FUTURE FINANCE

MALAYSIA:
AN ISLAMIC FINANCE MARKETPLACE

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MALAYSIA
WORLD'S ISLAMIC FINANCE MARKETPLACE

Malaysia: An Islamic Finance Marketplace for Expertise, Innovation and Deal Flow

Islamic finance has evolved as a competitive and resilient component of the global financial system. The range of Islamic financial products continues to broaden to meet the diverse and differentiated requirements of businesses and markets. Malaysia offers marketplace connectivity through each segment of our Shariah-compliant financial industry with attractive value propositions and opportunities for global institutions, talents, investors and issuers.

This is our invitation to all to come and capitalise with Malaysia's comprehensive and sophisticated Islamic finance marketplace that has grown from strength to strength for over 30 years.

Our Islamic finance marketplace
is open to the world.

CONTENTS

INTRODUCTION TO ISLAMIC FINANCE

UNDERSTANDING ISLAMIC FINANCE

Islamic finance is founded on Shariah principles, which express an explicit intention to meet the financial needs of participants with integrity and in a manner that is just, fair, trustworthy and honest, while ensuring equitable wealth distribution.

Islamic finance upholds the principles of integrity, transparency, fairness, corporate governance and consumer protection in financial dealings. For this, Islamic finance embraces the following key features:

Materiality and Validity of Transactions

Islamic finance encourages business and trade activities that generate fair and legitimate profit, in which the business transaction must be accompanied by a genuine underlying trade and business-related activity. This requires a close link between financial and productive flows which underpins Islamic finance.

This is to ensure the funds are being channeled into real economic activities, and will thus entail the appropriate due diligence. This has the effect of insulating the Islamic financial system from risks associated with excessive financial leveraging and speculative activities.

The central feature of the Islamic financial system is the prohibition of the payment and receipt of riba (interest). Riba refers to an increase or excess that accrues to the owner in an exchange or sale of a commodity, or, by virtue of a loan arrangement, without providing any equivalent value to the other party. Money in Islam is not a commodity.

The prohibition of interest arises from the fact that money is only perceived as a medium of exchange, stored value and unit of measurement.

This is also the essence of the principle of no profit sharing without risk sharing (al-ghunm bi-'l-ghurm), that the earning of profit is legitimised only by engaging in an economic venture and thereby contributing to the economy.

Mutuality of Risk-sharing

The principle of fairness is also reflected in the risk and profit sharing characteristics of Islamic financial transactions. This requirement must be clearly defined at the onset, and serves as an additional in-built mechanism that promotes the adoption of sound risk management practices by Islamic financial institutions. In particular, these features demand the exercising of appropriate due diligence and higher standards of disclosure and transparency to be observed by the Islamic financial institution, which in turn enforces market discipline and minimises informational asymmetries. Terms and conditions need to be honestly and clearly laid out; ambiguity based on future events cannot be part of Islamic transactions, to avoid potential future conflicts.

In Islamic finance, all forms of contracts and transactions must be free from excessive uncertainty (gharar). Ambiguity and uncertainty in contracts will lead to an unfair advantage to one party over another.

This implies that contracting under conditions of excessive uncertainty is not permissible.

THE BANKER-CUSTOMER RELATIONSHIP IN ISLAMIC FINANCE

In conventional banking, the banker-customer relationship is a creditor-debtor relationship where the bank earns a profit by making a spread between interest charged to the borrower of funds and interest paid to the depositor.

The banker-customer relationship in Islamic finance can take different forms based on the contracts entered into by the Islamic financial institution and the customer:

Profit-sharing Contract

The return will be shared between the two parties based on a certain ratio or percentage agreed upon in advance.

Benevolent Loan (Qard)

The borrower is only required to repay the principal amount borrowed, as the debt extended is absolutely free from interest.

The difference in relationships between Islamic and conventional banks is demonstrated in the following table.

Deposit/liability: contractual relationship

Conventional banking	Islamic banking
• Lender-borrower relationship	• Depositor-custodian relationship • Lender-borrower relationship (but free from interest) • Investor-entrepreneur relationship

Financing/asset: contractual relationship

Conventional banking	Islamic banking
• Borrower-lender relationship	• Purchaser-seller relationship • Lessee-lessor relationship • Principal-agent relationship • Entrepreneur-investor relationship

Source: CIMA

The above demonstrates that Islamic banking has departed from the concept of loans and uses other contracts that are Shariah-compliant and free from the element of interest in both deposit taking and finance provision.

DEVELOPMENT OF ISLAMIC FINANCIAL PRODUCTS

Islamic financial products are developed by applying the appropriate Islamic financial contracts to suit the financial needs of users. The range of Islamic financial products has broadened considerably in recent years to meet the more diverse and differentiated requirements of businesses and markets.

Islamic financial products have progressed and grown in sophistication, as can be seen from the offering of a wider range of innovative products with various product structures, multiple categories of service providers and a different mix of consumer composition. Islamic banking products have evolved from basic consumer or retail products into a full range of product offerings (e.g. corporate, project financing and long-term bond instruments) under various Islamic contracts. The range of Islamic financial products has diversified to include variable rate-based and equity-based mechanisms as well as hedging instruments.

Takaful institutions have also made significant inroads in the products and services offered; other than simple protection products such as motor takaful, they now offer to the market a variety of investment-linked products as well as large, specialised risks such as high-end marine and aviation takaful covers.

COMMONLY USED ISLAMIC FINANCIAL CONTRACTS

There are various contracts that can be applied in Islamic finance. The main contracts commonly used are Mudharabah, Murabahah, Musharakah, Ijarah and Wakalah.

Mudharabah (profit-sharing loss-bearing)

Refers to an agreement made between a capital provider (rabbul mal) and another party who acts as the entrepreneur (mudharib). This arrangement will enable the entrepreneur to carry out business projects, while profits are distributed based on a pre-agreed profit-sharing ratio. In the case of losses, the losses are borne by the provider of the funds, with the exception of genuine cases of negligence by the entrepreneur, where the entrepreneur will have to bear the losses.

Murabahah (cost plus)

Refers to the sale of goods at a price that includes a profit margin, as agreed by both parties. Such a sales contract is valid on the condition that the price, other costs and the profit margin of the seller are stated at the time of the agreement of sale.

Musharakah (partnership/profit and loss-sharing)

Refers to a partnership or joint venture for a specific business, where the distribution of profits will be apportioned according to an agreed ratio. In the event of losses, both parties will share the losses on the basis of their equity participation.

Ijarah (leasing)

Refers to an arrangement under which the lessor leases equipment, a building or other facilities to a client at an agreed rental fee(s) or charge(s), as agreed by both parties.

Wakalah (agency)

Refers to an agency contract that involves one party giving a mandate to another, as a representative or agent, to execute or perform a particular task.

APPLICATIONS OF ISLAMIC FINANCE

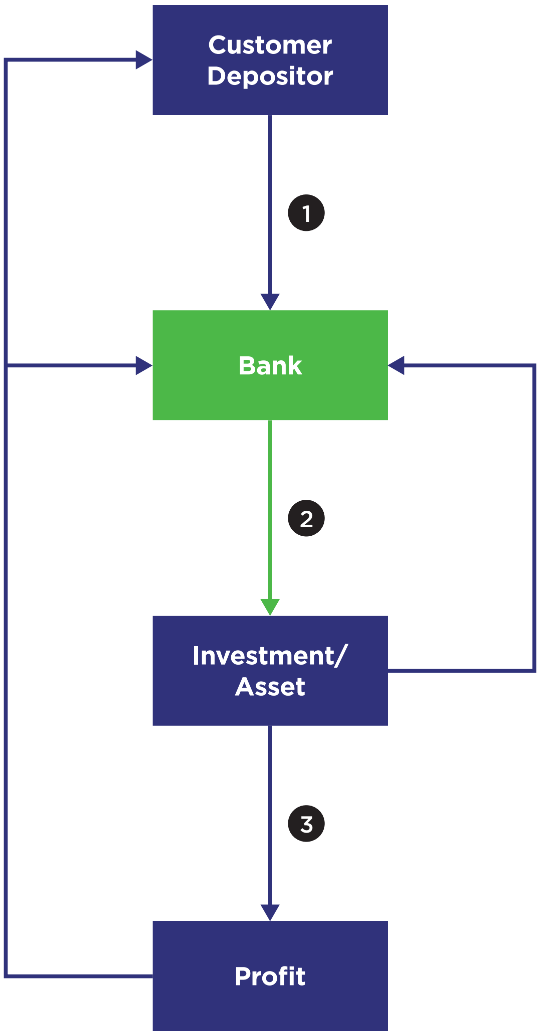
Islamic finance is distinctive from conventional finance, based on the relationship between the customer and the financial institution. The following diagrams explain the various applications of Islamic finance.

Basic Concept: How an Islamic Bank Accepts Deposits

Deposit taking is one of the sources of funds for an Islamic bank, in which it enters into a contract of profit sharing (mudharabah), safekeeping (wadiah) or benevolent loan (qard) with a depositor.

Deposit Taking under Mudharabah Contract

Mudharabah is a partnership contract where the depositor provides the capital and the Islamic bank plays the roles of both manager and entrepreneur.



1. Depositor and Bank agree on the terms of Mudharabah and the profit-sharing ratio. The Depositor then provides fund to the Bank.
2. The Bank invests the funds and manages its operation.
3. The profit generated by the investment will be shared between the two parties based on the pre-agreed ratio. In the event of a loss, the Depositor as an investor bears all the losses while the Bank will lose the resources spent, unless it can be proven that the Mudharib was negligent.

APPLICATIONS OF ISLAMIC FINANCE

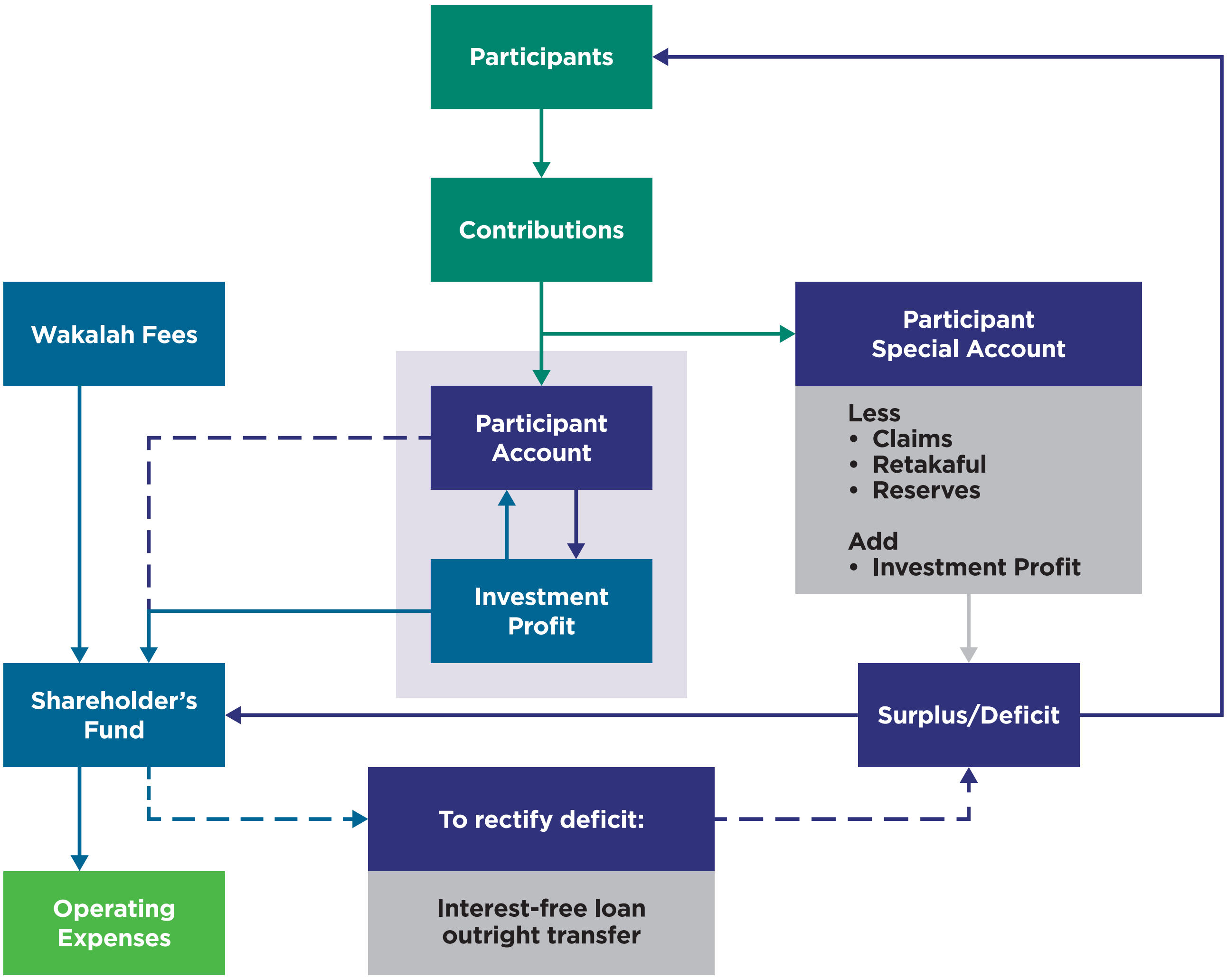
Basic Concept: What is Takaful and How Takaful Operates

Islamic insurance (takaful) is a scheme where a group of participants mutually agree among themselves to guarantee each other against a defined loss(es) or damage(s), that may be inflicted upon any of them, by contributing as tabarru' (donation) to the takaful fund. Takaful is commonly used to provide insurance-like financial protection.

