

PROSPECTS OF SUKUK BONDS IN BANGLADESH



Mohammad Ullah^{1*}

Md. Nurnabi Miah²

Md. Saiful Arefin³

Md. Alamin⁴

^{1,2,3,4} *Research Department, Bangladesh Bank, Bangladesh.*

¹ *Email: mohammad.ullah@bb.org.bd Tel: +8801816065250*

² *Email: nurnabi.miah@bb.org.bd Tel: +8801744458871*

³ *Email: saiful.arefin@bb.org.bd Tel: +8801629745945*

⁴ *Email: md.alamin962@bb.org.bd Tel: +8801740965162*



(+ Corresponding author)

ABSTRACT

Article History

Received: 7 April 2022

Revised: 20 June 2022

Accepted: 4 July 2022

Published: 1 August 2022

Keywords

Driving forces
Excess liquidity
Institutional capacity
Market infrastructure
Prospects
Shariah index
Sukuk.

Sukuk has gained importance as a global financial instrument that offers financing to both the private and public sectors. Our analysis intends to determine the prospects of Sukuk bonds in Bangladesh using a descriptive analysis. The Muslim population, the size of the economy, the size of Islamic banking and excess liquidity of Islamic banks, per capita income, institutional infrastructure, the formation of a national Shariah board, and the increasing trend of Shariah-based indexes both in Dhaka and Chittagong stock exchange all these enhanced the necessity of Sukuk issuance in Bangladesh according to our studies. The Maiden Sukuk, announced in Bangladesh in 2020, was approximately four times oversubscribed, while the second auction was nearly eight times oversubscribed. Our study suggests that institutional capacity and market infrastructure for Sukuk be developed. In this scenario, an Islamic capital market as well as a Shariah-based regulatory and supervisory structure for Sukuk should be implemented.

Contribution/ Originality: Recently, the capital market of Bangladesh saw the introduction of Sukuk. It is fueled by a few driving forces. There is very few research on this area in Bangladesh. So, we want to analyze the prospects of this bond in this study.

1. INTRODUCTION

A Sukuk, often known as an "Islamic bond," is a shariah-based Islamic security. The Arabic term "sakk" means "certificate" or "order of payment," and "Sukuk" is the plural form of that word. Documentary evidence suggests that the term "sakk" was employed in the early Islamic caliphates. Sukuk, commonly known as Islamic bonds or Islamic investment certificates, are more appropriately described as Islamic investment certificates. Sukuk is the original Arabic term for Shariah-compliant securities or bonds, also known as Sukuk, Islamic Bonds, Islamic Trust certificates, or Islamic Debt, that follow Islamic Shariah Law and investment laws that prohibit payment or charging of interest. The Accounting and Auditing Organization of Islamic Financial Institutions (AAOIFI) defines Investment Sukuk as "certificates of equal value signifying undivided shares in ownership." The first Sukuk were launched in Malaysia in 2005, and the market for Sukuk has grown rapidly since then. Risk management and competitiveness considerations for Sukuk structures should push them to evolve further and provide Shariah-compliant alternatives to ordinary contracts.

During the previous two decades, Islamic finance has grown at a rapid pace, thanks to the creation of Islamic banking as well as Sukuk, Islamic funds, and Takaful (Islamic insurance). The issue of Sukuk has increased foreign currency in the market. In 2014, the global Sukuk market was worth more than USD 600 billion, and it's been the driving force behind Islamic finance's growth and development. A number of nations, including Morocco, Nigeria, Oman, and South Africa, are developing new Sukuk markets, while Tunisia is drafting laws to allow the issuance of Sukuk. Bangladesh Bank issued a maiden sovereign investment Sukuk on behalf of the Government of Bangladesh (GoB) in December 2020, anticipating the solution of Islamic banks' liquidity management, financing of the budget deficit and capital market development to finance infrastructure and industrial development projects in order to achieve better inclusive GDP growth and accomplish sustainable development goals (SDGs). The issue was over four times oversubscribed, highlighting the potential of Sukuk market in Bangladesh and opportunity for the Bangladesh government to seek funding options for Shariah-compliant projects.

