

BURSA MALAYSIA-i: THE WORLD'S FIRST END-TO-END SHARIAH INVESTING PLATFORM

Bursa Malaysia Berhad (Bursa Malaysia or the Exchange) achieved another significant milestone in the development of the Islamic Capital Market with the introduction of Bursa Malaysia-i, the world's first end-to-end Shari'a investing platform on 5 September 2016. The introduction of Bursa Malaysia-i further cements the Exchange's role as a key Islamic Capital Market hub in the ASEAN region and beyond. The platform is the culmination of Bursa Malaysia's long standing commitment to making Malaysia a comprehensive Islamic investing hub that offers a broad suite of Islamic financial market instruments. Bursa Malaysia-i was launched by Datuk Seri Johari Abdul Ghani, Minister of Finance II.



Minister of Finance II, Datuk Seri Johari Abdul Ghani hitting the gong to symbolise the launch of Bursa Malaysia-i. Accompanied by, (from left) Senator Dato' Lee Chee Leong, Deputy Minister of Finance II, Tan Sri Dato' Seri Ranjit Ajit Singh, Chairman of Securities Commission Malaysia, Tan Sri Amirsham A Aziz, Chairman of Bursa Malaysia Berhad and Datuk Seri Tajuddin Atan, Chief Executive Officer of Bursa Malaysia Berhad.

The objective of Bursa Malaysia-i is to provide a conducive marketplace for Shari'a investing and to further strengthen the products and services offered by the Islamic Capital Market, thus attracting a wider pool of domestic and foreign investors and issuers. As a result of this new development, the Exchange hopes to increase:

- the number of Shari'a-compliant public listed companies;
- the number of Shari'a-compliant products;
- Shari'a market capitalisation;
- Shari'a Average Daily Trading Value (ADV); and
- the number of Islamic Participating Organisations (Islamic POs).

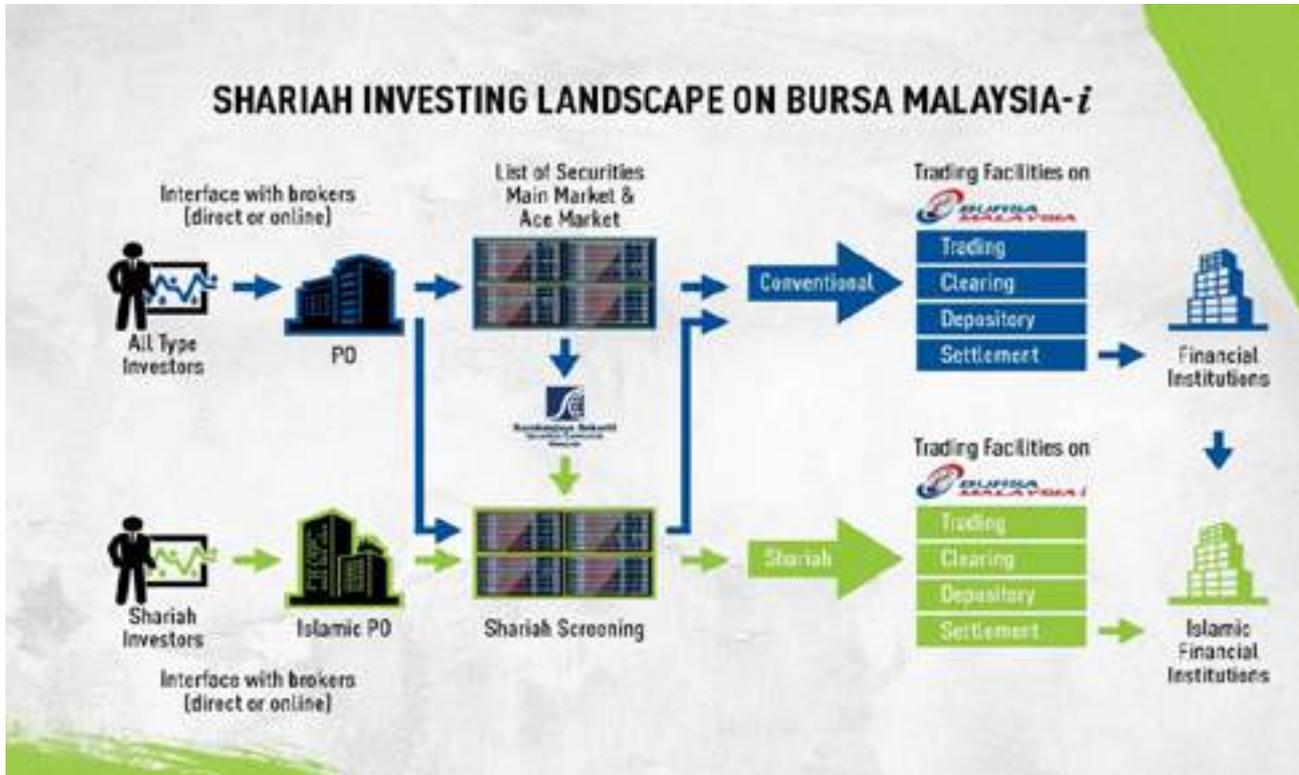
New and exciting chapter for the Malaysian Islamic Capital Market

