



THE ISLAMIC CORPORATION FOR  
THE INSURANCE OF INVESTMENT  
AND EXPORT CREDIT

# SUKUK INSURANCE PROGRAM

A UNIQUE SHARIAH COMPLIANT  
INSURANCE INSTRUMENT



مجموعة البنك الإسلامي للتنمية  
Islamic Development Bank Group



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# Introduction

In 2013, The Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC), launched an innovative insurance product, “**Sovereign Sukuk Insurance Policy**” which is the first of its kind in the Market. The new product is designed to insure Sovereign Sukuk issued by Member States in order to help them have better access to Shariah-compliant financing from the international capital markets to fund their developmental projects. The “Sovereign Sukuk Insurance Policy” insures the investor “The Sukukholders,” against payment default on Sukuk issued by Sovereign (and Sub-Sovereign) entities of Member States. The Programme has evolved as follows;

1

Standard Sukuk Insurance

2

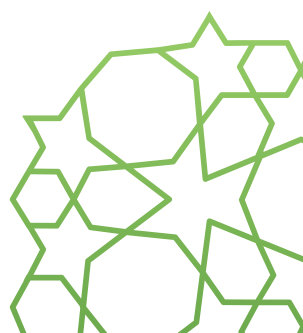
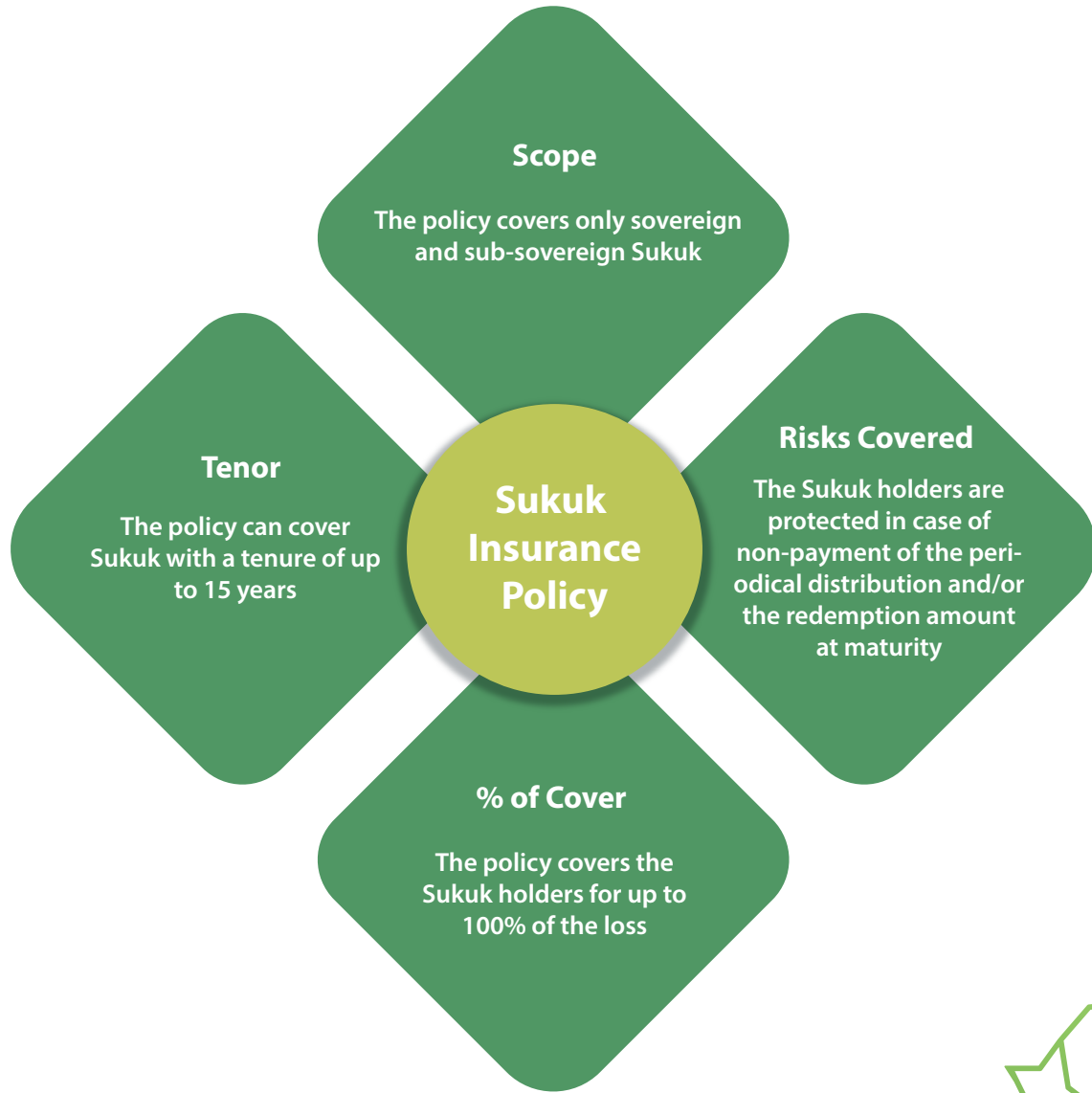
Green Sukuk Insurance

