

Over the years, several **FEP flexibilities** and **initiatives** have been undertaken to **broaden and deepen** the Malaysian financial market



Greater accessibility

Appointed Overseas Offices (AOO) Framework

Framework enable non-residents to undertake **FX transactions involving ringgit directly overseas.**

163 AOOs from **21 banking groups** operating in **35 countries** that facilitate wider price availability and enhance liquidity of ringgit FX transactions outside the Malaysian trading hours.



Additional flexibility

Interest Rate Swaps (IRS)

Non-resident financial institutions (NRFI) may enter into ringgit-denominated IRS (RM IRS) contracts **without firm commitment.**

Directly with selected licensed onshore banks (LOBs) or via their AOOs.



Greater hedging flexibility

Dynamic Hedging Framework

Non-resident (NR) investors can actively manage FX risk exposure via forward hedging activities with onshore banks and AOOs **without the need to show any documentation**

Additional flexibilities to registered eligible NR investors:

- enter into **forward contracts to buy additional ringgit up to 25%** of invested underlying ringgit asset; and
- unwind **the forward contracts** entered for the underlying ringgit assets.



Regional flexibility (with Thailand & Indonesia)

Local Currency Settlement Framework

Non-resident may **settle in local currency** (e.g. ringgit, baht, rupiah) for purposes such as trade, income and transfer (except gift, grant and donations), and direct investment.