tenant to save on future rental payments.

3. HOW WILL THE PURCHASE PRICE OF THE PROPERTY BE DETERMINED?

Phase 1

The pre-agreed purchase price will be determined based on the market value at the date the RTO agreement is executed. The price will remain fixed for the duration of the 3-year tenure.

Phase 2

If the RTO tenure is extended, PUNB reserves the right to re-evaluate the agreed purchase price. The revised purchase price will be based on the market value at the time of extension and will remain fixed throughout the extension period.

**Any discount on the purchase price is subject to PUNB's absolute discretion*



4. IS THE PUNB RTO PROGRAMME SHARIAH-COMPLIANT?

Yes, the PUNB RTO Programme is Shariah-compliant, as it is structured based on the Shariah contract of Al-Ijarah Maftuhah Lil Bai'. This contract adheres to Islamic principles by providing a renting arrangement where the applicant rents the property from PUNB for an agreed rental amount over a specified period. Additionally, it ensures transparent and fair dealings by allowing the applicant to acquire ownership of the property at any time during the rental tenure through a sale transaction at a pre-agreed purchase price, in line with Shariah guidelines.

5. HOW LONG IS THE TENURE OF THE PUNB RTO PROGRAMME?

The tenure can be up to a maximum of five (5) years as follows:

	Phase 1	Three (3) years
	Phase 2	Additional two (2) years (terms and conditions applies)

6. WHAT ARE THE PAYMENTS THAT I HAVE TO PAY?

Security Deposit and rental rate (Upon entering the RTO Agreement)

- There will be no increase in the rental rate during Phase 1. However, PUNB reserves the right to revise the rental rate based on market rate during Phase 2.
- Security deposit and rental rate will be in accordance with PUNB's standard rental policy.

Stamp Duty for RTO Agreement

As per First Schedule of item 22(1)(b) of Stamp Duty Act 1949 (Revised 1989).

7. WHAT IS THE PROCESS FOR THE PUNB RTO PROGRAMME?

The process of the PUNB RTO Programme are as follows:

A. For property owned by PUNB with existing tenant

- The tenant submits application to PUNB to enter into the PUNB RTO Programme.
- PUNB evaluates the application.
- Subject to PUNB's approval, the tenant will enter into the RTO agreement where purchase price of the property will be determined/disclosed.
- The tenant must exercise the option to purchase the property at any time during the tenure of the RTO agreement
- Upon exercising the right to purchase, the tenant will enter into a sale and purchase agreement.

*** Applicant who is not the existing tenant of a PUNB-owned property must first enter into a standard rental (Ijarah) agreement with PUNB and rent the property for a minimum of 12 months before they may be considered for, or qualified to enter into, the RTO agreement, subject to PUNB's assessment and approval.*

B. For property proposed by the applicant (currently rented by the applicant)

- The applicant approaches PUNB with a property currently rented by the applicant, to be considered for purchase by PUNB.
- PUNB evaluates both the proposed property and the applicant for the potential purchase.
- Subject to approval, PUNB will acquire the proposed property. Once the acquisition is completed, the applicant will enter into a standard rental (Ijarah) agreement and must remain as PUNB's tenant for at least 12 months or any later date as determined by PUNB.
- After the expiry of the 12-months period or any later date as determined by PUNB, the applicant will be re-evaluated for the purpose of entering into RTO agreement. Subject to PUNB's approval, both parties will enter into the RTO agreement where purchase price of the property will be determined /disclosed.
- The applicant must exercise the option to purchase the property at any time during the tenure of the RTO agreement.
- Upon exercising the right to purchase, the applicant will enter into a sale and purchase agreement with PUNB.

8. AM I ELIGIBLE TO PARTICIPATE IN THIS PUNB RTO PROGRAMME?

A. For property owned by PUNB with existing tenant

The tenant must meet the following conditions:

- A good rental payment track record.
- Have no rental payment defaults in the last 6 months.
- Pass the assessment and evaluation by PUNB, which includes legal standing/status, financial capability, and historical rental payment records.
- Must not be a previous RTO participant who failed to exercise the option to purchase.
- Must not be listed as a blacklisted tenant by PUNB.

B. For property proposed by the applicant (currently rented by the applicant)

The applicant and proposed property must meet the following conditions:

- The proposed property must be valued at above RM500,000, as verified by PUNB's panel valuers.
- The proposed property must be a commercial shop lot or a light industrial building.
- The proposed property must have a valid Certificate of Fitness (CF) or a Certificate of Completion & Compliance (CCC).
- The applicant must be the current tenant of the proposed property with a valid tenancy agreement and a good track record with the current owner.
- The applicant must remain as PUNB's tenant for at least 12 months or any later date as determined by PUNB, from the date PUNB completes the property acquisition, before being eligible to enter into the RTO agreement.
- The applicant's business activity must not be contrary to Shariah principles.

9. WHAT ARE MY OBLIGATIONS?

Comply with the terms as stated in the normal Ijarah Agreement and/or RTO Agreement including those required to adhere to Shariah principles.

10. WHAT IF I FAIL TO FULFIL MY OBLIGATIONS?

In the event that the Tenant fails to fulfill its obligations under the normal Ijarah Agreement and/or RTO agreement, PUNB shall exercise its rights against the tenant in accordance with the terms of the normal Ijarah Agreement and/or RTO agreement.

11. WHAT IF I FAIL TO COMPLETE THE PURCHASE OF THE PROPERTY AFTER THE TENURE?

At the sole discretion of PUNB, the tenant may be offered the following options:

- To terminate the RTO agreement and the offer to purchase the Asset shall be cancelled. The Tenant is required to surrender the property to PUNB, subject to the terms and conditions of the RTO agreement; or
- To terminate the RTO agreement and continue renting under a standard/normal rental (Ijarah) agreement, subject to the terms and conditions to be determined by PUNB.

12. DO I NEED TO CONTINUE PAYING RENT AFTER SIGNING THE SALE AND PURCHASE AGREEMENT?

Yes, the tenant must continue paying monthly rental as stipulated in the RTO Agreement until the possession of the property is handed over to the tenant. Once tenant receives possession of the property, the RTO Agreement will be terminated accordingly.



13. WHO DO I CONTACT FOR MORE INFO?

If you're interested and would like to get more information, please contact PUNB's Property Officer at the following number:

For further inquiries please contact:

Strategic Property Unit | 019-334 3245 | spu@punb.com.my

Or visit PUNB Online at www.punb.com.my



DISCLAIMER

DISCLAIMER:

The information provided is merely general information of the PUNB RTO Programme. The terms and conditions indicated in this Programme Disclosure Sheet are tentative or indicative and may change from time to time at the discretion of PUNB. Final terms and conditions will be read jointly and superseded as stipulated in the letter of offer and the agreement upon assessment and approval by PUNB.

Please seek clarification from PUNB if you do not understand any part of this document.