11th Islamic Financial Market Subcommittee (IFMC) Meeting
9th July 2026
Bank Negara Malaysia

Summary

The meeting discussed initiatives to strengthen global participation in Malaysia's Islamic financial market and enhance awareness of Malaysian Islamic financial instruments among foreign investors. Members also deliberated on industry initiatives supporting the transition from KLIBOR to MYOR-i, including plans for the IFMC Roundtable Session and IFMC Publication 2026 to promote greater awareness, readiness and understanding of the transition among market participants.

1. Appointment of IFMC Member

1.1 Members noted the appointment of Encik Khairul Faizi Ariffin, Group Treasurer of Maybank Malaysia, as the new member of IFMC subcommittee.

2. Investors outreach

2.1 Members discussed initiatives to strengthen global participation in Malaysia's Islamic financial market and reinforce Malaysia's position as a leading Islamic finance marketplace. Members noted the importance of sustained engagement with foreign investors to broaden participation in Islamic financial instruments, deepen market liquidity and support the continued development of Malaysia's Islamic financial market.

2.2 Members were briefed on the outcome of recent engagements with Japanese investors during the Ministry of Finance's investor roadshow in June 2026. While investors generally maintained a favourable view of Malaysia's economic and financial market prospects, the engagements highlighted opportunities to further enhance understanding of Malaysian Government Investment Issues (MGII), particularly in relation to sukuk structures and tax-related considerations.

2.3 Arising from these engagements, members agreed that targeted follow-up discussions with existing and potential MGII investors should be undertaken to better understand practical investment considerations and identify measures that could facilitate broader participation in Malaysia's Islamic government securities market. Members also supported collaborative awareness-building initiatives with relevant industry associations and stakeholders to further strengthen understanding of Malaysia's Islamic capital market offerings.

3. IFMC Roundtable 2026

3.1 Members agreed that the IFMC Roundtable Session 2026 would be held in conjunction with the Kuala Lumpur Islamic Finance Forum (KLIFF) in October 2026. The session is intended to serve as a platform for industry engagement and knowledge sharing on key developments in the Islamic financial market.

3.2 Members agreed that the roundtable should focus on the transition from KLIBOR to MYOR-i, with emphasis on implementation progress, key industry milestones and readiness across market participants. The session is expected to promote greater awareness and understanding of the transition while facilitating discussions on practical implementation considerations. Members also supported the participation of representatives from the Shariah Working Group (SWG) to share perspectives and insights of the transition.

4. IFMC Publication 2026

4.1 Members discussed the scope of the IFMC Publication 2026 and agreed that it should focus on the industry's transition from KLIBOR to MYOR-i. The publication will document the transition journey, key milestones achieved and the collaborative efforts undertaken by stakeholders to facilitate a smooth market-wide transition.

4.2 Members agreed that the publication should provide practical insights into the implementation of the transition, including key challenges encountered, approaches adopted to address these challenges and lessons learned by market participants throughout the transition process. The publication will also highlight industry-wide initiatives that have supported market readiness, including the feasibility study on market making for Islamic banks and the development of MYOR-i fallback language. Collectively, these initiatives are expected to strengthen market infrastructure, support liquidity in MYOR-i-based instruments and facilitate the broader adoption of MYOR-i across the Islamic financial market. The publication is also expected to serve as a useful reference for market participants and showcase the collective efforts undertaken by the industry to support the development of a more robust and resilient Islamic financial market.

4.3 Members agreed that the publication should be released in the fourth quarter of 2026 to allow sufficient progress and market developments to be captured, ensuring a more substantive and meaningful publication for market participants.

5. Other matters

5.1 Members noted the ongoing progress of the MYOR-i transition and emphasised the importance of maintaining momentum in the implementation of supporting initiatives. This includes the market-making feasibility study for Islamic banks, which is expected to strengthen market readiness and support the wider adoption of MYOR-i-based products ahead of the transition timeline. Members highlighted the importance of continued industry coordination and close monitoring of transition progress to ensure timely resolution of operational and market-related issues.