

Foreign Exchange Administration Policies

Malaysia continues to maintain a liberal foreign exchange administration policy. The remaining foreign exchange administration rules are mainly prudential safeguards to support the overall macroeconomic objective of maintaining financial and economic stability.

I. DEFINITIONS

Non-residents:

- Overseas branches, subsidiaries, regional offices, sales offices and representative offices of resident companies;
- Embassies, Consulates, High Commissions, supranational or international organisations recognised by the Government of Malaysia; or
- Malaysian citizens who have obtained permanent resident status of a territory outside Malaysia and are residing outside Malaysia.

Residents:

- Citizens of Malaysia (excluding persons who have obtained permanent resident status of a territory outside Malaysia and are residing abroad);
- Non-citizens who have obtained permanent resident status in Malaysia and are residing permanently in Malaysia; or
- Persons, whether body corporate or unincorporated, registered or approved by any authority in Malaysia.

Ringgit assets include:

- Ringgit-denominated securities including bills of exchange, private debt securities, Cagamas bonds or notes, Malaysian Government Securities, Treasury Bills, shares and warrants;
- Derivatives traded on Bursa Malaysia and OTC derivatives (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;
- Immovable properties in Malaysia; and
- Other fixed assets in Malaysia.

Foreign currency assets include:

- Equity/portfolio investment abroad;
- Loans to non-residents;
- Foreign currency deposits onshore and offshore; and
- Investment in approved foreign currency products marketed by licensed onshore banks, licensed International Islamic Banks (licensed IIBs) and any residents permitted by the Controller of Foreign Exchange (the Controller).

Domestic ringgit borrowings 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.

II. Foreign Exchange Administration Rules Applicable to NON-RESIDENTS

FOREIGN DIRECT AND PORTFOLIO INVESTMENTS BY NON-RESIDENTS	
The foreign exchange administration rules support and facilitate non-residents' investments into Malaysia	
<ul style="list-style-type: none"> • Purchase of ringgit assets • Sourcing ringgit for settlement of ringgit assets • Onshore borrowing • Divestment/ income from investment • Hedging 	<ul style="list-style-type: none"> • Free to purchase any ringgit assets including ringgit-denominated bonds/sukuk issued by non-residents in Malaysia • Ringgit for settlement of the investment can be sourced from: <ul style="list-style-type: none"> ✓ non-residents' own External Accounts¹; ✓ sale of foreign currency on spot or forward basis, with licensed onshore banks² or overseas branches appointed by licensed onshore banks; or ✓ onshore borrowing • Free to borrow any amount in foreign currency from licensed onshore banks and licensed IIBs • Free to borrow in ringgit of any amount from licensed onshore banks, resident companies³ and individuals⁴ to finance activities in the real sector in Malaysia, including financing the purchase of ringgit assets • Free to borrow any amount for margin financing from resident stockbroking companies • Free to repatriate funds from divestment of ringgit assets or profits/dividends arising from the investments • Repatriation, however, must be made in foreign currency other than the currency of Israel • Free to hedge the exposure arising from investment in ringgit assets made on or after 1 April 2005 with licensed onshore banks or overseas branches appointed by the licensed onshore banks
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 • Such purchase need only to comply with guidelines⁵ issued by the Foreign Investment Committee of Malaysia. The details can be obtained at http://www.epu.jpm.my • Free to borrow any amount 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 companies⁶ 	<ul style="list-style-type: none"> • Free to lend any amount of ringgit to resident subsidiaries to finance activities in the real sector in Malaysia

¹ External Accounts are ringgit accounts maintained with licensed onshore banks by or for non-residents.

² Licensed onshore banks refer to licensed commercial banks, licensed Islamic banks and licensed investment banks.

³ Resident companies include limited partnerships and entities other than companies such as co-operatives and charitable organisations.

⁴ Resident individuals include sole proprietorships, general partnerships and partnerships with general and limited partners.

⁵ (a) FIC's approval is not required for non-residents purchasing residential property exceeding RM250,000; and
(b) Non-residents under the "Malaysia My Second Home" Programme are exempted from any approval requirement.

⁶ A 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 non-resident parent company of the resident company, which is not a bank, an investment holding company owned by a bank or a stockbroking company.

