

COVER STORY

Upcoming Participation Finance Act and Islamic megabank to elevate participation finance in Turkiye .. 4

Saudi Sukuk and debt market sees robust growth, says regulator; plans underway for further development .. 5

Maldivian Islamic university to raise funds through Sukuk .. 6

Bank Syariah Indonesia's Sukuk: A first in the domestic market .. 10

12th June 2024 (Volume 21 Issue 24)

How will AAOIFI Shariah Standard No 62 change the Sukuk landscape?

A new global standard on Sukuk could potentially upend the Sukuk market, and industry practitioners have expressed genuine concerns, at least for the immediate to medium term, if it comes to pass. VINEETA TAN investigates further.

Several years ago, AAOIFI's Standard 59 sent banks, issuers and arrangers into disarray; some said the new requirements on the sale of debt was then the **biggest disruptor** to the sale of Sukuk with volumes dropping as issuers retreated from the market and dealmakers scrambled to make sense of the standard.

Just as the dust of Standard 59 has settled, a potential new sandstorm is brewing on the horizon: the impending Shariah Standard 62 on Sukuk.

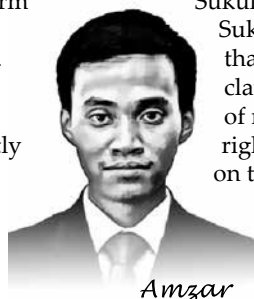
The proposed standard, currently in exposure draft form, is a comprehensive document covering the most basic of fundamentals — from defining Sukuk and

outlining its characteristics to more dynamic areas of Sukuk issuance such as risks related to securities, types of structures and recourse in the case of bankruptcy as well as trading and cancelation of Sukuk.

It is certainly a much more sophisticated document than the existing Shariah Standard 17 as it considers the rapidly evolving Sukuk market which has leaped in quality and diversity, certainly when it comes to structural engineering which brings a host of challenges.

The biggest concern of the exposure draft is the criteria on ownership — there needs to be actual asset ownership transfer from the originator to

Sukukholders. In short, it requires Sukuk to be asset-backed, rather than asset-based. There is also a clause stating that the purchase of mere economic benefits, ie rights to profit, rental or return on the asset, is not sufficient to issue Sukuk Ijarah.



Amzar

This could be problematic because asset-based Sukuk

are the vast majority of all Sukuk issued. For example, in Fitch Ratings's rated universe, only one issuer printed asset-backed Sukuk; and it believes this is a similar trend across the entire Sukuk industry.

Practical implications

Standard 62 is not finalized yet. But, if it issued, in its current language, it could very well disrupt the market.

"This is quite controversial and can get messy," one practitioner told IFN.

Issuance cost could go up; issuers could walk away because it would be impractical to tap the market.

"Overall Sukuk costing may be affected due to additional costs that come with the actual ownership transfer requirements," Amzar Azhar, a Shariah officer with Masryef Advisory, shared with IFN. "From the investors' perspective, they may need to consider if the structure would expose them to liabilities as real owners of the underlying asset."

continued on page 3

IFN ANNUAL GUIDE 2024

The 19th IFN Annual Guide

The Islamic financial industry's largest, most comprehensive and longest-running annual report

47 Countries 31 Industry Experts 18 Sectors

IFN ANNUAL GUIDE 2024

Download More

Volume 21 Issue 24

IFN Rapids	2
IFN Reports:	
• <i>Upcoming Participation Finance Act and Islamic megabank to elevate participation finance in Turkiye • Saudi Sukuk and debt market sees robust growth, says regulator; plans underway for further development • International Islamic Liquidity Management strengthens ties with Kuwaiti banks • Maldivian Islamic university to raise funds through Sukuk.....</i>	4
Sovereign Securities:	
<i>Regular issuers launch Sukuk</i>	7
IFN Analyses:	
<i>Kenya: Setting the stage for the industry's growth</i>	8
<i>Law and legal frameworks: Evolving regulations</i>	9
Case Study:	
<i>Bank Syariah Indonesia's Sukuk: A first in the domestic market</i>	10
Column: Shaping Up Islamic Finance	
<i>The return of GFIEF</i>	11
IFN Country Correspondents:	
<i>Egypt; The Maldives; Senegal</i>	12
IFN Sector Correspondents:	
<i>Private Equity & Venture Capital; Education ..</i>	15
Special Reports:	
<i>Applicability of blockchain smart contracts in Zakat</i>	17
<i>Adapting to economic trends: Pakistan's debt dynamics through an Islamic lens.....</i>	19
Sector Feature:	
<i>A growing niche in wealth management and growth drivers</i>	21
News	23
Deal Tracker.....	29
Dealogic League Tables.....	30
REDmoney Events	35
Subscription Contact.....	35

DEALS

Indonesian media company to sell Sukuk Ijarah worth up to IDR650 billion (US\$39,909.9)

Maybank Islamic issues Islamic commercial papers worth RM1.5 billion (US\$317.68 million) in total

UAE asset manager of REIT exercises Sukuk extension option; moves scheduled dissolution date

Cagamas sells Islamic commercial paper worth RM300 million (US\$63.89 million)

Malaysian Islamic bank launches Islamic medium-term note worth RM400 million (US\$84.71 million)

Central Bank of The Gambia floats tenders for Sukuk Salam facilities

Subsidiary of Malaysian conglomerate lodges Sukuk program with regulator

NASDAQ Dubai lists UAE-based Islamic bank's sustainability Sukuk

UAE-based property development company to launch Sukuk program

Capital Markets Authority approves Kuwaiti Islamic bank's private offering prospectus for Sukuk

Bahrain Bourse lists central bank's six-month Sukuk Ijarah worth BHD26 million (US\$68.56 million)

Turkiye Emlak Katilim Bankasi completes TRY200 million (US\$6.16 million) domestic lease certificate issuance

NEWS

Green Finance Centre of **Astana International Financial Center** is working with Uzbek partners on social Sukuk

Indonesian Islamic bank partners with payment solutions provider for MSMEs

Malaysia's cumulative SRI Sukuk issuances reach RM28 billion (US\$5.96 billion) since 2014, regulator says

IsDB holds developmental cooperation talks with Kyrgyzstan for water resources, agriculture and education sectors

Securities Industry Development Corporation introduces new competencies to Industry Competency Framework

Malaysian bank aims to increase proportion of current account-savings account

Malaysian financing start-up partners to provide installment plans to SMEs in media company's ecosystem

Subsidiary of Malaysian fund management company secures Islamic sustainable financing facility

Bangladesh Bank offers Islamic Banks Liquidity Facility

State Bank of Pakistan conducts Shariah compliant liquidity injection

IsDB holds workshop in Islamabad

Financial Services Authority of Indonesia issues new guidelines on Shariah banking products and Shariah rural banks

Brunei Darussalam Central Bank to launch fintech innovation center, Borneo Bulletin reports

Australian Islamic financial group launches fintech app

Former **Dar Al Sharia** CEO sets up full-service Islamic finance advisory firm to serve global clients

RESULTS

Dubai Islamic Insurance and Reinsurance Company's losses reach AED149.45 million

(US\$40.68 million) in Q1 2024

South African Islamic bank reports net profit for 2023

ASSET MANAGEMENT

Saudi investment company terminates MoU to establish real estate fund

Saudi asset management company extends subscription period for fund's initial offering

India-based foundation launches Zakat fund program

TAKAFUL

Emirati insurance company's Takaful arm changes legal name

Kuwaiti regulator penalizes Takaful company for transparency violation

Saudi Takaful company partners with AI-powered health insurance management portal

RATINGS

S&P assigns 'B-' long-term issuer credit rating with stable outlook to Iraqi bank

AM Best affirms 'A- (Excellent)' financial strength rating on Qatari insurer

VIS Credit Rating Company finalizes Pakistani electric company's Sukuk rating

MOVES

UAE Islamic insurance company's chairman and vice-chairman resign

Malaysian banking group appoints new group CEO

Malaysian Takaful company appoints first woman CEO

Disclaimer: IFN invites leading practitioners and academics to contribute short reports each week. Whilst we have used our best endeavors and efforts to ensure the accuracy of the contents we do not hold out or represent that the respective opinions are accurate and therefore shall not be held responsible for any inaccuracies. Contents and copyright remain with REDmoney.



How will AAOIFI Shariah Standard No 62 change the Sukuk landscape?

Continued from page 1

There are reasons why in practice asset-based structures dominate Islamic capital market transactions despite the other being viewed as being 'purer' or more Shariah compliant — they are more efficient, and they address market appetite.

When the underlying assets are used as collateral, as asset-backed Sukuk require, the issuance can become cumbersome and expensive depending on ownership restrictions.

“The standard could alter the credit profile of Sukuk from asset-based to asset-backed, among other areas, but we will continue to assess any such impact on a case-by-case basis as there is significant variation between regulators and institutions”

On the other hand, asset-based Sukuk, which are backed by originators instead, allow the originator to retain possession and control of the underlying assets as these Sukuk usually require the creation of an SPV to issue the Sukuk. This minimizes disruption to the originator's business.

Also equally important, if not more, is the fact that asset-based Sukuk allow investors exposure to the balance sheet of the originator — investors do not necessarily want the asset itself. The transactions involving the underlying assets do not leave the balance sheet, so to speak, whereas in asset-backed Sukuk, the assets must be sold or transferred out,



thereby having to leave the balance sheet as far as accounting is concerned.

This will limit issuers, practitioners believe.

Firstly, issuers — regardless of whether they are banks or sovereigns — will find it difficult to get the permission needed to sell the assets in the way the limited recourse Sukuk require. From an accounting point of view, issuers will struggle to show every asset disposal for every Sukuk it issues.

Simply put it, in its current form, some issuers will likely not be able to do Sukuk deals anymore.

Realistically though...

But the aforementioned scenarios only apply if the exposure draft passes as it is. AAOIFI, understandably, extended the public feedback period on the exposure draft from March to the end of July this year.

The implications are heavy, and the global standard-setting body is taking caution to consider all aspects in its attempt to harmonize the market in a way to allow every stakeholder to invest in Sukuk.

“It is still too early to determine the potential impact of the AAOIFI Shariah Standard No 62 on the Islamic finance industry, as there are many unanswered questions,” Bashar Al-Natoor, the managing director and global head

of Islamic finance at Fitch Ratings, told IFN. “For example, the final format of the standard has not been confirmed, it is unclear who will choose to implement the standard and it is also unknown how they will choose to implement it.

“The standard could alter the credit profile of Sukuk from asset-based to asset-backed, among other areas, but we will continue to assess any such impact on a case-by-case basis as there is significant variation between regulators and institutions.”

That is a fair approach. After all, while AAOIFI is a global benchmark, it is not necessarily compulsory.

The world's largest Sukuk issuers — Malaysia, Saudi Arabia and Indonesia — have not adopted AAOIFI standards as mandatory regulatory requirements; but prolific Sukuk issuers such as the UAE and Pakistan (and even the IsDB Group) have. Still, the impact would be significant: some 20 jurisdictions adopt AAOIFI Shariah standards either fully or partially.

Asset-based vs. asset-backed (or pragmatism vs. Shariah integrity) is a long-standing debate — once dominating the Islamic finance discourse in international and local-speaking circuits, this call for the industry to transition to asset-backed endures until this day. But whether the industry can actually walk the talk (or if it actually *needs* to), well, we will have to wait and see. ☺



Bashar

Upcoming Participation Finance Act and Islamic megabank to elevate participation finance in Türkiye

Türkiye's participation finance industry is poised for major developments, led by the forthcoming Participation Finance Act, the establishment of an Islamic megabank and the rollout of a Participation Finance Rating System. According to the Finance Office of the Turkish Presidency, these initiatives aim to position Türkiye as a global hub for Islamic finance. NESSREEN TAMANO has the exclusive.

The Participation Finance Act is a cornerstone of this ambitious agenda. Goksel Asan, the president of the Finance Office of the Turkish Presidency, told IFN that the Act is part of a broader strategy to strengthen the participation financial system. "Preparatory work has been carried out for the Participation Finance Act, which is one of the action items that we consider crucial for the sector's development," he stated.

“ Preparatory work has been carried out for the Participation Finance Act, which is one of the action items that we consider crucial ”

In tandem with this legislative effort, the country is progressing on its Islamic megabank project, officially named the Islamic Infrastructure and Liquidity Corporation (IILC), which President Recep Tayyip Erdogan had first announced in 2021. An international working group comprising experts from academia, the finance sector and public institutions is currently developing the theoretical, technical and legal frameworks for the Islamic megabank. "The implementation of



Photo: Finance Office, Türkiye

the IILC project is highly important for ensuring adequate and sustainable access to liquidity for participation finance institutions and financing public infrastructure projects," Goksel remarked.

Additionally, Türkiye will be introducing the Participation Finance Rating System, which will evaluate the financial performance and compliance with participation finance principles of both financial institutions and real sector companies. An International Participation Finance Arbitration Center is also in the works, as one of the pillars of the Istanbul Financial Center's vision of becoming a global Islamic finance center.

These systems have the potential for international application, shared Goksel, indicating Türkiye's aspiration to influence global standards in Islamic finance. "We believe that important steps to be taken during the establishment of the International Participation Finance Arbitration Center include communicating and cooperating with international organizations and foreign arbitration centers in the field of Islamic finance."

Also in the pipeline are working reports and project documents for the establishment of a Halal Park, a Sukuk guarantee fund, green Sukuk and green Municipality Sukuk. Similarly,

the establishment of a Hajj and Umrah Fund is in progress; a workshop on the topic was held recently by the Finance Office, which will also be publishing the session's outcomes.

A strategy for Islamic finance

Since the inception of the dedicated Participation Finance Department within the Finance Office in 2021, notable progress has been made. The department successfully crafted and launched Türkiye's first national strategy document for participation finance in 2022, outlining a framework for the development of the participation financial system as a whole. All the initiatives, plans and upcoming projects mentioned above fall under the strategy document.

Meanwhile, the Turkish Sukuk market, an integral part of this ecosystem, has also seen significant growth, said Goksel. From 2020 until 2023, Turkish lira-denominated Sukuk issuances reached TRY643.6 billion (US\$19.82 billion), with a notable increase in issuances from the real sector, recorded at 173.8% at the end of 2023 compared to the previous year. The green and sustainable Sukuk market is expanding rapidly, marked by the country's first green Sukuk issuance by an energy company in 2020, the world's first sustainable subordinated Sukuk launched by Kuveyt Turk in 2021, the first social Sukuk in the country and the first Sukuk Istisna later labeled green.

Global and regional partnerships are crucial to Türkiye's strategy. Collaboration with entities like the International Islamic Liquidity Management Corporation and other international stakeholders aligns with Türkiye's goals.

"Türkiye has put forward a vision of becoming a regional and global Islamic financial center with the Istanbul Financial Center project. Developing international collaborations in line with this vision is a very important issue. As a matter of fact, many of the action items we include in the Participation Finance Strategy Document are of international scale," Goksel said. ☺

Saudi Sukuk and debt market sees robust growth, says regulator; plans underway for further development

The Sukuk and debt capital market of Saudi Arabia has recorded significant expansion, said the Capital Market Authority (CMA), achieving an annual growth rate of 7.9% since 2019. NESSREEN TAMANO reports.

The market's growth reached approximately SAR105 billion (US\$27.98 billion) in 2023, compared with SAR72 billion (US\$19.18 billion) in 2019. This was driven primarily by unlisted issuances, which grew at an annual rate of 9.6%.

“ The CMA aims to make the Sukuk and debt capital market prosperous and encouraging for both governmental and non-governmental issuances ”

The corporate segment of the Sukuk and debt capital market meanwhile achieved SAR125 billion (US\$33.31 billion) in 2023, showing an increase from SAR95 billion (US\$25.31 billion) recorded at the end of 2019. The regulator added that the number of companies issuing debt instruments tripled within four years since 2019.



The share of individual investors jumped from 1% at the end of 2021 to approximately 12.5% in 2023, due mainly to the success of a public Sukuk offering in Q4 2022, which had attracted over 125,000 individual investors, supporting the diversification of the investor base in the domestic capital market.

"The CMA aims to make the Sukuk and debt capital market prosperous and encouraging for both governmental and non-governmental issuances," Fahad Mohammed Hamdan, the CMA's deputy assistant of financing and investment, said.

To achieve this, the CMA will continue to collaborate with stakeholders to implement 16 strategic initiatives aimed at enhancing market attractiveness and efficiency for both issuers and investors.

These initiatives include the development of a legislative environment, more

incentives and the improvement of infrastructure to encourage local issuances.

The regulator will also monitor several strategic indicators to measure the market's performance, as well as address the challenges faced by issuers and investors.

The CMA plans to implement solutions, including organizing the Sukuk and debt instruments market and studying the feasibility of expanding the REPO framework to include the debt capital market, Fahad concluded.

The Kingdom accounted for 24% of global Sukuk issuances as at the end of May 2024, according to Moody's Investors Service. The country ranks second to Malaysia, which held a 40% share of the market during the same period. (2)

IFN Alerts

The leading daily Islamic finance news service
33,000 Daily readers

International Islamic Liquidity Management strengthens ties with Kuwaiti banks

The International Islamic Liquidity Management (IILM) made a working trip to Kuwait to strengthen its ties with the country's banks and hold talks to boost Islamic liquidity management globally. NESSREEN TAMANO writes.

The organization, led by CEO Mohamad Safri, engaged with senior leaders from major Kuwaiti banks, including Kuwait Finance House, Boubyan Bank, Warba Bank, National Bank of Kuwait and Kuwait International Bank.

The strategic meetings aimed to align future growth strategies, and highlighted three key areas. The first focus was on the potential for increasing the supply of IILM's short-term Sukuk. This aims to provide greater liquidity and stability to the Islamic financial market, ensuring that access to necessary short-term funding.

The second key topic of discussion was the various opportunities for collaboration between the stakeholders in the money market sector, particularly in innovative Shariah compliant liquidity management solutions and in addressing the evolving needs of the market.

By leveraging the expertise of Kuwaiti banks, the IILM aims to introduce new



Photo: IILM

products and services to enhance the efficiency and effectiveness of Islamic liquidity management.

