

Sukuk Market Overview, Structures & Standardization

14th Meeting of the OIC Exchanges Forum
Thursday, 8th October 2020

Ijlal Ahmed Alvi
Chief Executive Officer
IIFM

Sukuk Market Overview

Total GLOBAL Sukuk Issuances (Jan 2001 - Dec 2019)

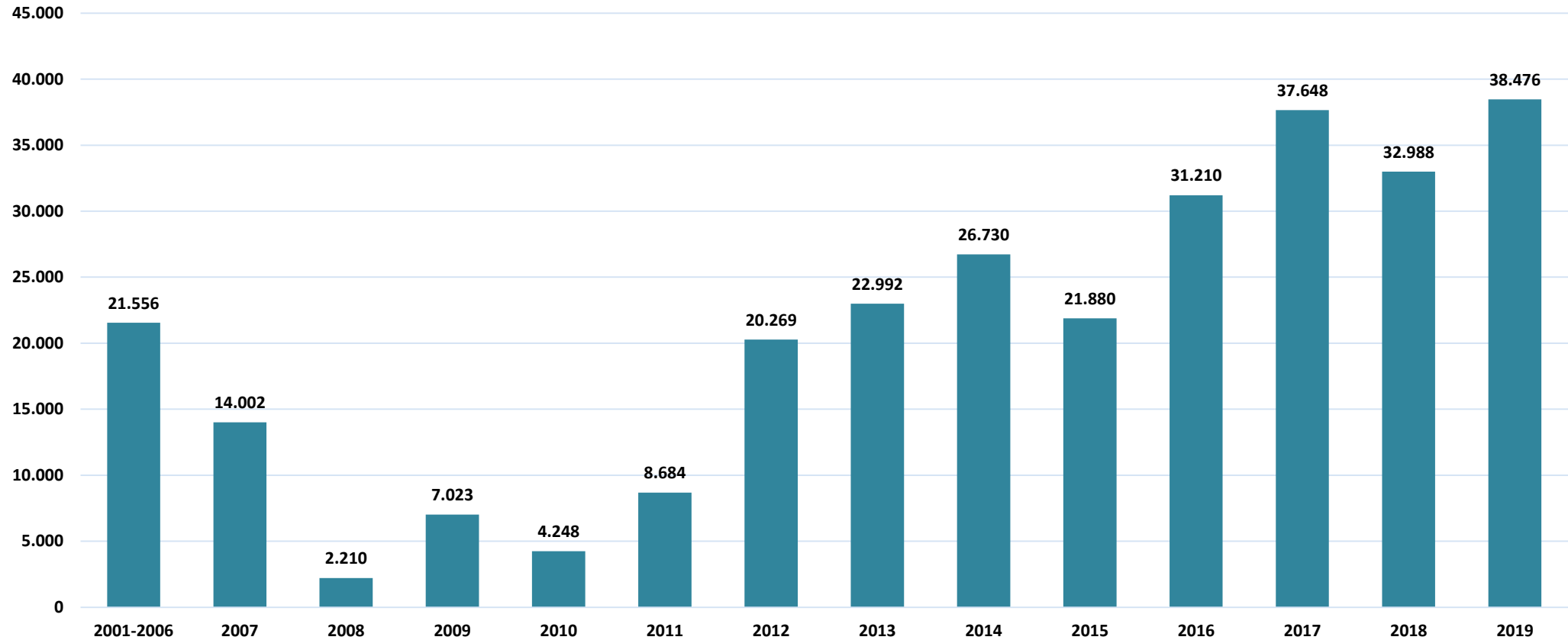
- All Tenors, All Currencies (in USD Millions)