The most commonly used models in takaful are agent-principal (wakalah) and profit sharing (mudharabah).

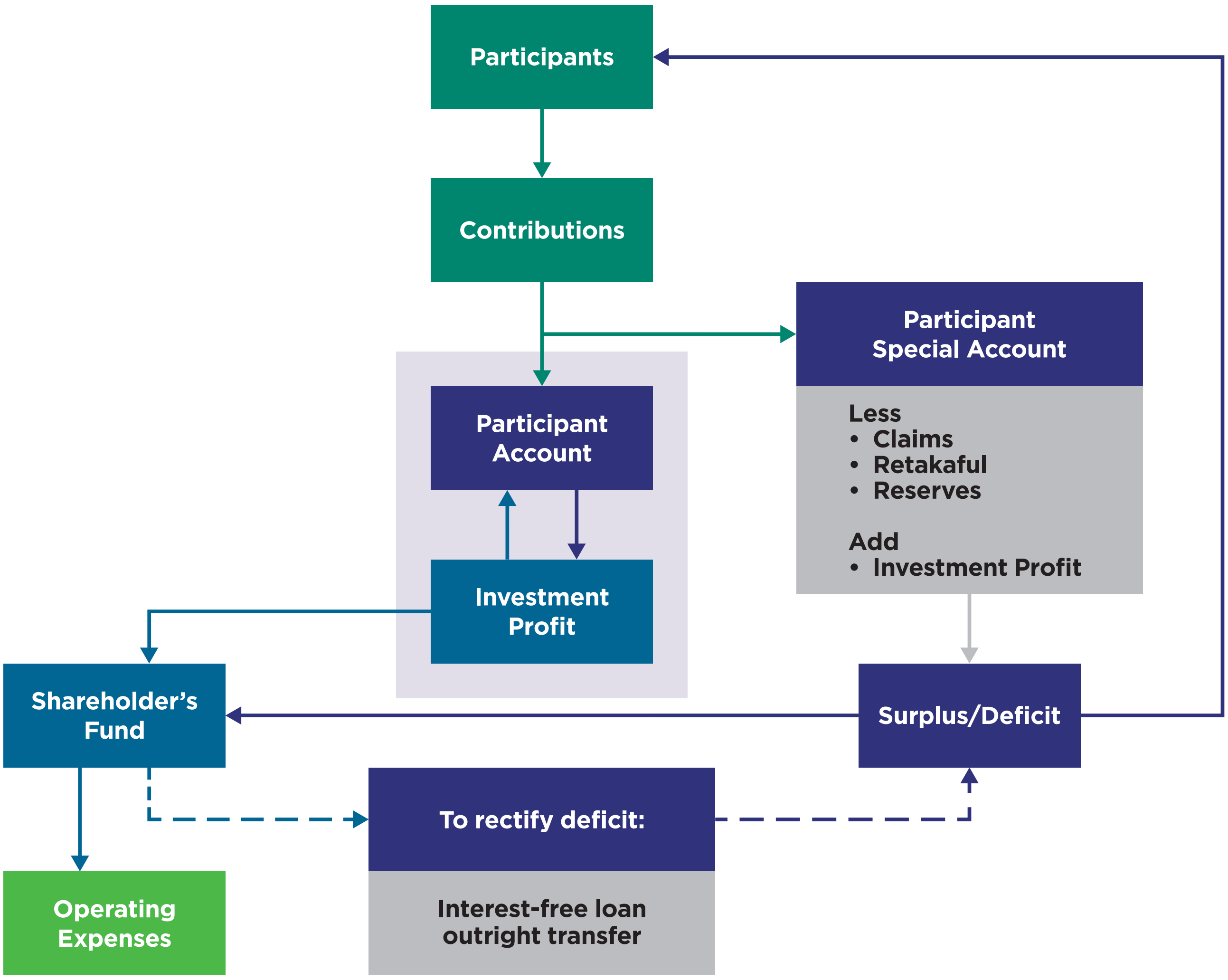
Wakalah Model

The wakalah concept is essentially an agent-principal relationship, where the takaful operator acts as an agent on behalf of the participants and earns a fee for services rendered. The fee can be a fixed amount, or based on an agreed ratio of investment profit, or surplus of the takaful funds.



Mudharabah Model

Under the mudharabah contract, the takaful operator acts as an entrepreneur (mudharib) and the participants as capital providers (rabbul mal). The contract specifies how the surplus from the takaful operations is to be shared between the takaful operator and the participants. Losses are borne by the participants as the capital providers. However, to protect the interest of the participants, the takaful operator is required to observe prudential rules, including provision of interest-free loans by the operator to the takaful risk funds in the event that there is a deficiency in the takaful risk funds.



APPLICATIONS OF ISLAMIC FINANCE

Basic Concept: What is Sukuk?

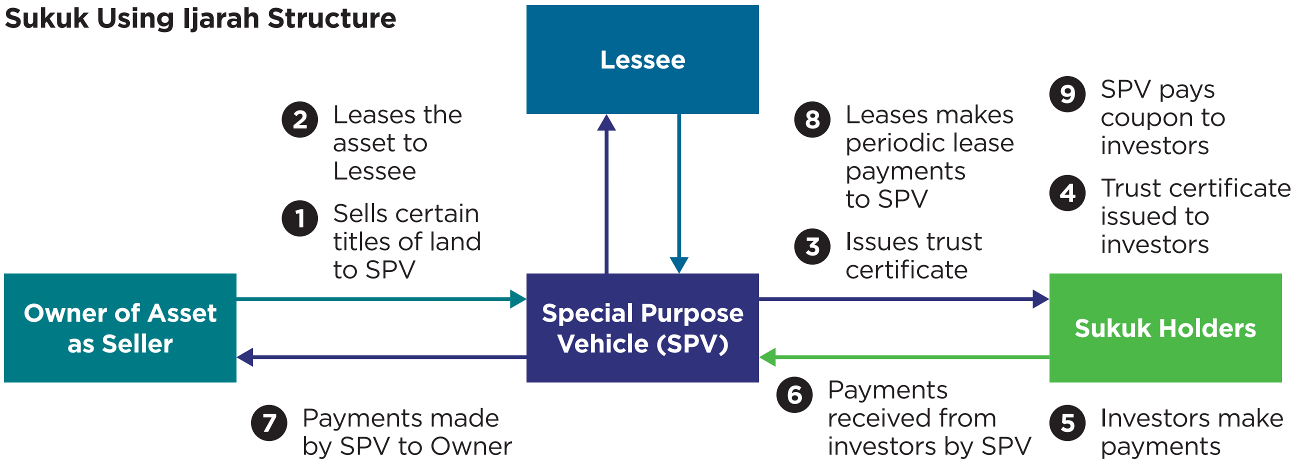
Sukuk is often generally equated to an Islamic bond although this is not strictly accurate. In its simplest form, sukuk is defined as a certificate that represents financial rights and obligations arising from underlying assets and trade activities. This differs from a conventional bond, which is based on the exchange of paper for money with interest imposed to measure returns and liabilities.

Leveraging on various Islamic principles, sukuk can be structured in a number of ways to offer the issuing entity greater financial flexibility and options to meet its funding requirements.

Commonly used principles to structure sukuk:

- Contract of exchange such as ijarah, murabahah and istisna'
- Contract of participation such as musharakah and mudharabah

Sukuk Using Ijarah Structure



Stage 1

Contract of Cash Sale (Bai' Mutlakah)

1. SPV purchases property (eg: hospital) from the owner of asset.

3, 4, 5 The asset purchased by the SPV is funded by the issuance of sukuk (trust certificates) which represents beneficial ownership in the asset and the lease.

7 Owner of asset receives cash proceeds.

Stage 2

Contract of Leasing (Ijarah)

2 SPV rents property to the owner of the asset for a specified period.

8 SPV collects rental.

Stage 3

During the Tenure

9 SPV passes the rental to investors (periodic distribution/coupon).

Stage 4

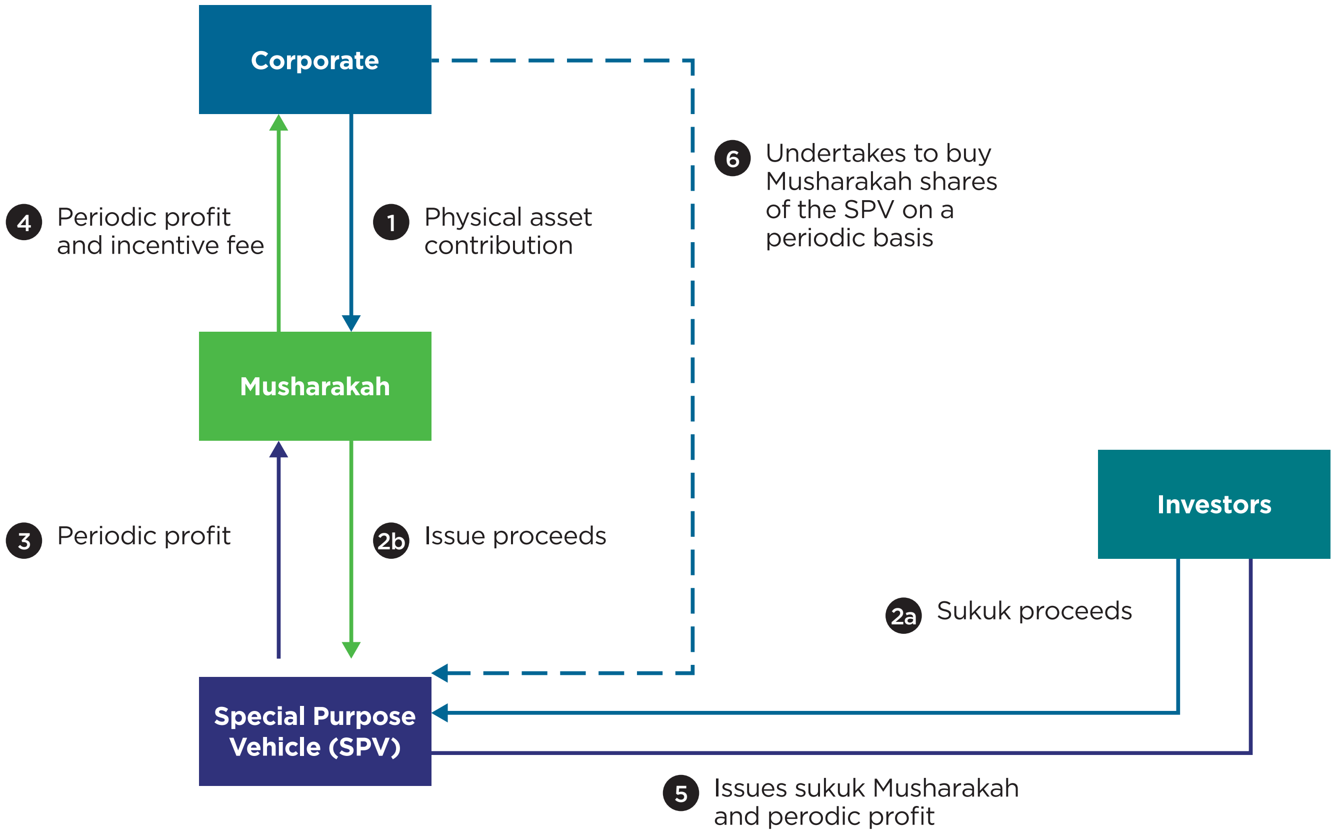
At Maturity

- SPV sells the property to the owner of the asset at an agreed price
- Owner of the asset pays cash to SPV
- SPV simultaneously pays investors cash for sukuk redemption

Sukuk Using Musharakah Structure

Corporate and the Special Purpose Vehicle (SPV) enter into a Musharakah arrangement for a fixed period and at an agreed profit-sharing ratio and the appointment of the Corporate as an agent to develop the land.

Any losses will be apportioned based on the capital contributed. The Corporate undertakes to buy Musharakah shares of the SPV on a periodic basis.



