

## Frequently Asked Questions (FAQs) – Non-residents

<b>FAQs related to non-resident individuals and companies</b>	
<b>A. Import and export of currency</b>	
1.	<p>Can a non-resident traveller carry, in person or in baggage, ringgit or foreign currency into or out from Malaysia?</p> <ul style="list-style-type: none"><li>• There is no restriction for a non-resident traveller to bring into or out from Malaysia any amount of foreign currency, including traveller's cheques.</li><li>• The amount of ringgit that a non-resident traveller can bring into or out from Malaysia is only up to USD10,000 equivalent.</li></ul>
<b>B. General payments</b>	
2.	<p>Can a non-resident individual make payment in ringgit or foreign currency to his resident wife for any purpose?</p> <ul style="list-style-type: none"><li>• Yes, a non-resident individual is allowed to make payment in ringgit or foreign currency to his resident immediate family members i.e spouse, parents, children and siblings.</li></ul>
3.	<p>Does a non-resident require an external account in Malaysia to receive payment in ringgit?</p> <ul style="list-style-type: none"><li>• Yes.</li></ul>
<b>C. Investment in Malaysia</b>	
4.	<p>Is there any restriction for a non-resident to invest in Malaysia and later transfer any profits and divestment proceeds abroad?</p> <ul style="list-style-type: none"><li>• Non-residents are free to invest in any form of ringgit assets in Malaysia; and</li><li>• They are also free to remit out divestment proceeds, profits, dividends or any income arising from these investments in Malaysia, provided that repatriation is made in foreign currency</li></ul>
<b>D. External Account</b>	
5.	<p>I am a non-resident with more than one external account. Can I transfer funds from one account to the other?</p> <ul style="list-style-type: none"><li>• Yes, the transfer of funds from an external account to another external account belonging to the same account holder is allowed.</li></ul>
6.	<p>Can I transfer funds from my external account to my wife's external account?</p> <ul style="list-style-type: none"><li>• Yes, the transfer of funds between non-residents who are immediate family members (i.e. spouse, parents, children and siblings) is allowed.</li></ul>

7.	<p>I am a non-resident and residing overseas. I am interested to buy ringgit assets but have difficulty in accessing the Malaysian financial markets to purchase ringgit due to the time zone differences. Can I purchase ringgit to finance my investments in Malaysia from financial institutions in my home country?</p> <ul style="list-style-type: none"> <li>• Yes. Non-resident investors may purchase ringgit from an appointed overseas office of a licensed onshore bank to facilitate settlement for the purchase of ringgit assets.</li> <li>• A list of financial institutions under the Appointed Overseas Office framework is available at <a href="http://www.bnm.gov.my/fxadmin">www.bnm.gov.my/fxadmin</a> under the “Notices” section.</li> </ul>
8.	<p>What can a non-resident do with the funds in the external account?</p> <ul style="list-style-type: none"> <li>• A non-resident can use its ringgit funds in the external account, among others, to pay for goods or services* in Malaysia or to purchase ringgit assets** in Malaysia.</li> <li>• The non-resident may also convert the ringgit into foreign currency with a licensed onshore bank for repatriation abroad.</li> </ul> <p>* Services include:  1. Transportation, travel; or  2. Business services (merchanting trade, consultation, legal, accounting, communication, education, medical, construction, insurance).</p> <p>**Ringgit assets include:  1. Ringgit-denominated securities or Islamic securities issued in Malaysia by a resident;  2. Ringgit-denominated securities or Islamic securities issued by a non-resident as approved by Bank Negara Malaysia;  3. Ringgit-denominated financial instrument or Islamic financial instrument as approved in writing by Bank Negara Malaysia;  4. Ringgit deposits with a financial institution in Malaysia; or  5. Properties in Malaysia.</p> <p>Note: Purchase of ringgit redeemable preference shares issued by a resident is allowed provided that the issuance of ringgit redeemable preference shares is in line with prevailing rules on borrowing by residents.</p>
<b>E. Borrowings</b>	
10.	<p>Can a non-resident individual borrow in ringgit from his non-resident brother for any purpose?</p> <ul style="list-style-type: none"> <li>• Yes, a non-resident individual is allowed to borrow any amount in ringgit or foreign currency from his resident or non-resident immediate family members (i.e. spouse, parents, children and siblings) for any purpose.</li> </ul>
11.	<p>Can a non-resident obtain ringgit margin financing facility from a resident stock broking company to purchase shares of a Malaysian company?</p> <ul style="list-style-type: none"> <li>• Yes.</li> </ul>
12.	<p>Can a non-resident borrow in ringgit in Malaysia for any purpose?</p> <ul style="list-style-type: none"> <li>• No. A non-resident can only borrow in ringgit to finance activities in the real sector in Malaysia, including the purchase of immovable property, except for purchase of land only. Borrowing in ringgit to refinance an outstanding ringgit loan is also subject to approval from Bank Negara Malaysia.</li> </ul>

