

# Islamic Bonds, Sukuk & Securitization

**Practical and Interactive Approach for Optimum  
Understanding to Enhance Your Skill on Structuring  
Islamic Securities Products and Instruments**

**30 - 31 March 2010 ♦ Hotel Nikko Kuala Lumpur**

## Expert Course Trainers

- **Assoc. Prof. Dr. Engku Rabiah Adawiah**  
Ahmad Ibrahim Kulliyah of Laws  
International Islamic University Malaysia
- **Dr. Aznan Hassan**  
Ahmad Ibrahim Kulliyah of Laws  
International Islamic University Malaysia

“ **Not only Islamic  
financiers will benefit  
from this short and  
comprehensive  
workshop.  
Conventional financiers  
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extensively if they want  
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## By attending this workshop you will learn:

- Shariah Framework for Islamic Securities
- Islamic Securitization: Scope, Process and Procedures
- Types of Sukuk
- Structuring Islamic Debt-based Sukuk - BBA, Murabahah, Istisna' and Salam
- Structuring Equity-Biased Sukuk: Sukuk al Ijarah
- Sukuk al Ijarah: Observations and Issues
- Structuring Equity-Based Sukuk: Mudarabah Sukuk and Musharakah Sukuk
- Nature & Features of Mudarabah Sukuk & Musharakah Sukuk
- Observations and Issues in Musharakah and Mudarabah Sukuk
- Structuring Islamic Asset-backed Securities
- Securitization of Hybrid / Mixed Assets
- Other Exotic Sukuk
- Legal Documentation for Sukuk
- Issuing and Investing in Islamic Securities: Opportunities and Challenges

## About the Workshop

Sukuk, the Islamic version of securitization, has already been termed by practitioners as “the financial product” for deeper and broader Islamic capital markets. After only a few years since the first Sukuk deal was launched, the global market for Sukuk is already running into hundreds of billions of dollars. No one in the world of modern finance be it conventional or Islamic can afford to ignore this dramatically growing sector of the market and its increasingly diverse instruments and products. This workshop aims at highlighting the salient features and challenges in structuring and issuing Sukuk. Not only Islamic financiers will benefit from this short and comprehensive workshop. Conventional financiers would also benefit extensively if they want to expand their client base to Islamic clients as well.

This workshop has been exclusively designed to provide comprehensive and practical knowledge on structuring Islamic bonds and sukuk. The workshop will enable the interested parties i.e. corporate bankers, treasury, investment bankers, fund managers, trustee etc., to understand more about Islamic securitization, Islamic bonds issuance as well as Sukuk. Presented by learned and experienced course leaders, this workshop will definitely give benefit and more confidence to the delegates of the workshop and their would-be or existing customers on the distinct features of Islamic securities products and instruments.

In short the delegates will:

- **Acquire** the knowledge on Shariah principles in Islamic securities and securitization
- **Understand** the framework and structure of Islamic securities in Malaysia and worldwide
- **Identify** products and instruments in Islamic debt securities
- **Identify** the criteria and principles in developing Islamic bonds and Sukuk
- **Examine and Explore** and update current issues on regulatory and legal aspects in Islamic securities
- **Review** and update the challenges and opportunities in the implementation and development of Islamic bonds and Sukuk in Malaysia and around the globe.

**HURRY! Call us @ 603 41081439  
for enquiry and registration**

## DAY ONE: 30 March 2010 (Tue)

### INTRODUCTION - CONCEPTS AND DEFINITION

- Sukuk - the ever growing market
- The global Sukuk market
- Sukuk & securitization
- The benefits of securitization
- Securitization - Taskik, Tawriq and Tasnid
- Sukuk: A Definition (AAOIFI & Others)
- Sukuk vis-a-viz Bonds
- Sukuk & Conventional Bonds: A Comparison

### TYPES OF SUKUK STRUCTURES

- Debt-based Sukuk (Islamic Debt Securities)
- Equity-biased Sukuk
- Equity-based Sukuk

### THE ISLAMIC LAW FRAMEWORK FOR SUKUK

- What amounts to Shari'ah compliant Sukuk?
- What to be avoided?
- Some regulatory aspects of Sukuk
- AAOIFI Shariah Standard
- Various types of investment Sukuk under AAOIFI standard
- Malaysia SC's Guidelines on offering of Islamic securities
- Issues & challenges

