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Timbalan Gabenor

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Ketua Pegawai Eksekutif/ Pengarah Urusan
Bank-bank Islam Berlesen/
Bank-bank Berlesen yang Menjalankan
Perniagaan Perbankan Islam/
Bank-bank Pelaburan Berlesen yang Menjalankan
Perniagaan Perbankan Islam/
Pengendali-pengendali Takaful Berlesen/
Pengendali-pengendali Takaful Semula Profesional/
Institusi Pembangunan Kewangan

Y. Bhg. Tan Sri/ Dato' Sri/ Dato'/ Datuk/ Tuan/ Puan,

Shariah Leaders Education Programme

The implementation of the Islamic Financial Services Act (IFSA) 2013 has changed the dynamics of the industry through:

- (i) Recognition of Shariah compliance as a key regulatory objective of the IFSA apart from promoting financial stability;
- (ii) Legal recognition on investment account as a means for Islamic banks to mobilise funds to enable the public to participate more effectively in profit and risk sharing investment to finance entrepreneurship and real economic sectors; and
- (iii) Development of standards for key Shariah contracts that enhance legal certainty and strengthen Shariah compliance by Islamic financial institutions.

2. In view of the above, there is a need to ensure that Shariah Committee members are well-equipped to support their Islamic financial institutions in adapting to this transition particularly in ensuring end-to-end Shariah compliance of Islamic financial transactions. In this regard, a new structured training programme known as the Shariah Leaders Education Programme for Shariah Committee members has been designed to enhance their effectiveness in fulfilling their expected roles. The objectives of the programme are as follow:

- (i) To reinforce a clear understanding of the roles of Shariah Committee members especially with regard to ensuring end-to-end Shariah compliance in line with the IFSA;

- (ii) To broaden perspectives of Shariah Committee members on the need for Islamic financial institutions to strengthen their ability in sustaining their commercial viability within the financial landscape, as well as their roles in facilitating this development; and
- (iii) To enhance knowledge on the different operational dynamics of Islamic financial institutions that improves the effectiveness of the oversight roles undertaken by Shariah Committee members.

The programme will be developed and managed by the International Centre for Leadership in Finance (ICLIF). For further information on the programmes, please refer to the ICLIF website at www.iclifgovernance.org.

3. Attendance for the Shariah Leaders Education programme will be compulsory for Shariah Committee members of the following institutions:

- (i) Licensed Islamic banks under the IFSA;
- (ii) Licensed banks and licensed investment banks under the Financial Services Act 2013 (FSA) approved under section 15(1)(a) of the FSA to carry on Islamic banking business;
- (iii) Prescribed institutions under the Development Financial Institutions Act 2002 (DFIA) approved under section 129(1) of the DFIA to carry on Islamic banking business or Islamic financial business; and
- (iv) Licensed takaful operators under the IFSA; and
- (v) Professional retakaful operators under the IFSA.

All existing Shariah Committee members are required to complete the Shariah Leaders Education programme by end 2016. Effective immediately, all newly appointed Shariah Committee members will be required to complete the Shariah Leaders Education programme within two years of their appointment. Completion of the programme shall also be taken into account by the Bank in considering the reappointment of Shariah Committee members of financial institutions moving forward.

4. All financial institutions are expected to ensure that Shariah Committee members of their institutions adhere to the above requirement and assume the fees charged for the programme. We believe that with your support, Islamic financial institutions in Malaysia will be able to achieve a high standard of good governance and Shariah compliance in the industry and consequently provide a strong foundation for stability of the Malaysian financial system.

Yang benar,



(Muhammad bin Ibrahim)