

4. Borrowing	<p><u>Borrowing in Foreign Currency by Resident</u></p> <p>A Resident Individual is allowed to borrow in Foreign Currency in any amount from his Immediate Family Member.</p> <p>For Foreign Currency borrowing by Resident Individuals, sole proprietor or General Partnership from licensed onshore banks or a Non-Resident, is subject to an aggregate limit of RM10 million equivalent*.</p> <p>* Computed based on an aggregate of Borrowing in Foreign Currency by the Resident Individual and a sole proprietor and a General Partnership owned by the Resident Individual.</p> <p>A declaration is required from customer for total outstanding borrowing from any LOB or a NR is within the permissible limit prior providing of foreign currency financing.</p> <p>For Resident Entites ("RE") are allowed to obtain any amount of Foreign Currency borrowing –</p> <ul style="list-style-type: none"> (i) from a LOB; (ii) from an Entity within the RE's Group or from the RE's Direct Shareholder (except for a Non-Resident outside the RE's Group, a Non-Resident financial institution ("NRFI") and a Non-Resident special purpose vehicle used to obtained borrowing outside the RE's Group which is subjected to RM100 million equivalent in aggregate) ; (iii) through issuance of Foreign Currency Corporate Bond or Sukuk to another Resident. The subscription of the Corporate Bond or Sukuk by another Resident must be subject to compliance with FEP Notice 3. <p><u>Borrowing in Ringgit from Non-Residents</u></p> <p>A Resident Individual is allowed to borrow in Ringgit in any amount from his/her Non-Resident—</p> <ul style="list-style-type: none"> (i) Immediate Family Member; or (ii) employer in Malaysia for use in Malaysia subject to terms and conditions of his employment contract.
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	<p>A Resident Individual, sole proprietor or General Partnership is allowed to borrow in Ringgit up to RM1 million in aggregate* for use in Malaysia from a Non Resident excluding a Non-Resident Financial Institution.</p> <p><i>*calculated based on an aggregate of Borrowing in Ringgit (or Foreign Currency, as the case may be) by the Resident Individual and a sole proprietor and a General Partnership owned by the Resident Individual.</i></p> <p>Likewise, a Resident Individual, sole proprietor or General Partnership is allowed to refinance an outstanding approved Borrowing (including principal and accrued interest or profit) as described above, subject to compliance with the requirements mentioned in the respective paragraphs.</p> <p><u>A Resident Entity ("RE") is allowed to obtain</u></p> <p>1) any amount of Ringgit borrowing to finance Activities in the Real Sector* in Malaysia from a Non-Resident within the RE's Group including their Non-Resident Direct Shareholders excluding -</p> <p>(a) A NRFI; or</p> <p>(b) A Non-Resident Special Purpose Vehicle which is used to obtain Borrowing from any person outside the RE's Group.</p> <p>2) up to RM1 million in aggregate for use in Malaysia from any other Non-Resident, other than a Non-Resident Financial Institution. This limit is calculated shall be based on the aggregate Borrowing in Ringgit by the RE and other REs with Parent-Subsidiary Relationship.</p> <p><i>* Real Sector Activity is activity relating to</i></p> <p>(a) <i>construction or purchase of a residential or commercial property, excluding purchase of land which will not be utilised for construction or production of goods or services; or</i></p> <p>(b) <i>production or consumption of goods or services, excluding:</i></p>
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	<p>(i) <i>activity in financial services sector, whether Islamic or otherwise;</i></p> <p>(ii) <i>purchase of securities or Islamic securities; or</i></p> <p>(iii) <i>purchase of Financial Instrument or Islamic Financial Instrument.</i></p>
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