The Standard Sukuk Insurance provides credit enhancement that supports raising funds for trade, infrastructure, and developmental projects or programmes in ICIEC Member States, while the Green Sukuk Insurance provides credit enhancement that supports green and sustainable project programmes of ICIEC Member States based on a certified sustainability framework.

# Objective

The objective of ICIEC’s Sukuk Insurance Programme is to help its Member States raise Shariah-compliant funds, at a reasonable cost, from the international capital markets through the issuance of Sovereign Sukuk to finance their infrastructural and other developmental projects.

# Main Features



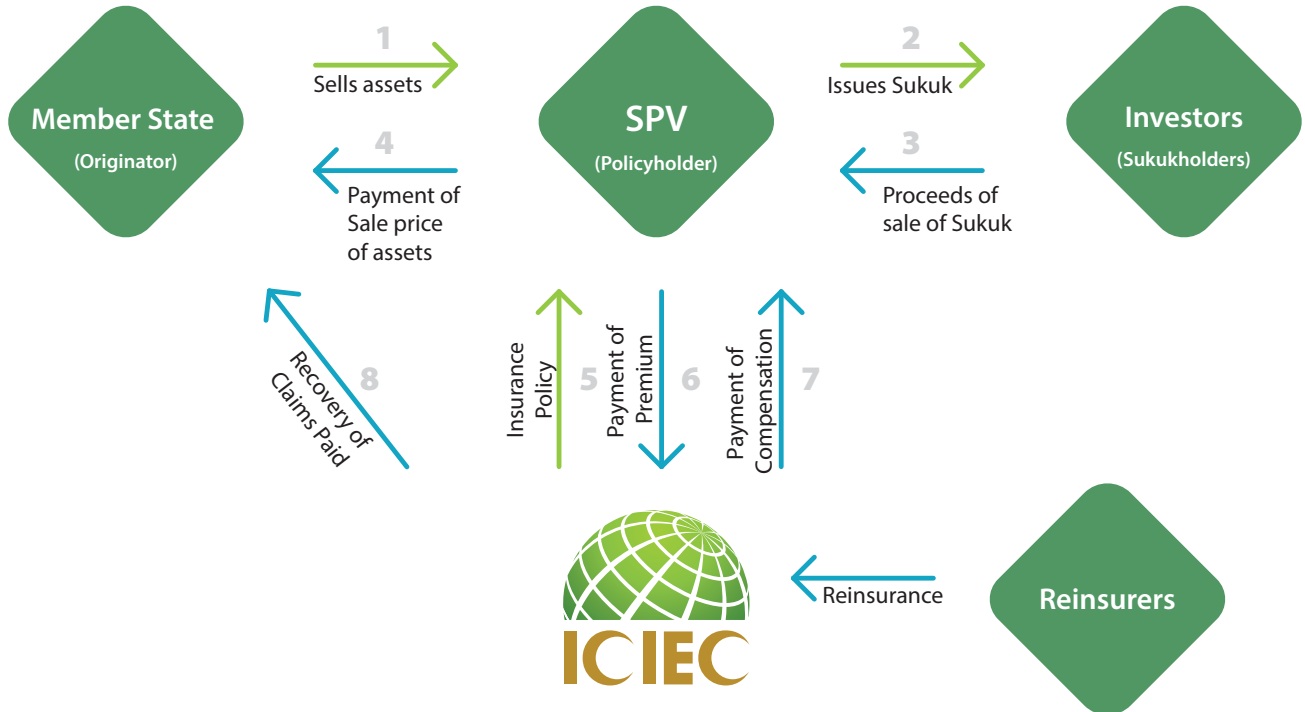
# Shariah Justification

ICIEC developed the Sukuk insurance policy based on the Resolution issued by the Shariah Council of the [Accounting and Auditing Organization for Islamic Financial Institutions \(“AAOIFI”\)](#) prohibiting originators, issuers, and managers from guaranteeing Sukuk and allowing [third-party guarantees](#).

