



**GUIDELINES ON  
BANKERS ACCEPTANCES (2004)**

**JABATAN PENGAWALAN BANK  
BANK NEGARA MALAYSIA  
KUALA LUMPUR**

**APRIL 2004**

# **BANK NEGARA MALAYSIA**

## **GUIDELINES ON BANKERS ACCEPTANCES (2004)**

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Jabatan Pengawasan Bank  
Bank Negara Malaysia  
Kuala Lumpur  
1 April 2004

**PART I**  
**PRELIMINARY**

**1. Effective Date**

These “Guidelines on Bankers Acceptances” (2004) shall be effective from **1 April 2004**.

**2. Purpose**

The purpose of these Guidelines is to provide a uniform set of procedures, practices, conditions and limitations to govern the creation and trading of Bankers Acceptances in Malaysia.

**3. Coverage**

These Guidelines are applicable to Bankers Acceptances **denominated in Ringgit (RM)** drawn on and accepted by a bank in Malaysia.

**4. Interpretation**

In these Guidelines, unless the context otherwise provides:

“accepting bank” means the bank which is the drawee and acceptor of a bankers acceptance;

“bank” means a commercial bank or merchant bank licensed under Section 6 (4) of the Banking and Financial Institutions Act 1989;

“BA” means a bankers acceptance, which is a bill of exchange drawn on and accepted by a bank in Malaysia in accordance with these Guidelines;

“banking hours” means business hours of the bank;

“broker” means a money-broking company licensed under Section 6(4) of the Banking and Financial Institutions Act 1989, and includes the company’s employees engaged to arrange deals for the company’s customers;

“commercial documents” means invoices, transport documents (including shipping documents), documents of title or other similar documents, or any other documents whatsoever (not being financial documents);

“financial documents” means bill of exchange, promissory notes, cheques, payment receipts or other similar instruments used for obtaining or evidencing the payment of money;

“fixed assets” in relation to the purchaser, include land, buildings, installations, fixtures, fittings, equipment, machinery and any other property (whether movable or immovable) which are not intrinsic components of the final product being produced for sale by the purchaser, but shall exclude movable properties (including equipment and machinery) which are carried by the purchaser as stock-in-trade;

“goods” means tangible products or merchandise (including raw materials, semi-finished products and finished products);

“licensed financial institution” means commercial banks, merchant banks, finance companies and discount houses licensed under Section 6 (4) of the Banking and Financial Institutions Act 1989.

- “non-resident” means any person other than a resident;
  - an overseas branch/ overseas subsidiary/ regional office/ sales office/ representative office of a resident company;
  - Embassies, Consulates, High Commissions, supranational or international organisation; or
  - A Malaysian citizen who has obtained permanent resident status of a territory outside Malaysia and is residing outside Malaysia.

“other BA” means, to a bank holding it, a BA drawn on and accepted by another bank;

“own BA” means, to an accepting bank, a BA drawn on and accepted by itself;

“person” means a person as defined under Section 2 (1) of the Banking and Financial Institutions Act 1989;

“related corporations” means related within the meaning of Section 6 of the Companies Act 1965;

“resident” means: - a citizen of Malaysia, excluding a person who has obtained permanent resident status in a territory outside Malaysia and is residing outside Malaysia;

- a non-citizen of Malaysia who has obtained permanent resident status in Malaysia and is residing permanently in Malaysia; or
- a person, whether body corporate or unincorporate, whether head office or branch, incorporated or registered with, or approved by any authority in Malaysia.

“supporting documents” means financial documents and/or commercial documents.

## PART II

### GENERAL GUIDELINES

#### 5. Procedure for Creation of a BA

The general procedure for the creation of a BA is as follows:

- (i) An acceptance credit facility is arranged with a bank;
- (ii) The required documentary evidence of trade is presented to the bank for the purpose of drawing a BA on the bank; and
- (iii) When the bank is satisfied that the documents are in order and the BA complies with the terms of the acceptance credit facility and all the applicable conditions for the creation of BAs specified in these Guidelines, the bank accepts the BA.