The third focus of the meetings was on strengthening partnerships, especially in the area of asset origination. According to the IILM, the long-term financing backing its short-term Sukuk is crucial for maintaining the financial health and stability of these instruments, and by collaborating closely with Kuwaiti banks,

the IILM aims to ensure robust asset origination practices.

The IILM, headquartered in Kuala Lumpur, Malaysia, was established in 2010 by the IsDB's private sector arm and the central banks of Indonesia, Kuwait, Malaysia, Mauritius, Nigeria, Qatar, Türkiye and the UAE, to create and issue Shariah compliant financial instruments to facilitate cross-border Islamic liquidity management. (2)

Maldivian Islamic university to raise funds through Sukuk

An Islamic university in the Maldives entered the domestic Sukuk market, becoming the third private institution to issue an Islamic paper in the South Asian nation. NESSREEN TAMANO has the details.

In a ceremony held on campus on the 4th June 2024, the Islamic University of Maldives (IUM) announced its plan to auction a Sukuk facility worth a total of MVR60 million (US\$3.85 million) as part of a fundraising campaign to construct a new building.

The Sukuk will be structured under the concept of Istisna, and will be offered through the Maldives Stock Exchange's Viyana Portal beginning the 23rd June 2024.

The Sanabil building, located in Humalhale Phase 1, will have eight storeys featuring an auditorium, a hall, laboratories, classrooms and office spaces. To generate income, the facilities will be leased to the public.

Male-headquartered Watercress Capital is the mandated lead manager for the project, which has already garnered interest from several major companies in the Maldives, according to the university.

Ahmed Ameen Mohamed, the deputy vice-chancellor of IUM, said that the Sukuk issuance, the prospectus for which has been approved by the Capital Market Development Authority, is

important to promote Islamic finance in the country.

The Maldivian Sukuk market has been active the past few years, welcoming the first Sukuk issuance by a privately held company in 2023: a seven-year Islamic paper worth MVR30 million (US\$1.92 million) by Medtech Diagnostics. This was followed by a Sukuk facility closed by EyeCare Maldives in 2024.

The government had issued its debut sovereign Sukuk in 2021, raising US\$200 million. It also said in its Budget 2024 that there are plans to issue either bonds or Sukuk in 2025 to cover its debt repayments and plug the budget deficit. (2)

Sovereign Securities: Regular issuers launch Sukuk

This week, regular issuers Malaysia, Bahrain, Bangladesh, Indonesia and The Gambia tapped the Sukuk market. HANIF NAMORA brings you updates from the global sovereign Islamic securities space.

Malaysia

Bank Negara Malaysia issued three Money Market Tender Murabahah Overnight Borrowing Acceptance Islamic (MMTMO BAI) facilities worth a total of RM60.34 billion (US\$12.84 billion).

On the 5th June 2024, the central bank issued a Bank Negara Interbank Bill – Islamic facility worth RM1 billion (US\$212.64 million) which received 35 bids; on the 6th June 2024, a Malaysian Islamic Treasury Bill facility worth RM2 billion (US\$425.38 million) which received 51 bids; and a Government Investment Issue Murabahah facility worth RM3 billion (US\$638.57 million) which received 358 bids. BNM also issued another MMTMO BAI on the 7th June 2024 worth RM20.22 billion (US\$4.31 billion), which received a total of 22 bids, and one more on the 10th June 2024 worth RM16.54 billion (US\$3.5 billion).

Bahrain

The Central Bank of Bahrain (CBB)'s monthly issue of its BHD26 million (US\$68.58 million) Sukuk Ijarah was oversubscribed, receiving BHD83.89 million (US\$221.27 million) in

subscriptions. The Sukuk facility carries a tenor of 182 days and will mature on the 5th December 2024 with an expected return of 6.05% compared with 5.9% of the previous issue on the 2nd May 2024. The Bahrain Bourse has listed the Sukuk.

The CBB also issued its monthly Sukuk Salam securities that were oversubscribed by 119%, receiving subscriptions worth BHD51.12 million (US\$134.12 million). The papers carry a maturity of 91 days and an expected return of 5.92%, and have a maturity date of the 11th September 2024.

Bangladesh

Bangladesh Bank held an auction on the 6th June 2024 for its three-month and six-month Bangladesh Government Islami Investment Bonds.

The three-month Sukuk received three bids amounting to BDT3.65 billion (US\$30.77 million), while the six-month Islamic offering received four bids worth a total of BDT11.25 billion (US\$94.83 million). The profit-sharing ratio of the accepted bids was 90:10.

The Gambia

The Central Bank of The Gambia (CBG) floated tenders for its three-month, six-month and one-year Sukuk Salam facilities worth GMD80 million (US\$1.18 million) in total, which closed on the 4th June 2024.

The three-month Islamic paper worth GMD5 million (US\$73,529.5) was oversubscribed by GMD1 million (US\$14,705.9), the six-month Islamic paper worth GMD15 million (US\$220,589) was oversubscribed by GMD10.03 million (US\$147,427); and the one-year Islamic paper worth GMD60 million (US\$882,354) was oversubscribed by GMD22.08 million (US\$324,633).

Indonesia

The Indonesian government has raised IDR10 trillion (US\$614.8 million) through the auction of its SPNS02122024, SPNS03032025, PBS032, PBS030, PBSG001, PBS004 and PBS038 sovereign Shariah securities series. The auction received total bids of IDR26.21 trillion (US\$1.61 billion). The auction was held on the 4th June 2024.

Separately, the Indonesian government has closed the offering period of the savings Sukuk series ST012T2 which carries a two-year tenor and the green retail Sukuk – Savings Sukuk series ST012T4 which carries a four-year tenor. The total sales of ST012 amounted to IDR19.65 trillion (US\$1.21 billion) with 76,371 investors, consisting of IDR14.57 trillion (US\$895.77 million) for ST012T2 and IDR5.08 trillion (US\$312.32 million) for ST012T4. The Indonesian government has registered its ST012T2 and ST012T4 savings Sukuk series on the Indonesia Central Securities Depository. (📌)

Upcoming sovereign Sukuk			
Country	Amount	Expected issuance date	Date of announcement
Indonesia	• US\$35 billion (registered under Securities Commission's LOLA framework)	• N/A	• 27 th May 2024
Pakistan	• TBA (Green Sukuk)	• December 2024	• 10 th May 2024
Syria	• TBA	• TBA	• 7 th May 2024

MOODY'S
RATINGS

Click here to read
Moody's premium research
on Islamic Finance

[Learn more](#)

Kenya: Setting the stage for the industry's growth

Kenya, East Africa's largest economy, has a Muslim population of about 5.2 million, or roughly 11% of the total population, and is a pioneer in Islamic finance within the region. NESSREEN TAMANO provides an overview of country's Shariah finance and banking industry, highlighting the significant potential in its Sukuk market and Islamic microfinance sector.

Regulatory landscape

The Project Management Office, established in 2016, was tasked to develop a National Shariah Governance Framework, which is still in the works. The Kenyan Capital Markets Authority is a member of the IFSB and the General Council for Islamic Banks and Financial Institutions.

The Finance Act, 2017 was later passed into law, with provisions for Sukuk transactions; Sukuk issuances are now exempt from value-added taxes and stamp duties.

The Takaful sector is regulated by the Insurance Regulatory Authority under the Insurance (Amendment) Act 2016, which only came into force in January 2017. The regulator had, in 2015, released the Takaful Operational Guidelines.

Banking and finance

There are three fully-fledged Islamic banks in Kenya: Dubai Islamic Bank Kenya, Gulf African Bank (GAB) and First Community Bank (FCB). Conventional banks, including Standard Investment Bank (SIB), Chase Iman, National Amanah, Kenya Commercial Bank (KCB) and Standard Chartered, offer Islamic products and services on a window basis.

In 2018, KCB started the process of acquiring Imperial Bank, which offers Islamic solutions and which had been placed in receivership, and last year, the central bank approved Somalian bank Premier Bank's acquisition of a 62.5% majority stake in First Community Bank.

Barclays Bank of Kenya, which offers Shariah products, changed its name to Absa Bank Kenya in 2020 and soon after got involved in a case that accused the bank of charging conventional interest on an Islamic facility. The National Bank of Kenya was in a similar dispute in early 2020 about whether or not it had charged interest on a Shariah compliant loan.

In the Islamic microfinance sector, Djibouti-based Salaam African Bank



acquired Uwezo Microfinance Bank. Meanwhile, Shariah compliant savings and credit cooperatives (saccos), such as Taqwa SACCO, Community-Owned Finance Institution and Crescent Takaful Sacco, offer Islamic financing. Agricultural Finance Corporation, which offers financing to farmers, is said to be working on setting up an Islamic window.

In 2022, GAB partnered with telecoms company Safaricom to launch Halal Pesa, the first Shariah compliant mobile and digital financial solution in Kenya, which offers commodity Murabahah to customers.

Takaful

Takaful Insurance of Africa and GAB Takaful are the only fully-fledged Islamic insurers in Kenya, with Kenya Reinsurance Corporation and FCB offering Takaful products on a window basis.

Plans to develop a framework for trade insurance that covers infrastructure-related exports and financing facilities in Africa were discussed in 2019 by the IsDB, Japan's Nippon Export and Investment Insurance and Kenya's African Trade Insurance Agency, but there have yet to be updates on this.

In 2020, Kenya Re announced its plans to enter the Egyptian Islamic reinsurance market to boost its re-Takaful revenues, and in 2021, four local companies submitted applications to set up Islamic insurance operations. These have yet to be finalized.

Sukuk

A debut sovereign Sukuk facility has been in the works for a few years, originally

slated to be issued in 2018 but postponed indefinitely.

In 2022, Taqwa SACCO launched a Sukuk offering to promote Halal investments and wealth creation to its members. Meanwhile, a Kenyan manufacturing company is looking into issuing Sukuk, Tanzanian Islamic finance consultancy Mayzuh Company told IFN.

The country recently saw its first-ever Sukuk, issued by Linzi Finco Trust to support the government's affordable housing program by providing Shariah compliant financing.

Asset management

The two Islamic asset managers in Kenya are FCB Capital and Genghis Capital, which is the brokerage arm of Chase Bank Group. Apollo Asset Management Company also offers Islamic products, and the Local Authorities Provident Fund (LAPFUND), a state-owned pension fund for county and parastatal employees, has a Shariah compliant scheme called LAPFUND Amal.

Another public Islamic pension fund — the Salih Retirement Sub-Fund — was launched in 2018 by CPF Financial Services, and in late 2022, the regulator approved Etica Capital's Etica Unit Funds, which include the Etica Shariah Fund.

Shariah compliant Salaam Investment Bank Kenya offers wealth management services and advisory for clients seeking to raise capital. SIB Najah in 2023 launched Mansa-X Shariah, a multi-asset strategy fund regulated and domiciled in Kenya.

Outlook

Kenya's conventional banking sector presents strong competition, but industry experts assert that the long-term growth potential of Islamic finance remains high, particularly with the successful issuance of the first Sukuk in the country this past year, as well as its growing Shariah funds sector. ☺

Law and legal frameworks: Evolving regulations

Regulatory bodies within Islamic finance frameworks are crucial in guiding banking and financial operations. GURUCHATHRAM LEDCHUMANAN delves into the developments in Islamic finance law and legal frameworks.

Overview

The legal framework for Islamic banks enhances their operating environment, internal governance and market discipline. It addresses moral hazards and systemic risk while safeguarding depositors' interests. As Islamic banks operate in diverse legal environments with varying interpretations of Shariah, jurisdictions have adopted different approaches to create conducive legal frameworks.

Some jurisdictions have issued separate laws and regulations to regulate the Islamic financial system and support sector development such as Malaysia and Indonesia. Others, such as Saudi Arabia, adopt a unified set of banking laws for both Islamic and conventional banks to avoid duplication and to streamline regulatory processes.

Recent developments

Saudi Arabia

In March 2024, the Saudi Central Bank introduced updated guidelines for Shariah governance in financial institutions, emphasizing transparency and adherence to Shariah principles across all financial products and services. It built on its Open Banking Framework issued in November 2022, which sought to foster innovation by enabling banks and fintechs to offer open banking services. Open banking offers third-party access to financial data through application programming interfaces. The Saudi Capital Market Authority (CMA) also issued resolutions to streamline regulatory compliance and enhance market efficiency.

Pakistan

The Securities and Exchange Commission of Pakistan (SECP) has actively refined regulations to bolster the Islamic finance sector. In 2022, it issued the Asset-Backed Securitization Regulations that allowed SPVs to issue Sukuk. In 2023, amendments were made to encourage more robust and diversified Islamic financial products. Recent updates include proposed changes to Takaful regulations in April 2024 to enhance policyholder protection and the approval of Islamic brokerage regulations to

facilitate Shariah compliant trading. ZLK Islamic Financial Services became Pakistan's first fully Islamic brokerage house. The SECP also revised regulatory frameworks for digital lenders and regulations for electronic money institutions to encourage fintechs to enter the e-payment business.

UAE

The UAE's Higher Shari'ah Authority issued guiding principles in November 2023 to foster sustainable Islamic finance. These principles incentivize Islamic financial institutions to bolster sustainability initiatives.

Malaysia

Bank Negara Malaysia (BNM) leads in developing strong Shariah compliant financial ecosystems. The Islamic Banking Act 1983 enabled Malaysia's first Islamic bank, and efforts continued with the Islamic Financial Services Act 2013 regulating Islamic financial institutions and payment systems. The 2023 Annual Report by BNM emphasized value-based finance innovations that embed fundamental Shariah values, enhancing the Shariah governance framework and fostering innovation in Islamic finance products.

Bangladesh

In May 2023, the Bangladesh Securities and Exchange Commission established a Shariah Advisory Council to ensure proper issuance and investor protection for Shariah-based securities.

Iran

The Central Bank of Iran (CBI) approved new regulations for Qard Hasan funds, enhancing the framework for interest-free loans. The CBI increased the loan limit of Qard Hasan to IRR300 million (US\$7,058.82) for individuals and IRR750 million (US\$17,647) for small businesses.

Indonesia

Regulatory changes by Otoritas Jasa Keuangan (OJK) consolidated Islamic rural banks, enhancing their contribution to national economic growth with stability. In July 2023, the OJK issued a circular on the implementation of Shariah rural bank products, intending to create Shariah compliant products

that contribute to national development. The OJK also issued new regulations on the coverage of Sukuk assets and green Sukuk.

Russia

Islamic banking in Russia is underdeveloped. But in 2023, Russia concluded an experimental phase supporting Islamic finance development. The experiment looked at establishing a regulatory framework that would attract Islamic finance investments, though further adjustments are needed to fully integrate Islamic finance principles within the Russian legal system.

Russia adopted **Federal Law No 417-FZ** on the 4th August 2023 to conduct the experiment to determine the feasibility of Islamic banking. Four Muslim-majority republics — Dagestan, Chechnya, Bashkiria and Tatarstan — were in the pilot program due to them having relatively the most experience in Islamic finance compared with other regions.

Following the experiment, the **Bank of Russia** estimated that the total volume of transactions attracted and invested by new participants reached RUB1.8 billion (US\$19.8 million). The total volume for Musharakah was around RUB1.2 billion (US\$13.2 million) and RUB750 million (US\$8.25 million) was the total volume for Murabahah.

Uzbekistan

Uzbekistan is discussing the introduction of green Sukuk regulations to align with the SDGs. The National Agency for Prospective Projects, an Uzbekistan government agency for developing state programs, met with the **IsDB Institute (IsDBI) and UNDP Uzbekistan** in 2024 to discuss establishing an environment for green Sukuk issuances. ☺



To read the rest of this article, please
log on to
www.islamicfinancenews.com

Bank Syariah Indonesia's Sukuk: A first in the domestic market

The largest Islamic bank in Indonesia successfully issued the country's first ESG-based Sukuk instrument, which received overwhelming market response. NESSREEN TAMANO has the story.

Bank Syariah Indonesia (BSI) had received regulatory approval to issue the BSI Sustainability Sukuk for an amount of IDR3 trillion (US\$184.2 million). After the Islamic facility's launch on the 15th May 2024, the bank received bookings amounting to IDR9 trillion (US\$552.6 million), demonstrating a three-fold oversubscription.

Structured under the Mudarabah concept, the issuance attracted widespread interest during its initial offering period, which closed on the 30th May 2024. The paper is divided into three series: Series A carries a one-year tenor; Series B has a tenure of two years; and Series C holds a maturity of three years. The yield range is between 6.4% and 7.2%.

Proceeds from the issuance have been earmarked for financing projects within the categories of environmentally sound business activities, known in Indonesia as Kegiatan Usaha Berwawasan Lingkungan (KUBL); and socially sound business activities, or Kegiatan Usaha Berwawasan Sosial (KUBS).

Specifically, 30-50% of the funds will be directed towards KUBL, which includes renewable energy projects, resource-efficient products and sustainable wastewater management. The remaining 50-70% will support KUBS, enhancing the company's sustainable financing portfolio.

Ade Cahyo Nugroho, BSI's finance and strategy director, expressed optimism about the market's reception. "We are [confident] that [the issuance] will be optimally absorbed, because the company's performance is currently above the average in the banking industry, as seen in [its] 'idAAA' rating, and [it] is the first Sukuk issued by BSI. [Sustainability Sukuk] will be an attractive investment option for the public, especially young people."

Priced at IDR5 million (US\$307) per unit, the Sukuk is available to both institutional and retail investors. Major securities firms, including Mandiri Sekuritas, BNI Securities, BRI Danareksa Sekuritas, Trimegah Sekuritas, Mega Capital Sekuritas and Maybank Sekuritas, are collaborating with BSI for its distribution.

This issuance is part of BSI's broader capital market activities, with the focus on ESG practices aimed at positioning BSI as a leader in sustainable financial instruments. BSI's President Director, Hery Gunardi, highlighted the strategic importance of the issuance. "This innovation not only enriches Islamic financial instruments in Indonesia, but also supports national sustainable development goals and climate change mitigation efforts."

