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**NOTICE 7: EXPORT OF GOODS**

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**PART A: RECEIPT OF PROCEEDS OF EXPORT OF GOODS BY RESIDENT**

1. A Resident exporter shall receive the proceeds of its Export of Goods (“PEG”) in Malaysia—
  - (a) in Ringgit or Foreign Currency **provided that** where the PEG is received and retained in Foreign Currency, the Resident exporter shall place the PEG in its Trade FCA maintained with a LOB;
  - (b) in full value **excluding** any approved deductions related to the Export of Goods as listed in **Appendix A**; and
  - (c) earlier than or in accordance with the payment date of the export contract which in any case shall not exceed—
    - (i) twenty-four (24) months from the date of shipment where the amount of PEG does not exceed RM200,000 equivalent per invoice and any circumstance listed in **Appendix B** applies; or
    - (ii) six (6) months from the date of shipment in any other case.
2. Paragraph 1 shall not apply to PEG categorised under **Appendix C**.

**PART B: RETENTION OF PROCEEDS OF EXPORT OF GOODS IN FOREIGN CURRENCY BY RESIDENT**

3. A Resident exporter shall convert all PEG into Ringgit with a LOB **except for** the amounts allowed in paragraph 4.
4. A Resident exporter may retain Foreign Currency PEG in its Trade FCA maintained with a LOB up to—
  - (a) the full amount for PEG of up to RM200,000 equivalent per transaction; and
  - (b) the higher of the following for PEG exceeding RM200,000 equivalent per transaction:
    - (i) Twenty-five percent (25%) of the PEG; or
    - (ii) Six (6) months Foreign Currency Obligation of the Resident exporter that exists on the date of receipt of the PEG. However, this shall not apply if the following aggregated sources are sufficient to meet such Foreign Currency Obligation:
      - (A) Existing balance in the Resident exporter's Trade FCA maintained with a LOB; and
      - (B) Forward Basis transactions undertaken by the Resident exporter for its Foreign Currency Obligation in accordance with Notice 1.

**PART C: PAYMENT OF EXPORT PROCEEDS IN RINGGIT BY NON-RESIDENT**

5. Where a Non-Resident undertakes settlement for an Export of Goods in Ringgit in Malaysia, the Ringgit shall be sourced from—

- (a) buying of Ringgit in accordance with Part B of Notice 1;
- (b) an External Account of the Non-Resident;
- (c) an External Account of an NRFI acting on behalf of the Non-Resident, where it shall involve the buying of Ringgit in accordance with Part B of Notice 1; or
- (d) a Ringgit trade financing facility from a LOB in accordance with Part C of Notice 2.

**PART D: REPORTING REQUIREMENT**

6. Where a Resident exporter's annual gross Export of Goods exceeds RM50 million equivalents in the preceding year, the Resident exporter shall submit a quarterly report on Export of Goods to the Bank via <https://bnm.my/fep> within twenty-one (21) days after the end of each quarter.

**APPENDIX A**  
(Paragraph 1(b))

**Approved Deductions**

Approved deductions refer to any one or more of the following:

- (a) Agency commission including advertising or promotion expenses;
- (b) Handling charge including freight and insurance or takaful rates;
- (c) Administrative error;
- (d) Discount by an exporter;
- (e) Quality and/or quantity claim;
- (f) Short-shipment;
- (g) Shut-out;
- (h) Write-off arising from fraud;
- (i) Goods that the Resident exporter does not own but is receiving payment for value added input; or
- (j) Buyer is under liquidation.

**APPENDIX B**  
(Paragraph 1(c)(i))

**Permitted Reasons for Receipt of Proceeds of Export of Goods up to Twenty-Four (24) Months from the Date of Export**

1. The Resident exporter is allowed to further extend the repatriation timeline from six (6) months up to twenty-four (24) months from the date of export, where it **has no control over the delay** in receiving the PEG due to unexpected circumstances as follows:
  - (a) Buyer in financial difficulties;
  - (b) Cancellation of order by the buyer (e.g. shut-out);
  - (c) Restriction on foreign exchange transactions in the buyer's country;
  - (d) Quality and/or quantity claims; or
  - (e) Incidence of fraud.
  
2. Credit terms provided by the resident exporter of up to twenty-four (24) months for—
  - (a) consignment sale; or
  - (b) goods that involve testing and commissioning.

**APPENDIX C**  
(Paragraph 2)

**Non-Receipt of Proceeds of Export of Goods**

Non-receipt of PEG is allowed for goods exported—

- (a) under a border trade agreement entered into by the Government of Malaysia with any foreign government; or
- (b) where the goods are not for sale, as follows:
  - (i) Gift, donation, personal effects or business sample;
  - (ii) Goods that are exported for further processing, testing, repairing, exchange or exhibition, and subsequently will be imported back to Malaysia; or
  - (iii) Goods belonging to a Non-Resident that are exported after an exhibition in Malaysia or upon expiry of a lease or rental.