Bursa Malaysia-i offers a comprehensive suite of Shari'a-compliant exchange-related services including listing, trading, clearing, settlement and depository services. The platform supports Shari'a-compliant products listed on the Main and ACE Markets, which include Shari'a-compliant Stocks (i-Stocks), Shari'a-compliant Indices (i-Indices), Shari'a-compliant Exchange Traded Funds (i-ETFs), Shari'a-compliant Real Estate Investment Trusts (i-REITs) and Sukuk trading on Exchange Traded Bonds and Sukuk (ETBS).

Bursa Malaysia has worked with relevant stakeholders and conducted internal reviews and engagements with the Shari'a Advisory Council of Securities Commission Malaysia (the SAC of SC) as well as external independent advisors, amongst others, to develop the platform's facilities and infrastructure. This has resulted in the improvement of governance and operational structures and processes, which aims **to provide investors the confidence to undertake investment activities in a Shari'a-compliant manner.**

Investors can choose Shari'a investing via Bursa Malaysia-i with any of the Islamic POs registered with Bursa Malaysia. There are currently 11 Islamic POs carrying out Islamic stock-broking services, of which one is on a full-fledged basis and 10 are on a 'window' basis.

The new landscape for Shari'a investing on Bursa Malaysia-i is illustrated as below:



Trading on Bursa Malaysia-i is guided by 'Best Practices for Shari'a Investing', whilst the conduct of the Islamic POs is in compliance with the 'Best Practices in Islamic Stockbroking Services' undertaken by Participating Islamic POs. Both practices are endorsed by the Shari'a Committees of Bursa Malaysia and SC.

As a leading emerging market exchange for Shari'a-compliant securities, Bursa Malaysia offers a broad selection of quality stocks. As at end 2016, 74 per cent of companies listed on Bursa Malaysia are Shari'a-compliant. The Malaysian market capitalisation has been growing at a tremendous pace of 363 per cent since 1997, and the Shariah market capitalisation as at 31 December 2016 makes up 60 per cent of the total market capitalisation of RM1,667 billion.

Bursa Malaysia as the leading specialist and pacesetter in Islamic Capital Markets

This initiative is a step in the right direction to ensure Malaysia remains the global leader in the Islamic capital market, similar to the evolution of Islamic finance, which has matured into a sophisticated Islamic finance marketplace. Moving forward, Bursa Malaysia will continue to focus on forging collaborations with capital market participants, in particular the domestic market players, to be the catalysts of growth for Bursa Malaysia-i and increase the depth and breadth of the Islamic capital market. Bursa Malaysia will also intensify its efforts to promote Shari'a investing through roadshows, in collaboration with the Islamic POs and the industry.

The Exchange also recognises the importance of sustainability and has placed it at the core of Malaysia's capital market. Bursa Malaysia's progress as a sustainable marketplace is further strengthened with the launch of Bursa Malaysia-i, as it offers a socially responsible investment platform. This will further elevate Bursa Malaysia's marketplace and the role of Islamic POs, across ASEAN and globally, as an emerging market leader for Sustainable and Responsible Investing.

In summary, Bursa Malaysia will continue to champion exchange-based Shariah-compliant investing and provide new options to the Islamic Capital Market to invest based on the principles of Islamic finance. This effort will support Bursa Malaysia's initiative in building a sustainable marketplace and elevate Malaysia's role in advancing Islamic capital market services and infrastructure for the global marketplace.