As the global market for green Sukuk and bonds continues to grow, BSI aims to leverage this momentum to finance sustainability projects. The success of the issuance underscores the growing market awareness and demand for sustainable investment instruments in Indonesia, which saw its first green Sukuk issuance in 2018. The government also launched its green Sukuk framework that same year. ☺

Bank Syariah Indonesia's Sukuk

IDR9 trillion (US\$552.6 million)



5th June 2024

Issuer	Bank Syariah Indonesia
Structure	Mudarabah
Yield	Between 6.4% and 7.2%
Tenor	Series A: 1 year Series B: 2 years Series C: 3 years
Price per unit	IDR5 million (US\$307)
Distributing agents	Mandiri Sekuritas; BNI Securities; BRI Danareksa Sekuritas; Trimegah Sekuritas; Mega Capital Sekuritas; Maybank Sekuritas
Registrar/ receiving bank/ transfer/paying agent	PBZ Bank-Ikhlas
Shariah advisor	Yusra Sukuk Shariah Advisors



The return of GFIEF

Abdulkader Thomas is the director of SHAPE Knowledge Services. He can be contacted at ast@consultshape.com.

May ended with the return of one of the marquee Islamic finance events, Bank Negara Malaysia's Global Forum of Islamic Economics and Finance (GFIEF). I was able to attend the last day and have a few simple observations, all of which will be anonymous.

Banking was never the objective of Islamic finance. Sadly, this is an error. When my mentor Dr Ahmed Elnaggar started his Jihad, he had credit unions and banks in mind.

The 1960s Mit Ghamr experiment was inspired by German credit unions.

In the 1970s, most Muslim countries had relatively simple commodity-driven economies. Citizens often lacked access to credit. Worse, most had to keep their savings in insecure forms. There was no master plan to start with banking; it was an end in itself.

We have come a long way since then, and Malaysia, Bahrain and Nigeria, like many Muslim countries, have complex multidimensional financial sectors. Financial participation is high.

Will we abandon banking as somehow not optimal in Islam? Of course not. Investment banking, credit unions, cooperative societies, fund management, leasing companies, etc, are all necessary to address different social and commercial needs. Are we delivering banking as we should? That is a very particular question. Some players are amazing. Others are dolts. Each player, including regulators, has its own mirror in which to examine its performance.

Equitization and democratization of finance were also raised. These very big

words are equally problematic in their bigness.

Google notes that equitization is another word for privatization. But the panelists were not discussing that.

The context pointed to the promotion of equity finance over other forms. This topic is challenging. The other forms of finance exist to meet unique needs of society, individuals and businesses.

One panelist offered that unlike conventional banking which offers one product — a loan (a deposit is your loan to the bank), Islamic banking has multiple solutions to unique financial requirements. Equity is merely one of the solutions.

Democratization is a weird term in finance. If you want democracy in finance, you have at least three options. Either join a credit union or a coop, or buy shares in a financial institution. In all three cases, your vote may be

based on your dollars as opposed to one person—one vote.

There is usually a good reason why 'financial democracy' is linked to one's financial stake. If you invested US\$100,000 and all of the other 101,000 members or shareholders invested US\$1/each, there is a prospect that a demagogue among the 101,000 convinces everyone to take risks with your money that you believe are unsafe.

Conversely, financial institutions are not always very thoughtful about the public good. This is where public policy comes in. For instance, in Malaysia, the banking and securities regulators use a number of policy tools to encourage and achieve better public engagement by the entities that they regulate.

Where does that leave me? I am a champion of system diversity. Shariah has offered us a very rich menu of Riba-free alternatives. The more choices, the better in my view. If the financial and business communities are ignoring some choices, I have no objection to regulators using policy to right the ship. And, I am very happy that we have a platform like GFIEF that allows us to enjoy rich debates. (P)



IFN INVESTOR
ISLAMIC INVESTMENTS

Islamic
Investment
Intelligence

LEARN MORE NOW

Egypt's post-devaluation Sukuk outlook



EGYPT

By Dr Walid Hegazy

The stark divide between the Central Bank of Egypt's foreign currency exchange rate and the black-market price severely hampered Egypt's economic development during 2023. The Sukuk market was also affected — with the country's first sovereign Sukuk issuance of US\$1.5 billion representing the zenith of Sukuk issuances for that year. However, two significant events in 2024 have jump-started the Egyptian economy and breathed new life into a banking sector previously facing rating downgrades, with little hope for the future.

First, Egypt's New Urban Communities Authority sold development rights in Ras el Hekma to Abu Dhabi's sovereign wealth fund, ADQ, which netted Egypt a total of US\$35 billion, US\$11 billion of which was deposited in Egyptian banks. Secondly, Egypt devalued its currency, erasing the black market's hegemony over US dollar access. By March, Moody's Investors Service and other rating agencies amended Egypt's credit outlook to positive. As of this month, Egypt's net foreign reserves are US\$46.13 billion, the highest they have been in four years.

Consequently, 2024 promises to be a fruitful year for Sukuk issuances, and there are several projected offerings in the pipeline. One is to be issued by the New Urban Communities Authority (NUCA). NUCA is seeking to raise EGP260 billion (US\$5.49 billion), and the Sukuk proceeds will likely be used for debt management. The EGP10 billion (US\$211.23 million) in upcoming corporate Sukuk issuances include

Contact Financial Holdings's EGP2 billion (US\$42.25 million) issuance and Tasaheel's projected EGP6 billion (US\$126.74 million) in Sukuk.

GB Capital for Financial Investments established GB Capital Sukuk, which received a Sukuk license from Egypt's Financial Regulatory Authority this year. When the company issues Sukuk later this year, the holding company will use the funds to support its other subsidiaries engaging in non-banking activities in the financial sector.

The hospitality industry might also enter the Sukuk market. Golden Coast for Hotels, Touristic Villages, and Entertainment Company plans to build a resort in the Soma Bay area of Egypt's Red Sea governorate. The expected Sukuk issuance will be in the range of EGP7–8 billion (US\$147.86–168.98 million), and if completed, will be Egypt's first green Sukuk. Given recent Ministry of Tourism regulations that mandate that Red Sea hotels and resorts obtain an eco-friendly certificate, the company's decision to issue green Sukuk is suitable, and the issuance is likely to attract foreign investors.

Aman Holding has also announced the upcoming incorporation of its own Sukuk company this year. Although the size of the company's potential issuance is unknown, the offering will contribute to the enrichment of Egypt's Sukuk market. If Egypt can maintain its development goals over this year and the next, the Sukuk industry will finally have a chance to grow and expand. (P)

Dr Walid Hegazy is the managing partner at Hegazy & Partners in cooperation with Crowell & Moring. He can be contacted at whegazy@hegazyllaw.com.



IFN Country Correspondents

AFGHANISTAN: Manezha Sukhanyar former head of Islamic banking, Maiwand Bank
ALGERIA: Ghezal Mohamed, banker, Al Salam Bank Algeria
AUSTRALIA: Nazley Khan principal solicitor, Blackstone Legal
BANGLADESH: Md Touhidul Alam Khan managing director & CEO, National Bank Limited
BRAZIL: Fábio Amaral Figueira partner, Catão & Tocantins Advogados
CANADA: Momin Saeed, managing director, Abrahamic Finance
EGYPT: Dr Walid Hegazy managing partner, Hegazy & Associates
GERMANY: Dr Bilgehan Akbiyik, CEO, INAIA
INDONESIA: Irwan Abdolloh, head, Islamic Capital Market Division, Indonesia Stock Exchange
IRAN: Majid Pireh director of Islamic Financial Studies Department, Securities and Exchange Organization of Iran
ITALY: Stefano Loconte managing partner, Loconte & Partners
KAZAKHSTAN: Diyas Moldabayev CEO, CSQ Law Kazakhstan
KUWAIT: Ajai Thomas general manager, Financial Control & Planning and chief financial officer, Kuwait International Bank
MALAYSIA: Siew Suet Ming chief rating officer, RAM Rating Services
MALDIVES: Professor Dr Aishath Muneeza chairperson, Alia Investment
NIGERIA: Hajara Adeola managing director, CEO, Lotus Capital
OFFSHORE CENTERS: Manuela Belmontes partner, Maples Group
OMAN: Asad Qayyum, managing partner, MAQ Legal
PAKISTAN: Muhammad Shoaib Ibrahim managing director & CEO, First Habib Modaraba
PHILIPPINES: Rafael A Morales managing partner, Morales & Lumagui
QATAR: Amjad Hussain, partner, K&L Gates
RUSSIA: Dr Ilyas Zaripov, member, Participating Financing Working Group, Central Bank of the Russian Federation and head, Islamic Finance Educational Program, Plekhanov Russian University of Economics
SAUDI ARABIA: Nabil Issa, partner, King & Spalding
SENEGAL: Ahmedou Kane, senior legal advisor, Ministry of Economy, Planning and Cooperation
SOMALIA: Jibril Adan Mohamed global chief risk and compliance officer, Tawakal Group
SOMALILAND: Khalid Abdi Nur, senior lecturer, University of Hargeisa and Gollis
SRI LANKA: Shiraz Refai, head, Alternate Financial Services — LOLC Finance and head, Strategic Initiatives, International Operations (Middle East & North Africa) — LOLC Holdings
TANZANIA: Salum Awadh, CEO, SSC Capital
TUNISIA: Mohamed Araar, director, business continuity, General Directorate of Risk Management, Central Bank of Tunisia
TURKIYE: Fatma Cinar, director of TKBB
UK: Dr Scott Levy, managing director, Al Waseelah
UZBEKISTAN: Nuriddin Lafizov, CEO, Alif Bank

IFN Correspondents are experts in their respective fields and are selected by Islamic Finance news to contribute designated short country reports. For more information about becoming an IFN Correspondent please contact sasikala.thiagaraja@redmoneygroup.com

Maldives Islamic Bank and Amana Takaful Maldives report stellar growth



THE MALDIVES

By Professor Dr Aishath Muneeza

On the 23rd May 2024, Maldives Islamic Bank (MIB) successfully held its 14th annual general meeting (AGM) online via the Fahivote system, with a notable shareholder turnout representing 79.66% of the bank's total issued shares. The AGM saw the approval of the directors' report and audited financial statements for 2023 by an overwhelming 99.99% of the votes cast. Additionally, shareholders approved a cash dividend of MVR65.25 million (US\$4.17 million), equivalent to MVR2.9 (US\$0.19) per ordinary share, and endorsed the reappointment of Deloitte as the bank's external auditors for 2024.

Key achievements and initiatives in 2023

- Digital banking solutions: MIB launched several end-to-end digital banking solutions aimed at improving customer experience and operational efficiency. This included the introduction of a fully online account opening process, allowing customers to open accounts and access banking services entirely online without needing to visit a branch.
- Expansion of ATM services: The bank deployed the first US dollar cash recycler machine and opened new ATM centers in strategic locations, including Vilimale' and Hulhumale' Phase II. These ATMs offered enhanced functionalities such as cash and cheque deposits and withdrawals using one-time passwords sent to customers' mobile phones.
- Introduction of MIB9 Club: Launched in June, the MIB9 Club provides exclusive benefits to members who routed their salaries through MIB. Benefits include preferential financing rates, waived fees and enhanced support services.
- Enhanced financing facilities: The Ujaalaa Dhiriulhun Financing Scheme was upgraded to offer higher limits and longer tenures without requiring

guarantors, aiming to better meet the needs of customers.

- Favara Instant Payment System: MIB integrated the Favara Instant Payment System into its internet banking platform, enabling instantaneous transfers between major banks, thus significantly improving transaction efficiency.
- Premier banking services: These services offer relationship management and dedicated lounge services for high-net-worth individuals.
- Launch of Visa Business Debit Card: Tailored for corporate clients, this card offers customizable spending limits and additional benefits like LoungeKey access and global discounts.
- Expansion of sales centers : MIB established sales centers in key regions, including Baa Eydhafushi, Dhaalu Kudahuvadhoo and ADh Mahibadhoo, to extend its reach and improve service accessibility for regional customers.
- Online and mobile banking enhancements: Significant upgrades to the FaisaNet and FaisaMobile platforms included new card management features and security alerts, further enhancing the digital banking experience.
- Operational performance: Throughout the year, MIB maintained a strong balance sheet and achieved sustainable growth, driven by strategic investments in technology and human capital aimed at fostering a culture of customer centricity.

Amana Takaful (Maldives), a leader in the Takaful sector and the only fully-fledged Takaful provider in the Maldives, successfully concluded its 13th AGM on the 22nd May 2024. The AGM highlighted significant achievements over the past year, characterized by substantial growth and noteworthy financial milestones, reflecting the company's unwavering commitment to excellence.

Key financial highlights

- Revenue growth: Amana Takaful reported a 19% increase in top-line revenue.
- Comprehensive income: A remarkable 203% surge in comprehensive income to MVR67 million (US\$4.28 million) for the fiscal year of 2023.
- Profit before tax: Amana Takaful recorded a profit before tax of MVR20.05 million (US\$1.28 million), consolidating its strong financial position.

Amana Takaful continued to uphold the principle of Takaful, disbursing a surplus of MVR1.02 million (US\$65,134.1) to non-claimant participants for the 13th consecutive year. This distribution brought the total surplus allocation to MVR12.4 million (US\$791,827), demonstrating the company's dedication to its stakeholders. Additionally, cumulative dividends distributed by Amana Takaful have reached MVR42.1 million (US\$2.69 million), surpassing shareholder expectations.

In a significant move toward compliance, Amana Takaful reported its financials in accordance with the International Financial Reporting Standard 17 (IFRS 17) from the 1st January 2023. This new standard enhances the clarity and comprehensiveness of financial statements, positioning Amana Takaful as a leader in the region for such compliance.

Amana Takaful's board of directors declared a final dividend of 15% of the face value of a share, amounting to MVR6.57 million (US\$419,540), bringing the total dividend payout for 2023 to 25% of the face value. Additionally, the board announced the extension of personal accident Takaful coverage to all individual shareholders for the current year. ☺

Professor Dr Aishath Muneeza is the chairperson of the Alia Investment Shariah Committee, Maldives. She can be contacted at muneeza.aishath@gmail.com.

The first two instructions of the BCEAO (Part 1)



SENEGAL

By Ahmadou Kane

The Central Bank of West African States (BCEAO) issued in 2018 a series of instructions pertaining to the practice of Islamic finance within the West African Economic and Monetary Union (UEMOA) countries including Senegal. The first two instructions are the object of this report and identify the special provisions applicable to financial institutions carrying out Islamic finance activities.

Typology of financial institutions

The first two instructions issued by the BCEAO (the Instructions) were adopted on the 21st March 2018 and highlight the provisions applicable to credit institutions (CIs) and decentralized financial systems (DFSs). CIs include entities such as banks, specialized credit institutions or credit unions; while DFSs relate to institutions such as microfinance that offer financial services to those who do not have access to CIs.

Both financial institutions are organized into two categories: those carrying out Islamic finance activities exclusively which can use the term 'Islamic' in their corporate name, trade name, advertisement or in their day-to-day activity and those carrying out Islamic finance activities partially which can use the term 'Islamic' only in specific circumstances (see Article 4 of each Instruction). To carry out Islamic finance activities, CIs and DFSs need to satisfy the conditions stipulated in Article 5 of each Instruction and provide the required documents.

Shariah compliance of financial institutions

The Instructions provide a framework for financial institutions to operate in a Shariah compliant manner (see Article 8 to 17 of each Instruction). They require financial institutions to make available to their clients information relevant to their Islamic finance activities (see Article 11 of each Instruction).

Furthermore, and beyond the requirement to establish an internal Shariah board (see Articles 8 to 10 of each Instruction), these Instructions establish

the principle of creating a central Shariah board (see Article 17 of each Instruction) whose role would be, among others, to supervise Islamic financial practices within the UEMOA.

Analysis of the Instructions

The Instructions, while setting out general rules applicable to financial institutions, leave some questions unanswered. Indeed, while obliging financial institutions to give their clients access to their Islamic finance activities; the Instructions do not specify the actions to be taken by clients when denied of such access. Plus, the Instructions are silent about the consequences of non-Shariah compliance of the financial institutions as to whether they receive a fine, a grace period to conform or lose their license.

Furthermore, the creation of a central Shariah board (the Board) is subject to the BCEAO issuing an instruction specifying its organization and operation; and to this date, it seems that no instruction has been issued yet. Probably,

the answers to these questions are outside the scope of these Instructions; however, the involvement of the BCEAO is key in raising any ambiguity.

Conclusion

The BCEAO has the authority, as per the Instructions, to issue any opinion regarding Shariah compliance until the establishment of the Board. The form and nature of such a Board will have considerable impact.

Indeed, in the case of the settlement of disputes, would the Board rule as a last resort or would any dispute be resolved (i) by national courts and/or tribunals or (ii) by the OHADA Common Court of Justice and Arbitration? In the latter two cases, the position of the Board will be predominant. ☺

Ahmadou Kane is the senior legal advisor at the National Support Unit for Public-Private Partnerships within the Ministry of Economy, Planning and Cooperation. He can be contacted at ahmadou.kane86@gmail.com.

BALANCE SHEET MANAGEMENT & OPTIMISATION

For Financial Institutions

Classroom training program

SIDC CPE - accredited: 10 CPE Points each day

15th & 16th July 2024
9.00am – 5.00pm (Singapore/KL)
Kuala Lumpur

Nick Wood
Founder and CEO,
FinTorque Pte Ltd

Reach out to us for more information

REGISTER NOW

www.redmoneyevents.com
seminars@redmoneygroup.com
 +603 2162 7800

Bridging faith and sustainability: Shariah compliant investors in climate finance



PRIVATE EQUITY & VENTURE CAPITAL

By Dr Vladimir Malenko

Shariah compliant finance, rooted in Islamic principles, prohibits Riba (interest), Gharar (excessive uncertainty) and investments in Haram industries. Despite these constraints, climate finance presents a burgeoning field ripe with opportunities. The inherent ethical considerations in Shariah finance align seamlessly with the goals of sustainable investing, which prioritize environmental preservation and social responsibility.

Green Sukuk and Islamic equities provide dual benefits: they offer Shariah compliant returns while directly financing renewable energy projects, reforestation efforts and other green initiatives.

Venture capital (VC) in the Islamic finance ecosystem has the potential to become a catalyst for climate technology innovations. Islamic VC firms, guided by principles of risk-sharing and asset-backed financing, can support start-ups developing cutting-edge solutions to combat climate change. Islamic VC firms can foster a robust ecosystem for climate tech by investing in companies focused on renewable energy, waste management and sustainable agriculture.