1. Corporate (Musharik A) contributes land or other physical assets to the Musharakah.

2a/2b. SPV (Musharik B) contributes cash i.e. the issue proceeds received from the Investors to the Musharakah.

3. The Corporate as an agent of the Musharakah develops the land (or other physical assets) with the cash injected into the Musharakah and sells/leases the developed assets on behalf of Musharik B.

4. In return, the agent (Corporate) will get an agency fee plus a variable incentive fee.

5. The profits are distributed to the sukuk holders.

6. The Corporate irrevocably undertakes to buy at a pre-agreed price the Musharakah shares of the SPV on a semi-annual basis and at the end of the fixed period the SPV shall no longer have any shares in the Musharakah.

DEMYSTIFYING ISLAMIC FINANCE

It is our belief that better understanding of Shariah-compliant finance builds bridges amongst the global financial community. Here, some common misconceptions are clarified[1]:

Misconception - Islamic finance is solely for Muslims.

Islamic finance is a value proposition to everyone.

It offers a way of conducting financial transactions based on Shariah and according to certain defined ethical values such as fairness, transparency and risk sharing. These universal values can be appreciated by people of different faiths and nationalities and used by all.

Misconception - Islamic finance is a 'mirror' of conventional finance.

Islamic finance may have elements that are similar to conventional financial products but the fundamental principles remain very different. For example, every Shariah-compliant financial transaction is not based on usury (interest), must be supported by an underlying economic activity and cannot be linked with elements that are considered as threats to the morals of a society, such as gambling, liquor and arms trades.

Misconception - Islamic finance is a trend that will not last.

The distinct nature of Islamic finance and its inherent strength, based on risk sharing, transparency and avoidance of excessive leverage make it a resilient form of finance. This quality is increasingly appreciated by the international financial community.

Assets of the global Islamic financial industry has surpassed USD2 trillion[2], and could grow to USD4 trillion by the end of the decade[3].

[1] Refer to Demystifying Islamic Finance, a publication by Zaid Ibrahim & Co for 15 most frequent misconceptions about Islamic Finance

[2] MIFC Estimates, Dec 2016

[3] Islamic Financial Services Industry Stability Report 2013, IFSB

"Universal values embedded in Islamic finance can be appreciated by people of different faiths and used by all."

MALAYSIA,
AN ISLAMIC FINANCE MARKETPLACE
THAT IS OPEN TO THE WORLD

MALAYSIA, AN END-TO-END, SHARIAH-COMPLIANT, INTERNATIONAL BUSINESS ENVIRONMENT

Malaysia has developed a comprehensive and sophisticated Islamic finance marketplace that has grown from strength to strength for over 30 years.

From Malaysia, you can access the thriving and integrated sectors of an international Islamic finance marketplace - Islamic banking, takaful and re-takaful, Islamic capital market and money market, Islamic fund management, professional ancillary services and human capital development.

Malaysia Islamic finance marketplace is characterised by a robust regulatory, supervisory, Shariah and legal framework, a deep primary and active secondary sukuk market, an efficient and transparent price discovery platform, a diverse talent base with global capabilities and an efficient system for multi-currency clearing and settlement.

Our marketplace is open for all to capitalise with Malaysia's expertise, innovation and deal flow, for business deals anywhere in the world.

The Islamic finance industry in Malaysia is an inclusive community comprising of international and domestic financial institutions offering Shariah-compliant products and services, Government ministries and agencies, various groups of professional ancillary service providers, and regulatory authorities working collaboratively in the field of Islamic finance.

The marketplace enables the international financial community to benefit from the offerings that cater to global jurisdictions, markets and career needs. Malaysia also welcomes new players to leverage our expertise and to establish operations here.
The key value proposition offered by our marketplace is an end-to-end Shariah-compliant business environment.

This environment was realised from a long history of developing Islamic finance, with thought leaders and talents who understand how Shariah and finance work together.
The integral sectors established within our marketplace work seamlessly to allow new business partnerships to benefit from Malaysia's track record of innovation, pool of expertise, attractive incentives, and robust and comprehensive infrastructure; and which facilitates your participation in the international growth of Islamic finance.

Another unique value proposition from Malaysia's Islamic finance marketplace is its established and growing business connectivity to the different regions of the world. This global connectivity consists of economic and financial linkages with other global financial centres and the continuing liberalisation of Malaysia's Islamic financial industry. Utilising Malaysia's extensive business connectivity provides you ready opportunities to further your regional and global Islamic finance business.

Malaysia is strategically located at the heart of ASEAN, a region that pulses with a population of over 650 million, total GDP of USD2.6 trillion, total trade of USD2.2 trillion and with total FDI of USD96.7 billion[4]. Furthermore, ASEAN and its emerging markets are a gateway between the powerful growth economies of greater Asia, which include China, India, Japan and Korea.

Malaysia's Islamic financial industry is recognised as a world-leading community with strong and continuing government commitment. This is epitomised by the continuing collaborative, consultative process between the public and private sectors of Malaysia's Islamic financial industry to provide high-level strategic directions to advance the development of Islamic finance for the world. This high-level commitment contributes to an increasingly business-friendly and liberalised environment for the globalisation of Islamic finance by the ever-expanding community that operates from within our marketplace.

[4] ASEAN Investment Report, 2016

Malaysia's Comprehensive Ecosystem as an Islamic Finance Marketplace

Governance, Legal & Regulatory

Central Banking Act

Islamic Financial Services Act

Capital Market Services Act

Shariah

Sahariah Advisory Council

Shariah Governance Framework

Shariah Standards

Dispute Resolution

Judicial system: dedicated high court

KL Regional Centre for Arbitration

Financial Mediation Bureau

Diversified Players

Banking

16 Islamic banks

11 Islamic Windows

3 International Islamic banks

Takaful

11 Takaful operators

4 Re-takaful operators

Fund Management

20 Islamic fund managers

35 fund management companies with Islamic mandates

Infrastructure

Payment, clearing and settlement, custodian

Principal dealers

Listing on Bursa Malaysia

Financial Markets

Islamic capital market

Islamic money market

Foreign exchange market

Commodity market (Bursa Suq Al-Sila')

Professional Ancillary Services

Legal firms

Shariah advisory firms

Talent providers

Rating agencies

Trust companies

Consultancy firms

Research companies

Accounting, tax and audit firms

(As at Sept 2016)

Labuan Islamic Financial Services

Labuan International Business and Financial Centre (Labuan IBFC) complements the MIFC initiative. The Labuan Islamic Financial Services and Securities Act 2010 streamlines procedures and requirements of all Shariah-related activities conducted in Labuan IBFC, including protected cell companies, limited partnerships and limited liability partnerships, private trust companies, trusts and foundations to broaden the pool of Shariah-compliant wealth management tools. All these activities are regulated by Labuan Financial Services Authority (Labuan FSA).

As of June 2017, Labuan IBFC is home to 51 banks comprising three fully fledged Islamic banks, two fully fledged Investment banks and 11 conventional banks with Islamic windows; 204 insurance entities including eight fully fledged takaful and retakaful companies and 38 takaful and retakaful windows; and 188 foundations.

AN ENABLING ENVIRONMENT

Islamic finance transactions are thriving on the enabling business-friendly environment of Malaysia's Islamic finance marketplace. This supportive business context was built from the ground up, driven by market needs and regulated through a continuing consultative process with the industry, that encompasses the orderly and sound implementation of dedicated acts, as well as a robust regulatory, supervisory, Shariah and legal framework. Malaysia's Islamic finance marketplace is made complete with dedicated educational institutions producing a pool of talent to support the internationalisation of Islamic finance, amongst others.

The comprehensiveness of this enabling environment is further supported by a legal dispute resolution mechanism and regulatory responsiveness to the changing needs of a maturing Islamic financial industry. As a result, Malaysia's Islamic financial marketplace is active, robust and offers a strong value proposition to all.

Clarity

The regulatory and supervisory framework caters to the unique characteristics of Islamic finance. For example, Islamic financial institutions must adhere to Shariah principles in the areas of liquidity, transparency, risk management, corporate governance and consumer protection. Such areas are well defined in the regulatory and supervisory framework. This provides the industry with clarity and transparency on the necessary procedures and activities to operate as a Shariah-compliant financial institution.

Certainty

A legal framework is in place to ensure certainty in Islamic financial transactions. This includes a dedicated judge at the High Court for cases arising from the industry.

The Kuala Lumpur Regional Centre for Arbitration (KLRCA) also has specific rules to deal with Islamic financial contracts. This structure, which is unique to Malaysia, supports the enforceability of Shariah-based contracts, protects investors' rights and provides governance and legal redress.

Consistency

Guidelines issued by Malaysian regulatory authorities define the parameters for permissible Shariah-compliant activities. These guidelines also promote international best practices among Islamic financial institutions and are often used as a reference by other jurisdictions that are developing their Islamic financial industries. Availability of these guidelines provides consistency and clarity in their undertakings.

A Level Playing Field

Islamic finance operates on a level playing field with conventional finance in Malaysia. Tax and cost neutrality is achieved with an all encompassing and permanent change to legislation as opposed to consideration given on a case-by-case basis or only for identified products. Tax issues that may impede product development and the innovation process are continually reviewed and addressed thus providing neutrality in the tax regime for Islamic financial products and services. This provides cost effectiveness.

Confidence

Malaysia's Islamic finance marketplace is robust with a vibrant Islamic capital market and money market, Islamic banking sector, takaful and re-takaful sector and an Islamic fund management industry. This comprehensive offering enables end-to-end Shariah compliance. Adherence to Shariah is addressed by Malaysia's Shariah, governance, regulatory and supervisory framework to provide soundness and financial stability, resulting in a high level of investor confidence.

Strengthening the legal framework:

Malaysia's Islamic Financial Services Act 2013 (IFSA) is the culmination of efforts to modernise the laws that govern the conduct and supervision of financial institutions in Malaysia.

The new legislation aims to ensure a sound, responsible and progressive Islamic financial system to meet the increasing integration of the Malaysian economy with the region and the world.

IFSA 2013 provides the statutory foundation for a Shariah contracts-based regulatory framework in a manner that would facilitate the next level of Islamic banking business, transcending beyond financial intermediation to include real economic sector participation, complete with the consequent regulatory checks and balances, thereby increasing the level of transparency required.

The main thrust of IFSA 2013 deals with clarity of regulatory objectives in promoting Shariah compliance and financial stability, which in turn contributes to a high degree of consistency in the regulatory treatment and legal position of Islamic financial transactions.

IFSA 2013 enables greater clarity to be accorded to the obligations and rights of customers under the respective Shariah contracts, which are the key determinants for the unique characteristics of Islamic financial transactions.

The Act takes into account the international dimension that Islamic finance will undertake, where specificities unique to the Islamic financial industry, including in terms of control and composition of Islamic financial groups, have been recognised.

Recognising the dual financial system in which Islamic finance operates in Malaysia, regulatory parity is ensured for similar areas that are applicable across both Islamic and conventional financial sectors.

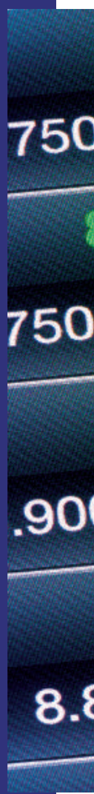
Collectively, IFSA 2013 and other components of the legal framework provide an additional value proposition in Malaysia's Islamic finance marketplace in terms of allowing the predictability and enforceability of laws for Islamic financial transactions.

MALAYSIA, YOUR ISLAMIC FINANCE MARKETPLACE FOR GLOBAL BUSINESS

Islamic finance has evolved as a competitive and resilient component of the global financial system. Malaysia offers marketplace connectivity through each segment of our Shariah-compliant financial industry with attractive value propositions and opportunities for global institutions, talents, investors and issuers.

Malaysia is recognised as a leading Islamic financial marketplace that is open to the world by focusing on the following areas:

- Islamic Capital Market Products and Services – Sukuk, Shariah-compliant Equities and Islamic Fund and Wealth Management
- International Islamic Banking
- Takaful and Re-takaful Products and Services
- Talent Development Services in Islamic Finance
- Professional Ancillary Services in Islamic Finance



ISLAMIC CAPITAL MARKET

Manage a portfolio effectively with a vibrant, liquid and deep Islamic capital market

Islamic capital market is an integral part of a global Islamic financial industry. This segment is increasingly commanding global attention as it offers viable investment vehicles. Malaysia has set the pace for innovative development of new Shariah-compliant investment products to cater to market needs.

Malaysia has recently updated the Shariah screening methodology to meet the strict global expectations for Shariah-compliance of listed stocks. Over 70% of stocks on Bursa Malaysia are classified as Shariah-compliant[5]

[5] Securities Commission Malaysia, 2016

An Islamic capital market is where fund-raising and investment activities are carried out in ways that adhere to Islamic principles. The primary requirement is that these transactions are free from prohibited activities that include elements such as usury, gambling and ambiguity.

