



**EXPLANATORY NOTES  
FORM 6B  
(INVESTMENT ABOARD FOREIGN CURRENCY BORROWING BY NON-  
RESIDENT FROM RESIDENT)**

**COVER PAGE**

<b>Item</b>	<b>Description</b>
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**

<b>Item</b>	<b>Description</b>
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.   |
| <b>Details of third party</b>            | ➤ Particulars of party, who is submitting application on behalf of applicant  |
| 16. Name of company/<br>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. New borrowing	➤ Refers to application to extend a new borrowing to the non-resident
2. Additional amount to existing approved borrowing	➤ Refers to application to increase the amount of existing borrowing extended to the non-resident. Applicant is required to state the approval/loan ID no. of the existing credit facility. If the borrowing was extended where prior approval of BNM was not required, applicant is required to state the last date of disbursement of the borrowing to the non-resident
3. Type of borrowing	➤ Applicant is required to indicate whether the borrowing is based on conventional financing or Islamic financing  ➤ Applicant is also required to indicate whether the borrowing is a regular loan agreement e.g. term loan, revolving credit, overdraft etc. or debt instruments issued by the non-resident which are tradable e.g. issuing bonds
4. Amount applied	➤ Total amount proposed to be lent to non-resident in foreign currency and its ringgit equivalent at point of application. Applicant is required to use the ISO currency code (e.g. USD)
5. Period of remittance	➤ Refers to the expected draw down period for the loan extension
a) Start date	➤ The expected first draw down date or, for revolving facility, the start date for the facility
b) End date	➤ The expected last draw down date or, for revolving facility, the end date of the facility
6. Terms and condition of loan	➤ The terms and conditions of granting the borrowing or the terms of the debt instrument e.g. currency of borrowing, interest rate, tenure, security, etc. If the type of borrowing is a loan, applicant is required to complete Attachment 6(i) - Terms And Conditions of Borrowing To Non-Resident. If the type of borrowing is a debt instrument, applicant is required to complete Attachment 6(ii) – Terms And Conditions of Debt Instrument. Only the required terms and conditions are necessary to be declared.

## DETAILS OF OVERSEAS BORROWER/ISSUER

7. Name
  - Full name of the overseas borrower whom the loan is to be channeled to
8. Country
  - The country where the borrower/ company is located
9. Borrower's Relationship with Investor/applicant
  - State the relationship of the borrower with the applicant. Who is the borrower to applicant? e.g. holding company, subsidiary, banker, brother (for individual) etc.
10. Nature of business
  - State main business activity of the borrower as stated in the company's Memorandum of Association or, if the borrower is an individual, state the occupation of the borrower
11. Paid-up capital
  - Borrower's paid-up capital in foreign currency. Applicant is required to use the ISO currency code (e.g.USD)
12. Use of borrowed funds:
  - Applicant is required to declare the purpose of the borrowed funds. For a borrowing in terms of a subscription to debt instrument, only an applicant who is subscribing at primary level is required to complete this section
  - A. Borrower's/Issuer's own use
    - Refers to the use of funds for purchase of assets or services for borrower's own consumption or business operations
    - i) Working capital
      - purchase of raw materials
        - Refers to the use of borrowed funds for purchase of raw materials from local or overseas suppliers
      - Operating expenses
        - Refers to the use of borrowed funds for financing operating expenses such as rental, leasing, electricity, salaries, payment for services etc.
    - ii) Purchase of capital goods
      - Refers to the use of borrowed funds for purchase of capital goods such as machinery, land and building, vehicle etc.
    - iii) Refinancing of loans
      - Refers to the use of borrowed funds to prepay or repay existing loans obtained from any parties. Applicant is required to state the reason why he/she/it needs to refinance the existing loans
    - iv) Others
      - Refers to the use of borrowed funds for borrower's own use other than specified above. Applicant is required to specify usage of funds

- B. Borrower/issuer to further invest/on-lend
  - Refers to the use of borrowed funds for further investment in or on-lending to other company/party
- i) Equity
  - Refers to the use of borrowed funds for investment into equity of another company by the overseas borrower
- ii) Loan/debt securities
  - Refers to the use of borrowed funds for further on-lend by the overseas borrower to another

13. **DETAILS ON ULTIMATE INVESTMENT/LENDING**

- a) Name of ultimate investee/borrower
    - State the name of the company/party who will be ultimate recipient of the borrowed funds
  - b) Country
    - The country and town where the ultimate investee/ultimate borrower is located
  - c) Nature of business
    - State main business activity of the ultimate investee/ultimate borrower as stated in the company's Memorandum of Association or, if the ultimate borrower is an individual, state the occupation of the ultimate borrower
  - d) Currency & amount
    - Total amount to lend to or invest in the equity of the relevant party. Please use the ISO currency code (e.g.USD)
  - e) Use of funds
    - State the proposed use of funds by the ultimate investee/ultimate borrower
14. Reason(s) for indirect investment or extension of credit facility through intermediary company(ies)
- Explain briefly why you or your company need to invest in the ultimate investee or extend loan to the ultimate borrower through the immediate borrower. If it is required under specific agreement/contract or the lender will obtain certain benefits or advantages, please provide details.

