

FOREIGN EXCHANGE ADMINISTRATION POLICIES

Malaysia continues to maintain a liberal foreign exchange administration policy. The current foreign exchange administration rules are prudential measures to promote monetary and financial stability conducive to the sustainable growth of the economy and safeguarding the balance of payments position as well as safeguarding against shocks. The rules, however, have been progressively liberalised with significant liberalisations made in 2005 and 2007 to enhance business efficiency and promote foreign direct investments.

I. Foreign Exchange Administration Rules Applicable to NON-RESIDENTS¹

FOREIGN DIRECT AND PORTFOLIO INVESTMENTS BY NON-RESIDENTS	
<ul style="list-style-type: none"> • Purchase of ringgit assets² 	<ul style="list-style-type: none"> • Non-residents are free to purchase any ringgit assets including ringgit-denominated bonds/sukuk issued by non-residents in Malaysia
<ul style="list-style-type: none"> • Sourcing ringgit for settlement of ringgit assets 	<ul style="list-style-type: none"> • Settlement for the investment in ringgit assets can be sourced from: <ul style="list-style-type: none"> ✓ Non-residents' own External Accounts³; ✓ Sale of foreign currency on spot or forward basis, with licensed onshore banks⁴ or overseas branches appointed by licensed onshore banks; or ✓ Borrowing obtained from licensed onshore banks, resident companies⁵ and individuals⁶ to finance real sector activities in Malaysia
<ul style="list-style-type: none"> • Onshore borrowing 	<ul style="list-style-type: none"> • Free to borrow any amount in foreign currency from licensed onshore banks and licensed International Islamic Banks • Free to borrow in ringgit of any amount from licensed onshore banks, resident companies and individuals to finance real sector activities in Malaysia, including financing the purchase of ringgit assets • Free to borrow any amount for margin financing from resident stockbroking companies
<ul style="list-style-type: none"> • Divestment/income from investment 	<ul style="list-style-type: none"> • Free to repatriate funds from divestment of ringgit assets or profits/dividends arising from the investments • Repatriation, however, must be made in foreign currency
<ul style="list-style-type: none"> • Hedging 	<ul style="list-style-type: none"> • Free to hedge the exposure arising from investment in ringgit assets made on or after 1 April 2005 with the licensed onshore banks or overseas branches appointed by licensed onshore banks

¹ **Non-resident:**

- An overseas branch, subsidiary, regional office, sales office or representative office of a resident company;
- Embassies, Consulates, High Commissions, supranational or international organisations;
- A Malaysian citizen who has obtained permanent resident status of a country or territory outside Malaysia and is residing outside Malaysia; and
- Any other person as may be specified by the Controller of Foreign Exchange to be a non-resident

² **Ringgit assets** include:

- Ringgit-denominated securities, private debt securities, Cagamas bonds or notes, Malaysian Government Securities, Treasury Bills, shares and warrants;
- Derivatives traded on Bursa Malaysia (excluding OTC derivatives and structured products which tantamount to lending or borrowing of ringgit between residents and non-residents);
- Fixed deposits and negotiable instruments of deposits denominated in ringgit; and
- Immovable properties in Malaysia

³ External Accounts are ringgit accounts maintained with licensed onshore banks by or for non-residents

⁴ Licensed onshore banks refer to licensed commercial banks, licensed Islamic banks and licensed investment banks

⁵ Resident companies include limited partnerships and legal entities other than companies such as co-operatives and charitable organisations

⁶ Resident individuals include sole proprietorships, general partnerships and partnerships with general and limited partners

