13TH ISLAMIC FINANCE & INVESTMENT SCHOOL 2026

SESSION 7: SUKUK STRUCTURES

Dato' Dr Zairulnizad Hj Shahrim

5th August 2026

WHAT IS ISLAMIC SECURITIES (SUKUK)?

- The Arabic term for Islamic securities/certificates is “Sukuk”.
- Sukuk is the plural of “Sak”. Technically, Sukuk refers to securities, notes, papers or certificates with the feature of liquidity and tradability.
- In Malaysia, the term Sukuk has been used interchangeably with Islamic securities.

CONVENTIONAL BONDS

Papers that evidence indebtedness issued by the Issuer/borrower;
an "IOU" with a promise to pay the debt at the maturity date

Issuers/Borrowers

Bonds

Investors/Lenders

CONVENTIONAL BONDS VS SUKUK

Major Distinctions and Essential Features

Conventional

- *money lending/borrowing*
- *any kind of activities*
- *interest (riba) payment*

Sukuk

- *Trade-based*
- *permissible activities*
- *profit payment*

ASSET-BACKED VS ASSET-BASED

	Asset-based	Asset-backed
Feature	Shariah-compliant assets or business venture to facilitate issuance of sukuk	Shariah-compliant assets or business venture form primary sources of income or return to investors
Accounting treatment	ON-balance sheet (for originator/obligor)	OFF-balance sheet (for originator/obligor) - True sale criterion
Funding cost	Market driven - mainly depending on originator / issuer credit rating	Mainly based on the strength of the asset cash flow
Rating	Corporate rating of Issuer/ obligor	Strength of the asset cash flow