#### 6. General Conditions for Creating a BA

- (1) Subject to these Guidelines, a BA may only be drawn on and accepted by a bank, pursuant to an acceptance credit facility, to finance the drawer's business-related purchases from or sales of goods to another person who may be a resident or non-resident, evidenced by proper and adequate documentation.
- (2) Unless otherwise specifically provided for in these Guidelines or approved by Bank Negara Malaysia (BNM), the "sale" or "purchase" of services **shall not** be eligible for BA financing. The following are additional activities which may be considered for BA financing:
  - (i) Purchase of computer software licences.
  - (ii) Companies involved in trade-related logistic services such as warehousing, forwarding and shipping.
  - (iii) Purchase of electricity from independent power producer.

**Exemption will be granted on case by case basis.**



- (3) A bank **shall not** accept a BA that is drawn to finance a sale or purchase of goods, where:
- (i) The two parties to the trade transaction are part of a single legal entity (e.g. production department and marketing department of one company or one branch and another branch);
  - (ii) The two transacting parties are sole proprietorships operated or owned by the same individual or where the proprietors are different individuals related to each other (parent/child or spouse); or
  - (iii) The two transacting parties are partnerships in which the partners are the same individuals or the majority of the partners are common, or one or more common partners own the majority share in the partnerships.
- (4) Where the two transacting parties are related corporations, a BA may still be drawn **provided** that the accepting bank shall take reasonable measures to verify that:
- (i) The related corporations are indeed separate legal entities; and
  - (ii) The trade transaction between the two related corporations was undertaken at arm's length and there was a genuine transfer of title to the goods concerned, evidenced by proper and adequate documentation.
- (5) Extension of BA tenure or creation of new BA to repay the financing created by existing BA using the same commercial and/or financial documents is not allowed.

## **7. Documentary Requirements**

- (1) In general, a BA may only be drawn on the presentation of a complete set of documents, as follows:
  - (i) The drawer's declaration that no other source of finance (including under a lease, hire purchase, or factoring agreement) has been or would be obtained for the trade transaction concerned;
  - (ii) The full set of commercial and/or financial documents, evidencing or acknowledging the trade transaction concerned, unless sub-Section 7(2) applies;
  - (iii) A receipt or other documentary evidence of payment, in the case where the purchaser who is drawing the BA has already made payment to the supplier prior to the creation of the BA; and
  - (iv) The letter from the Controller of Foreign Exchange authorizing the seller to extend credit terms beyond six months to non-resident purchasers, in the case where the seller intends to draw a BA with a tenor of more than six months to finance the sale of goods to a non-resident.

- (2) Where the full set of commercial and/or financial documents may not yet be available on the drawing date or where the transaction is only evidenced by a single document, a BA may still be drawn **subject** to the following conditions:
- (i) At least one supporting document or the single document is presented;
  - (ii) The document(s) presented contain at least the following information:
    - (a) **Names and addresses** of the parties to the trade transaction;
    - (b) **Specific description of the goods** which is the subject of the trade transaction;
    - (c) **Financial value** of the trade transaction; and
    - (d) **Terms and conditions** for the settlement of the trade transaction; and
  - (iii) Where applicable, the remaining documents should be presented for the accepting bank's record once they become available.
- (3) Financing against *Summary of Invoices* are allowed at the discretion of the bank, subject to the following conditions :
- (i) The summary of invoices must contain the relevant information as mentioned in Part II, Item 7(2)(ii) of the Guidelines:

- (ii) Customers provide an undertaking to the accepting bank that they will not seek BA financing for the same invoices with other banks;
  - (iii) Customers are to make available the relevant invoices, other related commercial and/or financial documents to the accepting bank as and when requested by the bank to do so; and
  - (iv) The accepting bank is required to conduct regular checks on those customers granted BA financing against summary of invoices and the results of the checks should be documented for reference and follow-up.
- (4) The commercial and/or financial documents presented to the accepting bank should be original copies.
- (5) In the event that the original copies of the commercial and/or financial documents are not available or may not yet be available on the acceptance date, a bank may accept copies of such documents which are produced or appear to be produced:
- (i) by reprographic systems;
  - (ii) by, or as a result of, automated or computerised systems; or
  - (iii) as second or carbon copies;
- Provided** that such documents :
- (i) have a serial number; and
  - (ii) are authenticated by authorised signatories.