<ul style="list-style-type: none"> ✓ By other non-resident non-bank companies or individuals • Foreign currency lending ✓ 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 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="602 617 1409 732"> <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> </table> • The onus is on the resident borrower to obtain the prior permission of the Controller for borrowing exceeding the limits 	✓ Resident individual	RM10 million equivalent in aggregate	✓ Resident company	RM100 million equivalent in aggregate on a corporate group basis				
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BORROWING BY NON-RESIDENTS FROM RESIDENTS									
<ul style="list-style-type: none"> • Foreign currency borrowing from licensed onshore banks and licensed IIBs • Foreign currency borrowing from resident non-bank companies or individuals 	<ul style="list-style-type: none"> • Free to borrow any amount of foreign currency from licensed onshore banks and licensed IIBs • Free to obtain foreign currency borrowing from resident non-bank companies and individuals as follows: <table border="1" data-bbox="602 1115 1409 1661"> <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>	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
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<ul style="list-style-type: none"> • Ringgit borrowing from licensed onshore banks, resident non-bank companies and individuals 	<ul style="list-style-type: none"> • 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) from licensed onshore banks, resident non-bank companies individuals 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 banks 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 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
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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 • Utilisation of bond/sukuk proceeds • Hedging • Guidelines for issuance 	<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 • 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 licensed onshore banks • Issuers are free to hedge exchange rate and interest/profit rate exposure arising from the issuance of ringgit-denominated bonds/sukuk and any subsequent interest/profit and coupon payments with licensed onshore banks • Non-resident investors of the bonds/sukuk are also free to hedge exchange rate and interest/profit rate exposure with licensed onshore banks • Specific details on guidelines as well as incentives for issuance of ringgit and foreign currency denominated bonds/sukuk in Malaysia can be obtained at any of the following website addresses: <ul style="list-style-type: none"> ✓ http://www.mifc.com ✓ http://www.bnm.gov.my/fxadmin ✓ http://www.sc.com.my
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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 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
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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 IIBs • 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 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; and ➢ Payment on behalf of a third party ✓ Free to pay in to another non-resident's External Account for settlement of purchase of ringgit assets • Foreign currency accounts <ul style="list-style-type: none"> ✓ Free to repatriate ✓ Free to pay a resident for any purpose including for settlement of goods and services
IMPORT AND EXPORT OF RINGGIT AND FOREIGN CURRENCY NOTES 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 • Declaration for import and export of foreign currency • 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 • To declare to Immigration officer, if the total amount of foreign currency notes and traveller's cheques exceeds USD10,000, upon arrival at or departure from Malaysia • 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 • Response is given within one day from receipt of application with complete information

III. Foreign Exchange Administration Rules Applicable to RESIDENTS

INVESTMENTS IN FOREIGN CURRENCY ASSETS 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>					
<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 borrowing are allowed to invest as follows: <table border="1" style="width: 100%; border-collapse: collapse;"> <tbody> <tr> <td style="padding: 5px;"> <ul style="list-style-type: none"> ✓ Resident individuals⁷ </td> <td style="padding: 5px;"> <ul style="list-style-type: none"> • No limit if funded by own foreign currency funds retained onshore or offshore; • Up to full amount of approved foreign currency borrowing; and • Up to RM1 million in aggregate per calendar year if from conversion of ringgit </td> </tr> <tr> <td style="padding: 5px;"> <ul style="list-style-type: none"> ✓ Resident companies⁸ </td> <td style="padding: 5px;"> <ul style="list-style-type: none"> • No limit if funded with 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"> - the Main Board of Bursa Malaysia; or - foreign stock exchanges • Up to RM50 million equivalent in aggregate on a corporate group basis per calendar year if from conversion of ringgit; and • Up to the full amount of approved foreign currency borrowing </td> </tr> </tbody> </table> 	<ul style="list-style-type: none"> ✓ Resident individuals⁷ 	<ul style="list-style-type: none"> • No limit if funded by own foreign currency funds retained onshore or offshore; • Up to full amount of approved foreign currency borrowing; and • Up to RM1 million in aggregate per calendar year if from conversion of ringgit 	<ul style="list-style-type: none"> ✓ Resident companies⁸ 	<ul style="list-style-type: none"> • No limit if funded with 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"> - the Main Board of Bursa Malaysia; or - foreign stock exchanges • Up to RM50 million equivalent in aggregate on a corporate group basis per calendar year if from conversion of ringgit; and • Up to the full amount of approved foreign currency borrowing
<ul style="list-style-type: none"> ✓ Resident individuals⁷ 	<ul style="list-style-type: none"> • No limit if funded by own foreign currency funds retained onshore or offshore; • Up to full amount of approved foreign currency borrowing; and • Up to RM1 million in aggregate per calendar year if from conversion of ringgit 				
<ul style="list-style-type: none"> ✓ Resident companies⁸ 	<ul style="list-style-type: none"> • No limit if funded with 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"> - the Main Board of Bursa Malaysia; or - foreign stock exchanges • Up to RM50 million equivalent in aggregate on a corporate group basis per calendar year if from conversion of ringgit; and • Up to the full amount of approved foreign currency borrowing 				
<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 • 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 				

⁷ Resident individuals include sole proprietorships, general partnerships and partnerships with general and limited partners.

