



## SHARIAH RESOLUTION OF THE SHARIAH SUPERVISORY COUNCIL OF LABUAN FSA ON LABUAN ISLAMIC TRUST

The Shariah Supervisory Council of Labuan FSA, in its meeting dated 30 October 2013, resolved the following relating to Labuan Islamic Trust which is a Shariah compliant Labuan trust established under Section 105 of the Labuan Islamic Financial Services and Securities Act 2010. It is hereby resolved that:

- (a) The vesting of property into a Labuan Islamic Trust (LIT) by a settlor to the LIT may be facilitated by way of hibah or hadiah.
- (b) Upon vesting of the property by the settlor to the LIT, the legal ownership of the property must be transferred to the trust and be disclosed in the trust deed.
- (c) Where the LIT satisfies the following conditions, Faraidh in regards to the distribution of the settlor's property, upon the demise of the settlor, is inapplicable and irrelevant on the vested property in the LIT.
  - (i) The vesting has been made immediate and irrevocable.
  - (ii) The vesting has been made without any reserve power of the settlor.
  - (iii) The vesting of ownership of the property through the trust instrument is absolute.
- (d) In relation to paragraph (c), where the settlor is one of the trustees and a manager of the trust property under the LIT, Faraidh remains inapplicable and irrelevant.
- (e) Where the settlor is one of the beneficiaries in the LIT, Faraidh would be applicable and relevant on the portion of the property that the settlor is entitled to.