

# ISLAMIC INTERBANK BENCHMARK RATE

## PULSE OF THE ISLAMIC CAPITAL MARKETS

### SHARIAH COMMITTEE TERMS OF REFERENCE

1. The Shariah Committee for the Islamic Benchmark will be comprised of at least three (3) members, at least 2 of which must be members of the AAOIFI Shariah Board.
2. The purpose of the Shariah Committee is to provide final opinions on matters of Shariah compliance to Thomson Reuters and the Islamic Benchmark Committee. The scope of the Committee's duty will be as follows:
  - i. Process to be followed in calculating the Islamic Benchmarks,
  - ii. eligibility of instruments for the Islamic Benchmarks,
  - iii. benchmarking question to be asked to contributor banks, and
  - iv. any other Shariah compliance matters referred to it by Thomson Reuters or the Islamic Benchmark Committee.
3. The Shariah Committee shall elect a Chairperson by majority vote, whose term shall be three years. In the event of a deadlock in the committee, the Chairperson shall have a casting vote. All members may serve terms of at least three years, but may be re-appointed for a further three year term, ratified by Thomson Reuters.
4. Committee members will sit as individuals in their own right. Members may nominate a single alternate from among the members of the Shariah Committee who may attend meetings on their behalf if the member is unable to attend. Attendance at the meetings should be in person or virtually via tele-conference, where the member is unable to attend in person.
5. Opinions or decisions made by email shall only be considered binding if they are agreed upon unanimously by the Shariah Committee members.
6. Opinions of the Shariah Committee are considered final and cannot be individually revoked or altered. Any proposed alterations or amendments based on unanimous decision by the Shariah Committee will be presented to the Islamic Benchmark Committee for deliberation. The Islamic Benchmark Committee is required to distribute for public consultations, recommendations for alterations or amendments received from the Shariah committee. Subsequently, the Islamic Benchmark Committee will be responsible for a final determination, taking into full consideration the need to preserve the Islamic Benchmark as a market convention.
7. The Shariah Committee may invite representatives of rate contributing banks, or other bodies as appropriate to observe proceedings and/or provide expert opinions.
8. The Shariah Committee will meet at least once annually and may hold additional meetings when necessary or when advice is sought on matters of Shariah compliance by Thomson Reuters or by the Islamic Benchmark Committee.
9. A summary of the minutes of the Shariah Committee proceedings may be made available to the public, with the consent of the Shariah Committee.

#### FOR MORE INFORMATION

Eikon/3000Xtra: Call up <IBRFIX>

For further enquiries or questions, reach us at

[financial.thomsonreuters.com/islamicbenchmark](http://financial.thomsonreuters.com/islamicbenchmark)

[islamic.finance@thomsonreuters.com](mailto:islamic.finance@thomsonreuters.com)

Read more about our products at

[financial.thomsonreuters.com/islamicfinance](http://financial.thomsonreuters.com/islamicfinance)

Find out how to contact your local office

[thomsonreuters.com/about/locations](http://thomsonreuters.com/about/locations)

© 2011 Thomson Reuters. All rights reserved.

Republication or redistribution of Thomson Reuters content, including by framing or similar means, is prohibited without the prior written consent of Thomson Reuters. 'Thomson Reuters' and the Thomson Reuters logo are registered trademarks and trademarks of Thomson Reuters and its affiliated companies.



THOMSON REUTERS



Accounting and Auditing Organization  
for Islamic Financial Institutions