

28 October 2008

TO THE CHIEF EXECUTIVE OFFICERS
OF LICENSED ONSHORE BANKS,
INTERNATIONAL ISLAMIC BANKS,
INTERNATIONAL TAKAFUL OPERATORS,
TAKAFUL OPERATORS AND
RETAKAFUL OPERATORS

Tuan,

Foreign Exchange Administration Rules on Dealing and Payment in Foreign Currency

To promote Malaysia as an International Islamic Financial Centre, Bank Negara Malaysia is pleased to announce the following with immediate effect:

- (a) All International Islamic Banks¹ are allowed to conduct the following transactions with any person in or outside Malaysia:
 - (i) buy or sell foreign currency against another foreign currency;
or
 - (ii) borrow or lend in foreign currency.

- (b) All International Islamic Banks, International Takaful Operators² and International Currency Business Units of licensed onshore banks, takaful operators³ or retakaful operators⁴ are allowed to make payment in foreign currency to resident intermediaries (individuals and companies) for the financial services rendered by the intermediaries to these institutions.

¹ Licensed under the Islamic Banking Act 1983
^{2,3,4} Registered under the Takaful Act 1984

2. The following Exchange Control Notices dated 1 September 1998 are amended accordingly:

- (a) ECM 2: Dealings in Gold and Foreign Currency; and
- (b) ECM 4: General Payments.

Yang benar,
b/p Pengawal Pertukaran Wang Asing

(Wan Hanisah Wan Ibrahim)
Pengarah