



LABUAN FINANCIAL SERVICES AUTHORITY  
(LEMBAGA PERKHIDMATAN KEWANGAN LABUAN)

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Circular no.: 157/2014/ALL

3 January 2014

Chairman  
Association of Labuan Trust Companies  
Association of Labuan Banks  
Labuan Investment Banks Group  
Labuan International Insurance Association

Dear Sirs,

**APPOINTMENT OF INTERNAL SHARIAH ADVISORY BOARD OR SHARIAH ADVISER  
UNDER SECTIONS 129, 130 AND 131 OF LABUAN ISLAMIC FINANCIAL SERVICES  
AND SECURITIES ACT 2010**

We wish to inform that Labuan Islamic entities licensed or regulated under the Labuan Islamic Financial Services and Securities Act 2010 (LIFSSA) are no longer allowed to appoint Labuan FSA's Shariah Supervisory Council (SSC) as their Internal Shariah Advisory Board (ISAB) or Shariah Adviser (SA). However, Labuan Islamic entities are free to appoint the SSC members on individual basis who is a qualified person under section 2 of LIFSSA. Existing Labuan Islamic entities who have appointed Labuan FSA's SSC as their ISAB or SA are given until 31 December 2014 to find replacement for their ISAB or SA.

2. In addition, Labuan Islamic entities should be guided by IFSB 10 on Guiding Principles on Shariah Governance Systems for Institutions Offering Islamic Financial Services when establishing its internal Shariah governance framework.

3. Should you require any further information or clarification, please contact Encik Ibrahim Iskandar Azmi at 087-591 392/ [iiazmi@labuanfsa.gov.my](mailto:iiazmi@labuanfsa.gov.my) or Puan Khairunnisa Abdul Karim at 087-591222/ [khairunnisa@labuanfsa.gov.my](mailto:khairunnisa@labuanfsa.gov.my). We appreciate your assistance to distribute this circular to the members of the associations accordingly.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Abdul Salam Chandran Abdullah".

Abdul Salam Chandran Abdullah  
Deputy Director  
Strategic Development Department  
48/67/2-kak