Islamic fintech companies have already become the staple of the Shariah compliant VC industry. IFN Fintech Landscape, a list of Islamic fintechs, now includes 398 companies from 42 countries! They develop and grow until they hit the exit stage, where any further development is hindered by a relative aversion of Islamic banks and other Islamic financial institutions to technology and innovation.

With climate finance, the situation is likely to be radically different. Many potential end-users, including governments and the world's largest energy giants, airlines and technology companies are seeking to invest in, buy and/or develop climate solutions. So, exits are not going to be problematic. As usual, the industry faces problems a bit earlier — at the stage of Islamic seed



capital, actually at the stage that reflects the lack thereof.

Still, the climate tech is the darling of regulators and governments, so the solutions will be found in most Islamic economic centers — Riyadh, Abu Dhabi, Doha, Kuala Lumpur, Jakarta and London — The Green Climate Fund, Public Investment Fund, Saudi Fund for Development, the UAE Fund for Global Climate Solutions and many other institutions already welcome Shariah climate entrepreneurs with grants and seed capital. There are rumors that the government of Abu Dhabi is working on setting up a climate-tech Waqf (watch out, Digiwaqf!) to seed Islamic climate-tech companies.

Many climate-tech companies revolve around carbon credits — their generation, verification, trading and retirement. But are carbon credits Shariah compliant? The concept of carbon credits, which allows companies to offset their emissions by purchasing credits, poses an intriguing question for Shariah compliance.

While the primary goal of carbon credits — to reduce overall carbon emissions — is ethically aligned with Islamic principles, the mechanisms of their trade need careful scrutiny.

For carbon credits to be considered Shariah compliant, their trading must avoid elements of Riba and Gharar. This means ensuring that transactions are transparent, the credits are backed by tangible environmental benefits and speculative trading is minimized. There is at least one Shariah compliant project in the VC sphere — XTCC, armed with a Fatwa from Yasaar Research (UK). ☺

Dr Vladimir Malenko is the director of FairFinance. He can be contacted at malenko@youxianinvestments.com.

IFN Sector Correspondents

EDUCATION:

Dr Mohamed Eskandar Shah Mohd Rasid, Associate Professor and Associate Dean of Academic, Hamad Bin Khalifa University, Qatar Foundation

EQUITY CAPITAL MARKETS:

Dr Mohammed Ishaq Ali
acting CEO, Bait Al-Maal Alkhaleeji, Saudi Arabia

ESG:

Dr Dalal Aassouli
assistant professor, Islamic and sustainable finance, College of Islamic Studies, Hamad bin Khalifa University, member of Qatar Foundation

HALAL INDUSTRY:

Dr Sutan Emir Hidayat
director, Islamic Economy Supporting Ecosystem, National Committee for Islamic Economy and Finance (KNEKS)

ISLAMIC FINTECH:

Lingxi Wang
senior associate, Foot Anstey

ISLAMIC LEASING:

Shoeb Sharieff
president, Ijara CDC, US

LIQUIDITY MANAGEMENT:

Hichem Bouquiss
executive director, International Islamic Liquidity Management Corporation

MERGERS & ACQUISITIONS:

Burak Gencoglu
partner, Gencoglu & Ergun Law Firm

MICROFINANCE:

Mohammed R Kroessin
head of Islamic microfinance, Islamic Relief Worldwide

PRIVATE EQUITY & VENTURE CAPITAL:

Dr Vladimir Malenko
director, FairFinance

REAL ESTATE:

Philip Churchill
founder partner, 90 North Real Estate Partners

RISK MANAGEMENT:

Mohamed Afzal
senior risk associate, Vision Invest

SHARIAH & CORPORATE GOVERNANCE:

Prof Dr Younes Soualhi
senior researcher, ISRA RMC (INCEIF University)

STRUCTURED FINANCE:

Mohammad Aamir
former credit analyst, Islamic International Rating Agency

TAKAFUL & RE-TAKAFUL (AFRICA):

Professor Dr Abdussalam Ismail Onagun
co founder & CEO, Qitmeer Smart Consultancy

TAKAFUL & RE-TAKAFUL (ASIA):

Marcel Omar Papp
head of Retakaful, Swiss Re Retakaful

IFN Correspondents are experts in their respective fields and are selected by Islamic Finance news to contribute designated short sector reports. For more information about becoming an IFN Correspondent, please contact sasikala.thiagaraja@redmoneygroup.com

Progress for whom?



EDUCATION

By Dr Mohamed Eskandar Shah
Mohd Rasid

For the column this month, I drew inspiration from my recent travels to Perak and Penang, where I visited two esteemed Islamic finance scholars at their respective universities. The journey was particularly memorable as I was accompanied by my good friend and colleague, Dr Logan Cochrane, a Canadian policy expert who specializes in sustainability, food security and education. This trip marked his first visit to Malaysia.

Dr Logan was profoundly impressed by Malaysia's advancements and the country's green landscapes. He also greatly appreciated the renowned hospitality of Malaysians, a quality we often yearn for when living abroad. Despite his positive observations, I find myself pondering why many of us still harbor negative sentiments about our own country. This led me to question who truly benefits from our progress or simply 'progress for whom?'. So how do we answer this question?

Islamic finance offers a compelling alternative narrative that emphasizes economic justice, equitable wealth distribution and overall human well-being. At the recent Global Forum on Islamic Economics and Finance 2024, our prime minister introduced several initiatives based on Islamic finance principles. These initiatives are designed to address critical issues in Malaysia, such as improving our fiscal position and alleviating poverty, demonstrating the practical impact of Islamic finance. To convince the public of its efficacy, it is crucial to showcase the positive outcomes these initiatives can produce.

While the journey ahead is long, I am confident that we are moving in the right direction. The emergence of innovative ideas within Islamic economics and finance underscores the relevance of this field. It is now imperative to advance research and knowledge creation within Islamic finance educational institutions to continue problem-based education. By consistently developing pragmatic solutions for real-world problems, we



have the opportunity to lead and have our ideas sought after, as these issues are universal in nature. ☺

dean of academic at the Hamad Bin Khalifa University, Qatar Foundation. He can be contacted at mrased@hbku.edu.qa.

Dr Mohamed Eskandar Shah Mohd Rasid
is the associate professor and associate

FREELANCE FINANCE AND LEGAL COURSE DIRECTORS

We are looking for new course directors to join our growing online training business. If you are in a position to design and deliver online financial or legal training programmes, we'd like to hear from you.

Please contact

+603 2162 7802

andrew.tebbutt@redmoneygroup.com

Applicability of blockchain smart contracts in Zakat

Blockchain is a digital transaction record based on its structure where individual records called blocks are linked together in a register called a chain. Islamic social finance and fintech (financial technology) offer new opportunities for Muslims around the world to explore these technological fields in an Islamic context, especially fields related to the use of blockchain. The use of blockchain extends to technology that requires transparency in a transaction and offers high security in data storage which is called a smart contract. DR AHMAD RAFIKI writes.



Dr Ahmad Rafiki is the dean of the Faculty of Economics and Management, Universitas Medan Area, Indonesia.

He can be contacted at hahmadrafiki@gmail.com.

Blockchain contains specific records of every transaction that has been carried out. Through the blockchain system, participants do not need to know or trust each other to interact and electronic transactions can be carried out automatically and recorded by network code via cryptographic algorithms, without human intervention, speech authorities and third parties (eg government, banks, financial institutions or others). Thus, in this case, the use of a Zakat collection blockchain platform can increase the transparency of the collection process where all Zakat collection transactions can be followed and saved.

For instance, in Indonesia, the potential for national Zakat funds is estimated at hundreds of trillions of rupiah. Even though the potential is large, the funds raised to date have not been fully realized. Therefore, public trust in Zakat management institutions needs to be increased, among other things, by transparent and targeted management.

In 2022, an amount of IDR22.43 trillion (US\$1.38 billion) in Zakat funds had been collected nationally. However, the Zakat collected was only around 4% of the existing Zakat potential. The adoption of blockchain technology (smart contracts) could be a solution for Zakat collection and distribution. Zakat institutions have benefited from a P2P transaction system that is based on a fully distributed system through autonomous processes, especially the implementation of smart contracts.

Apart from that, it is also expected that more than US\$3 trillion of business in 2030 will be blockchain technology-based businesses. Thus, Islamic social finance institutions, like Zakat, will benefit from



blockchain technology. This has been supported by several studies and articles on the benefits of integrating blockchain technology into Zakat management, highlighting its ability to provide transparency, a reduction in transaction costs and a reliable environment for Zakat transactions, as well as increasing the support and effectiveness in Zakat collection. This will create better synergy or cooperation between Zakat managers and institutions.

However, the adoption of blockchain in Zakat management may face challenges such as technical knowledge and budget constraints. This blockchain technology application in Zakat management may also relate to collaboration in socioeconomic development and promoting the SDGs of a country.

Strengths of a blockchain system in Zakat

The strengths of Zakat collection and distribution via a blockchain system are as follows:

1. Transparency — the system provides robustness, traceability and transparency of transactions. It can increase the efficiency of Badan Amil Zakat Nasional (BAZNAS) or the National Zakat Agency in providing services to Zakat payers and better

guarantee the achievement of Zakat goals through the use of this system.

2. Data and information security — digital ledgers cannot be altered or modified once the data is entered. Dishonesty in reporting can be controlled and more easily seen. This can be aligned with existing policies at BAZNAS through the ICT Governance Unit that has been formed. Apart from that, BAZNAS can convey information related to Zakat collection easily and it can be accessed anywhere.
3. Real-time information — when information is updated, it is updated for everyone on the network at the same time and is convenient for monitoring purposes. As a result, searching for the data needed at a certain time becomes faster, easier and more accurate, thereby saving BAZNAS time and costs.

However, there are legal implications in using blockchain technology for Zakat management including the following:

1. Regulatory compliance: Organizations must comply with local and international laws and regulations governing the use of blockchain technology in Zakat management.

2. Data protection: Organizations must ensure that the data stored on the blockchain is protected and complies with data protection laws, such as the General Data Protection Regulation and the Personal Data Protection Act.
3. Contractual obligations: Smart contracts used in blockchain-based Zakat management must be legally binding and comply with contractual obligations.
4. Taxation: Organizations must consider the tax implications of using blockchain technology for Zakat management, including the taxation of cryptocurrency transactions and the potential for tax evasion through the use of blockchain.
5. Liability: Organizations must consider the liability implications of using blockchain technology for Zakat management, including the potential for legal disputes and the allocation of liability in the event of a breach or failure of the blockchain system.
6. Jurisdiction: Organizations must consider the jurisdictional implications of using blockchain technology for Zakat management, including the potential for cross-border disputes and the need for international cooperation in the event of a breach or failure of the blockchain system.
7. Intellectual property rights: Organizations must consider the intellectual property rights implications of using blockchain technology for Zakat management, including the potential for infringement of patents, trademarks or copyrights.
8. Privacy: Organizations must ensure that the use of blockchain technology for Zakat management does not infringe upon the privacy rights of individuals, including the right to data protection and the right to be forgotten.

By addressing these legal implications, organizations can effectively implement blockchain technology for Zakat management while ensuring compliance with local and international laws and regulations. Thus, the contribution of Zakat to eradicating poverty and improving community welfare is achievable. (P)



Events 2024

www.REDmoneyevents.com

 <p>25th April 2024 Conrad Dubai, Sheikh Zayed Road</p>	 <p>2nd September 2024 London</p>	 <p>9th September 2024 Muscat</p>
 <p>11th September 2024 Doha</p>	 <p>25th September 2024 Kuala Lumpur</p>	 <p>26th September 2024 Kuala Lumpur</p>
 <p>30th September 2024 Jakarta</p>	 <p>30th September 2024 Jakarta</p>	 <p>25th November 2024 Riyadh</p>
 <p>27th November 2024 Manama</p>	 <p>5th December 2024 Istanbul</p>	

Registrants get

FULL ACCESS

to the event and ensuing report

Adapting to economic trends: Pakistan's debt dynamics through an Islamic lens

COVID-19 influenced consumer behaviors, preferences and consumption, disrupting the global supply and demand balance. The world is still experiencing COVID-19-related effects, such as uncontrolled inflation driven by the services sector and unstable growth. This level of inflation has not been seen for nearly a decade. Major central banks implemented real interest policies, reducing government financial costs and providing buffers for expansionary policies. FAIZAN SALEEM and MUHAMMAD SAAD IDREES explore.



Faizan Saleem is the head of Shariah compliant income portfolios

at Al-Meezan Investment Management. He can be contacted at Faizan.saleem@almeezangroup.com.

Muhammad Saad Idrees is the portfolio manager at Alpha Beta Core Solution. He can be contacted at Saad@alphabeta.com.

During COVID-19, governments and central banks used massive fiscal and monetary stimuli to prevent economic collapse. As economies stabilized post-COVID-19, a supply-demand disequilibrium led to price hikes and massive inflation. While recovering, the world faced another shock with Russia's invasion of Ukraine, increasing food and energy prices and global inflation.

Major central banks like the US Federal Reserve, European Central Bank and Bank of England raised interest rates rapidly to combat inflation, strengthening their currencies and causing capital flow from developing to developed countries. Developing countries, already facing fiscal and current account deficits, saw their currencies depreciate. With low credit ratings, they relied on domestic borrowing, contributing to inflation.

Pakistan was no exception. In March 2020, the State Bank of Pakistan (SBP) began reducing the policy rate, which dropped to 7% by September 2021. Since then, the SBP has aggressively raised the discount rate to 22%. Consequently, Pakistan's domestic debt nearly doubled from PKR22.43 trillion (US\$80.4 billion) to PKR43.43 trillion (US\$155.68 billion) in four years.

Global Islamic finance market

At the end of 2023, Islamic financial assets totaled US\$4.5 trillion, accounting



for nearly 4.29% of the global GDP. The main players in this market are Saudi Arabia, the UAE, Malaysia and Indonesia. Banking assets account for nearly 75.6% of US\$4.5 trillion, or approximately US\$3.24 trillion. It means that the banking sector is the primary contributor to this industry. This market is expected to reach US\$6.7 trillion by the end of 2027, with a 10.46% compound annual growth rate.

According to market estimates, Sukuk issuance in 2024 will range between US\$160 billion and US\$170 billion. According to S&P estimates, nearly US\$46.8 billion-worth of Sukuk were issued in the market in Q1 2024, representing a 22.5% increase over the previous year.

Saudi Arabia will play an important role in increasing Islamic finance growth in the coming years to implement Vision 2030, while the UAE will also play an important role in its Shariah compliant banking sector, which currently accounts for 23% of total banking assets in the country, equivalent to AED845 billion (US\$230.03 billion).

Islamic finance is highly concentrated in the Asia Pacific region, despite the presence of Muslims in the major

economies of Pakistan, Bangladesh, Malaysia and Indonesia. According to estimates, Malaysia has a significant share of Islamic finance. The Malaysian Islamic banking industry accounts for nearly 45.6% of total financing in the financial system, while the Takaful industry accounts for nearly 23.4% of total net contribution.

Pakistan's external debt requirements and vulnerabilities

Pakistan, a prominent player in the Asia Pacific region and the second-largest Muslim nation globally, faces challenging external borrowing conditions due to its credit rating and heightened global capital market yields. The IMF in its latest reports has cautioned that there are 'exceptionally high' risks to the current macro stability — emanating from volatile geopolitics, delayed reforms, still high inflation and high government debt.

Compounded by twin deficits, both fiscal and current accounts, Pakistan faces significant hurdles in managing its debt. As of the 31st March 2024, its total debt to GDP ratio stands at approximately 82.31%, equivalent to around US\$277.94 billion. Notably, domestic debt constitutes a substantial portion, accounting for 55.62% of the total debt. Within this framework, Pakistan utilizes various instruments such as Pakistan Investment Bonds, T-bills [treasury bills] and government of Pakistan Sukuk Ijarah, comprising 60.25%, 19.36% and 10.71% respectively.

Despite achieving a primary surplus of 1.5% of GDP, Pakistan still grapples with a fiscal deficit of 3.7% of GDP in the first nine months of the 2024 fiscal year. With a revenue-to-GDP ratio of 9.2%, a significant portion of Pakistan's revenue — almost half — is allocated toward financing costs, with a staggering

87.35% directed toward domestic debt financing. It is anticipated that in the upcoming years, Pakistan will face challenges where external debt and interest obligations surpass the total value of exports.

In navigating these fiscal challenges, the government of Pakistan can leverage domestic retail and corporate markets to finance its operations at comparatively lower rates. Pakistan's banks, driven by an Islamic perspective on interest rates, boast nearly 50% of total deposits in current accounts. Despite the growing presence of Islamic banking deposits — currently accounting for 13.47% of total banking deposits — there remains substantial room for expansion.

Shariah compliant investors, while fewer in number compared with conventional investors, demonstrate strong demand within the local market. This was evident in the oversubscription of the first auction of Sukuk on the Pakistan Stock Exchange, which saw a remarkable 16-fold increase in demand, underscoring the robust appetite for Islamic financial instruments within Pakistan.

Use of Islamic debt market for internal financing

Pakistan can tap the domestic market for relatively cheaper rates through Islamic instruments via Pakistan Stock Exchange (PSX) auctions compared with conventional instruments. In the last previous auction of Sukuk through the PSX, the government of Pakistan got PKR667 million (US\$2.39 million) on a 20.2% yield, while in the T-bill auction, it secured PKR64 billion (US\$229.41 million) on a 20.361% yield for the same one-year tenor. The government got almost PKR527.63 billion (US\$1.89 billion) in last five months through PSX auctions.

Through PSX auctions, the government attracts new investors (retailers and corporates) to invest in Islamic sovereign bonds. However, some obstacles hinder investors from investing through the PSX:

- Firstly, the absence of a mechanism for transferring government securities between the Central Depository Company (CDC) and the Subsidiary General Ledger Account (SGLA) is the biggest barrier for enhancing market liquidity and efficiency.

- Secondly, the absence of a pricing mechanism which reflects the true dynamics of the market.

