

PARTICIPATING ORGANISATIONS' CIRCULAR

Date: 25 April 2022	No: R/R 1 of 2022
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AMENDMENTS TO THE BEST PRACTICE NO. 7.16-001 (BEST PRACTICES IN THE ISLAMIC STOCKBROKING SERVICES UNDERTAKEN BY PARTICIPATING ORGANISATIONS) (“BEST PRACTICES FOR ISLAMIC POs”)

1. AMENDMENTS TO THE BEST PRACTICES FOR ISLAMIC POs

- 1.1 Following the recent development and enhancement of products and services available in the securities market, Bursa Malaysia Securities Berhad (“**Exchange**”) has updated the Best Practices for Islamic POs to reflect the best practices in relation to the newly introduced and enhanced products and services.
- 1.2 The salient amendments to the Best Practices for Islamic POs are as follows:
- (a) included a guidance on Shariah discretionary trading. A new Section F sets out, among others, the provisions on the creation of a Shariah Discretionary Account and the applicable Shariah contracts between an Islamic PO and its Client for the provision of Shariah discretionary trading services i.e. *wakalah*, *mudarabah* and *musharakah*;
 - (b) included for consistency, a guidance in relation to Islamic Securities Selling & Buying – Negotiated Transaction (“**ISSBNT**”), which reflects the model set out in the Frequently Asked Questions on ISSBNT available on the Exchange’s website; and
 - (c) amended the existing terms used in the Best Practices for Islamic POs for clarity and introduced new defined terms consequential to items (a) and (b) above.
- 1.3 The amended Best Practices for Islamic POs is set out in **Annexure 1**.

2.0 EFFECTIVE DATE

- 2.1 The amendments to the Best Practices for Islamic POs take effect on **16 May 2022**.

3. CONTACT PERSONS

3.1 In the event of any queries in relation to the above matter, kindly contact the following persons:

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This Circular is available at:

https://www.bursamalaysia.com/regulation/securities/rules_of_bursa_malaysia_securities

Regulation