CLASSIFICATION OF SUKUK

Based on underlying Shariah contract used:-

- Sale based
- Lease based
- Partnership based
- Agency-based

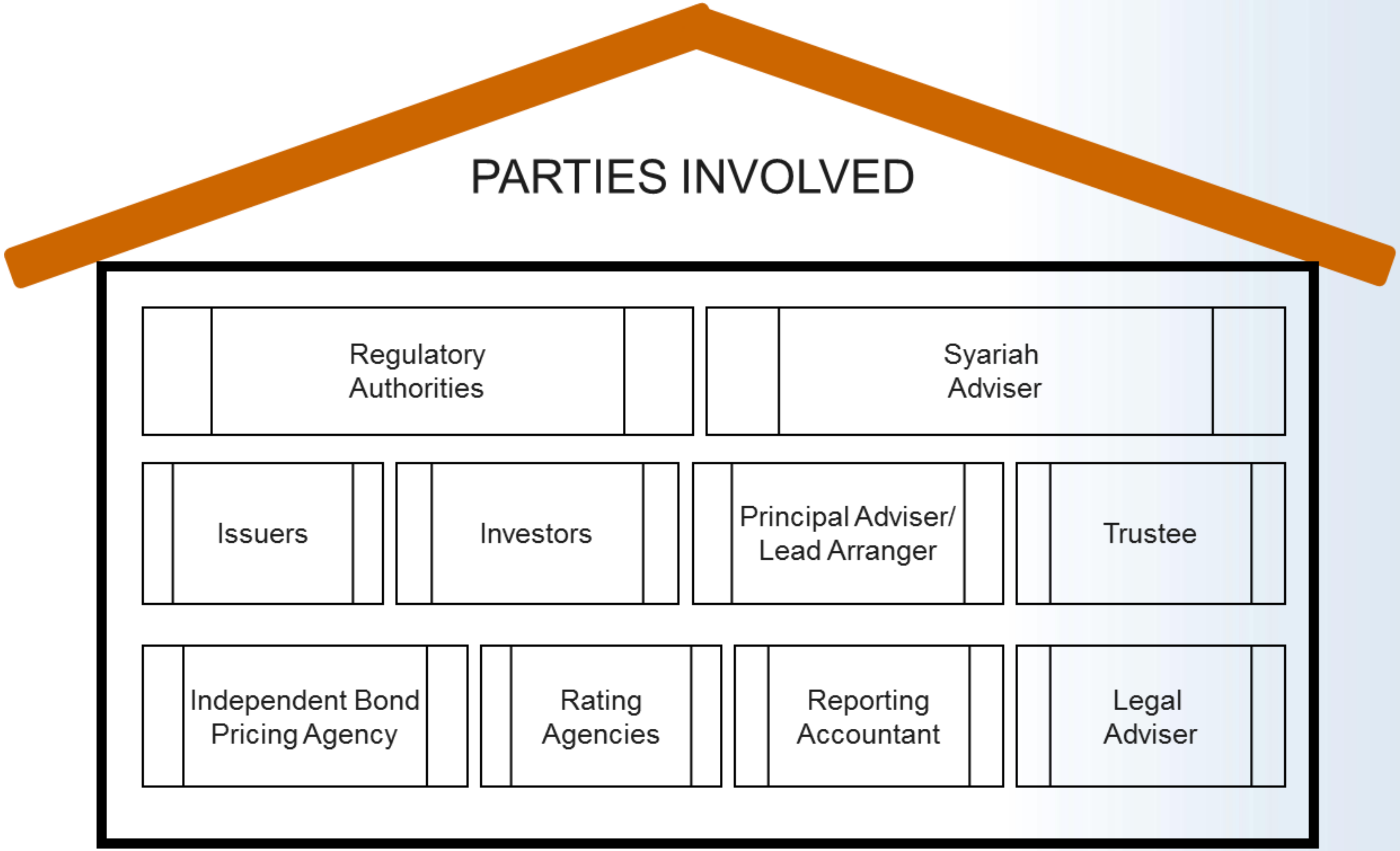
CLASSIFICATION OF SUKUK

Based on type of Issuers:-

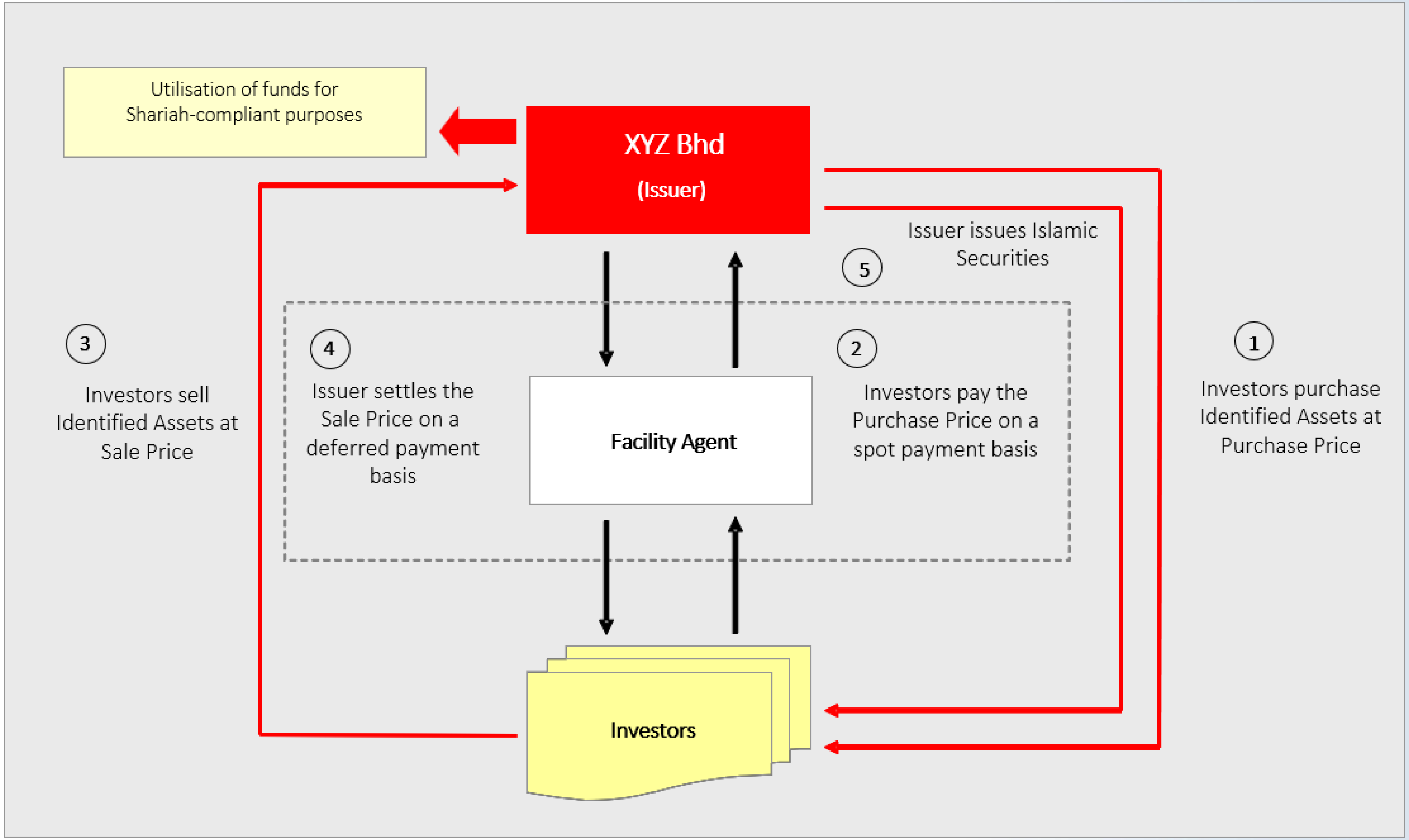
Corporate

Sovereign