This was reinforced by the Resolution of the [Fiqh Academy of the Organization of the Islamic Cooperation](#), issued at its 20th meeting held in Algeria in September 2012, permitting the protection of Sukuk holders by Islamic insurance instruments.

The Sukuk insurance policy has been approved by the [Shariah Board of the Islamic Development Bank Group](#).

# Mechanism

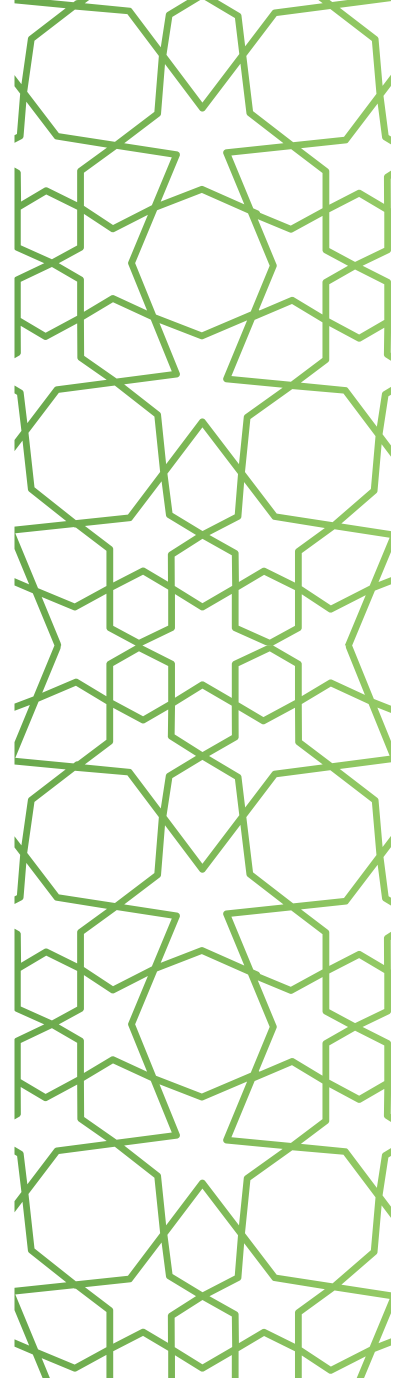


ICIEC issues an insurance policy to a Special Purpose Vehicle (SPV), as the trustee of the investors, to protect them against the non-payment risk of the originator. In the event of a default, ICIEC indemnifies the investors through the SPV, and seeks recovery from the Originator.

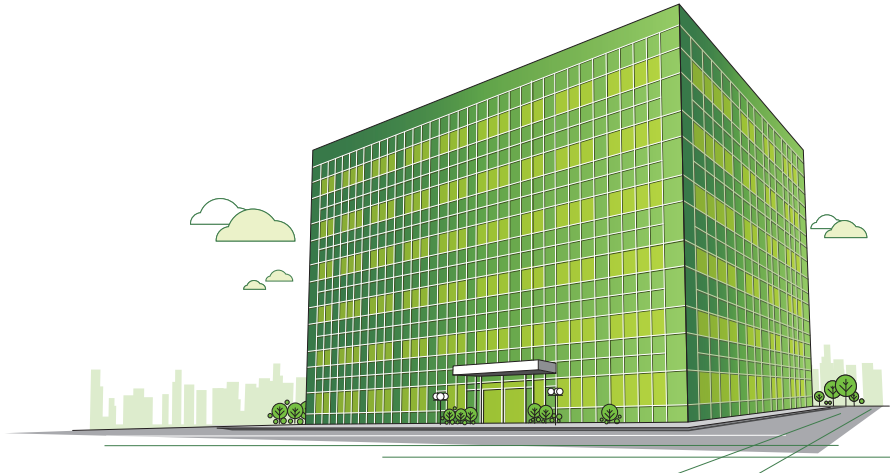


## Pricing Approach

The pricing approach for insuring an issuance of Sovereign Sukuk takes into account a number of factors, mainly the risk appetite of the insurance and reinsurance market, the quality of the assets involved in the Sukuk and its structure, the country rating, the potential support of multilateral institutions, the dynamics of the capital markets and the potential impact that the insurance policy is expected to have on the Sukuk rating.



