

J.P.Morgan

Client Guide:

Completion of BNM Foreign Exchange Policy (FEP) Declaration Form for Residents

This guidance is issued by J.P. Morgan Chase Bank Berhad and does not constitute legal advice. To ensure you comply with your obligations under the BNM Foreign Exchange Policy (FEP), please ensure you seek relevant legal advice or refer to the FEP published on www.bnm.gov.my/fep#notices.



Completion of BNM FEP Declaration Form for Residents

SECTION 1 – DOMESTIC RINGGIT BORROWING STATUS (MANDATORY TO COMPLETE)

We hereby declare and confirm that:

- ☐ We **DO NOT** have any Domestic Ringgit Borrowing¹ and are allowed to invest in Foreign Currency Asset up to any amount;
- ☐ We **HAVE** Domestic Ringgit Borrowing¹ -
 - ☐ our investment in Foreign Currency Asset are up to RM50 million equivalent² per calendar year using funds sourced from the aggregate of -
 - (i) conversion of RM into Foreign Currency (including own account transfers into our Investment Foreign Currency Accounts);
 - (ii) Trade Foreign Currency Accounts (including transfers from our Trade Foreign Currency Accounts into Investment Foreign Currency Accounts);
 - (iii) Borrowing in Foreign Currency from a licensed bank in Malaysia for purposes other than Direct Investment Abroad; and/or
 - (iv) swapping of a RM denominated financial asset in Malaysia for a financial asset in Labuan Entity or outside Malaysia;
 - ☐ our investment in Foreign Currency Asset exceeds RM50 million equivalent¹ per calendar year and we have obtained approval from BNM and shall provide a copy of the approval by BNM to JPMorgan prior to entering into investment in Foreign Currency Asset transactions.

We undertake to immediately notify JPMorgan in the event of any subsequent change to our Domestic Ringgit Borrowing status.



STEP 1 (MANDATORY TO COMPLETE)

Please declare if Client has Domestic Ringgit Borrowing.

Domestic Ringgit Borrowing means

- a) any Borrowing in Ringgit obtained by a Resident from another Resident; or
- b) any obligation considered or deemed as Domestic Ringgit Borrowing under any of the FEP Notices.

Note: For purposes of determining the Domestic Ringgit Borrowing status of a Resident Entity –

- a) Resident Entity is deemed to have a Domestic Ringgit Borrowing when another Resident Entity with Parent-Subsidiary Relationship has a Domestic Ringgit Borrowing; and
- b) the following shall not be considered as Domestic Ringgit Borrowing—
 - i. a Borrowing obtained by the Resident Entity from another Resident Entity with Parent-Subsidiary Relationship;
 - ii. a Borrowing obtained from the Resident Entity's Direct Shareholder; or
 - iii. any facility including credit facility or financing facility obtained by the Resident Entity which is used for Sundry Expenses or Employees' Expenses only.

Parent-Subsidiary Relationship means a relationship between a Resident Entity and its direct or indirect (a) Resident Holding/Parent Entity; or (b) Resident subsidiary. For the avoidance of doubt, this includes a relationship between a Resident subsidiary of a Non-Resident Holding/Parent Entity with the Resident subsidiary's ultimate Resident Holding/Parent Entity.

RM50 million equivalent is computed in aggregate based on the Resident Entity and the other Resident Entity with Parent-Subsidiary Relationship's investment in Foreign Currency Asset.

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SECTION 2 – INCOMING FOREIGN CURRENCY

2.1 – RELATING TO FOREIGN CURRENCY BORROWING

We hereby advise and instruct JPMorgan to apply the Borrowing Purpose Code specified in the table below to all **incoming foreign currency payments received from the following** Lenders into our Trade Foreign Currency Accounts (TFCA), Investment Foreign Currency Account (IFCA) and/or Malaysia Ringgit Account (MYRA)

Instruction to client: Please declare the Lender's institution type by selecting option (a), (b), (c), or (d) from the drop-down list, and provide additional declaration relating to your foreign currency borrowing status based on all applicable Lender's Institution Type selected in the table below.

Lender	Purpose Code	Crediting Account			Remitter's Institution Type
		TFCA	IFCA	MYRA	
		☐	☐	☐	Select option below.
		☐	☐	☐	Select option below.
		☐	☐	☐	Select option below.
		☐	☐	☐	Select option below.

