

Simplify sukuk structures, says Cagamas

KUALA LUMPUR: Cagamas Bhd has called on regulators to simplify sukuk structures to make it more attractive and easier for other countries and corporates to adopt. Chief executive officer Chung Chee Leong said the complexity of syariah-compliant sukuk structures has made investors, especially from non-Muslim countries, continue to issue bonds, the conventional debt investment.

"If the yield for sukuk is ... 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" yesterday.

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

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

As the national mortgage corporation, Cagamas has raised RM227 billion worth of bonds and sukuk since its inception 27 years ago.

— *Bernama*