



## SHARIAH RESOLUTION OF THE SHARIAH SUPERVISORY COUNCIL OF LABUAN FSA ON LABUAN ISLAMIC FOUNDATION

The Shariah Supervisory Council of Labuan FSA, in its meeting dated 28 March 2013, resolved the following relating to the Labuan Islamic Foundation (LIF) which is a Shariah compliant Labuan foundation that is established under Section 107 of the Labuan Islamic Financial Services and Securities Act 2010 (LIFSSA). It is hereby resolved that:

- (a) The endowment of assets by a founder into a LIF may be facilitated by way of hibah or hadiah. This endowment must be done during the founder's lifetime.
- (b) Where the endowment of the assets into the LIF satisfies the following conditions, Faraidh, upon the demise of the founder, is not applicable and relevant on the endowed assets in the LIF.
  - (i) The endowment has been made immediately and irrevocably;
  - (ii) The endowment has been made without any reserve power of the founder;
  - (iii) The transfer of the ownership of the assets is absolute; and
  - (iv) The transfer has been accepted by the LIF.
- (c) Paragraph (b) would still be applicable where the founder manages the assets and receives remuneration for such management in the LIF.
- (d) Where the founder is one of the beneficiaries in the LIF, Faraidh would be applicable and relevant on the portion of the assets that the founder is entitled to.