The government of Pakistan can create real-time, low-cost transfer mechanisms and it can eliminate barriers and promote seamless transactions between the two platforms such as the CDC and SGLA. This will not only enhance market efficiency but also foster greater participation from market participants, including banks and institutional investors.

Finally, without proper pricing, it is challenging for a market to truly flourish. Currently, the market is grappling with the fundamental issue of pricing instruments issued by the PSX in recent times. To enhance the marketability of Sukuk, it is crucial to establish a pricing mechanism that accurately reflects market dynamics.

For external financing

Despite fiscal and balance-of-payments issues, Egypt's Sukuk issuance was oversubscribed by four times and sold for US\$1.5 billion with the participation of over 250 investors from global markets, allowing Egypt to float the Sukuk at a lower-than-conventional rate in early 2023. In this context, Pakistan should tap the global market to fund its external financing requirements, which are US\$25 billion per year.

Alternative arrangements

Climate change, sticky inflation, high interest rates, an uncertain economic outlook and geo-fragmentation are all current challenges confronting the global economy. But there is good news: another market, known as Islamic banking, has emerged in parallel with the conventional market and can deal with the aforementioned issues. However, the major untapped areas are Islamic funds and Takaful.

Pakistan is among the nations that experience the most severe effects of climate change. Through the ESG market, the Pakistani government can get financing for its major objectives regardless of which ones include social, environmental and governance. Fitch Ratings predicts that in the next two years, the ESG Sukuk market will surpass US\$50 billion and account for over 7.5% of the worldwide Islamic Sukuk market.

Given the higher risk premiums prevailing in global debt markets and

limited options for Pakistan, the newly elected finance minister is considering launching local currency green Sukuk in December to finance sustainable development projects. If successful, this move would position Pakistan as one of only three governments globally to access the green Sukuk market.

Furthermore, Finance Minister Muhammad Aurangzeb has expressed an interest in tapping the Chinese bond market by issuing Panda bonds during the fiscal year of 2025–26. This initiative aligns with Pakistan's aim to leverage alternative financing avenues, potentially raising as much as US\$300 million from Chinese investors. The prospect of tapping into the Panda Sukuk market for China–Pakistan Economic Corridor (CPEC) projects is also under consideration.

The CPEC, comprising energy, infrastructure and capital-intensive ventures, represents a significant investment, with projects valued at US\$65 billion until 2022. Pakistan's external debt is US\$98 billion as of the 31st March 2024, with 25% of that debt being bilateral, or US\$25.39 billion, and most of the debt is owed to China. According to the China Global Investment Tracker, Pakistan received US\$16 billion in company investments and US\$51.2 billion in contracted work between 2005 and 2023. Pakistan is expected to pay nearly US\$25 billion annually in loan and interest payments, mostly to China. Pakistan will also use the Panda bond market to swap Chinese debt and raise external funds in the renminbi.

Conclusion

Pakistan can leverage the international and external markets to address its twin deficit effectively and efficiently. It is time to educate locals about Islamic financing and its products, communicating information through various platforms such as social and electronic media, and encouraging mutual funds and banks to market their products to locals. It will also help the Pakistani government diversify its domestic borrowing portfolio, grow its investor base and reduce its reliance on local banks. For the external side, Pakistan can float Sukuk on the global market and tap the growing Islamic finance markets such as Saudi Arabia, the UAE and Malaysia using its channel and get relatively cheaper rates on financing versus conventional. ☺

A growing niche in wealth management and growth drivers

Islamic family offices are becoming a major force in global wealth management, catering to the unique needs of high-net-worth Muslim families. These firms adhere to Islamic finance principles, ensuring all investments and financial decisions comply with Shariah law. Offering services from investment management and estate planning to philanthropy and family governance, Islamic family offices are essential in preserving and growing family wealth across generations. As the demand for Shariah compliant financial solutions increases, Islamic family offices are poised to expand their global influence. In this article, DR AHMED HASSAN AL-NAJJAR explores the key growth drivers and foundational reasons behind the establishment and expansion of Islamic family offices.



Dr Ahmed Hassan Al-Najjar is an economic and financial expert. He can be contacted at alnaggar78@gmail.com.

Islamic family offices are private wealth management firms dedicated to serving the unique needs of high-net-worth Muslim families. These firms operate within the framework of Islamic finance principles, ensuring that investments and financial decisions align with Shariah law. Islamic family offices provide a range of services, including investment management, estate planning, philanthropy and family governance.

Total assets under management for Islamic family offices specifically are not well-documented; precise figures are difficult to ascertain due to the private nature of Islamic family offices but estimates suggest they manage trillions of dollars in assets globally. The Middle East and Southeast Asia are major hubs for Islamic family offices, but their presence extends to Europe and North America as well.

The growth of Islamic finance and the increasing wealth of Muslim families worldwide have fueled the demand for specialized wealth management services that cater to their unique cultural and religious values.

According to a recent report by Forbes, 'Family Offices in the Middle East', they have grown rapidly in prominence, with total assets under management forecasted to escalate by 46% by 2025, reaching over US\$500 billion.

When we talk about the driver of growth, we can first look at the reasons for its establishment, and then we can review the most important growth drivers in the future.



Several key factors have driven the establishment and growth of Islamic family offices:

1. **Shariah compliance:** Wealthy Muslim families seek investment solutions that adhere to Islamic principles, which prohibit interest (Riba), excessive uncertainty (Gharar) and investment in prohibited industries. Islamic family offices offer expertise in navigating these complexities.
2. **Preservation of wealth:** Islamic family offices prioritize the long-term preservation and growth of family wealth, emphasizing intergenerational wealth transfer and legacy planning.
3. **Confidentiality and personalized service:** Islamic family offices provide a high level of confidentiality and tailor their services to the specific needs and values of each family.
4. **Philanthropy and social impact:** Many Islamic family offices play an active role in philanthropic activities, supporting charitable causes and contributing to social development

within the Muslim community and beyond.

5. **Family governance:** Islamic family offices assist families in establishing effective governance structures to manage complex family dynamics and ensure the smooth transfer of wealth across generations.

Key growth drivers

Several factors are driving the growth and expansion of Islamic family offices:

1. **Increasing wealth in Muslim-majority countries:** Economic growth in countries like Saudi Arabia, the UAE, Qatar and Malaysia has led to a surge in the number of high-net-worth individuals seeking Shariah compliant wealth management solutions.
2. **Generational wealth transfer:** A significant transfer of wealth is expected to take place over the next decade as the older generation passes on their assets to younger heirs. Islamic family offices are well positioned to cater to this segment, providing tailored solutions that

ensure compliance with Shariah principles while addressing complex financial needs.

3. **Technological advancements:** Fintech innovations are enhancing the efficiency and accessibility of Islamic financial products and services, further driving the growth of Islamic family offices.
4. **Regulatory support and frameworks:** Governments in Muslim-majority countries are increasingly supportive of Islamic finance, creating favorable regulatory environments for the growth of family offices. This includes tax incentives, legal frameworks and financial market developments that support Shariah compliant investments.
5. **Social responsibility:** Many wealthy Muslim families are driven by a sense of social responsibility and a desire to give back to their communities. Islamic family offices often manage philanthropic activities, ensuring that charitable giving (Zakat and Sadaqah) is conducted in accordance with Islamic principles.

Future outlook

The future of Islamic family offices appears bright. As wealth continues to grow in Muslim-majority countries and the demand for Shariah compliant financial solutions rises, Islamic family offices are well positioned to play a crucial role in managing and preserving the wealth of Muslim families worldwide. Their commitment to ethical investing, personalized service and family legacy planning will continue to attract a growing clientele seeking to align their financial goals with their values.

Conclusion

Islamic family offices are becoming increasingly integral to the financial landscape of affluent Muslim families. By offering tailored, Shariah compliant financial solutions, these offices ensure that wealth is preserved, grown and transferred across generations in a manner that aligns with Islamic values. The growing wealth in Muslim-majority countries, coupled with globalization, innovation in Islamic finance and supportive regulatory frameworks, is a key factor driving the expansion of this sector. As awareness and demand continue to rise, Islamic family offices are poised to play an even more significant role in the global wealth management industry. (P)

IFN Islamic Finance *news*

The World's Leading Islamic Finance News Provider



ONLINE DIRECTORY

Search over **12,000** companies directly involved in the Islamic finance industry

Find your true potential

For more details, contact us:
Tel: +603 2162 7800 Fax: +603 2162 7810
Web: www.islamicfinancenews.com

DEALS

Emirates REIT dissolution date moved

UAE: Equitativa, the asset manager of Emirates REIT, announced that it will exercise the extension option for the REIT's US\$380 million secured Sukuk certificates issued on the 12th December 2022. Consequently, the original dissolution date of 12th December 2024 has now been extended to the 12th December 2025. (📌)

HLISB launches Sukuk

MALAYSIA: Hong Leong Islamic Bank (HLISB) has launched an Islamic medium-term note worth RM400 million (US\$84.71 million) that carries a 4.05% coupon rate and a 10-year tenor. The Sukuk was issued today, and has an 'AA2' rating from RAM Ratings. (📌)

Bangladesh Bank auctions Sukuk

BANGLADESH: Bangladesh Bank (BB) held an auction on the 6th June 2024 for its three-month and six-month Bangladesh Government Islami Investment Bonds (BGIBs). The three-month Sukuk received three bids amounting to BDT3.65 billion (US\$30.77 million), while the six-month Islamic offering received four bids worth a total of BDT11.25 billion (US\$94.83 million). The profit-sharing ratio of the accepted bids was 90:10.

The central bank also reported that it received one bid from one bank amounting to BDT350 million (US\$2.95 million) for its 28-day Islamic Banks Liquidity Facility (IBLF), held on the 4th June 2024, which was accepted. The expected profit rate for the facility was 8%.

On the 6th June 2024, BB further received and accepted three bids from three banks worth BDT340 million (US\$2.87 million)

for its 28-day Islamic Banks Liquidity Facility (IBLF). The expected profit rate for the facility ranges from 4% to 4.5%. (📌)

CBG floats Sukuk Salam

GAMBIA: The Central Bank of The Gambia (CBG) floated tenders for its three-month, six-month and one-year Sukuk Salam facilities worth GMD80 million (US\$1.18 million) in total, which closed on the 4th June 2024.

The three-month Islamic paper worth GMD5 million (US\$73,529.5) was oversubscribed by GMD1 million (US\$14,705.9), the six-month Islamic paper worth GMD15 million (US\$220,589) was oversubscribed by GMD10.03 million (US\$147,427); and the one-year Islamic paper worth GMD60 million (US\$882,354) was oversubscribed by GMD22.08 million (US\$324,633). (📌)

Indonesian media company to issue Sukuk

INDONESIA: MNC Media & Entertainment plans to issue Sukuk Ijarah worth up to IDR650 billion (US\$39.91 million), reported Emitennews.com. The Sukuk consists of three series: Series A worth IDR381.7 billion (US\$23.44 million) that carries a 370-day tenor; Series B worth IDR267.13 billion (US\$16.4 million) carrying a three-year tenor; and Series C worth IDR1.16 billion (US\$71,223.8). (📌)

STSSB issues ICP

MALAYSIA: Sunway Treasury Sukuk (STSSB), an SPV of Malaysian property developer Sunway Group, has issued a RM120 million (US\$25.54 million) Islamic commercial paper (ICP) that follows the Mudarabah structure.

It was issued on the 7th June 2024 with a three-month tenor, and is rated 'MARC-1 IS(cg)' by MARC Ratings. Kenanga

Investment Bank acted as the lead arranger of the transaction. (📌)

Maybank Islamic issues Sukuk

MALAYSIA: Maybank Islamic issued two Islamic commercial papers (ICPs) worth RM1 billion (US\$211.79 million) in total that carry a six-month tenor, and another ICP worth RM500 million (US\$105.89 million) on the 11th June 2024. The papers have a 'P1' rating from RAM Ratings. (📌)

Berjaya Yokohama lodges Sukuk program

MALAYSIA: Berjaya Yokohama, a subsidiary of Berjaya Corporation, has lodged a Sukuk Murabahah program worth up to RM1 billion (US\$212.98 million) under the Securities Commission Malaysia's Lodge and Launch Framework. Kenanga Investment Bank is the program's principal advisor. (📌)

Cagamas sells Islamic commercial paper

MALAYSIA: Cagamas today issued an Islamic commercial paper worth RM300 million (US\$63.89 million) which carries a 3.54% coupon rate and a three-month tenor.

The paper received a 'MARC-1 IS' rating from MARC Ratings and a 'P1' rating from RAM Ratings. CIMB Investment Bank was the transaction's lead arranger. (📌)

Sunway Velocity Three auctions Sukuk

MALAYSIA: Sunway Velocity Three, a residential property developer in Malaysia, has issued an Islamic medium-term note worth RM65 million (US\$13.82 million) with a five-year tenor. UOB Malaysia acted as the lead manager for the issuance, which was completed on the 6th June 2024. (📌)

DEAL TRACKER

Full Deal Tracker on page 29

EXPECTED DATE	COMPANY / COUNTRY	SIZE	STRUCTURE	ANNOUNCEMENT DATE
TBA	MNC Media & Entertainment	Up to IDR650 billion	Sukuk	10 th June 2024
TBA	Berjaya Yokohama	Up to RM1 billion	Sukuk	9 th June 2024
TBA	Arada	TBA	Sukuk	6 th June 2024
TBA	Jakel Holdings	Up to RM1.5 billion	Sukuk	5 th June 2024
TBA	Mayar Holding Company	SAR500 million	Sukuk	30 th May 2024

Turkiye Emlak issues lease certificate

TURKIYE: Türkiye Emlak Katılım Bankası has completed a domestic lease certificate issuance of TRY200 million (US\$6.16 million) with a 99-day maturity and an annual simple return rate of 48%. It was sold on the 3rd June 2024. (📌)

Warba Bank's Sukuk prospectus approved

KUWAIT: The Capital Markets Authority of Kuwait has approved Warba Bank's private offering prospectus for a Sukuk issuance not exceeding US\$750 million under its Sukuk issuance program that does not exceed US\$2 billion. (📌)

Arada to launch Sukuk program

UAE: UAE-based property development company Arada plans to issue a Sukuk program through its trustee Arada Sukuk Limited 2. Proceeds from the program will be used for general corporate purposes and repaying Arada's existing debt.

Fitch Ratings has assigned an expected rating of 'BB-(EXP)' to the program. (📌)

NASDAQ Dubai lists Emirates Islamic's Sukuk

UAE: NASDAQ Dubai has listed Emirates Islamic's debut sustainability Sukuk worth US\$750 million. The five-year Sukuk facility was issued as part of its US\$2.5 billion certificate issuance program. (📌)

Jakel Holdings to issue Sukuk

MALAYSIA: Jakel Holdings has lodged a Sukuk Wakalah program worth up to RM1.5 billion (US\$319.03 million) under the Lodge and Launch Framework of the Securities Commission Malaysia. Maybank Investment Bank is the mandated principal advisor of the program. (📌)

Kuveyt Turk completes Sukuk sale

TURKIYE: Kuveyt Turk Katılım Bankası has through KT Kira Sertifikalari Varlik Kiralama issued a Sukuk facility worth TRY1 billion (US\$30.81 million) that carries a 120-day tenor and a simple annual return rate of 48.5%. The Sukuk sale was completed on the 3rd June 2024. The facility will mature on the 2nd October 2024. (📌)

Turkcell sells Sukuk

TURKIYE: Turkish technology and telecommunication company Turkcell has through Halk Varlik Kiralama issued a Sukuk facility worth TRY100 million (US\$3.08 million) that carries a 49% simple annual return rate and a tenor of 91 days. The Sukuk facility was issued on the 4th June 2024.

The Sukuk will mature on the 4th September 2024. (📌)

Indah Kiat to offer Sukuk

INDONESIA: Indah Kiat Pulp and Paper Products will publicly offer its Indah Kiat Pulp & Paper III Phase V Year 2024 shelf-registered Sukuk Mudarabah from the 12th to the 13th June 2024.

The Sukuk facility consists of Series A worth IDR171.79 billion (US\$10.56 million) that carries a three-year tenor and Series B worth IDR99.45 billion (US\$6.11 million) that carries a five-year tenor. (📌)

Indonesian government auctions Sukuk

INDONESIA: The Indonesian government has raised IDR10 trillion

(US\$614.8 million) through the auction of its SPNS02122024, SPNS03032025, PBS032, PBS030, PBSC001, PBS004 and PBS038 sovereign Shariah securities series. The auction received total bids of IDR26.21 trillion (US\$1.61 billion). The auction was held on the 4th June 2024.

Separately, the Indonesian government has closed the offering period of the savings Sukuk series ST012T2 which carries a two-year tenor and the green retail Sukuk – Savings Sukuk series ST012T4 which carries a four-year tenor. The total sales of ST012 amounted to IDR19.65 trillion (US\$1.21 billion) with 76,371 investors, consisting of IDR14.57 trillion (US\$895.77 million) for ST012T2 and IDR5.08 trillion (US\$312.32 million) for ST012T4. The Indonesian government has registered its ST012T2 and ST012T4 savings Sukuk series on the Indonesia Central Securities Depository. (📌)

BNM issues Islamic facilities

MALAYSIA: Bank Negara Malaysia issued three Money Market Tender Murabahah Overnight Borrowing Acceptance Islamic (MMTMO BAI) facilities worth a total of RM60.34 billion (US\$12.84 billion).



BEYOND TAWARRUQ

Alternative Islamic Finance Structures

Classroom training program

SIDC CPE - accredited: 10 CPE Points each day

22nd & 23rd July 2024
9.00am – 5.00pm
DoubleTree by Hilton Kuala Lumpur



Dr Ziyaad Mahomed
Associate Professor
Centre of Excellence in
Islamic Social Finance
INCEIF

Reach out to us for more information

REGISTER NOW

 www.redmoneyevents.com
 seminars@redmoneygroup.com
 +603 2162 7800

On the 5th June 2024, the central bank issued a Bank Negara Interbank Bill – Islamic facility worth RM1 billion (US\$212.64 million) which received 35 bids; on the 6th June 2024, a Malaysian Islamic Treasury Bill facility worth RM2 billion (US\$425.38 million) which received 51 bids; and a Government Investment Issue Murabahah facility worth RM3 billion (US\$638.57 million) which received 358 bids.

