

Sukuk Course

4-day Course Outline

If you need a shorter version, please let me know. With no background in the industry then participants need to cover the basics. Without an understanding of the Shariah contracts, they will have problems.

Day 1. Impact of Islam on Sukuk structures

Principles of Islam – what do you need to know about Islam to make sense of the underlying principles of Islamic Finance?

Key Principles and Characteristics of Islamic Finance

The investment characteristics of an Islamic financial system: -

1. Riba
2. Risk sharing /profit sharing/loss sharing
3. Time value of money Islamically interpreted
4. Prohibition of speculation- Gharar/Maysir
5. Sanctity of contracts
6. Sharia approved activities- Haram activities

The role of the Sharia Board: the key questions the Sharia Boards ask

Case Studies, You Tube and Exercises

Day 2. Islamic financial principles

The Key Contracts in Islamic finance

1. Murabaha contract
2. Ijara contract
3. Istisna contract
4. Mudaraba contract
5. Musharaka contract
6. Salam contract

Case Studies

Days 3/4. Sukuk Origination and Structuring

Anatomy of Sukuk

- Definitions
- Sharia'a issues with Sukuk
- Terminology of Sukuk
- Classification of Sukuk
- Essential difference between conventional Bonds & *Sukuk*

- Role of Purchase Undertaking
- Asset backed versus Asset based sukuk
- Risk Factors with sukuk
- Structuring Sukuk
- Sukuk Ratings

Varieties of Sukuk contractual structures

Identification of Issuers, Investors and the role of the SPV for the following structures:

- *Ijara Sukuk*
- *Mudaraba Sukuk*
- *Istisna'a Sukuk*
- *Musharaka Sukuk*
- *Salam Sukuk*
- *Murabaha Sukuk*
- *Istithmar Sukuk*

Sukuk as a new Sharia'a compliant asset class

- 1. Drivers of Sukuk issuance
- 2. Benefits and costs of issuing Sukuk
- 3. Value propositions for Sukuk
- 4. Legal requirements for sukuk
- 5. Steps to issuing sukuk
- 6. Credit enhancement
- 7. Distribution and Origination issues
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- **Sukuk Case Studies and Exercises**

1. The Role of Sukuk in Islamic Capital markets.
2. The Dubai Global Ijara Sukuk
3. Qatar Global Ijara Sukuk
4. Malaysian Global Ijara Sukuk
5. Dubai Ports Musharaka Sukuk
6. Aabar Mudaraba Sukuk
7. Islamic Development Bank Istithmar Sukuk
8. Sabic Istithmar Sukuk
9. Nakheel Convertible Sukuk
10. Khazanah Exchangeable Sukuk

11. Bahrain Salam Sukuk

12. Kumpulan Guthrie Muntahia Bittamleek Sukuk

13. Zam Zam Usufruct Sukuk

Workshop Facilitator



Brian Kettell was recently appointed as an Advisor to the CEO of the Islamic Development Bank Group based in Saudi Arabia. Brian's practical experience was gained whilst working for several years as an Economic Advisor for the Central Bank of Bahrain where he had numerous Islamic banking responsibilities. Prior to working at IDB he was a Professor of Islamic Finance at the American University of Sharjah in the UAE.

Brian has taught courses on Islamic banking and finance at a range of financial institutions including the World Bank, African Development Bank, National Commercial Bank (Saudi Arabia), Global Investment House (Kuwait), Noor Islamic Bank (UAE), the UK Treasury, the Central Bank of Iran, the Central Bank of Syria, the Securities Investment Institute and the Institute for Financial Services.

Brian's academic expertise in Islamic finance is highlighted by his role as Joint Editor of the Islamic Finance Qualification Handbook and his past teaching work at a number of top universities worldwide including , the City University of Hong Kong, the American University of the Middle East in Kuwait and London Metropolitan University Business School.

Brian's impressive list of publications include over 100 articles and case studies in journals, business magazines and the financial press including Islamic Business and Finance, Islamic Banking and Finance, the Central Banking Journal, Euromoney, the Securities Journal and the International Currency Review.

He has also published 23 books on Finance, Economics and Islamic Banking and Finance.

Brians Islamic banking publications include

- Islamic Finance in a Nutshell (John Wiley)
- Frequently Asked Questions on Islamic Finance (John Wiley)
- Introduction to Islamic Banking and Finance (John Wiley)
- Case Studies on Islamic Banking and Finance (John Wiley)

- Workbook on Islamic Banking and Finance (John Wiley)
- Islamic Capital Markets (Oxford Press)
- Islamic Sukuk : A Definitive Guide to Islamic Structured Finance
- Islamic Banking and Finance in the Kingdom of Bahrain (BMA)

Brian Banking and Financial Markets publications include

- Financial Economics (FT-Prentice Hall)
- Economics for Financial Markets (Butterworth-Heinemann)
- What Drives Currency Markets (FT-Prentice Hall)
- What Drives Financial Markets (FT-Prentice Hall)
- The Valuation of Internet Stocks (Butterworth-Heinemann)
- The Federal Reserve System (FT-Prentice Hall)
- The Finance of International Business (Graham and Trotman)
- Businessman's Guide to the Foreign Exchange Market (Graham and Trotman)
- The International Debt Game (Graham and Trotman)
- Monetary Economics (Graham and Trotman)
- The Foreign Exchange Handbook (Graham and Trotman)
- Gold (Graham and Trotman)