# Corporate Profile



ICIEC, founded in 1994, has consistently demonstrated its commitment to fostering economic cooperation among OIC Member States, facilitating intra-OIC trade, and promoting investments. As the world's sole Islamic multilateral insurer, ICIEC plays a pivotal role in mitigating risks and offering financial solutions to enhance economic resilience. Our comprehensive range of products and services benefits both the public and private sectors across our extensive network of 49 Member States and beyond.

ICIEC's diverse product suite includes Documentary Credit Insurance Cover, Credit Insurance Cover, Bank Master Policy, Non-Honoring of Sovereign Financial Obligation, and Investment Insurance Products. These offerings are designed to address the unique needs of its stakeholders and support various sectors.

ICIEC's unwavering commitment to excellence is evident through its "Aa3" insurance financial strength credit rating from Moody's, a distinction we have maintained for 15 consecutive years.

In addition to its core activities, ICIEC is a co-founder of the AMAN Union, an esteemed association representing Islamic and Arab Export Credit Agencies. This collaboration further underscores its commitment to advancing economic development and fostering cooperation within the Islamic and Arab world.

ICIEC remains dedicated to its mission of promoting economic growth, trade, and investment among OIC Member States, and we look forward to continuing our journey of facilitating prosperity and resilience for all our stakeholders.



# Member States



## North Africa

Algeria, Egypt, Libya,  
Mauritania, Morocco,  
Sudan, Tunisia

## Central Asia & Europe

Albania, Azerbaijan,  
Kazakhstan,  
Uzbekistan,  
Turkmenistan,  
Türkiye

## South America

Suriname

## Southeast Asia

Bangladesh, Brunei,  
Indonesia, Iran,  
Malaysia, Pakistan,  
Maldives

## West Africa

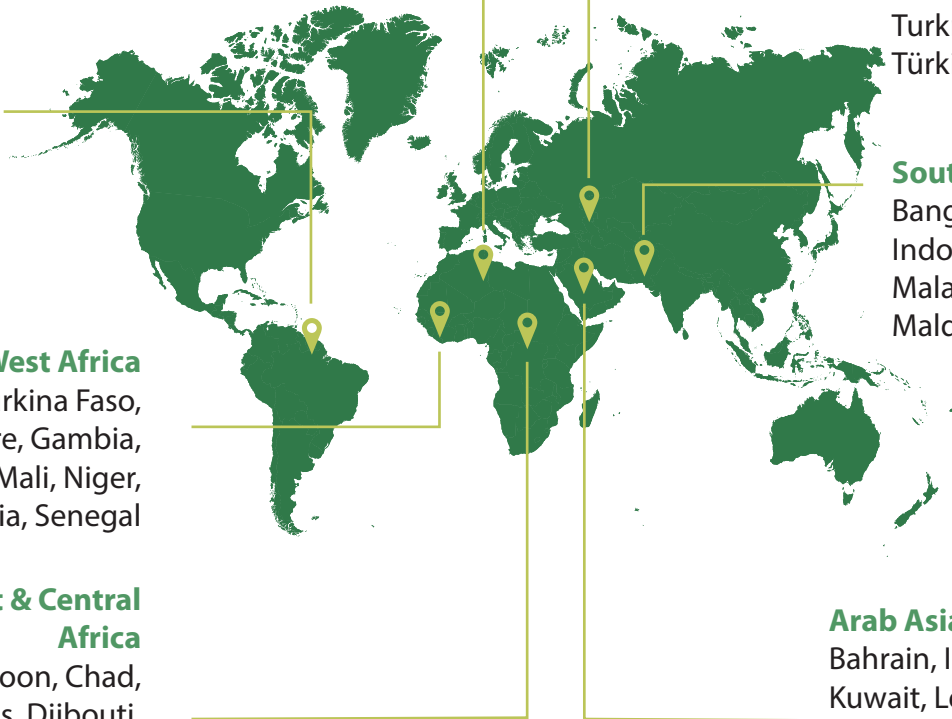
Benin, Burkina Faso,  
Côte d'Ivoire, Gambia,  
Guinea, Mali, Niger,  
Nigeria, Senegal

## East & Central Africa

Cameroon, Chad,  
Comoros, Djibouti,  
Gabon, Uganda,  
Mozambique

## Arab Asian Countries

Bahrain, Iraq, Jordan,  
Kuwait, Lebanon, Oman,  
Palestine, Qatar, Yemen,  
Saudi Arabia, Syria, UAE



# The Islamic Development Bank



Rated AAA by the major rating agencies, the Islamic Development Bank is a multilateral, the Islamic Development Bank (IsDB) is a multilateral Islamic financial institution established in 1975 to foster socio-economic development in Member Countries and Muslim communities in non-Member Countries. It Provides project financing for infrastructure, and social development, Equity participation in strategic corporate and financial institutions.