INVESTMENT IN IMMOVABLE PROPERTIES BY NON-RESIDENTS					
<ul style="list-style-type: none"> • Purchase of immovable property • Onshore borrowing 	<ul style="list-style-type: none"> • Free to purchase residential and commercial properties in Malaysia • Free to borrow any amount of ringgit or foreign currency to finance or refinance the purchase of residential and commercial properties in Malaysia, except for purchase of land only 				
LENDING IN RINGGIT AND FOREIGN CURRENCY BY NON-RESIDENTS TO RESIDENTS					
<ul style="list-style-type: none"> • Ringgit lending <ul style="list-style-type: none"> ✓ By non-resident non-bank parent companies⁷ ✓ By other non-resident non-bank companies or individuals • Foreign currency lending <ul style="list-style-type: none"> ✓ By non-resident non-bank parent companies ✓ By other non-resident non-bank companies or individuals 	<ul style="list-style-type: none"> • Free to lend any amount of ringgit to resident subsidiaries to finance real sector activities in Malaysia • Free to lend up to RM1 million in aggregate to resident companies and individuals for use in Malaysia • Free to lend any amount in foreign currency to resident subsidiaries in Malaysia • Free to lend in foreign currency to a resident provided the resident borrower's total foreign currency borrowing does not exceed the following limits: <table border="1" data-bbox="565 1129 1354 1243"> <tbody> <tr> <td>Resident individual</td> <td>RM10 million equivalent in aggregate</td> </tr> <tr> <td>Resident company</td> <td>RM100 million equivalent in aggregate on a corporate group basis</td> </tr> </tbody> </table> • The onus is on the resident borrower to obtain the prior permission of the Controller of Foreign Exchange for borrowing exceeding the limits 	Resident individual	RM10 million equivalent in aggregate	Resident company	RM100 million equivalent in aggregate on a corporate group basis
Resident individual	RM10 million equivalent in aggregate				
Resident company	RM100 million equivalent in aggregate on a corporate group basis				
BORROWING BY NON-RESIDENTS FROM RESIDENTS					
<ul style="list-style-type: none"> • Foreign currency borrowing from licensed onshore banks and licensed International Islamic Banks 	<ul style="list-style-type: none"> • Free to borrow any amount of foreign currency from licensed onshore banks and licensed International Islamic Banks 				

⁷ A non-resident non-bank parent company refers to -
 (a) non-resident company with more than 50% shareholding in a resident company; or
 (b) the ultimate non-resident parent company (which is not a bank, an investment holding company owned by a bank or a stockbroking company) of the resident company

<ul style="list-style-type: none"> Foreign currency borrowing from resident non-bank companies or individuals Ringgit borrowing from licensed onshore banks, resident non-bank companies and individuals 	<ul style="list-style-type: none"> Free to obtain foreign currency borrowing from resident non-bank companies and individuals as follows: <table border="1" data-bbox="602 323 1390 957"> <thead> <tr> <th>Resident lender</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>A resident with no domestic ringgit borrowing</td> <td>No limit</td> </tr> <tr> <td>A resident, with or without domestic ringgit borrowing, using own foreign currency funds maintained onshore or offshore</td> <td>No limit</td> </tr> <tr> <td>A resident with domestic ringgit borrowing*: <ul style="list-style-type: none"> ✓ Resident individual ✓ Resident company </td> <td>Through conversion of ringgit up to: <ul style="list-style-type: none"> ✓ RM1 million in aggregate per calendar year ✓ RM50 million in aggregate per calendar year on a corporate group basis </td> </tr> </tbody> </table> <p>* Provided the resident lender's total investment in foreign currency assets, including lending in foreign currency, does not exceed the limit</p> Free to obtain ringgit borrowing from licensed onshore banks, resident non-bank companies and individuals as follows: <ul style="list-style-type: none"> ✓ By non-resident (other than stockbroking companies and banks) to: <ul style="list-style-type: none"> ➢ Finance activities in the real sector in Malaysia; and ➢ Finance or refinance the purchase of residential and commercial properties in Malaysia ✓ By non-resident stockbroking companies and banks from licensed onshore banks for settlement of ringgit securities on Bursa Malaysia and RENTAS due to inadvertent delays on the receipt of funds ✓ By non-resident (other than stockbroking companies and banks) from licensed onshore banks and resident stockbroking companies for margin financing ✓ By non-resident individuals from resident insurance companies up to the cash surrender value of the insurance policies purchased by the non-residents 	Resident lender	Amount	A resident with no domestic ringgit borrowing	No limit	A resident, with or without domestic ringgit borrowing, using own foreign currency funds maintained onshore or offshore	No limit	A resident with domestic ringgit borrowing*: <ul style="list-style-type: none"> ✓ Resident individual ✓ Resident company 	Through conversion of ringgit up to: <ul style="list-style-type: none"> ✓ RM1 million in aggregate per calendar year ✓ RM50 million in aggregate per calendar year on a corporate group basis
Resident lender	Amount								
A resident with no domestic ringgit borrowing	No limit								
A resident, with or without domestic ringgit borrowing, using own foreign currency funds maintained onshore or offshore	No limit								
A resident with domestic ringgit borrowing*: <ul style="list-style-type: none"> ✓ Resident individual ✓ Resident company 	Through conversion of ringgit up to: <ul style="list-style-type: none"> ✓ RM1 million in aggregate per calendar year ✓ RM50 million in aggregate per calendar year on a corporate group basis 								
ISSUANCE OF RINGGIT AND FOREIGN CURRENCY DENOMINATED BONDS/SUKUK IN MALAYSIA BY NON-RESIDENTS									
<ul style="list-style-type: none"> Issuance of ringgit or foreign currency denominated bonds/sukuk 	<ul style="list-style-type: none"> Multilateral Development Banks, Multilateral Financial Institutions, foreign sovereign, foreign quasi-sovereign agencies and foreign multinational companies may issue ringgit or foreign currency denominated bonds/sukuk in Malaysia 								

