
NOTICE 4: PAYMENT AND RECEIPT

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PART A: PAYMENT AND RECEIPT FOR APPROVED TRANSACTION

1. A person is allowed to make or receive a payment arising from any transaction approved in writing by the Bank under the FE Notices or otherwise approved in writing by the Bank **subject to** compliance with the Direction on Dealings with Specified Person and in Restricted Currency issued by the Bank on 30 April 2020 (as amended or revised from time to time).

PART B: PAYMENT IN RINGGIT

Payment in Ringgit Between Resident and Non-Resident

2. A Resident is allowed to make or receive payment in Ringgit, in Malaysia, to or from a Non-Resident for—

- (a) any purpose between Immediate Family Members;
- (b) income earned or expense incurred in Malaysia; or
- (c) settlement of—
 - (i) a trade in goods and services;
 - (ii) a Ringgit Asset including any income and profit due from the Ringgit Asset;
 - (iii) a court judgement where the transaction under litigation is undertaken in compliance with the FE Notices;
 - (iv) a commodity murabahah transaction between a Resident and Non-Resident undertaken through a Resident commodity trading service provider;
 - (v) 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 LFSSA or LIFSSA;
 - (vi) a Financial Guarantee denominated in Ringgit, to secure an underlying Borrowing in Ringgit; or
 - (vii) a Non-Financial Guarantee denominated in Ringgit for use in Malaysia.

Payment in Ringgit Between Non-Residents

3. A Non-Resident is allowed to make or receive payment in Ringgit, in Malaysia, to or from another Non-Resident for—

- (a) any purpose between Immediate Family Members;

- (b) income earned or expense incurred in Malaysia; or
- (c) settlement of—
 - (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 between Non-Residents undertaken through a Resident commodity trading service provider; or
 - (iv) a Non-Financial Guarantee denominated in Ringgit for use in Malaysia.

PART C: PAYMENT IN FOREIGN CURRENCY

Payment in Foreign Currency between Residents

4. A Resident is allowed to make or receive payment in Foreign Currency, to or from another Resident for—

- (a) any purpose between Immediate Family Members;
- (b) education, employment or migration outside Malaysia;
- (c) a transaction between the Resident and—
 - (i) a LOB;
 - (ii) a licensed international takaful operator; or
 - (iii) an international currency business unit of a licensed takaful operator,
in the conduct of the latter's business involving Foreign Currency;
- (d) settlement of—
 - (i) a Foreign Currency-denominated derivative (**excluding** an Exchange Rate Derivatives) transacted on a Specified Exchange¹ under the CMSA between a Resident and a Resident futures broker;
 - (ii) a commodity murabahah transaction between Residents undertaken through a Resident commodity trading service provider; or
 - (iii) a domestic trade in goods or services between a Resident exporter and a Resident SME, **provided that**—
 - (A) the Resident SME is a Net Importer;
 - (B) the payment is made using—

¹ Refer to Directive on the List of Specified Exchanges under the Trading Participants' Directive and Guidance in the website of Bursa Malaysia.

- (I) funds from the Resident exporter's Trade FCA; or
 - (II) proceeds from a Foreign Currency export trade financing facility obtained in accordance with Part B of Notice 2;
- (C) the payment shall be made directly into Trade FCA of the Resident SME; and
- (D) the Resident Exporter and the Resident SME have complied with the requirements in **Appendix A**.

Payment in Foreign Currency Between Resident and Non-Resident

5. (1) A Resident is allowed to make or receive payment to or from a Non-Resident in Foreign Currency **for any purpose² excluding** transactions listed in paragraph 5(3).

(2) For the avoidance of doubt, paragraph 5(1) shall **include** payment or receipt for a Foreign Currency-denominated derivative or Islamic derivative—

- (a) purchased by a LOB for its own account **excluding** a derivative which is derived from, referenced to or based on Ringgit;
- (b) offered on a Specified Exchange³ under the CMSA undertaken by the Resident through a Resident futures broker⁴ **excluding** Exchange Rate Derivatives;
- (c) a Foreign Currency-denominated interest rate swap between a Resident and a Labuan bank under the LFSSA to manage interest rate exposure arising from a Borrowing in Foreign Currency in accordance with Part A and Part B of Notice 2; or
- (d) purchased by a Resident Individual for his own account⁵ **excluding** Exchange Rate Derivatives.