### STRUCTURING ISLAMIC DEBT-BASED SUKUK - BBA, MURABAHAH, ISTISNA' AND SALAM

- The phases in structuring Sukuk:
  - Primary level - Debt creation via sale
    - Debt creation - sale based
    - Guidelines on IS 2004 (Malaysia)
    - Structures of debt-based Sukuk - Murabahah and Istisna'
  - Shariah issues
    - Issues on Bay' al Inah
    - Asset suitability - tangibles, intangibles, financial assets, government award / concession rights
  - Secondary level - Debt securitization and trading
    - Secondary market for Sukuk
    - Trading of debt securities?
    - Bay' al Dayn with discounting?
- Legal documentation & related issues

#### Case Studies:

- ◆ RM760 Million World Bank Sukuk
- ◆ RM425 Million Sarawak Specialist Hospital & Medical Centre Istisna' Serial Bonds
- ◆ RM5.6b SKS Power Istisna' MTN
- ◆ Bahrain Salam Sukuk

### STRUCTURING EQUITY-BIASED SUKUK: SUKUK AL IJARAH

- Sukuk al Ijarah: Definition
- Structuring Sukuk al Ijarah

**Practical approach for opti**

# THE PROGRAMME

- Nature of Sukuk al Ijarah – debt or equity?
- Securitization of leased asset or securitization of rental receivables?

## SUKUK AL IJARAH: OBSERVATIONS AND ISSUES

- Tradability
- Ownership issue
- Purchase undertaking in Sukuk al Ijarah?
- Rental rate
- Redemption of Sukuk al Ijarah – at par value?
- Buy-back arrangement
- Risk profile of Sukuk al Ijarah
- Lease and lease back?
- Head lease & Sub lease?

### Case Studies:

- ◆ USD600 Million Malaysian Global Sukuk (Malaysia)
- ◆ USD700 Million Qatar Global Sukuk (Qatar)
- ◆ SR98 Million Caravan One Sukuk (Saudi Arabia)
- ◆ €100 Million Saxony-Anhalt Sukuk (Germany)

- The criteria for the assets that can be securitised as IABS
- What are needed for IABS structure?
- True sale criteria
- The special purpose vehicle
- Benefit of asset backed securitization
- Challenges in issuing IABS

## SECURITIZATION OF HYBRID / MIXED ASSETS

### Case Studies:

- ◆ RM2.5 Billion Musharakah One Asset-Backed Sukuk (M'sia)
- ◆ USD400 Million IDB Sukuk al Istithmar (IDB)
- ◆ RM2.05 Billion Cagamas MBS Sukuk (M'sia)

## OTHER EXOTIC SUKUK

### Case Studies:

- ◆ USD3.52 Billion Nakheel Sukuk (UAE)
- ◆ SR3 Billion Sabic Sukuk al Istithmar (Saudi Arabia)
- ◆ USD750 Million Khazanah Exchangeable Sukuk (M'sia)
- ◆ USD200 Million 2006 Tabreed Sukuk (UAE)
- ◆ Sukuk al Intifa' - ZamZam Tower Sukuk (Saudi Arabia)

## OTHER ASPECTS TO BE CONSIDERED:

- Issuing Sukuk:
- Cost efficiency
- Taxation issues
- Cheaper cost of funds
- Credit rating
- Investing in Sukuk
- Return on investment
- Risk & return profile
- Liquidity & tradability of the Sukuk

## LEGAL ISSUES

- Effective legal documentation
- Transparent dealings
- Adequate investor protection

## SUKUK PRICING

- How to price Sukuk?
- Factors affecting Sukuk pricing
- Benchmarking
- Secondary market pricing
- Competitive pricing

### GROUP EXERCISE:

Delegates are asked to structure Sukuk transaction based on the case studies of the day. The aim is to equip delegates on how to structure the following Sukuk:

- BBA and Murabahah
- Sukuk al Ijarah
- Mudarabah Sukuk
- Musharakah Sukuk
- Islamic Asset-Backed Securities

**TIMING:** Registration is at 8.30 a.m. on day one. Course proper starts at 9.00 a.m. and finishes at 5.00 p.m. There will be 3 breaks at appropriate intervals for refreshments and lunch. Morning coffee will also be provided at 8.30 a.m.