## SOURCE OF FUNDING FOR THE PROPOSED LOAN EXTENSION

- Applicant is required to indicate the source of funding for the proposed lending to overseas borrower in foreign currency as well as ringgit equivalent. Please use the ISO currency code (e.g.USD)
15. A. Cash
- Refers to the lending is to be made in cash
- a) Own funds
- Refers to the source of funds for the loan which is derived from the applicant's own funds as follows:
- i) Deposits
- RM account
    - Refers to funds to be sourced from ringgit account balances with domestic banks
  - FC account
    - Refers to funds to be sourced from foreign currency account balances with domestic banks
- ii) Incoming funds:
- equity injection:
    - resident shareholders
      - Refers to funds to be sourced from a proposed injection of equity by resident shareholders
    - non-resident shareholders
      - Refers to funds to be sourced from a proposed injection of equity by non-resident shareholders
- iii) Others
  - Refers to funds to be sourced from applicant's own funds other than the categories specified above.
- b) Domestic borrowings
- Refers to the source of funds for the loan which is derived from domestic borrowings as follows:
- i) Inter-company loans
  - Refers to the lending to be financed with a borrowing from applicant's related company(ies) in Malaysia
- ii) Banking institutions
  - Refers to the lending to be financed with a borrowing from a domestic banking institution
- iii) Others
  - Refers to the lending to be financed with a borrowing from a resident party other than specified above
- c) Offshore borrowings:
- Refers to the source of funds for the loan which is derived from offshore borrowing e.g. from related company overseas, overseas financial institutions, issuance of bonds overseas etc. Applicant is required to total-up the amount if it obtains the funds from several offshore borrowings

16. B. Other Than Cash
- a) Assets
    - Refers to the lending to be made in a form other than cash
  - a) Assets
    - Extension of borrowing to non-resident in the form of assets (Note : Please also complete Form 5N for extension of loan by way of export of goods from Malaysia exceeding RM100,000 per shipment) as follows:-
      - i) Used assets
        - Refers to a proposal to extend loan in the form of used assets e.g. used equipment, used machineries, etc.
      - ii) New assets
        - Refers to a proposal to extend loan in the form of providing new assets, e.g. new equipment, new machineries, etc. which will be obtained from domestic or overseas sources
  - b) Others
    - Refers to a proposal to extend loan in other forms such as providing technical services etc.
17. Details of the assets/others
- If the lending is in the form of other than cash i.e. in the form of assets or others, please explain briefly about the proposed lending arrangement

### **BENEFIT TO MALAYSIA**

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

## SHAREHOLDER'S FUN OF THE APPLICATION AND GROUP IN MALAYSIA

18. Shareholders' funds of applicant and group of entities with parent subsidiary relationship 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 group of entities with parent subsidiary relationship, applicant is also required to provide the consolidated shareholders' funds of the group
  - b) Share premium
    - Total amount of paid-up shares at par value, including irredeemable preference shares
  - c) Capital revaluation reserves
    - Total amount of premium paid in addition to the par value of paid-up shares
  - d) Revenue reserves/ (losses)
    - Net increase or decrease of company's capital arising from assets revaluation exercise
  - e) Others
    - Net accumulated profit or loss from the company's business operations after dividend payments
    - Other items contributing to the total shareholders' funds
19. 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, as at specific date e.g. date of balance sheet, without charging any interest and with no fixed repayment schedule
20. Existing borrowing of applicant/group of entities with parent subsidiary relationship in Malaysia
- a) Domestic sources
    - Please confirm whether the applicant or its corporate group of entities..... Malaysia has any existing credit facilities. If yes, applicant is required to provide the outstanding balance (in ringgit) of borrowing from the following sources:
      - Refers to borrowing obtained from resident banks or non-banks. However, inter-company borrowings between companies in the corporate group should be excluded
      - Refers to borrowing obtained from non-resident banks or non-banks, including from Labuan offshore banks
  - b) Offshore sources
21. Background, rational and other information to support the application
- Please provide other information relating to the proposed lending to further support your application