<ul style="list-style-type: none"> • Utilisation of bond/sukuk proceeds • Hedging • Guidelines for issuance 	<ul style="list-style-type: none"> • Proceeds from the issuance of bonds/sukuk are allowed to be used onshore or offshore • Ringgit-denominated bond/sukuk proceeds to be used offshore have to be converted into foreign currency with the licensed onshore banks • Issuers to hedge exchange rate and interest/profit rate exposure arising from the issuance of ringgit-denominated bonds/sukuk with the licensed onshore banks if the proceeds are to be used offshore • Non-resident investors of the bonds/sukuk are free to hedge exchange rate and interest/profit rate exposure with licensed onshore banks • Specific details on guidelines for the issuance of ringgit and foreign currency denominated bonds/sukuk in Malaysia can be obtained at any of the following web-site addresses: <ul style="list-style-type: none"> ✓ http://www.mifc.com ✓ http://www.bnm.gov.my/fxadmin ✓ http://www.sc.com.my
HEDGING BY NON-RESIDENTS	
<ul style="list-style-type: none"> • Hedging of ringgit assets 	<ul style="list-style-type: none"> • Free to hedge with licensed onshore banks, exchange rate and interest/profit rate exposures arising from investments in ringgit assets purchased on or after 1 April 2005 as well as ringgit-denominated bonds/sukuk issued in Malaysia by non-residents
OPENING OF RINGGIT AND FOREIGN CURRENCY ACCOUNTS IN MALAYSIA BY NON-RESIDENTS	
<ul style="list-style-type: none"> • Opening of ringgit and foreign currency accounts • Repatriation/utilisation of funds from the ringgit or foreign currency accounts 	<ul style="list-style-type: none"> • Free to open: <ul style="list-style-type: none"> ✓ Ringgit accounts with licensed onshore banks; and ✓ Foreign currency accounts with licensed onshore banks and licensed International Islamic Banks • The ringgit accounts maintained by non-residents with licensed onshore banks in Malaysia are termed as “External Accounts” • External Accounts <ul style="list-style-type: none"> ✓ Free to convert ringgit into foreign currency with licensed onshore banks for repatriation abroad; ✓ Free to pay a resident for any purpose, except for the following: <ul style="list-style-type: none"> ➢ Payment for the import of goods and services; ➢ Lending in ringgit to residents other than as permitted by the Controller of Foreign Exchange; and ➢ Payment on behalf of a third party ✓ Free to pay to another non-resident’s External Account for settlement of ringgit assets • Foreign currency accounts <ul style="list-style-type: none"> ✓ Free to repatriate; and ✓ Free to pay a resident for any purpose including for settlement of goods and services

IMPORT AND EXPORT OF RINGGIT AND FOREIGN CURRENCY BY NON-RESIDENT TRAVELLERS	
<ul style="list-style-type: none"> • Import and export of ringgit notes • Import of foreign currency notes and traveller's cheques • Export of foreign currency notes and traveller's cheques • Import and export of ringgit and foreign currency exceeding permitted limits 	<ul style="list-style-type: none"> • Allowed to import or export ringgit notes up to RM1,000 • No limit • Up to the amount brought into Malaysia or USD10,000, whichever is higher • Application can be made online, using Form 13 which can be obtained at http://www.bnm.gov.my/fxadmin, or submitted via written application to Foreign Exchange Administration Department, Bank Negara Malaysia

