



JOINT CIRCULAR

SUBJECT : ESTABLISHMENT OF THE SHARI'AH SUPERVISORY BOARD IN THE BANGSAMORO AUTONOMOUS REGION IN MUSLIM MINDANAO (BARMM)

DATE : 26 April 2022

WHEREAS, Article XIII, Section 32 of Republic Act (R.A.) No.11054, otherwise known as the "Bangsamoro Organic Law" (BOL) mandates the Bangsamoro Government (BG), the Bangko Sentral ng Pilipinas (BSP), the Department of Finance (DOF), and the National Commission on Muslim Filipinos (NCMF) to jointly promote the development of an Islamic banking and finance system, to include, among others, the establishment of Shari'ah Supervisory Board and the promotion and development of Shari'ah-compliant financial institutions.

WHEREAS, pursuant to Article XIII, Section 31, of the BOL, the BG shall encourage the establishment of banks and financial institutions and their branches including an Islamic window in domestic and foreign conventional banks and offshore banking units of foreign banks within the principles of the Islamic banking system.

WHEREAS, the BSP, as the monetary authority and financial system supervisor having regulatory powers and supervision over the operations of Islamic banks and Islamic banking units (IB/IBU) pursuant to R.A. No. 6848; R.A. No. 7653, as amended by R.A. No. 11211; R.A. No. 8791; R.A. No. 11054, and R.A. No. 11439, aims to promote Islamic banking and finance in the country, a strong economy, and a high quality of life for all Filipinos.

WHEREAS, the DOF, as the government agency mandated to formulate sound fiscal policy on revenue generation, resource mobilization, fiscal management, and financial market development, and promote the welfare of Filipinos and accelerate economic growth and stability, supports a strong and vibrant Islamic banking system in the country.

WHEREAS, the NCMF, as the government agency mandated to promote the rights and well-being of Muslim Filipinos with due regard to their beliefs, customs, traditions and institutions pursuant to R.A. No. 9997, aims to ensure that the

principles of Islamic finance is used for the benefit and is central to the welfare of Muslim Filipinos.

WHEREAS, the BG, the BSP, the DOF and the NCMF have agreed to issue this Joint Circular for the establishment of the SSB to implement Article XIII, Sections 32 and 34 of the BOL.

NOW, THEREFORE, BE IT RESOLVED, for and in consideration of the foregoing, the Shari'ah Supervisory Board (SSB) is hereby established, and the guidelines for the functions of the SSB, its composition, and minimum qualifications of its members, among others, are provided for in this Joint Circular.

I. PURPOSE

This Joint Circular, establishing the SSB, is issued to implement Article XIII, Sections 32 and 34 of the BOL. It also prescribes the guidelines for the functions of the SSB, its composition, and the minimum qualifications of its members, among others, to ensure the effective and efficient fulfilment of the SSB's mandate.

II. FUNCTIONS OF THE SSB

1. The SSB shall issue Shari'ah opinions on Islamic banking transactions and Shari'ah products in the BARMM, and when requested by BSP, financial Institutions and other stakeholders.
2. The SSB may advise the BSP on Shari'ah matters related to Islamic banking and finance. It may also conduct Shari'ah compliance assessment, if BSP deems it necessary.

III. MEMBERSHIP OF THE SSB

3. The SSB shall be composed of nine (9) members, as follows:
 - a. Five (5) members, preferably Filipino citizens, who shall come from the private sector; and
 - b. One (1) member from the Bangsamoro Government (BG);
 - c. One (1) member from the Bangko Sentral ng Pilipinas (BSP);
 - d. One (1) member from the Department of Finance (DOF); and
 - e. One (1) member from the National Commission on Muslim Filipinos (NCMF).

The members from the private sector shall be appointed by the BG. Their appointments are subject to the confirmation of the BSP. They shall serve for a term of three (3) years and may be reappointed for a maximum period of two (2) consecutive terms. A Chairman and a Deputy Chairman of the SSB

shall be appointed by the BG from among the members from the private sector.

The respective heads of the BG, BSP, DOF and NCMF shall designate their principal and alternate members to the SSB.

IV. QUALIFICATION OF THE MEMBERS OF THE SSB

4. The members of the SSB must possess integrity and the competencies relevant to their function, such as education, experience, and independence of mind. The SSB shall collectively have knowledge of Islamic jurisprudence and conventional banking and finance.
5. The members from the private sector shall, at a minimum, possess the following qualifications: (a) a bachelor's degree in the sciences of Shari'ah from a recognized institution; and (b) experience in the areas of Islamic finance, economics, banking, business, or other related fields.
6. The members from the BG, BSP, DOF and NCMF shall be experts in the field relevant to the work of the SSB, such as banking, finance, economics, law, or accounting; and have suitable academic and/or professional qualifications as appropriate to such area of expertise. Said members must have a background, training or knowledge in Islamic finance.
7. The BG shall issue a contract to each member of the SSB from the private sector, setting out, at a minimum, the term of appointment and the remuneration.

V. SECRETARIAT

8. The BSP shall serve as the Secretariat of the SSB. The Secretariat shall include one (1) member each from the NCMF and BG, who has competency to translate Arabic into English language.

VI. ESCALATION PROCESS


9. In case the opinions issued by the SSB and the Shari'ah Advisory Council (SAC) of the IB/IBU are conflicting, the SSB and the SAC of the IB/IBU shall discuss their opinions to arrive at an appropriate solution on the matter.
10. If the SSB and SAC of the IB/IBU are unable to resolve their conflicting opinions, the BSP shall convene the SSB and the SAC of IB/IBU for bilateral talks, without prejudice to the power of the BSP to deploy appropriate supervisory actions, if warranted, in accordance with laws and regulations.

VII. EFFECTIVITY


This Joint Circular shall take effect immediately upon publication thereof.

Approved and signed on APR 26 2022, City of MANILA, the Philippines.


AHOD E. EBRAHIM
Chief Minister
Bangsamoro Autonomous Region in
Muslim Mindanao
Date _____


GUILING A. MAMONDIONG
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