



Media Contact:
Mrs. Siham Ismail
Tel: 6 03 9195 1430
Mobile: 6 012 373 5842
Email: siham@ifsb.org

Media Contact:
Carla Vitzthum
Tel: 3491 787 0419
Mobile: 34 697 449 639
Email: c.vitzthum@iosco.org

Media Contact:
Tunku Faradiana Tunku Zainal Abidin
Tel: 603 6204 8401
Mobile: -
Email: cau@seccom.com.my

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IFSB-IOSCO-SC Collaborate on Disclosure Requirements for Islamic Capital Market Products

31 October 2013, Kuala Lumpur / Madrid – The Islamic Financial Services Board (IFSB), the International Organization of Securities Commissions (IOSCO) and the Securities Commission Malaysia (SC) are pleased to announce that the joint publication “Disclosure Requirements for Islamic Capital Market Products” was released at the IOSCO 38th Annual Conference in Luxembourg, which took place on 15-19 September 2013. This publication is a compilation of the Issues Papers and commentaries presented at the IFSB-IOSCO-SC Roundtable on Disclosure Requirements for Islamic Capital Market (ICM) Products, held in Kuala Lumpur in September 2012.

The book discusses the need to develop international regulatory standards and best practices relating to disclosure requirements for ICM products. It analyses the issues, risks and challenges arising from potential inadequate disclosure in the areas of *Sukūk* and Islamic Collective Investment Schemes, and analyses ways to strengthen disclosure standards for ICM products.

The IFSB, IOSCO and SC recognise the need to complement the increasing internationalisation of ICM with a favourable regulatory environment. The collaboration between the three bodies represents a significant step towards the development and enhancement of international regulatory standards and best practices relating to disclosure requirements for ICM products. The joint initiative further underscores the

importance of ICM within the global financial landscape and highlights the need to approach investor protection and market integrity from a cross-jurisdictional perspective.

The IFSB, as the international standard-setting organisation for the Islamic financial services industry, seeks to strengthen the regulatory requirements for disclosure to make it more comprehensive for the industry. The book's release follows earlier ICM initiatives by IOSCO: the publication of the *Islamic Capital Market Fact Finding Report* in 2004 and the *Analysis of the Application of IOSCO's Objectives and Principles of Securities Regulation for Islamic Securities Products* in 2008. The first report concluded that the *IOSCO Objectives and Principles of Securities Regulation* would apply equally to the ICM, a view supported by the 2008 report with recommendations, among others, for further thematic work on disclosure standards.

The publication of this book is timely in view of the growing cross-border transactions and activities in the ICM, which call for some degree of standardisation, including disclosure requirements. The book is aimed at helping strengthen the disclosure regime for the ICM and promote overall investor confidence in this increasingly important segment of the global financial system.

The softcopy of the book is downloadable via the organisations' respective websites:

IFSB: <http://www.ifsb.org/sec03.php>

IOSCO: <http://www.iosco.org/library/pubdocs/pdf/IOSCOPD428.pdf>

SC Malaysia: www.sc.com.my

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NOTE TO EDITOR:

About the Islamic Financial Services Board (IFSB)

The IFSB is an international standard-setting organisation that promotes and enhances the soundness and stability of the Islamic financial services industry by issuing global prudential standards and guiding principles for the industry, broadly defined to include banking, capital markets and insurance sectors. The IFSB also conducts research and coordinates initiatives on industry-related issues, as well as organises roundtables, seminars and conferences for regulators and industry stakeholders. Towards this end, the IFSB works closely with relevant international, regional and national organisations, research/educational institutions and market players.

The members of the IFSB comprise regulatory and supervisory authorities, international inter-governmental organisations and market players, professional firms and industry associations.

For more information about the IFSB, please visit www.ifsb.org.

About IOSCO

IOSCO is the leading international policy forum for securities regulators and is recognised as the global standard setter for securities regulation. The organisation's membership regulates more than 95% of the world's securities markets in more than 115 jurisdictions and it continues to expand.

IOSCO aims through its permanent structures:

- to cooperate in developing, implementing and promoting adherence to internationally recognised and consistent standards of regulation, oversight and enforcement in order to protect investors, maintain fair, efficient and transparent markets, and seek to address systemic risks;
- to enhance investor protection and promote investor confidence in the integrity of securities markets, through strengthened information exchange and cooperation in enforcement against misconduct and in supervision of markets and market intermediaries; and
- to exchange information at both global and regional levels on their respective experiences in order to assist the development of markets, strengthen market infrastructure and implement appropriate regulation.

For more information about IOSCO, please visit www.iosco.org.

About SC

The Securities Commission Malaysia (SC), a statutory body reporting to the Minister of Finance, was established on 1 March 1993 under the Securities Commission Act 1993. The SC, in celebration of its 20th Anniversary with the theme of Leading, Defining, Transforming this year, is the sole regulatory agency for the regulation and development of capital markets. The SC has direct responsibility for supervising and monitoring the activities of market institutions, including the exchanges and clearing houses, and regulating all persons licensed under the Capital Markets & Services Act 2007.

For more information about the SC, please visit www.sc.com.my.