

<p>3. Investment in Foreign Currency Assets</p>	<p><b><u>Resident Individual, Sole Proprietor or General Partnership</u></b></p> <ul style="list-style-type: none"> <li>• A Resident Individual, sole proprietor or General Partnership <b>without Domestic Ringgit Borrowing</b> is allowed to invest in Foreign Currency Asset up to <b>any amount</b>.</li> <li>• A Resident Individual, sole proprietor or General Partnership <b>with Domestic Ringgit Borrowing<sup>1</sup></b> is allowed to invest in Foreign Currency Asset up to: <ul style="list-style-type: none"> <li>(a) <b>any amount</b> using Foreign Currency funds sourced from— <ul style="list-style-type: none"> <li>(i) outside Malaysia <b>except</b> proceeds of Export of Goods; or</li> <li>(ii) an approved Borrowing in Foreign Currency as below : <ul style="list-style-type: none"> <li>• A resident Individual is allowed to borrow in Foreign Currency in any amount from his Immediate Family Member</li> <li>• A Resident Individual, sole proprietor or General Partnership is allowed borrow Foreign Currency up to RM10 million equivalent in aggregate<sup>2</sup> from a licensed onshore bank or a non-resident;</li> </ul> </li> </ul> </li> <li>(b) <b>any amount</b> where the investment is in real estate (for the resident individual / immediate family member's accommodation only) outside Malaysia for the purpose of education, employment or migration; or</li> <li>(c) <b>RM1 million equivalent</b> ( computed in aggregate based on the Resident Individual, sole proprietorship and General Partnership's investment in Foreign Currency Asset ) per calendar year using funds sourced from the aggregate of— <ul style="list-style-type: none"> <li>(i) conversion of Ringgit into Foreign Currency;</li> <li>(ii) Trade FCA; and</li> </ul> </li> </ul> </li> </ul>
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	<p>(iii) swapping of a Ringgit-denominated financial asset in Malaysia for a financial asset in Labuan Entity or outside Malaysia.</p> <p><sup>1</sup> <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><sup>2</sup> <i>Computed based on an aggregate of Borrowing in Foreign Currency by the Resident Individual and a sole proprietorship and General Partnership owned by the Resident Individual.</i></p> <p>For a joint investment in foreign currency asset by resident individual, where one of them has domestic ringgit borrowing, the prudential limit on investment in foreign currency asset shall apply* to all resident individual participating in such joint investment.</p> <p><i>* Illustration: A resident individual without domestic ringgit borrowing ("Resident A") has a joint-account with another resident individual who has domestic ringgit borrowing ("Resident B"). For purposes of foreign currency investment for the joint-account, Resident A will also be subject to prudential limit of RM1 million (being the limit for a resident with ringgit borrowing). As such, the prudential limit for the joint-account will be the combined limit for Resident A and Resident B, i.e. RM2 million.</i></p> <p><b><u>Resident Entities ("RE")</u></b></p> <ul style="list-style-type: none"> <li>• A RE <b>without Domestic Ringgit Borrowing</b> is allowed to invest in Foreign Currency Asset up to <b>any amount</b>.</li> <li>• A RE <b>with Domestic Ringgit Borrowing</b> is allowed to invest in Foreign Currency Asset up to:             <ul style="list-style-type: none"> <li>(a) <b>any amount</b> using Foreign Currency funds sourced from—                 <ul style="list-style-type: none"> <li>(i) outside Malaysia <b>except</b> proceeds of Export of Goods; or</li> </ul> </li> </ul> </li> </ul>
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	<p>(ii) approved Borrowing in Foreign Currency in accordance with Part B of FEP Notice 2;</p> <p>(b) <b>any amount</b> using Foreign Currency funds sourced from a Borrowing in Foreign Currency from a LOB for Direct Investment Abroad; or</p> <p>(c) <b>RM50 million equivalent*</b> per calendar year using funds sourced from the aggregate of—</p> <ul style="list-style-type: none"> <li>(i) conversion of Ringgit into Foreign Currency;</li> <li>(ii) Trade FCA;</li> <li>(iii) a Borrowing in Foreign Currency from a LOB for purposes <b>other than</b> Direct Investment Abroad; and</li> <li>(iv) swapping of a Ringgit-denominated financial asset in Malaysia for a financial asset in Labuan Entity or outside Malaysia.</li> </ul> <p><i>*Computed in aggregate based on the Resident Entity and other Resident Entity with Parent-Subsidiary Relationship's investment in Foreign Currency Asset.</i></p> <p>For this purpose, a RE is deemed to have Domestic Ringgit Borrowing when the RE or another RE with Parent-Subsidiary Relationship has a Domestic Ringgit Borrowing.</p>
	<ul style="list-style-type: none"> <li>• Prior to facilitating a transaction for the purpose of investment in foreign currency assets, the Bank shall undertake the following – <ul style="list-style-type: none"> <li>(a) determine the domestic ringgit borrowing status of the customer; and</li> <li>(b) determine the amount of investment in foreign currency assets undertaken by the customer during the calendar year (in ringgit equivalent), if customer has domestic ringgit borrowing.</li> </ul> </li> <li>• In determining the permissible outstanding amount of investment for the calendar year with domestic ringgit borrowing, the computation of limit is from conversion of ringgit, swapping of financial assets onshore with</li> </ul>

	<p>offshore and foreign currency funds from the following sources –</p> <ul style="list-style-type: none"><li>(a) transfer from Trade FCA;</li><li>(b) proceeds from foreign currency borrowing from an LOB for purposes other than direct investment abroad (for resident entity only); and</li><li>(c) permitted foreign currency borrowing under FEP Notice 2.</li></ul> <ul style="list-style-type: none"><li>• Onshore foreign currency product that references Ringgit will only be considered as part of investment limit upon conversion into foreign currency, for example dual-currency investment product.</li></ul>
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