

## PARTICIPATING ORGANISATIONS' CIRCULAR

Date : 1 September 2016

No : R/R 6 of 2016

### AMENDMENTS TO THE BEST PRACTICES IN THE ISLAMIC STOCKBROKING SERVICES UNDERTAKEN BY PARTICIPATING ORGANISATIONS

#### 1. INTRODUCTION

- 1.1 With effect from 5 September 2016, Bursa Malaysia Securities Berhad will be able to provide a fully integrated Islamic securities exchange platform with a comprehensive range of exchange-related facilities including listing, trading, clearing, settlement and depository services. Known as "**Bursa Malaysia-i**" the Islamic securities exchange platform will facilitate the conduct of Shariah-compliant investment activities.
- 1.2 In line with the launch of **Bursa Malaysia-i**, we are updating the Best Practices in the Islamic Stockbroking Services Undertaken by Participating Organisations ("Best Practices") as set out in paragraph 2 below.

#### 2. AMENDMENTS TO THE BEST PRACTICES

- 2.1 The key amendments to the Best Practices are as follows:
- (a) the definitions used in the Best Practices, including the definitions of "*ibra*" "*riba*", and "*ta`widh*" have been updated for consistency with Shariah principles, and additional clarification on Shariah principles has been included;
  - (b) amendments have been made to further emphasise the role of a Shariah Adviser in providing effective oversight over Shariah matters in an Islamic Participating Organisation ("iPO"). The Shariah Adviser's endorsement and approval should be sought in respect of the operations of the iPO at least annually;
  - (d) amendments have been made to clarify that the Head of Compliance of the iPO should report any non-compliance with Shariah principles, the Best Practices or concepts and rulings issued by the Shariah Advisory Council of the Securities Commission Malaysia directly to the board of directors after consulting the Shariah Adviser; and
  - (e) the template of the Shariah confirmation which should be obtained by the iPO from the Shariah Adviser on an annual basis is set out in Appendix 1 of the Best Practices.
- 2.2 The amended Best Practices are set out in **Annexure A**.

**3. EFFECTIVE DATE**

- 3.1 The amendments to the Best Practices as set out in paragraph 2 take effect on **1 September 2016.**

**4. CONTACT PERSON**

In the event of any queries in relation to this circular, please contact the following person:

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**Regulation**