
DIRECTION ON DEALINGS WITH SPECIFIED PERSON AND IN RESTRICTED CURRENCY

In exercise of the powers conferred by subsection 216(1) and section 261 of the Financial Services Act 2013 [Act 758] and subsection 227(1) and section 272 of the Islamic Financial Services Act 2013 [Act 759], the Bank, with the approval of the Minister, in the national interest, issues the following direction:

Commencement date

1. This Direction comes into effect on 30 April 2020.

Definition

2. In this Direction, unless the context requires otherwise—

“Restricted Currency” means—

- (a) currency note or coin which is legal tender in the State of Israel;
- (b) any right to receive currency note or coin mentioned in subparagraph (a)—
 - (i) in respect of any credit or balance at a licensed onshore bank or any other similar institution in or outside Malaysia; or
 - (ii) from any person in or outside Malaysia;
- (c) any document, instrument or device which enables a person to obtain currency note or coin mentioned in subparagraph (a) from another person, including but not limited to traveller’s cheque, letter of credit and bank draft; or
- (d) any electronic or digital representation of currency note or coin mentioned in subparagraph (a);

“Specified Person” means—

- (a) the State of Israel or its governmental organization, authority or agency;

- (b) a natural person who is a citizen or permanent resident of the State of Israel;
- (c) any person incorporated, established, or registered for purposes of incorporation or establishment, in the State of Israel or under its laws;
- (d) any unincorporated person which is formed in the State of Israel or under its laws or policy; or
- (e) any person owned or controlled, directly or indirectly, by a person mentioned in subparagraph (a), (b), (c) or (d),

in whatever name or style, or any other person who is connected with a person mentioned in subparagraph (a), (b), (c), (d) or (e) as the Bank may specify.

Prohibition on dealings with a Specified Person

3. (1) No person in Malaysia shall undertake or engage in any dealing or transaction with or involving a Specified Person.

(2) Notwithstanding subparagraph (1), where an international trade with or involving a Specified Person—

- (a) in goods is licensed under the Customs Act 1967 [Act 235], or does not involve movement of goods in or out of Malaysia; or
- (b) in services is allowed in writing by a relevant authority exercising statutory power in Malaysia, or does not involve provision of services to or from a person in Malaysia,

a person may, with the prior written approval of the Bank, enter into, or make or receive payment arising from such trade.

Prohibition on dealings in a Restricted Currency

4. No person in Malaysia shall undertake or engage with any person in any dealing or transaction using or involving a Restricted Currency.

Requirement on opening of account

5. No person shall open an account for a Specified Person or in a Restricted Currency unless with a written approval of the Bank.

Revocation

6. The Bank's Direction on Dealings with Specified Persons and in Restricted Currencies [BNM/RH/CIR-000-3] issued on 28 June 2013 is revoked.