Islamic Financial Market Subcommittee (IFMC) Meeting
15th April 2026
Bank Negara Malaysia

Summary

The meeting discussed recent developments in the Islamic financial markets, strategies to engage Japanese investors, and potential topics to be highlighted through relevant forums.

1. Appointment of IFMC Co-Chair

1.1 Members noted the appointment of Suzaizi Mohd Morshid (Treasurer of RHB Banking Group) as the new IFMC Co-Chair and recorded appreciation to the outgoing Co-Chair, Hanif Ghulam for his contribution.

2. Investors outreach

2.1 Members were briefed that foreign investors viewed Malaysia as a stable market amid global uncertainties. In addressing operational issues raised by Japanese investors, members agreed that a physical meeting would be the most effective approach to engage Japanese investors and address existing gaps, particularly in their understanding of Malaysian Government Investment Issues (MGII), its structure, credit profile and value proposition.

2.2 Members deliberated that the target audience should comprise Japanese asset managers, legal counsel, custodians and trust banks with existing familiarity with Malaysia. Members agreed that the third quarter of 2026 would be the most suitable timing, allowing Malaysia to leverage the current positive narrative, macroeconomic outlook and investor sentiment. IFMC may collaborate with the Ministry of Finance (MOF) and buy side representatives to jointly participate and lead the engagement.

3. IFMC Panel Session at Sasana Symposium

3.1 Members deliberated on potential topics for the IFMC panel session, including updates on the KLIBOR transition, with particular focus on challenges faced by banks in transitioning to MYOR-i. Members agreed that featuring these topics would enhance market awareness, strengthen stakeholder alignment and support acceleration of the MYOR-i transition process.

3.2 Members discussed potential topics related to value creation for Islamic investments, to be explored either through the forum or a written publication. These efforts would help position Malaysia as an attractive investment destination for Islamic finance, particularly in the context of ongoing global geopolitical conflicts and market uncertainties, which may capture interest from global funds seeking diversification or strategic asset allocation opportunities.

4. Other matters

4.1 Members deliberated on the IFMC 2026 publication and agreed that the publication should incorporate discussions and policy considerations from the KLIBOR Transition Working Group.

4.2 Members were briefed on the Shariah Working Group (SWG) progress, including the feasibility study on market making. AIBIM has issued a consultation paper to industry participants to assess the operational readiness of Islamic banks. Members were also updated on the MYOR-i fallback mechanism, where it was agreed that AIBIM would adopt a bilateral approach.

4.3 Members noted that the SWG deliberated on the potential role of conventional banks in market making MYOR-i–based instruments, aimed at enhancing liquidity for products referencing MYOR-i.