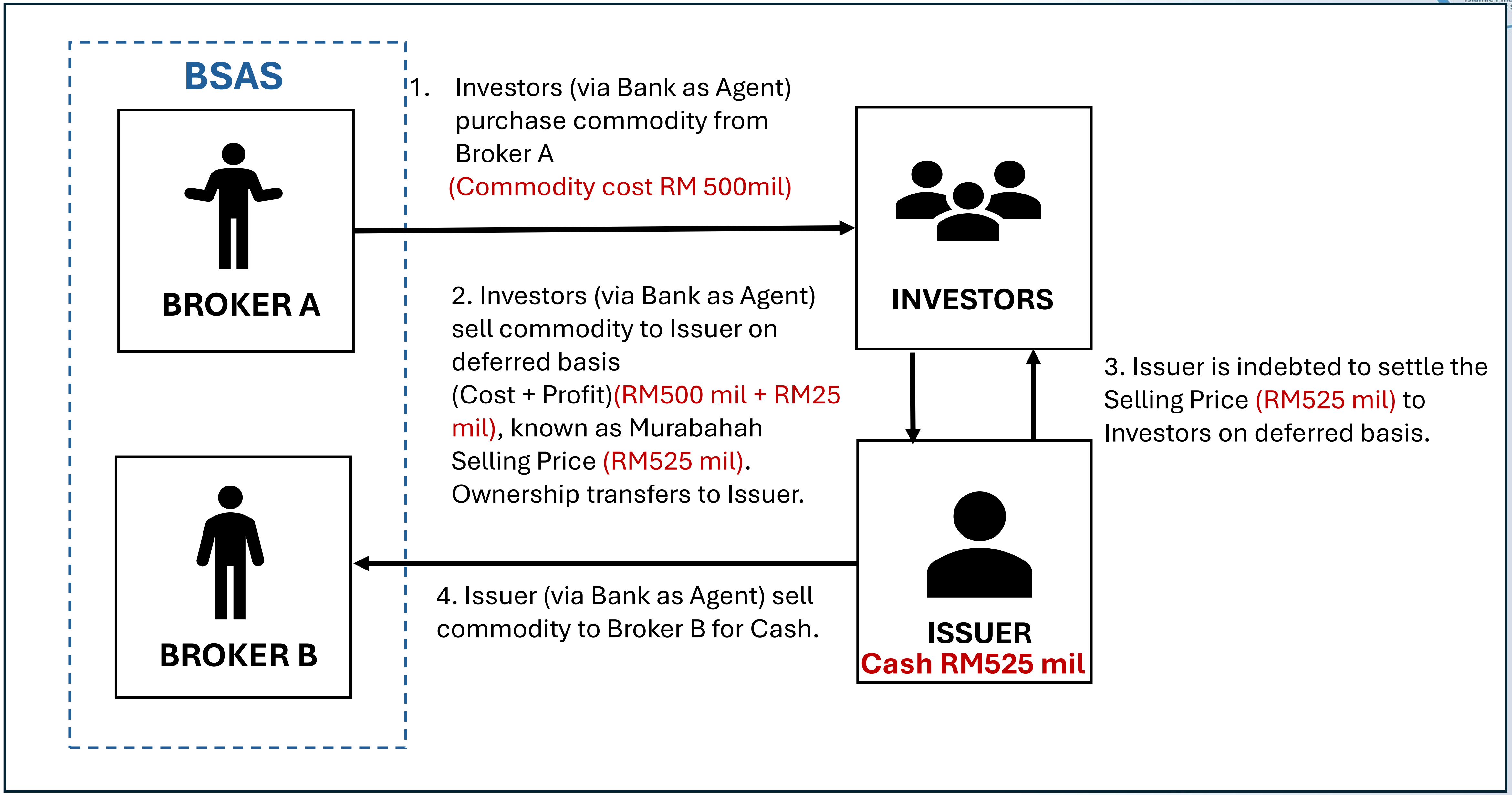
ISSUING SUKUK IN MALAYSIA



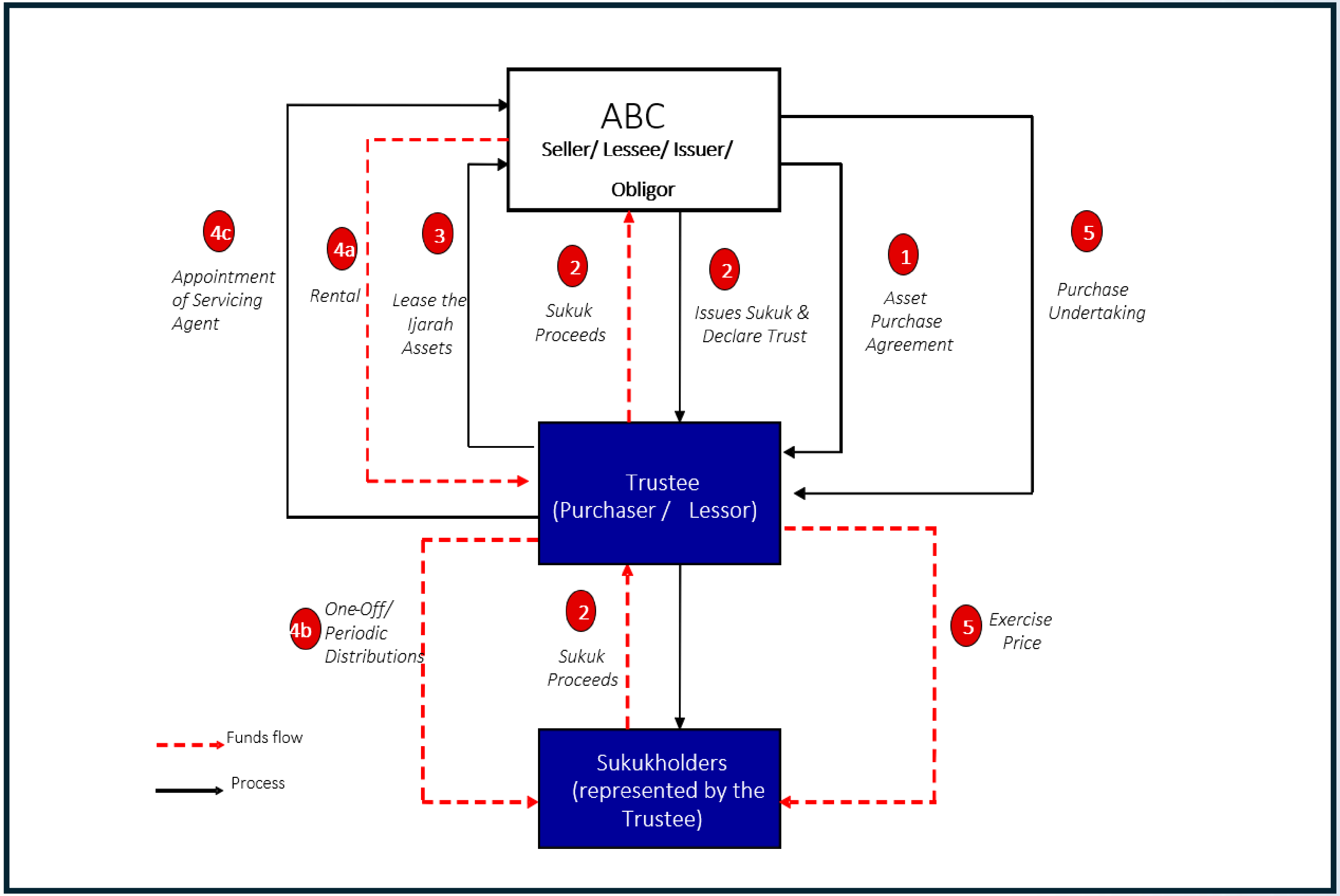
MURABAHAH SUKUK (BAI INAH)



