

<p>5. Payments and receipts</p>	<p><u>In Foreign Currency between Residents</u></p> <p>Residents are allowed to pay or receive in Foreign Currency, to or from another Resident for –</p> <p>(i) any purpose between Immediate Family Members;</p> <p>(ii) education, employment or migration outside Malaysia;</p> <p>(iii) a transaction between the Resident and—</p> <ol style="list-style-type: none"> 1) a LOB; 2) a licensed international takaful operator; or 3) an international currency business unit of a licensed takaful operator, in the conduct of the latter's business involving Foreign Currency. <p>(iv) settlement of, amongst others, —</p> <ol style="list-style-type: none"> 1) a Foreign Currency-denominated derivative (excluding an Exchange Rate Derivatives) transacted on a Specified Exchange under the Capital Markets and Services Act 2007 between a Resident and a Resident futures broker; 2) a commodity murabahah transaction between Residents undertaken through a Resident or Non-Resident commodity trading service provider 3) a miscellaneous expense ^ incurred outside Malaysia between a Resident Individual residing in Malaysia and a Resident Individual residing outside Malaysia; or 4) a domestic trade in goods or services between a Resident exporter and a Resident Entity involved in Global Supply Chain* operations in Malaysia, provided that the payment: <ol style="list-style-type: none"> (a) is sourced from Trade FCA of the Resident payor or proceeds from a Foreign Currency trade financing facility obtained by the Resident payor in accordance with Part B of FEP Notice 2; (b) shall not be sourced from conversion of Ringgit into Foreign Currency by the Resident payor; and (c) is credited into Trade FCA of the Resident payee.
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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.

^ Miscellaneous expense is a Current Account Transaction that is a reasonable amount and infrequent in nature, including but not limited to holiday expenses abroad, medical expenses abroad and advance or reimbursement for purchase of goods and services abroad on behalf of a Resident Individual residing in Malaysia.

** A business activity where a resident imports goods or services to support production or distribution of goods or services by a resident exporter for the resident exporter's export activities. This includes domestic trade in goods or services between the resident importer and the resident exporter undertaken through a resident intermediate entity. This includes pass-through payments for domestic trade in goods or services undertaken via resident intermediate entities along the Global Supply Chain.*

The Bank reserves the right to reject payment if the paying bank fails to provide the due diligence confirmation required under the MDD Guide that applies to the LOB.

In Foreign Currency between Resident and Non-Resident

A Resident is allowed to make or receive payment to or from a Non-Resident in Foreign Currency for any purpose*, **excluding** payment made or received for:-

- i. a Foreign Currency-denominated derivative or Islamic derivative offered by a Resident **unless** approved by BNM under Part B of Notice 5 or otherwise approved in writing by BNM;
- ii. a derivative or Islamic derivative which is referenced to Ringgit **unless** approved by BNM under Part B of Notice 5 or otherwise approved in writing by BNM; or
- iii. an Exchange Rate Derivative offered by a Non-Resident **unless** approved by BNM under Notice 1 or otherwise approved in writing by BNM.

For the purpose of payment arising from the settlement of services, a Resident is allowed to receive such payment in Foreign Currency from a Non-Resident.

* *Subject to compliance with FEP Notices.*

In Ringgit between Resident and Non-Resident in Malaysia

A Non-Resident is allowed to make or receive payment in Ringgit, in Malaysia, to or from another Resident or Non-Resident, for, amongst others :

- (a) any purpose between Immediate Family Members;
- (b) income earned or expense incurred, in Malaysia; or
- (c) settlement of amongst others —
 - i. a trade in goods or services in Malaysia,
 - ii. a Ringgit Asset including any income and profit due from the Ringgit Asset;
 - iii. a commodity murabahah transaction undertaken through a commodity trading service provider, excluding payment between Non-Residents for settlement of a commodity murabahah transaction undertaken through a Non-Resident commodity trading service provider.

2) A Non-Resident is allowed to make or receive payment in Ringgit, in Malaysia to or from a Resident, amongst others:

- a) a court judgment where the transaction under litigation is undertaken in compliance with the FEP Notices; or
- b) a reinsurance for domestic insurance business or a retakaful for domestic takaful business between a Resident and a person licensed to carry out Labuan insurance business under the Labuan Financial Services and Securities Act 2010 (LFSSA) or Labuan Islamic Financial Services and Securities Act 2010 (LIFSSA).