

<p>2. Foreign currency accounts</p>	<p>any account, document or instrument where Foreign Currency is being maintained including—</p> <p>(a) Trade Foreign Currency Account (“Trade FCA”); and</p> <p>(b) Investment Foreign Currency Account (“Investment FCA”).</p> <p>Trade FCA will be explained in Export of Goods (Part 7) for placing of foreign currency from export proceeds Examples of permissible sources of funds for Investment FCA are as follow: <u>Permissible sources:</u> 1) Resident individual, sole proprietor or General Partnership without Domestic Ringgit Borrowing is allowed to invest in Foreign Currency Asset up to any amount</p> <p>2) Resident individual, sole proprietor or General Partnership with Domestic Ringgit Borrowing is allowed to invest in Foreign Currency Assets up to</p> <p>(a) Any amount using Foreign Currency funds from-</p> <ol style="list-style-type: none"> outside Malaysia except proceeds of Export of Goods; or approved Borrowing in Foreign Currency, in accordance with FEP Notice 2* <p>*For Resident individual, sole proprietor or General Partnership borrowing in foreign currency is allowed up to RM10 million equivalent in aggregate from a Licensed Onshore Bank (LOB) or a non-resident.</p> <p>b) Transferred from another same party Investment FCA</p> <p>c) Any amount where the investment is in real estate outside Malaysia for the purpose of education, employment or migrant or</p> <p>d) Up to RM1 million equivalent¹ (RM50 million equivalent for Resident Entities) with Domestic Ringgit Borrowing² per calendar year using funds sourced from the aggregate of:</p> <ul style="list-style-type: none"> - Conversion of Ringgit into Foreign Currency
-------------------------------------	---

Updated version March 2025

This information is provided for general reference purposes only and does not constitute any advice on any matter discussed. BOCM does not guarantee the usefulness or adequacy of the information provided and shall not be liable for any errors and will not be responsible for the consequences of reliance upon any opinion or statement contained herein or for any omission.

	<ul style="list-style-type: none"> - Swapping of a Ringgit-denominated financial asset in Malaysia for a financial asset in Labuan entity or outside Malaysia - Transfer from Trade FCA - For Resident Entity borrowing in Foreign Currency from a LOB for purposes other than Direct Investment Abroad <p>¹ <i>Applicable to Resident Individual, sole proprietorship or General Partnership with Domestic Ringgit Borrowing and computed in aggregate based on the Resident Individual, sole proprietor or General Partnership in investment in Foreign Currency Asset. The limit does not apply to a Resident Individual's investment in real estate (for own or Immediate Family Member's accommodation) outside Malaysia for the purpose of education, employment or migration.</i></p> <p>² <i>Domestic Ringgit Borrowing refers to any borrowing in ringgit obtained by a resident from another resident excluding credit cards/ charge card, one (1) housing loan and one (1) vehicle loan.</i></p> <p>Domestic Ringgit Borrowing status of a Resident Entity:</p> <ul style="list-style-type: none"> a) the Resident Entity is deemed to have a Domestic Ringgit Borrowing when another Resident Entity with Parent-Subsidiary Relationship has a Domestic Ringgit Borrowing; and b) the following shall not be considered as Domestic Ringgit Borrowing <ul style="list-style-type: none"> i a Borrowing obtained from another Resident Entity with Parent-Subsidiary Relationship; ii a Borrowing obtained from its Direct Shareholder; or iii any facility including credit facility or financing facility which is used for Sundry Expenses or Employees' Expenses only. <p>“Sundry Expenses” refers to small and infrequent expenses for office supplies (e.g. stationaries), ancillary services (e.g. software and online subscription) and other minor expenses to facilitate daily business operation.</p> <p>“Employees' Expenses” refers to business-related expenses which may include, but not limited to, travel (e.g. lodging and transportation), entertainment, health,</p>
--	--

	<p>insurance, takaful and other employees' expenses, excluding investment.</p> <p>“Borrowing” refers to the definition of “Borrowing” above</p> <p><u>Uses of funds:</u> Funds from Investment FCA could be used for any permissible purposes.</p> <p><i>Disclaimer – the above guidance summary is non-exhaustive. Please be guided by the relevant FEP notices.</i></p>
	<p>In the case of a Resident Individual, the FCA may be maintained:</p> <ul style="list-style-type: none"> - individually; or - jointly with another Resident Individual; or - jointly with a Non-Resident Individual who is his/her Immediate Family Member.
	<p>A Resident Individual is allowed to transfer funds from his/her FCA opened individually or jointly with another individual into –</p> <ul style="list-style-type: none"> - his/her own FCA; - his/her joint FCA; or - a FCA of his/her Immediate Family Member opened individually or jointly with any individual.