- (6) Unless it is not possible nor practicable, the original copies of the commercial and/or financial documents should be presented for the accepting bank's record once they are available, even though the BA has already been drawn and accepted.
- (7) The accepting bank should clearly indicate it is the drawee of the BA on the first page of each and every commercial and/or financial document presented.

#### **8. Amount Eligible for BA Financing**

- (1) Subject to the invoice having a minimum denomination of **RM50,000** and in multiples of **RM1,000**, the face value of a BA may be **equal to but shall not exceed** the financial value of the trade transaction stipulated in the supporting document (s).
- (2) The financial value of a trade transaction shall be :
  - (i) In the case of **purchases, equal to the amount of money payable by the drawer (of the BA) to the supplier for the settlement of the trade, plus other separate payments to relevant parties** (e.g. import duties to the Government, insurance premiums to insurance companies, transportation charges to transport companies etc.), if applicable, which are necessary to enable the drawer to accept delivery of the goods; or
  - (ii) In the case of **sales, the amount of money receivable by the drawer (of the BA) from the buyer for the settlement of the trade.**

- (3) Any fees, charges, costs, or payments whatsoever payable or receivable as consideration for after-sales services **shall not** be eligible for financing under a BA facility.
- (4) Where it is the normal commercial practice in particular types of trade to stipulate in the supporting documents that the financial value is only **provisional**, the face value of the BA drawn to finance such types of trade may **not exceed** the provisional financial value.

#### **9. Drawing a BA on Multiple Transactions**

- (1) A single BA may be drawn to finance multiple trade transactions, **subject to** the following conditions:
  - (i) All the trade transactions are of the **same class of transaction** i.e. purchase from non-resident, sale to non-resident, purchase from resident or sale to resident;
  - (ii) The aggregate financial value of the trade transactions is at least **RM50,000**; and
  - (iii) The tenor of the BA drawn **shall not exceed** :
    - (a) In the case of financing **purchases, 365 days less the period between the date of the earliest supporting document and the date of acceptance, provided that the accepting bank declines to accept a transaction documented more than 180 days before the acceptance date; or**

- (b) In the case of financing **sales, the shortest remaining credit period extended by the drawer (seller) to the purchaser(s) of the goods.**
- (2) Several trade transactions with a minimum RM1,000 per invoice may be bunched even if:
- (i) the trade transactions were undertaken with **different persons;**
  - (ii) the trade transactions were of **different financial values;**
  - (iii) the goods purchased or sold were of **different classes or description.**

#### **10. Drawing Multiple BAs on a Single Transaction**

Two or more BAs with the **same or different maturity dates** may be drawn to finance one trade transaction, **subject to** the following conditions:

- (i) The aggregate face value of the BAs drawn **does not exceed** the financial value of the transaction;
- (ii) The records of the accepting bank identify the BAs as relating to one transaction; and
- (iii) The multiple BAs must be accepted **on the same day**, even though they need not be discounted on the same day.

## 11. Acceptance Commission

- (1) The drawer of a BA may pay to the accepting bank a commission for the acceptance service.
- (2) Where an acceptance commission is payable, the rate of commission shall be determined by the accepting bank on the basis of an agreed proportion of the face value of the BA, expressed in per cent per annum.
- (3) Any minimum rate of commission imposed formally or informally by any bankers' association **shall not** be valid.



## PART III

### SPECIFICATIONS OF A BANKERS ACCEPTANCE

#### 12. Compliance with Specifications

In addition to the requirements set out elsewhere in these Guidelines, an accepting bank shall also be required to comply with the specifications and conditions for the drawing of a BA, specified in this Part.