II. Foreign Exchange Administration Rules Applicable to RESIDENTS⁸

INVESTMENTS IN FOREIGN CURRENCY ASSETS ⁹ BY RESIDENTS
<p>The current limits for investment in foreign currency assets are applicable only to residents that have domestic ringgit borrowing and are converting ringgit into foreign currency to invest in foreign currency assets</p>

⁸ **Resident:**

- A citizen of Malaysia, excluding a citizen who has obtained permanent resident status of a territory outside Malaysia and is residing outside Malaysia;
- A non-citizen who has obtained permanent resident status in Malaysia and is ordinarily residing in Malaysia;
- A body corporate incorporated or established, or registered with or approved by any authority, in Malaysia;
- An unincorporated body registered with or approved by any authority in Malaysia;
- The Government or any State Government; or
- Any other person as may be specified by the Controller of Foreign Exchange to be a resident

⁹ **Foreign currency assets** include:

- Investment in foreign currency securities;
- Loans to non-residents;
- Foreign currency deposits onshore or offshore; and
- Investment in approved foreign currency products offered by licensed onshore banks, licensed International Islamic Banks and any residents permitted by the Controller of Foreign Exchange

<ul style="list-style-type: none"> Investment in foreign currency assets 	<ul style="list-style-type: none"> No limit for residents without domestic ringgit borrowing Residents with domestic ringgit borrowing¹⁰ are allowed to invest as follows: <table border="1" data-bbox="506 327 1318 1102"> <tr> <td data-bbox="506 327 876 600">Resident individuals¹¹</td> <td data-bbox="876 327 1318 600"> <ul style="list-style-type: none"> No limit if funded by own foreign currency funds retained onshore or offshore; Up to full amount of permitted foreign currency borrowing; and Up to RM1 million in aggregate per calendar year if funded from conversion of ringgit </td> </tr> <tr> <td data-bbox="506 600 876 1102">Resident companies¹²</td> <td data-bbox="876 600 1318 1102"> <ul style="list-style-type: none"> No limit if funded by own foreign currency funds retained onshore or offshore; No limit if funded from proceeds of listing through initial public offering on: <ul style="list-style-type: none"> Bursa Malaysia; or Foreign stock exchanges Up to the full amount of permitted foreign currency borrowing; and Up to RM50 million equivalent in aggregate on a corporate group basis per calendar year if funded from conversion of ringgit </td> </tr> </table> 	Resident individuals ¹¹	<ul style="list-style-type: none"> No limit if funded by own foreign currency funds retained onshore or offshore; Up to full amount of permitted foreign currency borrowing; and Up to RM1 million in aggregate per calendar year if funded from conversion of ringgit 	Resident companies ¹²	<ul style="list-style-type: none"> No limit if funded by own foreign currency funds retained onshore or offshore; No limit if funded from proceeds of listing through initial public offering on: <ul style="list-style-type: none"> Bursa Malaysia; or Foreign stock exchanges Up to the full amount of permitted foreign currency borrowing; and Up to RM50 million equivalent in aggregate on a corporate group basis per calendar year if funded from conversion of ringgit
Resident individuals ¹¹	<ul style="list-style-type: none"> No limit if funded by own foreign currency funds retained onshore or offshore; Up to full amount of permitted foreign currency borrowing; and Up to RM1 million in aggregate per calendar year if funded from conversion of ringgit 				
Resident companies ¹²	<ul style="list-style-type: none"> No limit if funded by own foreign currency funds retained onshore or offshore; No limit if funded from proceeds of listing through initial public offering on: <ul style="list-style-type: none"> Bursa Malaysia; or Foreign stock exchanges Up to the full amount of permitted foreign currency borrowing; and Up to RM50 million equivalent in aggregate on a corporate group basis per calendar year if funded from conversion of ringgit 				
<ul style="list-style-type: none"> Investment in foreign currency assets by resident institutional investors <ul style="list-style-type: none"> Unit trust management companies Fund management companies Insurers and takaful operators 	<ul style="list-style-type: none"> Unit trust management companies: <ul style="list-style-type: none"> Investment of Islamic funds <ul style="list-style-type: none"> No limit Investment of conventional funds <ul style="list-style-type: none"> Foreign currency-denominated funds <ul style="list-style-type: none"> 100% of the net asset value (NAV) Ringgit-denominated funds <ul style="list-style-type: none"> 100% of NAV attributed to non-residents and residents without domestic ringgit borrowing; and 50% of NAV attributed to residents with domestic ringgit borrowing 				

