



**COMMODITY MURABAHAH HOUSE – SIGNING OF MEMORANDUM OF PARTICIPATION
TUESDAY, 28 JULY 2009
MUTI PURPOSE HALL, LANAI KIJANG, BANK NEGARA MALAYSIA**

SPEECH BY DATO' YUSLI MOHAMED YUSOFF, CHIEF EXECUTIVE OFFICER OF BURSA MALAYSIA BHD

Assalamualaikum warahmatullahi wabarakatuh and a very good morning

Yang Berbahagia Dato' Mohd. Sabri Ahmad, Chairman of the Malaysian Palm Oil Board

Yang Berbahagia Dato' Mohd Razif Abdul Kadir, Deputy Governor of Bank Negara Malaysia

Distinguished guests

Esteemed participants of the palm oil industry and financial institutions

Members of the media

Ladies and Gentlemen

Firstly, I would like to thank everyone for taking time to share this special occasion with us.

The rapid development of Islamic finance and investments is well documented and acknowledged. As businesses become brisk, global Islamic financial institutions are challenged to enhance product offerings to their customers, and manage liquidity as well as risks using internationally acceptable Shariah solutions. Understanding this challenge, Bursa Malaysia, under the Malaysia Islamic International Finance Centre ambit, strongly felt that an initiative such as the Commodity Murabahah House, or CMH, will serve the growing demand for Shariah-compliant financing needs and close the gap that is currently faced by international Islamic financial players.

Planned for implementation next month, CMH is intended to contribute towards strengthening the Islamic financial markets, locally and internationally. While it complements Bursa Malaysia's conventional exchange, CMH is poised to become an international spot commodity platform which operates in compliance with Shariah principles of Murabahah, Tawarruq and Musawwamah. I am proud to say that CMH is the world's first fully Shariah compliant Commodity Trading Platform. The initial commodity to be traded on CMH will be Crude Palm Oil, or CPO. This venture brings two of the nation's main global players; namely the Islamic banks and CPO producers together, to further enhance the country's visibility on the world stage.

We expect the innovation of this web-based and fully automated platform to change the way many Islamic financial institutions transact Commodity Murabahah going forward. CMH combines the trading of physical assets via a virtual and borderless portal that can be accessed from anywhere. We believe that this will open up the Islamic Markets to more players in the future as CMH makes accessibility to Shariah compliant commodity trades easier.

Ladies and gentlemen,

CMH fits perfectly well with Bursa Malaysia's overall strategy of internationalising our Islamic markets as well as positioning our CPO to be the preferred commodity for international trades. With CMH, we are now diversifying our offerings and complementing our traditional business with a Shariah platform focused on money markets. We are grateful to have the support from the industry participants, of which we will enter into a partnership shortly. These players, which range from financial institutions, CPO producers to trading participants, will also benefit from additional revenue stream from commodity financing and ensured delivery of CPO supplies.

I anticipate that CMH will have a promising start once it has been implemented. It will be an example of ensuring Shariah compliance as well as achieving international compatibility, particularly with the more established Islamic financial institutions globally. There are already plans to expand the choice of the tradable commodities, simply because Malaysia is vastly endowed with various commodities and natural assets. As CMH is designed to undertake multi-currency transactions, we are working on making multi currency trades possible very soon.

To sum up, CMH will augur well for MIFC's goal of becoming a centre of Islamic excellence. As it is, the country has carved a niche to become a world leading Islamic financial hub. We are not only serious in developing the Islamic trading facility but also in promoting the development of progressive Islamic capital market products. I am personally excited about the new vistas that CMH will now open up for us on the global Islamic front. We would like to acknowledge the help and assistance of our partners under the MIFC, Bank Negara Malaysia and the Securities Commission, thank you for your support.

Before I take my leave, I would like to record my personal thanks to Yang Berbahagia Dato' Mohd. Sabri Ahmad and Yang Berbahagia Dato' Mohd Razif Abdul Kadir for gracing this significant occasion today. And to the industry players, I would like thank you for your continued support and I look forward to working together with all of you towards a smooth implementation of CMH.

Thank you.