

Payment in Foreign Currency between Residents

A Resident is allowed to make or receive payment in foreign currency, to or from another Resident for:	
1	any purpose between Immediate Family Members (IFM) ¹
2	education, employment or migration outside Malaysia
3	a transaction between the Resident and a Licensed Onshore Bank in the conduct of the latter's business involving foreign currency (FCY)
4	a transaction between the Resident and a licensed international Takaful operator in the conduct of the latter's business involving FCY
5	a transaction between the Resident and an international currency business unit of a licensed Takaful operator in the conduct of the latter's business involving FCY
6	settlement of a FCY-denominated derivative (excluding an Exchange Rate Derivative) transacted on a Specified Exchange under the Capital Markets and Services Act 2007 [Act 671] between a Resident and a Resident futures broker
7	settlement of a commodity <i>murabahah</i> transaction between Residents undertaken through a Resident or a Non-Resident commodity trading service provider
8	settlement of a miscellaneous expense ² incurred outside Malaysia between a Resident Individual residing in Malaysia and a Resident Individual residing outside Malaysia
9	settlement of a domestic trade in goods or services between a Resident exporter and a Resident Entity involved in Global Supply Chain ³ operations in Malaysia, provided that the payment: <ol style="list-style-type: none"> a) is sourced from Trade Foreign Currency Account (TFCA) of the Resident payor or proceeds from a FCY trade financing facility obtained by the Resident payor in accordance with Part B of Foreign Exchange Policy Notice 2; b) shall not be sourced from conversion of ringgit into FCY by the Resident payor; and c) is credited into TFCA of the Resident payee.

¹ a legal spouse, parent, legitimate child (including legally adopted) or legitimate sibling of an Individual

² a Current Account Transaction that is of reasonable amount and infrequent in nature, including but not limited to holiday expenses abroad, medical expenses abroad and advance or reimbursement for purchase of goods and services abroad on behalf of a Resident Individual residing in Malaysia

³ a business activity where a Resident imports goods or services to support production or distribution of goods or services by a Resident exporter for the Resident exporter's export activities. This includes domestic trade in goods or services between the Resident importer and the Resident exporter undertaken through a Resident intermediate Entity.

