

Cagamas: Make sukuk structures simple, easier to adapt

CAGAMAS Bhd has called for the regulators to simplify the sukuk structures to make it more attractive and easier for other countries and corporates to adapt, said CEO Chung Chee Leong.

He said the complexity of the Shariah-compliant sukuk structures had made investors especially from

non-Muslim countries to continue issuing bonds, which is the conventional debt investment.

"If the yield for the sukuk is equally the same as bonds, they will still prefer to issue bonds as it is simpler," he said during a parallel breakfast and networking session titled "Cross-border Challenges and

Enhancing Liquidity Visibility in Islamic Banking" in Kuala Lumpur yesterday.

Chung, who was one of the speakers, said although the Malaysia's sukuk market is doing well right now, a lot of awareness and knowledge-sharing needed to be done in order to build the confidence among the market players

and go beyond Malaysian shores.

"We can actually do more by diversifying and get more investors especially those with money in Hong Kong as well as Singapore and other big markets," he said, adding that Hong Kong had planned to issue its first sovereign sukuk.

— Bernama