



BANK NEGARA MALAYSIA
CENTRAL BANK OF MALAYSIA

SIARAN AKHBAR

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Transition Policy under Islamic Financial Services Act 2013

The Islamic Financial Services Act 2013 (IFSA) has introduced two major classifications of products for the acceptance of money from customers by the Islamic banking institutions, namely:

- (i) Islamic deposits; and
- (ii) investment accounts.

The differentiation will allow the Islamic banking institutions to develop a wider range of products for both classifications to meet the diverse needs of the customers. Consequently, customers will be able to better appreciate the product offerings by the Islamic banking institutions and make an informed decision in respect of the choices of Islamic banking products.

Two year transition period

Under the repealed Islamic Banking Act 1983 (IBA), all monies accepted from customers are classified as Islamic deposits, which comprise both deposit and investment products.

In this regard, Islamic banking institutions are required to reclassify their Islamic deposits under the IBA into Islamic deposits and investment accounts under the IFSA. In ensuring a seamless and effective process of reclassification, a two-year transition period until 30 June 2015 has been accorded to the Islamic banking institutions.

The Islamic banking institutions will engage with their customers in providing information and clarification on the differences between the Islamic deposit and investment account products as well as the options available to them to either retain their placements in Islamic deposit or migrate to investment accounts. The Islamic banking institutions will allow sufficient time for the customers to inform them of their decision.

During the transition period, all Islamic deposits (accepted under IBA) will continue to be protected by Perbadanan Insurans Deposit Malaysia. The Islamic banking institutions will also ensure that the customers' rights are protected.

Islamic banking institutions will be making available hotlines, call centres and the front line staff of their headquarters and branches to attend to further queries by their customers.

Members of the public can also contact the Association of Islamic Banks in Malaysia (AIBIM) at 03-20268002/ 8003 and Bank Negara Malaysia at BNMLINK at 1-300-88-5465.

Bank Negara Malaysia
19 March 2014