



# Disclaimer

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# Outline

- Introduction
- Market Development
- Financing Mechanism
- Construction Phase (Istisna'a)
- Operation Phase (Ijarah)
- Issues and Challenges

# Introduction

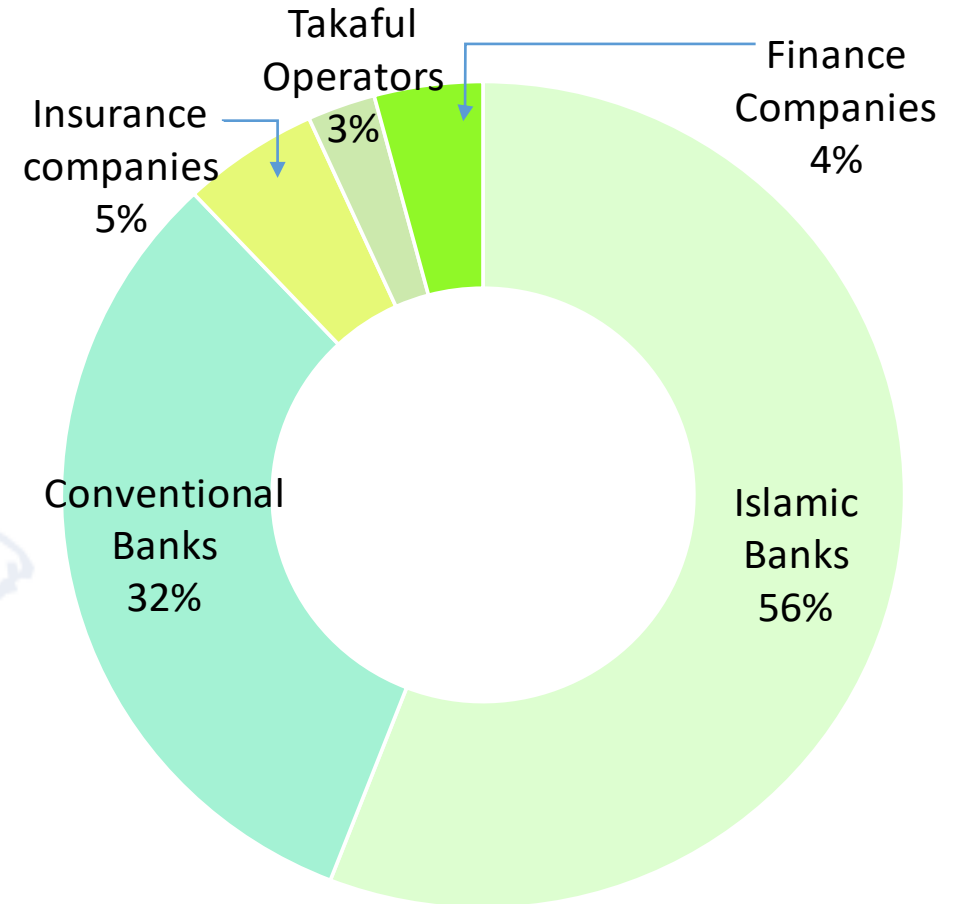
**Population:**  
442,400  
(2018)

