



EXPLANATORY NOTES

FORM 10F

(ISSUANCE OF REDEEMABLE PREFERENCE SHARES (RPS) TO NON-RESIDENTS)

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
 - Residency status of applicant in Malaysia according to Financial Services Act 2013 (FSA)
 - a. Resident
 - 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
 - i) Resident Controlled Company (RCC)
 - 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. Total amount of issuance	➤ Total amount of Redeemable Preference Shares (RPS) to be issued to residents and non-residents
2. Amount applied for (Issuance to non-residents only)	➤ Total amount of proceeds to be received from the issuance of redeemable preference shares (RPS) to non-residents
3. Terms and conditions	➤ Refers to the relevant terms and conditions of the RPS. Applicant is required to complete Attachment 10F – Terms and Conditions of Redeemable Preference Shares (RPS)
4. Purpose of issuance	➤ Applicant is required to declare on what purpose the proceeds from the issuance of RPS will be used for by indicating the amount (in ringgit) in the relevant row of the following table:
a) Funds for use offshore:	
i) Import of raw materials	➤ Refers to the proceeds from the issuance of RPS is to be used for purchase of raw materials from OVERSEAS
ii) Import of machinery/ equipment	➤ Refers to the proceeds from the issuance of RPS is to be used for purchase of machineries or equipments from OVERSEAS

- iii) Repayment of offshore borrowing
 - Refers to the proceeds from the issuance of RPS is to be used for repayment of existing OFFSHORE borrowing of the applicant ON its due date. Applicant is required to complete Part 5 of this form – Repayment/Prepayment of Existing Offshore Foreign Currency Borrowing
 - iv) Prepayment of offshore borrowing
 - Refers to the proceeds from the issuance of RPS 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 Part 5 of this form –Repayment/Prepayment of Existing Offshore Foreign Currency Borrowing
 - v) Others
 - Refers to the proceeds from the issuance of RPS 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 proceeds from the issuance of RPS is to be used for purchase of raw materials from RESIDENTS
 - ii) Purchase of machinery/equipment
 - Refers to the proceeds from the issuance of RPS is to be used for purchase of machineries or equipments from RESIDENTS
 - iii) Refinancing of domestic borrowing
 - Refers to the proceeds from the issuance of RPS is to be used for repayment of existing ringgit or foreign currency borrowing of the applicant, which is obtained from RESIDENTS, on its due date or earlier settlement (prepayment)
 - iv) Renovation/expansion of building
 - Refers to the proceeds from the issuance of RPS is to be used for renovating or expanding the existing building owned by the applicant in Malaysia
 - v) Build new plants/production lines
 - Refers to the proceeds from the issuance of RPS is to be used for construction of a new building, factory or installation of machineries in factory in Malaysia

- vi) Purchase of land & buildings
 - Refers to the proceeds from the issuance of RPS is to be used for purchase of buildings or lands located in Malaysia
 - vii) Working capital
 - Refers to the proceeds from the issuance of RPS is to be used for financing the operating expenses such as rental, leasing, electricity, salaries, payment for services etc
 - viii) Others
 - Refers to the proceeds from the issuance of RPS is to be used for local payments other than stated above. Applicant is required to specify the purpose
5. Existing Credit Facilities of Applicant/Group of entities with parent-subsidiary relationship in Malaysia
- Applicant is required to provide the ringgit equivalent of credit limits and outstanding balances of his/its existing borrowing obtained from any party, including financial guarantees obtained from offshore financial institutions other than Labuan offshore banks. If the applicant is a member of a group of entities with parent-subsidiary relationship in Malaysia, it is also required to provide the Outstanding borrowing of its group. However, inter-company borrowings between companies in the group should be excluded

Borrowing obtained from:

- i) Non-resident in foreign currency
 - Refers to foreign currencies borrowing obtained from any non-residents, including from Labuan entities
- ii) Non-resident in Ringgit (EA)
 - Refers to ringgit borrowing obtained from non-residents in Malaysia or from an External Accounts of non-residents
- iii) Resident bank in foreign currency
 - Refers to foreign currencies borrowing obtained from resident banks such as Malayan Banking Bhd, Public Bank Bhd etc
- iv) 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 Currencies borrowing between companies in the group should be excluded

- | | |
|---|--|
| v) Resident in Ringgit | ➤ Refers to ringgit borrowing obtained from any residents (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 |
| vi) Financial guarantees obtained from offshore financial institutions other than Labuan offshore banks | ➤ Refers to foreign currencies guarantees obtained from offshore financial institutions other than Labuan offshore banks to secure repayments of any credit facilities, e.g. Standby Letter of Credit from DBS Bank, Singapore |

REPAYMENT/PREPAYMENT OF EXISTING OFFSHORE BORROWING

- | | |
|--|---|
| 6. 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 dd/mm/yyyy |
| iii) Currency | ➤ Refers to the currency of the borrowing. Applicant is required to use the ISO currency code as provided in the ECM Notice to indicate the type of currency of the borrowing |
| 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 |
| b) Reason(s) for repayment/prepayment | ➤ Explain briefly on why you or your company needs to issue RPS to non-residents and repay/prepay the existing offshore borrowing. If it is required under specific agreement or contract, please provide details |

