



EXPLANATORY NOTES
FORM 10A
(BORROWING FROM NON-RESIDENT)

COVER PAGE

Item	Description
1. Submission by applicant seeking registration	➤ Please tick this item if the applicant submits his/her/its application himself/herself/itself
2. Submission on behalf of the applicant (third party)	➤ Please tick this item if a third party submits the application on behalf of the registrant e.g. consultant company, bank, etc.

PARTICULARS OF REGISTRATION

Item	Description
1. Name of applicant	➤ Name of applicant as registered with Companies Commission of Malaysia (CCM), National Registration Department (NRD) and Registrar of Societies (ROS). For non-resident, the name as registered with any official registration centre overseas
2. Basic Group	➤ The category of applicant e.g. individual, company, association etc

3. Resident status
 - a. Resident
 - i) Resident Controlled Company (RCC)
 - Residency status of applicant in Malaysia according to Financial Services Act 2013 (FSA)
 - A citizen of Malaysia or a person who has obtained a permanent resident status in Malaysia and residing in Malaysia, or body corporate or incorporate which is registered or approved by any authority in Malaysia. Please refer to the definition of resident in FSA for details
 - A resident company which is controlled directly or indirectly by residents
 - ii) Non-resident Controlled Company (NRCC)
 - A resident company which is controlled directly or indirectly by non-resident
 - b. Non-resident
 - A person who is not a resident, including Embassies, Consulates, High Commissions, supranational or international organisation. Please refer to the definition of non-resident in FSA for details
4. Business Registration /NRIC no.
 - Identification number as given by the CCM, NRD and ROS. For partnership, professional bodies, government agencies, associations, statutory bodies, co-operatives, societies, international organisation, foundation and businesses in Sabah and Sarawak, please use the number assigned by Bank Negara Malaysia (BNM) earlier, if any. Otherwise, please use the identification number assigned by the relevant approving authority
5. Passport no.
 - The number as shown in your passport for individuals or the number assigned by overseas registration centre for other than individuals
6. Nationality
 - The nationality as shown in your passport or the country where the non-resident applicant is located
7. Registered Address
 - The address as shown in the Memorandum of Association of the company
8. Correspondence address
 - Address where the applicant can be contacted by post
9. Contact person
 - The name of person for BNM officer to contact for any enquiry

10. Designation ➤ Designation of the above contact person
11. Telephone no. ➤ Telephone number (fixed line or mobile phone) where the contact person can be reached
12. Fax no. ➤ Current facsimile number to facilitate contact
13. E-mail address ➤ Valid and active e-mail address for any enquiries or notification
14. Principal business activity ➤ State main business activity of the applicant. A list of business activities is provided for applicant to choose. If the applicant is an individual, system will automatically chosen the principal business activity as “household” and applicant is required to complete his/her occupation
15. Occupation/Business activity details ➤ For individual applicant, please state your occupation. For other than individual applicant, this space could be completed to further describe its principal business activity.
- Details of third party** ➤ Particulars of party, who is submitting application on behalf of applicant
16. Name of company/
Individual ➤ Name of the third party which applies on behalf of applicant. For resident, the name should be the same as that registered with CCM, NRD or ROS
17. Address ➤ Address where the third party can be contacted by post
18. Contact person ➤ The name of person for BNM officer to contact for any enquiry
19. Designation ➤ Designation of the above contact person of third party
20. Telephone no. ➤ Telephone number (fixed line or mobile phone) where the contact person of third party can be reached
21. Fax no. ➤ Current facsimile number of the third party to facilitate contact
22. E-mail address ➤ Valid and active e-mail address of the third party for any enquiries or notification