#### 13. Specifications of a BA Drawn to Finance Purchases / Sales

A BA drawn to finance purchases / sales shall have the following specifications:

- (i) It is payable in Ringgit to the order of the drawer :
  - (a) On a specified future date, without days of grace, such date being **not earlier than twenty-one days** from the date of acceptance;
  - (b) In an amount of not less than **RM50,000** and in multiples of **RM1,000**; and
  - (c) At the Head Office, Central Office or Main Office of a **commercial bank in Kuala Lumpur**;
- (ii) It contains a statement that it was drawn to finance the purchase of goods from / sale of goods to:
  - (a) a resident (s); or
  - (b) a non-resident (s)

of which details are in the records of the accepting bank; and

- (iii) It is drawn on a standard format as per BA specimen shown in the **Schedule**, printed by a security printer on security paper, **the colour of which shall be in any shade of colours except green.**

#### **14. Additional Conditions for Financing Purchases**

- (1) Only goods which are purchased for the purpose of trading (i.e. the goods after being purchased would be sold in original form) or for the purpose of further processing or transformation or assembly into a different product sold by the purchaser, would be eligible for purchase-financing under a BA (refer to diagram on page 23).
- (2) A BA drawn to finance purchases from a resident or a non-resident (including importation, whether or not under a letter of credit), **shall be subject to** the following additional conditions:
  - (i) The goods are **not** :
    - (a) purchased on hire-purchase terms from the supplier;
    - (b) intended to be used as the fixed assets of the buyer; or
    - (c) intended to be leased to another person by the buyer;  
and
  - (ii) (a) The maturity date of the BA is determined to be not later than the end of the turnover period deemed reasonable by the accepting bank for the type of goods involved. The maturity date shall be determined as 365 days less the period between the date of the earliest supporting document and date of acceptance; and

- (b) The accepting bank shall not accept a purchase transaction where the earliest supporting document is presented after 180 days from its date of origination.
- (3) The drawer of the BA may discount the BA with the accepting bank, or with another person if the purchase has been paid for, in which case the drawer is entitled to receive the discounted proceeds.
- (4) The drawer of the BA shall be required to discount the BA with the accepting bank if the purchase has yet to be paid, in which case, the accepting bank is required to pay the discounted proceeds to the supplier of the goods.

#### **15. Additional Conditions for Financing Sales**

- (1) A BA drawn to finance sales to a resident or a non-resident **shall be subject to** the following additional conditions:
  - (i) The usance period of the BA **shall not exceed the remaining credit period extended by the drawer (supplier) to the purchaser of the goods;**
  - (ii) The original credit period extended by the supplier to the purchaser **shall not exceed 365 days, provided** that where the purchaser is a non-resident, the prior approval of the **Controller of Foreign Exchange** has been obtained by the supplier to provide original usance terms of more than six months to non-resident purchasers.

- (iii) The goods **were not sold** under a hire-purchase or sale and lease-back agreement; and
  - (iv) The supplier **does not intend** to sell, or **has not pledged** to sell, or **has not “sold”** the receivable under a factoring agreement.
- (2) The drawer of the BA may discount the BA with the accepting bank or with another person.
  - (3) The accepting bank shall collect from the purchaser (of the goods) the sales proceeds on behalf of the supplier, if so requested by the supplier.
  - (4) Where the accepting bank is entrusted to collect the sales proceeds on behalf of the supplier and such proceeds are received by the accepting bank before the maturity of the BA, the accepting bank shall invest such proceeds on behalf of the supplier in such manner as is agreed with the supplier, or the BA may be redeemed in accordance with Section 18 of the Guidelines.

## 16. Discounting a BA

- (1) The drawer of a BA may discount the BA with any person (including the accepting bank) **except that**, in the case of a BA drawn to finance purchases which has yet to be paid, the first person to discount the BA must be the accepting bank.
- (2) The bearer of a BA may rediscount the BA with any person.
- (3) The proceeds from the discounting or rediscounting of a BA shall be determined by the following formula:

$$P = FV \left[ 1 - \frac{r * t}{36500} \right]$$

where,

P = Discounted proceeds

FV = Face value of the BA

r = Rate of discount  
(in per cent per annum)

t = Number of days remaining to maturity

## 17. Liquidation on Maturity Date

- (1) Upon maturity of the BA, the bearer presents the BA through his banker to the paying bank for payment after the BA is cleared through the Sistem Penjelasan Imej Cek Kebangsaan (SPICK).
- (2) Any liquidation of BA on maturity date via SPICK and RENTAS system has to conform to the Cheque Truncation and Cheque Conversion System (CTCS) and RENTAS Members RULES.

