

[Customers who already have an OCBC Foreign Currency Call Account I]

5 December 2016

IMPORTANT NOTICE

Supplementary Notice on Foreign Administration Rules – Measures to Promote the Development of Malaysian Financial Market

We refer to the Supplementary Notice on Foreign Administration Rules to Promote the Development of Malaysian Financial Market ("**Supplementary FEA Notice**") issued by BNM on 2 December 2016, which takes effect on 5 December 2016

- 1) Under this Supplementary Notice:-
 - (a) Foreign Currency Account I ("**FCA I**") has been reclassified to **Trade Foreign Currency Account ("TFCA")** with revised sources/usage of funds as shown in the enclosed **Appendix**. Briefly, a resident exporter which receives foreign currency proceeds from export of goods from 5 December 2016 onwards :-
 - is allowed to retain up to 25% of the export proceeds in foreign currency in the TFCA;
 - the balance 75% must be converted into Ringgit ("**Ringgit Proceeds**").
 - (b) a Special Deposit Facility which pays interest at 3.25% per annum ("**SDF Interest**") is availed to your company for the Ringgit Proceeds. Please refer to the **Appendix** for brief summary of the Special Deposit Facility.
- 2) To facilitate your company's compliance with the Supplementary FEA Notice and to avail the Special Deposit Facility to your company to earn the SDF Interest, we are pleased to inform you of the following, which takes immediate effect:
 - (a) **Renaming of your FCA I to TFCA** :
 - (i) Your existing FCA I has been renamed TFCA. The operating mandate for FCA I will apply to the TFCA.
 - (b) **RM SDF Account** : The RM SDF Account is a non-checking account to hold your Ringgit Proceeds and earn you the SDF Interest pending your utilisation of the Ringgit Proceeds. In line with this objective, the same operating mandate in your FCA I will apply for any deposits into and withdrawals from your RM SDF Account.
 - (c) **Velocity@ocbc**:
 - (i) As your company has signed up for Velocity@ocbc for FCA I, the same mode of accessing FCA I via Velocity@ocbc will apply to your company's access to TFCA and RM SDF Account via Velocity@ocbc. This means that the "Users" (such as maker, authoriser, viewer and/or administrator) that the Authorised Person(s) of your company have appointed for accessing FCA I via Velocity@ocbc will apply for access to TFCA and RM SDF Account via Velocity@ocbc.
 - (ii) If you do not wish to apply the same mandate as FCA I for RM SDF Account and/or wish to change the "Users" to access RM SDF Account via Velocity@ocbc, please let us have the revised mandate(s)/Users signed by your Authorised Person or supported by Board Resolution, as applicable, in order to operate both RM SDF Account and Velocity. Please contact your Relationship Manager or immediately visit any OCBC branch if you have any queries.

If you wish to impose a different mandate for the RM SDF Account, please notify us **within 7 days ("Notice Period")** from the date of the letter you received from the bank by contacting Helpdesk Hotline at telephone number 1300-88-7000 (OCBC Bank).

Thank you.

Appendix

Previous Classification and Permitted Usage of FCA I	Revised Classification to TFCA and Permitted Usage (effective 5 Dec 2016)
Foreign Currency Account 1 <u>Source of Funds:</u> - No restriction <u>Usage:</u> - Used for onshore foreign currency investment products - Subject to payment rules	Trade Foreign Currency Account <u>Source of Funds:</u> - Up to 25% of the export proceeds from export of goods. - Conversion of Ringgit up to 6 months foreign currency obligations' - Other foreign currency funds <u>Usage:</u> - Payments for imports - Payment for loan obligations in foreign currency only - Transfer into Investment Foreign Currency Account (previously known as FCA II) subject to investment limit - Other current international transactions

Special Deposit Facility	Sources of Funds/Usage of Funds deposited into RM SDF Account
Special Deposit Facility Account (“ RM SDF Account ”) which pays interest at 3.25% per annum	<u>Sources of Funds</u> - Limited to conversion of foreign currency exports proceeds from export of goods - <u>Usage</u> : Can withdraw funds from RM SDF Account for other purposes. However <u>cannot</u> use funds withdrawn from RM SDF Account to place into another RM SDF Account.