➤ Total Global Sukuk Issuance USD 1.247 Trillion

Source: IIFM Sukuk Report 9th Edition

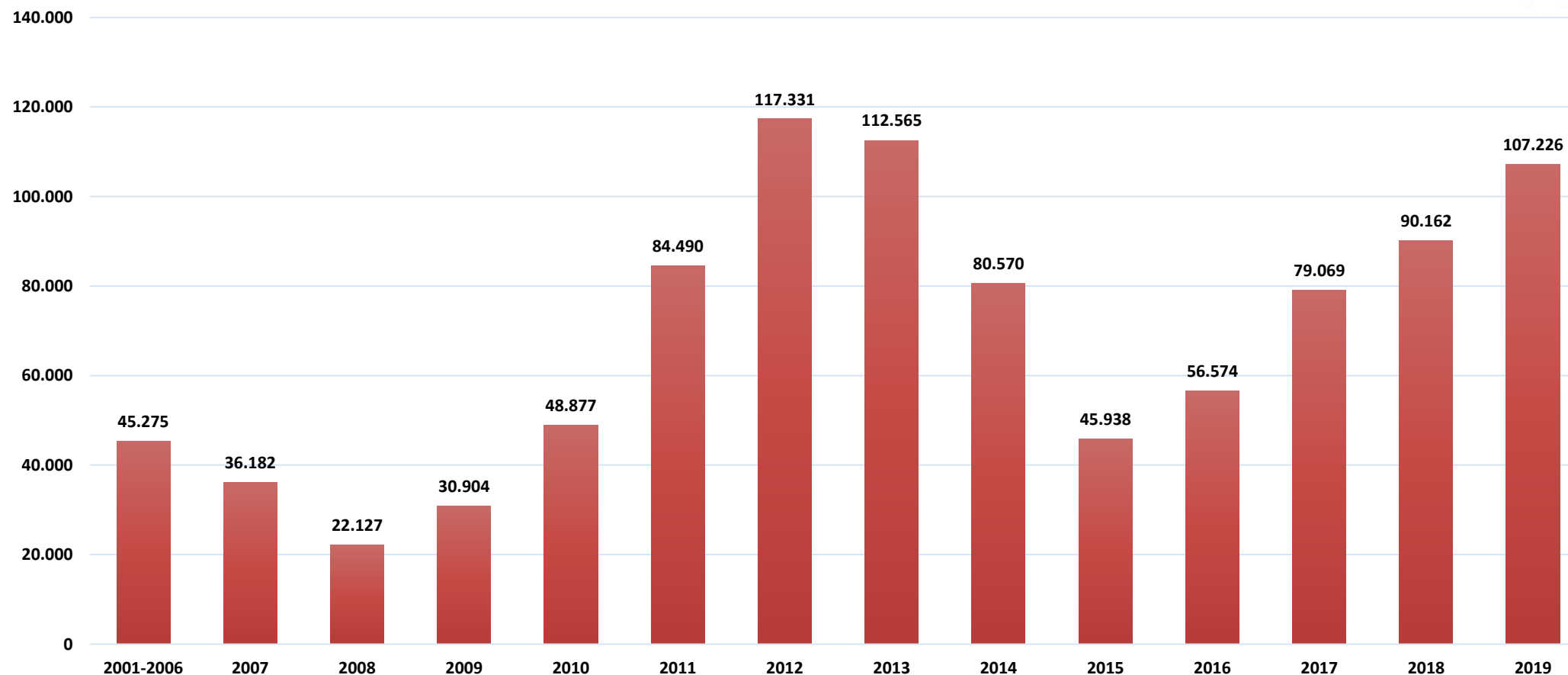
Total INTERNATIONAL Sukuk Issuances (Jan 2001 - Dec 2019) - All Tenors, All Currencies (in USD Millions)



➤ Total International Sukuk Issuance USD 289.92 Billion

Source: IIFM Sukuk Report 9th Edition

Total DOMESTIC Sukuk Issuances (Jan 2001 - Dec 2019) - All Tenors, All Currencies (in USD Millions)



