NOTICE 5: SECURITIES AND FINANCIAL INSTRUMENTS

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PART A: ISSUANCE OF SECURITY AND ISLAMIC SECURITY (COLLECTIVELY REFERRED TO AS "SECURITY")

Issuance of Security by Resident

1. A Resident is allowed to issue a security denominated in—

   (a) Ringgit in Malaysia to a Non-Resident; or

   (b) Foreign Currency to any person,

provided that where the issuance involves a debt security, the Resident issuer shall comply with Notice 2.

Issuance of Security by Non-Resident

2. A Multilateral Development Bank or Qualified Development Financial Institution is allowed to issue a debt security denominated in Ringgit in Malaysia to any person **subject to** compliance with Notice 2.

3. A Non-Resident is allowed to issue a security denominated in Foreign Currency in Malaysia to any person.

PART B: ISSUANCE OF FINANCIAL INSTRUMENT AND ISLAMIC FINANCIAL INSTRUMENT (COLLECTIVELY REFERRED TO AS "FINANCIAL INSTRUMENT") BY LICENSED FINANCIAL INSTITUTION AND BURSA MALAYSIA

4. A LOB[1] is allowed to issue or offer a Financial Instrument denominated in—

(a) Ringgit in Malaysia to a Non-Resident; or

(b) Foreign Currency to any person,

provided that where the Financial Instrument is referenced to exchange rate, the LOB shall comply with Notice 1.

5. A LOB is allowed to deal or transact in a Ringgit-denominated interest rate derivative or profit rate Islamic derivative, directly or through its AOO, with a Non-Resident counterparty, **provided that** where the derivative or Islamic derivative is an Exchange Rate Derivative or embedded with features referenced to exchange rate, the LOB and Non-Resident shall comply with Notice 1.

6. A licensed international Islamic bank is allowed to issue or offer an Islamic Financial Instrument denominated in Foreign Currency to any person, **provided that** where the Islamic Financial Instrument is referenced to exchange rate, the licensed international Islamic bank shall comply with Notice 1.

7. A Resident licensed insurer or takaful operator is allowed to issue or offer an insurance product or a takaful product linked to a Financial Instrument[2] denominated in Ringgit to a Non-Resident.

8. Bursa Malaysia is allowed to issue or offer to a Non-Resident, a Financial Instrument denominated in Ringgit, **excluding** a Financial Instrument which is referenced to exchange rate.

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1 Depending on its scope of business.

2 Any insurance or takaful product not linked to a Financial Instrument shall be regarded as a service for purposes of FEP Notices.

PART C: SUBSCRIPTION OR TRANSFER OF SECURITY OR FINANCIAL INSTRUMENT

8. A Resident is allowed to subscribe or transfer a security or Financial Instrument issued or offered in accordance with this Notice **subject to** compliance with Notice 2, Notice 3 and Notice 4.

9. A Non-Resident is allowed to subscribe or transfer a security or Financial Instrument issued or offered in accordance with this Notice in Malaysia **subject to** compliance with Notice 2, Notice 3 and Notice 4.