

Frequently Asked Questions (FAQ)

Non-Resident Borrowing in Malaysia (Notice 2)	
Questions	Answer
1. Can a non-resident individual borrow in ringgit from his/her non-resident brother for any purpose?	<ul style="list-style-type: none"> A non-resident individual is allowed to borrow any amount in ringgit or foreign currency (FC) from his/her resident or non-resident immediate family members (i.e. spouse, parents, children and siblings) for any purpose.
2. Can a non-resident individual borrow in ringgit from his/her non-resident sister in-law for any purpose?	<ul style="list-style-type: none"> No, in-laws are not deemed as immediate family members.
3. Can a non-resident obtain ringgit margin financing facility from a resident stock broking company to purchase shares of a Malaysian company listed on Bursa Malaysia?	<ul style="list-style-type: none"> Yes.
4. Can a non-resident borrow in ringgit in Malaysia for any purpose?	<ul style="list-style-type: none"> A non-resident is only permitted borrow in ringgit to finance or refinance activities in the real sector in Malaysia, including the purchase of immovable property, except for purchase of land only. <p>Please refer to Notice 2 for more details.</p> <p>Note: <i>“Refinance” includes refinancing of existing ringgit borrowing that was utilised for real sector activities in Malaysia or on-lending to a resident entity within the same group or an immediate family member that will be ultimately used for real sector activities in Malaysia.</i></p>
5. Can a non-resident obtain ringgit trade financing from a licensed onshore bank to facilitate settlement of international trade in goods or services with a resident?	<ul style="list-style-type: none"> Yes.
6. Can a non-resident obtain an overdraft facility from a licensed onshore bank to avoid settlement failure for purchase of ringgit securities?	<ul style="list-style-type: none"> Yes. The overdraft facility shall be solely for the purpose of mitigating settlement failure for purchase of ringgit securities due to inadvertent delay of payment (e.g. system failure or payment glitch due to unplanned events) by the non-resident with maximum tenure of 2 business days.

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	<ul style="list-style-type: none">• Such overdraft facility is eligible for the following non-residents:<ul style="list-style-type: none">(a) A non-resident custodian bank, stockbroking corporation, trust bank or international central securities depository acting on behalf of non-resident investors; or(b) A non-resident investor purchasing ringgit securities for its own account.

Bank Negara Malaysia

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