

Sharia-compliant pension fund launched

The first Sharia-compliant pension fund has been launched in the UK.

The fund which does not invest in companies that trade in guns, alcohol, gambling, tobacco or pornography, nor does it receive interest, has been launched by Pointon York and the Islamic Bank of Britain (IBB).

Investors will be able to save in a self-invest personal pension and choose from a range of Sharia-compliant assets. These could include cash, funds and property.

Importantly, savers will be able to enjoy tax relief on their pension contributions.

"People are being alerted to the risks of not putting enough aside in pensions for their retirement," said Sultan Choudhury, the commercial director of IBB. "Retirement planning has been neglected because, among other reasons, the specific needs of Muslims have not been addressed."

The scheme will be available to employers providing a pension fund for their staff. At present, many Muslims are put off workplace pension schemes because they can contravene Sharia law. The Sharia pension fund follows earlier moves into the Islamic-friendly mortgage and current account mortgages by the IBB and Lloyds.