⁸ 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"> ✓ Funds mandated to be invested in non Shariah-compliant assets Foreign currency-denominated funds <ul style="list-style-type: none"> ➢ No limit Ringgit-denominated 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 marketed to residents and non-residents Ringgit-denominated funds <ul style="list-style-type: none"> ➢ 100% of NAV of investment-linked funds marketed to non-residents and residents without domestic ringgit borrowing; ➢ 50% of NAV of investment-linked funds marketed 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 other than the currency of Israel ✓ The foreign currency may be sourced from conversion of ringgit with licensed onshore banks⁹, or own foreign currency funds • Onshore foreign currency assets offered by licensed onshore banks, licensed IIBs or entities¹⁰ approved by the Controller: <ul style="list-style-type: none"> ✓ Payment may be in foreign currency or ringgit • Free to repatriate and convert divestment proceeds or income from investment in foreign currency assets into ringgit • Free to retain the proceeds in foreign currency accounts • Free to hedge with licensed onshore banks and licensed IIBs for investment in foreign currency assets based on firm underlying commitment • Hedging involving ringgit shall only be undertaken with licensed onshore banks
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 	<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 IIBs; and ✓ Non-residents • Trade financing involving export shall only be obtained from licensed onshore banks • Allowed to refinance outstanding approved foreign currency borrowing (principal and accrued interest)

⁹ Licensed onshore banks refer to licensed commercial banks, licensed Islamic banks and licensed investment banks.

¹⁰ Example: (a) Unit trust companies offering foreign currency unit trust funds.

(b) Bursa Malaysia for trading of foreign currency derivative products such as CPO futures.

<ul style="list-style-type: none"> ✓ Resident companies 	<ul style="list-style-type: none"> • Free to borrow any amount in foreign currency from: <ul style="list-style-type: none"> ✓ Non-resident non-bank parent companies¹¹; ✓ Other resident companies within the same corporate group¹² in Malaysia; ✓ Licensed onshore banks; and ✓ Licensed IIBs • 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 other 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 for capital goods from non-resident suppliers • Allowed to refinance outstanding approved foreign currency borrowing (principal and accrued interest)
<ul style="list-style-type: none"> • Proceeds from offshore listing 	<ul style="list-style-type: none"> • 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
<ul style="list-style-type: none"> • Foreign currency trade financing facilities 	<ul style="list-style-type: none"> • Free to obtain foreign currency trade financing facilities from licensed onshore banks and licensed IIBs • 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
<ul style="list-style-type: none"> • Repayment and prepayment 	<ul style="list-style-type: none"> • Free to repay and prepay approved foreign currency borrowing
<ul style="list-style-type: none"> • Hedging 	<ul style="list-style-type: none"> • Free to hedge drawdown and repayment of foreign currency borrowing with licensed onshore banks and licensed IIBs • Hedging involving ringgit shall only be undertaken with licensed onshore banks
<ul style="list-style-type: none"> • Ringgit borrowing from non-residents by: <ul style="list-style-type: none"> ✓ Resident individuals ✓ Resident companies 	<ul style="list-style-type: none"> • 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 activities in the real sector in Malaysia • Free to borrow up to RM1 million in aggregate from other non-resident non-bank companies or individuals for use in Malaysia

¹¹ 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.

¹² Corporate group refers to a group of companies with parent-subsiary relationship 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 activities in the real sector 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 activities in the real sector 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 	<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 • Allowed as long as total foreign currency borrowing, including the bonds/sukuk does not exceed RM100 million equivalent

<ul style="list-style-type: none"> • 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 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 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
EXPORT AND IMPORT OF GOODS AND SERVICES BY RESIDENTS	
<ul style="list-style-type: none"> • Currency for payment of import and export • Repatriation of export proceeds • Retention of export proceeds • Hedging 	<ul style="list-style-type: none"> • Payment must be made in foreign currency other than the currency of Israel • Must be repatriated to Malaysia in full as per the sales contract and not exceeding six months from the date of export • Prior permission is required for residents to: <ul style="list-style-type: none"> ✓ Offset export proceeds against other payables due to non-residents; or ✓ Receive the export proceeds exceeding six months from date of export • Free to retain in foreign currency accounts and ringgit accounts with licensed onshore banks • Prior permission is required to retain export proceeds in foreign currency accounts maintained with licensed IIBs or offshore banks • Free to hedge with licensed onshore banks and licensed IIBs, 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 	<ul style="list-style-type: none"> • Free to open FCA with licensed onshore banks, licensed IIBs, 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: <ul style="list-style-type: none"> - Up to USD150,000 with licensed onshore banks and licensed IIBs;

<ul style="list-style-type: none"> • Opening of joint FCA 	<ul style="list-style-type: none"> - 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. Export proceeds, however, may be retained with licensed onshore banks only • Resident individuals are free to open joint foreign currency accounts for any purpose with other resident individuals • Resident companies, however, require prior permission to open joint foreign currency accounts
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
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 IIBs 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 IIBs 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 NOTES 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 	<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
<ul style="list-style-type: none"> • Import and export of ringgit and foreign currency exceeding permitted limits 	<ul style="list-style-type: none"> • 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 • Response is given within one day from receipt of application with complete information

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 on own account • Free to invest any amount in foreign currency assets to be funded with own foreign currency funds or borrowing • Free to obtain any amount of foreign currency credit facilities from licensed onshore banks, licensed IIBs 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 the Main Board of 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