

Borrowing	<p><b><u>Borrowing in Ringgit</u></b></p> <ul style="list-style-type: none"> <li>• A Non-Resident Individual is allowed to borrow in Ringgit in <b>any amount</b> from— <ul style="list-style-type: none"> <li>(i) an Immediate Family Member;</li> <li>(ii) a licensed insurer or a licensed takaful operator up to the attained cash surrender value of any life insurance policy or family takaful certificate purchased by the Non-Resident; or</li> <li>(iii) his/her employer in Malaysia for use in Malaysia</li> </ul> </li> <li>• A Non-Resident, excluding a Non-Resident Financial Institution, is allowed to borrow in Ringgit in <b>any amount</b> from— <ul style="list-style-type: none"> <li>(i) a Resident to finance Real Sector Activity* in Malaysia; or</li> <li>(ii) a Resident with a stockbroking license under the CMSA, in the form of margin financing for products traded on Bursa Malaysia.</li> </ul> </li> <li>• A Non-Resident is allowed to borrow in Ringgit from a LOB— <ul style="list-style-type: none"> <li>(i) in <b>any amount</b> of trade financing for settlement of trade in goods or services with a Resident;</li> <li>(ii) <b>up to the amount</b> of an overdraft facility (<b>not exceeding two (2) business days</b> and with no roll over option) to avoid settlement failure for purchase of shares or Ringgit instrument traded on Bursa Malaysia or through RENTAS due to inadvertent delay of payment by the Non-Resident. Such overdraft facility shall only be eligible to be utilised by— <ul style="list-style-type: none"> <li>a) a Non-Resident custodian bank, stockbroking corporation, trust bank or international central securities depository acting on behalf of Non-Resident investor; or</li> <li>b) a Non-Resident investor purchasing shares or Ringgit instrument mentioned above for its own account; or</li> </ul> </li> <li>(iii) <b>up to RM10 million in aggregate</b> via a repurchase agreement or sale buy back agreement.</li> </ul> </li> </ul>
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	<p><i>* Real Sector Activity is activity relating to</i></p> <p><i>(a) construction or purchase of a residential or commercial property, <b>excluding</b> purchase of land which will not be utilised for construction or production of goods or services; or</i></p> <p><i>(b) production or consumption of goods or services, <b>excluding</b>:</i></p> <p><i>(i) activity in financial services sector, whether Islamic or otherwise;</i></p> <p><i>(ii) purchase of securities or Islamic securities; or</i></p> <p><i>(iii) purchase of Financial Instrument or Islamic Financial Instrument.</i></p> <p><i>Includes refinancing of existing Borrowing in Ringgit that was used for Real Sector Activity in Malaysia or on-lending in Ringgit to a Resident Entity within the same Group or an Immediate Family Member that will be ultimately used for Real Sector Activity in Malaysia.</i></p> <p>For borrowing to finance activities in real sector, a declaration is required on the purpose of utilization if unable to verify the activities or the loan disbursement is made directly (e.g. personal loan).</p> <p>For borrowing in the form of repurchase agreement or sale buyback agreement (REPO), a declaration is required that total borrowing from REPO is within the permissible limit.</p> <p>Upon conducting due diligence, if the Bank believes or suspects that the ringgit proceeds will be used for speculation, the Bank will insist on documentary proof on the utilisation of the ringgit proceeds prior to disbursement.</p> <p><b><u>Borrowing in Foreign Currency</u></b></p> <p>A Non-Resident is allowed to borrow in Foreign Currency –</p> <p>(i) in any amount from a LOB, a Resident Immediate Family Member or a Non-Resident in Malaysia; or</p> <p>(ii) up to the limit stated in Part A and B of FEP Notice 3 from another Resident.</p>
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	<p>FEP Notice 3 PART A: INVESTMENT BY RESIDENT INDIVIDUAL, SOLE PROPRIETORSHIP, OR GENERAL PARTNERSHIP</p> <p><b>**Investment Without Domestic Ringgit Borrowing**:</b> 1. A resident individual, sole proprietorship, or general partnership without domestic ringgit borrowing is allowed to invest in foreign currency assets up to any amount.</p> <p><b>**Investment With Domestic Ringgit Borrowing**:</b> 2. A resident individual, sole proprietorship, or general partnership with domestic ringgit borrowing is allowed to invest in foreign currency assets up to:</p> <ul style="list-style-type: none"> <li>a) Any amount using foreign currency funds sourced from: <ul style="list-style-type: none"> <li>i. Outside Malaysia, excluding proceeds from the export of goods; or</li> <li>ii. An approved borrowing in foreign currency in accordance with Part A of Notice 2.</li> </ul> </li> <li>b) Any amount where the investment is in real estate outside Malaysia for the purposes of education, employment, or migration.</li> <li>c) RM1 million equivalent 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.</li> <li>iii. Swapping a ringgit-denominated financial asset in Malaysia for a financial asset in a Labuan entity or outside Malaysia.</li> </ul> </li> </ul> <p>① <i>The real estate is for the Resident Individual's own accommodation or the Resident Individual's Immediate Family Member's accommodation only.</i> ② <i>Computed in aggregate based on the Resident Individual, sole proprietorship and General Partnership's investment in Foreign Currency Asset.</i></p> <p>FEP Notice 3 PART B: INVESTMENT BY RESIDENT ENTITY</p> <p><b>**Investment Without Domestic Ringgit Borrowing**:</b> 3. A resident entity without domestic ringgit borrowing is allowed to invest in foreign currency assets up to any amount.</p> <p><b>**Investment With Domestic Ringgit Borrowing**:</b></p>
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	<p>4. A resident entity with domestic ringgit borrowing is allowed to invest in foreign currency assets up to:</p> <ul style="list-style-type: none"> <li>a) Any amount using foreign currency funds sourced from:             <ul style="list-style-type: none"> <li>i. Outside Malaysia, excluding proceeds from the export of goods; or</li> <li>ii. An approved borrowing in foreign currency in accordance with Part B of Notice 2.</li> </ul> </li> <li>b) Any amount using foreign currency funds sourced from a borrowing in foreign currency from a LOB for direct investment abroad.</li> <li>c) RM50 million equivalent 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.</li> <li>iii. A borrowing in foreign currency from a LOB for purposes other than direct investment abroad.</li> <li>iv. Swapping a ringgit-denominated financial asset in Malaysia for a financial asset in a Labuan entity or outside Malaysia</li> </ul> </li> </ul> <p>③ <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>
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