

Islamic Finance Rules (IFR)

*In this attachment underlining indicates new text and striking through indicates deleted text.

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3.3 Systems and controls

- 3.3.1 An Authorised Person or Recognised Body Conducting Islamic Financial Business must establish and maintain systems and controls which enable it to comply with the applicable Shari'a requirements.

Guidance

- (a) This chapter should be read in conjunction with GEN 3.
- (b) Responsibility for ensuring that an Islamic Financial Institution, Islamic Window or the part of a Recognised Body's business Conducting Islamic Financial Business, complies with Shari'a ultimately rests with the senior management of that Authorised Person or Recognised Body, as relevant. The systems and controls required by IFR 3.3.1 will assist senior management to ensure that there is such compliance.
- (c) The Governing Body should, when setting the business objectives and strategies of an Islamic Financial Institution, an Islamic Window or for a Recognised Body Conducting Islamic Financial Business and on an on-going basis, make use of the expertise of the Shari'a Supervisory Board of the Islamic Financial Institution, Islamic Window or Recognised Body, as appropriate.
- (d) Similarly, Approved Person(s) or ~~Recognised Person(s)~~ performing Controlled ~~Function(s)~~ or Recognised Function(s) within the Islamic Financial Institution, Islamic Window or Recognised Body, particularly compliance and internal audit, should have easy access to the Shari'a Supervisory Board in relation to matters involving Shari'a compliance.
- (e) The members of the Shari'a Supervisory Board of an Islamic Financial Institution, Islamic Window or Recognised Body should also have adequate access to the Governing Body, senior management and the Persons performing Control Functions as appropriate to ensure that their roles can be effectively discharged.

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