

FREQUENTLY ASKED QUESTIONS
GUIDELINES ON ISLAMIC CAPITAL MARKET PRODUCTS AND
SERVICES
(Issued: 28 November 2022)

General

1. Why did the SC introduce the *Guidelines on Islamic Capital Market Products and Services* (ICMPS Guidelines)?

The ICMPS Guidelines consolidates all the existing Shariah requirements which were previously set out in various SC guidelines, aimed at providing a single point of reference for those offering or intending to offer Islamic capital market (ICM) products and services.

2. Are there any changes to the current framework with the introduction of the ICMPS Guidelines?

In addition to the existing framework, the ICMPS Guidelines has introduced the following additional framework / requirement:

- (a) Expanding the categories of fund under the *waqf* framework to include listed REITs and listed ETFs which can be found under Chapter 34; and
- (b) Introducing additional requirements relating to fund managers, Venture Capital and Private Equity Corporations and Management Corporations and Recognised Market Operator carrying on Islamic fund management business which can be found under Part A, Section II, Chapter 37 and Chapter 38 respectively.

3. Do I need to comply with other regulatory requirements for the purpose of issuing and offering of ICM products and services?

Yes, you are still required to comply with the relevant regulatory requirements relating to the type of ICM products and services which you are offering. However, in addition to those requirements, you would need to refer to the ICMPS Guidelines for the specific Shariah requirements applicable to the ICM product or service. For example, if you are offering an Islamic unit trust fund, you would have to refer to both the *Guidelines on Unit Trust Fund* for the general requirements and the ICMPS Guidelines for the additional requirements specific to the Islamic unit trust fund.

Shariah Advisers

- 4. Corporation A has employed Ahmad as its full-time Shariah officer for the purpose of providing Shariah advice. Can Corporation B who intends to register as a Shariah adviser, also appoint Ahmad as its full-time Shariah officer?**

No. Corporation B is not allowed to employ Ahmad as its full-time Shariah officer for so long as Ahmad is still an employee of Corporation A.

Fund management companies

- 5. In relation to paragraph 13.05(d) of the ICMPS Guidelines, how frequent should the Shariah adviser prepare the report to be given to the investors?**

The fund management company is to discuss and agree with the investor on the frequency of the report to be given to the investor. It could be on monthly, quarterly, semi-annually or annually basis, subject to the terms of the agreement between the fund management company and the investor.

- 6. In relation to paragraph 14.01(d) of the ICMPS Guidelines, what are the categories of training that are acceptable?**

The training may include any webinar, workshop, conference, seminar or internal training related to Islamic finance or Islamic capital market.

- 7. When would the requirement for the compliance officer to attend the two training courses, as set out in paragraph 14.01(d), take effect?**

Taking cognisance of the necessary process required to comply with the above requirement, the requirement for the compliance officer to attend the training takes effect from 1 January 2023.

- 8. In paragraph 15.03 of the ICMPS Guidelines, a fund management company must ensure that all accounts relating to the clients' assets under an Islamic fund management business are opened and maintained in an Islamic account with licensed Islamic banks. Is there any transition period for fund management companies which have ongoing placements in accounts with financial institutions other than licensed Islamic bank, to place all clients' assets into an Islamic account with licensed Islamic banks?**

Taking cognisance of the necessary process required to comply with the above requirement, the affected fund management companies are given a grace period until 31 December 2023 to comply with the above requirement.

Waqf-featured fund framework (WQ-FF)

9. Who are the eligible *waqf* recipients under the WQ-FF?

The eligible recipients under the WQ-FF may include any state Islamic religious council (SIRC) or any institutions or organisations authorised by the SIRC to act as a *mutawalli* (*waqf* administrator) or collection agent for *waqf* purposes.

10. How can investors obtain information on the *waqf* projects?

The investors can obtain more information on the *waqf* projects including information on the *waqf* recipients and progress of *waqf* projects on the fund management company's website.

11. When would Bursa Malaysia Securities Bhd update its Main Market Listing Requirements (Listing Requirement) to facilitate the WQ-FF for listed REITs and listed ETFs?

The amendments to the Listing Requirements are expected to come into effect on 3 April 2023.

Venture capital and private equity

12. Are there specific methodologies for the Shariah adviser to adopt in determining the Shariah-compliant status of a venture corporation?

The Shariah adviser may adopt the Shariah screening methodology as prescribed by the Shariah Advisory Council of the SC, or other methodologies as deemed appropriate.