

FREQUENTLY ASKED QUESTIONS GUIDELINES FOR SHARIAH ADVISERS

APPLICATION OF THE GUIDELINES	
1.	<p>When do the <i>Guidelines for Shariah Advisers (Guidelines)</i> take effect?</p> <p>The Guidelines take effect on 1 January 2022 (Effective Date).</p>
2.	<p>What are the key requirements set out in the Guidelines?</p> <p>The Guidelines, among others, set out the following requirements:</p> <ul style="list-style-type: none"> (i) Prescribing the service of “providing advice to others concerning compliance with Shariah matters” as a capital market service under section 76A of the <i>Capital Markets and Services Act 2007</i> (CMSA); (ii) Streamlining the registration requirements for both local and foreign Shariah advisers; (iii) Streamlining the fit and proper criteria applicable to Shariah advisers; (iv) Imposing continuous obligations on Shariah advisers including ensuring its directors, chief executive and Shariah committee members (for financial institutions) being fit and proper, attending at least three SIDC CPE-approved courses on capital market annually and reporting to the SC where the Shariah adviser is no longer fit and proper; and (v) Introducing a new chapter on conduct requirements for Shariah adviser including requirement for Shariah adviser to act honestly and to uphold Shariah principles as well as having adequate arrangements in place to identify and effectively manage or mitigate conflicts of interest.
REQUIREMENTS FOR REGISTRATION	
3.	<p>Who is eligible to be registered as a Shariah adviser?</p> <p>Malaysian and foreign individuals or corporations are eligible to register as a Shariah adviser subject to them meeting the requirements as set out in the Guidelines.</p>

4.	<p>Would licensed Islamic banks, licensed banks and licensed investment banks approved by Bank Negara Malaysia (BNM) to carry on Islamic banking business need to apply for registration to become a Shariah adviser?</p> <p>No. Registration with the SC is not required for licensed Islamic banks, licensed banks and licensed investment banks approved by BNM to carry on Islamic banking business (financial institutions). However, financial institutions that provide Shariah advisory services must comply with the conduct requirements and continuous obligations as set out in the Guidelines.</p>
5.	<p>What are the fees applicable to a Shariah adviser?</p> <p>All Shariah advisers will be required to pay fees specified by the SC. However, currently, the SC is granting a three-year fee waiver for all Shariah advisers starting from 1 January 2022.</p>
6.	<p>If I have any of the following degrees, am I qualified to register as a Shariah adviser?</p> <p>(a) Bachelor of Shariah but does not include study in <i>fiqh muamalat</i> (Islamic transaction/commercial law) or <i>usul fiqh</i> (Islamic jurisprudence);</p> <p>(b) Bachelor of <i>Usuluddin</i>; or</p> <p>(c) Bachelor of Law but does not focus on Shariah and does not include study in <i>fiqh muamalat</i> or <i>usul fiqh</i>.</p> <p>No, you are not qualified to register as a Shariah adviser. The Guidelines require you to hold at minimum, a bachelor's degree in any of the following:</p> <p>(a) Shariah; or</p> <p>(b) Law, with a focus on Shariah; or</p> <p>(c) Islamic Studies</p> <p>in which the degree must include study in <i>fiqh muamalat</i> (Islamic transaction/commercial law) or <i>usul fiqh</i> (Islamic jurisprudence).</p>

7.	<p>I worked at an Islamic bank for six years. However, in the past one year, I worked in sector other than Islamic finance. Am I eligible to register as a Shariah adviser?</p> <p>No, you are not eligible to register as a Shariah adviser. The Guidelines require you to have at least three consecutive years of relevant working experience in Islamic finance preceding the application.</p>
8.	<p>I have a company registered as Limited Liability Partnership (LLP) in Malaysia under the <i>Limited Liability Partnerships Act 2012</i>. Can I register such company as a Shariah adviser under the corporation category?</p> <p>Yes, your company is eligible to be registered as a Shariah adviser under the corporation category subject to your company fulfilling all the relevant requirements.</p>
9.	<p>How do I submit my application for registration as a Shariah adviser?</p> <p>All hard copies of documents must be submitted to the SC, to be addressed to:</p> <p>Chairman Securities Commission Malaysia 3 Persiaran Bukit Kiara Bukit Kiara 50490 Kuala Lumpur (Attention: Islamic Capital Market Development)</p> <p>In addition to the submission of the hard copies of the documents above, all electronic copies of the application forms and documents must be submitted to the SC, to be emailed to:</p> <p>ICMShariahAdviser@seccom.com.my</p>

TRANSITIONAL ARRANGEMENTS

10. What is the transitional arrangement for all existing registered Shariah advisers upon the Effective Date?

Existing Shariah advisers do not need to submit a new application to the SC upon the Effective Date. Existing Shariah advisers are deemed to be a registered Shariah adviser under the Guidelines starting from the Effective Date.

11. I am an existing registered Shariah adviser who registered on 1 October 2021. When should I submit to the SC the annual declaration form relating to my attendance of the three SIDC CPE-approved courses (CPE Declaration Form) as required under the Guidelines?

Under the Guidelines, the submission of the CPE Declaration Form must be made within ten business days after the anniversary date of registration. Since you are deemed registered under the Guidelines, your anniversary date is now fixed on 1 January 2022. As such, you must submit the CPE Declaration Form to the SC latest by 13 January 2023.

12. I have attended SIDC CPE-approved course on 27 December 2021. Would my attendance of such course be calculated as one of the SIDC CPE-approved courses which I am required to attend annually?

No, your attendance of such course would not be calculated as one of the SIDC CPE-approved courses which you are required to attend annually since the Guidelines takes effect on 1 January 2022. Only attendance of SIDC CPE-approved courses held in 2022 would be calculated.

FINANCIAL INSTITUTION

13. Are the Shariah committee members of a Financial Institution required to attend the SIDC CPE-approved courses?

Financial Institution who is a Shariah adviser is encouraged to send its Shariah committee members to attend the SIDC CPE-approved courses.

CONTINUOUS OBLIGATION (CPE-APPROVED COURSES AND ANNUAL DECLARATION FORM)

<p>14.</p>	<p>Does the SIDC CPE-approved courses refer to training courses organised by SIDC only or also comprise any other training courses approved by SIDC which are organised by other training providers?</p> <p>The SIDC CPE-approved courses refer to any training courses which are approved by SIDC, either organised by SIDC or any other training providers.</p> <p>For reference, the SIDC CPE-approved courses are available on the SC website through the following link: https://ers.seccom.com.my/cpepublic/default.aspx.</p>
<p>15.</p>	<p>Are the directors and senior management of a corporation that is registered as a Shariah adviser with SC required to submit the Declaration Form to the SC annually?</p> <p>Yes, the directors and senior management of such corporation are required to submit the Declaration Form to the SC annually within ten business days after the anniversary date of registration of such corporation as a Shariah adviser.</p>