



Sukuk Structuring and Issuance Course: Ijarah, Murabaha, Wakala and Hybrid Sukuk



Sukuk Structuring and Issuance Course: Ijarah, Murabaha, Wakala and Hybrid Sukuk

Introduction:

Sukuk structuring and issuance, covering ijarah, murabaha, wakala and hybrid sukuk, is a 5-day course for treasury, debt capital markets and Islamic banking structuring teams that ends with a Sukuk Structuring Term Sheet and Issuance Plan for a case issuer. Issuers lose time and pricing when the structure does not fit the asset base, tangibility ratios slip below threshold, undertakings are drafted loosely or cash flows are modelled late. Nominees already support funding or financing transactions and build the structure in a modelling exercise on case asset registers. CoreConcept Training Center delivers this sukuk structuring and issuance course.

Course Objectives:

- Select between ijarah, murabaha, wakala and hybrid sukuk structures against an issuer's asset base, funding purpose and investor targets
- Test asset eligibility and tangibility ratios for single-asset and mixed sukuk pools before a structure is mandated
- Set up the SPV, trust declaration, service agency and purchase and sale undertakings in line with AAOIFI Shariah Standard 17
- Model periodic distribution and dissolution amounts for sovereign, corporate and bank capital sukuk, including AT1 and Tier 2 issues
- Assess default events, asset recourse limits and restructuring routes for sukuk under stress
- Prepare a Sukuk Structuring Term Sheet and Issuance Plan with rating, Shariah approval and offering rule steps

Target Audience:

- Treasury managers responsible for funding plans, sukuk programmes and investor relations with debt holders
 - Debt capital markets managers responsible for originating, structuring and executing sukuk mandates
 - Islamic banking structuring managers responsible for asset selection, contract sequencing and term sheet design
 - Bank capital managers responsible for regulatory capital instruments and AT1 or Tier 2 issuance
 - Shariah structuring and product managers responsible for preparing transaction files for Shariah board approval
-

Course Outline:

Day 1: Sukuk Foundations, Issuer Profiles and Readiness Assessment

- AAOIFI Shariah Standard 17 Investment Sukuk Definition and Ownership Test
- Asset-Backed Versus Asset-Based Sukuk Recourse Comparison Matrix
- Sovereign, Corporate and Bank Issuer Funding Objective Profiles
- Sukuk Transaction Parties Map From Obligor to Delegate Trustee
- Capital Market Offering Rules and Issuer Sukuk Readiness Scan

Day 2: Structure Selection, Asset Eligibility and Legal Architecture

- Ijarah Sale and Leaseback Structure With Service Agency Agreement
- Murabaha Sukuk Commodity Flow and Secondary Trading Restrictions
- Wakala Investment Agency Sukuk With Tangible Asset Portfolio
- Tangibility Ratio Tests for Hybrid Wakala and Murabaha Pools
- SPV Incorporation, Declaration of Trust and Sukuk Holder Rights

Day 3: Undertakings, Documentation, Ratings and Cash Flow Modelling

- IIFM Sukuk Al Ijarah Template Set Review and Drafting Points
- Purchase Undertaking and Sale and Substitution Undertaking Exercise Mechanics
- Periodic Distribution Amount Model From Rental and Profit Flows
- Dissolution Amount Calculation for Maturity and Early Redemption Events
- Rating Agency Sukuk Methodology Linking Obligor Credit and Structure

Day 4: Bank Capital Sukuk, Default Events and Restructuring Cases

- IFSB-23 Capital Adequacy Criteria for AT1 and Tier 2 Sukuk
- Mudarabah Tier 1 Sukuk Loss Absorption and Distribution Cancellation
- Point of Non-Viability Write-Down Triggers in Tier 2 Sukuk
- Sukuk Default Events, Dissolution Triggers and Asset Recourse Limits
- Sukuk Restructuring Options Through Exchange Offers and Maturity Extension

Day 5: Modelling Build on a Case Issuer Sukuk Term Sheet

- Case Issuer Data Pack and Asset Register Eligibility Screening
 - Structure Selection Scoring Between Ijarah, Wakala and Hybrid Options
 - Case Sukuk Distribution and Dissolution Cash Flow Model Build
 - Shariah Pronouncement Request and Rating Agency Pack Preparation
 - Sukuk Structuring Term Sheet and Issuance Plan Completion
-

Skills You Will Gain:

- Sukuk Structure Selection
- Tangibility Ratio Testing
- SPV and Trust Set-Up
- Undertaking Drafting Review
- Distribution and Dissolution Modelling
- Capital Sukuk Eligibility Assessment
- Sukuk Default Workout Analysis
- Term Sheet Preparation

Why Attend This Course:

- Deliver a Sukuk Structuring Term Sheet and Issuance Plan to the treasurer, head of debt capital markets or asset and liability committee for mandate approval
- Decide which contract, asset pool and undertaking package fits a funding need before advisers and arrangers are appointed
- Avoid tangibility shortfalls, rejected Shariah pronouncements and rating surprises that delay or reprice a sukuk issue
- Equip treasury, legal and Shariah colleagues with a reusable cash flow model, eligibility checklist and structure scoring sheet

Conclusion:

Back at work, the participant presents the Sukuk Structuring Term Sheet and Issuance Plan to the treasurer, the head of debt capital markets or the asset and liability committee. They use it to agree the structure, the eligible asset pool, the undertaking package and the rating and Shariah approval route before arrangers are mandated. After the first issue or programme update, the unit should compare actual asset coverage, distribution flows and approval timelines with the plan and refine its eligibility checklist and cash flow model before the next sukuk transaction.

Frequently Asked Questions FAQ:

What should participants know before a sukuk structuring and issuance course?

Participants should already work on funding, financing or capital transactions and understand basic bond terms and Islamic contracts such as ijarah and murabaha. Spreadsheet skills are needed for the cash flow model. An anonymised asset register or past term sheet makes the case work more useful.

How does sukuk structuring and issuance differ from a general capital markets course?

This course spends five days on sukuk only: structure choice, asset eligibility, trust and SPV set-up, undertakings, cash flow modelling, bank capital sukuk and defaults. A general capital markets course spreads its time across equity offerings, bonds and market infrastructure, touching sukuk only briefly.

Why do tangibility ratios matter in sukuk structuring and issuance for hybrid sukuk?

Tangibility ratios matter because a sukuk backed mainly by receivables would represent debt, which generally cannot trade at a price other than face value. Keeping enough tangible assets such as leased property in a hybrid wakala or murabaha pool supports tradability and Shariah approval.

What do participants take back from the sukuk structuring and issuance course?

Participants take back a Sukuk Structuring Term Sheet and Issuance Plan for a case issuer, with a structure scoring sheet, an asset eligibility and tangibility checklist, a distribution and dissolution cash flow model and a rating and Shariah approval timetable ready to adapt.