## Schedule A

### (Proposed Schedule of Remittance To Non-Residents For Investment Abroad/ Extension of Borrowing)

Item	Description
1. Type	➤ Refers to the following types of timing for the proposed remittance:
a) 1 <sup>st</sup> half	➤ Refers to the first 15 days of the month
b) 2 <sup>nd</sup> half	➤ Refers to the subsequent 15/16 days of the month
c) Exact date	➤ Refers to the exact date of remittance/ drawdown if known by applicant
2. Dd	➤ Refers to the day on which to effect the remittance/drawdown. This item is only applicable if applicant selected exact date for the above type of timing. Applicant is encouraged to provide the exact date because it is beneficial for BNM's statistical purposes
3. Mm	➤ Refers to the month in which to effect the remittance/drawdown
4. Yyyy	➤ Refers to the year in which to effect the remittance/drawdown
5. Currency	➤ Refers to the currency of remittance/ drawdown. Please use the ISO currency code as provided in the ECM Notices to indicate the type of currency
6. Amount	➤ Refers to the foreign currency amount to remit/drawdown
7. RM equivalent	➤ Refers to the ringgit equivalent of the amount to remit

**Attachment 6(i)**  
**(Terms And Conditions of Loan)**

<b>Item</b>	<b>Description</b>
1. Interest effective date	➤ The start date when the interest will be charged to the proposed loan
2. 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
3. Interest reference	➤ This item is only applicable if floating type of interest is selected for item 2 above. A list of interest reference is provided by system such as KLIBOR, LIBOR, SIBOR etc.
4. Interest reference tenure	➤ This item is also only applicable if floating type of interest is selected for item 2 above. A list of interest reference tenure is provided by system such as 1 week, 1 month, 3 months, 1 year etc.
5. 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> %
6. Interest range	➤ Refers to a range of percentage of interest per annum for fixed interest rate e.g. 5% - 6%
7. Tenure of loan	➤ Refers to the period from the 1 <sup>st</sup> drawdown date until full settlement is required to be made
a) Fixed tenure	➤ Refers to credit facility with fixed tenure e.g. 5 years
b) No fixed tenure	➤ Refers to credit facility with no fixed tenure such as personal loan, inter-company loan, advances etc.
8. Repayment schedule	➤ Refers to the schedule of repayment which borrower is obliged to adhere to
a) Fixed schedule	➤ Refers to credit facility with fixed schedule of repayment such as monthly, quarterly or bullet repayment. If the proposed credit facility has fixed repayment schedule, please complete the repayment schedule table
b) No fixed schedule	➤ Refers to credit facility with no fixed repayment schedule e.g. may be paid anytime during the tenure.

**Attachment 6(ii)**  
**(Terms And Conditions of Debt Instrument)**

<b>Item</b>	<b>Description</b>
1. Type of debt instrument	➤ Refers to the name of debt instrument which is publicly known
a) Bonds	➤ Refers to a certificate confirming that its owner has lent money to a specified borrower which the loan will be repaid on a fixed date and at a fixed rate of interest.
b) Floating Rate Notes	➤ Refers to a certificate confirming that its owner has lent money to a specified borrower which the loan will be repaid on a fixed date and at a floating rate of interest e.g. 1% + LIBOR
c) Loan Stock	➤ Refers to a debt instrument issued by company in respect of a loan made. Loan stocks usually bear a fixed rate of interest. Applicant is required to indicate whether the loan stock is redeemable, irredeemable or convertible or any combination of them
d) Redeemable Preference Shares	➤ Refers to special shares issued by a company which have priority in terms of dividend and profit. This type of shares may be redeemed at anytime or on specific date by the company or the holders. For redeemable preference shares, applicant is required to indicate whether they have participating or non-participating feature.
e) Others	➤ Refers to debt instrument other than specified above. Applicant is required to specify the name of the debt instrument it is known with
2. No. of unit to be acquired	➤ The number of units of the foreign currency debt instrument to be acquired by applicant
3. Nominal value	➤ The face value of one unit of the debt instrument
4. Price per unit	➤ Purchase price for one unit of the debt instrument
5. Interest effective date	➤ The start date when the interest will be charged to the proposed loan

6. 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
7. Interest reference
  - This item is only applicable if floating type of interest is selected for item 6 above. A list of interest reference is provided by system such as KLIBOR, LIBOR, SIBOR etc.
8. Interest reference tenure
  - This item is only applicable if floating type of interest is selected for item 6 above. A list of interest reference tenure is provided by system such as 1 week, 1 month, 3 months, 1 year etc.
9. Interest rate/spread
  - Refers to the percentage of interest per annum for fixed interest rate e.g. 5% or percentage spread for floating interest rate e.g. KLIBOR + 2% or Cost of funds + 1.5%
10. Interest range
  - Refers to a range of percentage of interest per annum for fixed interest rate e.g. 5% - 6%
11. Interest/dividend rate
  - Applicant is required to indicate whether the interest/dividend is cumulative (accrued if it is not paid by the issuer) or non-cumulative
12. Tenure
  - Refers to the period from the issue date until the maturity date of the debt instrument
  - a) Fixed tenure
    - Refers to the debt instrument with fixed tenure e.g. 3 years
  - b) No fixed tenure
    - Refers to the debt instrument with no fixed tenure