

Frequently Asked Questions (FAQs)

On 2 December 2016, Bank Negara Malaysia (“BNM”) issued a Supplementary Notice on Foreign Exchange Administration Rules dated 2 December 2016 (“Notice”) which took effect on 5 December 2016.

A. Foreign currency proceeds received from the export of goods and domestic trade settlement

Questions	Answers
1. To whom is the Notice applicable to?	<i>The Notice is applicable to (a) resident exporters of goods who receive export proceeds in foreign currency and (b) settlement of domestic trade in goods and services between residents in foreign currency.</i>
2. How much of the export proceeds can be retained in foreign currency?	<i>The resident exporter of goods can ONLY retain up to 25% of export proceeds in foreign currency account.</i>
3. What is the resident exporter of goods supposed to do with the foreign currency which is not retained?	<i>The resident exporter of goods is required to convert at least 75% of the export proceeds into Ringgit.</i>
4. Can the resident exporter of goods retain more than 25% of the export proceeds in foreign currency?	<i>The resident exporter of goods may retain more than 25% of the export proceeds in foreign currency with the approval of BNM to meet its obligations in foreign currency.</i>
5. Can the domestic trade in goods or services between residents be settled in foreign currency?	<p><i>Settlement of domestic trade in goods or services between residents in foreign currency is allowed until 31 March 2017 provided that:</i></p> <ul style="list-style-type: none"> <i>a. The payment is due under a contractual agreement which provides for payment in foreign currency entered before 5 December 2016; and</i> <i>b. The resident payor is an exporter making payment using its export earnings or has obtained written approval from BNM</i> <p><i>All settlement of domestic trade in goods or services for contractual agreement entered from 5 December 2016 onwards between residents shall be made only in Ringgit.</i></p>

Following through on the first Notice, on 27 December 2016, BNM issued a Supplementary Direction (No.2) where CIMB Bank /CIMB Islamic Bank Berhad (“the Bank”) is obliged to ensure that 75% of foreign currency proceeds from resident exporter’s export of goods are converted into Ringgit Malaysia within the time specified by BNM.

B. Foreign currency proceeds received from the export of goods

Questions	Answers
<p>1. When will the Bank convert 75% of the total foreign currency proceeds into Ringgit?</p>	<p><i>The Bank reserves the right to immediately convert 75% of the total foreign currency proceeds into Ringgit in the following events:-</i></p> <p><i>(I) Where the proceeds are confirmed to be from export of goods; or</i> <i>(II) Where the Bank is not able to ascertain the purpose of the foreign currency proceeds received</i></p> <p><i>AND</i></p> <p><i>if the Bank does not receive any conversion request from the resident exporter within:-</i></p> <p><i>(i) the same business day for foreign currency proceeds received before 12.00PM;</i> <i>(ii) the next business day for foreign currency proceeds received from 12.00PM onwards; or</i> <i>(iii) the next business day for foreign currency proceeds received on a public holiday.</i></p>
<p>2. Where will the Ringgit proceeds arising from the conversion of foreign currency proceeds be placed?</p>	<p><i>The Ringgit proceeds arising from the conversion of foreign currency proceeds in Part B No.1 will be placed into any of your existing Ringgit accounts or your Export Current Account/Export Current Account-i maintained with the Bank.</i></p>

C. Export Current Account (“Export CA”)/Export Current Account-i (“Export CA-i”)

Questions	Answers
<p>1. What is Export CA/CA-i?</p>	<p><i>The Export CA/CA-i is a special deposit facility account offered by CIMB Bank /CIMB Islamic Bank Berhad (“the Bank”) for all foreign currency proceeds from the exports of goods converted into ringgit. This special deposit facility account will be offered until 31 December 2017 subject to further review.</i></p>
<p>2. Who can open the Export CA/CA-i?</p>	<p><i>All resident exporters with foreign currency proceeds converted into ringgit from the exports of goods.</i></p>
<p>3. Is interest/hibah payable on the Export CA/CA-i?</p>	<p><i>Yes. For Export CA, interest at the rate of 3.25% per annum is payable by CIMB Bank Berhad. For Export CA-i, hibah (if any) may be given solely at CIMB Islamic Bank Berhad's discretion.</i></p>
<p>4. How do I ensure that my export proceeds from goods are being credited in Export CA/CA-i in order to enjoy the interest/hibah of 3.25%?</p>	<p><i>You may request your buyer to indicate the payment as “payment for goods” in the remarks field (Field 70) during the Telegraphic Transfer messages</i></p>
<p>5. What documentations are required to operate the Export CA/CA-i?</p>	<p><i>You are required to submit a Letter of Authorisation to the Bank within 14 calendar days from the opening date of the Export CA/CA-i, failing of which the account will be blocked. The Letter of Authorisation will detail the authority to operate the Export CA/CA-i.</i></p> <p><i>Kindly send the Letter of Authorisation to the following address:-</i></p> <p><i>CIMB Bank Berhad GIOD Branch Support Level 13, Menara UAB, Jalan Tun Perak 50050 Kuala Lumpur Attn: Support Team(Letter of Authorisation for Export CA/CA-i)</i></p>

You may contact our call centre at **03 - 6204 7788** for more information.