The Malaysian Islamic capital market has experienced phenomenal growth and raised the bar globally for product innovation and financial intermediation. This market comprises the Islamic equity sector and fixed income.

As a marketplace for global sukuk, Malaysia issued USD34.7 billion, or 46.4% of total global sukuk of USD74.8 billion as at end 2016[6].

[6] MIFC Estimates, Dec 2016

ISLAMIC CAPITAL MARKET

On Bursa Malaysia, the national exchange, 74.2%[7] of the stocks are classified as Shariah-compliant by the Shariah Advisory Council of Securities Commission Malaysia. Malaysia has a large Islamic equity market and is home to over 300 funds across asset classes[8]. This provides the drive for continuous development of the country's Islamic fund management industry.

Apart from size, Malaysia's Islamic capital market also rises in innovation and sophistication. To fulfill market demand for diversification strategies, market players have structured innovative investable products such as Malaysia's first Islamic real estate investment trust (I-REIT) and the first Islamic Stapled REIT, Asia's first Islamic exchange traded fund (I-ETF) and Asia's first Exchange Traded Sukuk.

[7, 8] Securities Commission Malaysia, Dec 2016

The Malaysian Islamic capital market has experienced phenomenal growth and raised the bar globally for product innovation and financial intermediation.

Developments in Malaysia's Islamic Capital Market

1994

The first full-fledged Islamic stock broking company.

1996

The first Islamic equity index, the RHB Islamic index.

2002

Inaugural global sovereign sukuk by the Government of Malaysia.

2006

The first I-REIT listed on the country's stock exchange.

Inaugural exchangeable sukuk by Khazanah Nasional.

2007

The first Shariah-compliant structured investment product.

Launch of new Shariah benchmark indices , the FBM Emas Shariah Index and FBM Hijrah Shariah Index, by Bursa Malaysia and the FTSE Group.

2008

Asia's first Shariah-compliant I-ETF.

2009

The first Shariah-compliant commodity exchange (Bursa Suq Al-Sila').

2010

Second global sovereign sukuk by Government of Malaysia.

2011

Inaugural Renminbi sukuk by Khazanah Nasional.

Inaugural global Wakalah sukuk by Government of Malaysia.

2012

The world's largest Shariah-compliant IPO listed on Bursa Malaysia by Felda Global Ventures.

Innovative RMB sukuk using air-time voucher by Axiata Group Berhad.

World's single largest sukuk issuance by PLUS.

2013

Malaysia's first Exchange Trade Sukuk and Malaysia's first Islamic Stapled REIT listed on Bursa Malaysia

2014

Launch of Sustainable and Responsible Investment (SRI) Sukuk framework by Securities Commission Malaysia.

2015

First Sustainable and Responsible Investment (SRI) Sukuk Ihsan by Khazanah Nasional Berhad.

2017

Launch of Five-year Islamic Fund and Wealth Management Blueprint.

Issuance of world's first Green Sukuk.

Maximising Your Business Opportunities

Well-established infrastructure, clearly-defined guidelines and a deep, broad and liquid Islamic capital market in Malaysia makes it an ideal location for fund raising and investment activities.

The wide range of investable Islamic financial products in Malaysia enables effective investment portfolio management. Investors can refer to the list of Shariah-compliant equities issued by Securities Commission Malaysia's Shariah Advisory Council. Four listed I-REITs and an I-ETF appeal to those seeking defensive investments with lower and stable returns.

Those looking at offering a new Shariah-compliant asset class or financial services can leverage the experience and expertise of Malaysia's Islamic financial industry. This pool of talent, technically skilled and familiar with Shariah, can reduce research and development cost and time to market.

About Islamic Equity Markets

Fund raising and investment activities in the Islamic capital market adhere to Islamic principles. Islamic equity market products in Malaysia include Shariah-compliant equities, Shariah-compliant collective investment schemes (unit trust funds, wholesale funds, I-REITs, I-ETFs), structured products, alternative funds (real estate, leasing, commodities), private equity funds and mixed asset (equity + fixed income + cash).

An I-REIT is a collective investment scheme that invests in a portfolio of income-generating properties in which the tenants operate permissible activities according to Shariah. Rents collected from tenants, less expenses, are distributed on a regular basis to provide stable yields to unit holders.

I-ETFs are listed open-ended funds that track an Islamic benchmark index whereby the constituents are Shariah-compliant companies.

Islamic asset managers have an appointed Shariah committee or advisor to ensure investments and operations are compliant with Islamic principles.

About Price Discovery Infrastructure for Sukuk

Malaysia's Islamic finance marketplace has an efficient and transparent price discovery infrastructure which benefits sukuk market participants in 3 key areas:

- Promotes a more active trading environment and provides an alternative to the hold-to-maturity strategies
- Supports finer pricing at issuance, enabling sukuk issuers to raise funds at competitive prices
- Facilitates valuation and risk management of investment portfolios to global standard

ISLAMIC CAPITAL MARKET: SUKUK

Accessing an active and diversified sukuk marketplace

Sukuk is one of the most vibrant and significant components in the global Islamic financial industry. The global sukuk market (outstanding) reached USD349.1 billion as at end 2016.[9]

The development of sukuk in Malaysia in the last two decades has transformed the Islamic financial landscape at the national and international levels, and has propelled governments and jurisdictions to accommodate Islamic finance business and transactions by reviewing their existing tax, Shariah, regulatory and legal frameworks.

An increasing number of multilateral development institutions, governments, and multinational corporations are using and considering sukuk as an attractive source of funding. There is also growing acceptance from sophisticated global investors of sukuk as a viable and competitive asset class.

Malaysia represented 52.6% of the global sukuk outstanding[9], a total value of USD183 billion; and issued 46% of global new sukuk as of December 2016[9], a total of USD34.7 billion. It is considered to be the most liquid sukuk market and larger than the country's corporate conventional bond market, which is the largest in South-East Asia[10].

Islamic financial institutions have a track record of success in structuring sophisticated and sizeable sukuk deals that conform to international best practices. The Malaysian sukuk market is open to global issuers to tap multicurrency funding. As one of the top listing destination for sukuk, issuances listed here enjoy high visibility and high demand from global investors. Tenures for sukuk in Malaysia span from less than a year to one, two, three, five, seven, ten, fifteen, twenty-five and fifty years catering to a diverse investor base.

The facilitative environment for sukuk includes a trading and reporting platform that provides an efficient price-discovery mechanism and a framework with a high level of post-trade transparency. Securities Commission Malaysia has also implemented a market-friendly, efficient approval process for new issuances.

[9] MIFC Estimates, Dec 2016

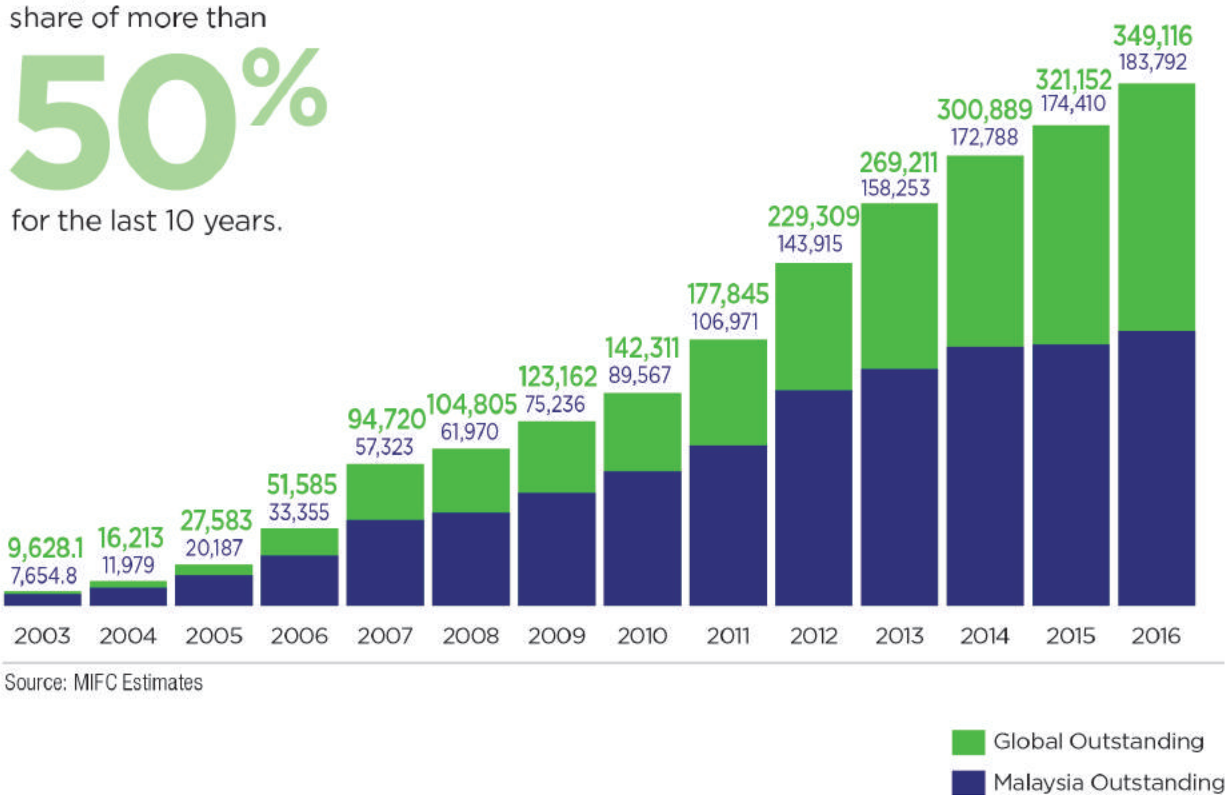
[10] Bond Info Hub

Malaysia sustained market share of more than

50%

for the last 10 years.

Global Sukuk Outstanding
USD million



Source: MIFC Estimates

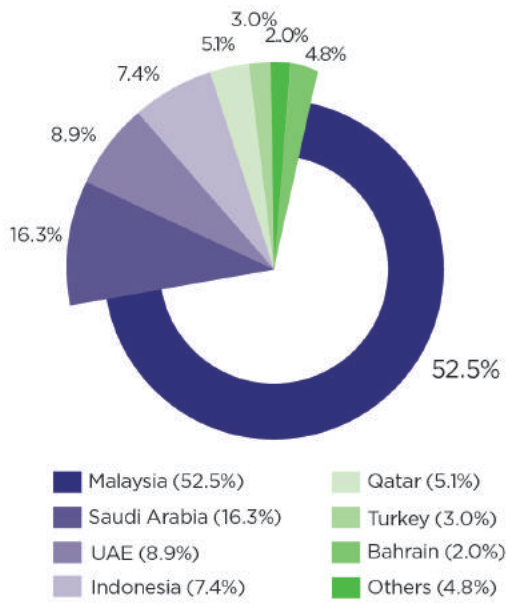
Global Sukuk Outstanding by Country

Malaysia

is a key marketplace for sukuk with

52.5%

of global sukuk outstanding as at end 2016



Source: MIFC Estimates

ISLAMIC CAPITAL MARKET: SUKUK

Maximising Your Business Opportunities

Islamic financial institutions based in Malaysia's Islamic finance marketplace have established a strong regional network and this allows them to market sukuk efficiently and effectively.

Many Islamic financial institutions based in Malaysia have participated in notable sukuk issuances and possess a proven track record and in-depth experience. Issuers can leverage their technical expertise and knowledge of various Islamic principles to produce and customise innovative sukuk offerings, while benefiting from a smooth issuance process. These Islamic financial institutions have also established strong regional networks, which allow for effective distribution strategies, and provide maximum exposure and visibility to issuers.

The nurturing of a critical mass of Islamic financial players together with the availability of professional ancillary services, familiar with sukuk and Shariah matters, further support cost efficiencies for issuers.

Malaysia's facilitative approval process for new issuance and industry expertise in structuring and lead-arranging sukuk deal shortens the time to market. Meanwhile, documentation based on governing laws of the United Kingdom and United States, as well as ratings from international credit-rating agencies for multicurrency sukuk are accepted, resulting in cost and time efficiencies.

A wide investor base from growing interest in this new asset class and an increasing number of institutions seeking Islamic investments has led to competitive pricing for sukuk. Investors can pick from a wide array of tenures, issuers and ratings, and have the option to hold or trade their investments with an active secondary market for RM-denominated sukuk.

TAX INCENTIVES AND ELIGIBILITY FOR SUKUK*

Attractive Tax Incentives

Tax deduction on expenditure incurred for the issuance of sukuk pursuant to the principle of Ijarah or Wakalah (comprising a mixed component of assest and debt) until the year of assessment 2018.