➤ Total Domestic Sukuk Issuance to date is USD 957.28 Billion

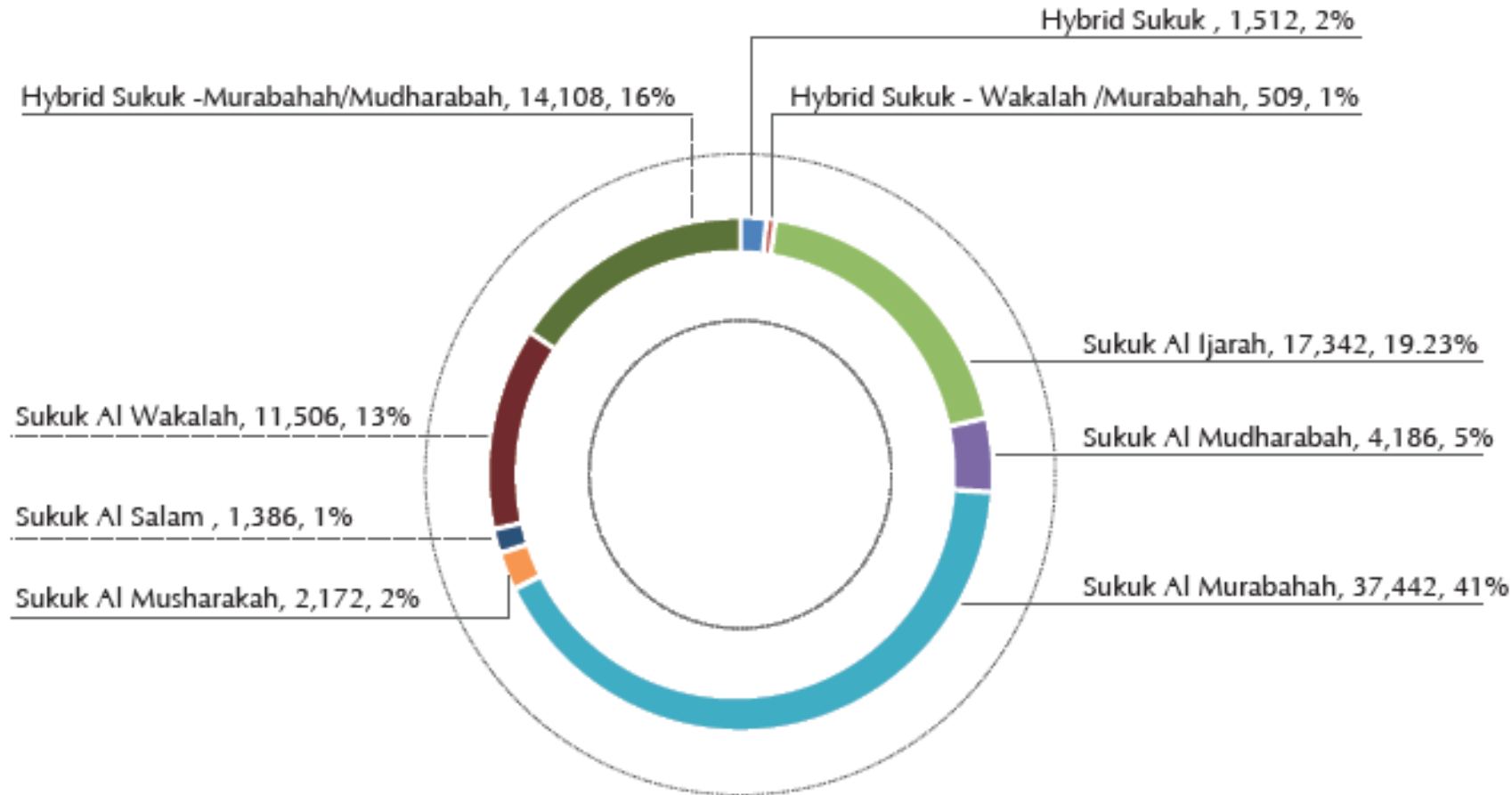
Source: IIFM *Sukuk* Report 9th Edition

Sukuk Structural Breakup

STRUCTURAL BREAK-UP OF DOMESTIC SUKUK ISSUANCES FOR THE YEAR 2018- ALL TENORS (USD MILLIONS)

