

EFFECTIVE DATE1

APPLICABILITY1

SUMMARY.....1

BNM/RH/CP 012-7	Islamic Banking and Takaful Department	Concept Paper on Shariah Parameter Reference 5: <i>Istisna'</i> Contract	Page 1/2
-----------------	--	--	----------

Effective Date

The consultation period of this concept paper ends on 28 January 2011.

Applicability

This concept paper is applicable to:

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

Summary

Bank Negara Malaysia is in the midst of developing a set of 'Shariah Parameters' to provide a standard guidance on operations and application of the Shariah contracts in Islamic finance. The identified Shariah contracts under the Shariah Parameter initiatives are *Murabahah*, *Ijarah*, *Mudarabah*, *Musharakah*, *Istisna'* and *Wadiah*. The concept papers for *Murabahah*, *Ijarah*, *Mudarabah* and *Musharakah* parameters have been issued to relevant parties for feedback and comment. This concept paper on Shariah Parameters Reference 5: *Istisna'* Contract (SPR5) sets out the Shariah requirements for the application of the *Istisna'* contract. In this regard, Bank Negara Malaysia wishes to invite all relevant stakeholders particularly Islamic financial institutions to provide written feedbacks on the concept paper to the Bank by **28 January 2011**.

BNM/RH/CP 012-7	Islamic Banking and Takaful Department	Concept Paper on Shariah Parameter Reference 5: <i>Istisna'</i> Contract	Page 2/2
------------------------	---	---	---------------------

Written feedback in the form of softcopy is preferable and may be submitted to hazim@bnm.gov.my and sest@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.

For any queries regarding the concept paper, please contact Encik Ahmad Hazim Alias at hazim@bnm.gov.my.