1.1. Sukuk vs. Conventional Bonds

Sukuk and bonds are both fixed income products that are primarily issued for the same purposes. However, their separate structures and methods differ although the discrepancies do not appear to be significant in terms of actual activities. Sukuk are securities that reflect a portion of ownership in equities, real estate, usufruct, money, debt, or any combination of these until maturity, whereas bonds are financial certificates that allow investors to lend money to an issuer in exchange for a guarantee to pay back the money when the bond matures. Sukuk were created as a Shariah-compliant option for all investors looking for Shariah-compliant instruments, while conventional bonds are disallowed in Islamic finance due to their interest element. As a result of this concept, Sukuk gain the benefit of being backed by assets, offering a level of protection to the Sukuk holder or investor that is not available through ordinary bonds (Ahmed., Islam, & Alabdullah, 2014). In addition, Sukuk holders are the owners of the rights and incur the risks that these instruments entail, and they pay off the exchanged once profit is generated. Bond holders, on the other hand, do not share the risk and pay-off traded, despite the fact that no revenue is generated. Sukuk can have fixed or variable returns and may be transferable, depending on the contractual basis. The types of instruments examined in capital markets will determine the linkages between the Islamic and conventional sectors. The following table illustrates the distinction between Sukuk and conventional bond.

Table 1. Sukuk VS conventional bond.

Subject Matter	Sukuk	Conventional Bond
Ownership/equity in asset	'Yes'	'No'
Pricing method	By profit sharing	By interest sharing
Profit distribution	After risk sharing	Without risk sharing
Pay-off system	After income earned	Payable, even if no profit earned
Sale type	Selling Sukuk means selling ownership	Selling bond means the selling of debt

Source: Hosen, Kebir, and Foong (2016).

Table 1 presents the difference between Sukuk and conventional bond. The main difference between this two are in their principle. Islamic equities are a subset of the broader conventional stock market that is obtained through two levels of screening. While all Islamic stocks are included in the conventional stock universe, the exclusion of particular sectors and companies in the former can result in risk/return implications that differ from the latter.

2. OBJECTIVES OF THE STUDY

Sukuk bond issuance in Bangladesh is a financial solution to Islamic banks' excess liquidity, which can boost economic development without relying solely on interest-bearing financial products. The issuance of Islamic Sukuk will result in tangible assets that will benefit the economy. As a result, this research aims to estimate the Sukuk bond market's potential in Bangladesh.

3. LITERATURE REVIEW

The creation of an Islamic Shariah-based financial market and banking system can be aided through Sukuk. We discover various studies on Sukuk because it has been able to demonstrate its utility and capabilities in the competitive global financial market in recent decades. However, Sukuk has been very recently introduced in Bangladesh, and studies on Sukuk in Bangladesh are not as extensive as in Middle Eastern countries. In this paper, we look at some pertinent studies in order to develop a theoretical framework for determining Sukuk's potentialities in Bangladesh.

Wilson (2008) looked at several Sukuk structures based on Mudaraba and Ijara from a financial standpoint, as well as the market and usage of Sukuk, viewing Sukuk as a key tool for Islamic liquidity management. They looked into the possibility of other, more novel Sukuk based on Mudaraba partnership arrangements, as well as many types of financial risk and portfolio diversification that Sukuk issuing entails.

By evaluating previous issuance and seeking market maker ideas, Alsaeed (2012) examined the prospects for corporate Sukuk in Saudi Arabia. They looked at Saudi Arabia's recent Sukuk issuance, trends, and optimistic expectations, as well as how Sukuk issuers might use liquid cash to help fund infrastructure and industrial projects. They viewed the Sukuk as a long-term Shariah-compliant financing mechanism, emphasizing Sukuk market's long-term prospects and potential future issues in the kingdom.

Ahmed. et al. (2014) discussed the advantages of Sukuk and the benefits of appealing investment instruments for Islamic financial institutions, Shariah managed funds, and Takaful Islamic insurance firms that can't invest in traditional assets that pay interest or 'Riba'. In addition, an increasing number of high-net-worth Muslims want their asset holdings to follow Shariah guidelines.

Herzi and Harahap (2015) investigated the opportunities and problems of IjaraSukuk in Indonesia. They used personal interviews to learn more about how far the application IjaraSukuk has progressed in Indonesia. They also advised that a similar research be conducted, with a focus on the formulation of legislation for specialized project finance.

Zulkihibri (2015) conducted an analysis on both the theoretical and empirical literature on Sukuk. They talked about the philosophy and nature of Sukuk, as well as the practical challenges and structures involved, and the role of Sukuk in economic development. They said that majority of research on Sukuk is qualitative rather than quantitative. They discovered that while Journal articles, books, conference papers, reports, and magazine articles about sukuk have expanded significantly, when compared to other Islamic financial research, it is still scarce.

