

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

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

29 Rabi al-awwal 1440H – 7 December 2018

Subject: General Shariah Principles on Listing of Waqf Securities

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 Shariah Committee in its meeting held on 29th November 2018 at Bursa Malaysia Berhad in Kuala Lumpur had endorsed general guiding principles from Shariah perspective concerning the listing of securities issued for the purpose of fundraising to support social and sustainable development activities based on the concept of Waqf. The securities is hereby referred to as “Waqf securities”.

The Committee acknowledged the importance to support the establishment of a transparent access for the above-mentioned fundraising through listing of the securities on a stock exchange and agreed for any listing of Waqf securities to observe the following general Shariah principles;

Listing of Waqf securities on a stock exchange may undergo the following processes thus expected to adhere to the relevant principles;

- (a) Listing –
- i. Prescription of listing requirement shall take into consideration the need for an endorsement from the recognized and relevant authority.
 - ii. The endorsement should provide confirmation on amongst others;
 - a. The Waqf securities comply with Shariah principles;
 - b. The Waqf securities is either limited to a perpetual subscription based on the concept of perpetual Waqf, or can be subjected to a temporary subscription based on the concept of temporary Waqf (*Waqf mu’aqqat*); and
 - c. In the event of its being endorsed as temporary Waqf, the underlying principle in the case of disposal or transfer of the securities shall be clearly stipulated.

(b) Trading –

- i. Trading process is expected to facilitate subscription mechanism of the Waqf securities as well as disposal of the securities in the case of the securities being endorsed as adopting the concept of temporary Waqf; and
- ii. The relevant disclosures shall provide clarity on the applicable underlying contract in relation to the disposal or transfer of the securities including at issuer level, stockbroking level, as well as at the exchange level.

(c) Clearing/ Settlement –

- i. Similar to the current securities clearing framework, the clearing process shall facilitate the movement of the Waqf securities to the rightful subscriber of the Waqf securities at any point in time.

(d) Depository –

- i. Similar to the current depository framework, any subscription and movement of Waqf securities is expected to be reflected in the depository system.

The above principles may vary subject to any changes in or additions to the trading process, structure, or mechanism as what has been presented. Should there be any, 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.