

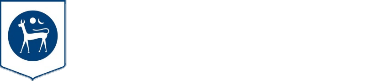
**Jabatan Dasar Pertukaran Asing**Recommendation Note

**SULIT**

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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])**   * Issuance of ringgit redeemable preference shares | | | |
| **Purpose** | * To seek [Approving Authority]’s approval for [Short Name of Applicant] to borrow in ringgit up to RM[Amount Applied] from [non-resident shareholders/ subscribers or] [Name of Lender], [Country] ([Short Name of Lender]) to finance … [Purpose of Issuance]. | | | |
| **Background** | * [Short Name of Applicant] is involved in [Applicant’s Principal Business Activities]. * [PO to provide brief background and justification for the proposed borrowing] * [Short Name of Applicant] is proposing to borrow in ringgit via issuance of redeemable preference shares amounting up to RM[Amount Applied] to [non-resident shareholder/subscriber/ Short Name of Lender] to finance … [Purpose of Issuance]. * [Short Name of Applicant]’s proposed borrowing has been deliberated and approved by its Board of Directors on [Board Approval Date]. | | | |
| **Assessment & Proposal** | * The application merits approval based on the following:   + Under the Corporate External Debt Approval Framework (“CEDAF”), [Short Name of Applicant] passed Stage 1 and Stage 2 with a score of **[CEDAF Score]** indicating [low/medium/high] balance of payment risk;   + [Additional justification by PO] * In view of the above, we propose to approve the above application. | | | |

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

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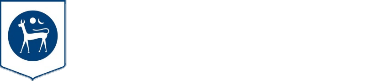
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**Appendix**

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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 | | [Yes/ No] | [Remarks] |
| 1. Loan to be used for productive purpose | | [Yes/ No] | [Remarks] |
| 1. Guarantee by credible foreign holding company | | [Yes/ No] | [Remarks] |
| **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 |

|  |  |  |  |
| --- | --- | --- | --- |
| 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** |

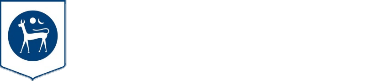
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**Jabatan Dasar Pertukaran Asing**Recommendation Note

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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] | *[PO to refer to Applicant’s financial statement]* |

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**Jabatan Dasar Pertukaran Asing**Recommendation Note

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| --- | --- | --- |
|  | **Details of the proposed borrowing** | |
|  | Issuer | [Name of Applicant] |
|  | Subscriber | [Name of Lender], [Country] |
|  | Type of issuance | [Participation][Type of Issuance] |
|  | Price per unit | [Issue Price Per Unit] |
|  | Dividend rate | [Dividend Rate] |
|  | Tenure | [Tenure] |
|  | Conversion ratio/ Redemption period | *[PO to amend accordingly]* |
|  | Purpose | [Purpose of Issuance] |

|  |  |  |
| --- | --- | --- |
|  | **[Short Name of Applicant]’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-0]** (as at [Note Date]) |
|  | |  |

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

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