

## FOREIGN EXCHANGE NOTICES FACT SHEET – FOREIGN CURRENCY ACCOUNT (INDIVIDUALS)

Protected by PIDM up to RM250,000 for each depositor

### WHAT ARE FOREIGN EXCHANGE NOTICES?

The Foreign Exchange Notices (“FE Notices”) are a set of rules administered by Bank Negara Malaysia (“BNM”) under the Financial Services Act 2013 and Islamic Financial Services Act 2013 to safeguard the value of the Ringgit Malaysia (“Ringgit”).

You are advised to read and understand the FE Notices and ensure all activities performed for account/s maintained with Hong Leong Bank Berhad and/or Hong Leong Islamic Bank Berhad (“the Bank”) comply with FE Notices at all times.

### ARE YOU A RESIDENT OR NON-RESIDENT?

The applicable rules within the FE Notices differ between Residents and Non-Residents.

BNM’s definitions of Residents and Non-Residents are as set out in the Financial Services Act 2013, please refer to the table below (for guidance):

| Citizenship       | Permanent Resident Status of a country outside Malaysia | Length of time residing outside Malaysia | Residency Status | Citizenship           | Permanent Resident Status in Malaysia | Length of time residing in Malaysia | Residency Status |
|-------------------|---------------------------------------------------------|------------------------------------------|------------------|-----------------------|---------------------------------------|-------------------------------------|------------------|
| Malaysian Citizen | No                                                      | N/A                                      | Resident         | Non-Malaysian Citizen | No                                    | N/A                                 | Non-Resident     |
|                   | Yes                                                     | > 182 days*                              | Non-Resident     |                       | Yes                                   | > 182 days*                         | Resident         |
| < 182 days*       |                                                         | Resident                                 | < 182 days*      | Non-Resident          |                                       |                                     |                  |

\* Computation of 182 days is based on per calendar years and need not be a continuous basis.

### WHAT IS A HLB FOREIGN CURRENCY ACCOUNT?

Individuals are free to open Foreign Currency Accounts (“FCA”) with Hong Leong Bank (HLB). A FCA can be opened:

- Individually by a sole Resident or Non-Resident customer;
- Jointly between individual customers who are all Residents;
- Jointly between individual customers who are all Non-Residents; or
- Jointly between individual Resident and individual Non-Resident who are immediate family members. Defined as a legal spouse, parent, legitimate child (including legally adopted) or legitimate sibling. Note: Joint FCAs between Resident and Non-Resident non-immediate family members are NOT allowed under FE rules.

Hong Leong Bank classifies all FCAs belonging to individual customers as Investment FCAs.

### WHAT ARE THE FE RULES APPLICABLE TO AN INVESTMENT FCA?

The operations, sources and uses of funds into and from an Investment FCA belonging to a Resident shall be in accordance with the requirements, restrictions and conditions set out in the FE Notices issued by BNM, as summarized below:

| Permissible Sources of Funds received into Investment FCA                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Permissible Uses of Funds paid from Investment FCA                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ol style="list-style-type: none"> <li><b>Any amount using foreign currency funds:</b> <ul style="list-style-type: none"> <li>• From abroad, other than proceeds from export of goods</li> <li>• From a Non-Resident, other than foreign currency borrowing and foreign currency denominated derivatives</li> </ul> </li> <li><b>Up to RM10 million equivalent of foreign currency borrowing in aggregate from a licensed onshore bank (i.e. local/ Malaysian bank) or a Non-Resident</b></li> <li><b>Up to RM1 million equivalent* in aggregate per calendar year using funds from the aggregate of:</b> <ul style="list-style-type: none"> <li>• conversion of Ringgit into Foreign Currency; and</li> <li>• Trade FCA; and</li> <li>• swapping of a Ringgit-denominated financial asset in Malaysia for a financial asset in Labuan Entity or outside Malaysia</li> </ul> </li> <li><b>Any amount for same-party transfer from an Investment FCA</b></li> </ol> <p>*Applicable to Resident with Domestic Ringgit Borrowing only</p> | <ol style="list-style-type: none"> <li><b>Any amount for same-party transfer into an Investment FCA</b></li> <li><b>All permissible uses under the relevant FE Notices, such as:</b> <ul style="list-style-type: none"> <li>• Foreign currency remittance for education fee overseas;</li> <li>• Foreign currency remittance for living expenses of children living overseas;</li> <li>• Foreign currency remittance for purchase of goods from an overseas seller</li> </ul> </li> </ol> |

### WHAT IS DOMESTIC RINGGIT BORROWING?

Domestic Ringgit Borrowing is any borrowing in Ringgit obtained by a Resident from another Resident (including borrowing from licensed onshore banks), except for:

- A credit/financing facility (any utilised or unutilised) obtained by a Resident individual for the purchase of one (1) residential property and one (1) vehicle; or
- A Credit Card or Charge Card facility obtained by a Resident individual and used for payment for retail goods or services only;

For illustration purpose, a Resident is deemed to have Domestic Ringgit Borrowing if he/she has a Personal Loan with XYZ Bank Berhad.

### IMPORTANT:

Information contained in this document is not meant to be comprehensive and to be used only as a general guide for customers. You are advised to refer to the full and latest FE Notices, which are available on Bank Negara Malaysia (BNM)’s website ([www.bnm.gov.my](http://www.bnm.gov.my)).