¹⁰ Domestic ringgit borrowing refer to any ringgit advances, loans, trade financing facilities, hire purchase, factoring facilities with recourse, financial leasing facilities, guarantee for payment of goods, redeemable preference shares or similar facilities in whatever name or form, except:

- Trade credit terms extended by suppliers for all types of goods and services;
- Forward foreign exchange contracts entered into with licensed onshore banks;
- Performance guarantees and financial guarantees;
- One personal housing loan and one vehicle loan obtained from residents;
- Credit card and charge card facilities;
- Operational leasing facilities;
- Factoring facilities without recourse; and
- Inter-company borrowings within a corporate group in Malaysia

¹¹ Resident individuals include sole proprietorships, general partnerships and partnerships with general and limited partners

¹² Resident companies include limited partnerships and entities other than companies such as co-operatives and charitable organisations

<ul style="list-style-type: none"> • Payment for purchase of foreign currency assets • Divestment/income from investment in foreign currency assets • Hedging 	<ul style="list-style-type: none"> • Fund management companies: <ul style="list-style-type: none"> ✓ Funds mandated to be invested in Shariah compliant assets <ul style="list-style-type: none"> ➢ No limit ✓ Funds mandated to be invested in non-Shariah compliant assets • Foreign currency funds <ul style="list-style-type: none"> ➢ No limit • Ringgit funds <ul style="list-style-type: none"> ➢ 100% of total funds managed for non-residents and residents without domestic ringgit borrowing; and ➢ 50% of total funds managed for residents with domestic ringgit borrowing • Insurers and takaful operators, including international currency business unit of takaful operators and international takaful operators: <ul style="list-style-type: none"> • Foreign currency-denominated funds <ul style="list-style-type: none"> ➢ 100% of NAV of foreign currency investment-linked funds offered to residents and non-residents • Ringgit-denominated funds <ul style="list-style-type: none"> ➢ 100% of NAV of investment-linked funds offered to non-residents and residents without domestic ringgit borrowing; ➢ 50% of NAV of investment-linked funds offered to residents with domestic ringgit borrowing; ➢ 10% of margin of solvency for insurers; and ➢ 5% of total assets for takaful operators • Offshore foreign currency assets: <ul style="list-style-type: none"> ✓ Payment must be made in foreign currency ✓ The foreign currency may be sourced from conversion of ringgit with licensed onshore banks¹³ or own foreign currency funds • Onshore foreign currency assets offered by licensed onshore banks, licensed International Islamic Banks or entities¹⁴ approved by the Controller of Foreign Exchange: <ul style="list-style-type: none"> ✓ Payment may be in foreign currency or in ringgit • Free to repatriate and convert divestment proceeds or income from investment in foreign currency assets into ringgit with licensed onshore banks • Free to retain the proceeds in foreign currency accounts • Free to hedge with licensed onshore banks and licensed International Islamic Banks for investment in foreign currency assets based on firm underlying commitment • Hedging involving ringgit shall only be undertaken with licensed onshore banks
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¹³ Licensed onshore banks refer to licensed commercial banks, licensed Islamic banks and licensed investment banks

¹⁴ Example: (a) Unit trust companies offering foreign currency unit trust funds; and
(b) Bursa Malaysia for trading of foreign currency derivative products such as CPO futures