DETAILS OF APPLICATION

Item	Description
1. Lender	➤ Category of non-resident lender whether individual or non-individual
2. Name	➤ The full name of non-resident lender
3. Country	➤ The country where the non-resident lender is located or residing
4. Passport no./ LFSA registration no.	➤ Identification number as shown in the passport for individual or the registration number assigned by Labuan Financial Services Authority (LFSA) for Labuan entity
5. Nature of business	➤ State main business activities of the lender. A list of business activities is provided for applicant to choose. If the lender is an individual, system will automatically chosen the principal business activity as “household”
6. Relationship with borrower	➤ State the relationship of the lender with the applicant (borrower). Who is the lender to applicant? e.g. holding company, subsidiary, banker, etc
7. Type of application	
a) Single currency	➤ Refers to the borrowing to be obtained is a single currency borrowing e.g. US dollar loan of USD10 million
b) Multi currency	➤ Refers to the borrowing to be obtained is a multi currency borrowing. This covers a multi currency borrowing which may be drawn down in a few foreign currencies (e.g. USD, SGD, DEM and EURO) or in any foreign currency
c) Multi tranche single currency	➤ Refers to the borrowing to be obtained is a multi tranche borrowing, of which the applied tranche is a single currency borrowing. Please note that one application form should be completed for each tranche
d) Multi tranche multi currency	➤ Refers to the borrowing to be obtained is a multi tranche borrowing, of which the applied tranche is a multi currency borrowing. Please note that one application form should be completed for each tranche

8. Currency
- Currency of the borrowing applied for. Applicant is required to use the ISO currency code. This item is not applicable for multi currencies borrowing
9. Amount
- Foreign currency amount of borrowing applied for. This item is not applicable for multi currencies borrowing
10. RM equivalent
- The amount of borrowing in ringgit equivalent
11. Lock in currency
- Currency in which applicant intends to lock into or, for multi currencies borrowing, the currency for overall borrowing limit. For example, if applicant is applying to obtain a US dollar borrowing equivalent to RM20 million, please states USD in currency and leaves item amount blank. Please also states MYR in item Lock in currency and 20 million in item Lock in amount
12. Lock in amount
- The amount applicant intends to apply for the above lock in currency
13. **Detail currency draw down:**
(For multi currencies borrowing, please provide the proposed currency and amount, if known)
- If the borrowing to be obtained is a multi currency borrowing, applicant may provide the expected borrowing limit for each currency. Please also state the lock in currency if it differs from the currency of borrowing
14. Category of borrowing
- Applicant is required to indicate whether the borrowing is based on conventional financing or Islamic financing
15. Terms and conditions
- Refers to the relevant terms and conditions of the borrowing. Applicant is required to complete Attachment 10A – Terms & Conditions Of Borrowing
16. Drawdown schedule
- Refers to the proposed draw down schedule of the borrowing to be obtained. Applicant is required to complete Schedule C – Proposed Draw Down Schedule For Offshore Borrowing
17. Purpose of borrowing
- Applicant is required to declare the purpose of the borrowed funds by indicating the amount in foreign currency and ringgit equivalent in the relevant row of the following table (please use the ISO currency code):-

a) Funds for use offshore:

- i) Import of raw materials
 - Refers to the loan proceeds that is to be used for purchase of raw materials from OVERSEAS
- ii) Import of machinery/equipment
 - Refers to the loan proceeds that is to be used for purchase of machineries or equipment from OVERSEAS
- iii) Repayment of other offshore borrowing
 - Refers to the loan proceeds that is to be used for repayment of existing OFFSHORE borrowing of the applicant ON its due date. Applicant is required to complete section “Repayment/Prepayment of Existing Offshore Borrowing”
- iv) Prepayment of other offshore borrowing
 - Refers to the loan proceeds that is to be used for repayment, in full or partially, of existing OFFSHORE borrowing of the applicant EARLIER than its repayment date. Applicant is required to complete section “Repayment/Prepayment of Existing Offshore Borrowing”
- v) Investment abroad
 - Refers to the loan proceeds that is to be used for investing abroad
- vi) Lending to non-resident
 - Refers to the loan proceeds that is to be used for lending to non-resident
- ii) Others
 - Refers to the loan proceeds that is to be used for overseas payments other than stated above. Applicant is required to specify the purpose

b) Funds for use onshore:

