



Press Release
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SECP introduces Shariah Advisors Regulations, 2017

Islamabad, September 18: To enhance the credibility of Islamic financial services sector, SECP has introduced draft Shariah Advisors Regulations 2017. Framed under the Companies Act 2017, these regulations are expected to professionalize Shariah advisory services. Companies will only be able to engage the Shariah advisors who will be on the SECP's panel of Shariah advisors. To join this panel, Shariah advisors will need to meet fit and proper criteria and abide by a code of conduct that emphasizes independence and objectivity.

SECP regulates important elements of Islamic financial services industry. These elements include Islamic mutual and pension funds, Modarabas and NBFIs, Takaful operators, Shariah compliant companies, Shariah compliant securities, Shariah compliant real estate investment trusts, and Shariah compliant indices. Some of these elements have shown impressive growth. For instance, the share of Shariah compliant assets of NBFIs sector has grown from 12.3% in June 2010 to 34.6% as of June 2017.

The regulations have been drafted after an extensive consultation process with representatives of Shariah advisors, Islamic Financial Services Board Malaysia, State Bank of Pakistan, Pakistan Stock Exchange, Institute of Chartered Accountants of Pakistan, Takaful Operators, Modaraba and NBFIs Association, Mutual Funds Association of Pakistan, and Shariah Board of SECP.

The draft Shariah Advisors Regulations, 2017, available on the website of SECP, are now open to public consultation and stakeholders have two weeks to share their views. SECP will notify the final regulations after taking into consideration the comments and suggestions received during the public consultation.