

**3. Trade Foreign Currency Account (Trade FCA) and Investment Foreign Currency Account (Investment FCA) – Effective 5 December 2016**

Effective 5 December 2016, FCA I and FCA II will be replaced with Trade Foreign Currency Account (Trade FCA) and Investment Foreign Currency Account (Investment FCA) respectively. Sources and Uses of Funds into/from Trade Foreign Currency Account (FCA) and Investment FCA for Resident Entity are further elaborated as follows:

	<b>Trade FCA</b>	<b>Investment FCA</b>
<b>Source of funds</b>	<ul style="list-style-type: none"> <li>Up to the higher of (a) 25% of the export proceeds; or (b) * the resident exporter's six (6) months foreign currency obligations that exist on the date of receipt of the export proceeds.</li> </ul> <p><i>* only applicable if the aggregate amount of existing balance in the resident exporter's Trade Foreign Currency Account and proceeds retained is insufficient to meet the resident exporter's six (6) months foreign currency obligations that exist on the date of receipt of the export proceeds.</i></p> <ul style="list-style-type: none"> <li>Other foreign currency funds</li> </ul>	<ul style="list-style-type: none"> <li>Any amount using foreign currency funds – <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</li> <li>✓ Foreign currency borrowing from a licensed onshore bank for direct investment abroad (DIA)</li> </ul> </li> <li>Up the amount of – <ul style="list-style-type: none"> <li>✓ Approved foreign currency borrowing from non-resident</li> <li>✓ Foreign currency sourced from Initial Public Offering on the Main Market of Bursa Malaysia</li> </ul> </li> <li>Up to RM50 million equivalent<sup>4</sup> in aggregate per calendar year on a corporate group basis from – <ul style="list-style-type: none"> <li>✓ Conversion of ringgit</li> <li>✓ Foreign currency borrowing from a licensed onshore bank for purposes other than DIA</li> <li>✓ Swapping of financial assets</li> <li>✓ Transfer from Trade FCA</li> </ul> </li> </ul>
<b>Uses of funds</b>	<ul style="list-style-type: none"> <li>Foreign currency obligations <ul style="list-style-type: none"> <li>✓ Import payment</li> <li>✓ Foreign currency loan repayment</li> </ul> </li> <li>Transfer into Investment FCA subject to investment limit</li> <li>Other current international transactions</li> </ul>	Any purpose

*Source: Supplementary Notice on Foreign Exchange Administration Rules – Measures to Promote the Development of Malaysian Financial Market dated 2 Dec 2016*