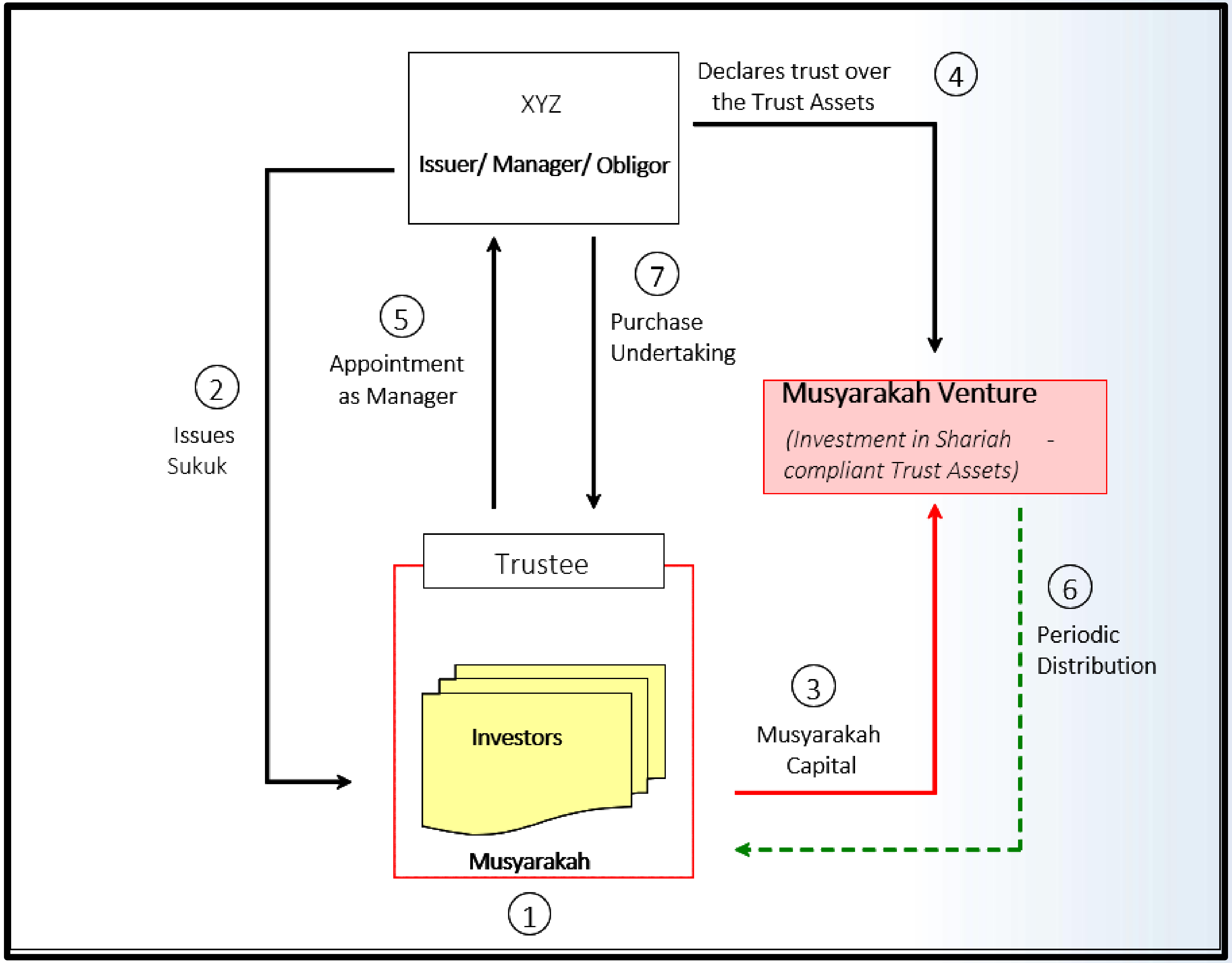
MURABAHAH SUKUK VIA TAWARRUQ PLATFORM



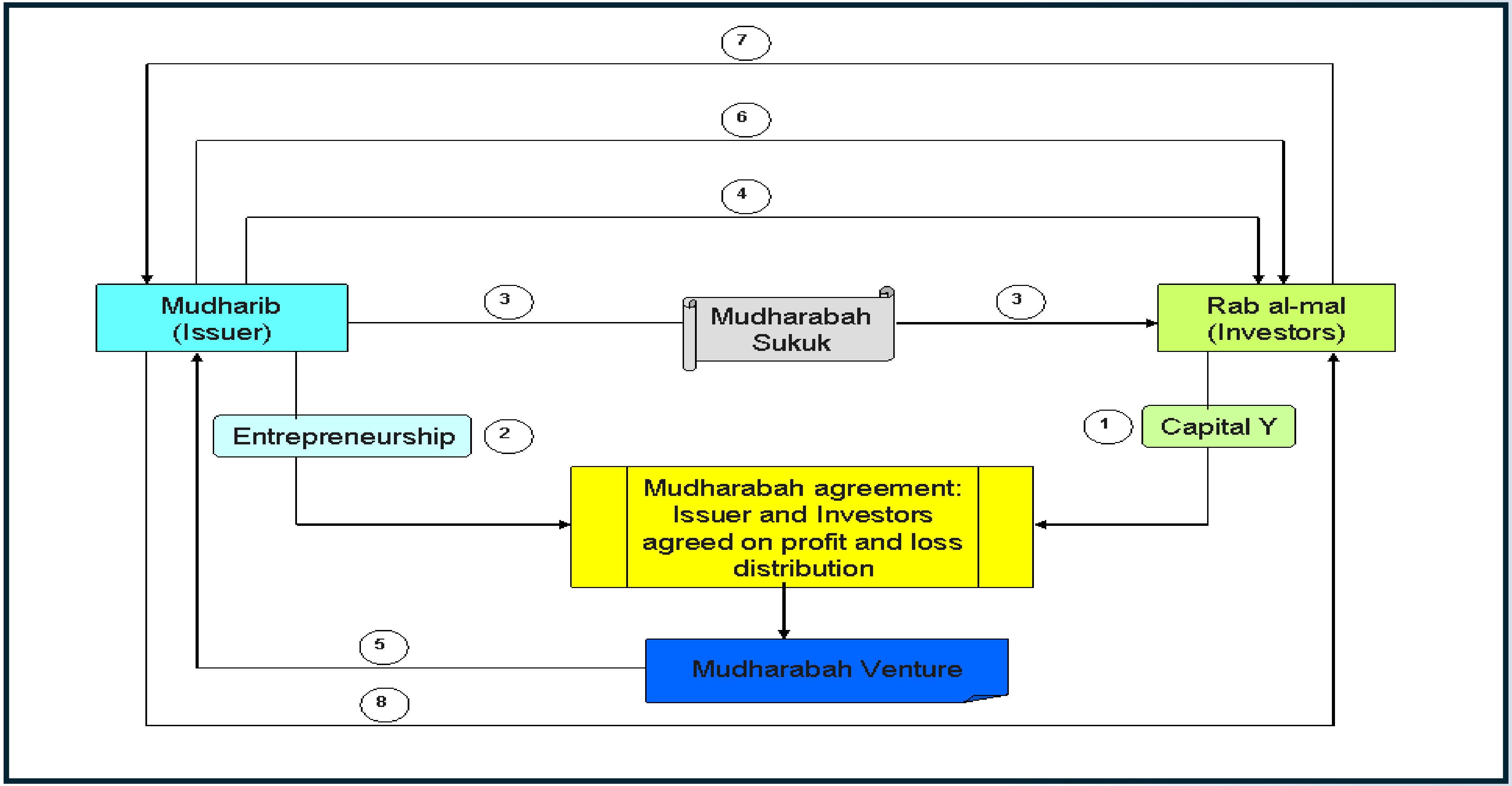
