



# SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

## Press Release

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*For immediate release*

### **Raising capital through Sukuk: SECP and PSX conduct survey of listed companies**

ISLAMABAD, July 7: A survey of listed companies included in the KSE-100 index has highlighted the need to enhance awareness among corporate decision makers of the benefits of raising capital through Sukuk.

As many as 90% of the survey respondents said that they wanted to attend a seminar focused on the CFO's of the listed companies to know as to how best their company can raise capital by issuing Sukuk.

This survey was conducted by the Securities and Exchange Commission of Pakistan (SECP) with the collaboration of Pakistan Stock Exchange (PSX) to identify the issues facing listed companies in raising capital by issuing Sukuk. Conducted online via email from 16th May to 14th June 2017, it is the first survey of its kind in Pakistan on the issuance of Sukuk. To get the most meaningful results, the survey was only sent to the Chief Financial Officer (CFO) of these companies and the response rate was 50%.

Results show that only a minority of companies had considered issuing Sukuk in the last five years even though Sukuk can be more cost effective for issuers than conventional corporate bonds. There is a relatively large pool of liquidity available to Islamic financial institutions that can only be invested in Sharia compliant securities.

SECP and FBR have also introduced a series of reforms removing the tax and compliance disadvantages which were previously faced by the issuers in issuing Sukuk.

According to the Bahrain-based standard setter, the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), Sukuk are 'certificates of equal value representing undivided shares in the ownership of tangible assets, usufructs and services or (in the ownership of) the assets of particular projects or special investment activity.'

The core issue in developing Islamic capital market in Pakistan is limited supply of Shariah compliant securities by issuers despite relatively large demand by investors. SECP has decided to organize a series of such seminars focused on companies to develop the Sukuk market.