

Shariah is our Source



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SUKUK

AlHuda Center of Islamic Banking & Economics
Sukuk Department



CIBE

www.sukuk.com.pk

Shariah is our Source

About AlHuda CIBE



Towards the pursuance of our goal to promote Islamic Banking and Finance all over the globe, AlHuda Centre of Islamic Banking and Economics is working diligently since its existence 15 years ago. AlHuda CIBE has been acknowledged as a distinguished service provider due to our notable services, team of dedicated professionals and one stop solutions of Islamic Banking and Finance. Our aim is to provide state-of-the-art services of Islamic banking and finance. We are proud to be prominent for our advisory and consultancy, research and development, education and capacity building, Shariah advisory, publication and events all over the world.

AlHuda CIBE is supported by many national and international organizations and institutions as Strategic Partners. Our alumni have spread over 100+ countries. We are proud to stand among world's largest presences for capacity building, trainings, consultancy and other services.

More details are available at : www.alhudacibe.com

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Sukuk Department

Sukuk Department is the working arm of AlHuda CIBE for legitimate Shariah compliance and governance in financial institutions across the globe. The purpose of the establishment of a separate department is the need to formalize the efforts to implement shariah-based legislation through guidelines, supervision, examination of the documents and operations.

Sukuk Department of AlHuda CIBE provides state-of-the-art practical Shariah-oriented solutions in all aspects of Islamic finance businesses. In a broader sense, the focus remains to make the society truly based on the virtues of Islam and a welfare-oriented approach. Our prime aim in this regard is to strengthen and steam line the Islamic finance operations through Shariah advisory services.

Our Services

- Sukuk Issuance Advisory and Consultancy
- Shariah Compliance for Financial Contracts
- Capacity Building and Training
- Sukuk Education/Certification



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**Sukuk department of
AlHuda CIBE
is working to make
this world a true
Islamic principles-based
investment society.**

Sukuk

Sukuk is an Islamic financial certificate that represents the investor's ownership in an underlying asset. The underlying asset could be anything from property to a project or a business venture. Sukuk holders receive a share of the profits generated by the underlying asset instead of interest, which is prohibited in Islam.

How does Sukuk work? Sukuk is issued by an entity, such as a government, a corporation, or a financial institution, that needs to raise funds. The issuer creates a special purpose vehicle (SPV) that purchases the underlying asset, which is then divided into equal shares or units. These units are then sold to investors at a fixed price, and the proceeds are used to finance the project or asset. The investors receive a share of the profits generated by the underlying asset based on the percentage of units they hold.

Benefits of Sukuk: Sukuk offers several benefits to investors, issuers, and society as a whole. For investors, Sukuk provides an opportunity to invest in a socially responsible manner that is consistent with Islamic principles. Sukuk is also a low-risk investment compared to other investment instruments since the underlying asset provides a tangible asset for the investor to fall back on. For issuers, Sukuk provides an alternative source of financing that is not based on interest payments, making it a more ethical and equitable form of financing. Finally, Sukuk helps to fund infrastructure projects that benefit society as a whole, such as roads, schools, and hospitals.

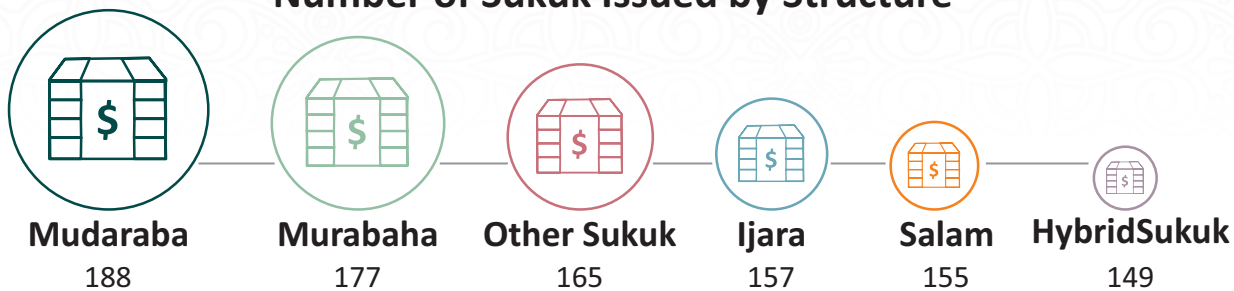
Global Sukuk Market

The Sukuk market has grown significantly over the past decade, with total outstanding Sukuk reaching \$595 billion in 2021, up from \$237 billion in 2010. Malaysia is the largest Sukuk market, accounting for 36% of the global Sukuk issuance, followed by Saudi Arabia and the UAE. The most popular type of Sukuk is the asset-backed Sukuk, which represents 67% of the global Sukuk issuance.

