



EXPLANATORY NOTES
FORM 9A
(INVESTMENT ABROAD - EQUITY)

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. New investment	➤ Applicant is proposing to invest in a company which he/she/it did not have any equity interest before
2. Increase in existing investment	➤ Applicant is proposing to invest in a company which he/she/it already has existing equity interest e.g. to increase shareholding from 30% to 50%. If the applicant had already been given an approval ID by BNM for the previous investment, please state the approval ID number. If the approval was given with no approval ID no., please state the date of approval letter
3. Total estimated cost of investment	➤ The total amount to be invested in the overseas entity. For example, if your total obligation in the overseas entity is 100%, but the immediate requirement is only for 45%, you should, however, indicate your entire 100% obligation as the total cost of investment. The amount should be stated in foreign currency and its ringgit equivalent. Applicant is required to use the ISO currency code (e.g. USD)
4. Amount applied	➤ The amount proposed to be invested in the overseas company, in foreign currency and its ringgit equivalent. Applicant is required to use the ISO currency code. If applicant is applying to make investment abroad in foreign currency equivalent to certain amount of RM, please state the type of foreign currency and the RM equivalent amount
5. Payback period	➤ The expected number of years to recover the amount invested in the overseas company e.g. from profits, dividends etc
6. Expected returns on investment	➤ Applicant is required to provide the expected returns from the proposed investment e.g. profit and dividends for 5 consecutive years starting from the year the investment is made. Please use the ISO currency code
7. Period of remittance	➤ The expected period for remittances to the non-resident company for the proposed investment abroad

- a) Start date
 - The expected first remittance to the non-resident company
- b) End date
 - The expected last remittance to the non-resident company
- 8. Type of equity to be acquired:
 - Indicate the type of securities of the investee company to be acquired by applicant:
 - a) Ordinary shares
 - Ordinary shares issued by the investee company which carry voting rights
 - b) Irredeemable Preference shares (IRPS)
 - Preference shares issued by the investee company which are not redeemable
 - c) Others
 - Securities issued by investee company in the form/name of other than listed above. Please specify the name of the securities
- If ordinary shares, please fill up the following:
 - i) No. of shares to be acquired
 - Number of ordinary shares to be acquired by the applicant
 - ii) Existing shareholding (%), if any
 - Percentage of ordinary shares that the applicant already acquired compared with the total amount of ordinary shares issued by the investee company
 - iii) New shareholding after acquisition (%)
 - New percentage of ordinary shares that the applicant will hold after this proposed investment compared with the total amount of ordinary shares issued by the investee company
- 9. Reason(s) for investment
 - State the reason why you or the company needs to acquire the securities of the investee company. If it is required under certain agreement or contract, please explain briefly about the requirements
- 10. Use of funds by investee (Only applicable if subscribed at primary level)
 - Applicant is required to specify the intended use of funds by the investee company from the proposed shares acquisition. The intended use of funds is only required to be provided if applicant subscribed the securities at primary level

DETAILS OF INVESTMENT

11. Name of company (investee) ➤ Name of the investee company which applicant intends to invest into
12. Country ➤ The country where the investee company is located. For country, please indicate the ISO country code (e.g. US)
13. Nature of business ➤ State main business activity of the investee as stated in the company's Memorandum of Association
14. Paid-up capital:
 - a) Existing ➤ Refers to the total amount of paid-up capital of the investee:
 - The amount of paid-up capital prior to the proposed investment by applicant. Applicant is required to use the ISO currency code
 - The amount of paid-up capital after the proposed investment by applicant. Applicant is required to use the ISO currency code
 - b) Proposed
15. Details of shareholders holding more than 10% interest (after acquisition)
 - a) Name of shareholders ➤ Particulars of shareholders of the investee company, including the proposed investment by applicant, and any proposed acquisition of equity interest by other companies
 - Full name of shareholder
 - Country where the shareholder is located or residing. Please indicate the ISO country code
 - The number of shares to be held by the respective shareholder
 - Percentage of shareholding to be held by the respective shareholder. This item will be calculated by system automatically
 - b) Country
 - c) No. of shares
 - d) %
16. Outstanding liabilities of investee (To be completed if applicant holds more than 50% shareholding)
 - a) Total trade facilities ➤ Refers to current outstanding balance of liabilities of investee company e.g. loans, overdraft, leasing, factoring, issuance of redeemable preference shares, loan stocks etc., including issuance of financial guarantees by the investee, as at the date of application. Applicant is required to state amount of liabilities only in ringgit equivalent. This information is only required if the applicant hold more than 50% shareholding in the investee company
 - Refers to total trade facilities to finance the investee's import and export transactions
 - Refers to total non-trade facilities to finance the investee's transactions other than import and export transactions
 - b) Total non-trade facilities

REMITTANCE FROM INVESTEE TO ULTIMATE INVESTEE

This section is only applicable for application where investee intends to make further investment in or on-lend to other company(ies).