Nabia, Islamb, and Bakarc (2016) looked at the concept, types, and structures of Sukuk and evaluated their practicality and potential for funding infrastructure development projects in Bangladesh. The success of Islamic banks in Bangladesh, the Muslim majority population, stable macroeconomic conditions, significant foreign exchange reserves, and remittances, they said, offered a huge opportunity for issuing Sukuk. However, the success of Sukuk issuance is contingent on Bangladesh's ability to quickly construct the requisite legal and regulatory framework, produce qualified staff, and provide fiscal incentives to bring all stakeholders together to facilitate Sukuk issuance. Sukuk is a very newly launched instrument in the Bangladesh capital market and study on Sukuk is very rare here in Bangladesh although there are many studies regarding Sukuk in the Middle-East countries. So, there is more scope to conduct study on Sukuk as the economy of Bangladesh is growing day by day. Our study can be differentiated from mentioned studies as we tried to investigate the prospects of Sukuk bond in Bangladesh through a descriptive analysis considering the determining factors behind it.

4. DATA SOURCE & PRELIMINARY ANALYSIS

Since this is still a new experience, we adopted a descriptive technique in this study to emphasize the importance of the Islamic bond, Sukuk, as an alternative investment vehicle based on Islamic law to help

Bangladesh's economic development. We discussed the causes that prompted the debut of Sukuk bonds in Bangladesh, as well as the global Sukuk market scenario and the potential of Sukuk bonds in Bangladesh.

4.1. Introduction of Sukuk in Bangladesh

On December 28, 2020, Bangladesh Bank issued its first Sukuk on behalf of the government of Bangladesh to raise BDT 80.00 billion for the nationwide deployment of a clean water supply scheme. According to the prospectus, the overall cost of the project is anticipated to be BDT 88.51 billion, with the government contributing BDT 8.51 billion. The originator and a special-purpose vehicle (SPV) will be the Finance Ministry and Bangladesh Bank, respectively. The government raised BDT 40.00 billion for the project in the first phase through an auction on December 28, 2020. During the auction, investors placed bids totaling BDT 151.53 billion. The issuance was approximately four times oversubscribed. On June 9, 2021, a second auction was held to generate the remaining BDT 40.00 billion for the fund, which was again over 8 times oversubscribed. On December 29, 2021, the third auction was performed in order to raise BDT 50.00 billion for a government elementary school project. It was five times oversubscribed. The massive oversubscription implies that the Sukuk market in Bangladesh has a bright future. As a result, Sukuk holders would make 4.69 percent profit on their total investment in the Islamic Sukuk. Bangladesh Bank selected the rate based on the Bangladesh Government's Islamic Investment Bond (BGIIB). Profits will be distributed to investors every six months. A client must deposit a minimum of BDT 10,000 as security, with no maximum amount. Individuals, banks, and corporate institutions will all be able to invest. In five years, the Sukuk will reach maturity. One of the elements of Sukuk that distinguishes it from a traditional investment instrument is the shared profit aspect, which is provided through the rental yield. The fact that Sukuk bonds are oversubscribed implies that investing in such Sukuk opens up an additional possible route for Bangladesh's financial markets.

