

J.P.Morgan

Client Guide for the Completion of BNM Foreign Exchange Policy Declaration Form

*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
<https://www.bnm.gov.my/fep#notices>.*



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Domestic Ringgit Borrowing

We hereby declare and confirm that:

- We **DO NOT** have any Domestic Ringgit Borrowing and are allowed to invest in Foreign Currency Asset up to any amount;
- We **HAVE** Domestic Ringgit Borrowing -
 - our investment in Foreign Currency Asset are up to RM50 million equivalent 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;
 - (iii) Borrowing in Foreign Currency from a licensed bank in Malaysia for purposes other than Direct Investment Abroad;
 - (iv) swapping of a RM denominated financial asset in Malaysia for a financial asset in Labuan Entity or outside Malaysia; and/or
 - (v) transfers from our Trade Foreign Currency Accounts into Investment Foreign Currency Accounts.
 - our investment in Foreign Currency Asset exceeds RM50 million equivalent 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.

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 any 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 relating to Global Supply Chain operations in Malaysia;
 - (ii) not sourced from conversion of RM into Foreign Currency; and
 - (iii) shall be credited into the Trade Foreign Currency Accounts of the Resident payees.

| Resident Payees |
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STEP 1 (Compulsory):

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 any of the FEP Notices.

For purposes of determining the Domestic Ringgit Borrowing status of a Resident Entity-

- (a) The 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 from another Resident Entity with Parent-Subsidiary Relationship;
 - (ii) a Borrowing obtained from its Direct Shareholder; or
 - (iii) Any facility including credit facility or financing facility 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.



STEP 2 (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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Receipt of Proceeds from Export of Goods

We hereby declare and confirm that we are a Resident Exporter and Foreign Currency proceeds received in our Trade Foreign Currency Accounts,

- from the following Payors are proceeds from our Export of Goods received in full value and/or with approved deductions in accordance with BNM Foreign Exchange Policy Notice 7:

| Payor | Purpose Code | Purpose Description Available for reference at: https://jpmorganaccess.com.my/pdf/BNMPurposeCodes.pdf |
|-------|--------------|---|
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- from the following Payors are proceeds from our Export of Goods received in full value excluding the amount spent for approved offsetting or writing-off arrangements in accordance with BNM Foreign Exchange Policy Notice 7. We understand JPMorgan may reach out to us on transactional basis to request for relevant payment details:

| Payor | Purpose Code | Purpose Description Available for reference at: https://jpmorganaccess.com.my/pdf/BNMPurposeCodes.pdf |
|-------|--------------|---|
| | | |
| | | |
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STEP 3 (If applicable, please check the relevant box(es) 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.

Approved deductions refers to any one or more of the 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.

Approved Offsetting refers to an 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; (ii) warranty claim by the buyer; (iii) dividend payment by the Resident exporter; (iv) other Current Account Transactions; or (v) repayment of Foreign Currency Borrowing obtained by the Resident exporter in accordance with Notice 2.

Writing-Off Arrangements refers to an 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 twentyfour (24) months from date of shipment despite following up with the Non-Resident buyer.

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Purpose Codes for Incoming Foreign Currency Payments from Specific Remitters

- If any **incoming foreign currency payments** into our Trade Foreign Currency Accounts (TFCA), Investment Foreign Currency Account (IFCA) and/or Malaysia Ringgit Account (MYRA) **DOES NOT** contain a purpose code, we hereby advise and instruct JPMorgan to apply the Purpose Code advised below for all payments received from the following Remitters:

Please check for applicable account(s)

| Remitter's Name | Purpose Code | TFCA | IFCA | MYRA |
|-----------------|--------------|--------------------------|--------------------------|--------------------------|
| | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |



STEP 4 (If applicable, please check the relevant box(es) 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.

Purpose Codes for Outgoing Foreign Currency Payments to Specific Beneficiaries

- If any **outgoing foreign currency payments** from our Trade Foreign Currency Accounts **DOES 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 |
|--------------------|--------------|
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STEP 5 (If applicable, please check the box and fill in the required details):

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Purpose Codes for Cash Management Sweep

Where we have requested for Cash Management Sweep, we hereby declare and confirm that the following Purpose Codes advised to JPMorgan continues to be true and correct for each applicable sweep:

- Debit Purpose Code (as applicable) : _____
- Credit Purpose Code (as applicable) : _____

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

Please indicate the purpose codes for cash management sweep.



STEP 7 (If applicable, please check the relevant boxes)

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

BNM Foreign Exchange Policy Declaration Form Completion Flow Overview

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 queries.

Attachments

BNM Foreign Exchange Policy Declaration Form



Microsoft Word
Document

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

Appendices



Microsoft Word
Document

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