

SECURITIES COMMISSION ACT 1993

SECURITIES COMMISSION (PRESCRIPTION OF ISLAMIC SECURITIES) ORDER 2004

IN exercise of the powers conferred by sections 2B and 124 of the Securities Commission Act 1993 [Act 498], the Minister, on the recommendation of the Commission, makes the following order:

Citation and commencement

1. (1) This order may be cited as the **Securities Commission (Prescription of Islamic Securities) Order 2004**.
- (2) This Order comes into operation on 3 July 2004.

Interpretation

2. In this Order—

“Guidelines” means the Guidelines on the Offering of Islamic Securities issued by the Commission;

“Islamic securities” means—

(a) any product or instrument made available, offered for subscription or purchase, or issued pursuant to the Syariah principles of *Mudharabah* or *Musyarakah*; or

(b) any *sukuk* issued pursuant to any Syariah concept or principle; and

which are specified as Islamic securities under the Guidelines on the Offering of Islamic Securities issued by the Commission.

Application of Division 4 of Part IV of the Act

3. (1) Subject to subparagraph (2), the Minister prescribes Islamic securities as “securities” for the purposes of applying the provisions of Division 4 of Part IV of the Act to such Islamic securities.

(2) Any invitation, offer or issue of Islamic securities shall comply with the requirements of the Guidelines.

(3) For the avoidance of doubt, any reference to the term “borrower” in Division 4 of Part IV of the Act shall be construed as a reference to the issuer of Islamic securities for the purposes of the application of those provisions to Islamic securities.

Disapplication of Division 5 of Part IV of the Act

4. Where an arrangement of a unit trust scheme or a prescribed investment scheme involves the issuance of Islamic securities, the Minister, on the recommendation of the Commission, prescribes that such Islamic securities shall not be subject to the provisions of Division 5 of Part IV of the Act.

Made 2 July 2004

[(8.02)248/23-49(Sj. 18); PN(PU²)523/II]

TAN SRI NOR MOHAMED YAKOP
Second Minister of Finance