- ☐ Lender is a Non-Resident Financial Institution, Non-Resident SPV which is used to obtain Foreign Currency Borrowing from outside our Group, and/or Non-Resident outside of our Group:
- ☐ Our total outstanding borrowing in Foreign Currency **IS** within the permissible limit of RM100 million equivalent in aggregate².
- ☐ Our total outstanding borrowing in Foreign Currency **EXCEEDS** the permissible limit of RM100 million equivalent in aggregate³, and a copy of the BNM's approval letter will be provided to JPMorgan.
- ☐ Lender is a Resident Entity within our Group or is our Direct Shareholder
- ☐ The Foreign Currency borrowing transferred into our IFCA **ARE NOT** sourced from a Trade FCA and/or MYR account.
- ☐ The Foreign Currency borrowing transferred into our IFCA **ARE** sourced from a Trade FCA and/or MYR account
- ☐ The Foreign Currency borrowing **ARE NOT** transferred into our IFCA.

STEP 2: If applicable, please check the relevant boxes and fill in the required details

RM100 million equivalent is computed based on an aggregate Borrowing in Foreign Currency by the Resident Entity and other Resident Entity with Parent-Subsidiary Relationship.

If the rows in the table are insufficient, please indicate “**Refer to Appendix**” and insert the details in the relevant section of the attached **Appendix**, maintaining the same format to avoid form rejection.

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☐ Lender is a Non-Resident Entity within our Group or is our Group's Direct Shareholder

- ☐ The Foreign Currency borrowing **ARISES FROM** a financial guarantee issued by us to support the Non-Resident Entity to secure its Foreign Currency borrowing from a Non-Resident Financial Institution, and the proceeds of the borrowing are ~~utilised~~ by us.

If the above declaration applies, please confirm one of the following:

- ☐ Our Foreign Currency borrowing **IS** within RM100 million equivalent in aggregate³ borrowing in Foreign Currency by the Resident Entity and other Resident Entity with Parent-Subsidiary Relationship.
- ☐ Our Foreign Currency borrowing **IS NOT** within RM100 million equivalent in an aggregate⁴ borrowing in Foreign Currency by the Resident Entity and other Resident Entity with Parent-Subsidiary Relationship, and we have obtained approval from BNM and shall provide a copy of the approval by BNM to JPMorgan prior to entering into any Foreign Currency Borrowing.

- ☐ The Foreign Currency borrowing **DOES NOT ARISE FROM** a financial guarantee issued by us to the Non-Resident Entity to secure its Foreign Currency borrowing from a Non-Resident Financial Institution, or the proceeds of such borrowing are not ~~utilised~~ by us.

☐ Lender is a Licensed Onshore Bank:

- ☐ Our Foreign Currency Borrowing is for Direct Investment Abroad, and we shall **provide supporting documents**.
- ☐ Our Foreign Currency Borrowing is for Investment in Foreign Currency Assets other than Direct Investment Abroad. We understand that this investment is subject to the RM50 million equivalent⁴ per calendar year if we have Domestic Ringgit Borrowing.
- ☐ Our Foreign Currency Borrowing is not for Direct Investment Abroad and/or Investment in Foreign Currency Assets. They are for the following purpose(s):

Borrowing Purpose other than Direct Investment Abroad and Investment in Foreign Currency Assets

2.2 – FOREIGN CURRENCY TRANSACTIONS – NON-RESIDENCY CONFIRMATION

We hereby declare and confirm that:

- ☐ The remitters listed below, from whom recurring foreign currency payments are received from, are Non-Residents (whether individuals or entities).

Remitter Name



STEP 2: If applicable, please check the relevant boxes and fill in the required details

RM100 million equivalent is computed based on an aggregate Borrowing in Foreign Currency by the Resident Entity and other Resident Entity with Parent-Subsidiary Relationship.

RM50 million equivalent is computed in aggregate based on the Resident Entity and the other Resident Entity with Parent-Subsidiary Relationship's investment in Foreign Currency Asset.

If the rows in the table are insufficient, please indicate **“Refer to Appendix”** and insert the details in the relevant section of the attached **Appendix**, maintaining the same format to avoid form rejection.



STEP 3: If applicable, please check the relevant boxes and fill in the required details

If the rows in the table are insufficient, please indicate **“Refer to Appendix”** and insert the details in the relevant section of the attached **Appendix**, maintaining the same format to avoid form rejection.

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2.3 – PURPOSE CODES FOR INCOMING FOREIGN CURRENCY PAYMENTS FROM SPECIFIC REMITTERS

- ☐ If **incoming foreign currency payments** into our TFCA, IFCA and/or MYRA **DO NOT** contain a **purpose code**, we hereby advise and instruct JPMorgan to apply the Purpose Code specified in the table below to all payments received from the following Remitters.