Tax exemption on income received by Special Purpose Vehicles (SPV) in issuing sukuk (excluding asset-backed securities).

Companies that establish SPV for the purpose of issuing Islamic securities are allowed a tax deduction on issuing cost incurred by the SPV.

Stamp duty exemptions on instruments used to issue non-RM denominated sukuk.

Eligibility

Foreign corporations require the approval of Securities Commission Malaysia for issuance, offers for subscription or purchase, and making an invitation to subscribe for sukuk; they are free to purchase sukuk.

*Different tax incentives and eligibility criteria apply for Islamic financial services in Labuan International Business and Financial Centre

About Sukuk

Sukuk is often generally equated to an Islamic bond although this is not strictly accurate. In its simplest form, sukuk is defined as a certificate which represents financial rights and obligations arising from underlying assets and trade activities.

Notable Sukuk Issued in Malaysia

1990
First RM-denominated sukuk by Shell MDS, a foreign multinational company.
RM125 million

1996
The Kuala Lumpur International Airport sukuk.
RM2.2 billion

2001
First global corporate USD sukuk by Kumpulan Guthrie.
USD150 million

2002
First sovereign USD sukuk by the Government of Malaysia.
2x oversubscribed.
USD600 million

2004
First supranational RM-denominated sukuk by International Finance Corporate, privately owned unit of the World Bank.
RM500 million

2005
First Islamic Residential Mortgage Backed Securities by Cagamas MBS.
5.4x oversubscribed.
RM1.8 billion

2006
First exchangeable USD sukuk by Khazanah Nasional.
6x oversubscribed.
USD750 million

2007
First Islamic asset-backed RM-denominated sukuk by Cagamas.
RM60 billion

First global subordinated sukuk by Maybank.
7x oversubscribed.
USD300 million

First sukuk by a British multinational company, Tesco.
RM3.5 billion programme

2008
First RM-denominated sukuk by Islamic Development Bank (IDB).
RM1 billion programme

2009
USD Emas* Sukuk by Petronas.
6.28x oversubscribed.
USD1.5 billion

2010
Second global sovereign USD sukuk by the Government of Malaysia.
4.8x oversubscribed.
USD1.25 billion

USD sukuk by Nomura.
USD100 million

RM sukuk by Cagamas.
2.7x subscription rate.
RM1 billion

USD sukuk by Islamic Development Bank (IDB).
USD500 million

2011
World's first China Renminbi denominated 'Emas' sukuk by Khazanah Nasional.
RMB500 million
(RM246 million)

2012
World's single largest sukuk issuance, by PLUS.
RM30.6 billion

Khazanah Nasional issues exchangeable sukuk that is first to be priced at a negative yield and first Malaysian equity-linked deal since 2010.
USD357.8 million

Noble Group Hong Kong-based sukuk.
RM300 million

Golden Assets International Finance Limited Singapore-based sukuk programme.
RM1.5 billion

Danainfra.
Malaysia's first Exchange Traded Bonds and Sukuk (ETBS).
RM300 million

2013
International Islamic Liquidity Management Corporation (the IILM) Inaugural USD-denominated short-term sukuk.
USD490 million

SGD exchangeable sukuk by Khazanah Nasional.
SGD600 million

USD Emas sukuk by Sime Darby.
USD800 million

2014
USD Emas Sukuk by EXIM Bank of Malaysia.
USD300 million

2015
The inaugural issuance of Malaysia's first SRI sukuk by Khazanah Nasional through its SPV Ihsan Sukuk Berhad.

Global Sovereign USD sukuk by Government of Malaysia.
USD1.5 billion
10 years (7x oversubscribe)
30 years (6x oversubscribe)

2017
The inaugural issuance of Green SRI Sukuk by solar power company.
RM250 million

*Emas is the Bahasa Malaysia word for gold. The Emas designation is given to multicurrency sukuk issuances

Law and Certainty

In Malaysia, sukuk are considered financial obligations whereby investors are recognised as creditors and rank equally with conventional creditors. This provides a level of comfort to investors as they are adequately protected in unforeseen event. The legal and recovery process, guidelines and laws are cohesive and have been market-tested.

"The structuring, approval and issuance process for sukuk does take longer than a conventional instrument but it is certainly a smooth process whichever route you take. The Malaysian Government and regulators are very much in touch with market participants, arrangers and issuers alike; making the nation's end-to-end debt securities issuance process the envy of many."

Raja Arshad Bin Raja Tun Uda

Chairman, Binariang GSM

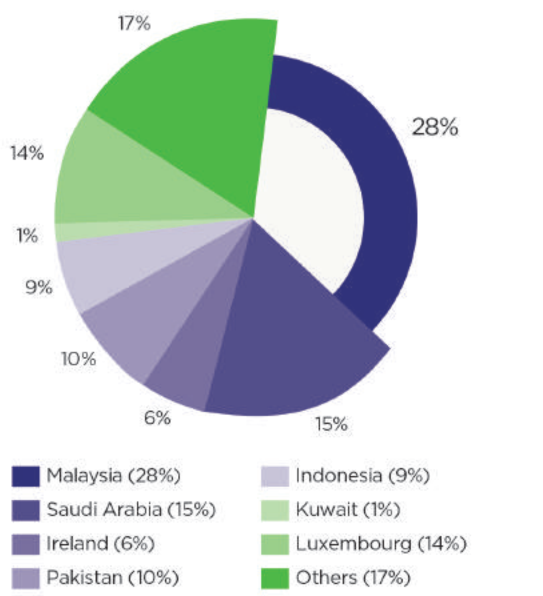
ISLAMIC FUND MANAGEMENT

20
Islamic fund managers[11]

Access Shariah-compliant investment opportunities in Asia through Malaysia's established Islamic fund management industry

Malaysia leads new fund launches with 28% of Islamic funds by domicile[12]

Number of Islamic Funds by Domicile (1H2017)



Source: MIFC Estimates

The Islamic fund management industry in Malaysia grew from two Shariah-compliant unit trust funds in 1993 to more than 380 approved funds as at 30 June 2017[13]. Malaysia has an Islamic fund industry with different asset classes to suit various investor needs. Growth can be attributed to market demand, as Islamic funds offer comparable returns with conventional funds and at a competitive cost. Investors also benefit from a wide range of investable, liquid Islamic assets with different risk-return characteristics.

Market demand, government incentives and rapid liberalisation of the Islamic financial industry in Malaysia has fostered a dynamic and diverse community of foreign and domestic fund managers. These Islamic fund management companies can quickly build a Shariah-compliant investment portfolio by investing in Malaysian multinational corporations with regional reach around Asia. These Islamic fund management companies can also tap into the country's centralised location to seek Shariah-compliant investment opportunities across the region. Recent innovations include investment management of UCITS funds, stapled REITs and alternative assets such as real estate funds and equipment leasing funds, as well as capabilities in Islamic Private Equity to tap into the growth of ASEAN and emerging markets.

There are many benefits offered by Malaysia's vibrant Islamic fund management industry. Opportunities extend from using the industry's expertise and capabilities in identifying Shariah-compliant investment opportunities across Asia, to leveraging the enabling environment for Islamic finance and pro-business policies for the establishment of Islamic fund management operations here. Mutual recognition agreements signed between Malaysia and other jurisdictions allow for cross-border marketing and distribution of Islamic funds.*

[11] Islamic fund management companies in Malaysia includes 8 domestic and 10 foreign fund management companies, 2 of which are joint-venture, Securities Commission Malaysia, Dec 2016

[12,13] MIFC Estimates, June 2017

* Securities Commission Malaysia has signed two mutual recognition agreements with the Securities and Futures Commission of Hong Kong and with Dubai Financial Services Authority

ISLAMIC FUND MANAGEMENT

About Islamic Unit Trust Funds

Islamic unit trust funds are collective investment funds that offer investors the opportunity to invest in a diversified portfolio of Shariah-compliant securities. These funds seek investment returns whilst placing equal emphasis on ethical values. Another unique objective is its consideration for the welfare of shareholders, investors and society. Islamic funds encourage socially responsible investments in companies and forbid investments in alcohol, tobacco, gambling companies as well as those which are highly leveraged.

Developments in Malaysia's Islamic Fund Management Industry[14]

1996

The first Islamic mixed asset fund.

2000

First sukuk fund.

2003

The first Islamic Asia-Pacific ex-Japan equity fund.

2007

The first Islamic Greater China equity fund.

Securities Commission Malaysia introduced the Islamic Fund Management Guideline.*

2009

Securities Commission Malaysia introduced the Guidelines on Wholesale Funds.*

2012

Undertakings for Collective Investment in Transferable Securities (UCITS) Funds.

2013

19 full-fledged Islamic fund managers.

The first Shariah retail product by a foreign fund manager, Aberdeen Islamic Asset Management.

2016

CIMB Principal Islamic launched Malaysia's first Global Sukuk Fund under UCITS structure.

BIMB Investment Management Berhad in partnership with Arabesque, a UK-based asset management company launched BIMB-Arabesque Malaysia Shariah-ESG Equity Fund.

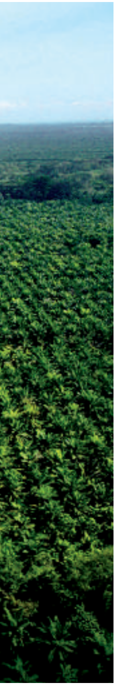
2017

ICD Global Sustainable Fund by Satura Sdn Bhd partnership with Islamic Corporation for the Development of the Private Sector (ICD).

Securities Commission Malaysia unveiled Five-year Islamic Fund and Wealth Management Blueprint.

VCAP Asset Managers Sdn Bhd (VCAM) launched its ASEAN 5 ESG Opportunity Fund, a dual-currency open-ended wholesale fund.

[14] Lipper Investment Management
* http://download.pwc.com/ie pubs/2012_islamic_financebreakfast_briefing.pdf.



Maximising Your Business Opportunities

Malaysia's Islamic finance marketplace offers a platform and a gateway for global Shariah-compliant investment opportunities. Fund managers leverage the expertise and enabling environment for Islamic finance by using this country as a marketplace for their global Shariah-compliant investment activities.

Those considering distributing Islamic funds have the option of 'white-labelling' their funds with Malaysia's Islamic fund management companies, Islamic banks and engaging Institutional Unit Trust Agents which are bank-backed to distribute their funds via the banks' branches. These arrangements may reduce time to market and operational cost. It is also possible to test the acceptance and 'marketability' of new Islamic funds with the discerning and informed market here.

Investors looking for Shariah-compliant opportunities in Asia have access to the skill set and expertise of international and domestic Islamic fund managers based in Malaysia. This expedites the process of building an investment portfolio as these fund managers are experienced in investing in regional markets, developing funds for different economic conditions and understanding the screening and financial requirements needed to ensure Shariah compliance. In Malaysia, up to 100% foreign equity ownership is permitted for Islamic fund management companies incorporated here. Another incentive is access to institutional funds.

ESTABLISHMENT OF A FOREIGN FUND MANAGEMENT COMPANY*

Attractive Tax Incentive

Fund management companies managing Islamic Fund of local investors are granted income tax exemption on income received from fund management services from the year of assessment 2008 until the year of assessment 2020.

Tax exemptions on income received by fund management companies for managing approved fund of a foreign investors for year of assessment 2007 until the year of assessment of 2020.

Eligibility

The fund must be managed in accordance with Shariah principles and certified by Securities Commission Malaysia.

Fund managers intending to set up an Islamic fund management business are required to apply and register with Securities Commission Malaysia.

Paid-up capital of at least RM2 million; and parent company (or holding or related company) must have a sound track record in the international fund management industry.

* Different tax incentives and eligibility criteria apply for Islamic financial services in Labuan International Business and Financial Centre

"Malaysia is far ahead of all other countries in Asia in the Islamic funds space. The legal structure is in place and there is a good partnership between the public and private sector."

Mark Smyth

Former Managing Director, Failaka Advisors

ISLAMIC BANKING

16
Islamic banks

11
Islamic windows

3
International Islamic banks

Islamic banking assets constitute 28% of Malaysia's total banking assets as at end December 2016[15], with continual average double-digit growth for the past decade.

Governance in Islamic Banking

Islamic banking is banking based on Shariah principles. Products and services offered by an Islamic bank in Malaysia must be approved by its Shariah committee. Consisting of scholars that are knowledgeable in modern finance and Islamic principles, the role of a Shariah committee encompasses both compliance and advisory functions.

The Shariah Advisory Council of Bank Negara Malaysia is the apex authority in Malaysia's Islamic banking industry. This proactive council approves new product structures and deliberates on timely topics and Shariah issues.

ISLAMIC BANKING

Develop a competitive edge beyond banking operations and products that comply with Shariah

Growing demand, active government support, consumers' ability to choose between Shariah-compliant and conventional banking products, as well as efforts made by conventional banks and Islamic banks to develop their footprints in this arena indicate an increasing global market for Islamic banking. This global Islamic banking industry recorded compounded annual growth rates of 15.4% from 2008 to 2014[15]. In many jurisdictions, Islamic banking has already evolved from a niche offering to a competitive and viable form of financial service.

