

PROJECT NAME & DETAILS

EPF Simpanan Shariah

Simpanan Shariah is one of key enhancement initiatives launched by the EPF in 2017. It was introduced to provide EPF members the option to have their account to be managed and invested according to Shariah principles.

Prior to January 1, 2017, EPF savings account was managed and invested complying with the Ethical mandate, which can be categorized as Simpanan Konvensional (Conventional Account). With the introduction of Simpanan Shariah, EPF members can choose whether to maintain their account as status quo (Simpanan Konvensional) or to opt in into the Simpanan Shariah.

The registration for Simpanan Shariah is open throughout the year. However, it will be effective on the 1st January the following year, subjected to the availability of the annual fund allocation.

WHY THE INITIATIVE HAS BEEN INTRODUCED

The outcome of the Members' Consultation on EPF Scheme Enhancement held in April 2015 showed that there was a strong demand, of which 71% of the respondents agreed for the introduction of a Shariah-compliant retirement savings option.

This high demand is conclusive as Malaysia is a Muslim majority country with the largest Islamic capital market in the world.

MAIN FEATURES

- All members, regardless of religion, race and nationality, may choose Simpanan Shariah;
- Endorsed by the EPF's Shariah Advisory Committee (SAC), Simpanan Shariah is managed and invested based on Akad Wakalah, and the EPF Board has been appointed and entrusted to act on behalf of members to oversee the management and investment of their EPF Savings in accordance with Shariah principles;
- The dividend rates for Simpanan Shariah will be derived on actual performance of Shariah compliant investments made by the EPF; and
- Members who have opted for Simpanan Shariah are not allowed to revoke their decision and revert to Simpanan Konvensional after the effective date.

WHY IT SHOULD BE RECOGNISED

- With the introduction of EPF Simpanan Shariah, it marks a historical milestone as EPF being the first provident fund in the world offering such Shariah-compliant retirement savings;
- Considering the Islamic capital market is relatively still in its infancy stage, this initiative also denotes a bold and confident move by the EPF on meeting the demand of its members as well as spurring vast potentials on this segment of market growth; and
- Even in principles, it is supposed to be meant for Muslims, Simpanan Shariah is open to all, signifying that the initiative is borderless and worthwhile across the board.

CURRENT UPDATE

The opening for Simpanan Shariah registration commenced from 8 August 2016, with an initial RM100 billion fund allocation for 2017. As at December 2016, more than half of the fund allocation has been taken up, with a total of RM59.03 billion subscribed by 635,037 members from various religions, races and nationalities.

For 2018, the EPF allocated up to RM50 billion for members to sign up into Simpanan Shariah.