For purpose code relating to **Export of Goods**, please declare whether the export proceeds are received under option (1) or (2) or (3) below. The selected option shall apply to all incoming foreign currency payments from the specified remitter below.

Option (1): Proceeds from Export of Goods received in full value

Option (2): Proceeds from Export of Goods received in full value excluding approved deductions. The approved deductions in accordance with BNM FEP Notice 7 refer to any one or more of the following².

Option (3): Proceeds from our Export of Goods received in full value excluding the amount spent for approved offsetting or writing-off arrangements. The approved offsetting or writing-off arrangements in accordance with BNM FEP Notice 7 refers to (a)³ or (b)⁴.

Remitter's Name	Purpose Code	Crediting Account			For Export of Goods Purpose Only, please indicate (1), (2) or (3).
		TFCA	IFCA	MYRA	
		☐	☐	☐	Select option below.
		☐	☐	☐	Select option below.
		☐	☐	☐	Select option below.
		☐	☐	☐	Select option below.

Where the purpose code specified in the table relates to Export of Goods, we hereby declare and confirm that:

- (a) We are a Resident Exporter.
- (b) All Foreign Currency Export of Goods proceeds received in our Trade Foreign Currency Accounts are received in Malaysia in accordance with BNM FEP Notice 7 as follows:
- A. within six (6) months from the date of shipment.
- B. within twenty-four (24) months from the date of shipment for the following approved circumstances:
- (a) we have no control over the delay in receiving such proceeds of our Export of Goods due to unexpected circumstances as follows:
- buyer in financial difficulties;
 - buyer cancels order (e.g. shut-out);
 - restriction on foreign exchange transactions in the buyer's country;
 - quality and/or quantity claims; or
 - incidence of fraud.
- (b) we have exported goods on credit terms provided to the buyer of up to twenty-four (24) months from the date of shipment for:
- consignment sale; or
 - goods that involve testing and commissioning.



STEP 4: If applicable, please check the relevant boxes

The approved deductions in accordance with BNM FEP Notice 7 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 costs;(c) administrative error;(d) discount by the Resident 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.

The approved offsetting or writing-off arrangements in accordance with BNM FEP Notice 7 refers to (a) or (b):

(a) an offsetting arrangement with any Non-Resident to offset the proceeds of the Resident exporter's Export of Goods with;(i) import of goods and services by the Resident exporter; warranty claim by the buyer;(ii) dividend payment by the Resident exporter; (iii) other Current Account Transactions; or (iv) repayment of Foreign Currency Borrowing obtained by the Resident exporter in accordance with Notice 2.

(b) a writing-off arrangement with a Non-Resident buyer of the exported goods to write-off the outstanding proceeds of the Resident exporter's Export of Goods due to; (i) liquidation of the Non-Resident buyer; or (ii) the Resident exporter is unable to receive the proceeds of its Export of Goods from the Non-Resident buyer after at least twenty four (24) months from date of shipment despite following up with the Non-Resident buyer.

If the rows in the table are insufficient, please indicate **"Refer to Appendix"** and insert the details in the relevant section of the attached **Appendix**, maintaining the same format to avoid form rejection.

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SECTION 3 – OUTGOING FOREIGN CURRENCY

3.1A – FOREIGN CURRENCY LENDING

We hereby advise and instruct JPMorgan to apply the Lending Purpose Code specified in the table below to all **outgoing foreign currency payments to the following** Borrowers from our TFCA and/or MYRA .

Instruction to client: Declare the Borrower's relationship by selecting option (a), (b), or (c) from the drop-down list, and provide additional declaration relating to your foreign currency lending status based on the selected relationship with Borrower.

Borrower	Purpose Code	Debiting Account		Select the applicable borrower relationship.
		TFCA	MYRA	
		☐	☐	Select option below.
		☐	☐	Select option below.
		☐	☐	Select option below.
		☐	☐	Select option below.

☐ a. Borrower is a Resident Entity within our Group or is our Direct Shareholder

☐ The Foreign Currency lending from our MYR account and/or Trade FCA **IS NOT** transferred to an Investment FCA.

☐ The Foreign Currency lending from our MYR account and/or Trade FCA **IS** transferred into an Investment FCA.

3.1B – LOAN REPAYMENT

We hereby declare and confirm that:

☐ the loan repayment **IS NOT** in respect of a Foreign Currency Borrowing arising from a financial guarantee issued by us where we have entered into any formal or informal arrangement to repay such Foreign Currency Borrowing.