² For an example, foreign direct investment into Malaysia by a Non-Resident.

³ Refer to Directive on the List of Specified Exchanges under the Trading Participants' Directive and Guidance in the website of Bursa Malaysia.

⁴ Subject to Notice 3 if the Foreign Currency-denominated derivative or Islamic derivative is undertaken without a Firm Commitment.

⁵ Subject to Notice 3 if the Foreign Currency-denominated derivative or Islamic derivative is undertaken without a Firm Commitment.

- (3) Paragraph 5(1) shall **not** apply to payment made for—
- (a) a Foreign Currency-denominated derivative offered by a Resident **unless** approved by the Bank under Part B of Notice 5 or otherwise approved in writing by the Bank;
 - (b) a Foreign Currency-denominated derivative offered by a Non-Resident **except** for transactions listed in paragraph 5(2); or
 - (c) a derivative which is derived from, referenced to or based on Ringgit **unless** approved by the Bank under Part B of Notice 5 or otherwise approved in writing by the Bank.

Payment in Foreign Currency Between Non-Residents

6. A Non-Resident is allowed to make or receive payment in Foreign Currency, in Malaysia, to or from another Non-Resident for any purpose.

PART D: PAYMENT RELATING TO REMITTANCE BUSINESS

7. The following persons are allowed to make or receive payment relating to remittance business as defined in section 2 of the MSBA for or on behalf of their customer **subject to** compliance with the Direction on Dealings with Specified Person and in Restricted Currency issued by the Bank on 30 April 2020 (as amended or revised from time to time):

- (a) A person who is licensed under the MSBA to carry out remittance business; or
- (b) A person who provides a remittance system approved by the Bank under section 40(1) of the MSBA for a person referred to in paragraph 7(a) and its money services business agent.

PART E: REPATRIATION OF FUNDS BY NON-RESIDENT

8. A Non-Resident is allowed to repatriate from Malaysia, funds including any income earned or proceeds from divestment of Ringgit Asset, **provided that**—

- (a) the repatriation is made in Foreign Currency; and
- (b) the conversion of Ringgit into Foreign Currency is undertaken in accordance with Part B of Notice 1.

PART F: OPENING AND MAINTAINING OF ACCOUNT

Ringgit Account

9. A Non-Resident is allowed to open and maintain an External Account with a Financial Institution in Malaysia.

10. Subject to paragraph 12, a NRFI is allowed to undertake the following transaction on behalf of its Non-Resident clients in facilitating settlement of international trade in goods or services between the Non-Resident client and a Resident:

- (a) Make payment in Ringgit to a Resident through the NRFI's External Account, **provided that** any sale of Foreign Currency against Ringgit shall be undertaken via straight pass-through transactions matched with a back-to-back arrangement with a LOB; or
- (b) Receive payment in Ringgit from a Resident through the NRFI's External Account.

11. Subject to paragraphs 12 and 13, a Non-Resident Intermediary or NRFI acting as a custodian or trustee is allowed to make or receive payment in Ringgit to or from a Resident or a Non-Resident on behalf of its Resident or Non-Resident clients in facilitating settlement of Ringgit Asset through—

- (a) a Ringgit account opened and maintained by the Non-Resident Intermediary or NRFI for the Resident client;
- (b) an External Account of the Non-Resident Intermediary or NRFI; or
- (c) an External Account opened and maintained by the Non-Resident Intermediary or NRFI for the Non-Resident client.

12. Any transaction undertaken under paragraph 10 or 11 shall **not** involve any Ringgit financing by the Non-Resident Intermediary or NRFI to its Resident or Non-Resident clients.