IJARAH SUKUK



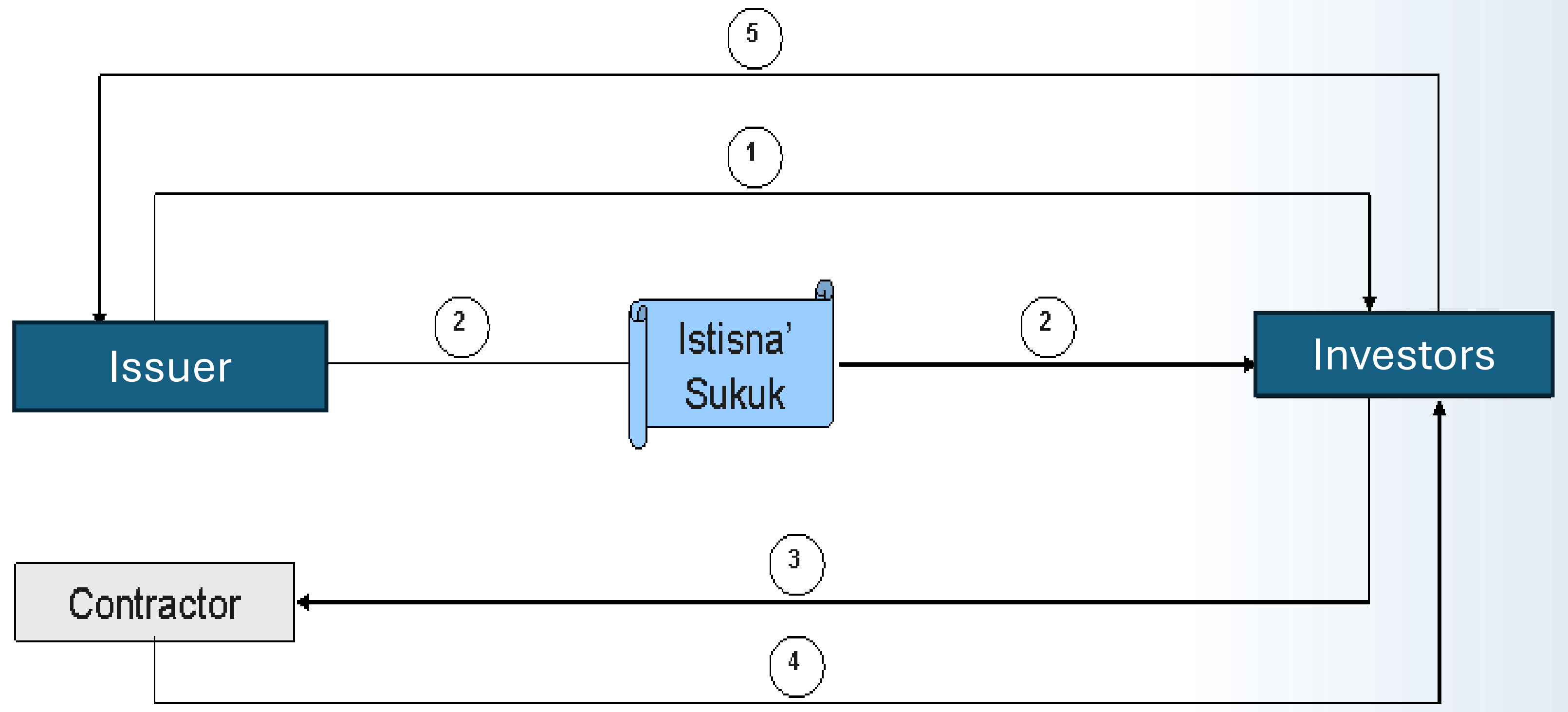
MUSHARAKAH SUKUK



MUDHARABAH SUKUK

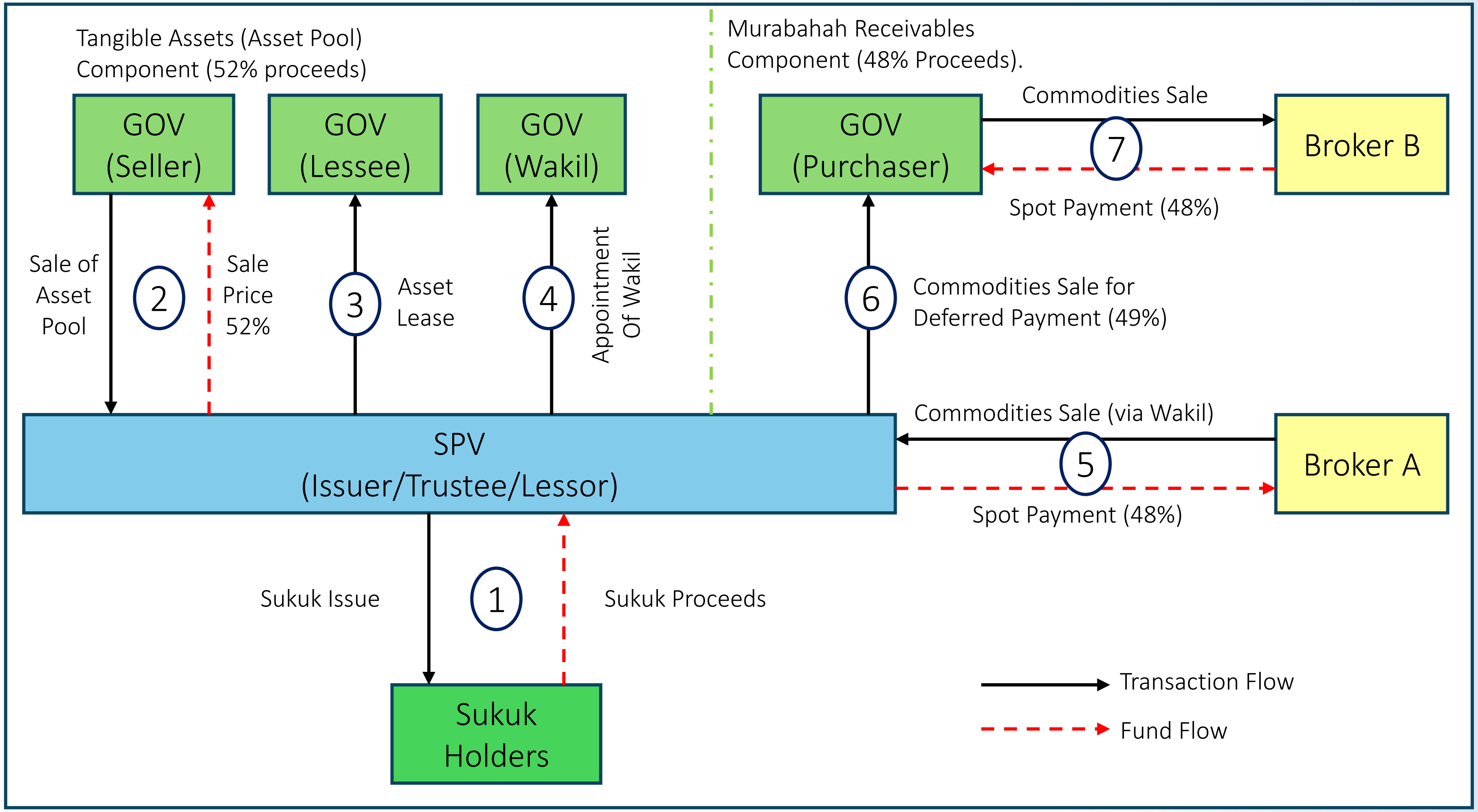