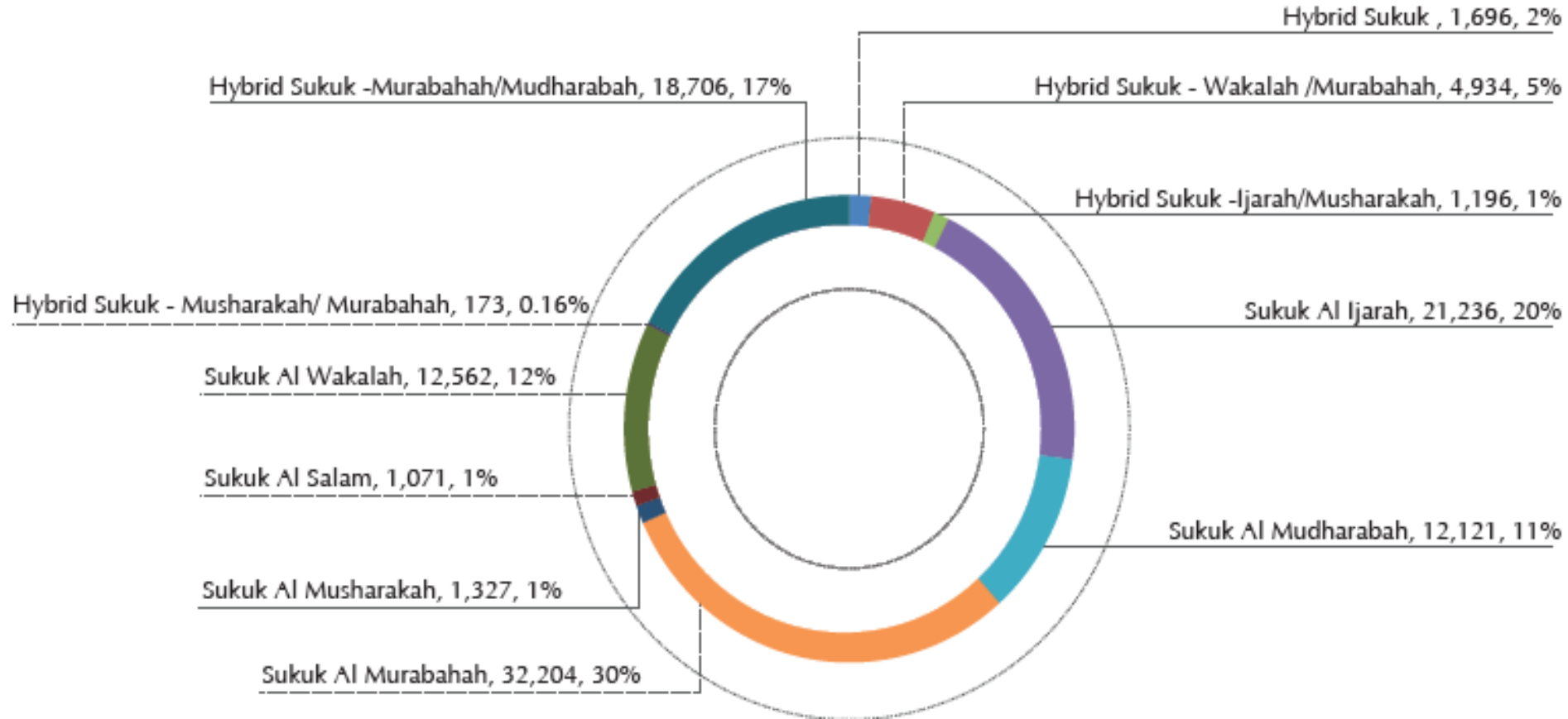


السوق المالية
الإسلامية الدولية
International Islamic
Financial Market



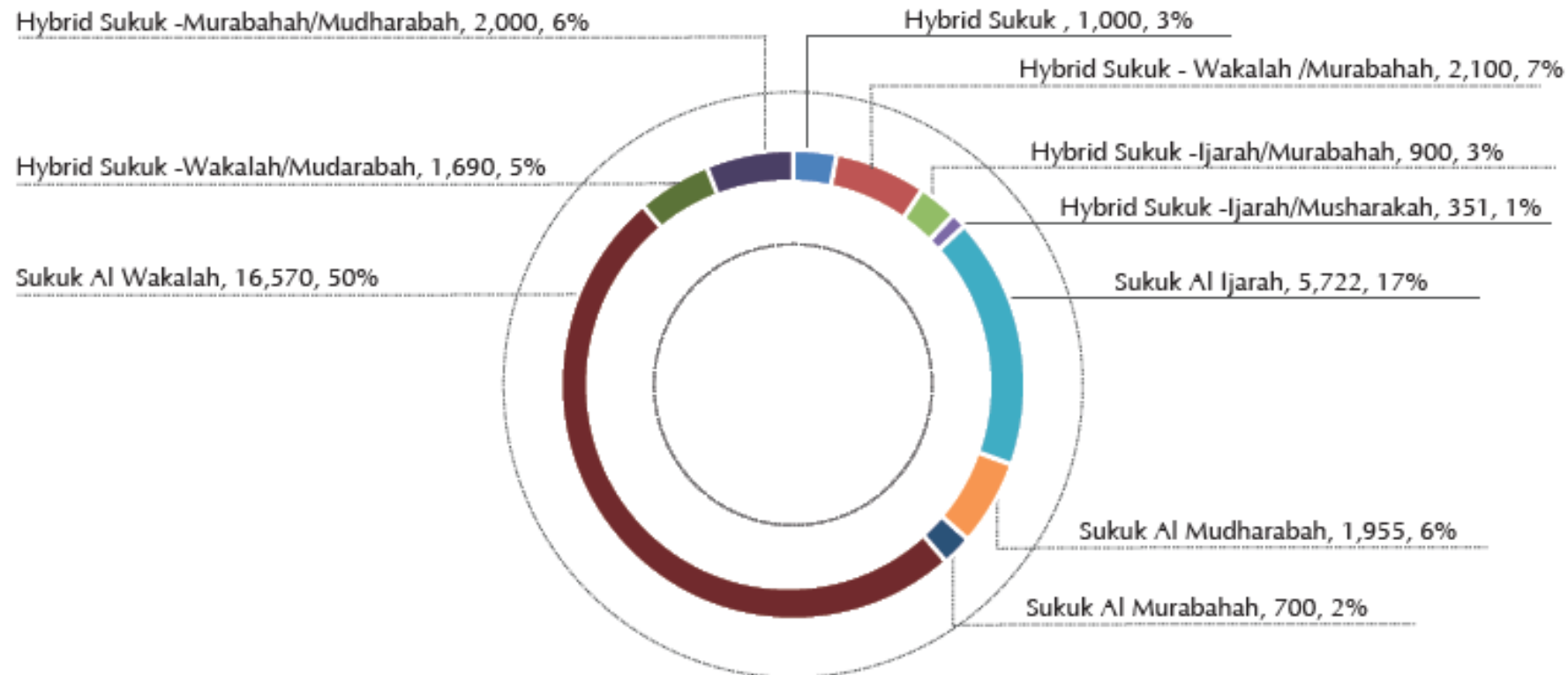
Source: IIFM *Sukuk* Report 9th Edition

STRUCTURAL BREAK-UP OF DOMESTIC SUKUK ISSUANCES FOR THE YEAR 2019- ALL TENORS (USD MILLIONS)



Source: IIFM *Sukuk* Report 9th Edition

STRUCTURAL BREAK-UP OF INTERNATIONAL SUKUK ISSUANCES FOR THE YEAR 2018- ALL TENORS (USD MILLIONS)

