Frequently Asked Questions (FAQ)

Non-Resident Borrowing in Malaysia (Notice 2)	
Questions	**Answer**
1. Can a non-resident individual borrow in ringgit from his/her non-resident brother for any purpose?	• A non-resident individual is allowed to borrow any amount in ringgit or foreign currency (FC) from his/her resident or non-resident immediate family members (i.e. spouse, parents, children and siblings) for any purpose.
2. Can a non-resident individual borrow in ringgit from his/her non-resident sister in-law for any purpose?	• No, in-laws are not deemed as immediate family members.
3. Can a non-resident obtain ringgit margin financing facility from a resident stock broking company to purchase shares of a Malaysian company listed on Bursa Malaysia?	• Yes.
4. Can a non-resident borrow in ringgit in Malaysia for any purpose? *(new)*	• A non-resident individual is permitted to borrow in ringgit up to any amount from– (i) Immediate family member; (ii) Licensed insurer and licensed takaful operator related to life insurance policy or family takaful certificate; or (iii) Employer in Malaysia for domestic use Notwithstanding the above, a non-resident individual is allowed to obtain credit card or charge card facility from onshore bank to be used for payment of retail goods or services when abroad • A non-resident, excluding NRFI, is allowed to borrow in ringgit up to any amount to finance activities in the real sector in Malaysia, including the purchase of immovable property, except for purchase of land only. Notwithstanding the above, (i) a non-resident is allowed to obtain margin financing from a

	resident with a stockbroking license under the Capital Markets and Services Act 2007 for products traded on Bursa Malaysia (ii) a Multilateral Development Bank or Qualified Development Financial Institution is allowed to borrow in ringgit for use in Malaysia from a resident or non-resident through issuance of a debt security denominated in ringgit. • A non-resident is allowed to borrow in ringgit from a LOB– (i) Via a trade financing for settlement of trade with resident up to any amount; (ii) Via an overdraft facility to avoid settlement failure for purchase shares or ringgit instrument traded on Bursa Malaysia or through RENTAS. This overdraft flexibility can be only utilised by non-resident custodian bank, stockbroking corporation, trust bank, international central securities depository acting on behalf of its clients, or a non-resident investor for its own account; or (iii) Up to RM10 million in aggregate via repurchase agreement or sale buy back agreement. Please refer to Notice 2 for more details. • ***Note:*** (i) Activities in the real sector include certain activities where the ultimate use of the borrowing proceeds will be to finance a real sector activity in Malaysia, such as refinancing of existing borrowings, on-lending in Ringgit, direct investment and capital contribution.

	(ii) Non-real sector activities include activities such as the provision of financial services in Malaysia or for use outside Malaysia. (iii) A Qualified Development Financial Institution is a Non-Resident Development Financial Institution approved by the Bank. The list of Qualified Development Financial Institution can be found on BNM's website: https://www.bnm.gov.my/fep.

Bank Negara Malaysia
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