BNM also issued another MMTMO BAI on the 7th June 2024 worth RM20.22 billion (US\$4.31 billion), which received a total of 22 bids, and one more on the 10th June 2024 worth RM16.54 billion (US\$3.5 billion). (📌)

Wira Pertiwi issue IMTNs

MALAYSIA: Wira Pertiwi, a financial services company in Malaysia, issued a series of Islamic medium-term notes (IMTNs) on the 31st May 2024.

The first series was worth RM6 million (US\$1.27 million) with a one-year tenor; the second was worth RM5 million (US\$1.06 million) and carries a tenor of one year and four months; the third series was worth RM6 million and has a

one-and-a-half-year tenor; the fourth was issued at RM5 million with a maturity of one year and 10 months; the fifth facility was valued at RM6 million and carries a two-year tenor; the sixth was worth another RM6 million and has a tenor of two years and four months; and the seventh series amounted to RM6 million and holds a maturity of two years and six months.

Kenanga Investment Bank acted as the lead arranger for all seven tranches. (📌)

Fasdat Gida raises funds through Sukuk

TURKIYE: Fasdat Gida, a Turkish food distribution company operating restaurant chains, sold a domestic lease certificate worth TRY100 million (US\$3.1 million) on the 30th May 2024.

The Islamic paper carries an annual simple return rate of 52% and a tenor of 108 days. (📌)

IILM auctions Sukuk

GLOBAL: The International Islamic Liquidity Management Corporation (IILM) has reissued its short-term Sukuk

with a total issuance of US\$1.05 billion with tenors of one month, three months and 12 months with an average bid-to-cover ratio of 197%. (📌)

CBB's Sukuk Ijarah oversubscribed

BAHRAIN: The Central Bank of Bahrain (CBB)'s monthly issue of its BHD26 million (US\$68.58 million) Sukuk Ijarah was oversubscribed, receiving BHD83.89 million (US\$221.27 million) in subscriptions.

The Sukuk facility carries a tenor of 182 days and will mature on the 5th December 2024 with an expected return of 6.05% compared with 5.9% of the previous issue on the 2nd May 2024. The Bahrain Bourse said it would be listing this Sukuk on the 9th June 2024.

Separately, the CBB issued its monthly Sukuk Al-Salam securities that were oversubscribed by 119%, receiving subscriptions worth BHD51.12 million (US\$134.12 million). The papers carry a maturity of 91 days and an expected return of 5.92%, and have a maturity date set for the 11th September 2024. (📌)

ASIA

BSI partners with Qasir

INDONESIA: Bank Syariah Indonesia (BSI) has partnered with payment solutions provider for MSMEs Qasir, to help 24,000 MSMEs improve their skills, and their access to Islamic banking and capital through financing from BSI. (📌)

GFC and partners work on Sukuk

UZBEKISTAN: The Green Finance Centre (GFC) of Astana International Financial Center is working with Uzbek partners on a broader range of sustainable development financial instruments, including social Sukuk, Daniar Kelbetov, the chairman of the board of directors of the GFC, told UzDaily. (📌)

IsDB strengthens partnership with Kyrgyzstan

KYRGYZSTAN: The IsDB held talks with the President of Kyrgyzstan Sadyr Japarov and high-level officials, during the first leg of IsDB President Dr Muhammad Al Jasser's visit to the CIS countries, regarding developmental cooperation in areas such as water resources, agriculture and education. (📌)

Updates on Malaysia's Sukuk market

MALAYSIA: Malaysia's cumulative SRI Sukuk issuances have reached close to RM28 billion (US\$5.96 billion) since the introduction of the Securities Commission Malaysia (SC)'s SRI Sukuk Framework in 2014, said the Managing

Director of SC Kamarudin Hashim in his keynote speech during the Kuala Lumpur International Sustainability Conference. The event was held on the 7th June 2024.

Kamarudin also noted that MARC Ratings recently completed an impact assessment on a publicly listed corporation's sustainability-linked financing framework, under which a potential Sukuk may be launched. (📌)

Funding Societies partners with Good Foodie

MALAYSIA: Malaysian financing start-up Funding Societies has partnered with Good Foodie Media to provide installment plans to SMEs in the latter's ecosystem.



Stay LinkedIn to the Islamic finance industry's leading source for news and views

<https://www.linkedin.com/company/islamic-finance-news>

Under the partnership, food and beverage, lifestyle and entertainment businesses can access media services up to RM50,000 (US\$10,642.8) via an installment plan. (🔗)

MBSB aims to increase CASA

MALAYSIA: Malaysia Building Society (MBSB) aims to increase the proportion of its current account-savings account (CASA) to 20% from just 7% in 2023 through its Flight26 plan, reported The Edge Malaysia.

The Flight26 plan aims to increase CASA, rebalancing the fixed deposits portfolio and releasing some of the high-cost institutional deposits, reported The Edge Malaysia quoting MBSB Group CEO Rafe Haneef. (🔗)

SIDC introduces new competencies

MALAYSIA: The Securities Industry Development Corporation (SIDC) has introduced new competencies to the Industry Competency Framework including Shariah advisory designed to address the growing demand for SRI and Shariah compliant products and services.

The new competencies are designed to meet the needs of the evolving landscape in the capital market and are pivotal in guiding professionals in the industry to grow and enhance their skills. (🔗)

PNB Jersey secures Islamic facility

MALAYSIA: A subsidiary of Permodalan Nasional (PNB), PNB Jersey, has secured an Islamic sustainable financing facility from OCBC Bank Malaysia worth GBP210 million (US\$268.33 million), reported Bernama.

The financing will be used to refurbish PNB's investment property, an office tower, located at One Exchange Square, London. (🔗)

Hejaz launches Halal Money

AUSTRALIA: Australian Islamic financial group Hejaz has launched Shariah compliant app Halal Money which is designed to help Muslims to, among others, manage their personal finance and invest in accordance to Shariah principles. (🔗)

BDCB to launch Mekar

BRUNEI: Brunei Darussalam Central Bank (BDCB) plans to launch Mekar, a fintech innovation center, reported Borneo Bulletin. (🔗)

OJK issues new guidelines

INDONESIA: The Financial Services Authority of Indonesia or Otoritas Jasa Keuangan (OJK) has issued two new guidelines: the Shariah Banking Products and Activities Guidelines, and

the Shariah Rural Banks Risk or Bank Pembiayaan Rakyat Syariah (BPRS) Management Guidelines.

The guidelines are expected to provide comprehensive references for Shariah banks and BPRS in developing and managing their products and activities. (🔗)

IsDB holds workshop

PAKISTAN: The IsDB has held a workshop on country procurement, integrity and financial management which aims to enhance the transparency, efficiency and effectiveness of financial management and procurement processes in Pakistan. The workshop was held from the 27th to the 30th May 2024. (🔗)

SBP injects liquidity

PAKISTAN: The State Bank of Pakistan (SBP) has conducted a Shariah compliant Mudarabah-based open market operation liquidity injection on the 31st May 2024 which saw PKR10.12 trillion (US\$36.32 billion) offered and accepted for the seven-day facility and PKR145.95 billion (US\$523.82 million) offered and accepted for the 28-day facility.

The central bank conducted the same transaction on the 7th June 2024, which saw PKR120 billion (US\$430.52 million) offered and accepted for the seven-day facility and no bids received for the 28-day facility. (🔗)

EUROPE

New Islamic finance consultancy in the UK

UK: Mohammed Saifullah Khan, former CEO of Dar Al Sharia, has founded a boutique full-service Shariah advisory firm, Ebdaa Islamic Finance Consultancy (Ebdaa IFC), based in London. The firm differentiates itself by delivering value-based advisory services leveraging on technology.

The firm provides a variety of services for global clients including designing and re-engineering Shariah compliant products, transaction advisory and rendering advisory on Sukuk and Islamic funds. Apart from providing Shariah compliant and Shariah audit services, Ebdaa IFC also provides digital transformation support, ensuring Shariah compliance across all channels and also focuses on human capacity development.

Areas covered include asset management, banking and financial

services, retail and SME, corporate, wealth management, government and regulatory, real estate and construction, fintech and digitalization, Islamic capital markets, private equity, Takaful, infrastructure, energy and renewable energy, ESG and sustainable financing and education.

Ebdaa IFC has a three-member Shariah committee which is headed by Sheikh Dr Mohamed Ali El Gari, and includes Prof Dr Mohamad Akram Laldin and Dr Fazal Rahim Abdul Rahim as its members. (🔗)

GLOBAL

Phase 2 of telehealth program launched

GLOBAL: The second phase of the Afghanistan Humanitarian Trust Fund (AFTH)-funded Telehealth Education and Clinical Support Facilities Expansion

Project has launched. The initiative, facilitated by the IsDB, aims to, among others, extend telehealth services to 14 new provinces in Afghanistan.

The initiative was funded with a grant worth US\$300,000 from the AFTH and complemented by US\$50,000 from Educast. (🔗)

IsDB to strengthen partnerships

GLOBAL: IsDB President Dr Muhammad Al Jasser plans to visit Kyrgyzstan, Kazakhstan and Tajikistan from the 5th to the 13th June 2024. The visits aim to strengthen economic ties, explore transformative developmental

projects and enhance multifaceted cooperation across various strategic sectors. (🔗)

HAL Capital wins competition

GLOBAL: HAL Capital, an Oman-based Shariah compliant direct financing platform for MSMEs and individuals, was the winner of the Oman edition of the global competition 2024 Visa Everywhere Initiative (VEI). The fintech company received a total of BHD15,000 (US\$39,566.6) for its win.

VEI is an open innovation program and competition for fintech start-ups to pitch solutions for payment and commerce challenges, and also runs a Saudi Arabia edition and a Bahrain edition. (🔗)

Faysal Bank shares in Ithmaar-GFH deal

GLOBAL: Faysal Bank has announced that Ithmaar Bank directly and indirectly, through other group entities, owns 66.7% shares in Faysal Bank.

Therefore, there is a proposed sale and/or transfer of 75% of Ithmaar's current stake in Faysal Bank, which translates to around 50% of the total outstanding shares of Faysal Bank, to GFH Financial Group, as part of GFH's acquisition of Ithmaar's financing and investment portfolios.

Discussions on the GFH-Ithmaar deal began in March 2024, and was finalized

at the end of May 2024 with the approval of Ithmaar's board of directors. (🔗)

IsDBI partners with CIBAFI

GLOBAL: The IsDB Institute (IsDBI) has signed a grant agreement with the General Council for Islamic Banks and Financial Institutions (CIBAFI) to evaluate the economic progress of five select member countries of the OIC in specific areas critical to both Islamic finance and sustainable development.

Key areas of exploration include climate change mitigation, women and youth empowerment initiatives as well as digitalization advancements. (🔗)

MIDDLE EAST

Ajman Bank partners with Ajman University

UAE: Ajman Bank has partnered with Ajman University to launch Ajman Bank Endowed Scholarship Fund, which provides scholarship and financial support for students at the university who are UAE nationals maintaining a minimum GPA of 2.5. (🔗)

Abraj secures Islamic financing

OMAN: Abraj Energy Services has signed a Shariah compliant financing agreement with Alizz Islamic Bank for an undisclosed amount. The financing will be used by the company to finance its growth and expansion. (🔗)

Saudi finance companies' total assets grow

SAUDI ARABIA: The total assets of Saudi finance companies have grown by 13% to SAR64.2 billion (US\$17.11 billion) and the total finance portfolio increased. (🔗)

Islamic finance in Qatar grows

QATAR: Islamic finance assets in Qatar have surged to QR656 billion (US\$178.42 million) in 2023, according to Bait Al-Mashura, an Islamic finance consultancy firm based in the State. Islamic finance assets grew 3.3% year-on-year, Islamic banks accounted for 87.6% of the growth, and Sukuk accounted for 11.1%.

Islamic banks grew 3.6% on an annualized basis to QR563.7 billion (US\$153.3 billion) in 2023, while Islamic

financing saw an increase of 0.6% to QR382.7 billion (US\$104.08 billion). Issued Sukuk increased by 86.6%, with Islamic banks issuing Sukuk valued at a total of QR4.2 billion (US\$1.14 billion) in 2023. (🔗)

GFH purchases own treasury shares

BAHRAIN: GFH Financial Group has purchased 8.95 million of its own treasury shares, increasing its total holding of treasury shares to 250.43 million, representing 6.53% of the total issued shares as of the 5th June 2024. (🔗)

GFH and Ithmaar continue talks

BAHRAIN: GFH and Ithmaar Holding are continuing discussions for GFH to acquire Ithmaar's financing and investment portfolios following the approval of Ithmaar's shareholders of the proposed transaction.

GFH considers the transaction to be in the due diligence stage and shareholders will be informed of any further developments on a regular basis. (🔗)

Awqaf Investment appoints Apex Group

SAUDI ARABIA: Awqaf Investment, the investment arm of the General Authority for Awqaf in Saudi Arabia, has appointed global financial services provider Apex Group as its new strategic partner.

Under the partnership, Apex Group will act as the administrator for Awqaf Investment's funds, implementing a

single-source solution to integrate all aspects of its fund administration. Apex Group will also be providing fund accounting services, transfer agency services and middle/back office outsourcing for the company. (🔗)

Qarar Fintech receives fintech permit

SAUDI ARABIA: Qarar Fintech, a data analytics company in Saudi Arabia, has received a financial technology experimental permit issued by the board of the Capital Market Authority to test its debt instrument offerings and investment products. (🔗)

Aramco makes secondary public offering

SAUDI ARABIA: The Saudi Exchange has announced a special pre-market session for the institutional tranche of Saudi Aramco's secondary public offering, for the 9th June 2024. This session, facilitated by SNB Capital, will allow members involved in the offering to place negotiated deals exclusively for Saudi Aramco. (🔗)

SAMA joins BIS's MVP platform

SAUDI ARABIA: The Saudi Central Bank (SAMA) has joined the Bank for International Settlements (BIS)'s mBridge project as a participant in the Minimum Viable Product (MVP) platform — a wholesale multi-central bank digital currency system that aims to facilitate and enhance cross-border payments between commercial banks in different jurisdictions. (🔗)

ASSET MANAGEMENT

SEDCO Capital extends

subscription period

SAUDI ARABIA: SEDCO Capital has extended the subscription period for the initial offering of its SC Multi Asset Fund until the 27th June 2024. The public offering of the fund had commenced on

the 19th May 2024. IFN previously reported on the fund's launch. (🔗)

Mulkia Investment drops real estate fund

SAUDI ARABIA: Mulkia Investment has announced the termination of its MoU with an undisclosed party to establish a real estate fund to acquire a plot of land in Buraidah City. The firm noted that the decision will not result in legal or

financial claims. The MoU was signed on the 26th February 2024. (🔗)

AAF launches Zakat fund program

INDIA: Amin Antulay Foundation (AAF) has launched its Zakat fund program which aims to foster inter-generational benefits. The fund also partners with organizations that work together with communities that are eligible for Zakat. (🔗)

RATINGS

First Iraqi Bank receives 'B-' rating

IRAQ: S&P has assigned a long-term issuer credit rating of 'B-' to First Iraq Islamic Bank For Investment And Finance (First Iraqi Bank) with a stable outlook. The rating drivers include the expectation that the bank's capitalization will remain strong, said the rating agency. (🔗)

VIS assigns finalized rating

PAKISTAN: VIS Credit Rating Company has finalized the rating of 'A-1+' assigned to K-Electric's short-term Sukuk. The rating reflects the highest certainty of timely payment; short-term liquidity,

including internal operating factors and/or access to alternative sources of funds, is outstanding and safety is just below risk-free government of Pakistan's short-term obligations.

The PKR5 billion (US\$17.92 million) Sukuk facility was issued on the 2nd May 2024. (🔗)

QIIG's 'A- (Excellent)' rating affirmed

QATAR: AM Best has affirmed the financial strength rating of 'A- (Excellent)' and the long-term issuer credit rating of 'a- (Excellent)' on Qatar Islamic Insurance Group (QIIG). The outlook is stable for these credit ratings which reflect QIIG's balance sheet strength, track record of internal capital generation and ability to

accumulate surpluses, the rating agency said. (🔗)

RESULTS

AMAN

UAE: Dubai Islamic Insurance and Reinsurance Company (AMAN) has accumulated Q1 2024 losses of AED149.45 million (US\$40.68 million). The accumulated losses to paid-up capital ratio is 66.2%. (🔗)

Al Baraka Bank South Africa

SOUTH AFRICA: Al Baraka Bank South Africa's net profit before tax has grown by 121% from ZAR78 million (US\$4.18 million) in 2022 to ZAR172 million (US\$9.22 million) in 2023. (🔗)

TAKAFUL

Sukoon Takaful

UAE: Arabian Scandinavian Insurance Company - Takaful - ASCANA Insurance has changed its legal name to Sukoon Takaful. The move is similar to the rebrand by its parent company, Sukoon Insurance, at the start of 2024.

Sukoon Insurance acquired ASCANA Insurance in May 2023. (🔗)

Wethaq Takaful fined for violation

KUWAIT: The Kuwaiti Capital Market Authority has fined Wethaq Takaful KWD3,000 (US\$9,758.31) for violating the rules of disclosure and transparency. The Takaful operator had failed to disclose the results of their board of directors meeting on the 27th December 2022, during which the company's five-year business plan was approved. (🔗)

Al Rajhi Takaful

SAUDI ARABIA: Al Rajhi Takaful has partnered with artificial intelligence (AI)-powered health insurance management firm DESAISIV. Through the partnership, Al Rajhi Takaful will leverage DESAISIV's AI-powered platform to streamline its interactions with corporate clients. (🔗)

MOVES

Zurich Takaful Malaysia

MALAYSIA: Zurich Takaful Malaysia has appointed **Nur Fatimah Mustafa** as its new CEO, effective the 4th June 2024.

With the appointment, Nur Fatimah, who has been with Zurich Malaysia since 2018 in different roles, became the first woman to lead a Takaful operator in the country. (🔗)

Islamic Arab Insurance Co

UAE: Islamic Arab Insurance Co's Chairman **Saeed Mubarak AlHajeri** and Vice-Chairman **Mohammed Abdulaziz AlShehhi** have both resigned. Saeed will continue his duties until a new candidate is elected. (🔗)

CIMB Group

MALAYSIA: CIMB Group has appointed **Novan Amirudin** as its group CEO, effective from the 1st July 2024. Novan is

currently the co-CEO of CIMB's group wholesale banking and CEO of CIMB Investment Bank.

