

**Pronouncement of the Shariah Committee of Bursa Malaysia Islamic Services Sdn Bhd**

*In the Name of Allah, the Most Gracious the Most Merciful*

13 Zulqaedah 1431H – 21<sup>st</sup> October 2010

**Subject: Approval of Bursa Suq Al-Sila’**

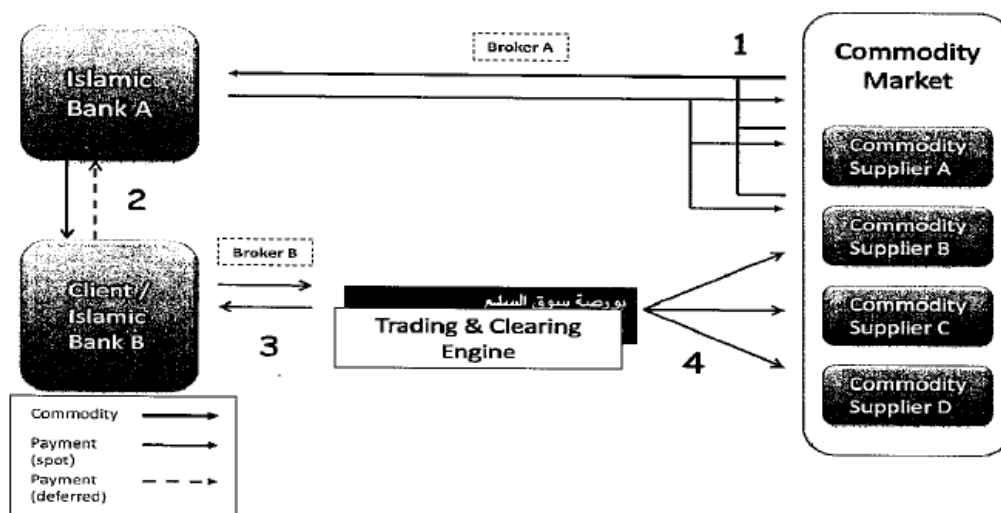
*All praise is due to Allah, prayers and peace be upon the last Prophet Mohammad, and be upon his relatives and all his companions,*

The Shari’ah Adviser of Bursa Malaysia Islamic Services Sdn Bhd (“BMIS”) has reviewed the structure, mechanism and documentation prepared and submitted by the BMIS concerning Bursa Suq Al-Sila’ (“BSAS”). After careful consideration and examination, Shari’ah Adviser has come to the conclusion that it is compliance with Shari’ah principles.

The documents that have been scrutinized and endorsed are:

1. Description of BSAS’s structure
2. Rules of Bursa Malaysia Islamic Services Sdn Bhd
3. Compliance undertaking by Participants
4. E-Certificate
5. Participants Admission Form
6. Contract Specification
7. Indemnity Letter

**Bursa Suq Al-Sila’ Structure**



Step	Details
1	<ul style="list-style-type: none"> <li>• Pre-market opens, offer (to sell) by Suppliers &amp; bid (to purchase) by IBA entered into system.</li> <li>• When market opens, matching process begins.</li> <li>• Suppliers sell commodity directly to IBA on cash, ownership transfers to IBA.</li> <li>• Bursa ensures delivery of commodity to IBA if delivery is requested.</li> <li>• IBA credits payment into BMIS account (BMIS as settlement agent for Suppliers).</li> <li>• E-Certificate generated by system detailing trade information.</li> </ul>
2	<ul style="list-style-type: none"> <li>• IBA sells commodity to its Client/IBB at marked-up price, on deferred payment basis.</li> <li>• Ownership transfers to Client/IBB.</li> </ul>
3	<ul style="list-style-type: none"> <li>• Client/IBB sells CPO to BMIS on cash.</li> <li>• BMIS debt its settlement account for Client/IBB.</li> <li>• Ownership transfers to BMIS.</li> </ul>
4	<ul style="list-style-type: none"> <li>• BMIS offer (to sell) &amp; Suppliers bid (to purchase): matching done on a random basis.</li> <li>• Ownership transfers to Supplier</li> <li>• Commodity may or may not be reoffered into system.</li> </ul>

Should there be any changes in or addition to any abovementioned documents must be submitted to the Shari'ah Adviser for review and approval.

*And prayers and peace be upon the last Prophet Mohammad, and be upon his relatives and all his companions.*