

4.2 Ringgit credit facilities (effective April 1, 2007)

- (a) Resident (banks or non-banks) are allowed to extend ringgit credit facilities to non-residents to finance or refinance the purchase or construction of resident or commercial properties in Malaysia (excluding financing for purchase of land only).
- The property financed by loans obtained may not be for non-residents' own use.
 - There is no limit on the number or amount for such loans.
 - All purchases are subject to the guideline issued by the Foreign Investment Committee (FIC). (FIC guidelines can be found at <http://www.epu.jpm.my>).

- (b) Lending by Banking Institutions to Foreign Stockbroking Companies and Foreign Custodians
No limit to overdraft facilities to non resident stockbrokers and non-resident global custodian banks.

Condition:

Only to be used to finance funding gaps due to unforeseen or inadvertent technical or administration errors or time zone delays in relation to settlements of ringgit instruments through the Real Time Electronic Transfer of funds and Securities System (RENTAS) and Bursa Malaysia.

- Resident stockbroking companies are allowed to extend margin financing facilities of any amount to non-resident clients for the purchase of shares listed on the Bursa Malaysia, subject to compliance with the rules on margin financing imposed by the Bursa Malaysia.
- (c) Various lending limits are to be consolidated by licensed onshore banks to non-residents up to an aggregate of RM10 million for any purpose for use in Malaysia, except for purchase or construction of immovable property in Malaysia.
- (d) Other non-bank residents are allowed to lend in ringgit up to RM10,000 to a non-resident.

5. ECM 10 – Foreign Currency Credit Facilities and Ringgit Credit Facilities from Non-Residents

5.1 Foreign currency credit facilities

- (a) A resident company is free to obtain:
 - i. Foreign currency trade finance facilities of any amount and tenor from licensed onshore banks; and
 - ii. Foreign currency credit facilities up to an equivalent of RM100 million in aggregate, on a corporate group basis, from licensed onshore banks and non-residents. The limit includes the raising of funds through the issuance of foreign currency bonds onshore or offshore.
- (b) An individual resident is allowed to obtain credit facilities in foreign currency up to the equivalent of RM10 million in aggregate from licensed banks and non-residents.
- (c) Where the aggregate amount of credit facilities is more than RM50 million equivalent, the resident borrower is required to provide the Controller with information on the foreign currency credit facilities within 7 working days prior to obtaining the credit facilities as follows:
 - i. individuals – no registration requirement
 - ii. companies – exceeding RM50 million in aggregate.
- (d) Residents are free to prepay FC borrowings subject to registration (at least 7 days prior to remittance by completing Form SSC 10C) where the prepayment amounts to RM50 million equivalent and above. In such case, a Registration ID will be issued. There is no reporting requirement for prepayments.
- (e) Credit facilities in foreign currency, other than permitted as mentioned above, require prior approval from the Controller.
- (f) Credit facilities in ringgit of any amount from non-residents requires prior approval from the Controller. This includes advances from an External Account holder to a resident, irrespective whether the External Account holder is related to the resident or not; or the External Account holder is a shareholder or director of the resident company.