- i) Purchase of raw materials
 - Refers to the loan proceeds that is to be used for purchase of raw materials from RESIDENTS
- ii) Purchase of machinery/equipment
 - Refers to the loan proceeds that is to be used for purchase of machineries or equipment from RESIDENTS
- iii) Refinancing of ringgit borrowing
 - Refers to the loan proceeds that is to be used for repayment of existing RINGGIT borrowing of the applicant, which is obtained from RESIDENTS, on its due date or earlier settlement (prepayment)

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|---|--|
| iv) Refinancing of foreign currency borrowing | ➤ Refers to the loan proceeds that is to be used for repayment of existing foreign currency borrowing of the applicant, which is obtained from RESIDENTS, on its due date or earlier settlement (prepayment) |
| v) Renovation/expansion of building | ➤ Refers to the loan proceeds that is to be used for renovating or expanding the existing building owned by the applicant in Malaysia |
| vi) Build new plants/production lines | ➤ Refers to the loan proceeds that is to be used for construction of a new building, factory or installation of machineries in the applicant's factory in Malaysia |
| vii) Purchase of land & buildings | ➤ Refers to the loan proceeds that is to be used for purchase of buildings or lands located in Malaysia |
| viii) Working capital | ➤ Refers to the loan proceeds that is to be used for financing the operating expenses such as rental, leasing, electricity, salaries, payment for services etc |
| ix) Others | ➤ Refers to the loan proceeds that is to be used for local payments other than stated above. Applicant is required to specify the purpose |
18. Existing Borrowing of Applicant/Group of entities with parent-subsidiary relationship in Malaysia
- Borrowing obtained from:
- | | |
|---|--|
| a) Non-resident in Foreign Currency | ➤ Refers to foreign currencies borrowing obtained from any non-residents, including from Labuan entities |
| b) Non-resident in ringgit (External Account) | ➤ Refers to ringgit borrowing obtained from non-residents in Malaysia or from an External Account of non-residents |
| c) Resident bank in foreign currency | ➤ Refers to foreign currencies borrowing obtained from resident banks |
| d) Resident non-bank in foreign currency | ➤ Refers to foreign currencies borrowing obtained from any residents other than banks. However for group of entities with parent-subsidiary relationship in Malaysia, foreign currency borrowing between companies in the group should be excluded |

- e) Resident in ringgit
 - Refers to ringgit borrowing obtained from any resident (banks and non-banks). However, for group of entities with parent-subsidiary relationship in Malaysia, ringgit borrowing between companies in the group should be excluded

- f) Financial guarantees obtained from offshore financial institutions other than Labuan offshore banks
 - Refers to foreign currency guarantees obtained from offshore financial institutions other than Labuan offshore banks to secure repayments of any borrowing, e.g. Standby Letter of Credit

REPAYMENT/PREPAYMENT OF EXISTING OFFSHORE BORROWING

19. a) Details of borrowing to be repaid/prepaid
- Applicant is required to provide the following details of the borrowing to be repaid/prepaid:
- i) Loan ID
- Refers to approval identification number granted by BNM for applicant to obtain the offshore borrowing
- ii) Approval date
- Refers to the date of approval letter in the format of dd/mm/yyyy
- iii) Currency
- Refers to the currency of the borrowing. Applicant is required to use the ISO currency code
- iv) Amount outstanding as at _____
- Refers to the latest outstanding balance of the borrowing. Applicant is required to state the date of the outstanding balance
- v) Amount to be repaid/prepaid
- Refers to foreign currency amount of the existing borrowing to be repaid/prepaid
20. b) Reason(s) for obtaining the offshore borrowing for repayment/prepayment
- Explain briefly on why you or your company needs to obtain the offshore borrowing and repay or prepay the existing offshore borrowing. If it is required under specific agreement or contract, please provide details