ISTISNA’ SUKUK



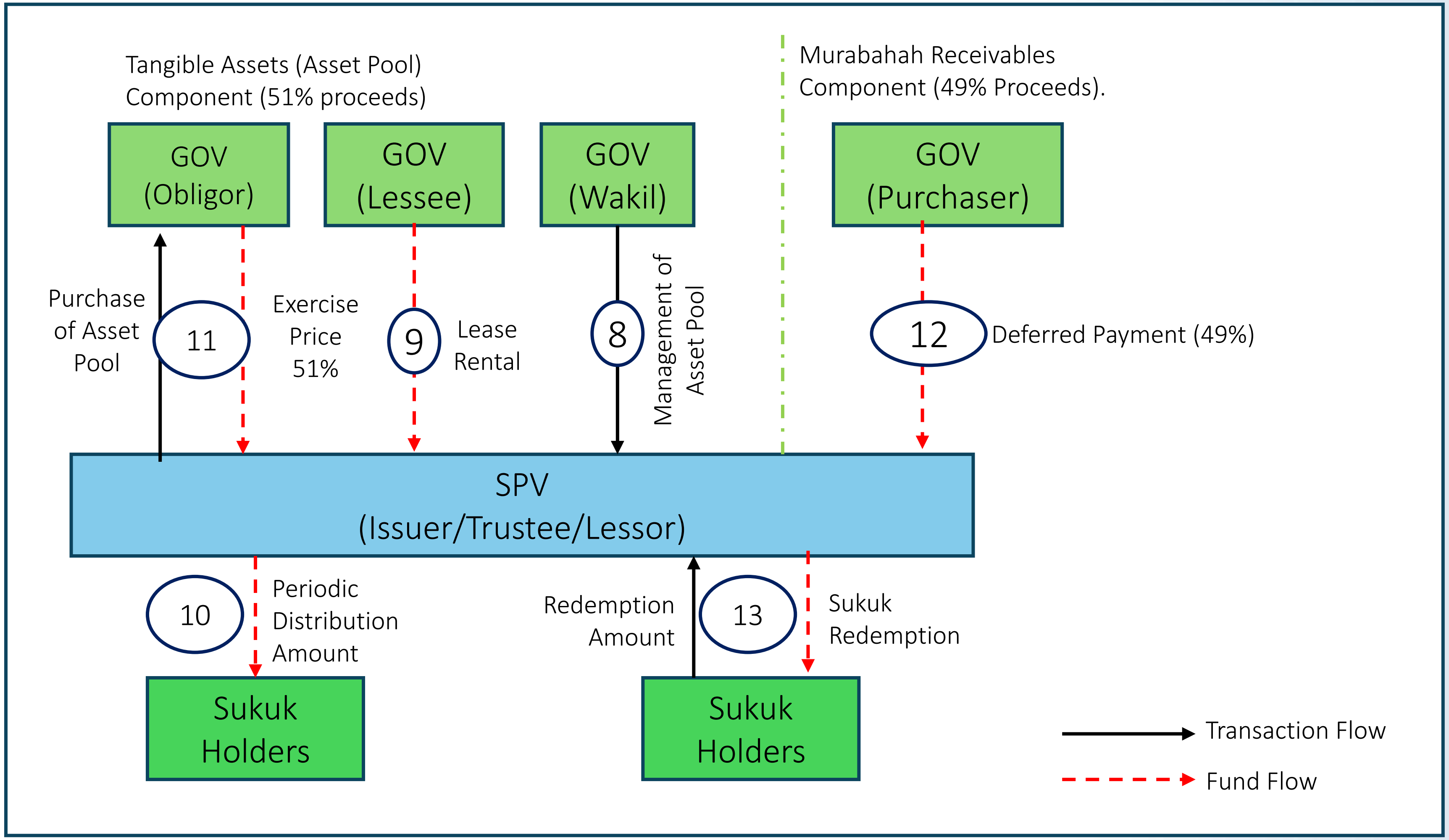
HYBRID WAKALAH SUKUK

At the Inception:



