



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

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

3rd Ramadan 1442H – 15th April 2021

Subject: Bursa Suq Al-Sila' (BSAS): End-of-Day (EOD) Bay' amongst Commodity Supplying Participant (CSP)

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 Shariah-compliant commodity trading platform that facilitates all financing transactions, deposit takings and other instruments of the Islamic liquidity management based on Murabaha concept.

As we progress through the years, we are committed to ensure that all processes in our BSAS System meeting all aspects of Shariah requirements, including the Bay' of the commodities amongst CSPs at the EOD, i.e 1200 hours (GMT+08).

In BSAS System, during the course of the trading session, there is a Bay' process which is called the Sale of the commodities by BMIS to the (Current) CSPs, on a randomization basis with the exclusion of the sale of the commodities to the Original CSP (hereinafter referred to as "Buy-From-BMIS").

During the Buy-From-BMIS stage, it is pivotal to note that the sale of the commodities by BMIS will be made to offer to the Current CSP while the Original CSP will be excluded from buying the same commodities as it initially offered, for the sale of the commodities to the Commodity Trading Participant (CTP) in the BSAS system. As long as there is no physical delivery of the commodities involves, this process keeps continuing during the trading session until the EOD and this process will result to a situation of a cross holding ownership of the commodities amongst the CSPs.

The Current CSP herein refers to the CSP who is the final owner of the commodities who bought the commodities from BMIS, during the trading session. On the other hands, the Original CSP refers to the CSP who was originally owned and initially offered the commodities at a specified location, for the sale of the commodities to the CTPs.



At the EOD in BSAS System, both Current and Original CSPs will have equal rights and options over the offer and the sale of the commodities, as follows:

- 1) Current CSP will have the options to offer or not to offer for the sale of the commodities to the Original CSP; and
- 2) Original CSP will have the options to accept or not to accept for the sale of the commodities made by the Current CSP.

The EOD *Buy*' amongst CSPs is captured and tracked in the BSAS System per the process flows below: -

- 1) At Market Close ie. 2355 hours, both CSPs will be provided for a time window for the offer and the sale of the commodities;
- 2) At this stage, both CSPs will have equal rights and options to offer or not to offer and to accept or not to accept, for the sale of the commodities;
- 3) If the Current CSP decided not to offer for the sale of the commodities to the Original CSP, the BSAS system will record it as such and that outstanding sale of both CSPs will be settled, outside of BSAS system;
- 4) Similarly, if the Original CSP decided not to accept for the sale offer of the commodities made by the Current CSP, that outstanding sale of both CSPs will be settled, outside of BSAS system;
- 5) Nonetheless, should there is no action entered by either CSPs during this period, it is understood that both CSPs have consented BSAS, to match their offer and sale acceptance of the commodities automatically;
- 6) All *Buy*' of the commodities' amongst CSPs at EOD are duly captured by and recorded in the BSAS system.

The Shariah Committee of the BMIS has reviewed the structure, mechanism and documentation prepared and submitted by the 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.