

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

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

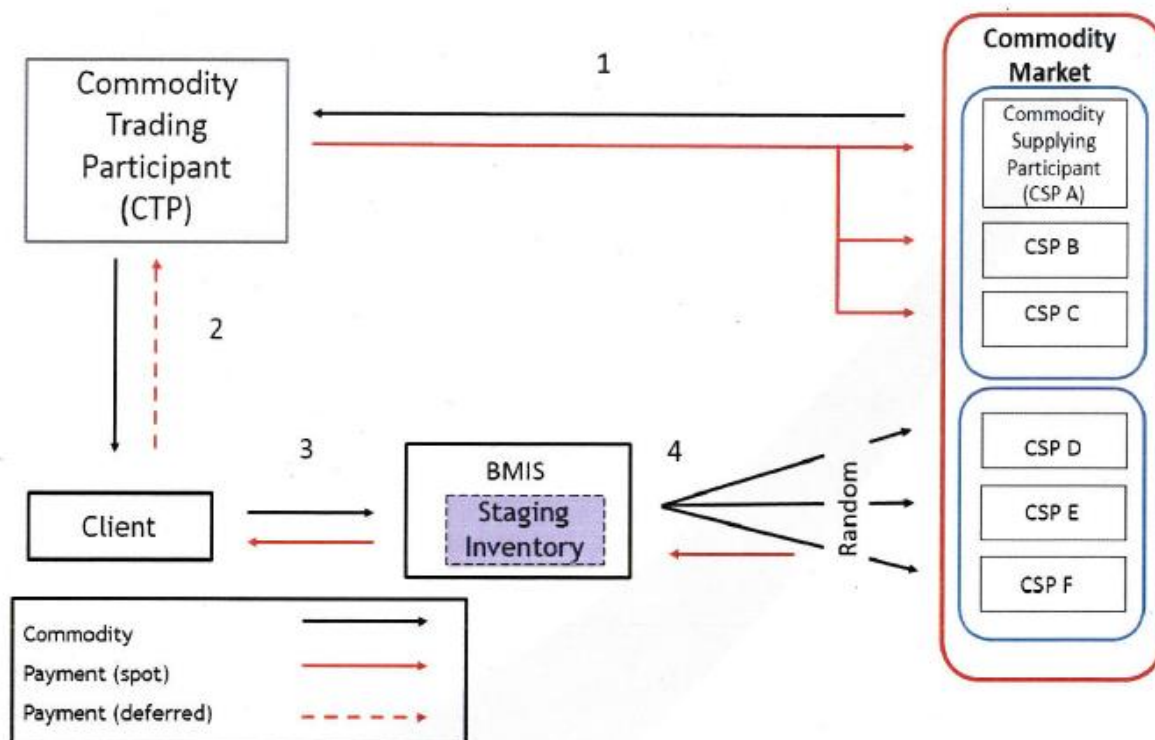
12 Jamadilakhir 1439H – 1st March 2018

Subject: Bursa Suq Al-Sila’ (BSAS): Improvement of Randomisation Process

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

BSAS is a commodity trading platform that facilitates financing transactions, deposit takings, and liquidity management.

Based on feedbacks and recommendation from the industry and some Shariah scholars, Bursa Malaysia Islamic Services Sdn Bhd (BMIS) has undertaken a system enhancement to further improve the randomization process in BSAS trading platform, illustrated as follows:



Description:

- 1) For the purpose of extending financing facilities to its client through BSAS platform, a CTP will purchase an amount of the unencumbered approved commodity from a CSP (or a few CSPs) and then sells the commodity to its client. Subsequently, client will then through CTP, sells the acquired commodity to BMIS and BMIS will then sell it randomly in the commodity market.
- 2) **Before enhancement:** To complete the transaction, BMIS will sell at random in the commodity market. With the randomization system, there is no prior arrangement that the commodity will go back to the original seller. Nevertheless, there is still a possibility that the same commodity will be sold to the original supplier, fully or partially.
- 3) **After enhancement:** The enhancement effectively excludes the original supplier who has sold a commodity from becoming a purchaser of that traded commodity for that particular trade. The system has been improved with the exclusion of the original supplier when BMIS sells it randomly in the commodity market. The staging inventory is embodied in the system to hold the commodity from being sold to the original supplier until there is eligible CSP to buy the said commodity. The movement is captured by and recorded in the BSAS system.

The Shariah Committee of BMIS has reviewed the structure, mechanism and documentation prepared and submitted by BMIS concerning BSAS. We, the members of Shariah Committee of BMIS, to the best of our knowledge, do hereby confirm that it is compliant with Shariah principles.

Should there be any changes in or additions to the trading process, structure, or mechanism as what has been presented; it must be submitted to the Shariah Committee for review and approval.

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