13. A Non-Resident Intermediary or NRFI acting as a custodian or trustee managing Ringgit Asset for its clients shall comply with **Appendix B**.

14. Sources and uses of Ringgit funds of an External Account shall be **subject to** the requirements, restrictions and conditions in **Appendix C**.

Foreign Currency Account

15. A Resident Individual is allowed to open and maintain a FCA with a LOB or a NRFI, individually or jointly with—
- (a) another Resident Individual; or
 - (b) a Non-Resident Individual who is his Immediate Family Member.
16. Subject to Part A of Notice 3, a Resident Individual is allowed to transfer Foreign Currency funds from his FCA into—
- (a) his own FCA;
 - (b) his joint FCA; or
 - (c) a FCA of his Immediate Family Member opened individually or jointly with any Individual.
17. Subject to Part B of Notice 3, a Resident Entity is allowed to open and maintain a FCA with a LOB or a NRFI.
18. A Resident Intermediary shall segregate Foreign Currency funds belonging to its Resident client from those belonging to its Non-Resident client into separate FCA opened under the Resident Intermediary's name.
19. A Non-Resident is allowed to open and maintain a FCA with a LOB, individually or jointly with—
- (a) another Non-Resident; or
 - (b) a Resident Individual who is his Immediate Family Member.
20. Sources and uses of Foreign Currency funds of a Trade FCA or Investment FCA of a Resident shall be **subject to** the requirements, restrictions and conditions in **Appendix D**.

APPENDIX A
(Paragraph 4(d)(iii)(D))

Requirements for Payment in Foreign Currency Between Resident Exporter and Resident SME

1. The Resident SME shall—
 - (a) make a declaration that—
 - (i) it is an SME as defined in the “Guideline for New SME Definition” issued by SME Corporation Malaysia in October 2013 (as amended from time to time);
 - (ii) it does not have Foreign Currency export earnings or its annual Foreign Currency export earnings are less than its annual Foreign Currency import obligations; and
 - (iii) it has invoiced or will invoice the Resident exporter in Foreign Currency; and
 - (b) provide supporting documents as evidence of its six (6) months Foreign Currency import obligations,

to the receiving bank in accordance with the receiving bank’s internal guidelines.
2. The Resident exporter shall provide a copy of the Resident SME’s declaration under paragraph 1(a) above to its remitting bank in accordance with the remitting bank’s internal guidelines.
3. The Resident SME and the Resident exporter shall repeat the declaration required under paragraphs 1 and 2 respectively on an annual basis.
4. The Resident SME and the Resident exporter shall provide a LOB with all documentary evidence required by the LOB as part of its customer due diligence process.

APPENDIX B
(Paragraph 13)

Requirements on NRFI or Non-Resident Intermediary in Managing Ringgit Asset on Behalf of Clients

No.	Scenario	Requirements
1.	The Non-Resident Intermediary or NRFI opens and maintains separate Ringgit accounts for its Resident and Non-Resident clients to manage their Ringgit investments.	<p>The Ringgit account opened and maintained by the Non-Resident Intermediary or NRFI for the Resident clients shall be designated as Resident's Ringgit account.</p> <p>The Ringgit account opened and maintained by the Non-Resident Intermediary or NRFI for the Non-Resident clients shall be designated as External Account.</p> <p>Any investment in Foreign Currency Asset on behalf of the Resident clients using funds from the Ringgit account shall be subject to Part A or B of Notice 3.</p>
2.	The Non-Resident Intermediary or NRFI opens and maintains an Omnibus Ringgit Account to manage Ringgit investments of its Resident and Non-Resident clients.	<p>Such Omnibus Ringgit Account is classified as External Account. However, all Ringgit proceeds arising from sale of Ringgit Asset on behalf of the Resident clients shall be transferred from the Omnibus Ringgit Account into the Resident Clients' own Ringgit account within three (3) business days.</p>

APPENDIX C
(Paragraph 14)