Malaysia's Islamic banking industry sets a benchmark globally with its critical mass of players and innovative, competitive products. This industry consists of full-fledged Islamic banks and conventional banks with a licensed "Islamic window". This is the first country to develop a Shariah-compliant industry that operates in parallel with the conventional financial system. Growth has been consistent, averaging more than 15% annually since 2008 and Shariah-compliant assets currently represent about 28% of Malaysia's total banking assets[16] as at end December 2016.

As an international marketplace for Islamic finance, Malaysia has many innovators and thought leaders in Islamic banking. Here, robust and profitable Islamic financial institutions range in size and have varying international business connections.

The pace of innovation has intensified over the years and sophisticated Islamic financial instruments such as structured and investment-linked banking products have been structured based on the needs of the market. As a result, Malaysia's Islamic finance marketplace is home to a wide range of Islamic financial instruments in terms of breadth and depth. Islamic banking products and services cater to all types of users.

A vital component of Malaysia's Islamic banking marketplace is its access to the deep, liquid and active Islamic money market. This provides the platform for funding activities. The Islamic finance industry in Malaysia also has access to a variety of hedging tools such as currency swaps and Islamic forward contracts. Hedging tools are also available for a wide variety of underlying exposure including without limitation profit rate, equity, foreign exchange and commodities. The availability of these components enables financial institutions to reflect Islamic principles in both substance and form as end-to-end banking transactions can comply with Shariah.

Introduction of the first electronic multicurrency commodity trading platform, Bursa Suq Al-Sila' facilitates financing for Islamic financial institutions and liquidity management. This innovative, one-of-its-kind, commodity trading platform, operated by Bursa Malaysia, facilitates cross-border intermediation between institutions across multiple markets. This platform provides a regulated trading framework as well as a Shariah governance model to facilitate uniformity in trade practices and enhance trade volumes. Today 124 members manage their liquidity through Bursa Suq Al-Sila' using 28 currencies traded on the platform. Bursa Suq Al-Sila' recorded 112.2% of compound annual growth rate since its inception in 2009[17,].

[15] Islamic Financial Services Industry Stability Report 2016, IFSB

[16] Bank Negara Malaysia Annual Report, 2016

[17] Bursa Malaysia, 2016

Maximising Your Business Opportunities

Malaysia's Islamic banking industry provides: a critical mass of players; expertise with experience in structuring a broad variety of instruments and products; and an Islamic money market. This offers opportunities to develop Islamic finance banking products and services to upcoming and existing banks around the world.

New participants in the global Islamic banking industry must incorporate Shariah as an underlying principle and as a key differentiating factor to all aspects of their operations, from organisation and governance, to efforts to innovate and brand. This can be effectively and efficiently achieved by partnering with banks that have already successfully implemented Shariah-compliant banking activities. Another option is to access the experience and views of thought leaders in Islamic banking in Malaysia.

An opportunity for banks to achieve geographical diversification is by establishing strategic alliances with Malaysian-based Islamic financial institutions with established regional business networks. This enhances economies of scale as the integration of market players in the international Islamic financial sphere opens the door to global or regional distribution of standardised Shariah-compliant banking products. New product innovations can be market-tested in Malaysia.

Banks that establish operations in Malaysia's Islamic finance marketplace can benefit from its supportive and progressive framework for Islamic finance. The apex Shariah authority for the Islamic banking industry provides businesses with uniformity and predictability, as an Islamic banking product can be declared compliant before it is launched. This enables banks to operate with clarity.

Banking institutions can leverage the liquidity and multicurrency capability of Bursa Suq Al-Sila' for effective intermediation between those with surplus funds and those looking for funds, in any part of the world. These institutions can operate with clarity and certainty as Bursa Suq Al-Sila' is structured in line with internationally accepted Shariah standards and is designed to provide transparent and efficient end-to-end Shariah-compliant operations.

ESTABLISHMENT OF AN INTERNATIONAL ISLAMIC BANK (IIB)*

International Islamic bank licences are available to qualified financial institutions wishing to conduct the full range of Islamic banking activities in foreign currency business (non-RM).

Attractive Tax Incentives

Tax exemptions up to year of assessment 2020 on income earned from non-RM denominated Islamic banking operations, either as a subsidiary or branch.

Stamp duty exemptions up to year of assessment 2020 on instruments in Islamic banking non-RM denominated business.

Eligibility

A minimum paid-up capital of RM10 million and annual licensing fee amounting to RM50,000 to operate as an incorporated entity.

A minimum net working fund of RM10 million and an annual licensing fee amounting to RM50,000 to operate as a branch entity.

*Different tax incentives and eligibility criteria apply for Islamic financial services in Labuan International Business and Financial Centre

"Malaysia has industry leaders, innovators and decision makers in its Islamic banking industry. This makes for a vibrant regional marketplace filled with the necessary expertise and experience in Shariah-compliant banking products and services."

Mohamad Faiz Azmi

Executive Chairman, PricewaterhouseCoopers Malaysia

TAKAFUL, RE-TAKAFUL AND RELATED BUSINESSES

Leverage the capabilities, experience and expertise of an international leader

The global takaful industry witnessed an average annual growth of 16% (2008-2015), while global takaful assets industry are estimated to reach USD51 billion in 2020[18]. This opens the door for the global re-takaful industry and takaful-related businesses from Malaysia's Islamic finance marketplace.

Development of takaful in Malaysia, in the early 1980s, was inspired by the prevailing need for a Shariah-compliant alternative to conventional insurance. From this beginning, Malaysia's takaful and re-takaful industry has developed a sophisticated range of products. The Global Takaful Group, which acts as a platform to enhance business networking among global takaful and re-takaful players, is also hosted here[19].

There are advantages in collaborating with Malaysia's takaful and re-takaful industry. These range from the opportunity to learn directly from industry leaders, to leveraging the enabling environment that has been established for the Islamic financial industry to set up operations in the country. Global takaful and re-takaful thought leaders in Malaysia have successfully innovated takaful and re-takaful products for different risk profiles, achieved operational efficiencies in a Shariah-compliant manner and implemented a multichannel distribution of agents (via an agency), brokers, bancatakaful and direct marketing.

[18]Islamic Financial Services Industry Stability Report 2016, IFSB / Thomson Reuters Islamic Finance Indicator, 2016

[19] www.globaltakafulgroup.org

NO. OF COMPANIES

11
Takaful companies

4
Re-takaful operators

About Takaful

Takaful, like conventional insurance, is a form of protection against the risk of loss. However, takaful embraces the elements of shared responsibility, joint indemnity and mutual protection. Takaful is based on Islamic contracts of Mudharabah (profit- and loss-sharing) or Wakalah (agency) or a combination of Mudharabah and Wakalah. Re-takaful is the Shariah-compliant alternative to reinsurance.

TAKAFUL, RE-TAKAFUL AND RELATED BUSINESSES

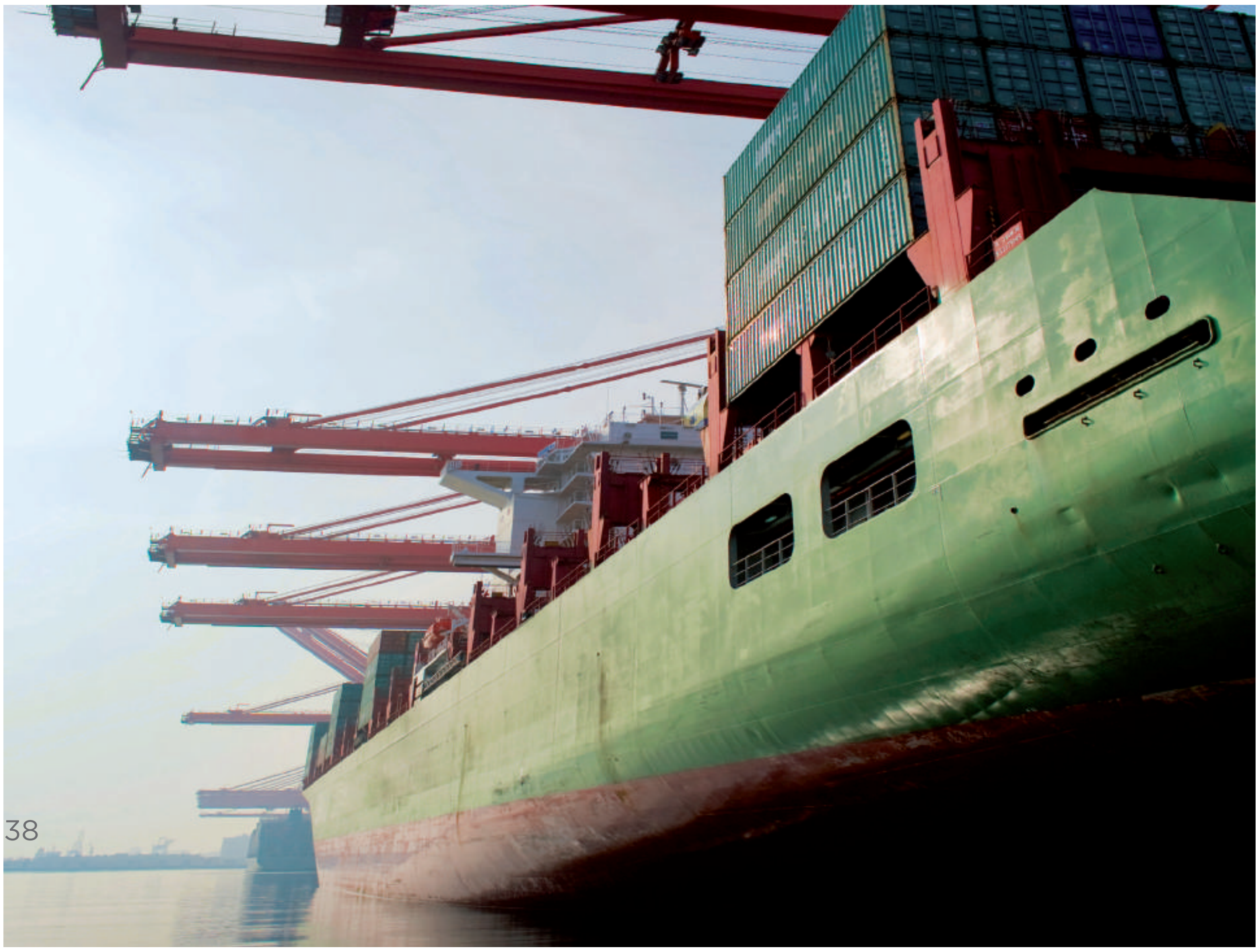
Maximising Your Business Opportunities

One opportunity is to joint venture with takaful and re-takaful companies in Malaysia to penetrate a new market. This can be achieved with equity and management partnerships. Another alternative is to establish operations and leverage on the capabilities, experience and technical expertise in Malaysia's Islamic finance marketplace to develop takaful products. This option can be easily and quickly executed with the talents here and a licence to conduct multicurrency business.

Other alternatives include outsourcing of backend operations and 'white-labelling'* arrangements to support your takaful or re-takaful operations, and to reduce product development cost and shorten time to market. It is also possible to source for Shariah expertise with knowledge on takaful and re-takaful activities to ensure your operation in your selected jurisdiction is compliant with Shariah.

Takaful Products

Takaful products in Malaysia include: general takaful, family takaful, re-takaful and re-retakaful. Malaysia offers Islamic captive insurance whereby a company sets up its own takaful company to handle its protection needs.



"Malaysia is the only country where takaful operators have different success stories. Each company has established its own area of expertise. Those interested can share our experiences and use it to grow takaful in their market."

Syed Moheeb Syed Kamarulzaman

Former Chairman, Malaysian Takaful Association

"Malaysia can continue its leadership and innovation as a regional centre of excellence for the global takaful industry."

Rauf Rashid

Country Managing Partner, Ernst & Young Malaysia

PROFESSIONAL ANCILLARY SERVICES

Connect with a community of professional service providers

Malaysia's Islamic finance marketplace has one of the most diverse professional services communities for Islamic finance in Asia. This group of professional ancillary service providers supports the business needs of the country's Islamic financial industry and serves some of the largest multinational companies.

This community consists of legal firms, audit, accountancy, tax, research houses and Shariah advisory companies that offer Shariah-compliant consultancy services. There are also global international advisors that have established their operations for Islamic finance in Malaysia; credit rating agencies; Islamic wealth advisors; Shariah advisory services and Islamic trust and trustee services. Over the years, related service providers such as English-Arabic translations and global stock screening services for Shariah compliance have also emerged. Availability of these services supports a holistic solution for business collaboration in Malaysia's Islamic finance marketplace.