- (3) Where it is not possible for a BA to be presented for payment on the maturity date of the BA because it is a public holiday (whether known or unexpected) in Kuala Lumpur, the BA may be presented for payment on the next working day in Kuala Lumpur. However, accepting bank would have to pay compensatory interest for the unexpected holiday to the BA holder.
- (4) The “compensatory interest” for the unexpected holiday, is to be paid based on the number of days between the maturity date and the actual payment date. The rate shall be based on the overnight rate computed by BNM for the compensation charges arising from the cheque clearing differences between banks participating in SPICK.

Use of funds compensation claim formula:

$$\text{Amt} \times \frac{(\text{O/N or IRR} + \text{R}\%) \times \text{No. of Days}}{36500}$$

O/N refers to the overnight rate

IRR refers to “Islamic Reference Rate”

R% refers to reserve cost

## 18. Redemption before Maturity Date

- (1) A BA may be liquidated before its maturity date **only if the accepting bank is the bearer** of the BA and upon payment by the drawer of the redemption amount computed as follows:

$$RA = FV \left[ 1 - \frac{r * t}{36500} \right]$$

where,

RA = Redemption amount

FV = Face value

r = Mutually agreed redemption rate  
(in per cent per annum)

t = Number of days remaining to maturity

- (2) Once redeemed, the BA **shall be liquidated**, and the obligation of the accepting bank, the endorsers (if any) and the drawer shall be discharged.

## 19. Authentication

An accepting bank must be prepared to authenticate its own BA upon the request of the bearer during **banking hours**.

## **PART IV**

### **TRADING OF BANKERS ACCEPTANCES IN THE SECONDARY MARKET**

#### **20. Trading Hours**

- (1) The trading hours for “same day value” in Kuala Lumpur for transactions between licensed financial institutions and other persons shall be from 9.00 a.m. to 12.00 noon from Monday to Friday, except public holidays in Kuala Lumpur.
- (2) Licensed financial institutions may transact among themselves for same day value during such time as is mutually agreeable, including on half working days and Saturdays, in Kuala Lumpur.

#### **21. Delivery**

- (1) No BA shall be sold unless the selling institution possess the physical certificate of the BA at the time of sale
- (2) Where the buyer is a licensed financial institution, the BA shall be delivered to the buyer.
- (3) Where the buyer is not a licensed financial institution, the BA shall be collected at the place of business of the seller, unless otherwise agreed with the seller.
- (4) Where neither the buyer nor the seller is a licensed financial institution, delivery or collection, as the case may be, shall not be made after 4.00 p.m. on the value date of the transaction.



- (5) Where the buyer and the seller are both licensed financial institutions, delivery shall be made not later than 11.00 a.m. on the first working day following the value date of the transaction or such other period as may be mutually agreed, which in any case, shall not exceed three working days from the value date of the transaction.

## **22. Settlement**

- (1) Where neither the buyer nor the seller is a licensed financial institution, settlement shall be made upon delivery of the BA, and the instrument of settlement shall be a cheque drawn by a bank on its account with BNM, in favour of the seller, or such other means of settlement as may be mutually agreed to by the buyer and the seller.
- (2) Where both the buyer and the seller are licensed financial institutions, settlement shall conform to the RENTAS Members Rules or such other method as may be mutually agreed upon.

## **23. Transactions under Repurchase Agreements**

- (1) A licensed financial institution may sell BAs (including own BAs) to any person with an undertaking to repurchase them at an agreed price on a specified future date (repo) or buy BAs (including own BAs) from another licensed financial institution or other person with an undertaking to resell them at an agreed price on a specified future date (reverse repo), subject to prevailing rules imposed on such transactions by BNM.
- (2) A bank is allowed to do a repo or reverse repo on its own BA.