**Area:**  
5,767 sq. km

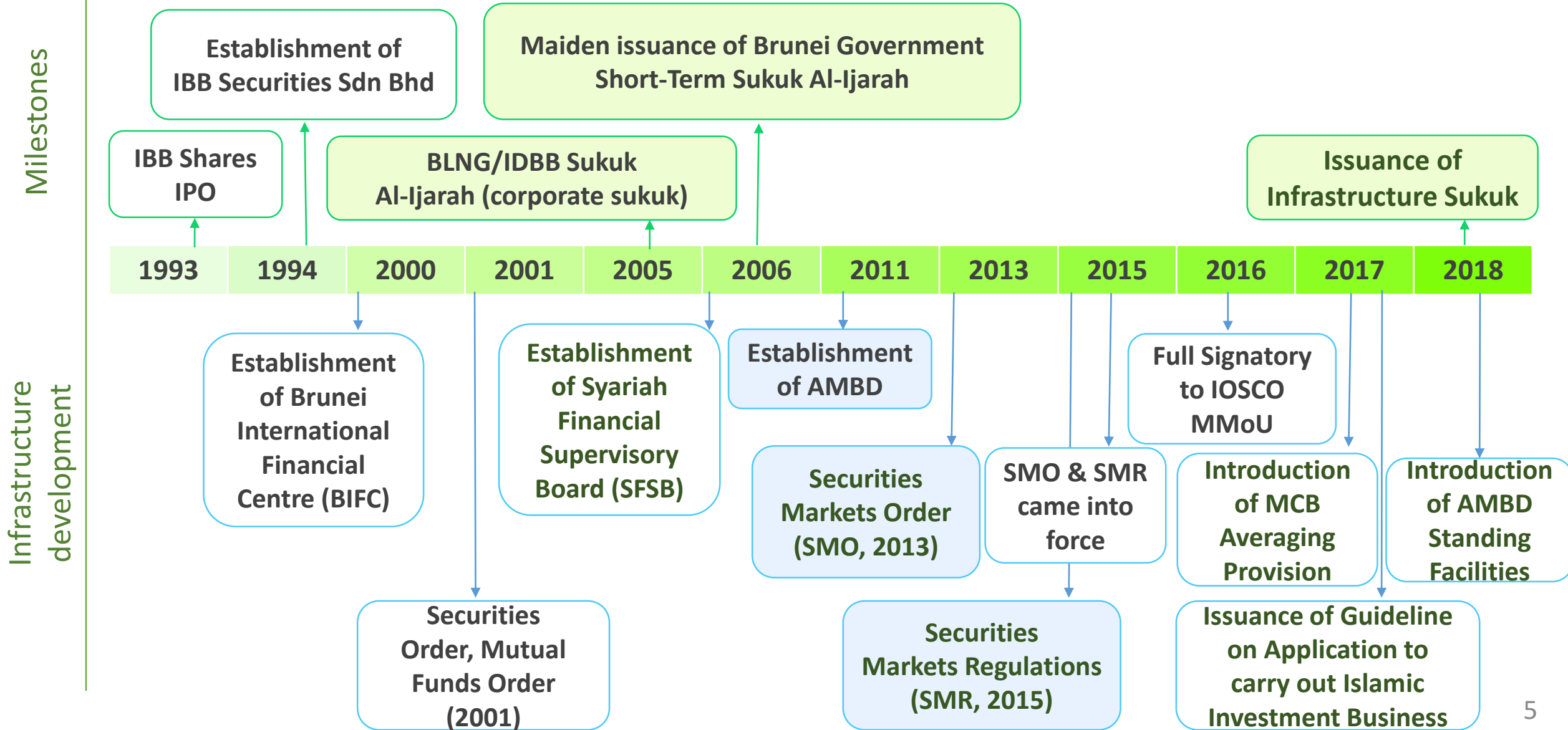
**GDP:** BND 18.3  
billion / USD  
13.39 billion  
(2018)



**Structure of Financial System Assets in 2018**



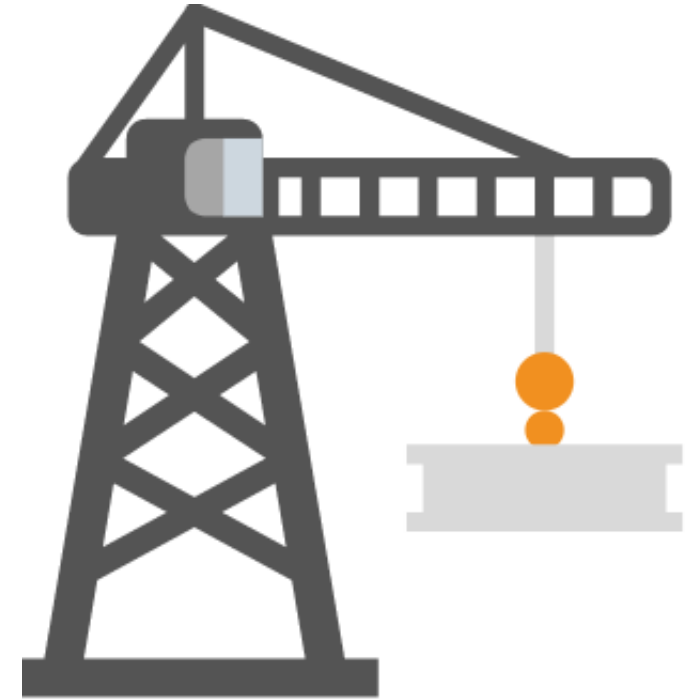
# Market Development



# Sukuk as a Financing Mechanism

## Objectives of the Project:

1. Kick start and develop Brunei Darussalam's capital market;
2. Rate as benchmark for any potential domestic long-term issuances; and
3. Structure can also be used for any other potential government-related or government sukuk issuances, if required.