GROSS INCOME

21. Total gross income for the last financial year ended
- Applicant is required to provide its total gross income or sales in one financial year. Therefore, the relevant annual report should be submitted to BNM as supporting document. Please state the financial year-end for the provided gross income
- a) In ringgit
- Gross income or sales made in ringgit
- b) In foreign currency (to be stated in RM equivalent)
- Gross income or exports in foreign currency. The amount is to be stated in ringgit equivalent

22. (To be completed by manufacturing/trading company only)
- a) Sales in Malaysia:
 - i) Free Zone & Licensed Manufacturing Warehouse
 - For applicant which is a manufacturing or trading company, it is required to provide the following additional information:
 - The amount of gross income from sales made to Free Zones and/or Licensed Manufacturing Warehouses in Malaysia which are gazetted by The Customs Department
 - ii) Others
 - The amount of gross income from sales to other places in Malaysia
 - b) Sales outside Malaysia
 - The amount of gross income from sales outside Malaysia or exports. The amount is to be stated in ringgit equivalent

SHAREHOLDERS' FUNDS OF APPLICANT AND GROUP IN MALAYSIA

23. Shareholders' funds of applicant and group of entities with parent-subsidiary relationship in Malaysia as at _____
- a) Paid-up capital
 - Details of shareholders' fund as at specific date, such as date of balance sheet. If applicant is a subsidiary of a group of entities with parent-subsidiary relationship in Malaysia, applicant is required to provide the consolidated shareholders' funds of the group
 - Total amount of paid-up shares at par value, including irredeemable preference shares
 - b) Share premium
 - Total amount of premium paid on top of the par value of paid-up shares
 - c) Capital revaluation reserves
 - Net increase or decrease of company's capital arising from assets revaluation exercise
 - d) Revenue reserves/(losses)
 - Net accumulated profit or loss from the company's business operations after dividends payments
 - e) Others
 - Other items contributing to the total shareholders' funds
24. Net working funds of a Malaysian branch as at _____
- This is only applicable for a Malaysian branch of an overseas company. It refers to the total amount granted by its headquarter to finance the operations of the branch in Malaysia, at a specific date (e.g. date of balance sheet), without charging any interest and with no fixed repayment schedule

25. Benefits to Malaysia

➤ Explain, on economic grounds how your proposed borrowings would benefit the country. For example, whether the proposed borrowings result in transfer of technology into Malaysia, induce exports of raw materials from Malaysia etc. These benefits may provide additional merit to the application

26. Background, rationale and other information to support the application

➤ Please provide other information relating to the proposed borrowings to further support your application

ATTACHMENT 10A
(Terms And Conditions of Borrowing)

Item	Description
1. Type of borrowing:	➤ Refers to the type of borrowing the applicant proposes to obtain. Please select one of the types of borrowing listed by system
Main terms of borrowing:	
2. Tenure	➤ Refers to the period from the first draw down of the borrowing until the full settlement required to be made or, for a revolving type of borrowing, until the expiry date. A borrowing may have tenure such as term loan or may not have tenure such as inter-company loan
a) Fixed	➤ Refers to the borrowing with a fixed tenure e.g. 5 years
b) No fixed tenure	➤ Refers to the borrowing with no fixed tenure such as personal loan, inter-company loan, advances etc
3. Interest effective date	➤ The start date when the interest will be charged to the borrowing
4. Interest type	➤ The type of interest to be charged. A list of types of interest is provided by system. Applicant should select either one of them i.e. fixed, floating, cost of funds or nil
5. Interest reference	➤ This item is only applicable if floating type of interest is selected for item 4 above. A list of interest reference is provided by system such as KLIBOR, LIBOR, SIBOR etc
6. Interest reference tenure	➤ This item is also only applicable if floating type of interest is selected for item 4 above. A list of interest reference tenure is provided by system such as 1 week, 1 month, 3 months, 1 year etc
7. Interest rate/spread	➤ Refers to the percentage of interest per annum for fixed interest rate e.g. <u>5</u> % or percentage spread for floating interest rate e.g. KLIBOR + <u>2</u> % or Cost of funds + <u>1.5</u> %
8. Interest range	➤ Refers to a range of percentage of interest per annum for fixed interest rate e.g. 5% - 6%