BORROWING IN FOREIGN CURRENCY AND RINGGIT BY RESIDENTS	
<ul style="list-style-type: none"> • Foreign currency borrowing by: <ul style="list-style-type: none"> ✓ Resident individuals ✓ Resident companies • Proceeds from offshore listing • Foreign currency trade financing facilities • Repayment and prepayment 	<ul style="list-style-type: none"> • Free to borrow in foreign currency up to the equivalent of RM10 million in aggregate from: <ul style="list-style-type: none"> ✓ Licensed onshore banks; ✓ Licensed International Islamic Banks; and ✓ Non-residents • Trade financing involving export shall only be obtained from licensed onshore banks • Allowed to refinance outstanding approved foreign currency borrowing • Free to borrow any amount in foreign currency from: <ul style="list-style-type: none"> ✓ Non-resident non-bank parent companies¹⁵; ✓ Other resident companies within the same corporate group¹⁶ in Malaysia; ✓ Licensed onshore banks; and ✓ Licensed International Islamic Banks • Free to borrow in foreign currency up to the equivalent of RM100 million in aggregate on a corporate group basis: <ul style="list-style-type: none"> ✓ From non-residents (other than non-resident non-bank parent companies); and ✓ Through the issuance of foreign currency denominated bonds onshore and offshore • Free to borrow any amount of foreign currency supplier's credit from non-resident suppliers • Allowed to refinance outstanding approved foreign currency borrowing • Free to borrow from other resident companies within the same corporate group in Malaysia, the foreign currency proceeds from the listing on foreign stock exchanges • Free to obtain foreign currency trade financing facilities from: <ul style="list-style-type: none"> ✓ Licensed onshore banks; and ✓ Licensed International Islamic Banks (other than trade financing facility involving export) • Allowed to obtain foreign currency trade financing facilities from offshore up to the equivalent of RM5 million in aggregate. The trade financing facilities are part of the RM100 million limit on foreign currency borrowing from non-residents • Trade financing facilities for export of goods are to be obtained from licensed onshore banks only • Free to repay and prepay approved foreign currency borrowing

¹⁵ Non-resident non-bank parent company refers to -

(a) a non-resident company with more than 50% shareholding in a resident company; or

(b) the ultimate parent company of the resident company, which is not a bank, an investment holding company owned by a bank or a stockbroking company

¹⁶ Corporate group refers to a group of companies with parent-subsidiary relationship in Malaysia

<ul style="list-style-type: none"> • Hedging • Ringgit borrowing from non-residents by: <ul style="list-style-type: none"> ✓ Resident individuals ✓ Resident companies 	<ul style="list-style-type: none"> • Free to hedge drawdown and repayment of foreign currency borrowing with licensed onshore banks and licensed International Islamic Banks • Hedging involving ringgit shall only be undertaken with licensed onshore banks • Free to borrow up to RM1 million in aggregate from non-resident non-bank companies or individuals for use in Malaysia • Free to borrow any amount in ringgit from their non-resident non-bank parent companies to finance real sector activities in Malaysia • Free to borrow up to RM1 million in aggregate from other non-resident non-bank companies or individuals for use in Malaysia
LENDING IN RINGGIT BY RESIDENTS	
<ul style="list-style-type: none"> • Ringgit lending by: <ul style="list-style-type: none"> ✓ Resident non-bank companies and individuals ✓ Licensed onshore banks ✓ Resident stockbroking companies ✓ Resident insurance companies 	<ul style="list-style-type: none"> • Free to lend any amount in ringgit to non-resident non-bank companies and individuals to: <ul style="list-style-type: none"> ✓ Finance real sector activities in Malaysia; and ✓ Finance or refinance the purchase of residential and commercial properties in Malaysia • Free to lend any amount in ringgit to: <ul style="list-style-type: none"> ✓ Non-resident non-bank companies and individuals (other than stockbroking companies and banks): <ul style="list-style-type: none"> ➤ To finance real sector activities in Malaysia; ➤ For margin financing; and ➤ To finance or refinance the purchase of residential and commercial properties in Malaysia ✓ Non-resident stockbroking companies and banks for settlement of ringgit securities on Bursa Malaysia and RENTAS due to inadvertent delays on the receipt of funds • Free to provide margin financing of any amount in ringgit to non-resident non-bank companies and individuals for purchase of shares listed on Bursa Malaysia • Free to lend to non-resident individuals in ringgit up to the cash surrender value of the insurance policies purchased by the non-residents

