

Dear valued clients,

Reference is made to our notice on 5th December 2016 on the above matter.

We have been further notified by BNM in respect of the following:

A. Treatment of export proceeds

Please be informed that, resident exporters until further notice-

- 1) continue to be subject to the 75% requirement to convert proceeds from export of goods. The remaining balance may be retained in foreign currency trade account (FCA Trade).
- 2) may reconvert the 75% of export proceeds for purpose of import and loan obligation supported with firm or anticipatory underlying. All conversion of ringgit into FCA Trade shall not exceed the 6-month obligation for credit into FCA Trade.

The licensed onshore banks in facilitating the reconversion shall use the same conversion rate on spot or forward basis (subject to forward points) entered on the same day.

B. Settlement in foreign currency between resident - Grace period

All payments due to resident suppliers contracted in foreign currency with another resident shall be allowed to continue to be settled in foreign currency from **8 December 2016 until 31 March 2017**. However, in line with the measures introduced on 2 December 2016, all new contracts and renewed contracts shall be in ringgit.

Please take note of the above notice and contact your relationship manager should you have any queries.