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## High quality sukuk in demand

**KUALA LUMPUR:** High-quality sukuk such as triple A rates and double A rates seem to be in demand now among investors, according to Bank Rakyat Malaysia & International Islamic University Malaysia syariah advisor Prof Datuk Mohd Azmi Omar.

"However, the complicated structure of sukuk issuance will be costly and issuers need to consider the cost factor to be attractive," he said, adding that sukuk issuance must also be syariah compliance.

He was one of the panelists yesterday during The Asian Islamic Financial Market as a Source of Capital for Issuers at the forum.

Another panelist, AmlInvestment Bank Group director/head of Islamic markets Mohd Effendi Abdullah, said the cost of issuing sukuk depended on the ratings given on the sukuk, whether double A or double B.

"The cost of issuing sukuk may be different from one country to another as the infrastructure to support the issuance may not be there," he said.

He said to make sukuk products more attractive to investors, the Islamic financial market needed to come out with more innovative products.

Allen & Overy counsel Hooman Sabeti-Rahmati said the transaction cost for Islamic structured products such as sukuk was not different from structured conventional bonds.

"However, sukuk products give an alternative funding to investors and more options are always beneficial to them," he said.

Dubai International Financial Centre Islamic finance executive director Nik Norishky Thani said the costs of issuing sukuk varied, depending on certain factors.

He said the rating for sukuk was necessary to make it appealing to the investors.