- (3) The sales proceeds of a BA under a repo transaction shall be in multiples of RM1,000 and shall not exceed the seller's original purchase price which is the amount paid by the seller when the BA was discounted.
- (4) The repurchase price of the BA shall be calculated as follows:

$$RP = SP \left[ 1 + \frac{r * t}{36500} \right]$$

where,

RP = Repurchase price

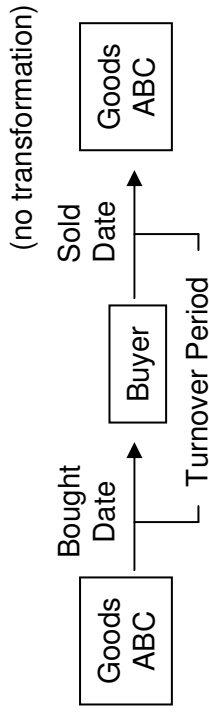
SP = Sales proceeds

r = Repo rate (in per cent per annum)

t = Tenor of the repo (in number of days)

## Types of Purchased Goods Eligible for BA Financing

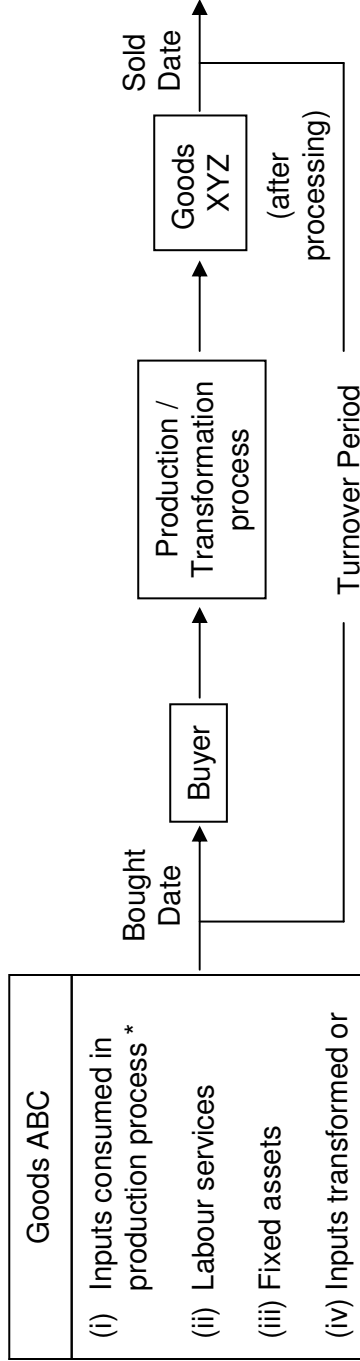
Case I: Purchase of goods to be sold in original form



### Eligibility Rules

No restrictions on type of goods purchased

Case II: Purchase of "goods" not to be sold in original form



For BA financing purposes, only goods which are inputs in category (iv) of "Goods ABC" are eligible. The following are not eligible:-

- (i) Labour (costs).
- (ii) Fixed assets used in the production / transformation process.
- (iii) Inputs consumed in the production process.

### Notes:

\* Inputs consumed in the production process = Inputs like electricity which are necessary to the production process but are not a component of the final product (Goods XYZ); i.e. they are consumed completely during the production process.

\*\* Inputs transformed or processed into the final product = Goods which are an intrinsic component or source of the final product, e.g. raw rubber used to produce rubber gloves, bricks used to construct buildings, iron ore used to produce steel, gas used to generate electricity, etc.

# SPECIMEN OF BANKERS ACCEPTANCE (Front of Bankers Acceptance)

BA No. 0000001

Accepted on

Payable at COMMERCIAL BANKING CORPORATION BERHAD, 789, Jalan Kewangan, Kuala Lumpur for and on behalf of Merchant Banking Company of Malaysia Berhad

**Bankers Acceptance**

To **MERCHANT BANKING COMPANY OF MALAYSIA BERHAD**,  
456, Businessmen Road, Pulau Pinang.