Labuan's Islamic Entities in Wealth Management

Islamic trusts, Islamic foundations and Islamic protected cell companies are popular vehicles for Shariah-compliant wealth management. High net worth individuals (HNWIs), families and their wealth advisors can utilise these Islamic wealth management entities in Labuan and benefit from its advantageous tax regime. Those looking at participating in Malaysia's Islamic finance marketplace can also seek professional service providers to manage the formation of their companies here.

With a diverse professional Islamic financial services community, Malaysia's Islamic finance marketplace offers a holistic solution for businesses participating in Islamic finance.

PROFESSIONAL ANCILLARY SERVICES

Shariah Advisories

There are Shariah advisory service providers that provide advice on Islamic financial transactions, sukuk issuances, Islamic fund management, Islamic financial instruments, Shariah audit services and guidance on compliance with Shariah standard and resolutions by renowned Shariah advisors.

Legal Firms

Legal firms offer a critical service in a financial industry. Malaysia is home to a range of commercial law firms with capabilities and experience in Islamic finance. A number of these firms are at the forefront in the development of Islamic finance in Malaysia, and have structured and drafted innovative and internationally accepted documentation for Islamic financial instruments.

Rating Agencies

Credit rating agencies support the Islamic financial industry with independent credit opinions and ratings in the areas such as sovereigns, corporations, financial instruments and structured financial instruments. Shariah governance is a new dimension in Islamic finance that can also be reviewed by these agencies.

Accounting, Tax and Management Consultancies

These organisations offer advisory services on financial transactions; audit, tax and accounting advice for Islamic finance transactions. Players in Islamic finance and new entrants can also seek professional consultancy services to develop strategic business plans, incorporate new set-ups, conduct market feasibility services and assist in regulatory and licensing requirements. Accounting and tax options on financing structures and Islamic financial products as well as implementation solutions for Shariah-compliant governance can also be found.

Wealth Management Services

Islamic wealth management service providers here offer a range of experience and skills in the distribution and management of wealth based on Islamic principles. This includes establishing trusts or foundations that are popular vehicles in Shariah-compliant wealth management.

Research Houses

Research houses provide research advisory for institutions, government and corporates. Services include economic and financial feasibility analyses on new markets and potential investment ventures.

Availability of these services supports a holistic solution for businesses participating in Islamic finance in Malaysia.

"With more than 30 years of experience in Islamic finance and an established infrastructure, Malaysia is an obvious choice for Islamic finance business activities. There is a diverse and deep bench of professional advisors that can execute large and complex sukuk exercises such as our issue of USD1.5 billion."

George Ratilal

Executive Vice President, Finance, Petronas

PROFESSIONAL ANCILLARY SERVICES

Human Capital Development

Attracting, accessing and developing skilled professionals for Islamic finance

The availability of a large and continually renewed skilled and educated workforce is critical in the sustainable development of the global Islamic financial industry. Human intellectual capital is the defining factor to maintain the performance and competitiveness of this industry. Expansion of Islamic finance around the world has created a crucial need for a pool of talent trained in Islamic finance.

Malaysia has long recognised the vital role of human capital and had anticipated a critical shortage of available talents for this rapidly growing global industry. From the beginning, strong focus was placed on the development of human capital through training, education and research initiatives. There is a proliferation of programmes and certifications focusing on Islamic finance offered by universities, dedicated institutions of higher learning, professional entities, training agencies and industry groups. Available courses include accounting treatments for Shariah-compliant financial transactions, financial planning, leadership development and corporate governance programmes[20] as well as economics and business studies incorporating Shariah theories and principles in Islamic finance. Besides theoretical knowledge, there are practical experience programmes for talents to gain work experience in their chosen fields within this industry.

The international dimension of this sector within Malaysia's Islamic finance marketplace is reflected in its international students and faculty of local and foreign lecturers. INCEIF[21], The Global University in Islamic Finance, which develops talents, conducts research and offers internationally recognised professional certification and post-graduate programmes. Now, INCEIF has produced over 1,300 graduates from over 60 different countries[22].

Malaysia is also partnering with jurisdictions such as Bahrain, Saudi Arabia, Hong Kong SAR, Luxembourg, France, United Kingdom, Indonesia, Oman, UAE and Turkey to advance talent development for the global Islamic financial industry. These alliances include student exchange programmes, sharing of research and training materials, and collaborations between Malaysian education and training institutions and leading universities such as The Henley Business School at University of Reading, Kenya School of Monetary Studies and Turkey Capital Market Licensing and Training Authority.

[20] Programmes offered by The ICLIF Leadership and Governance Centre

[21] The International Centre for Education in Islamic Finance

[22] INCEIF, 2016

A Catalyst for Innovation in Islamic Wealth Management

The BNP Paribas-INCEIF Centre for Islamic Wealth Management was launched to undertake applied research and conduct intellectual discourse towards the development of a wider and diversified range of financial products and solutions for Islamic wealth management.

This centre offers scholarships, organises workshops and symposia, seminars and conferences.

Maximising Your Business Opportunities

Tertiary education centres and training institutions offer a wide range of courses and programmes to address the intricacies of Islamic finance. Those building a career in this industry can select from among recognised and reputable undergraduate and postgraduate qualifications, practical training programmes, vocational courses and business training. Senior leaders, who are often the drivers of continuous improvement within a company, can develop leadership skills through courses designed for the financial industry. Another opportunity here for talents is to obtain exposure to pioneering thinking and breakthrough initiatives envisioned by global thought leaders of Islamic finance based in Malaysia's Islamic finance marketplace.

Attracting and maintaining the best talent is critical to the creation of a financial marketplace. Malaysia has policies that expedite the hiring of global specialists in Islamic finance. Expatriate experts, such as Shariah scholars, academics and bankers in Islamic finance can apply for special permits for long-term residence and employment in the Country, and benefit from tax exemptions.

From the beginning, Malaysia has anticipated a critical shortage of talent in Islamic finance, and placed a strong focus on the development of human capital.

Developing Experts in Shariah

Malaysia was the first country in the region to establish a fund to create a pool of Shariah experts in Islamic finance.

Ongoing activities include research grants, scholarships, as well as the organisation of international and regional Shariah dialogue to enhance global collaboration on Shariah matters related to Islamic finance.

In Malaysia, ISRA, The International Shariah Research Academy For Islamic Finance, addresses the subject of convergence and harmonisation within the global Islamic finance industry. ISRA conducts applied research in the area of Shariah and Islamic finance and acts as a repository of knowledge for Shariah views or fatwas. This academy contributes towards strengthening human capital development in areas of Shariah and provides a platform for greater engagement among international practitioners, scholars, regulators and academicians.

"Malaysia is a centre of human capital and innovation for Islamic finance. The institutions here produce talents with the relevant expertise and technical knowledge for this increasingly innovative industry. Newcomers to this industry also benefit from the opportunity to work with and learn from world-class business leaders based in the country."

Daud Vicary Abdullah

Former President & Chief Executive Officer, INCEIF

MORE ABOUT MALAYSIA

Our Journey Towards an Islamic Finance Marketplace

Islamic finance in Malaysia began with an Islamic savings institution known as the Pilgrims Management and Fund Board (Lembaga Tabung Haji) in 1969.

As awareness of Shariah-compliant finance increased, a step-by-step approach was implemented to develop a comprehensive Islamic financial industry.

The first full-fledged Islamic bank[23] was established on the back of the Islamic Banking Act 1983. Introduction of Islamic "windows" which allow conventional financial institutions to offer Shariah-compliant banking products and services enabled the Islamic banking industry to grow organically. This has spearheaded the creation of a dual-financial system where Islamic finance operates alongside the conventional financial system. The launch of an Islamic interbank money market in 1994 allowed the Islamic banking industry to continue to flourish.

Takaful companies were subsequently incorporated under the Takaful Act 1984. Meanwhile, the Islamic financial industry progressively liberalised over the years, allowing more foreign participation.

Notable milestones that mark the internationalisation of Malaysia's Islamic financial industry include the first sukuk issuance which was issued by a foreign-owned company[24] in 1990, entry of the first foreign Islamic bank[25] from the Middle East in 2005 and establishment of the country's first Islamic banking subsidiary[26] of a locally incorporated foreign bank in 2008.

[23] Bank Islam

[24] Shell MDS

[25] Kuwait Finance House (Malaysia)

[26] HSBC Amanah Malaysia

[27] MIFC.com, Introduction to Sukuk

[28] Al-'Aqar

After more than three decades, Malaysia's Islamic finance marketplace is home to a critical mass of international and domestic financial institutions and a diverse range of innovative products and services.

The issuance of licences to foreign Islamic financial institutions promoted healthy competition and added to the dynamism of the Islamic financial industry. Robust market demand was met with highly innovative Shariah-compliant products.

Over the years, Malaysia's Islamic capital market grew deeper and broader as multilateral financial institutions and multinational corporations found Shariah-compliant products such as sukuk to be an attractive alternative means of raising capital. Progressive liberalisation of the country's foreign exchange administration rules further buoyed the sukuk market.

Other pioneering innovations that were introduced include the first global sovereign sukuk in 2002[27] and the first Islamic real estate trust fund (I-REIT)[28] in 2006. These products received wide acceptance and proved the effectiveness and competitiveness of Islamic finance as a form of financial intermediation.

After more than three decades, Malaysia's Islamic financial industry is now home to a critical mass of international and domestic financial institutions and a diverse range of innovative products and services. Malaysia's Islamic financial community continues to globalise their business offerings to strengthen economic and financial linkages with other global financial centres.

In 2006, the MIFC initiative was launched to position Malaysia as an international Islamic financial hub. Malaysia is the place to foster Islamic finance business linkages especially within the Asian region, and take advantage of pro-business policies and market incentives.

Malaysia hosts the Islamic Financial Services Board (IFSB). This international prudential standard-setting organisation promotes soundness and stability of the global Islamic financial industry by issuing prudential standards and guiding principles. Its international membership base includes regulatory and supervisory authorities, intergovernmental organisations and financial market players.

Malaysia continues to contribute to strengthening the soundness of global Islamic finance. Initiatives included participating in a Task Force on Liquidity Management and a Task Force on Islamic Finance and Global Financial Stability. Both of these task forces were established by IFSB and the Islamic Development Bank (IDB).

The outcome of these task forces led to the establishment of the International Islamic Liquidity Management Corporation (IILM) to facilitate global cross-border liquidity management; a report with recommendations to strengthen the global financial infrastructure, and the formation of Islamic Financial Stability Forum (IFSF).

Our journey continues as Malaysia's Islamic finance marketplace plays a collaborative and leading role in the development of Islamic finance for the world.

OUR ASPIRATIONS FOR MALAYSIA'S ISLAMIC FINANCE MARKETPLACE

The internationalisation of Islamic finance is increasingly integrated within the global financial system. We believe this fosters a strong spirit of partnership between countries, institutions and markets. Malaysia continuously works towards strengthening international linkages in the global Islamic financial system through strategic partnerships and cross-border financial and economic collaboration. We are increasing our efforts in developing the human capital required for this rapidly growing global industry, and developing greater harmonisation of Shariah views.

The pace of innovation in Malaysia's Islamic financial marketplace continues to expand the range of products and services in our comprehensive offering of Islamic instruments for different needs and risk-reward requirements. Smaller, but rapidly growing sectors of the Islamic financial industry, such as Islamic wealth management, private equity and venture capital, are augmenting the country's holistic Islamic financial marketplace.

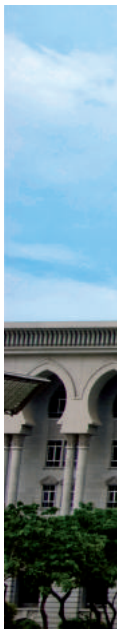
To recognise talent who have contributed to the internationalisation of Islamic finance, we have spearheaded The Royal Award for Islamic Finance in 2010. The Royal Award honours exceptional individuals for outstanding contribution to the development of global Islamic finance and serves to inspire aspiring talent to contribute in Islamic finance.

THE ROYAL AWARD FOR ISLAMIC FINANCE™

The recipient of the inaugural Royal Award for Islamic Finance was Shaikh Saleh Abdullah Kamel of Saudi Arabia, whose work over four decades had fast-tracked the global adoption of Islamic finance and continues to have sustained financial, economic and social impact in the world.

In 2012 the Royal Award was presented to Iqbal Khan for his dedication, drive and extraordinary leadership in accelerating the global growth and accessibility of Islamic finance. His passion in providing ethical, community-based financial services led him to drive further interest among international financial institutions, regulators and academia towards Islamic finance. Dr. Abdul Halim received the Royal Award in 2014 for his pivotal role in establishing the first Islamic bank and as well as the first Islamic stockbroking company in Malaysia. Under his stewardship, both the industry and financial institutions flourished, making Islamic finance an increasingly attractive alternative and complement to conventional finance.

