

## **Bank Negara Monetary Notes Murabahah**

Bank Negara Malaysia wishes to announce the introduction of a new Islamic monetary instrument named Bank Negara Monetary Notes Murabahah (BNMN-Murabahah) for the purpose of managing liquidity in the Islamic financial market. The main objective of issuing BNMN-Murabahah is to increase efficiency and flexibility in managing liquidity in the financial system by diversifying the Shariah concept used in our Islamic monetary instrument. The introduction of BNMN-Murabahah would also benefit investors as the use of murabahah contract will expand investors' base and consequently promote liquidity in the Islamic money market. The introduction of a new instrument reflects continuous effort by Bank Negara Malaysia to spur product innovation for the development of a vibrant and comprehensive Islamic money market in Malaysia.

Issuance of BNMN-Murabahah is based on murabahah contract which refers to a mark-up sale transaction. BNMN-Murabahah is essentially a certificate of indebtedness arising from a deferred mark-up sale transaction of an asset, such as commodity (mainly crude palm oil), which comply with Shariah principles.

BNMN-Murabahah will be issued by BNM Sukuk Berhad, the same SPV used for the issuance of Sukuk BNM Ijarah. The issuances will be conducted through competitive auction via the Principal Dealer (PD) network. BNMN-Murabahah will be traded using the current market convention and accorded the same regulatory treatment as the existing BNMNi.