



Malaysia as Regional Treasury Centre Destination

Malaysia is one of the world's top investment destinations, hosting over 5,000 foreign companies from more than 40 countries. Our economy is fundamentally sound supported by highly educated workforce, good infrastructure and vibrant financial market. This makes Malaysia an ideal location for centralised treasury operation, as reflected in the country's rank at 15th among 190 economies in the World Bank's Ease of Doing Business 2019 Report

Flexible FX regime supportive of business environment



Conducive FX policies that facilitate intra-group liquidity & risk management

Comprehensive and vibrant financial system



Easy access to a comprehensive banking and capital market services



Centralised risk management

- Free to hedge currency, interest rate and price exposure for the group of entities
- Free to unwind the hedge (except for underlying ringgit portfolio investment)



Access to ringgit financing

- Free to raise ringgit financing from onshore banks or capital market for use in Malaysia
- Free to borrow in ringgit from overseas group of entities for real sector activities in Malaysia



Access to foreign currency financing

- Free to borrow in foreign currency from group of entities within and outside Malaysia and onshore banks
- Free to borrow from overseas financial institutions up to RM100 million in aggregate. Flexibility to borrow beyond the limit upon BNM's approval



Lending to non-resident

- Free to lend to non-resident using existing foreign currency funds or via conversion of ringgit for those without domestic borrowing; or up to RM50 million equivalent per calendar year for those with domestic borrowing. Flexibility to lend beyond the limit upon BNM's approval



Foreign currency payments in Malaysia

- Flexibility to transact in foreign currency within the group for settlement of domestic trade and services upon BNM's approval

Competitive and innovative banking system

- Wide range of banking and financial services provided by 27 commercial banks, 11 Investment banks and 18 Islamic banks
- Labuan International Banking and Financial Center (LIBFC) complements domestic financial system with offshore banking facilities to enable seamless integration with global financial markets
- Sophisticated and integrated domestic payment and settlement systems to enable instant transfers with great connectivity
- Strong adoption of technology among industry players to promote high class global cash management, online and digital solutions

Vibrant capital markets

- Liquid and sophisticated domestic ringgit bond and Sukuk market with variety of financing solutions and investment instruments
- A progressive asset management industry to spur growth in the securities (debt and equity) industry
- Robust primary issuances by both government and corporates, positioning Malaysia as the 3rd largest bond market in ASEAN
- Liquid secondary market with diversified investor base

Deep and liquid FX market

- Direct access to liquid onshore FX market via onshore banks or Appointed Overseas Office (A00)
- Comprehensive FX risk management solutions of international standards available

Human resource and talents

- Professional and sophisticated labour force with abundance of well trained banking and treasury executives
- Industry inculcates strong emphasis of good ethics, conduct and compliance culture

Treasury and fund management activity qualifies as one of the strategic services clusters offered under the Principal Hub 2.0 framework



Competitive tax package under Principle Hub 2.0

Further details on BNM's foreign exchange policy and application submission guideline is available at <http://bnm.my/fep>. Application can be submitted to MIDA and BNM (Director of Foreign Exchange Policy Department)