At  days after sight *without days of grace* pay to the order of ourselves the sum of ringgit

Drawn to finance ..... *(purchase from / sale to non-resident / resident)*  
of goods described in the records of the accepting bank.  
*for and on behalf of* Trader Sdn. Bhd.

Dated .....

Due date

7"

3 1/2"

5/8"

1/8"

Cheque ID [ 2 Spaces ]	Cheque Serial No. [ 16 Spaces ]	Bank Code [ 2 Spaces ]	Branch Code [ 5 Spaces ]	Account Number [ 10 Spaces ]	Transaction Code [ 2 Spaces ]	Amount Field [ 10 Spaces ]
---------------------------	------------------------------------	---------------------------	-----------------------------	---------------------------------	----------------------------------	-------------------------------

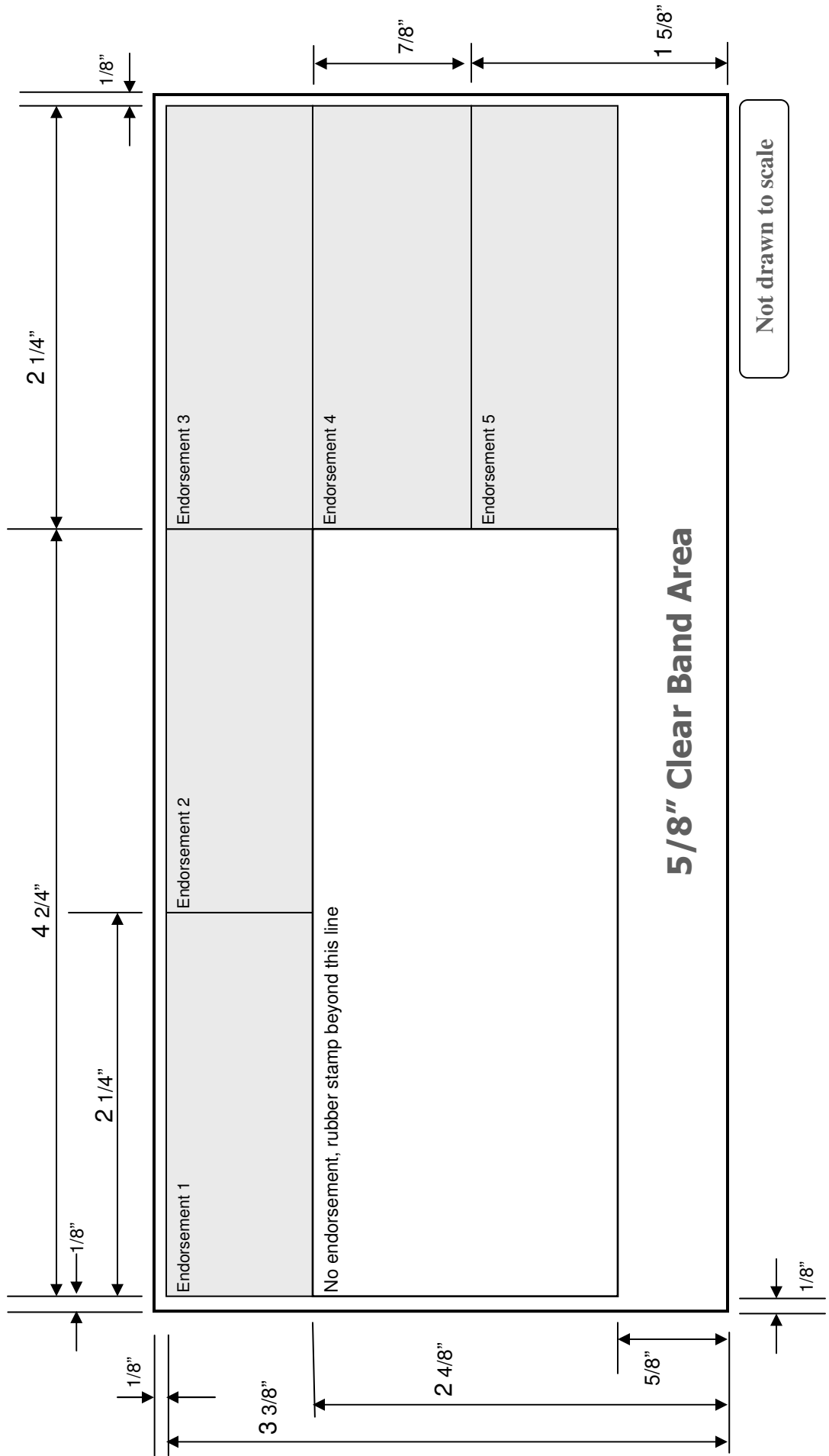
Field Symbols

Not drawn to scale

Note: The Magnetic Ink Character Recognition should comply with Cheque Design Standards and Specifications issued by Payment System Policy Department, Bank Negara Malaysia on 1 September 2006.

# SPECIMEN OF BANKERS ACCEPTANCE

(Reverse of Bankers Acceptance)



### Mathematical Calculation in the BA Market

- (1) The cost price or discounted proceeds of a BA is calculated as a net price expressed on an annual rate of discount basis, based on 365 days in a year, as follows:

$$P = FV \left[ 1 - \frac{r * t}{36500} \right]$$

Where,

P	=	Discounted proceeds
FV	=	Face of maturity value
r	=	Rate of discount (in per cent per annum)
t	=	Number of days remaining to maturity

#### Example 1

If a RM1,000,000 face value BA with 90 days to maturity is purchased at 6.0% per annum, the cost price or discounted proceeds is computed as follows:

$$\begin{aligned} \text{Cost Price} &= \text{RM1,000,000} \left[ 1 - \frac{6.0 * 90}{36500} \right] \\ &= \text{RM1,000,000} (1 - 0.0147945) \\ &= \text{RM1,000,000} (0.9852055) \\ &= \underline{\text{RM985,205.50}} \text{ (to the nearest sen)} \end{aligned}$$

