

MEMORANDUM

TO : ALL DEALER'S REPRESENTATIVES (DRs)

FROM : THE MANAGEMENT

DATE : 30 DECEMBER 2025

**RE : 1. FOREIGN EXCHANGE POLICY (FEP) TRANSACTIONS
2. TRANSACTIONS UNDER THE DIRECTION ON DEALINGS with
SPECIFIED PERSON and IN RESTRICTED CURRENCY
3. DEALINGS IN DUAL LISTED RINGGIT-DENOMINATED SECURITIES**

Bursa Malaysia has issued a Circular to remind the Participating Organisations ("PO") to adhere to the Bank Negara Malaysia's ("BNM") Minimum Due Diligence ("MDD") Guide for Foreign Exchange Policy ("FEP") – Securities Brokers, which took effect on 1 November 2025.

As such, we wish to remind all DRs on the requirement to comply with MDD guide as detailed below:

FEP TRANSACTIONS

1. Domestic Ringgit Borrowing ("DRB") means Ringgit advance, loan, trade financing, hire purchase, factoring, margin financing facility, leasing facilities, redeemable preference shares or similar facility in whatever name or form, other than:
 - trade credit terms extended by a supplier for all types of goods & services;
 - forward exchange contracts entered with authorised dealers;
 - one personal housing loan and one vehicle loan obtained from residents;
 - credit card & charge card facilities;
 - inter-company borrowing within a corporate group.
 - a) DRB includes any unutilised Ringgit credit facility (e.g., unutilised Ringgit share margin financing facility or Ringgit overdraft facility). A resident entity is deemed to have domestic Ringgit borrowing if the resident entity or any of its related entities with parent-subsidiary relationship have domestic Ringgit borrowing; and
 - b) The annual permissible limits of RM1 million equivalent for a resident individual and RM50 million equivalent for a resident entity and its related entities with parent-subsidiary relationship are computed on aggregate basis across all the resident client's investments in foreign currency assets (including transactions undertaken via other channels or platforms) within the calendar year. The permissible limits are also applied on gross basis (i.e. only on buy leg when there is conversion of Ringgit).
2. Client's conversion of Ringgit into foreign currency for purpose of investment in foreign currency assets, shall be undertaken only when there is a firm commitment to purchase foreign currency assets. Conversion of Ringgit to foreign currency for pre-funding purpose without a firm commitment or matched buy order is not allowed.

3. The resident entity must produce a copy of the approval letter from BNM prior to investing in foreign currency assets beyond the permissible limit.

TRANSACTIONS UNDER THE DIRECTION ON DEALINGS with SPECIFIED PERSON and IN RESTRICTED CURRENCY

4. Clients are restricted in conducting any transactions involving buying and selling of securities related to Specified Person and in Restricted Currency through its platform. This includes securities of an entity incorporated in Israel, or securities of a direct subsidiary of an entity incorporated in Israel, whether listed on recognised international stock exchanges or unlisted.

“Specified Person” refers to the State of Israel and its residents including entities directly owned by them outside of the State of Israel. “Restricted Currency” refers to the Israeli Shekel currency (“ILS”). Please refer to the Direction for full definition and scope of the restriction relating to a Specified Person and Restricted Currency which is available at BNM website at (bnm.gov.my/fep).

DEALINGS IN DUAL LISTED RINGGIT-DENOMINATED SECURITIES

If your client, who is a resident in Malaysia, engages in transactions involving dual listed securities, such as UMS Integrated Limited securities which are listed on both Bursa Malaysia Securities Berhad and Singapore Exchange Securities Trading Limited (“SGX-ST”), are reminded to comply with the MDD Guide.

Please take note of the requirement and inform your clients accordingly.

Thank you.