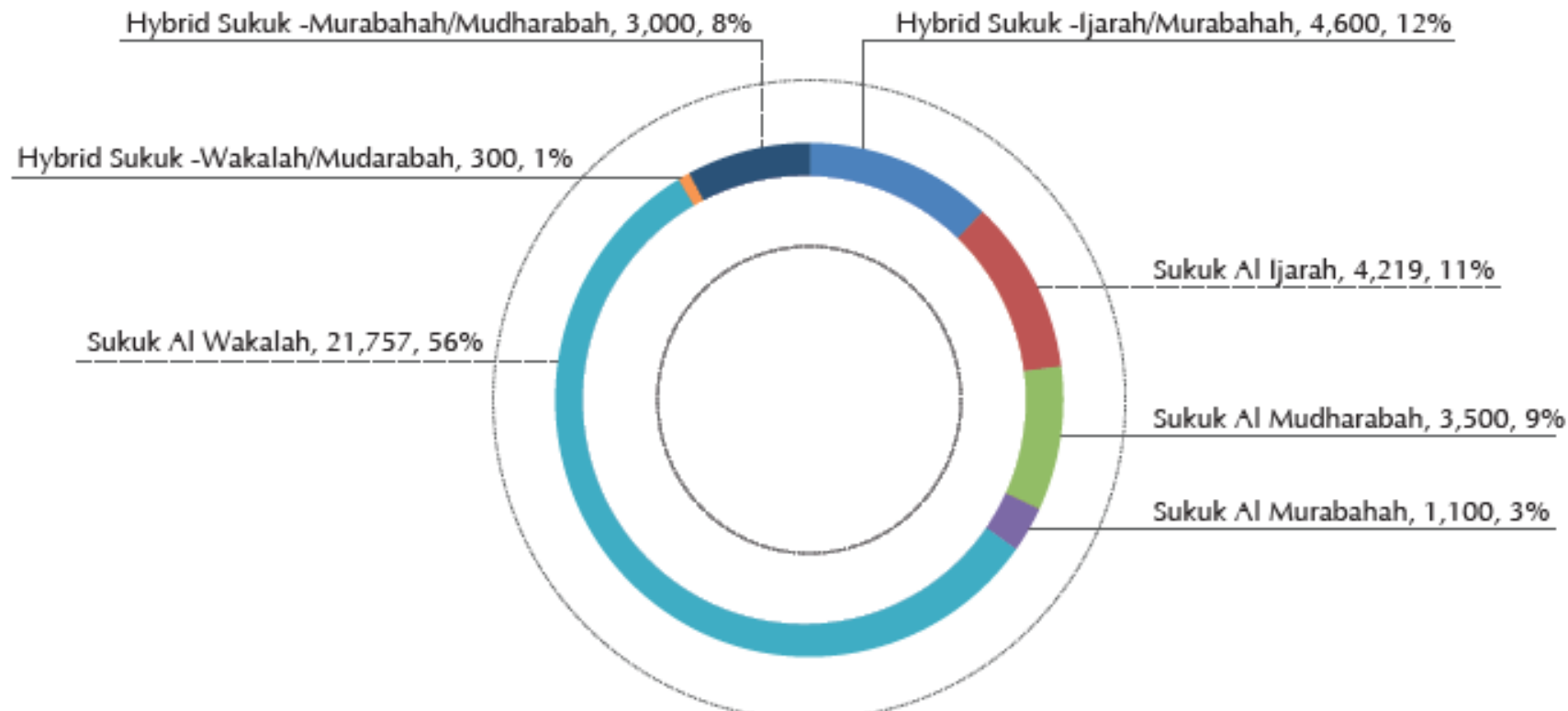


Source: IIFM *Sukuk* Report 9th Edition

STRUCTURAL BREAK-UP OF INTERNATIONAL SUKUK ISSUANCES FOR THE YEAR 2019- ALL TENORS (USD MILLIONS)



