



# **LAWS OF MALAYSIA**

**Act A1504**

**EMPLOYEES PROVIDENT FUND  
(AMENDMENT) ACT 2016**

Date of Royal Assent	...	...	4 February 2016
Date of publication in the <i>Gazette</i>	...	...	18 February 2016

# LAWS OF MALAYSIA

Act A1504

## EMPLOYEES PROVIDENT FUND (AMENDMENT) ACT 2016

An Act to amend the Employees Provident Fund Act 1991.

[ ]

**ENACTED** by the Parliament of Malaysia as follows:

### **Short title and commencement**

**1.** (1) This Act may be cited as the Employees Provident Fund (Amendment) Act 2016.

(2) This Act comes into operation on a date to be appointed by the Minister by notification in the *Gazette* and the Minister may appoint different dates for the coming into operation of different provisions of this Act.

### **Amendment of section 2**

**2.** The Employees Provident Fund Act 1991 [*Act 452*], which is referred to as the “principal Act” in this Act, is amended in section 2 by inserting after the definition of “Chairman” the following definition:

‘ “loan” includes financing in accordance with Shariah;’.

### **New sections 23A, 23B, 23C and 23D**

**3.** The principal Act is amended by inserting after section 23 the following sections:

**“Establishment of Shariah Advisory Committee**

**23A.** (1) The Board shall establish a Shariah Advisory Committee which shall be the authority for the ascertainment of Shariah matters for the purposes of advising the Board and the Investment Panel in ensuring that the management of the accounts of the members of the Fund whose elections under section 43A have come into effect complies with Shariah principles, including the contributions, investment and dividend.

(2) The Shariah Advisory Committee may determine its own procedures.

**Functions of Shariah Advisory Committee**

**23B.** The Shariah Advisory Committee shall have the following functions:

- (a) to ascertain the application of Shariah principles on any matter relating to the accounts of the members of the Fund whose elections under section 43A have come into effect;
- (b) to advise the Board and the Investment Panel on any matter relating to Shariah and the application of Shariah principles on any matter relating to the accounts of the members of the Fund whose elections under section 43A have come into effect;
- (c) such other functions as may be prescribed by the Board.

**Appointment of members of Shariah Advisory Committee**

**23c.** (1) The Board may appoint such number of persons, which shall not be less than three, from amongst persons who are qualified in Shariah, or who have knowledge or experience in Shariah and in banking, finance, law or such other related disciplines, as members of the Shariah Advisory Committee.

(2) Members of the Shariah Advisory Committee shall not be entitled to any remuneration but may be paid such honorarium, and travelling and subsistence allowances, as the Board may determine.

**Reference to Shariah Advisory Committee**

**23D.** (1) The Board and the Investment Panel shall refer to the Shariah Advisory Committee any matter relating to Shariah and any matter which requires the ascertainment of Shariah principles by the Shariah Advisory Committee relating to the accounts of the members of the Fund whose elections under section 43A have come into effect.

(2) The advice given by the Shariah Advisory Committee on any matter referred under subsection (1) shall be binding on the Board and the Investment Panel.”.

**Amendment of section 26**

**4.** Subsection 26(1) of the principal Act is amended—

(a) in paragraph (a)—

(i) by substituting for subparagraph (ii) the following subparagraph:

“(ii) a bank or an investment bank duly licensed under the Financial Services Act 2013 [Act 758]; or”;

(ii) by substituting for subparagraph (iii) the following subparagraph:

“(iii) an Islamic bank duly licensed under the Islamic Financial Services Act 2013 [Act 759]; or”; and

(iii) by inserting after subparagraph (iii) the following subparagraph:

“(iv) a development financial institution regulated under the Development Financial Institutions Act 2002 [Act 618];”;