4.2. Driving Forces Behind Sukuk Issuance in Bangladesh

Bangladesh is one of South Asia's fastest-growing economies. Bangladesh is the world's fourth largest country, according to its Muslim population. Bangladesh is a member of the Islamic Development Bank (IDB), the Organization of Islamic Cooperation (OIC), and the D-8 platform of Muslim countries. In 2015, Bangladesh was designated as a lower-middle-income country. In 2026, it is expected to be removed from the UN's list of Least Developed Countries (LDCs). Bangladesh's GDP climbed to \$409 billion in 2021 (Bangladesh Bureau of Statistics, BBS). Per capita income increased to \$2554. Between 2020 and 2034, Bangladesh's GDP will grow at one of the quickest rates in the world, according to the World Economic League Table 2020. Bangladesh will be the world's 25th largest economy, overtaking Thailand in the rankings. Bangladesh's economy will be the 28th largest in 2030 and the 25th largest in 2035, according to a recent analysis by the UK's Centre for Economics and Business Research (CEBR). In the World Bank's 2020 Ease of Doing Business rankings, Bangladesh was ranked 168th. Bangladesh had an economy of Tk 34,840 billion in current prices in FY21, up 15.7 percent from Tk 30,111 billion in the previous base year, according to BBS. Bangladesh, the second-largest economy in South Asia, first overtook India in terms of per capita GDP, a measure of a country's economic wealth, in 2020, thanks to its annual economic growth of more than 6% for the previous 15 years. The demand for Sukuk issuance in Bangladesh has increased as a result of the country's economic progress. Bangladesh's amazing expansion of the Islamic banking industry despite a lack of full legal and regulatory support is an odd instance. This also points to a significant possibility for the execution of sophisticated financial products in a well-planned manner such as Sukuk in the local market, which will help to accelerate infrastructure development. Bangladesh's Islamic banking sector continues to expand as a result of its risk sharing, resilience, inclusiveness, and real asset-backed transactional qualities, as well as significant public demand and regulatory backing from the Bangladesh Bank. However, while private-sector loan growth has slowed, Bangladesh's Islamic banking industry has maintained an increasing trend in surplus liquidity. Shariah-based

investment, such as Sukuk, can be a viable option in Bangladesh as Islamic banks are barred by Islamic law from investing their excess liquid funds in interest-bearing projects. The size of the economy, the Muslim population, the extent of Islamic banking, income per capita, institutional infrastructure, and the development of a National Shariah advisory board all influenced the relevance of Sukuk issuance in Bangladesh. The expanding importance of Islamic banking in Bangladesh, as well as the massive oversubscription of this first Sukuk, underlined the capital market's interest in Islamic financial products. Furthermore, the issue of such a Sukuk allows the Bangladeshi government to investigate financing options for Shariah-compliant projects.

4.3. Sukuk and Liquidity Management

One of the most crucial areas for the banking industry is liquidity management. Bangladeshi Islamic banks have a large amount of excess liquidity. Bangladesh's ten full-fledged Islamic banks operated 1671 branches out of a total of 10937 branches in the banking sector by the end of December 2021. In addition, In Bangladesh, there are 41 Islamic banking branches of nine conventional commercial banks and 368 Islamic banking windows of 13 conventional commercial banks that provide Islamic financial services. Deposits and investment both climbed by 4.39 percent and 4.9 percent at the end of December 2021, respectively, while excess liquidity declined by 15.61 percent and remittances increased by 2.91 percent. Excess liquidity in the Islamic banking sector totaled BDT 336.25 billion at the end of December 2021, up BDT 43.07 billion (14.69 percent) from December 2020. Because Islamic banks are unable to invest in traditional bonds, Sukuk would be the greatest investment alternative. The excess liquidity of Islamic banks in Bangladesh is depicted in the diagram below:

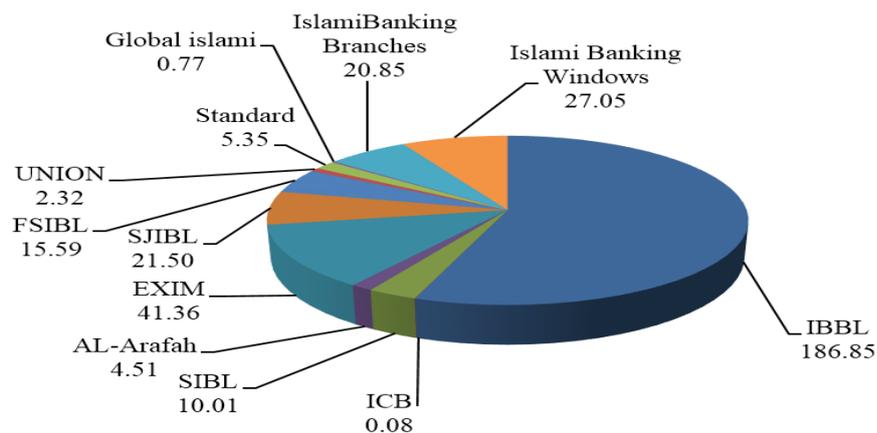


Figure 1. Excess Liquidity of Islamic banks, branch and windows in billion (since December 2021).
Source: Quarterly Report of Islamic banking cell, Bangladesh Bank.

