

1. RULES APPLICABLE TO NON-RESIDENTS

1.1 Investments in Malaysia

The Malaysian markets are easily accessible by global investors, with generally free movements of capital inflows and outflows for investments in Malaysia.

- Non-residents are free to invest in any form of ringgit assets either as direct or portfolio investments.
- The investments can be funded through-
 - ✓ the conversion of foreign currency to ringgit with licensed onshore banks (excluding licensed international Islamic banks) or through an appointed overseas office of the licensed onshore bank's banking group;
 - ✓ foreign currency borrowings from the licensed onshore banks; or
 - ✓ ringgit borrowing from licensed onshore banks (excluding licensed international Islamic banks) for real sector activities and for the purchase of residential and commercial properties in Malaysia except for the purchase of land only.
- Non-residents are free to remit out divestment proceeds, profits, dividends or any income arising from investments in Malaysia. Repatriation, however, must be made in foreign currency.

1.2 Access to domestic financing

1.2.1 Financing in foreign currency

- Non-residents are free to obtain foreign currency financing from licensed onshore banks. Proceeds of the borrowing can be utilised in or outside Malaysia; and
- Non-residents are also allowed to issue foreign-currency denominated sukuk/bonds in Malaysia for use in or outside Malaysia.

1.2.2 Financing in ringgit

- Non-residents are allowed to obtain ringgit financing as follows-

Borrower	Lender	Limit/Purpose
Non-resident other than financial institution	<ul style="list-style-type: none"> • Licensed onshore banks (excluding licensed international Islamic banks) 	Free to obtain any amount to finance- <ul style="list-style-type: none"> • real sector activities in Malaysia; • the settlement for the purchase of goods or services with a resident; or • the purchase of residential and commercial properties in Malaysia except for the purchase of land only.
	<ul style="list-style-type: none"> • Resident stockbroking corporation • Licensed onshore banks with stockbroking license 	<ul style="list-style-type: none"> • Free to obtain margin financing for purchase of securities or financial instruments traded on Bursa Malaysia.
	<ul style="list-style-type: none"> • Licensed insurer or a licensed takaful operator 	<ul style="list-style-type: none"> • Up to the attained cash surrender value of any life insurance policy or family takaful certificate purchased by the non-resident
	<ul style="list-style-type: none"> • Resident companies and individuals 	<ul style="list-style-type: none"> • Free to obtain any amount to finance real sector activities in Malaysia
	<ul style="list-style-type: none"> • Individuals who are immediate family member 	<ul style="list-style-type: none"> • Any amount and purpose
	<ul style="list-style-type: none"> • Employer in Malaysia 	<ul style="list-style-type: none"> • Any amount pursuant to the terms and conditions of service and for use in Malaysia
Non-resident custodian bank or non-resident stock broking corporation	<ul style="list-style-type: none"> • Licensed onshore banks (excluding licensed international Islamic banks) 	<ul style="list-style-type: none"> • Free to obtain overdraft facilities to facilitate settlement of shares or ringgit instruments traded- <ul style="list-style-type: none"> ✓ on Bursa Malaysia; or ✓ through the Real Time Electronic Transfer of Funds and Securities System (RENTAS) to avoid settlement failure due to inadvertent delays of payment by non-residents.

1.3 Settlement for trade in goods or services

Settlement for trade in goods or services with residents can be undertaken both in foreign currency or ringgit.

1.4 Buying or selling of currency

1.4.1 Buying or selling of ringgit

- Non-residents are allowed to buy or sell ringgit against foreign currency with –
 - ✓ licensed onshore banks (excluding licensed international Islamic banks) on spot and forward basis for both current and financial account transactions;
 - ✓ appointed overseas offices of licensed onshore banks for both current and financial account transactions on firm commitment basis; and
 - ✓ any non-resident financial institution for the settlement of trade in goods or services with a resident.

1.4.2 Buying or selling of foreign currency

Non-residents are free to buy or sell foreign currency against another foreign currency in Malaysia with licensed onshore banks.

1.4.3 Financial Instrument

- Non-resident non-banks are free to enter into ringgit-denominated interest rate derivatives offered by licensed onshore banks (excluding licensed international Islamic banks) or appointed overseas offices of licensed onshore banks.
- Buying or selling of derivatives involving or with reference to exchange rates shall comply with prevailing rule on buying or selling of currency by non-residents.
- Non-residents are free to enter into ringgit-denominated derivatives and approved foreign currency derivatives offered on Bursa Malaysia.
- Settlement for the above transactions can be made either in ringgit or foreign currency equivalent.

1.5 Foreign currency and ringgit accounts

- Non-residents are free to open –
 - ✓ foreign currency accounts with licensed onshore banks in Malaysia;
and
 - ✓ ringgit accounts in Malaysia.
- Funds in these accounts are free to be remitted abroad in foreign currency.

1.6 Securities

- Non-residents are allowed to issue securities or Islamic securities denominated in foreign currency in Malaysia to any person.
- Issuance of ringgit-denominated securities, including initial public offering by non-residents require approval from BNM.

1.7 Import and export of currency

- Non-residents are free to import into and export from Malaysia, any amount of foreign currency including traveller's cheques.
- Non-resident travellers are allowed to carry ringgit on his person or in his baggage or in his possession, only up to USD10,000 equivalent upon arrival or leaving Malaysia.