ISSUANCE OF RINGGIT AND FOREIGN CURRENCY DENOMINATED SECURITIES BY RESIDENTS	
<ul style="list-style-type: none"> • Issuance of securities to non-residents • Issuance of bonds/sukuk: <ul style="list-style-type: none"> ✓ Ringgit-denominated bonds/sukuk ✓ Foreign currency-denominated bonds/sukuk • Utilisation of bond/sukuk proceeds: <ul style="list-style-type: none"> ✓ Ringgit-denominated bonds/sukuk ✓ Foreign currency-denominated bonds/sukuk ✓ Guidelines for issuance 	<ul style="list-style-type: none"> • Free to issue the following ringgit securities registered in Malaysia to non-residents: <ul style="list-style-type: none"> ✓ Ordinary shares, including bonus and rights issues; ✓ Irredeemable preference shares; and ✓ Private debt securities • Prior permission is required for issuance of securities to non-residents other than as stated above • Free to issue in Malaysia • Free to issue as long as total foreign currency borrowing, including the bonds/sukuk does not exceed RM100 million equivalent • Free to use onshore • Free to use for investment in foreign currency assets provided the issuer's total investment does not exceed RM50 million equivalent in aggregate on a corporate group basis per calendar year • Free to use onshore and offshore • Guidelines for issuance can be obtained at: <ul style="list-style-type: none"> ✓ http://www.mifc.com ✓ http://www.bnm.gov.my/fxadmin ✓ http://www.sc.com.my
FINANCIAL GUARANTEE	
<ul style="list-style-type: none"> • Licensed onshore banks • Non-bank residents 	<ul style="list-style-type: none"> • Free to issue any amount of financial guarantees on behalf or in favour of a non-resident • Free to obtain any amount of financial guarantees from non-residents • The above financial guarantees issued or obtained by the licensed onshore banks are not required to be registered with the Controller of Foreign Exchange • Free to issue any amount of financial guarantees on behalf or in favour of a non-resident • Free to obtain any amount of financial guarantees from non-residents • Financial guarantees issued or obtained by the non-bank residents are required to be registered with the Controller of Foreign Exchange at least seven working days prior to the issuance or obtaining of financial guarantee, if the aggregate amount of financial guarantees issued or obtained exceeds RM50 million equivalent, respectively

EXPORT AND IMPORT OF GOODS AND SERVICES BY RESIDENTS	
<ul style="list-style-type: none"> • Currency for payment of import and export of goods and services • Repatriation of proceeds from the export of goods • Retention of foreign currency export proceeds onshore and offshore • Hedging 	<ul style="list-style-type: none"> • Payment must be made in foreign currency • Export proceeds must be repatriated to Malaysia in full as per the sales contract which must not exceed six months from the date of export • Prior permission is required for residents to: <ul style="list-style-type: none"> ✓ Offset export proceeds against payables due to non-residents; or ✓ Receive the export proceeds exceeding six months from the date of export • Free to retain in foreign currency accounts maintained with licensed onshore banks • Prior permission is required to retain in foreign currency accounts maintained with licensed International Islamic Banks or offshore banks • Free to hedge with licensed onshore banks and licensed International Islamic Banks, payments or receipts for the import or export of goods and services: <ul style="list-style-type: none"> ✓ Based on firm underlying commitment; or ✓ On anticipatory basis up to the actual total amount paid or received in the preceding 12 months • Hedging involving ringgit shall only be undertaken with licensed onshore banks
OPENING OF FOREIGN CURRENCY ACCOUNTS (FCA) BY RESIDENTS	
<ul style="list-style-type: none"> • Opening of FCA • Sources of funds • Opening of joint FCA 	<ul style="list-style-type: none"> • Free to open FCA with licensed onshore banks, licensed International Islamic Banks, licensed offshore banks in Labuan and overseas banks • The FCA can be credited with foreign currency funds sourced: <ul style="list-style-type: none"> ✓ From conversion of ringgit with licensed onshore banks: <ul style="list-style-type: none"> ➤ No limit for residents without domestic ringgit borrowing; ➤ For residents with domestic ringgit borrowing, up to permitted limits for investment in foreign currency assets. Additional limits for overseas education and employment purposes as follows: <ul style="list-style-type: none"> - Up to USD150,000 with licensed onshore banks and licensed International Islamic Banks; - Up to USD150,000 with licensed offshore banks in Labuan; and - Up to USD50,000 with overseas banks ✓ From other residents for permitted purposes; and ✓ From non-residents for permitted purposes. Export proceeds, however, must be retained with licensed onshore banks only • Resident individuals are free to open joint FCAs for any purpose with other resident individuals • Resident companies, however, require prior permission to open joint FCAs