Figure 1 indicates the excess liquidity of Islamic banks in Bangladesh. At the end of December 2021, Islami Bank Bangladesh Limited held the top spot in terms of excess liquidity among Islamic banks (186.585 billion). Due to the interest-bearing nature of conventional monetary instruments, Islamic banks in Bangladesh are unable to invest in government treasury bills and bonds. To address this issue, Bangladesh's government launched Sukuk into the country's capital market.

4.4. A Global Overview on Sukuk

Sukuk bonds are also gaining in popularity across the globe, with consistent growth and development in recent years. A wide spectrum of participants has shown interest in the worldwide Sukuk market. Since 2001, Bahrain, Kuwait, the United Arab Emirates, Malaysia, the United States, the United Kingdom, Qatar, and Pakistan, as well as Islamic Development Bank, have issued worldwide Sukuk (IDB). Malaysia and the United Arab Emirates have the world's most advanced Sukuk markets. The Sukuk market offers a diverse set of investment options to a wide variety of investors. Between 2015 and 2020, the global Sukuk market grew at a rapid pace.

Year	Sukuk issuance (in billion dollar)
2001-2008	141.35
2009	37.93
2010	53.13
2011	93.18
2012	137.6
2013	135.56
2014	107.83
2015	67.82
2016	88.32
2017	116.72
2018	123.15
2019	145.7
2020	174.64

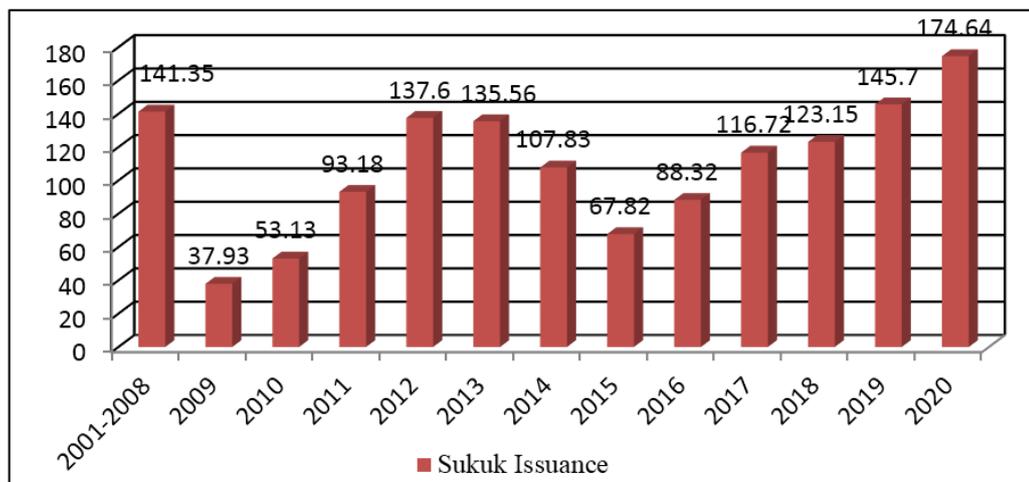


Figure 2. Sukuk Issuance (in billion dollar).

Source: International Islamic Financial Market (IIFM) Sukuk Report (2021).

As shown in Figure 2, the global Sukuk market reached a new high in 2020, with USD 174.64 billion in Sukuk issuance, representing a 19.84 percent increase in Sukuk issuances over 2019. Sovereign, quasi-sovereign, and supranational issuances made up the majority of global Sukuk issuances, accounting for 62.1 percent of total issuances. The remaining 37.9% indicates corporate and multinational activity in this area, which is increasing. It was disclosed at the launch of the International Islamic Financial Market's (IIFM) 10th Anniversary Edition of its Annual Sukuk Report. The steady issuance volume in 2020 was primarily due to sovereign Sukuk issuances from Asia, the Gulf Cooperation Council (GCC), Africa, and a few other jurisdictions, with Malaysia continuing to dominate the Sukuk market, though countries like Indonesia, the United Arab Emirates, Saudi Arabia, and Turkey increased their market share with good volume. Despite the economic hardships caused by the COVID-19 epidemic, worldwide Sukuk issuance continued its increasing trend. Overall, Sukuk remained a popular instrument, with positive growth continuing in the first half of 2021.

