

BNM/RH/CP 012-6	Islamic Banking and Takaful Department	Concept Paper on Shariah Parameter Reference 4: <i>Musharakah</i> Contract
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Effective Date1

Applicability1

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Effective Date

The consultation period of this concept paper ends on 12 July 2010.

Applicability

This concept paper is applicable to:

- a. All Islamic banking institutions licensed under the Islamic Banking Act 1983 (IBA);
- b. All banking institutions licensed under the Banking and Financial Institution Act 1989 (BAFIA) which participate in Islamic Banking Scheme;
- c. All development financial institutions prescribed under the Development Financial Institutions Act 2002 (DFIA) which participate in Islamic Banking Scheme; and
- d. All takaful operators registered under the Takaful Act 1984 (TA).

Summary

Bank Negara Malaysia is in the midst of developing a set of 'Shariah Parameters' to provide a standard guidance on operationalising and applying the Shariah contracts in Islamic finance. Identified Shariah contracts for purpose of the Shariah Parameter initiatives are *Murabahah*, *Ijarah*, *Mudarabah*, *Musharakah*, *Istisna'* and *Wadiah*. Concept papers for *Murabahah*, *Ijarah* and *Mudarabah* parameters have been issued to relevant parties for feedback and comment. This concept paper on Shariah Parameters Reference 4: *Musharakah* Contract (SPR4) sets out the Shariah requirements for application of the *Musharakah* contract. In this regard, Bank Negara Malaysia wishes to invite all relevant stakeholder particularly Islamic financial institutions to provide written feedback on the concept paper to the Bank by **12 July 2010**.

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The written feedback in the form of softcopy is preferable and may be submitted to hazim@bnm.gov.my. The hardcopy of the written feedback may also be submitted to:

Pengarah

Jabatan Perbankan Islam dan Takaful

Tingkat 6, Blok A,

Bank Negara Malaysia

Jalan Dato' Onn,

50480 Kuala Lumpur.

Should there be any queries on the concept paper, please contact Encik Ahmad Hazim Alias at hazim@bnm.gov.my.