The group also appointed **Gurdip Singh Sidhu** as CEO of CIMB Bank and Malaysia. Gurdip currently serves as the chief operating and people officer of CIMB Group. (🔗)

DEAL TRACKER

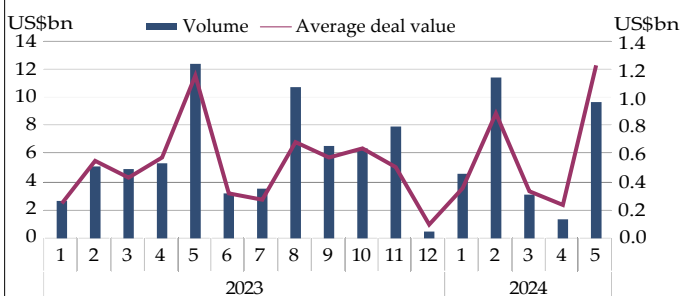
Expected date	Company/country	Size	Structure	Announcement Date
TBA	MNC Media & Entertainment	Up to IDR650 billion	Sukuk	10 th June 2024
TBA	Berjaya Yokohama	Up to RM1 billion	Sukuk	9 th June 2024
TBA	Arada	TBA	Sukuk	6 th June 2024
TBA	Jakel Holdings	Up to RM1.5 billion	Sukuk	5 th June 2024
TBA	Mayar Holding Company	SAR500 million	Sukuk	30 th May 2024
TBA	K-Electric	Up to PKR5 billion	Sukuk	28 th May 2024
TBA	Paramount	Up to RM1 billion	Sukuk	16 th May 2024
December 2024	Government of Pakistan	TBA	Green Sukuk	12 th May 2024
TBA	Aqaseem	Up to SAR500 million	Sukuk	9 th May 2024
TBA	Government of Syria	TBA	Sukuk	7 th May 2024
TBA	Warba Bank	US\$750 million	Sukuk	2 nd May 2024
TBA	Beni Restu	Up to RM2 billion	Sukuk	18 th April 2024
TBA	Adira Finance	IDR400 billion	Sukuk Mudarabah	18 th April 2024
TBA	NEOM	Up to SAR5 billion	Sukuk	17 th April 2024
TBA	Al Karam Textile Mills	PKR4 billion	Sukuk	8 th April 2024
TBA	Drake & Scull	TBA	Convertible Sukuk	1 st April 2024
TBA	QIIB	TBA	Tier 1 Non-convertible Sukuk	31 st March 2024
TBA	Al Salam Bank	Not exceeding BHD230 million	Sukuk	24 th March 2024
TBA	National Central Cooling Company (Tabreed)	Up to US\$1 billion	Sukuk and bonds	21 st March 2024
TBA	QSR Stores	Up to RM1 billion	Sukuk Wakalah	20 th March 2024
TBA	Kuwait Finance House	TBA	Sukuk	19 th March 2024
TBA	Malakoff	Up to RM1.2 billion	Islamic commercial papers; Islamic medium-term notes	7 th March 2024
TBA	Abu Dhabi Islamic Bank	Up to US\$5 billion	Senior Sukuk	3 rd March 2024
TBA	Tasaheel Microfinance Company	EGP6 billion	Sukuk	3 rd March 2024
2024	Golden Coast Company	EGP7 billion	Green Sukuk	3 rd March 2024
TBA	Contact Financial Holding	EGP2 billion	Sukuk	3 rd March 2024
TBA	Hextar Global	Up to RM1.3 billion	Sukuk	13 th February 2024
TBA	Knowledge Tower	SAR20 million	Sukuk	13 th February 2024
TBA	West Sumatra (Indonesia)	TBA	Sukuk	4 th February 2024
TBA	Ministry of Finance (UAE)	AED5 billion in total	Sukuk and bonds	28 th January 2024
TBA	Estithmar Holding	Up to QAR3.4 billion	Sukuk	24 th January 2024
TBA	Thar Energy	PKR5 billion	Sukuk	18 th January 2024
TBA	Water and Power Development Authority (Pakistan)	PKR10.09 billion	Sukuk	2 nd January 2024
TBA	Deer Real Estate Company	SAR10 million	Sukuk Murabahah	27 th December 2023
TBA	Abhi	Up to PKR5 billion	Sukuk	27 th December 2023
TBA	Ministry of Finance (Egypt)	TBA	Sukuk	21 st December 2023
TBA	Tradewinds (M)	Up to RM645 million	Sukuk Wakalah	1 st December 2023
TBA	Mashreq Bank	Up to US\$2.5 billion	Sukuk	28 th November 2023
TBA	Advanced Chemical Industries	BDT6 billion	Sukuk	27 th November 2023
TBA	Alif	US\$50 million	Sukuk	20 th November 2023
TBA	National Building and Marketing	Up to SAR500 million	Sukuk Murabahah	17 th November 2023
2025	The Maldives	TBA	Sukuk or bonds	6 th November 2023
TBA	Development Bank of Ethiopia	TBA	Sukuk	19 th October 2023
TBA	Malaysia	Up to RM1 billion	Biodiversity Sukuk	13 th October 2023
TBA	Eurasian Development Bank	US\$500 million	Sukuk	12 th October 2023
2024	Solarvest Holdings	RM60 million	Sukuk	9 th October 2023
TBA	Energy Development Oman	TBA	Green Sukuk	6 th October 2023

DEALOGIC LEAGUE TABLES

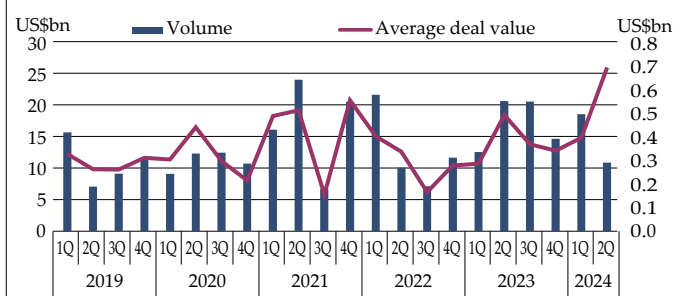
Most Recent Global Sukuk

Priced	Issuer	Nationality	Instrument	Market	US\$ (mln)	Managers
28-May-24	Saudi Arabia	Saudi Arabia	Sovereign, local authority Sukuk	Global market public issue	5,000	Bank Al-Jazira, BNP Paribas, Citigroup, Goldman Sachs, HSBC, JPMorgan, Standard Chartered Bank
21-May-24	Emirates NBD	UAE	Sukuk	Euro market public issue	750	Abu Dhabi Islamic Bank, Dubai Islamic Bank, Emirates NBD, FAB, Islamic Development Bank, Standard Chartered Bank
17-May-24	Pengurusan Aset Air - PAAB	Malaysia	Sukuk	Domestic market public issue	341	AmInvestment Bank, Bank Islam Malaysia, CIMB Group, RHB Bank
16-May-24	DRB-HICOM	Malaysia	Sukuk	Domestic market public issue	106	AmInvestment Bank, CIMB Group
16-May-24	Petroleum Sarawak- PETROS	Malaysia	Sukuk	Domestic market public issue	319	Maybank, RHB Bank
09-May-24	Al Rajhi Bank	Saudi Arabia	Sukuk	Euro market public issue	1,000	Al Rajhi Capital, Citigroup, Dubai Islamic Bank, Emirates NBD, Goldman Sachs, HSBC, Standard Chartered Bank
08-May-24	Islamic Development Bank	Saudi Arabia	Non-US agency	Euro market public issue	2,000	Citigroup, Credit Agricole, DBS, Dubai Islamic Bank, HSBC, ICBC, Natixis, Sharjah Islamic Bank, SNB Capital, Standard Chartered Bank
07-May-24	Aldar Properties	UAE	Sukuk	Euro market public issue	500	Abu Dhabi Commercial Bank, Abu Dhabi Islamic Bank, Dubai Islamic Bank, Emirates NBD, FAB, HSBC, Mashreqbank, Morgan Stanley, Standard Chartered Bank
07-May-24	RHB Bank	Malaysia	Sukuk	Domestic market public issue	105	RHB Bank
24-Apr-24	Kuwait International Bank	Kuwait	Sukuk	Euro market public issue	300	Abu Dhabi Islamic Bank, Al Dawli Invest Investment, Bank of Sharjah, Citigroup, Dubai Islamic Bank, Emirates NBD, FAB, Kuwait Projects, Mashreqbank, Standard Chartered Bank, Sumitomo Mitsui Financial Group
02-Apr-24	LPPSA	Malaysia	Sukuk	Domestic market public issue	688	AmInvestment Bank, Bank Islam Malaysia, CIMB Group, Maybank, RHB Bank
29-Mar-24	KLCC Property Holdings	Malaysia	Sukuk	Domestic market public issue	412	Maybank
20-Mar-24	Gamuda	Malaysia	Sukuk	Domestic market public issue	106	AmInvestment Bank, CIMB Group, Maybank, OCBC, RHB Bank
19-Mar-24	Malaysia Rail Link	Malaysia	Sukuk	Domestic market public issue	318	AmInvestment Bank, CIMB Group, Kenanga Investment Bank, Maybank, OCBC, RHB Bank
15-Mar-24	CIMB Group	Malaysia	Sukuk	Domestic market public issue	747	CIMB Group
11-Mar-24	Public Investment Fund	Saudi Arabia	Sukuk	Euro market private placement	200	HSBC
11-Mar-24	Saudi FAS Holding	Saudi Arabia	Sukuk	Euro market public issue	100	HSBC
05-Mar-24	Al Rajhi Bank	Saudi Arabia	Sukuk	Euro market public issue	1,000	Abu Dhabi Commercial Bank, Abu Dhabi Islamic Bank, Al Rajhi Capital, Citigroup, Dubai Islamic Bank, Emirates NBD, FAB, Goldman Sachs, HSBC, Kuwait Finance House, SG Corporate & Investment Banking, Standard Chartered Bank, Sumitomo Mitsui Financial Group
29-Feb-24	Saudi FAS Holding	Saudi Arabia	Sukuk	Euro market public issue	500	Arab National Bank, Dubai Islamic Bank, Emirates NBD, GFH Financial Group, Goldman Sachs, HSBC, JPMorgan, Kuwait Projects, Mashreqbank, Sharjah Islamic Bank, Warba Bank
29-Feb-24	Yinson Holdings	Malaysia	Sukuk	Domestic market public issue	134	CIMB Group, UOB

Global Sukuk Volume by Month (US\$ billion)



Global Sukuk Volume by Quarter (US\$ billion)



DEALOGIC LEAGUE TABLES

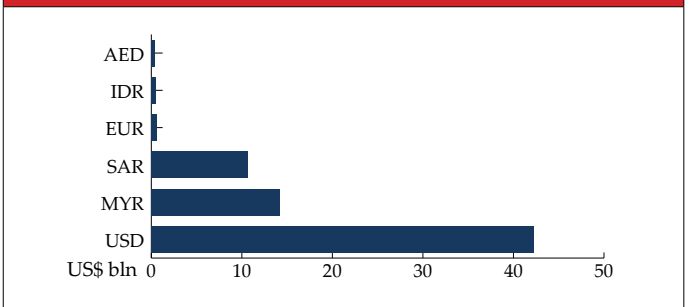
Top 30 Issuers of Global Sukuk					12 Months
Issuer	Nationality	Market	US\$ (mln)	Tranches	Managers
Saudi Arabia	Saudi Arabia	Global market public issue	5,000	3	Bank Al-Jazira, BNP Paribas, Citigroup, Goldman Sachs, HSBC, JPMorgan, Standard Chartered Bank
Saudi Arabia	Saudi Arabia	Domestic market public issue	3,871	1	Al Rajhi Capital, HSBC, SNB Capital
Public Investment Fund	Saudi Arabia	Euro market public issue	3,500	2	Abu Dhabi Commercial Bank, Al Rajhi Capital, Albilad Capital, Alinma Bank, Bank Al-Jazira, Bank of China, BNP Paribas, BofA Securities, Citigroup, Credit Agricole, Deutsche Bank, Emirates NBD, First Abu Dhabi Bank, Goldman Sachs, HSBC, JPMorgan, Mizuho, MUFG, SNB Capital, Standard Chartered Bank, Sumitomo Mitsui Financial Group
Saudi Arabia	Saudi Arabia	Domestic market public issue	2,871	1	Al Rajhi Capital, HSBC, SNB Capital
Turkey	Turkey	Global market public issue	2,500	1	Emirates NBD, HSBC, JPMorgan, Kuwait Finance House, QNB Capital
Public Investment Fund	Saudi Arabia	Euro market public issue	2,000	2	Abu Dhabi Commercial Bank, Abu Dhabi Islamic Bank, Al Rajhi Capital, Bank of China, First Abu Dhabi Bank, HSBC, JPMorgan, Mizuho, MUFG, Natixis, Saudi Fransi Capital, SG Corporate & Investment Banking, SNB Capital, Standard Chartered Bank, Sumitomo Mitsui Financial Group
Indonesia	Indonesia	Euro market public issue	2,000	2	CIMB Group, Citigroup, Dubai Islamic Bank, Mandiri Sekuritas, Standard Chartered Bank
Public Investment Fund	Saudi Arabia	Euro market public issue	2,000	1	Al Rajhi Capital, Bank of China, BNP Paribas, BofA Securities, Citigroup, Credit Agricole, Dubai Islamic Bank, Emirates NBD, FAB, Goldman Sachs, HSBC, ICBC, JPMorgan, Kuwait Finance House, Mashreqbank, SG Corporate & Investment Banking, Sharjah Islamic Bank, SNB Capital, Standard Chartered Bank
Islamic Development Bank	Saudi Arabia	Euro market public issue	2,000	1	Citigroup, Credit Agricole, DBS, Dubai Islamic Bank, HSBC, ICBC, Natixis, Sharjah Islamic Bank, SNB Capital, Standard Chartered Bank
Saudi Arabia	Saudi Arabia	Domestic market public issue	1,990	1	Al Rajhi Capital, HSBC, SNB Capital
Islamic Development Bank	Saudi Arabia	Euro market public issue	1,750	1	Barclays, BNP Paribas, Dubai Islamic Bank, First Abu Dhabi Bank, Islamic Development Bank, JPMorgan, Mizuho, Natixis, Standard Chartered Bank
Dubai World	UAE	Euro market public issue	1,500	1	Citigroup, Deutsche Bank, Dubai Islamic Bank, Emirates NBD, First Abu Dhabi Bank, HSBC, JPMorgan, Standard Chartered Bank
SAB	Saudi Arabia	Domestic market private placement	1,066	1	HSBC
Energy Development Oman	Oman	Global market public issue	1,000	1	Abu Dhabi Commercial Bank, Arab Banking, Bank Muscat, Dubai Islamic Bank, First Abu Dhabi Bank, JPMorgan, Kuwait Finance House, Mashreqbank, National Bank of Oman, Standard Chartered Bank
Republic of the Philippines	Philippines	Euro market public issue	1,000	1	Citigroup, Deutsche Bank, Dubai Islamic Bank, HSBC, MUFG, Standard Chartered Bank
Kuwait Finance House	Kuwait	Euro market public issue	1,000	1	Abu Dhabi Commercial Bank, Al Rajhi Capital, Arab Banking Corporation, Dubai Islamic Bank, First Abu Dhabi Bank, HSBC, Islamic Development Bank, Kuwait Finance House, National Bank of Kuwait, Standard Chartered Bank, Sumitomo Mitsui Financial Group
Bahrain	Bahrain	Euro market public issue	1,000	1	Arab Banking Corporation, Dubai Islamic Bank, HSBC, JPMorgan, Mashreqbank, National Bank of Bahrain, Standard Chartered Bank
Dubai Islamic Bank	UAE	Euro market public issue	1,000	1	Al Rajhi Capital, Arab Banking, Dubai Islamic Bank, Emirates NBD, FAB, HSBC, JPMorgan, Kuwait Finance House, Mashreqbank, Sharjah Islamic Bank, Standard Chartered Bank
Alinma Bank	Saudi Arabia	Euro market public issue	1,000	1	Abu Dhabi Commercial Bank, Alinma Bank, Emirates NBD, JPMorgan, MUFG, Standard Chartered Bank
Al Rajhi Bank	Saudi Arabia	Euro market public issue	1,000	1	Abu Dhabi Commercial Bank, Abu Dhabi Islamic Bank, Al Rajhi Capital, Citigroup, Dubai Islamic Bank, Emirates NBD, FAB, Goldman Sachs, HSBC, Kuwait Finance House, SG Corporate & Investment Banking, Standard Chartered Bank, Sumitomo Mitsui Financial Group
Al Rajhi Bank	Saudi Arabia	Euro market public issue	1,000	1	Al Rajhi Capital, Citigroup, Dubai Islamic Bank, Emirates NBD, Goldman Sachs, HSBC, Standard Chartered Bank
LPPSA	Malaysia	Domestic market public issue	855	9	AmInvestment Bank, Bank Islam Malaysia, CIMB Group, Maybank, OCBC, RHB Bank
Saudi Arabia	Saudi Arabia	Domestic market public issue	852	1	Al Rajhi Capital, HSBC, SNB Capital
Public Investment Fund	Saudi Arabia	Euro market public issue	850	1	Dubai Islamic Bank, Emirates NBD, Goldman Sachs, HSBC, Mizuho, SNB Capital, Standard Chartered Bank
First Abu Dhabi Bank	UAE	Euro market public issue	800	1	Dubai Islamic Bank, Emirates NBD, First Abu Dhabi Bank, HSBC, Islamic Development Bank, Kuwait Finance House, Sharjah Islamic Bank, Standard Chartered Bank
Sarawak Energy	Malaysia	Domestic market public issue	754	3	AmInvestment Bank, CIMB Group, Maybank, RHB Bank
Abu Dhabi Islamic Bank	UAE	Euro market public issue	750	1	Abu Dhabi Islamic Bank, Citigroup, Emirates NBD, FAB, HSBC, JPMorgan, Standard Chartered Bank
Almarai	Saudi Arabia	Euro market public issue	750	1	Citigroup, Dubai Islamic Bank, HSBC, JPMorgan, Standard Chartered Bank