Beneficiary's Name	Purpose Code	Debiting Account	
		TFCA	MYRA
		☐	☐
		☐	☐

☐ the loan repayment **IS** in respect of a Foreign Currency Borrowing arising from a financial guarantee issued by us where we have entered into a formal or informal arrangement to repay such Foreign Currency Borrowing

Beneficiary's Name	Purpose Code	Debiting Account	
		TFCA	MYRA
		☐	☐
		☐	☐

STEP 5: If applicable, please check the box and fill in the required details

If the rows in the table are insufficient, please indicate “**Refer to Appendix**” and insert the details in the relevant section of the attached **Appendix**, maintaining the same format to avoid form rejection.

STEP 6 : If applicable, please check the relevant box(es) and fill in the required details

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3.2 – PAYMENT IN FOREIGN CURRENCY TO RESIDENTS INVOLVED IN GLOBAL SUPPLY CHAIN

We hereby declare and confirm that:

- ☐ we are a Resident Exporter and/or a Resident Intermediate Entity, and all Foreign Currency payments from our Trade Foreign Currency Accounts to the Resident payees listed below are:
- (i) for settlement of domestic trade of goods and services involved in Global Supply Chain⁸ operations in Malaysia;
 - (ii) the funds are not sourced from conversion of RM into Foreign Currency; and
 - (iii) is credited into the Trade Foreign Currency Accounts of the Resident payees.

Resident Payees

3.3 – FOREIGN CURRENCY TRANSACTIONS – NON-RESIDENCY CONFIRMATION

We hereby declare and confirm that:

- ☐ The beneficiaries listed below, to whom recurring foreign currency payments will be made, are Non-Residents (whether individuals or entities).

Beneficiary Name

STEP 7: If applicable, please check the box and fill in the required details

Global Supply Chain includes pass-through payments for domestic trade in goods or services undertaken via Resident Intermediate Entities along the Global Supply Chain

If the rows in the table are insufficient, please indicate “**Refer to Appendix**” and insert the details in the relevant section of the attached **Appendix**, maintaining the same format to avoid form rejection.

STEP 8: If applicable, please check the relevant box(es) and fill in the required details

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3.4 – PURPOSE CODES FOR OUTGOING FOREIGN CURRENCY PAYMENTS TO SPECIFIC BENEFICIARIES

- ☐ If any outgoing foreign currency payments from our Trade Foreign Currency Accounts **DO NOT contain a purpose code**, we hereby instruct JPMorgan to apply the Purpose Code advised below for all payments to the following Beneficiaries.

Beneficiary's Name	Purpose Code

- ☐ If any outgoing foreign currency payments from our Investment Foreign Currency Accounts **DO NOT contain a purpose code**, we hereby instruct JPMorgan to apply the Purpose Code advised below for all payments to the following Beneficiaries.

Beneficiary's Name	Purpose Code

- ☐ If any outgoing foreign currency payments from our Malaysia Ringgit Account **DO NOT contain a purpose code**, we hereby instruct JPMorgan to apply the Purpose Code advised below for all payments to the following Beneficiaries.

Beneficiary's Name	Purpose Code

STEP 9: If applicable, please check the box and fill in the required details

If the rows in the table are insufficient, please indicate “**Refer to Appendix**” and insert the details in the relevant section of the attached **Appendix**, maintaining the same format to avoid form rejection.

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SECTION 4 – OTHERS

4.0 – APPLICATION OF PURPOSE CODES 17010 and/or 17020

If any of our transactions contains:

- ☐ Purpose Code 17010 - Inter-company settlement for offsetting payables against receivables, we confirm and declare that we submit monthly Inter-Company Account Report (IA) to BNM.
- ☐ Purpose Code 17020 - Transfer to or from our own current account overseas, we confirm and declare that we submit monthly Overseas Account Report (OA) to BNM.



STEP 10: If applicable, please check the box and fill in the required details

If the rows in the table are insufficient, please indicate “**Refer to Appendix**” and insert the details in the relevant section of the attached **Appendix**, maintaining the same format to avoid form rejection.

Should you encounter any issues whilst completing the form, kindly reach out to your respective Client Service representative.

Flow Overview: BNM FEP Declaration Form for Residents

1 Form Completion Agent

1. Access FEP Declaration Form on Bulk Sign
2. Complete the details required
3. Forward to Authorizer

2 Authorizers

1. Sign off FEP Declaration Form
2. Route the executed document to Client Service via DocuSign

Kindly contact your Relationship Manager or Client Service representative for any questions.

Attachments

Appendices



**Microsoft Word
Document**

Note: If you are unable to open the above word document, please download this guide that you are viewing. Open this pdf using Adobe Acrobat pdf viewer and double click to open the document.