Sukuk Models

There are several Sukuk structures but not limited to, consisting on Ijarah Sukuk, Mudarbah Sukuk, Murabaha Sukuk, Salam Sukuk and Hybrid Sukuk. The following figure shows the estimated number of Sukuk issued under the specific model or structure of the sukuk.

Number of Sukuk Issued by Structure



Shariah oriented Capacity Building

We shall make it possible to arrange the events to realize the need and importance of Sukuk as awareness campaigns, seminars, training, workshops, and discussion platforms.

Advisory for Sukuk Issuance

Our advisory services cover all aspects of Sukuk issuance, including but not limited to:

Structuring of Sukuk: We help clients determine the most suitable Sukuk structure based on their needs and objectives, such as Ijarah, Mudarabah, Wakalah, or Musharakah.

Legal and regulatory compliance: We ensure that the Sukuk issuance complies with all applicable laws and regulations, such as the Securities Commission regulations and Shariah standards.

Shariah compliance: We work with Shariah scholars to ensure that the Sukuk structure and terms comply with Islamic principles and are certified by a recognized Shariah supervisory board.

Rating agencies and investors: We assist clients in obtaining credit ratings from rating agencies and attracting investors for the Sukuk issuance.

Documentation and prospectus: We draft and review all the necessary documentation and prospectus for the Sukuk issuance.



Benefits of Sukuk issuance

Issuing Sukuk has several benefits for our clients, including:

Diversification of funding sources: Sukuk issuance provides an alternative mode of raising funds and diversifies the client's funding sources.

Shariah compliance: Sukuk issuance is a Shariah-compliant way of raising funds, which appeals to investors who seek ethical and socially responsible investments.

Investor base: Sukuk issuance attracts a broad investor base, including Islamic banks, financial institutions, and retail investors.

Tenure and maturity: Sukuk can be structured to have different tenures and maturities, allowing clients to match their funding needs with the appropriate Sukuk structure.

Our Target Market

The target market for Sukuk issuance can vary depending on the issuer's needs and objectives, but generally, the following are the main target markets for Sukuk issuance:

Islamic financial institutions: Islamic banks and financial institutions are a significant target market for Sukuk issuance as they are mandated to invest in Shariah-compliant instruments. Sukuk issuance provides a diverse range of investment options for these institutions, allowing them to meet their investment objectives while remaining Shariah-compliant.

Institutional investors: Institutional investors such as pension funds, endowments, and sovereign wealth funds are increasingly interested in investing in Sukuk. Sukuk provides them with a Shariah-compliant investment option that also offers a degree of liquidity and diversification.

Retail investors: Retail investors are also a target market for Sukuk issuance, particularly in countries with a significant Muslim population. Sukuk can be structured to have small denominations, making them accessible to individual investors.

Governments and government-related entities: Governments and government-related entities can issue Sukuk to finance infrastructure projects, budget deficits, or other financing needs. Sukuk issuance provides these entities with a Shariah-compliant alternative to conventional bonds.

Corporates: Corporates can issue Sukuk to finance their capital expenditures, working capital requirements, or for general corporate purposes. Sukuk issuance can provide them with a diverse range of funding sources and attract a broader range of investors.



OUR PROMISE

QUALITY PRODUCTS

All our services meet the required standards and offer you competitive pricing and strict regulatory compliance.

STRICT SHARIAH COMPLIANCE

Our services are carefully designed for strict adherence of the principles of Shariah. Every product, we offer is reviewed, approved, and overseen by highly respected and independent Shariah scholars.

SERVICES EXCELLENCE

We are committed to the highest level of professionalism and strive to be respectful, responsive and reliable.



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