**The Islamic Corporation for the  
Insurance of Investment and  
Export Credit (ICIEC)**

Provides Shariah-compliant risk mitigation insurance and reinsurance solutions to facilitates trade and investment between the OIC Member States and the world.



**Islamic Corporation for the  
Development of the Private  
Sector (ICD)**

Provides project finance solutions to develop the private sector in Member Countries.



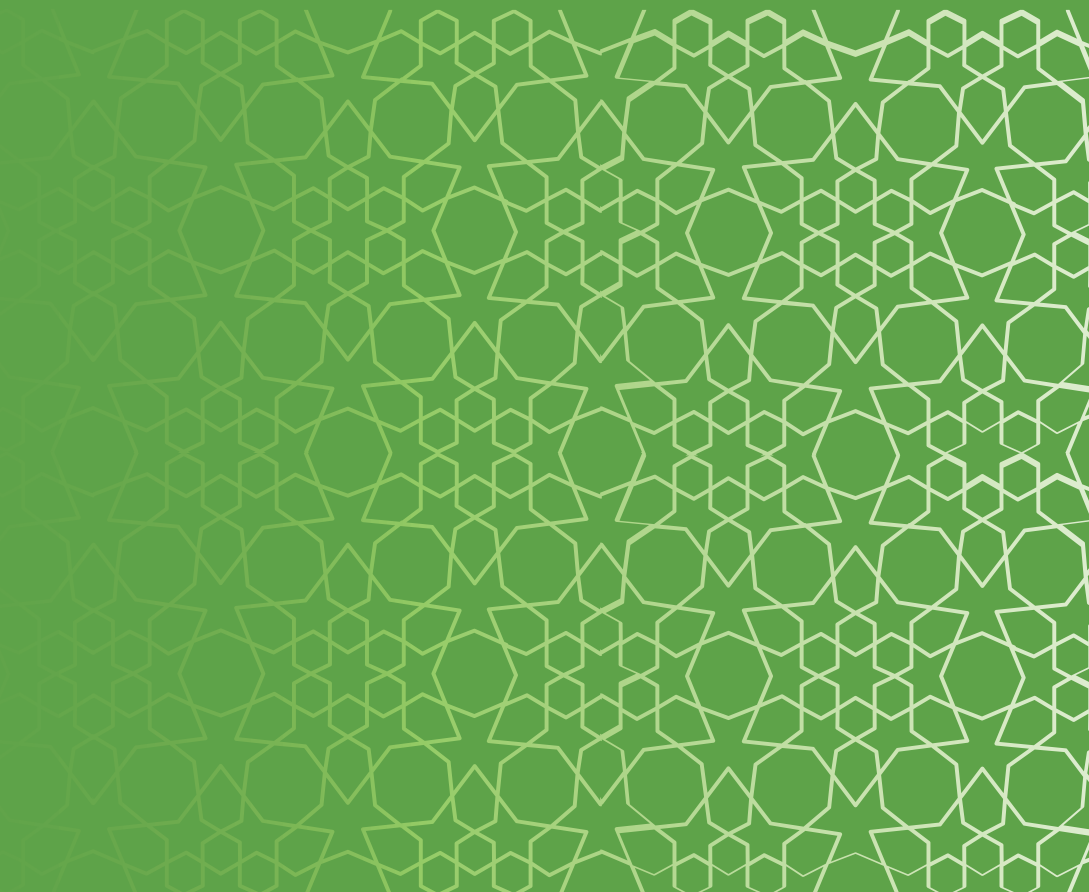
**International  
Islamic Trade Finance  
Corporation (ITFC)**

Provides financing and capacity building to encourage intra-trade across OIC Member Countries.



**Islamic  
Development Bank  
Institute (IsDBI)**

Provides training, research, advisory, and capacity building for the development of the Islamic Financial Service Industry.



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