

# Measures 'will help stabilise finances'

36

KUALA LUMPUR: The currency exchange control rules announced yesterday appear to have little short-term effects on Malaysians.

Instead, parents, travel agents and businessmen voiced concern about the long-term effects of being unable to convert the ringgit overseas, or pay

for their children's tuition fees or for goods and services.

They said, however, that the tough measures to limit out-flow of ringgit will help stabilise the country's finances and economy.

A parent, S. Govindan, who is also a teacher, said he was assured by Prime

Minister Datuk Seri Dr Mahathir Mohamad's speech that the Government would continue to allow for payment of tuition fees for foreign universities.

"I was worried there may be a limit to the amount that can be re-mitted," said Govindan, who has a 22-year-old

daughter studying medicine in Scotland.

Travel agents, while concerned about the impact of the new rules on business, said it was still too early to assess the effects.

Several money-changers said they were maintaining a "wait and see" attitude.

## What ringgit controls mean to the layman

**Q: I have a son/daughter studying in London. Will I be able to send money for his/her education? Are there any changes in the manner in which I send money?**

A: There will be no change in the mode of sending money to your children, as general residents are freely allowed to make payments for any purpose up to RM10,000 or its equivalent in foreign currency (reduction in amount). Residents are also allowed to maintain foreign currency accounts overseas for education.

**Q: I am planning to take my family for a holiday in Europe for two weeks. How would the new currency measures affect our holidays?**

A: A resident traveller is permitted to take ringgit notes up to RM1,000 only and foreign currencies up to the equivalent of RM10,000.

**Q: I am a Malaysian citizen currently working as a consultant in Hong Kong and am paid in US dollars. How would the new measures affect me?**

A: You will not be affected as you are paid in US dollars and working in Hong Kong. Under the rules, residents are allowed to maintain foreign currency accounts for employment purposes overseas.

You are allowed to bring into Malaysia any amount of US dollars or any other foreign currency, but only ringgit notes of up to RM1,000.

**Q: I am a Canadian businessman and I am planning to bring US\$3mil to invest in a manufacturing pro-**

**ject in Malaysia. What is the situation? Can I bring this money into Malaysia and at what rate of exchange? Also, if my company makes profits, can I repatriate these profits back to Canada or anywhere else?**

A: There is free flow of foreign direct investments into Malaysia and there is no restriction on repatriation of interest, profits, dividends and capital. The rate of exchange will be fixed at the prevailing rates.

**Q: I am a Malaysian investor holding shares in Britain, Hong Kong and Singapore. If I decide to sell these shares, do I have to bring the proceeds back to Malaysia and what if I don't?**

A: Proceeds from the sale of the investment abroad should be repatriated to Malaysia as soon as they are received. Failure to repatriate the proceeds would contravene Section 8 and 9 of the Exchange Control Act.

**Q: I am a Malaysian businessman and my company is planning to invest in a project in South Africa which requires repatriation of funds from Malaysia to South Africa. Can this be done and how?**

A: Any investments abroad exceeding the equivalent of RM10,000 requires permission.

**Q: I am a Malaysian working in Singapore and contributing to the island republic's CPF. I plan to retire in Penang next year and will be withdrawing my CPF funds. How can I bring back my CPF money?**

A: You will have to inform Bank Negara of your intentions before Oct 1 so that you will be able to bring your CPF money into Malaysia.

**Q: I own a house in Britain which I intend to sell next year. Can I bring back the proceeds freely or are there any restrictions or requirements to be met?**

A: You are allowed to bring the British pound or any other foreign currency to Malaysia but ringgit notes of only up to RM1,000.

**Q: I have a fixed deposit account in Singapore in ringgit maturing three months from now. What is the situation with this deposit?**

A: Firstly, you need to inform Bank Negara before Oct 1 that you can only bring in the ringgit after the Oct 1 deadline. The central bank will allow such transactions only if it is informed beforehand.

**Q: I am an Australian citizen working in Malaysia and paid in US dollars. The salary is paid by the New York-based company into an external account in a foreign bank in Kuala Lumpur. How do the new rules affect me?**

A: Approval is needed for the transfer of funds between external accounts. Transfer to resident accounts is permitted only until Sept 30, and thereafter, approval is required. Withdrawal of ringgit from external accounts require approval except for the purchase of ringgit assets.