

Title	Newspaper	Day	Date
UPDATE 1-Malaysian Islamic banks launch investment account platform	Reuters	Wednesday	17 th February 2016
Link : http://www.reuters.com/article/malaysia-islamic-finance-idUSL3N15W5GM			

Feb 18 A group of six Malaysian Islamic banks on Wednesday launched a sharia-compliant investment platform that could shift the role of Islamic lenders to investment intermediaries from credit providers currently.

The Investment Account Platform (IAP) will serve as a central marketplace to finance small and medium-sized businesses, with the Malaysian government backing the scheme with an initial 150 million ringgit in funds.

"We're looking at raising between 200 million and 300 million ringgit (\$47.53 million to \$71.29 million) through the IAP over the next two to three years," chief executive Mohamed Izam Mohamed Yusof told reporters at the IAP's launch ceremony.

Its maiden project could be listed as early as next month, with future plans including listings in other currencies, he added.

Under the scheme, Islamic banks vet businesses seeking funds, providing a market for investors while in some cases underwriting part of the transactions.

Those investments must be held until the maturity of the venture's financing from the sponsoring bank, with profits distributed on a quarterly basis.

Under the government's Islamic Financial Services Act 2013, Islamic banks had to segregate Islamic deposits from investment accounts by July of last year, prompting them to diversify the financial products offered to customers.

The proportion of investment accounts to total funding for Islamic banks has risen to 10 percent as of December, from 7 percent in August, central bank governor Zeti Akhtar Aziz said at the launch ceremony.

With elements of crowd funding and microfinancing, the IAP could raise the profile of Islamic banks as investment houses, complementing their existing credit intermediation activities.

"For Islamic banks, the IAP creates a differentiated product that presents a new source of income and funding profile," Zeti said.

The IAP is also open to international retail investors, with the government placing no restrictions on inflows of foreign capital into the platform, profits from which are exempt from income tax for the first three years.

The six shareholding banks are Affin Islamic Bank, Bank Islam Malaysia, Bank Muamalat Malaysia, Maybank Islamic, Bank Kerjasama Rakyat Malaysia and Bank Simpanan Nasional.

(\$1 = 4.2080 ringgit) (Writing by Bernardo Vizcaino; Editing by Sam Holmes)