PAYMENT BETWEEN RESIDENTS	
<ul style="list-style-type: none"> • Payment in ringgit • Payment in foreign currency 	<ul style="list-style-type: none"> • No restriction • Resident companies with export earnings are free to pay other resident companies in foreign currency for settlement of goods and services, sourced from foreign currency accounts • Resident participants¹⁷ undertaking commodity murabahah through resident commodity trading service providers are free to make payment in foreign currency between resident participants
HEDGING BY RESIDENTS	
<ul style="list-style-type: none"> • Hedging of current account transactions • Hedging of capital account transactions 	<ul style="list-style-type: none"> • Free to hedge with licensed onshore banks and licensed International Islamic Banks for payments and receipts for import and export of goods and services: <ul style="list-style-type: none"> ✓ Based on firm underlying commitment; or ✓ On anticipatory basis provided the amount hedged does not exceed the total amount paid or received in the preceding 12 months • Hedging involving ringgit shall only be undertaken with licensed onshore banks • Free to hedge with licensed onshore banks and licensed International Islamic Banks based on committed capital inflows or outflows • Residents are also allowed to hedge their existing holdings of foreign currency assets • Hedging involving ringgit shall only be undertaken with licensed onshore banks
IMPORT AND EXPORT OF RINGGIT AND FOREIGN CURRENCY BY RESIDENT TRAVELLERS	
<ul style="list-style-type: none"> • Import and export of ringgit notes • Import of foreign currency notes and traveller's cheques • Export of foreign currency notes and traveller's cheques • Import and export of ringgit and foreign currency exceeding permitted limits 	<ul style="list-style-type: none"> • Allowed to import or export ringgit notes up to RM1,000 • No limit • Allowed to export foreign currency notes and traveller's cheques up to an equivalent of USD10,000 • Application can be made online, using Form 13 which can be obtained at http://www.bnm.gov.my/fxadmin, or submitted via written application to Foreign Exchange Administration Department, Bank Negara Malaysia

¹⁷ The participants of commodity murabahah comprise financial institutions, companies or individuals, commodity brokers, commodity suppliers, commodity buyers and commodity trading service providers

DEALINGS WITH SPECIFIED PERSONS	
<ul style="list-style-type: none"> Specified Persons 	<ul style="list-style-type: none"> Prior permission is required for residents to deal with the following Specified Persons: <ul style="list-style-type: none"> ✓ Individual or entity as designated pursuant to the United Nation Security Council Resolution (UNSCR) relating to: <ul style="list-style-type: none"> ➤ Osama bin Laden and The Taliban ➤ Liberia ➤ Al-Qaida Organisation ➤ Saddam Hussein's immediate family members or senior officials of the former Iraqi regime and their immediate family members ➤ Iran ➤ Democratic Republic of Congo ➤ Democratic People's Republic of Korea ➤ Sudan ✓ The State of Israel or their residents; ✓ The authorities of the State of Israel; ✓ The agencies of the State of Israel or its residents; and ✓ Any entity owned by or controlled, directly or indirectly, by the State of Israel or its resident
RESIDENT COMPANIES ACCORDED SPECIAL STATUS	
<ul style="list-style-type: none"> Multimedia Super Corridor Companies Approved Operational Headquarters Regional Distribution Centres and International Procurement Centres 	<ul style="list-style-type: none"> Companies with Multimedia Super Corridor status are exempted from foreign exchange administration requirements for transactions undertaken for own account except dealing in ringgit offshore Free to invest any amount in foreign currency assets to be funded with own foreign currency funds or foreign currency borrowing Free to borrow any amount of foreign currency from licensed onshore banks, licensed International Islamic Banks and from any non-residents, provided the operational headquarters do not on-lend to, or raise the funds on behalf of, any resident Free to utilise proceeds of any amount from the issuance of ordinary shares through initial public offering on Bursa Malaysia for investment in foreign currency assets Free to lend foreign currency sourced from listing of shares on foreign stock exchanges to other resident companies within the same corporate group in Malaysia Regional Distribution Centres and International Procurement Centres are subject to rules applicable to resident companies

<ul style="list-style-type: none">• Resident corporations approved under the following framework:<ul style="list-style-type: none">✓ Iskandar Development Region✓ National Biotechnology Policy	<ul style="list-style-type: none">• Free to undertake the following:<ul style="list-style-type: none">✓ To pay and receive in foreign currency with residents;✓ To borrow any amount of foreign currency from licensed onshore banks, licensed International Islamic Banks and non-residents;✓ To invest any amount in foreign currency assets onshore and offshore; and✓ To retain export proceeds offshore
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