

## FREQUENTLY ASKED QUESTIONS

### REVISED GUIDELINES ON ISLAMIC FUND MANAGEMENT

(Date of Issuance: 18 May 2020)

**1. Why have the *Guidelines on Islamic Fund Management (Guidelines)* been revised?**

The Guidelines were first issued to set out the requirements that must be complied by an Islamic fund management company and a fund management company that carries on Islamic fund management under an Islamic “window”.

The Guidelines was subsequently revised to incorporate the qualifying conditions that must be complied by a fund management company that manages an Islamic fund, for the purpose of applying for the certification of Islamic fund in respect of tax exemption for the Islamic fund management industry.

**2. What are the tax exemptions available for a fund management company that manages an Islamic fund?**

The tax exemptions available for the fund management company are income tax exemption in respect of its statutory income derived from a business of providing fund management services of a fund, business trust or real estate investment trust (REIT) in Malaysia which is managed in accordance with Shariah principles.

**3. What are the types of Islamic fund that would be qualified for the tax exemption?**

The types of Islamic fund that qualify for the tax exemption are unit trust fund, exchange traded fund, wholesale fund, REIT, business trust, private retirement scheme and private mandate.

**4. Who can apply for the certification of Islamic fund in respect of the tax exemption?**

A fund management company which complies with the qualifying conditions as set out in Chapter 12, Section C of the Guidelines is eligible to apply for the tax exemption.

**5. What is the procedure to apply for the certification?**

All applications must be made to the SC by completing the application form together with the submission of the documents as provided in Appendix 4 of the Guidelines, entitled 'Documents to be Submitted for Certification of Islamic Fund in respect of Tax Exemption for the Islamic Fund Management Industry', which can also be [downloaded here](#).

The documents must be submitted in the format and to the address as stated in Chapter 13, Section C of the Guidelines.

**6. When can the application for certification be made?**

Applicant can submit the application for certification after the end of its financial year, before submitting the income tax return to the Inland Revenue Board.

**7. How long will it take, from the point of application, for SC to grant the certification?**

The SC will issue the certification letter within 14 business days upon receipt of complete and accurate information and documents including submission of complete and accurate information to the SC through SC Common Reporting Platform (ComRep). This includes ensuring that the figures in the audited financial statements via ComRep are consistent (either at the level of each element or in total) with the auditor's report via the Electronic Licensing Application (ELA) system.

**8. What will happen to an application for Certification of Islamic Fund in respect of Tax Exemption that has been submitted on or before 18 May 2020 ("Effective Date") but that is still pending certification by the SC, upon the Effective Date of the revised Guidelines?**

Such applications will continue to be assessed based on the requirements set out in the Guidelines prior to the Effective Date. From the Effective Date onwards, all applications must be made based on the requirements set out in the revised Guidelines.

*Please note that this certification is not a certification on the fees earned by the fund management company but is a certification of the Islamic funds in respect of tax exemption.*

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