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**NOTICE 7: EXPORT OF GOODS**

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**PART A: RECEIPT OF PROCEEDS OF EXPORT OF GOODS BY RESIDENT**

1. A Resident exporter shall receive the proceeds of its Export of Goods in Malaysia—
  - (a) in Ringgit or Foreign Currency which shall be placed in a Ringgit account or Trade FCA, as the case may be, maintained with a LOB;
  - (b) in full value **excluding** any—
    - (i) approved deductions related to the Export of Goods as listed in **Appendix A**; and
    - (ii) amount spent for approved offsetting or writing-off arrangements as listed in **Appendix B**.
  - (c) earlier than or in accordance with the payment date of the export contract which shall **not** exceed **six (6) months from the date of shipment**. However, where any of the circumstances listed in **Appendix C** applies, the Resident exporter may receive the proceeds of its Export of Goods **up to twenty-four (24) months** from the date of shipment.
2. Paragraph 1 shall not apply to proceeds of Export of Goods categorised under **Appendix D**.

**PART B: PAYMENT OF EXPORT PROCEEDS IN RINGGIT BY NON-RESIDENT**

3. Where a Non-Resident undertakes settlement for an Export of Goods in Ringgit in Malaysia, the Ringgit shall be sourced from—

- (a) buying of Ringgit against Foreign Currency in accordance with Part B of Notice 1;
- (b) an External Account of the Non-Resident;
- (c) an External Account of an NRFI acting on behalf of the Non-Resident, where it shall involve the buying of Ringgit in accordance with Part B of Notice 1; or
- (d) a Ringgit trade financing facility from a LOB in accordance with Part D of Notice 2.

**PART C: REPORTING REQUIREMENT**

4. Where a Resident exporter's annual gross Export of Goods **exceeds** RM250 million equivalent in the preceding year, the Resident exporter shall submit a quarterly report on Export of Goods to the Bank via <https://bnm.my/fep> within **twenty-one (21) days after the end of each quarter**.

**APPENDIX A**  
(Paragraph 1(b)(i))

**Approved Deductions**

Approved deductions refer to any one or more of the following:

- (a) agency commission including advertising or promotion expenses;
- (b) handling charge including freight and insurance or takaful costs;
- (c) administrative error;
- (d) discount by the Resident exporter;
- (e) quality and/or quantity claim;
- (f) short-shipment;
- (g) shut-out;
- (h) write-off arising from fraud;
- (i) goods that the Resident exporter does not own but is receiving payment for value added input; or
- (j) buyer is under liquidation.

**APPENDIX B**  
(Paragraph 1(b)(ii))

**Approved Offsetting or Writing-Off Arrangements**

A Resident exporter is allowed to receive less than full value of the proceeds of its Export of Goods where it enters into—

- (a) an offsetting arrangement with any Non-Resident to offset the proceeds of the Resident exporter's Export of Goods with—
  - (i) import of goods and services by the Resident exporter;
  - (ii) warranty claim by the buyer;
  - (iii) dividend payment by the Resident exporter;
  - (iv) other Current Account Transactions; or
  - (v) repayment of Foreign Currency Borrowing obtained by the Resident exporter in accordance with Notice 2; or
  
- (b) a writing-off arrangement with a Non-Resident buyer of the exported goods to write-off the outstanding proceeds of the Resident exporter's Export of Goods due to—
  - (i) liquidation of the Non-Resident buyer; or
  - (ii) the Resident exporter is unable to receive the proceeds of its Export of Goods from the Non-Resident buyer after at least twenty-four (24) months from date of shipment despite following up with the Non-Resident buyer.

**APPENDIX C**  
(Paragraph 1(c))

**Approved Circumstances for Receipt of Proceeds of Export of Goods up to Twenty-Four (24) Months from the Date of Shipment**

1. The Resident exporter **has no control over the delay** in receiving the proceeds of its Export of Goods due to unexpected circumstances as follows:
  - (a) buyer in financial difficulties;
  - (b) cancellation of order by the buyer (e.g. shut-out);
  - (c) restriction on foreign exchange transactions in the buyer's country;
  - (d) quality and/or quantity claims; or
  - (e) incidence of fraud.
  
2. The Resident exporter has exported goods on credit terms of up to twenty-four (24) months from the date of shipment to the buyer for—
  - (a) consignment sale; or
  - (b) goods that involve testing and commissioning.

**APPENDIX D**  
(Paragraph 2)

**Non-Receipt of Proceeds of Export of Goods**

Non-receipt of proceeds of Export of Goods is allowed for goods exported—

- (a) under a border trade agreement entered into by the Government of Malaysia with any foreign government; or
- (b) where the goods are not for sale, as follows:
  - (i) gift, donation, personal effects or business sample;
  - (ii) goods that are exported for further processing, testing, repairing, exchange or exhibition, and subsequently will be imported back to Malaysia; or
  - (iii) goods belonging to a Non-Resident that are exported after an exhibition in Malaysia or upon expiry of a lease or rental.