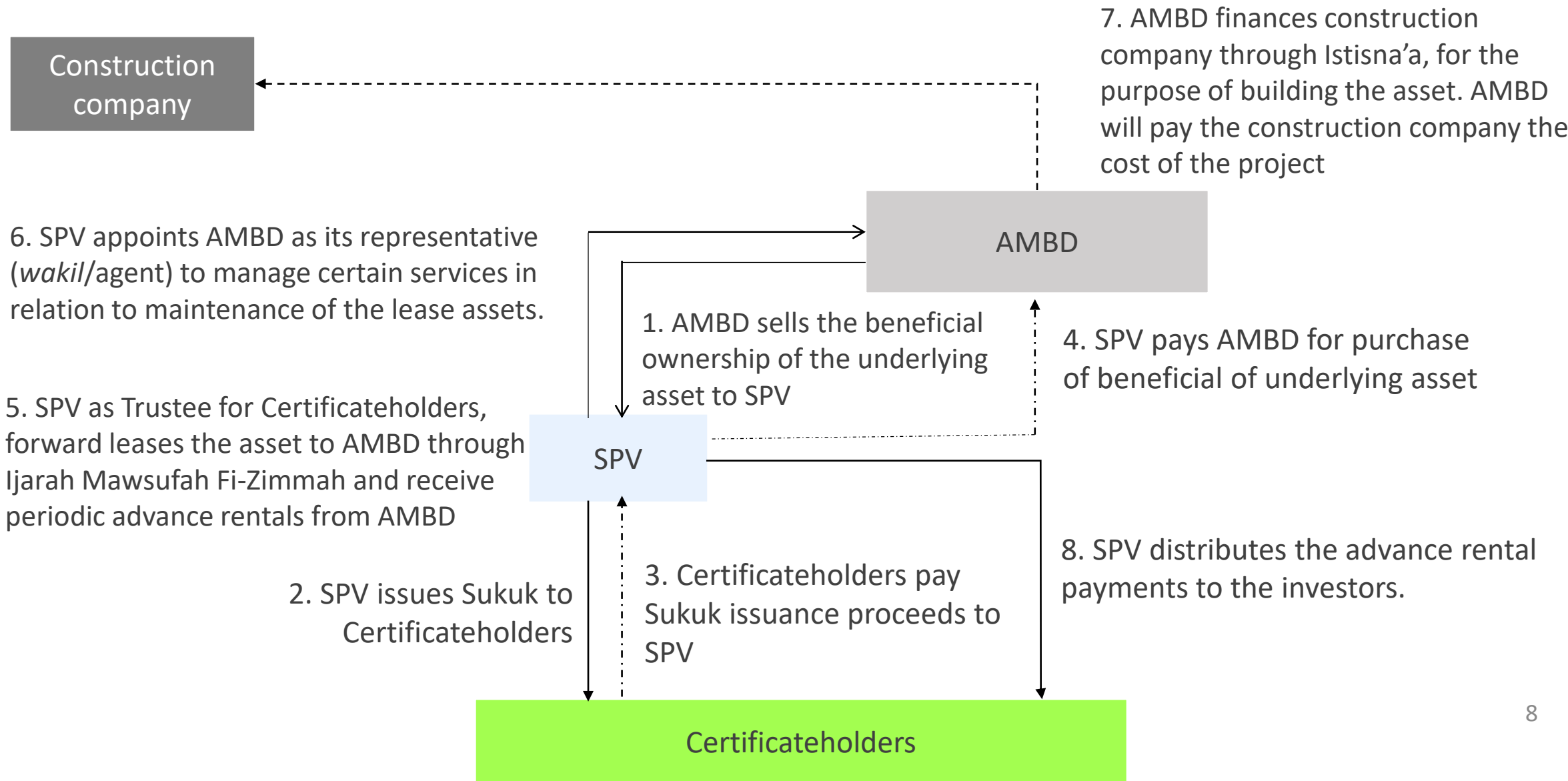
# Infrastructure Sukuk

This sukuk is a hybrid sukuk and the structure is divided into two phases:

1. **Construction Phase (Istisna'a):** The borrower procures the construction of project assets and then transfers beneficial rights of assets to Islamic financiers. As consideration, Islamic Financiers makes phased payments to the borrower.
2. **Operating Phase (Ijara):** Financiers lease project assets to the borrower. In turn, the borrower makes lease payments (equivalent to debt service).

