

**Jabatan Dasar Pertukaran Asing**Recommendation Note

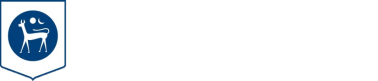
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| --- | --- | --- | --- | --- |
| **Kepada** | **[Approving Authority]** [Comments] [Date] [Signature] | | | |
| **Melalui** | **[Reviewer 2]** | [Comments] | [Date] | [Signature] |
|  | **[Reviewer 1]** | [Comments | [Date] | [Signature] |
| **Daripada** | **[Processing Officer] ([Date])** | | |  |
| **Perkara** | **[Applicant Name] ([Short Name of Applicant])**   * Changes to the Terms of an Approved Offshore Borrowing | | | |
| **Purpose** | * To seek [Approving Authority]’s approval for [Short Name of Applicant] to amend the terms of borrowing from [Name of Lender], [Country] ([Short Name of Lender]). | | | |
| **Background** | * On [Date of Original Approval], approval was granted to [Short Name of Applicant] to borrow [Currency][Approved Amount] from [Short Name of Lender] to finance …. [Purpose of Borrowing/Use of Borrowing Proceeds]. * [Short Name of Applicant] is now proposing to amend the terms of borrowing as follows:  |  |  |  | | --- | --- | --- | | **Terms** | **Original** | **Proposed** | | [Changes Applied] | [Approved] | [Proposed Changes] | |  |  |  |  * [PO to provide justification] * [Short Name of Applicant]’s proposed borrowing and changes have been deliberated and approved by its Board of Directors on [Board Approval Date]. | | | |
| **Assessment & Proposal** | * The application merits approval based on the following:   + [Changes to CEDAF Score, if any]; *[PO to confirm whether there are any changes to the CEDAF score]*   + [Additional justification by PO] * In view of the above, we propose to approve the above application. | | | |

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The above is submitted for **[Approving Authority]**’s consideration, please.



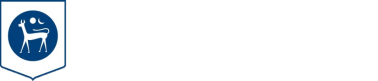
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**Appendix**

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| --- | --- | --- | --- |
| 1. **Corporate External Debt Approval Framework (CEDAF) (Stage 1 – Nature of debt)** | | | |
| **Criteria** | | **Yes / No** | **Remarks** |
| 1. Ability to obtain loan onshore | |  |  |
| 1. Loan to be used for productive purpose | |  |  |
| 1. Guarantee by credible foreign holding company | |  |  |
| **Criteria** | **Weightage** | **Score** | **Remarks** |
| 4. Rollover risk /  1. tenure vs 1. utilisation | **30%** |  | [Assessment] |
| 5. Risk 2. Management | **30%** |  | [Assessment] |
| 6. Currency 3. mismatch | **30%** |  | [Assessment] |
| 7. Security /  4. collateral | **10%** |  | [Assessment] |
| **Overall** | **100%** |  | **[Pass/Fail] CEDAF at Stage 1** Proceed to Stage 2 |

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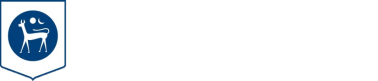


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| 1. **Corporate External Debt Approval Framework (CEDAF) (Stage 2 – Financial position based on 3-year average)** | | | |
| **Criteria** | **Weightage** | **Score** | **Remarks** |
| **1. Profitability** | **20%** |  | **[Rating – Strong/Moderate/Weak]**  [Assessment]   |  |  |  |  | | --- | --- | --- | --- | | **%** | **[Y-2]** | **[Y-1]** | **[Y]** | | **EBIT margin** |  |  |  | | **Net profit margin** |  |  |  | |
| **2. Debt service   Capacity** | **40%** |  | **[Rating – Strong/Moderate/Weak]**  [Assessment]   |  |  |  |  | | --- | --- | --- | --- | | **(times)** | **[Y-2]** | **[Y-1]** | **[Y]** | | **ICR** |  |  |  | | **Cash ratio** |  |  |  | |
| **3. Leverage** | **40%** |  | **[Rating – Strong/Moderate/Weak]**  [Assessment]   |  |  |  |  | | --- | --- | --- | --- | | **(times)** | **[Y-2]** | **[Y-1]** | **[Y]** | | **Debt/equity** |  |  |  | | **Debt/asset** |  |  |  | |
| **Overall** | **100%** |  | **[Pass/Fail] CEDAF at Stage 2** |

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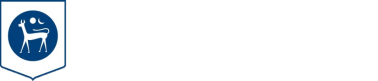
|  |  |
| --- | --- |
| 1. **Background information on [Applicant Short Name]** | |
| Status | [Residency Status] |
| Nature of business | [Principal Business Activity] |
| Shareholder funds of [Applicant Short Name] |  |

|  |  |  |
| --- | --- | --- |
|  | **Details of the borrowing (upon amendment)** | |
|  | Borrower | [Name of Applicant] |
|  | Lender | [Name of Lender], [Country] |
|  | Amount | [Approved Currency] [Approved Amount] |
|  | Guarantor | [Name of Guarantor], [country] |
|  | Type of borrowing | [Type of Borrowing] |
|  | Interest rate | [Interest Rate] |
|  | Tenure | [Tenure] |
|  | Repayment schedule | [Repayment Schedule] |
|  | Purpose of borrowing | [Purpose of Borrowing] |

|  |  |  |
| --- | --- | --- |
|  | **[Applicant Short Name]’s Domestic Exposure & External Debt Position** | |
| **Domestic FI Exposure** | |  |
| Ringgit borrowing | |  |
| Foreign currency borrowing | |  |
| **External Debt** | |  |

|  |  |  |
| --- | --- | --- |
|  | **Total approved offshore borrowing for Malaysia** | |
| **Year Y-1** | | **Year Y** (as at [Memo Date]) |
|  | |  |

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|  | **External debt position for Malaysia** | |
| **Outstanding as at [Quarter][Year]** | |  |

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