



RAM



*Financial Regulators Forum
ICM Panel Discussion
28 March 2007*

Promoting the Growth of Globally Accepted Islamic Products

*Datuk C. Rajandram
Executive Deputy Chairman
RATING AGENCY MALAYSIA BERHAD*

- **Remarkable progress in global sukuk market**
- **Highlights for Malaysian sukuk market:**
 - **Sukuk issuance outperforming conventional bond issues since 2002**
 - **Growing penchant for mudharabah & musyarakah sukuk**
 - **Syariah councils include scholars from international arena**

- **Khazanah Exchangeable Bonds**
 - **World's first issuance of Syariah-compliant exchangeable trust certificates**
 - **Overwhelming response – subscription rate of 6 times**
 - **Largest exchangeable instrument issued out of Asia (excluding Japan)**

- **Innovation of products**
- **Competitiveness**
 - **Price the most critical aspect**
 - **Need to reduce structuring cost for Islamic products**
 - **Standardised legal documentation**

- **Greater corporate sukuk issuance market**
- **Need wider variety of issuers**
 - **Importance of comprehensive framework**
 - **International best practices / benchmarks**

- **Global sukuk issuances rated – Malaysia, Bahrain, Qatar**
- **Provides vital link between issuers and investors**
- **Common language of creditworthiness**
- **Sukuk already fit reasonably within existing credit rating methodologies**

- **Expansion in other market segments**
 - **Structured product**
 - **Islamic derivatives**
 - **Islamic asset backed securities**
 - **Risk mitigating instruments**

- **The need for more professional talents**
 - **INCEIF**
- **Education and information dissemination activities**
 - **International dialogues and conferences**
- **Sukuk playing an important role in promoting cross-border issuance and investments**

copyright Thomas Haltner



copyright Thomas Haltner



thank you

*No 19-G, The Boulevard, Mid Valley City,
Lingkar Syed Putra, 59200 Kuala Lumpur,
Malaysia*

Tel : 6 03 7628 1000

Fax : 6 03 7628 1700

Website: <http://www.ram.com.my>