السوق المالية
الإسلامية الدولية
International Islamic
Financial Market



Source: IIFM *Sukuk* Report 9th Edition

IIFM Sukuk Al Ijarah Standard Documentation Templates

IIFM Sukuk Al Ijarah Standard Documentation Templates



The template Sukuk Al Ijarah ("IIFM Sukuk Al Ijarah Standard Documentation Templates") comprise the following:

1. Prospectus
2. Sale and Purchase Agreement
3. Lease Agreement
4. Service Agency Agreement
5. Purchase Undertaking
6. Sale and Substitution Undertaking
7. Declaration of Trust

IIFM Sukuk Al Ijarah Standard Documentation Templates



Objective

To facilitate and ease the issuance of asset based Sukuk Al Ijarah in a Shari'ah compliant manner.

Who is entitled to use?

Any Islamic financial industry participant can use the IIFM Template Sukuk Al Ijarah Documents. Its use is not restricted to IIFM members only.

IIFM Sukuk Al Ijarah Standard Documentation Templates



Governing Law

❖ Giving flexibility for both civil law and common law jurisdictions

With regard to “Trust Assets” Use of the phrase "ownership interest, rights, title, benefits and entitlements" throughout the suite of Template Sukuk Al Ijarah Documents is intended to give flexibility so that the Template Sukuk Al Ijara Documents can be used in both civil law and common law jurisdictions.

Points to be observed

Local counsel advice will be required on a transaction specific basis to ensure the correct legal right is being transferred to the Purchaser in the relevant jurisdiction.

Further consideration will also be required in each specific jurisdiction as to whether there is a recognised concept of a "trust" and if there is a distinction between legal and beneficial ownership.

Sukuk & Role of Stock Exchanges



- ❖ Retail Sukuk Secondary Market Trading on Stock Exchanges
- ❖ Availability of Investment Products to Support Retail Investors

About IIFM

About IIFM



History

IIFM is hosted in Manama by the Central Bank of Bahrain (CBB) and was established in 2002 under Royal Decree No (23) Year 2002 of the Kingdom of Bahrain as a neutral and non-profit Islamic infrastructure development institution by the collective efforts of the Islamic Development Bank, Autoriti Monetari Brunei Darussalam (formerly Ministry of Finance Brunei Darussalam), Bank Indonesia, Bank Negara Malaysia (delegated to Labuan Financial Services Authority), Central Bank of Bahrain (formerly Bahrain Monetary Agency) and the Central Bank of Sudan.

IIFM Vision

Active and well regulated trading and capital flows across the full spectrum of Shari'ah-compliant financial instruments internationally.

IIFM Mission

To achieve the Vision by catalyzing both national and international trading infrastructure, product innovation and information flow within strong, transparent and well regulated standards and guidelines. Promote acceptance and integration with mainstream markets.

Mandate

To develop standardized Shari'ah-compliant Financial Documentation, Product Confirmations and Guidelines for the IFSI

Continuation on next slide...

About IIFM



IIFM Value Proposition

Focus on providing well defined services to the Islamic Financial Services Industry (IFSI) as follows:

- ❑ Publish practical and ready-to-use globally standardized Shari'ah-compliant Financial Documentation, Product Confirmations and related Guidance Notes, Shari'ah Pronouncements as well as jurisdiction specific Legal Opinions
- ❑ Create industry awareness and share technical knowledge on IIFM Standards by organizing specialized seminars, technical workshops and standardization specific industry consultative meetings
- ❑ Publish annual Sukuk Report and periodic Concept Papers on specific topics

Shukran Wassalamu 'Alaikum

International Islamic Financial Market (IIFM)

Office 72, 7th Floor, Zamil Tower , Government Avenue, P.O. Box: 11454, Manama, Kingdom of Bahrain

Tel: +973 17500161 , Fax: +973 17500171, Email: info@iifm.net, Website: www.iifm.net