## DAY TWO: 31 March 2010 (Wed)

## STRUCTURING EQUITY-BASED SUKUK: MUDARABAH SUKUK & MUSHARAKAH SUKUK

- Definition of Mudarabah and Musharakah Sukuk
- Basic structure

## NATURE & FEATURES OF MUDARABAH SUKUK & MUSHARAKAH SUKUK

- Risk & return features
- Risk profile of Sukuk al Musharakah / Mudarabah
- Managing the risks in Sukuk al Musharakah / Mudarabah

## OBSERVATIONS AND ISSUES IN MUDARABAH SUKUK & MUSHARAKAH SUKUK

- Guarantee on capital/profit?
- Issuance at a discount?
- Taking collateral/security?
- Default situation & obligation of issuer
- How to word the redemption clause?

### Case Studies:

- ◆ RM80 Million PGM Mudarabah Sukuk (Malaysia)
- ◆ IDR100 Billion PT Indosat Mudarabah (Indonesia)
- ◆ RM200 Million Vastalux Musharakah Mutanaqisah Sukuk
- ◆ USD550 Million Wings FZCO Musharakah Sukuk (UAE)
- ◆ USD3.5 Billion Dubai Port Convertible Sukuk (UAE)
- ◆ RM3 Billion Rantau Abang Capital Musharakah Sukuk
- ◆ USD165.67 Million East Cameron Gas Sukuk (USA)

## STRUCTURING ISLAMIC ASSET-BACKED SECURITIES

- Definition of asset-backed securities
- Islamic asset-backed securities: Basic structure

## Your Expert Course Trainers



**ASSOC. PROF. DR. ENSKU RABIAH ADAWIAH ENSKU ALI** is currently an Associate Professor at Ahmad Ibrahim Kulliyah of Laws, International Islamic University Malaysia (IIUM). She obtained her LLB (1st Class Honours) and LLB (Shari'ah) (1st Class Honours)

from the IIUM. Shortly thereafter, she successfully completed her Masters of Comparative Laws (MCL) with distinction from the same university. She was conferred with PhD in Law (Securities Regulation) from the University of Aberdeen, United Kingdom. She teaches both Shari'ah and civil law; particularly on the subjects of Islamic transactions, company law and Islamic banking and securities at both undergraduate and postgraduate levels. Her research interest is in securities regulation, company law, Islamic law of transaction, and Islamic banking and finance. Her publications include articles in some journals and periodicals in Malaysia and international. She also serves as a consultant to several financial institutions and legal firms. Currently, she is a member of the Syariah Advisory Council (SAC) of Bank Negara Malaysia, Labuan Offshore Financial Services Authority Malaysia (LOFSA) and an independent Shariah advisor for Islamic securities issuance, approved by and registered with the Malaysian Securities Commission. In addition, she is also a member of the investigation tribunal for the Malaysian Bar Council.



**DR AZNAN HASAN** is currently a lecturer at the Islamic Law Department, Ahmad Ibrahim Kulliyah of Laws, International Islamic University Malaysia (IIUM). He received his first degree in Shariah from from University of Al Azhar, Egypt. He then successfully completed his Master

Degree in Shariah from Cairo University with distinction and the board of examination has recommended that his thesis be published. He then obtained his PhD in Islamic Law from the University of Lampeter, Wales in United Kingdom. He also serves as a member of Shariah advisor and consultant to several financial institutions. He taught several subjects such as Islamic legal theory and Islamic law of transactions. Currently he is a Shariah adviser to the Bursa Malaysia, and an independent Shariah advisor for Islamic securities issuance, approved by and registered with the Malaysian Securities Commission.

## Who Should Attend

- Central Bankers and Regulators
- Board of Directors
- Chief Financial Officers
- Senior Managers of Islamic banking
- Senior Managers of Takaful and Insurance
- Senior Financial/Auditor
- Fund Managers
- Corporate Treasurers
- Financial Controllers
- Finance and Account Managers
- Fund Managers and Remisiers
- Accountants and Auditors
- Compliance Officers
- Academicians and Researchers
- Islamic Financial Consultant
- Shariah Advisor
- Corporate Lawyer
- Other interested parties

## The Organiser

### CENTRE FOR RESEARCH AND TRAINING

CERT is a research, training and publishing provider that concentrates on various research and training services. CERT offers three main services of Islamic financial and management training, corporate and business consulting. The programmes and services are offered by expert advisors and consultants skilled in both their chosen field and in coaching and providing constructive feedback. The programmes and services are designed to empower both the employers and employees to perform to their best, exploring business best practice, innovative management thinking and product development.