Approved Sources and Uses of Funds of an External Account

Approved Sources	Approved Uses
<ol style="list-style-type: none"> 1. Proceeds from sale of Foreign Currency on Spot Basis to— <ul style="list-style-type: none"> • a LOB; or • a Licensed Money Changer. 2. Drawdown or repayment of an approved Ringgit Borrowing in accordance with Notice 2. 3. Cash deposit of up to RM10,000 per account per day for any purpose⁶. 4. Receipt or inward transfer of up to RM10,000 per day per account via— <ul style="list-style-type: none"> • automated teller machine (ATM); or • other electronic means⁷, for any purpose⁶. 5. Inward crediting of up to RM10,000 per cheque for any purpose⁶. 6. Receipt in Ringgit for purposes in accordance with Part B and Part F of this Notice. 7. Transfer in Ringgit between NRFIs which are CFETS⁸ members for settlement of trade in goods or services with a Resident. 	<ol style="list-style-type: none"> 1. Purchase of Foreign Currency on Spot Basis from— <ul style="list-style-type: none"> • a LOB; or • a Licensed Money Changer. 2. Lending of Ringgit or repayment of any Ringgit Borrowing in accordance with Notice 2. 3. Cash withdrawal over-the-counter of any amount. 4. Payments or outward transfer of up to RM10,000 per day per account via— <ul style="list-style-type: none"> • automated teller machine (ATM); or • other electronic means⁷, for any purpose⁶. 5. Outward clearing of up to RM10,000 per cheque for any purpose⁶. 6. Payment in Ringgit for purposes in accordance with Part B and Part F of this Notice. 7. Transfer in Ringgit between NRFIs which are CFETS⁸ members for settlement of trade in goods or services with a Resident.

⁶ Any transactions beyond the prescribed threshold of RM10,000 must be supported with documentary proof of permitted purposes under Notice 4.

⁷ Including internet banking, mobile banking, mobile payments or electronic money.

⁸ China Foreign Exchange Trade System (CFETS).

Appendix D
(Paragraph 20)

Approved Sources and Uses of Funds of Trade FCA and Investment FCA of Resident

	Trade FCA	Investment FCA
Approved Sources	<ol style="list-style-type: none"> 1. Up to 100% of proceeds of Export of Goods not exceeding RM200,000 equivalent per transaction. 2. For Export of Goods of above RM200,000 equivalent per transaction, up to the higher of— <ul style="list-style-type: none"> • 25% of the proceeds of Export of Goods; or • six (6) months Foreign Currency Obligations or payable, in accordance with Notice 7. 3. Conversion of Ringgit up to six (6) months Foreign Currency Obligation. 4. Other Foreign Currency funds. 	<ol style="list-style-type: none"> 1. Any amount using Foreign Currency funds from— <ul style="list-style-type: none"> • outside Malaysia except proceeds of Export of Goods; or • approved Borrowing in Foreign Currency, in accordance with Notice 2⁹. 2. Up to the approved aggregated limit¹⁰ from— <ul style="list-style-type: none"> • conversion of Ringgit into Foreign Currency; or • Transfer from Trade FCA, in accordance with Notice 3.

⁹ Borrowing in Foreign Currency from LOB obtained by a Resident Entity for Direct Investment Abroad (DIA) is allowed up to any amount but for purposes other than DIA, they are subject to the aggregated approved limit, in accordance with Notice 3.

¹⁰ The aggregated approved limit shall be computed in accordance with Notice 3 and is not applicable to investment in real estate outside Malaysia by a Resident Individual for the purpose of education, employment or migration.

	Trade FCA	Investment FCA
Approved Uses	<ol style="list-style-type: none"> 1. Foreign Currency Obligation. 2. Foreign Currency payment to a Resident Net Importer SME, in accordance with paragraph 4(d)(iii). 3. Transfer into Investment FCA, in accordance with Notice 3. 4. Conversion of Foreign Currency into Ringgit, in accordance with Notice 1. 	<ol style="list-style-type: none"> 1. Any approved purposes.