

[Customers who do not 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, 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 **Appendix**. Briefly, 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**").
- 2) Additionally, a Special Deposit Facility ("**SDF Facility**") which pays interest at 3.25% per annum ("**SDF Interest**") is availed to your company for export proceeds converted into Ringgit. Please refer to the **Appendix** for brief summary of the SDF Facility.
- 3) To facilitate your company's compliance with the Supplementary FEA Notice on TFCA and to avail the Special Deposit Facility to your company to earn the SDF Interest, the following accounts will be made available to your company

3.1 Trade Foreign Currency Account ("TFCA")

- (a) The TFCA in your company's name will be opened to receive the export proceeds from export of goods.
- (b) As your company has signed up for Velocity@ocbc for FCA II, the same mode of accessing FCA II via Velocity@ocbc will apply to your company's access to TFCA 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 II via Velocity@ocbc will apply for access to TFCA via Velocity@ocbc.
- (c) **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 and Users to access the RM SDF Account in your FCA II will apply for any deposits into and withdrawals from your RM SDF Account including via Velocity@ocbc.

Kindly let us have your Authorised Person's confirmation within **seven (7) days** from the date of the letter you receive from the bank ("**Notice Period**") that the mandate that you wish to apply for the TFCA and the RM SDF Account including the Users for Velocity@ocbc to access both accounts, will follow the mandate and Users for your FCA II.

If you wish to impose a different mandate for the TFCA and/or the RM SDF Account and/or change the Users to access the TFCA and/or the RM SDF Account via Velocity@ocbc, please notify us in writing **within the Notice Period** or immediately visit any OCBC branch in order to operate both the TFCA and the RM SDF Account including via Velocity@ocbc.

Thank you.

Appendix

Previous Classification and Permitted Usage of FCA I	Revised Classification to TFCA and Permitted Usage (effective 5 Dec 2016)
<p>Foreign Currency Account 1</p> <p><u>Source of Funds:</u></p> <ul style="list-style-type: none"> - No restriction <p><u>Usage:</u></p> <ul style="list-style-type: none"> - Used for onshore foreign currency investment products - Subject to payment rules 	<p>Trade Foreign Currency Account</p> <p><u>Source of Funds:</u></p> <ul style="list-style-type: none"> - 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 <p><u>Usage:</u></p> <ul style="list-style-type: none"> - 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
<p>Special Deposit Facility Account ("RM SDF Account") which pays interest at 3.25% per annum</p>	<p><u>Sources of Funds</u></p> <ul style="list-style-type: none"> - Limited to conversion of foreign currency exports proceeds from export of goods - <p><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.</p>