## Course Methodology

The workshop is structured for maximum learning with combination of lectures, group discussion and exercises. A dedicated and knowledgeable course leader, will provide the delegates with optimum satisfaction and understanding on the subject matters in Sukuk and Islamic ABS structuring. The aims of this workshop is to combine the theory and practice. This will provide the delegates with knowledge, skills and techniques in real-life situation of structuring Islamic securities products.

## IN HOUSE TRAINING

Similar programme can be customised to the needs of your organisation. To find more on our unique range of successful in-house programme, please do not hesitate to call us at: (603) 41081439/9012 or e.mail at [info@cert.com.my](mailto:info@cert.com.my) (<http://www.cert.com.my>)

**Hurry! Don't delay. The space is limited. Participation is based on "First Come First Served"**

**CALL us at Tel: 603 41081439  
or Fax: 603 41061549**

# REGISTRATION FORM

## 2-Day Intensive Workshop on **Islamic Bonds, Sukuk and Securitization**

30 - 31 March 2010

Hotel Nikko Kuala Lumpur, Malaysia

Dear Sir/Ms

Please register the following name(s) for this workshop:

1. Name: \_\_\_\_\_

Position: \_\_\_\_\_

Email: \_\_\_\_\_

2. Name: \_\_\_\_\_

Position: \_\_\_\_\_

Email: \_\_\_\_\_

(Please photocopy for more participants)

### Approving Officer:

Name: \_\_\_\_\_

Position: \_\_\_\_\_

Organisation: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Tel: \_\_\_\_\_ Fax: \_\_\_\_\_

Email: \_\_\_\_\_

### HOW TO REGISTER



Tel: (+603) 41081439



Fax: (+603) 41061549



Email: [zarina@cert.com.my](mailto:zarina@cert.com.my)



Post your registration form duly signed by your nominating officer to:

Zarina (Senior Event Manager)

Cert Events Sdn. Bhd. (665109-H)

277, Jalan Bandar 11, Metro Melawati

53100 Kuala Lumpur, Malaysia

Website: [www.cert.com.my](http://www.cert.com.my)

We will send you a confirmation note on receiving your registration form.

### WORKSHOP FEE

Your investment for attending this workshop is:

- Early Bird Fee : (Payment by 12 March 2010)  
- RM2,500 / USD900 per person
- Regular Fee : (Payment after 12 March 2010)  
- RM3,000 / USD1,000 per person

The fee includes lunch, refreshments, workshop documentation and certificate of attendance

### HOW TO PAY

- Workshop fees must be paid before commencement of the programme.
- All cheques should be crossed and made payable to "Cert Events Sdn. Bhd."

After receiving payment a receipt will be issued. If you do not receive a letter outlining joining details two weeks prior to the event please contact the event coordinator at CERT.

### SPECIAL GROUP DISCOUNT

- Discount of 10% for 2 participants from the same organisation.
- Discount of 15% for 3 or more participants from the same organisation.
- Special discount for shariah advisor and academic staff.

### CANCELLATIONS

If you are unable to attend, a substitute is welcome at no extra cost. A complete set of workshop documentation and a 50% refund will be given for cancellation received in writing not later than 2 weeks prior to the workshop date. Unfortunately, only a 25% refund and documentation workshop will be given for cancellation received within 2 weeks before programme commencement.

We reserve the right to reschedule the workshop due to circumstances beyond our control

### HOTEL ACCOMMODATION

Hotel is not included in the workshop fee. To reserve accommodation at the event venue, please contact hotel address below:

Hotel Nikko Kuala Lumpur

165, Jalan Ampang,

50450 Kuala Lumpur, Malaysia.

Tel: (603) 2161 1111 Fax: (603) 2161 1122

Attn: Mr. Azman Ali (Senior Catering Sales Manager)

### INCORRECT MAILING ADDRESS

If you have received multiple mailings of this brochure or incorrect company details on the address, please accept our apologies. If this occurs, kindly notify us so that we can update our database.

The organiser reserves the right to cancel/amend the programme in extreme circumstances. Should this occur, they will endeavour to advise delegates at the earliest opportunity but take no responsibility for any irrecoverable costs on the part of the delegates, eg. air fares, hotel costs. Obviously, attendance fees would, in such circumstances, be fully refundable at the delegate's option.

**Register Now & Fax Back to (603) 41061549 ([www.cert.com.my](http://www.cert.com.my))**