(2) After its purchase, a BA may be sold under a repurchase agreement (repo). The sale price of a BA under repo is negotiated between the seller (of the BA) and the buyer, subject to the following conditions:

- (i) The sale price cannot exceed the seller's original purchase price; and
- (ii) The sale price must be stipulated in a multiple of RM1,000.

On the maturity date of the repo, the seller is required to repurchase the BA from the buyer at a repurchase price, RP which is computed as follows:

$$RP = SP \left[ 1 + \frac{r * t}{36500} \right]$$

Where,

- SP = Sale price  
(on the first leg of the repo transaction)
- r = Agreed repo rate  
(in per cent per annum)
- t = Tenor of the repo  
(in number of days)

Example (2)

A RM1,000,000 face value BA was purchased by Bank ABC with 90 days to maturity at 6.0% p.a. After a few days, Bank ABC sold the BA to another bank, Bank XYZ under a repo agreement for 7 days at a repo rate of 5% p.a.

Calculation (1)

$$\begin{aligned}\text{Bank ABC's original purchase price} &= \text{RM1,000,000} \left[ 1 - \frac{6 * 90}{36500} \right] \\ &= \text{RM1,000,000} (0.9852055) \\ &= \underline{\text{RM985,205.50}}\end{aligned}$$

Calculation (2)

Following the repo rule that the sale price of a BA under a repo cannot exceed the seller's original purchase price, and that such sale price must be in a multiple of RM1,000, the maximum sale price of the BA would be RM985,000. Supposing this is the transacted sale price, the repurchase price of the BA after 7 days would be:

$$\begin{aligned}\text{RP} &= \text{SP} \left[ 1 + \frac{r * t}{36500} \right] \\ &= \text{RM985,000} \left[ 1 + \frac{5 * 7}{36500} \right] \\ &= \text{RM985,000} (1 + 0.000958904) \\ &= \underline{\text{RM985,944.52}} \text{ (to the nearest sen)}\end{aligned}$$