DEALOGIC LEAGUE TABLES

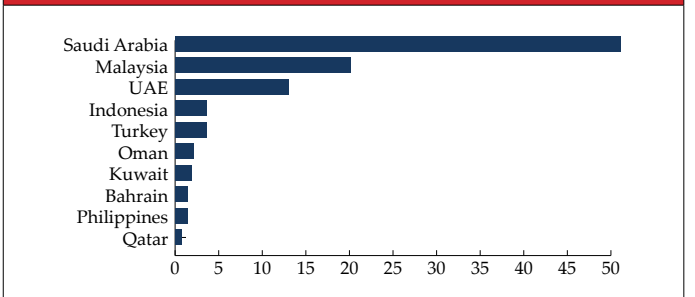
Top Global Islamic Bookrunners *12 Months*

	Bookrunner Parents	US\$ (mln)	Iss	%
1	HSBC	8,829	48	12.87
2	CIMB Group	5,310	68	7.74
3	Standard Chartered Bank	4,559	33	6.64
4	Al Rajhi Capital	4,051	11	5.90
5	SNB Capital	3,787	8	5.52
6	Maybank	3,503	51	5.11
7	JPMorgan	3,109	18	4.53
8	Dubai Islamic Bank	3,029	25	4.42
9	Emirates NBD	2,974	27	4.33
10	Citigroup	2,626	14	3.83
11	RHB Bank	2,233	47	3.25
12	FAB	2,105	21	3.07
13	AmInvestment Bank	1,409	32	2.05
14	Goldman Sachs	1,367	7	1.99
15	Kuwait Finance House	1,359	10	1.98
16	BNP Paribas	1,175	4	1.71
17	Mashreqbank	1,157	15	1.69
18	Abu Dhabi Commercial Bank	999	11	1.46
19	Sharjah Islamic Bank	953	11	1.39
20	Bank Al-Jazira	875	2	1.28
21	Mizuho	782	5	1.14
22	Bank Islam Malaysia	771	10	1.12
23	MUFG	733	5	1.07
24	Abu Dhabi Islamic Bank	634	8	0.92
25	Arab Banking Corporation	628	7	0.92
26	Credit Agricole	610	5	0.89
27	Deutsche Bank	591	4	0.86
28	Islamic Development Bank	573	5	0.83
29	QNB Capital	563	2	0.82
30	Natixis	547	3	0.80

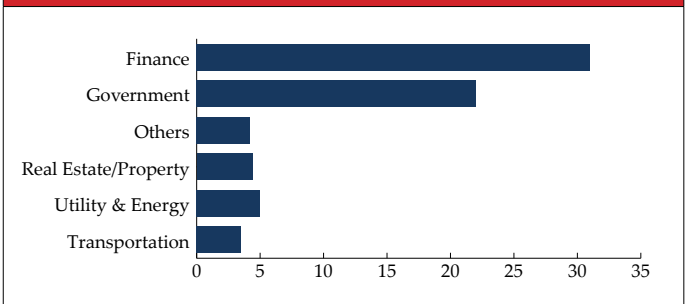
Sukuk Volume by Currency (US\$ billion) *12 Months*



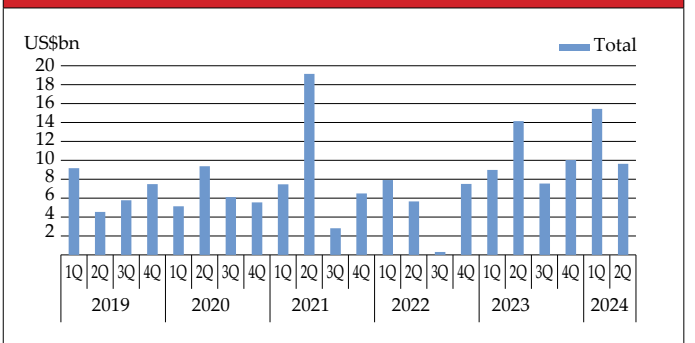
Sukuk Volume by Issuer Nation (US\$ billion) *12 Months*



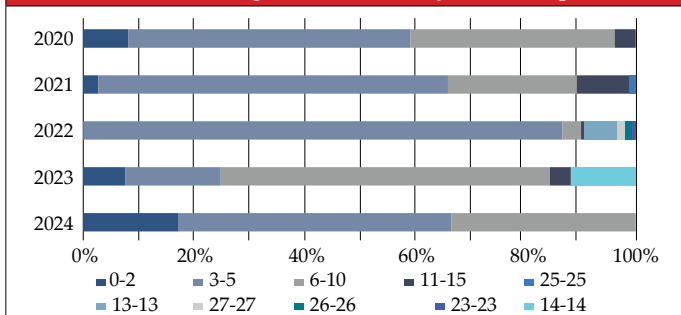
Global Sukuk Volume by Sector *12 Months*



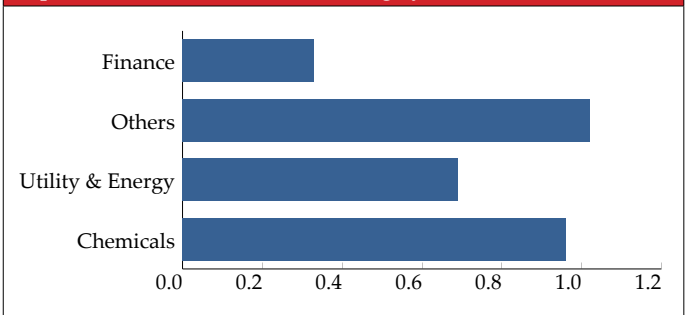
Global Sukuk Volume - US\$ Analysis (US\$ billion)



Global Islamic Financing - Years to Maturity (YTD Comparison)



Top Islamic Finance Related Financing by Sector *12 Months*



DEALOGIC LEAGUE TABLES

Top Islamic Finance Related Financing Mandated Lead Arrangers 12 Months				
	Mandated Lead Arranger	US\$ (mln)	No	%
1	Emirates NBD	492	6	10
2	Abu Dhabi Commercial Bank	414	5	8
3	Mashreqbank	372	2	8
4	Standard Chartered Bank	300	4	6
5	Islamic Development Bank	251	4	5
6	FAB	240	4	5
7	Doha Bank	216	1	4
7	Dubai Islamic Bank	216	1	4
9	HSBC	211	3	4
10	National Bank of Kuwait	158	2	3
11	AFC	125	1	3
12	Gulf Bank	113	1	2
13	Al Rajhi Capital	102	2	2
14	Credit Agricole	94	2	2
15	SAB	93	1	2
15	Saudi Fransi Capital	93	1	2
17	Commercial Bank of Dubai	90	2	2
18	MUFG	88	2	2
19	Agricultural Bank of China	87	1	2
19	Arab Petroleum Investments	87	1	2
19	KDB Bank	87	1	2
22	Bank of China	87	1	2
22	China Construction Bank	87	1	2
22	Kuwait Finance House	87	1	2
22	Sumitomo Mitsui Financial Group	87	1	2
26	Kuwait International Bank	71	1	1
27	Bank Islam Malaysia	70	2	1
27	Maybank	70	2	1
27	UOB	70	2	1
30	Citigroup	69	1	1

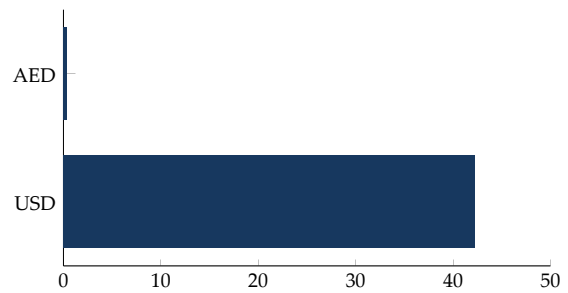
Top Islamic Finance Related Financing Bookrunners 12 Months				
	Bookrunner	US\$ (mln)	No	%
1	Abu Dhabi Commercial Bank	423	3	14
2	Standard Chartered Bank	379	2	12
3	HSBC	313	2	10
4	Emirates NBD	304	3	10
5	FAB	280	3	9
6	Dubai Islamic Bank	270	1	9
6	Mashreqbank	270	1	9
8	Bank of China	137	1	4
8	China Construction Bank	137	1	4
8	Kuwait Finance House	137	1	4

Top Islamic Finance Related Financing Deal List 12 Months			
Credit Date	Borrower	Nationality	US\$ (mln)
02-Oct-23	Ras Laffan Petrochemicals	Qatar	3,387
28-Nov-23	Lulu Group International	UAE	2,698
06-Dec-23	AAA Oils & Fats Apical Middle East	Singapore	1,002
24-Apr-24	SEWA	UAE	900
04-Apr-24	Olam Global Agri Olam Global Agri Treasury	Singapore	625
28-Dec-23	Emirates Property Investment	UAE	312
14-Sep-23	DenizBank	Turkey	284
15-Oct-23	Arabian Contracting Services	Saudi Arabia	280
16-Jan-24	Egypt Egyptian General Petroleum	Egypt	250
15-Dec-23	QInvest	Qatar	225

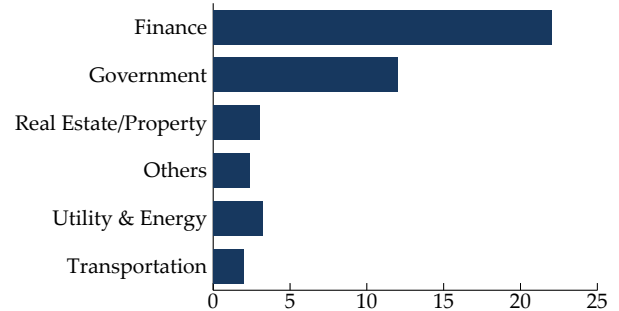
DEALOGIC LEAGUE TABLES

Top Global International Sukuk Managers		12 Months		
Bookrunner	US\$ (mln)	No	%	
1 Standard Chartered Bank	4,559	33	10.62	
2 HSBC	4,241	29	9.87	
3 JPMorgan	3,109	18	7.24	
4 Dubai Islamic Bank	3,029	25	7.05	
5 Emirates NBD	2,974	27	6.92	
6 Citigroup	2,626	14	6.11	
7 FAB	2,105	21	4.90	
8 Goldman Sachs	1,367	7	3.18	
9 Kuwait Finance House	1,359	10	3.17	
10 BNP Paribas	1,175	4	2.74	
11 Mashreqbank	1,157	15	2.69	
12 Abu Dhabi Commercial Bank	999	11	2.33	
13 Sharjah Islamic Bank	953	11	2.22	
14 Bank Al-Jazira	875	2	2.04	
15 Al Rajhi Capital	856	7	1.99	
16 Mizuho	782	5	1.82	
17 MUFG	733	5	1.71	
18 Abu Dhabi Islamic Bank	634	8	1.48	
19 Arab Banking Corporation	628	7	1.46	
20 Credit Agricole	610	5	1.42	
21 SNB Capital	593	4	1.38	
22 Deutsche Bank	591	4	1.38	
23 Islamic Development Bank	573	5	1.33	
24 QNB Capital	563	2	1.31	
25 Natixis	547	3	1.27	
26 Sumitomo Mitsui Financial Group	545	5	1.27	
27 Bank of China	455	3	1.06	
28 CIMB Group	400	1	0.93	
28 Mandiri Sekuritas	400	1	0.93	
30 BofA Securities	388	3	0.90	

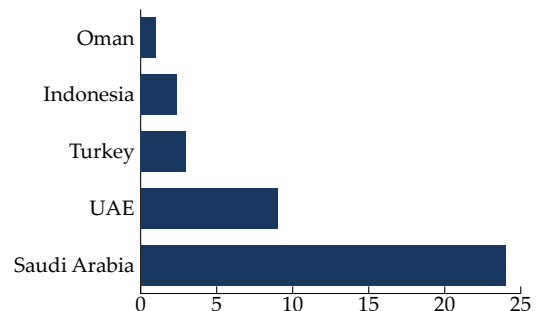
International Sukuk Volume by Currency (US\$ billion)
12 Months



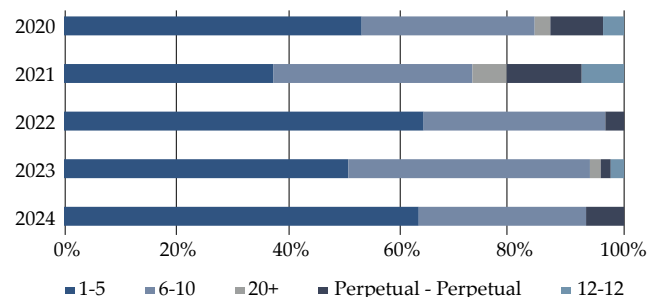
International Sukuk Volume by Sector (US\$ billion)
12 Months



International Sukuk Volume by Issuer Nation (US\$ billion)
12 Months



International Sukuk Years to Maturity



Are your deals listed here?

If you feel that the information within these tables is inaccurate, you may contact the following directly:

Mimi Lee (Media Relations)
Email: mimi.lee@dealogic.com

Tel: +852 3698 4715

dealogic



2nd September 2024
London



9th September 2024
Muscat



11th September 2024
Doha



25th September 2024
Kuala Lumpur



26th September 2024
Kuala Lumpur



30th September 2024
Jakarta



30th September 2024
Jakarta



25th November 2024
Riyadh



27th November 2024
Manama



5th December 2024
Istanbul



**CLASSROOM SEMINARS
AND ONLINE PROGRAMS**

Leaders in financial, technical and
product training for the financial
services industry

Islamic Finance news

How to subscribe:
Subs@REDmoneygroup.com



☐ INDIVIDUAL SUBSCRIPTION

- 1 Year at US\$1,400 nett
- 2 Years at US\$2,520 nett

☐ COMPANY-WIDE SUBSCRIPTION

- 1 Year at US\$5,250 nett
 - 2 Years at US\$9,450 nett
- (Max: 10 Individual Subscriptions)

☐ TEAM-WIDE SUBSCRIPTION

- 1 Year at US\$3,650 nett
 - 2 Years at US\$6,570 nett
- (Max: 5 Individual Subscriptions)

☐ GROUP-WIDE SUBSCRIPTION

- 1 Year: US\$12,500
 - 2 Years: US\$22,500
- (Unlimited Subscriptions)

Each subscriber will receive:

- 50 issues of Islamic Finance news
- Daily news alerts
- Exclusive login details
- Unlimited access to entire archived library
- All additional supplements, guides and reports

Affizuzatul Eznie – Business Development Manager
Tel: +603 2162 7800 (ext 14)
Email: affizuzatul.eznies@REDmoneygroup.com

Karthik Thivan – Subscriptions Manager
Tel: +603 2162 7800 (ext 24)
Email: karthik.thivan@REDmoneygroup.com

Andi Lemmy – Head of Indonesia
Tel: +603 2162 7800 (ext 33)
Email: andi.lemmy@REDmoneygroup.com

Niroshiny Cumarar – Business Development Manager
Tel: +603 2162 7800 (ext 35)
Email: niroshiny.cumarar@REDmoneygroup.com

Chitra Kunchiraman – Subscriptions Development
Director / Head of Legal & Academic Institutions
Tel: +603 2162 7800 (ext 59)
Email: chitra.kunchiraman@REDmoneygroup.com

Jonathan Fouquet – Business Development Manager
Tel: +603 2162 7800 (ext 66)
Email: jonathan.fouquet@REDmoneygroup.com

Islamic Finance news

Managing Editor Vineeta Tan
vineeta.tan@REDmoneygroup.com

Director Nessreen Tamano
nessreen.tamano@REDmoneygroup.com

Editor Sasikala Thiagaraja
sasikala.thiagaraja@REDmoneygroup.com

Senior Contributions Editor Kenny Ng
kenny.ng@REDmoneygroup.com

Senior Copy Editor Hanif Namora
hanif.namora@REDmoneygroup.com

IFN FinTech Lead Guruchathram Ledchumanan
guru@REDmoneygroup.com

Journalist Radhika Das
radhika.das@REDmoneygroup.com

Head of Production Hasnani Aspari
hasnani.aspari@REDmoneygroup.com

Senior Production Manager Norzabidi Abdullah
zabidi.abdullah@REDmoneygroup.com

Senior Graphic Designer Eumir Shazwan Kamal Bahrin
eumir.shazwan@REDmoneygroup.com

Publishing Manager Janette Joseph
janette.joseph@REDmoneygroup.com

Associate Publisher Sunitapreet Kaur
sunita.kaur@REDmoneygroup.com

Associate Publisher Sandra Spencer
sandra.spencer@REDmoneygroup.com

Head of KSA Asma Qadah
asma.qadah@REDmoneygroup.com

Marketing Manager Govina Selvanthran
govina.selvanthran@REDmoneygroup.com


Head of CRM & Marketing Ammar Ali
ammar.ali@REDmoneygroup.com

Operations and HR Manager Haja Najubudeen
haja.najubudeen@REDmoneygroup.com

Finance & Accounts Manager Aidiazrul Idrus
aidiazrul.idrus@REDmoneygroup.com

Managing Director Andrew Tebbutt
andrew.tebbutt@REDmoneygroup.com

Managing Director & Publisher Andrew Morgan
andrew.morgan@REDmoneygroup.com

Published By: 

MALAYSIA
Unit E-12B-2.1, Level 12B,
The Icon (East Wing), No.1, Jalan 1/68F, off Jalan Tun
Razak, 50400, Kuala Lumpur, Malaysia
Tel: +603 2162 7800 Fax: +603 2162 7810

UK
16-19, East Castle Street, London, W1W 8DY, United Kingdom,
Tel: +44 20 7097 9206

DUBAI
B4-212A3, Business
Center 04, RAKEZ
Business Zone-FZ,
RAK, UAE

DISCLAIMER

All rights reserved. No part of this publication may be reproduced, duplicated or copied by any means without the prior consent of the holder of the copyright, requests for which should be addressed to the publisher. While every care is taken in the preparation of this publication, no responsibility can be accepted for any errors, however caused.

