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 stated 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 report on Export of Goods to the Bank via https://bnm.my/fep as and when required by the Bank.

5. Where any proceeds from Export of Goods as referred to under paragraph 1(c) of Part A of this Notice is not received by the Resident exporter within 24 months from the date of shipment, the Resident exporter shall notify the Bank on the outstanding Export of Goods proceeds within **twenty-one (21) days after the end of each calendar year** via https://bnm.my/fep.

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, including but not limited to:

   (a) buyer in financial difficulties;

   (b) buyer cancels, delays, disputes or does not respond to request for payment;

   (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.