In 2016 the Royal Award was presented to Professor Datuk Dr. Rifaat Abdel Karim for his leadership role in the formation of governance, regulatory and Shariah standards, as well as in the development of financial instruments to facilitate liquidity management for Islamic financial institutions (IFIs), hence strengthening the position of the Islamic financial services industry within the broader global economy.



Malaysia continuously works towards strengthening international linkages through strategic partnerships and cross-border financial and economic collaborations.

SHARIAH GOVERNANCE

Certain terminology contained in financial contracts, which are frequently based on English common law, may not account for Shariah interpretations. This is one of the hurdles faced by countries with an Islamic financial system.

In Malaysia, specific risks and characteristics unique to Islamic finance are continuously recognised and addressed.

Malaysia pioneered the concept of a centralised Shariah Advisory Council for each regulatory authority. This is part of the country's Shariah, legal, regulatory and supervisory framework for Islamic finance. The enabling provisions are included the Central Bank of Malaysia Act 2009, Capital Markets and Services (Amendment) Act 2010, the Labuan Islamic Financial Services and Securities Act 2010 and the Islamic Financial Services Act 2013.

The Acts give the final authority on Shariah matters in Islamic finance to the respective Shariah Advisory Councils. As a result, there is consistent application of Shariah rulings as decisions made by the respective Shariah Advisory Councils are binding in court. This promotes clarity, predictability and delivers certainty and finality on issues in Islamic contracts and practices.

In 2010, Law Harmonisation Committee, comprising key members from government industry stakeholders to experienced Islamic finance practitioners, was established. This committee aims to further enhance the legal certainty and clarity of Islamic finance contracts through the examination and reviewing of current issues between commercial laws and Shariah to find workable solutions for the industry without compromising Shariah.

In 2013 the first Law Harmonisation Report[29] was issued, identifying 9 issues from 17 laws that were reviewed so far.

[29] http://www.mifc.com/index.php?ch=ch_contents_media_

Malaysia developed the concept of a centralised Shariah Advisory Council for each regulatory authority and this resulted in consistent application of Shariah rulings.

Malaysia's Shariah governance framework includes:

- A Shariah committee at every licensed Islamic bank and takaful company and a registered Shariah advisor to be appointed by Islamic fund management companies
- A screening process for listed companies to be considered Shariah-compliant by the Securities Commission Malaysia's Shariah Advisory Council
- A transparent Islamic institutional arrangement that reinforces Shariah compliance through audits, reviews and risk management procedures
- An arbitration process using the respective regulatory authority's Shariah Advisory Council as the ultimate authority on all Shariah matters. This serves to harmonise differing views on Shariah interpretations
- A transparent approval process from the respective regulatory authority's Shariah Advisory Council for new innovations in products and services. Guidelines and parameters necessary for Shariah compliance are being developed and continually enhanced through consultative process with the industry
- A registration and requisite skill set evaluation are required for all Shariah advisors serving Malaysia's Islamic capital market. Meanwhile, Shariah advisors serving the banking and takaful industry must be approved by Bank Negara Malaysia
- To prevent conflicts of interest, each advisor can only advise one institution for each sector within the Islamic financial industry

Embracing Shariah Diversity

Shariah is the cornerstone of Islamic finance. It applies to everything: law, conducts, opinions, products, transactions, activities and services. Varying interpretation of Shariah and its application in modern finance are mainly due to different cultural practices around the world. Differing opinions promote deeper understanding and encourage innovation but extreme divergence, however, can fragment the industry and inhibit its global potential.

The ideal situation is where diverging opinions lead to greater innovation without adversely affecting investor confidence. To achieve this, Malaysia embraces mutual recognition of different Shariah interpretations and preferences. Malaysia accepts four major Islamic schools of thought: Hanafi, Shafii, Maliki and Hanbali. This enables the market to drive Islamic finance, as Islamic financial institutions will develop products according to the needs of their target market.

"There is more convergence in the views of scholars rather than divergence, but the problem is we always think about the differences. If you look at Malaysia, we are very much open in a sense that we do have products subscribing to the GCC standards. It is a question of business strategy or targets."

Dr. Mohamad Akram Laldin

Executive Director,
International Shariah Research Academy for Islamic Finance

DOING BUSINESS FROM MALAYSIA

MALAYSIA THE COUNTRY

As a fast growing, modern and progressive nation, Malaysia is among the most developed economies in ASEAN. It is an open economy with strong international trade equivalent to almost 1.5 times the country's gross domestic product[30].

Malaysia enjoys political stability and a high socioeconomic status. It is a moderate Muslim country that is culturally diverse, multiracial, democratically governed and educationally advanced. The country is located in the ASEAN region that has a population of more than 600 million and total GDP of USD2.3 trillion[31]. It is also geographically centred between China, Japan, Korea, Indonesia and India, the emerging high growth economies of the world. Malaysia has been a major recipient of foreign direct investments for more than a hundred years and a beneficiary of Asia's dynamic trade growth.

[30] Bank Negara Malaysia, 2016. World Bank http://data.worldbank.org/country/malaysia

[31] www.asean.org/resources/publications, 2016

Global Competitiveness

Malaysia offers a dynamic and competitive business environment. Government and private sector initiatives are business-friendly while liberal market policies are aimed at promoting trade, industrial and economic development.

Other facilities offered by Malaysia, include an educated and skilled workforce at a competitive cost, a resilient economy supportive of international trade, a comparatively lower cost of living; modern infrastructure and international connectivity that provides for comfortable living.

Tax incentives offered by Labuan IBFC include:

- A corporate tax rate of 3% of audited net profits or a flat rate of RM20,000 per annum from Labuan trading activities
- Tax exemption on distributions received from Labuan Islamic trusts and foundations by the beneficiaries
- 100% tax exemption on foreign director's fees of a Labuan entity until the year of assessment 2020
- 50% tax exemption on gross employment income of a non-citizen working in a managerial capacity in a Labuan entity until the year of assessment 2020

In addition, it offers a tax-neutral environment, with no stamp duty, capital gains tax, withholding taxes or wealth taxes. This provides tax certainty and allows for fiscally efficient cross-border transactions.

Malaysia has signed more than 70 Double Tax Agreements (DTAs) with various countries. Labuan entities with tax residency in Malaysia can enjoy the benefits of the DTAs signed by Malaysia with its treaty partners unless otherwise specified.

Malaysia is an open economy with strong international trade equivalent to almost 1.4 times the country's gross domestic product[30].

WORLD RATING

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In Financial Market Development
The Global Competitiveness Report 2016-2017 by the World Economic Forum

Malaysia ranked 13th out of 138 economies for a well-developed and sound financial market. Expectations are high for a country that averaged an impressive 7% growth per year between 1990 and 2000 and thereafter an average of 5%.

WORLD RATING

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In World Bank's Doing Business Report 2016

Malaysia ranked 18th in the annual World Bank's Doing Business Report 2014 placing Malaysia as one of the best business destinations out of 189 economies around the world. Malaysia made paying taxes easier and less costly for companies by making electronic filling mandatory and reducing the property tax rate.

WORLD RATING

19

In World Competitiveness Yearbook 2016
The International Institute for Management Development

Malaysia was recognised for its economic performance, business efficiency, investor protection and management practices.

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MALAYSIA THE COUNTRY

FOREIGN EXCHANGE RULES

Foreign investors are free to invest in Malaysia in any form. There is free mobility of inward and outward movement of foreign direct investments and portfolio capital investments.

FACTS FOR BUSINESSES

Talent

Malaysia's relative strengths lie in the relationship between pay and productivity, extent of staff training, labour market flexibility and qualified labour inflows.[32]

Language

Most Malaysians are multilingual. Bahasa Malaysia (Malay) is the official language. English is widely used among the business community while Mandarin and Tamil are commonly spoken.

Legal System

The Malaysian legal system is based on English common law.

Financial Reporting

To facilitate cross-border offerings, Malaysia adopted the International Financial Reporting Standards (IFRS) in 2012.

Tax Incentives

To promote investments, Malaysia offers a wide range of tax incentives in sectors such as Islamic financial services and others.

[32] INSEAD - The Global Talent Competitiveness Index, Nov 2013.

Regulatory Authorities

Malaysia's financial industry is regulated by four financial and market regulatory authorities; each with a specific role and responsibility:

Bank Negara Malaysia, the central bank, is a statutory body wholly owned by the Government of Malaysia and responsible for Malaysia's monetary and financial sector policies. This body also governs the Islamic banking, takaful and re-takaful sectors.

Securities Commission Malaysia is the regulator for Malaysia's capital market, both conventional and Islamic finance. It is a self-funding statutory body with investigative and enforcement powers.

Labuan Financial Services Authority (Labuan FSA) leads and coordinates efforts to regulate and develop Labuan as an international business and financial centre. It also governs Islamic finance activities conducted in Labuan.

Bursa Malaysia is a fully integrated exchange. In supporting the three financial regulatory authorities of Malaysia, Bursa Malaysia regulates its stakeholders and offers a complete range of exchange-related services including trading, clearing, settlement and depository services.

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TRAVEL AND LIVING

Malaysia offers a wide variety of tourist attractions, from luxurious shopping centres, idyllic island resorts, age-old tropical rainforests and eco-tourism activities, to health tourism destinations, all set against a modern economic landscape. Kuala Lumpur, the capital, is a cosmopolitan city with different cultures, races and various expatriate communities that have established their own social network and facilities.

Malaysia is quickly becoming one of the world's leading destinations for diving, with one of the richest marine environments in the Indo-Pacific Basin. The incredible bio-diversity of marine life, coupled with beautiful islands, clear warm waters and white sandy beaches, keeps divers coming back time and time again.

Malaysia's rainforests, just a few degrees north of the equator, are among the oldest in the world. Nearly 75% of Malaysia's land area remains forested, with approximately 60% of that being virgin rainforests, with an astonishing level of bio-diversity. Malaysia is an ideal eco-tourism destination.

Source:
http://www.about-malaysia.com/adventure/eco-tourism.htm

Expatriates in Malaysia enjoy comfortable living conditions at a competitive cost. This is augmented by the warm spirit of Malaysian hospitality, technological services, and communication and transportation infrastructure. Expatriates can pick from a wide range of international schools offering Arabic, British, American, Australia, German, French, Japanese, Korean, Chinese or Indonesian curriculum.

Easing Your Entry

As an international marketplace for Islamic finance, a number of measures have been introduced to ease your entry into Malaysia. This includes facilitative immigration assessment with a 'green lane' for expatriates in Islamic finance and their family members, and a long-term residence employment pass.

Flexible employment rules have also been implemented whereby Islamic financial institutions have the flexibility to employ expatriates with the expertise to contribute to the development of this Shariah-compliant financial industry.

Suria KLCC, a luxury-shopping destination at the Petronas Twin Towers.

The renowned Malaysian Philharmonic Hall is a classical concert hall with superb acoustics. This luxurious concert hall hosts traditional performances, and some of the world's best musicians, orchestras and conductors.

Danum Valley, Sabah, is the oldest remaining rainforest in the world. Its pristine environment is home to over 100 species of mammals including the rare Sumatran rhino, the orang-utan and over 300 species of birds.

Source:
http://www.malaysiabirding.org/article.php?aid=10

Further reading:

All news, publications and access to Malaysia's Islamic finance marketplace are available at **www.mifc.com**, including Epicentre, the bi-monthly MIFC eNewsletter that features the latest developments and achievements of the MIFC Community.

About Malaysia's Islamic Finance Marketplace

Since its introduction more than 30 years ago, Islamic finance in Malaysia has developed into a comprehensive and sophisticated Islamic finance marketplace. Our marketplace is characterised by a robust regulatory, supervisory, Shariah and legal framework, a deep primary market and active secondary sukuk market, a diverse players and talent base with global capabilities and connectivity for business deals anywhere in the world, product innovation, breadth and depth and an efficient system for multi-currency clearing and settlement. Malaysia's Islamic finance marketplace is open to global industry players and market participants to collaborate with and mutually benefit from a highly conducive business environment of innovation, expertise and deal flow.

Malaysia's Islamic finance marketplace is served by the Malaysia International Islamic Financial Centre (MIFC) Community, founded on the launch of the MIFC initiative in 2006. The MIFC Community is a network of the country's financial sector regulators, including Bank Negara Malaysia (Central Bank of Malaysia), Securities Commission Malaysia, Labuan Financial Services Authority and Bursa Malaysia (Kuala Lumpur Stock Exchange), Government ministries and agencies, industry players from the Islamic banking, takaful, re-takaful and Islamic capital market industries, human capital development institutions as well as professional ancillary services companies ranging from legal firms and Shariah advisories to tax and audit firms and research companies.

For more information on Malaysia's Islamic finance marketplace, please visit www.mifc.com.

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