4.5. Sukuk & Economic Development

The demand for long-term finance grows in tandem with rapid economic expansion and urbanization. Sukuk can be used as an alternative source of funds in this situation. The market's growth is also being aided by the diversification of investment patterns in emerging countries and the increase in cross-border transactions. In addition, a number of Islamic banking organizations are looking for strategic relationships with foreign institutions in order to participate in international trade. As a result, the governments of these countries are constructing sophisticated Shariah-compliant financial institutions with cutting-edge goods and services, which is boosting the Sukuk market's prospects. This has pushed the problem of Sukuk in Bangladesh, as well as increased investments

and cross-border transactions for infrastructural development and financial services digitization by governments of Islamic nations. The limited use of short-term government Islamic bonds and perpetual Islami Bank Mudaraba Bonds in Bangladesh reflects the low prevalence of Sukuk. The full potential of Sukuk as a financing tool has yet to be realized. Among other compelling arguments (for example, market potential in Bangladesh, the world's fourth-largest Muslim-majority country with a thriving Islamic banking industry), formal recognition of Sukuk (both legally and financially) is critical for its proven track record in infrastructure project financing. Bangladesh will require around \$300 billion in infrastructure development to achieve its realistic goal of becoming an upper-middle-income country by 2031, according to World Bank assessments. Sukuk has successfully financed numerous infrastructure development projects around the world, particularly in Malaysia, the Gulf, and Africa. Allowing Sukuk to be used as a source of project financing could be a game-changer.

5. PROSPECTS OF SUKUK IN BANGLADESH

The issue of Sukuk bonds may entice Malaysian and Dubai-based investors to consider Bangladesh as a possible investment destination. Megaprojects are now being developed in Bangladesh, implying that more funding is required. Sukuk bonds can meet the demand for this type of investment. Projects that generate revenue from tangible assets comply with Islamic finance's requirements of creating economic value, making them ideal prospects for Sukuk financing.

Islamic financing is becoming increasingly popular around the world. People of all faiths now have faith in Shariah-based banks because they are subject to two levels of regulation: one by the central bank and the other by our Shariah supervisory committee. Islamic financing systems have been able to demonstrate their utility and capacities in the competitive global financial realm in recent decades. As a result, the number of Islamic banks in Bangladesh is growing, as is the amount of liquid money in the country. The rising amount of surplus cash is currently eroding the profitability of Shariah-based financial intermediaries. Despite poor investment demand, excess liquidity in the country's Islamic banking sector surged by roughly 20% in the second quarter (Q2) of 2021. Surplus liquidity in the Islamic banking industry increased to Tk 363.65 billion as of June 30, 2021, up from Tk 304.09 billion three months earlier, according to the central bank's latest statistics. Islamic banks can now invest their spare cash in the Bangladesh Government Islami Investment Bond (BGIIB), however the returns are modest. Islamic banks are unable to engage in Treasury Bill auctions or purchase any interest-bearing government bonds that include the receiving of interest due to religious prohibitions. Because they are unable to invest in government treasury bills and bonds, an Islamic bond may be a preferable option for financing. The policymakers also advocated for the adoption of innovative financial products such as Sukuk to provide investment opportunities exclusively for Islamic banks. As a result, the launch of Sukuk in Bangladesh provides Islamic banks with a huge chance and possibility for a better and ethical investment solution.

Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE), both governed by the Bangladesh Securities and Exchange Commission, are Bangladesh's two largest stock markets (BSEC). The Shariah Index, which is based on Shariah principles, plays an important role in meeting the Shariah needs of Bangladeshi Shariah-sensitive clients.

The Shariah Index is a shariah-compliant free float adjusted a broad market benchmark that is aiming to provide investors with shariah-compliant investing solutions. This index is a subset of the Broad Market Index, and it contains all stocks that pass Shariah compliance rules-based screening. The stock market Shariah index in Bangladesh is rising in tandem with the general index or broad index, indicating a favorable scenario for Sukuk bond expansion in Bangladesh. The Shariah Compliant Index of the Dhaka Stock Exchange (DSE) and the Chittagong Stock Exchange is shown in the table below (CSE).

Table 2. Shariah index of Bangladesh capital market.

Year	DSE		CSE	
	General Index	Shariah Index	General Index	Shariah Index
2015	4,629.64	1,107.12	14,089.63	966.91
2016	5,036.05	1,191.87	15,477.66	1,072.08
2017	6,244.52	1,390.67	19,268.04	1,251.61
2018	5,385.64	1,232.82	16,449.51	1,076.78
2019	4,452.93	999.83	13,505.70	859.03
2020	5,402.07	1,242.11	15,592.92	1,018.85
2021	6756.66	1431.12	19666.07	1211.44

Source: Research Department, Bangladesh Bank.