9. Option/convertibility
- Refers to the optional action may be undertaken by the borrower, lender, issuer of debt instrument or the holder of debt instrument
- a) Convertible into equity
 - The borrowing may be settled by issuing the borrower's shares to lender at a pre-agreed exercise period or date
 - b) Exchangeable with other securities
 - The borrowing may be settled by transferring other securities to lender at a pre-agreed exercise period or date
 - c) Call option by issuer
 - The issuer of debt instrument may call for early redemption of a debt instrument at a pre-agreed exercise period or date
 - d) Put option by holder
 - The holder of debt instrument may request for early redemption of the debt instrument at a pre-agreed exercise period or date
 - e) Prepayment allowed by lender
 - The borrower of the borrowing is allowed to prepay the outstanding balance earlier than the actual repayment or settlement/ redemption date
 - f) Period for option/convertibility can be exercised
 - Refers to the period when the above listed option/convertibility can be exercised. Applicant is required to state the start date and end date. If the exercise period is only one date, please state the same date for both start date and end date
 - g) Terms for option/convertibility can be exercised
 - Applicant is required to describe briefly on the conditions or criteria which qualify the option/convertibility to be exercised
10. Cross default clause
- Refers to a clause in the borrowing agreement which states that if the borrower defaulted repayment of this borrowing it will cause cross default on other borrowing (normally specified in the agreement) and may be called for full settlement
11. Repayment schedule
- Applicant is required to indicate whether the proposed borrowing to be obtained has a fixed repayment schedule or not. If the proposed borrowing has a fixed repayment schedule, applicant is required to complete Schedule B – Proposed Repayment Schedule for Offshore Borrowing

- 12. Fees
 - Refers to the total fees to be paid by the borrower to the lender such as processing fee. If the fee is a fixed amount, please state the amount. Otherwise, the fee may be stated as a percentage of the total amount of borrowing
- 13. Security
 - Refers to any assets required to be pledged as security/collateral or any guarantees for the offshore borrowing
- 14. Others
 - Refers to any other terms and conditions which applicant thinks significant for the proposed borrowing

SCHEDULE B
(Proposed Repayment Schedule For Offshore Borrowing)

Item	Description
1. Type	➤ Refers to the following type of timing for the proposed repayment:
a) 1 st half	➤ Refers to the first 15 days of the month
b) 2 nd half	➤ Refers to the subsequent 15/16 days of the month
c) Exact date (if available)	➤ Refers to the exact repayment date if known by applicant
2. dd	➤ Refers to the day on which to effect the repayment. This item is only applicable if the exact date is known
3. mm	➤ Refers to the month in which to effect the repayment
4. yyyy	➤ Refers to the year in which to effect the repayment
5. Currency	➤ Refers to the currency of repayment. Please use the ISO currency code
6. Amount	➤ Refers to the foreign currency amount of the repayment
7. RM equivalent	➤ Refers to the ringgit equivalent of the amount of repayment

SCHEDULE C
(Proposed Drawdown Schedule For Offshore Borrowing)

Item	Description
1. Type	➤ Refers to the following type of timing for the proposed draw down:
a) 1 st half	➤ Refers to the first 15 days of the month
b) 2 nd half	➤ Refers to the subsequent 15/16 days of the month
c) Exact date (if available)	➤ Refers to the exact draw down date if known by applicant
2. dd	➤ Refers to the day on which to effect the draw down. This item is only applicable if the exact date is known
3. mm	➤ Refers to the month in which to effect the draw down
4. yyyy	➤ Refers to the year in which to effect the draw down
5. Currency	➤ Refers to the currency of draw down. Please use the ISO currency code
6. Amount	➤ Refers to the foreign currency amount of the draw down
7. RM equivalent	➤ Refers to the ringgit equivalent of the amount of draw down