

For Immediate Release

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WORLD'S FIRST SHARI'AH-BASED COMMODITY TRADING PLATFORM TO FACILITATE ISLAMIC FINANCE GOES LIVE!

Multi-commodity, multi-currency *Bursa Suq Al-Sila'* to enable Shari'ah-based financing and liquidity management

Malaysia's position as a leading Islamic financial hub was further solidified today with the successful commencement of trade on the world's first, end-to-end Shari'ah-compliant commodity trading platform. This fully-electronic platform, called *Bursa Suq Al-Sila'*, is an international commodity platform that is able to facilitate commodity-based Islamic financing and investment transactions under the Shari'ah principles of *Murabahah*, *Tawarruq* and *Musawwamah*. The launch commodity is Malaysia's star product, crude palm oil (CPO).

Formerly known as Commodity Murabahah House, *Bursa Suq Al-Sila'*, which means commodities market in Arabic, is an initiative spearheaded by the Malaysia International Islamic Finance Center (MIFC). The trading platform is operated by Bursa Malaysia via its fully Shari'ah-compliant wholly-owned subsidiary, Bursa Malaysia Islamic Services Sdn. Bhd.

YB Dato' Seri Ahmad Husni Hanadzlah, the Malaysian Finance Minister II, was on hand to unveil the *Bursa Suq Al-Sila'* brand and witness its inaugural trading day. Also present at the ceremony were YB Dato' Hamzah Zainudin, Deputy Minister of Plantation Industries and Commodities, YBhg. Tan Sri Dato' Sri Dr. Zeti Akhtar Aziz, Governor of Bank Negara Malaysia, YBhg Datuk Ranjit Ajit Singh, Managing Director of the Securities Commission as well as senior officials of Bank Negara, the Securities Commission and Bursa Malaysia.

Dato' Yusli Mohamed Yusoff, Chief Executive Officer of Bursa Malaysia, said, "It was indeed a good start for *Bursa Suq Al-Sila'*. This innovative platform would not have become a reality if not for the support and participation of industry players across the board."

Dato' Yusli added, "*Bursa Suq Al-Sila'* is indeed one-of-its-kind as it is the world's first Shari'ah-compliant commodity trading platform specifically designed to facilitate Islamic finance. It is expected to also enhance liquidity management for Islamic Financial Institutions. Commodity suppliers such as Crude Palm Oil suppliers are also provided with an additional revenue source."

According to Dato' Yusli, *Bursa Suq Al-Sila'* complements the money and capital markets as a whole. This trading platform is poised to strengthen Bursa Malaysia's edge in the global Islamic market place.

The trading in *Bursa Suq Al-Sila'* today follows the recent signing of Memorandum of Participation between Bursa Malaysia and over 26 commodity suppliers, financial institutions and trading participants three weeks ago.

The essence of *Bursa Suq Al-Sila'*, which embraces the commodity Murabahah concept, involves one party buying commodity at a certain cost and selling it to a customer at a cost-plus-profit basis. The customer will then pay the amount and the profit to the party on a deferred-payment basis. The customer then sells back the commodity to the commodity market on spot for cash. The trade involves the sale and purchase of real physical assets.

In the initial stage, crude palm oil will be used as the launch commodity. Eventually, this will expand to other Shari'ah approved commodities covering both soft and hard commodities. Similarly, initial trades in *Bursa Suq Al-Sila'* will be conducted in Ringgit Malaysia-denominated. As *Bursa Suq Al-Sila'* is multi-currency capable, non-RM trades will be introduced in the foreseeable future to provide for international market players. This in turn will provide more choices, access and flexibility for international financial institutions to participate in this market.

Dato' Yusli concluded, "With *Bursa Suq Al-Sila'*, we are now diversifying our offerings and extending our traditional businesses with a Shari'ah platform focused on money

markets. As an exchange, Bursa Malaysia is committed to support, manage and even drive initiatives that can augment the growth of the Malaysian Islamic market.”

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Specifications of *Bursa Suq Al-Sila'*

SPECIFICATION	PARAMETERS
CONTRACT CODE	CM-CPO
PRICE	Benchmarked against previous trading day settlement of the FCPO spot month contract. Price remains the same for the day.
SETTLEMENT	Delivery of CPO (with provision for cash settlement).
CONTRACT GRADE AND DELIVERY POINT	Crude palm oil of good merchantable quality, in bulk, unbleached, in the tank located at the option of the CSP. Free Fatty Acid (FFA) of palm oil delivered into the tank must not exceed 4% and from the tank must not exceed 5%. Moisture and Impurities (M&I) must not exceed 0.25%. Deterioration of Bleachability Index (DOBI) value of palm oil delivered into the tank must be at a minimum of 2.5 and of palm oil delivered from the tank must be at a minimum of 2.31.
TRADING SESSION (Malaysian Time: +8:00 GMT)	Monday to Thursday: 10:30 a.m. to 6:00 p.m. Friday: First Trading Session: 10:30 a.m. to 12:30 p.m. Second Trading Session: 2:30 p.m. to 6:00 p.m.
TRADING PHASES (Malaysian Time: +8:00 GMT)	Pre – Opening: 9.30 a.m. to 10.30 a.m. <ul style="list-style-type: none"> • Pre-Opening for CSP: 9.30 a.m. to 10.30 a.m. • Pre-Opening for CTP: 10.20 a.m. to 10.30 a.m. Main Trading: 10.30 a.m. to 6.00 p.m. Pre – Closing: 5.30 p.m. to 6.00 p.m. <ul style="list-style-type: none"> • Last Bid: 5.30 p.m. • Last Offer and Matching: 5.45 p.m.

Bursa Malaysia Berhad is a public company limited by shares under the Companies Act 1965. Bursa Malaysia is an approved Exchange holding company under Section 15 of the Capital Markets and Services Act 2007. Other companies in the Bursa Malaysia Berhad Group of companies include a stock Exchange, a derivatives Exchange, an off-shore international financial Exchange, equity and derivatives clearing houses, a central depository, an information services provider and an Information Technology services provider.

Bursa Malaysia Securities Berhad, a wholly-owned subsidiary of Bursa Malaysia Berhad, is an approved stock Exchange under Section 8 of the Capital Markets and Services Act 2007.

Issued by Bursa Malaysia.

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