HYBRID WAKALAH SUKUK

At Maturity:



HYBRID WAKALAH SUKUK

Obligor is appointed as Agent (Wakil) to invest and manage sukuk proceeds, on behalf of Sukuk holders in the following manner:-

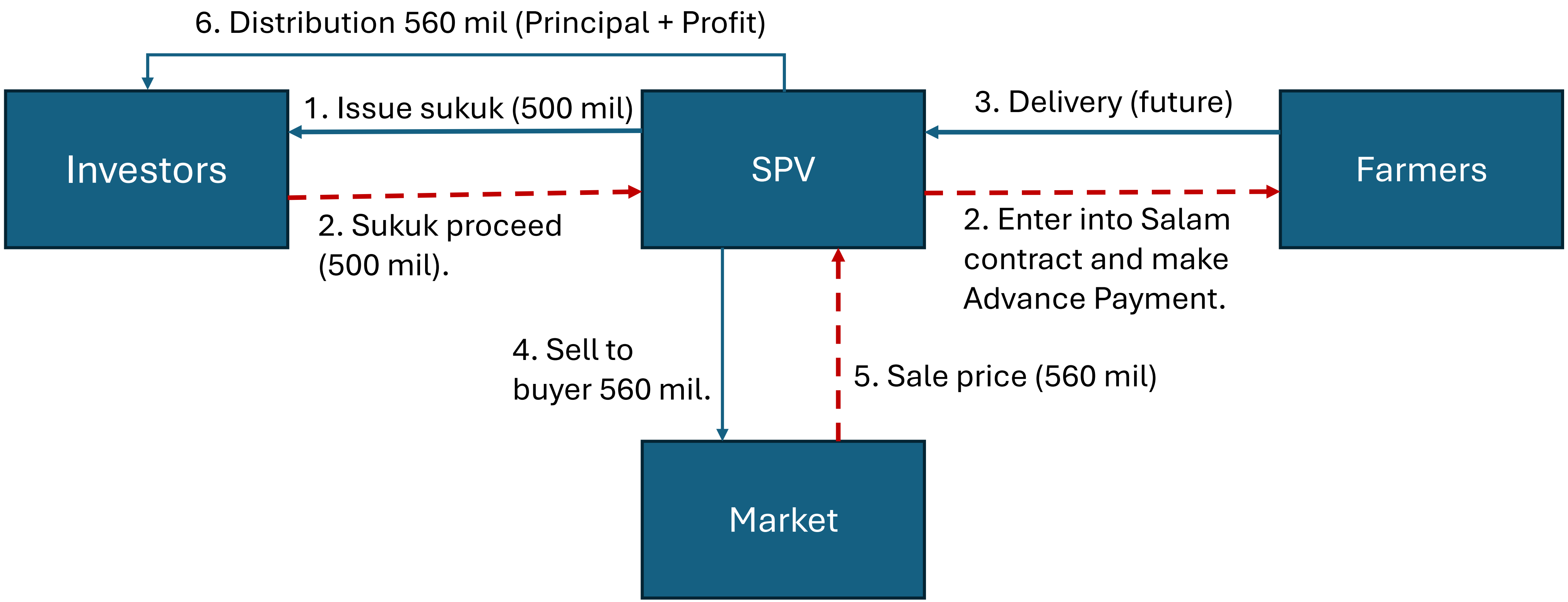
1. 26% of the Sukuk proceeds will be used to buy physical assets from Government.
2. Another 26% of the Sukuk proceeds will be used to buy Shariah-compliant shares
3. The balance, 48% of the Sukuk proceeds will be used to buy Shariah-compliant commodities

Sukuk Assets

Tangible Asset Component (52%) of Lease Assets and Shariah compliant shares

Murabahah Receivables Component (48%) of Shariah-compliant commodities

SALAM SUKUK


6. Distribution 560 mil (Principal + Profit)
Investors
1. Issue sukuk (500 mil)
SPV
3. Delivery (future)
Farmers
2. Sukuk proceed (500 mil).
2. Enter into Salam contract and make Advance Payment.
4. Sell to buyer 560 mil.
5. Sale price (560 mil)
Market

Key Takeaways

1. Sukuk represent ownership, not debt
2. Different Sukuk structures serve different financing needs
3. Modern Sukuk have evolved from single-contract structures to hybrid portfolios
4. Wakalah is a management framework—not a separate asset class
5. Innovation must always preserve Shariah objectives (Maqasid al-Shariah)

Thank You