It's also worth noting that the stock market's history when compared to Shariah compliance over the last six years offers very promising signs for Islamic investors in Bangladesh. Table 2 illustrates that the number of Shariah-compliant people in Bangladesh has been stable over the last six years. It shows that Shariah-compliant stocks in Bangladesh are stable and pose little danger of Shariah violation, implying a large potential for Sukuk investment in the Bangladesh capital market.

The oversubscription of maiden Sukuk, the expanding trend of Shariah index in Bangladesh's capital market, the growing size of the economy, the growing number of Islamic banks along with the massive excess liquidity are all positive signs of a potential route for Bangladesh's financial markets. The expanding importance of Islamic banking in Bangladesh including the massive oversubscription of maiden Sukuk underlined the capital market's interest in Islamic financial products. Furthermore, the issue of such a Sukuk allows the Bangladesh government to investigate funding options for Shariah-compliant projects such as Sukuk investment.

6. POLICY RECOMMENDATION AND CONCLUSIONS

Sukuk has been gaining traction as a viable Shariah-compliant alternative source of finance for governments and enterprises. Sukuk funding is a suitable alternative for large-scale projects from a social and ethical standpoint, as it avoids interest debt. Various sovereign and quasi-sovereign countries have been able to fund big initiatives that have had a direct and positive impact on Shariah law-compliant countries' people and economies. As a result, Sukuk bonds are becoming more widely recognized and regarded as a more ethical means of raising capital with a beneficial social impact. The global Sukuk markets have grown rapidly in recent years.

Bangladesh has seen a revolutionary reaction to its first Sukuk issuance, which was approximately four times oversubscribed, demonstrating the potential of the Sukuk market in Bangladesh and how the government may benefit even more by issuing such types of Sukuk. Excess liquidity in the Islamic banking sector is invested after the issuance of Sukuk, allowing them to keep their SLR while also contributing to Bangladesh's economic development. The government has already decided to grant income tax exemption on Sukuk bonds at the individual level beginning in fiscal year FY22 to make Shariah-compliant assets more appealing. Aside from that, our research suggests that institutional capacity and market infrastructure for Sukuk be developed. In this scenario, an Islamic capital market as well as a Shariah-based regulatory and supervisory structure for Sukuk should be established.

Funding: This study received no specific financial support.

Competing Interests: The authors declare that they have no competing interests.

Authors' Contributions: All authors contributed equally to the conception and design of the study.

REFERENCES

- Ahmed, E. R., Islam, M. A., & Alabdullah, T. T. Y. (2014). Islamic sukuk: Pricing mechanism and rating. *Journal of Asian Scientific Research*, 4(11), 640-648.
- Alsaed, K. (2012). *Sukuk issuance in Saudi Arabia: recent trends and positive expectations*. Doctoral Dissertation, Durham University.

- Herzi, A. A., & Harahap, A. (2015). Developing Sukuk Ijarah in Indonesia: Prospect and challenges. *Arrasikhun International Journal of Science and Humanity Science*, 1(1), 1-11.
- Hosen, M., Kebir, A., & Foong, N. D. N. (2016). The pitfalls of the Malaysian sukuk industry: Issues and challenges in practice. *Research Gate, Working Paper*.
- International Islamic Financial Market (IIFM) Sukuk Report. (2021). 10th Edition: 29. Retrieved from: <https://www.iifm.net/public/frontend/general-documents/bcd691cfb4233fb37d783550210103921635251580.pdf>
- Nabia, M. G., Islamb, M. A., & Bakarc, R. (2016). Examining potentials of Sukuk in financing infrastructure projects in Bangladesh. *Journal of Islamic Economics, Banking and Finance*.
- Wilson, R. (2008). Innovation in the structuring of Islamic sukuk securities. *Humanomics*, 24(3), 170-181.
- Zulhibri, M. (2015). A synthesis of theoretical and empirical research on sukuk. *Borsa Istanbul Review*, 15(4), 237-248. Available at: <https://doi.org/10.1016/j.bir.2015.10.001>.

Views and opinions expressed in this article are the views and opinions of the author(s), International Journal of Asian Social Science shall not be responsible or answerable for any loss, damage or liability etc. caused in relation to/arising out of the use of the content.