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**DIRECTION ON DEALINGS WITH SPECIFIED PERSON AND IN RESTRICTED CURRENCY**

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In exercise of the powers conferred by subsection 216(1) and section 261 of the Financial Services Act 2013 [Act 758] and subsection 227(1) and section 272 of the Islamic Financial Services Act 2013 [Act 759], the Bank, with the approval of the Minister, in the national interest, issues the following direction –

**Commencement Date**

1. This Direction comes into effect on **3 January 2022**.

**Definition**

2. In this Direction, unless the context requires otherwise –

**“Restricted Currency”** means –

- (a) currency note or coin which is legal tender in the State of Israel;
- (b) any right to receive currency note or coin mentioned in subparagraph (a) –
  - (i) in respect of any credit or balance at a licensed onshore bank or any other similar institution in or outside Malaysia; or
  - (ii) from any person in or outside Malaysia;
- (c) any document, instrument or device which enables a person to obtain currency note or coin mentioned in subparagraph (a) from another person, including but not limited to traveller’s cheque, letter of credit and bank draft; or
- (d) any electronic or digital representation of currency note or coin mentioned in subparagraph (a);

**“Specified Person”** means –

- (a) the State of Israel or its governmental organisation, authority or agency;
- (b) a natural person who is a citizen or permanent resident of the State of Israel;
- (c) any person incorporated, established, or registered for purposes of incorporation or establishment, in the State of Israel or under its laws including such person’s direct subsidiary or branch outside the State of Israel; or
- (d) any unincorporated person which is formed in the State of Israel or under its laws or policy.

### **Prohibition on Dealings with a Specified Person**

3. No person in Malaysia shall undertake or engage in any dealing or transaction with a Specified Person.

4. (1) Notwithstanding paragraph 3, a person may enter into, or make or receive payment arising from an international trade with or involving a Specified Person—

- (a) in goods, where such trade is licensed under the Customs Act 1967 [Act 235], or does not involve movement of goods into or out of Malaysia;  
or
- (b) in services, where such trade is allowed in writing by a relevant authority exercising statutory power in Malaysia, or does not involve provision of services to or from a person in Malaysia.

(2) Where an international trade with or involving a Specified Person does not fall under subparagraph (1)(a) or (b), a person may make or receive payment arising from such trade only with the written approval of the Bank.

### **Prohibition on Dealings in a Restricted Currency**

5. No person in Malaysia shall undertake or engage with any person in any dealing or transaction using or involving a Restricted Currency.

### **Prohibition on Opening of Account**

6. No person shall open an account for a Specified Person or in a Restricted Currency unless with the prior written approval of the Bank.

### **Revocation**

7. The Bank's Direction on Dealings with Specified Person and in Restricted Currency [BNM/RH/PD-030-8] issued on 30 April 2020 is revoked.