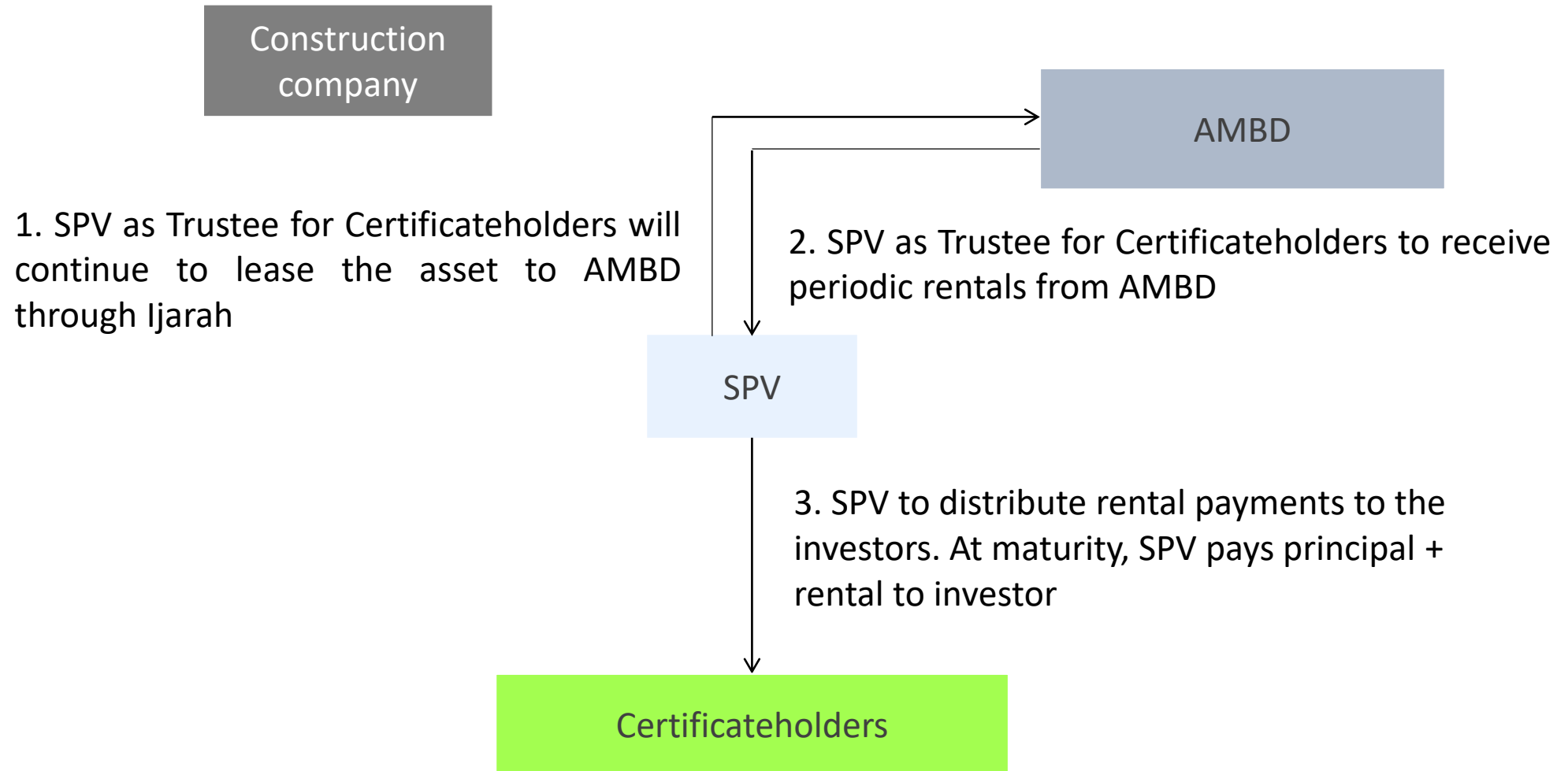
**Underlying Asset:** The Infrastructure Project

# Structure: Construction Phase (Istisna'a)





# Structure: Operation Phase (Ijarah)



# Issues and Challenges

Syariah Financial  
Supervisory Board

Investor

Internal  
Stakeholders

Other External  
Stakeholders

Asset

Legal  
Documentations

# Bibliography

- AMBD Annual Report (2018), Autoriti Monetari Brunei Darussalam (AMBD).
- Brunei Darussalam Key Indicators (2018), Department of Economic Planning and Development (DEPD), Ministry of Finance and Economy Brunei Darussalam.

# THANK YOU.

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