13.	<p>Where can a non-resident obtain ringgit to facilitate settlement of international trade with residents?</p> <ul style="list-style-type: none"> <li>• A non-resident can obtain ringgit from the following sources: <ul style="list-style-type: none"> <li>✓ the non-resident's own external account maintained with a licensed onshore bank;</li> <li>✓ sale of foreign currency for ringgit with: <ul style="list-style-type: none"> <li>• a licensed onshore bank;</li> <li>• an appointed overseas office of a licensed onshore bank; or</li> <li>• a non-resident financial institution.</li> </ul> </li> <li>✓ ringgit trade financing facility from a licensed onshore bank.</li> </ul> </li> </ul>
<b>F. Hedging</b>	
14.	<p>Are non-residents allowed to sell forward foreign currency against ringgit for placement into an external account?</p> <ul style="list-style-type: none"> <li>• No.</li> </ul>
15.	<p>Who can a non-resident buy or sell ringgit against foreign currency to hedge its ringgit exposure?</p> <ul style="list-style-type: none"> <li>• The non-resident can buy or sell ringgit with- <ul style="list-style-type: none"> <li>(a) any licensed onshore bank on – <ul style="list-style-type: none"> <li>✓ spot basis;</li> <li>✓ forward basis with firm underlying commitment;</li> <li>✓ forward basis for anticipatory hedging of current account transactions; or</li> </ul> </li> <li>(b) an appointed overseas office of a licensed onshore bank on spot or forward basis (both with firm underlying commitment) for financial account and current account transactions</li> </ul> </li> <li>• This is irrespective whether the ringgit asset is maintained with the foreign exchange counterparty or a different licensed onshore bank.</li> </ul>
16.	<p>Can a non-resident enter into anticipatory hedging involving ringgit with appointed overseas office of a licensed onshore bank to hedge its projected payments for goods or services to residents?</p> <ul style="list-style-type: none"> <li>• No, hedging involving ringgit with appointed overseas office of a licensed onshore bank must be supported with firm commitment.</li> </ul>
17.	<p>Can a non-bank non-resident enter into a ringgit-denominated interest rate derivative contract with a licensed onshore bank or an appointed overseas of a licensed onshore bank?</p> <ul style="list-style-type: none"> <li>• Yes. The transaction need not be supported with any firm underlying commitment.</li> </ul>

<b>G. Others</b>	
18.	<p>Can an appointed overseas office of a licensed onshore bank display the ringgit exchange rate on its internet banking website?</p> <ul style="list-style-type: none"> <li>• Yes, if the ringgit exchange rate is displayed on a website where access is granted only to its registered customers and the exchange rate used is sourced from a licensed onshore bank.</li> </ul>
19.	<p>A company in Malaysia is owned by non-resident. Is the company considered as a non-resident?</p> <ul style="list-style-type: none"> <li>• No. The company is a resident company as it is incorporated in Malaysia. The company is subject to all foreign exchange administration rules applicable to resident company.</li> </ul>
20.	<p>Does a non-resident require approval to issue ringgit securities in Malaysia?</p> <ul style="list-style-type: none"> <li>• Yes. A non-resident requires approval to issue any amount of ringgit securities, including issuance of ringgit Initial Public Offering (IPO) on Bursa Malaysia.</li> </ul>