

SHARIAH ADVISORY COUNCIL OF BANK NEGARA MALAYSIA

The Shariah Advisory Council of Bank Negara Malaysia (SAC) was established in 1997 as the highest authoritative body in ascertainment of Shariah matters relating to Islamic finance in Malaysia. The SAC has been given the mandate to ascertain the Islamic law for the purposes of Islamic banking business, takaful business, Islamic financial business, Islamic development financial business, or any other businesses, that are based on Shariah principles and are supervised and regulated by Bank Negara Malaysia. As the reference body and advisor to Bank Negara Malaysia on Shariah matters, the SAC is also responsible for validating all Islamic banking and takaful products to ensure their compatibility with Shariah principles. In addition, the SAC advises Bank Negara Malaysia on any Shariah issues pertaining to Islamic financial business or transactions of Bank Negara Malaysia, as well as other related entities.

In the recent provisions of the Central Bank of Malaysia Act 2009, the roles and functions of the SAC have been further reinforced whereby the SAC is accorded the status as the sole authoritative body on Shariah matters pertaining to Islamic banking, takaful and Islamic finance in Malaysia. While the rulings of SAC are applicable to Islamic financial institutions, the courts and arbitrator are also required to refer to the rulings of the SAC for any proceedings relating to Islamic financial business, and such rulings shall be binding.

The SAC comprises prominent scholars and Islamic finance experts, whom are qualified individuals with vast experience and knowledge in various fields, especially in finance and Islamic law.