SHAREHOLDERS' FUNDS OF APPLICANT AND GROUP IN MALAYSIA

7. Shareholders' funds of applicant and group of entities with parent-subsidiary relationship in Malaysia as at _____
 - (i) 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
 - (ii) Share premium
 - Total amount of paid-up shares at par value, including irredeemable preference shares
 - (iii) Capital revaluation reserves
 - Total amount of premium paid on top of the par value of paid-up shares
 - (iv) Revenue reserves/ (losses)
 - Net increase or decrease of company's capital arising from assets revaluation exercise
 - (v) Others
 - Net accumulated profit or loss from the company's business operations after dividends payments
 - Other items contributing to the total shareholders' funds
8. Networking 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 without charging any interest and with no fixed repayment schedule
9. Benefit to Malaysia
 - Explain, on economic grounds how your proposed issuance of RPS would benefit the country. For example, would your proposed issuance of RPS result in transfer of technology into Malaysia, induce exports of raw materials from Malaysia etc. These benefits may provide additional merits to the application
10. Background, rationale and other information to support the application
 - Please provide any other information relating to the proposed issuance of RPS in order to further support your application

ATTACHMENT 10F

(Terms And Conditions of Redeemable Preference Shares (RPS))

Item Description

1. Type of RPS
 - Refers to the type or features of RPS:-
 - a) Cumulative RPS
 - Refers to the RPS where its unpaid dividends is carried forward to next year i.e. next year issuer will have to pay double dividends
 - b) Others
 - Refers to the RPS which has no cumulative feature. Applicant is required to describe other significant feature that the RPS has
 - c) Participation in the profit of the company:
 - Refers to the holder of RPS has voting right in the issuing company. Applicant is required to indicate whether the RPS to be issued is a participating or non-participating RPS
2. Main terms of RPS:
 - a) No. of unit to be issued
 - Refers to the total number of RPS to be issued to non-residents
 - b) Par value
 - Refers to the face of the RPS as stated in the RPS certificate
 - c) Issue price per unit
 - Refers to the price per unit of RPS
 - d) Dividends
 - Refers to the dividends or interest rate to be paid to holder of RPS per annum
 - (i) Fixed
 - Refers to the dividend rate is fixed e.g 5%
 - (ii) Not Fixed
 - Refers to the dividend rate is not fixed
 - e) Tenure
 - Refers to the period from the date of issuance until redemption date
 - (i) Fixed tenure
 - Refers to the RPS with a fixed tenure e.g. 5 years
 - (ii) No fixed tenure
 - Refers to the RPS with no fixed tenure
 - f) Option/convertibility etc.
 - Refers to the optional action may be undertaken by the issuer or holder of RPS

- i) Convertible/
exchangeable
 - The RPS may be redeemed earlier by issuing the issuer's shares to the holder or by exchanging the RPS with other securities at a pre-agreed exercise period or date
- ii) Call option/early
redemption by issuer
 - The issuer of debt instrument may call for early redemption of the RPS at a pre-agreed exercise period or date
- iii) Put option by holder
 - The holder of RPS may request for early redemption of the RPS at a pre-agreed exercise period or date
- iv) 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 exercised period is only one day, please state the same date for both start date and end date
- v) 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
- g) Cross default clause
 - Refers to a clause in the RPS which state that if the borrower defaulted repayment of dividends or interest of this RPS it will cause other borrowing (normally specified in the agreement) to be deemed as also defaulted and may be called for full settlement
- h) Particulars of non-resident
subscribers
 - Applicant is required to provide the following details of its non-resident subscribers (applicant is required to complete Schedule D – Proposed Subscription Schedule for Redeemable Preference Shares (RPS):
 - i) Name
 - The full name of non-resident subscriber
 - ii) Country
 - The country where the respective non-resident subscriber located or residing
 - iii) Amount
 - Refers to total amount of RPS (in ringgit) issued to the respective subscriber
 - iv) Proposed currency of
subscription
 - Refers to the expected currency of payment by the respective non-resident subscriber to applicant

- | | |
|------------------------------------|--|
| v) Proposed currency of redemption | ➤ Refers to the expected currency of payment by applicant to the respective non-resident when it is redeemed |
|------------------------------------|--|

SCHEDULE D

(Proposed Subscription Schedule For Redeemable Preference Shares (RPS))

Applicant is required to combine subscription payment schedules of all its non-resident subscribers. Non-resident subscribers may make subscription payment in any foreign currency other than in the currency of the state of Israel, or in ringgit from the non-resident subscribers' ringgit account in Malaysia. Since non-resident subscribers may make subscription payments in any currency other the above Restricted Currency, the combined subscription schedule should be stated in ringgit equivalent.

Item	Description
1. Subscription schedule	➤ Refers to the sequence number of subscription payments
(a) 1 st Half	➤ Refers to the first 15 days of the month
(b) 2 nd Half	➤ Refers to the subsequence 15 days of the month
(c) Exact date (if available)	➤ Refers to the exact subscription payment's date if known by applicant
2. Dd	➤ Refers to the day to receive the subscription payment. This item is only applicable if the exact date is known
3. Mm	➤ Refers to the month to receive the subscription payment
4. yyyy	➤ Refers to the year to receive the subscription payment
5. RM equivalent	➤ Refers to the ringgit equivalent of the subscription payment to be received by applicant