17. Name of ultimate investee ➤ Full name of the party whom the investee intends to invest in or on-lend to

18. Country ➤ The country where the ultimate investee is located. Please state the ISO country code

19. Currency ➤ The currency of remittance from the investee to ultimate investee. Applicant is required to use the ISO currency code

20. Amount ➤ The foreign currency amount to be remitted from investee to ultimate investee

21. Use of funds ➤ The expected usage of the funds by the ultimate investee

22. Ultimate Investee's Relationship with Investor/ applicant ➤ State the relationship of the ultimate investee/borrower with the applicant. Who is the ultimate investee to applicant? e.g. holding company, subsidiary, banker, brother etc

23. Nature of business ➤ State main business activity of the ultimate investee/borrower as stated in the company's Memorandum of Association or, if the party is an individual, state his/her occupation

24. Reason(s) for investing through the investee ➤ Explain briefly on why you or your company needs to invest in or extend loan to the ultimate investee/borrower through the investee. If it is required under specific agreement/contract or the applicant will obtain certain benefits or advantages, please provide details. This section is only applicable for application where investee intends to make further investment in or on-lend to other company(ies)

SOURCE OF FUNDING FOR THE PROPOSED INVESTMENT

Applicant is required to indicate the source of funding for the proposed investment by completing the amount in foreign currency as well as ringgit equivalent in the table provided. Please use the ISO currency code.

25. A. Cash

- a) Own funds
 - i) Deposits
 - RM account
 - Refers to the investment that is to be made by cash
 - FC account
 - Refers to the source of fund for the investment from the applicant's own funds as follows:
 - Refers to funds that is to be sourced from ringgit account balances with domestic banks
 - Refers to funds that is to be sourced from foreign currency account balances with domestic banks
 - ii) Incoming funds:
 - equity injection:
 - resident shareholders
 - Refers to funds that is to be sourced from a proposed injection of equity by resident shareholders
 - non-resident shareholders
 - Refers to funds that is to be sourced from a proposed injection of equity by non-resident shareholders
 - iii) Others
 - Refers to funds that is to be sourced from applicant's own funds other than the categories specified above
- b) Domestic borrowings
 - i) Inter-company loans
 - Refers to the source of funds for the investment from domestic borrowing as follows:
 - Refers to the investment that is to be financed with a borrowing from applicant's related company(ies) in Malaysia
 - ii) Banking institutions
 - Refers to the investment that is to be financed with a borrowing from domestic banking institutions
 - iii) Others
 - Refers to the investment that is to be financed with a borrowing from a resident party other than specified above
- c) Offshore borrowing:
 - Refers to the source of funds for the investment from offshore borrowing e.g. from related company overseas, overseas financial institutions, issuance of bonds overseas etc

26. B. Other Than Cash

a) Share swap:

i) Foreign shares for foreign shares

➤ Refers to the investment that is to be made in a form other than cash

➤ Refers to the applicant is going to exchange his/her/its shares in a NON-RESIDENT company with the shares of investee company either from the investee him/itself or other resident or non-resident party. In such cases there will be no outflow of funds

ii) Local shares for foreign shares

➤ Refers to the applicant is going to exchange his/her/its shares in a RESIDENT company with the shares of investee company either from the investee him/itself or other resident or non-resident party. In such cases there will be no outflow of funds

b) Assets:

i) Used assets

➤ Refers to the proposal to invest in the form of used assets e.g. used equipment, used machineries, etc

ii) New assets

➤ Refers to the proposal to invest in the form of providing new assets, e.g. new equipments, new machineries, etc. which will be obtained from domestic or overseas sources

(Please also complete Form 5N for investment made by way of export of such assets from Malaysia)

c) Conversion of loan into equity

➤ Refers to the proposal to convert his/its existing loan to the investee into equity

d) Others

➤ Refers to the proposal to invest in other forms such as providing technical services, where payment is to be made in kind, etc

27. Details of the shares/assets swap and/or reason for conversion of loan into equity

➤ If the investment is in the form of other than cash i.e. in the form of share swap, assets or others, please explain briefly about the proposed investment arrangement

DETAILS OF LOAN TO BE CONVERTED INTO EQUITY

28. Loan ID no. ➤ Refers to the loan identification no. granted by BNM, if any
29. Approval date ➤ Refers to the date of BNM's approval letter, if any
30. Outstanding ➤ Refers to the outstanding balance of the loan at the point of application:
- a) Currency ➤ Refers to the currency of loan. Applicant is required to use the ISO currency code
 - b) Amount ➤ The foreign currency outstanding amount
 - c) RM equivalent ➤ The amount outstanding in ringgit equivalent

BENEFIT TO MALAYSIA

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

SHAREHOLDERS' FUNDS OF APPLICANT AND GROUP OF ENTITIES WITH PARENT-SUBSIDIARY RELATIONSHIP IN MALAYSIA

31. Shareholders' funds as at _____
- 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
- a) Paid-up capital
- Total amount of paid-up shares at par value, including irredeemable preference shares
- b) Share premium
- Total amount of premium paid in addition to the par value of paid-up shares, including irredeemable preference 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
32. Networking funds 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
33. Existing borrowing of applicant/group of entities with parent-subsidiary relationship in Malaysia
- Please confirm whether the applicant or its group of entities with parent-subsidiary relationship in Malaysia has any existing borrowing. If yes, applicant is required to provide the outstanding balance (in ringgit) of the borrowing obtained from the following sources:
- a) Domestic sources
- Refers to borrowing obtained from resident banks or non-banks. However, inter-company borrowings between companies in the group should be excluded
- b) Offshore sources
- Refers to borrowing obtained from non-resident banks or non-banks, including from Labuan offshore banks
34. Background, rationale and other information to support the application
- Please provide other information relating to the proposed investment 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 type of timing for the proposed remittance:
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	➤ Refers to the exact date of remittance if known by applicant
2. dd	➤ Refers to the day on which to effect the remittance. 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
4. yyyy	➤ Refers to the year in which to effect the remittance
5. Currency	➤ Refers to the currency of remittance. Please use the ISO currency code
6. Amount	➤ Refers to the foreign currency amount to remit
7. RM equivalent	➤ Refers to the ringgit equivalent of the amount to remit