

World's first institutional tokenised sukuk backed by a sovereign-linked instrument listed

Fusang, a digital stock exchange operator, has listed the world's first institutional tokenised sukuk backed by a sovereign-linked instrument, opening up access to a short-term A-1 rated sukuk for global institutions and their clients.

Token Features

Minimum Investment Amount	USD 100
Token Unit	USD 100
Currency	USD
Issuance Date	5 October 2023
Tenor	1 month
Profit Rate	5.37% annualised
Depository	Fusang Exchange Ltd
Issuance Governing Law	Labuan, Malaysia
Subscription Method	Fusang Exchange Type 2 Trading Agents
Eligible Investors	Institutional and sophisticated investors

How does the FUSANG Depository Receipt (FDR) work?

- Fusang Depository Receipts are tokens that directly represent assets held by the Depository on behalf of token holders.
- FDRs represent direct legal claims on the underlying assets, and can be redeemed back into the underlying assets if investors want.
- The tokenised sukuk have the same legal and financial features as the underlying sukuk, and are themselves shariah-compliant securities.
- The tokenised sukuk is listed for secondary market trading on the Fusang Exchange.
- The tokenised sukuk can be transferred between the regulated financial institutions who are participating Members of the Fusang Exchange.
- Upon maturity of the underlying sukuk, token holders will be paid out in USD via their subscribing broker.

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Information about underlying sukuk and program sponsor

What is IILM?

International Islamic Liquidity Management Corporation (IILM)* is an international organisation established by 8 central banks and a multilateral organisation to create and issue shariah-compliant sukuk to fulfil its mandate to facilitate effective cross-border Islamic liquidity management.



Steadfast backing by central banks: Current shareholders of IILM comprise the central banks of Indonesia, Malaysia, Mauritius, Qatar, Nigeria, Turkey, Kuwait, U.A.E., and the multi-lateral organisation, Islamic Corporation for the Development of the Private Sector.

About IILM sukuk

- Sukuk – The Arabic name for financial certificates, also commonly referred to as “shariah-compliant” instruments that pay a profit rate over time.
- Short Term Financial Instrument – USD-denominated short-term financial instruments issued at maturities up to one year.
- Credit Rating – IILM sukuk rated “A-1” rating by Standard & Poor’s (highest Short-Term Issue Rating).
- Underlying Asset – Each short-term sukuk is backed by a pool of highly rated sovereign assets (at least “A/A2/A+” by S&P, Moody’s or Fitch).
- Periodic Return – Profit amount generated by the underlying asset.
- Ownership – Each sukuk represents ownership of underlying sovereign asset.

How does the IILM Asset-backed sukuk work?

IILM sukuk are backed by highly rated sovereign assets*.

The fundraising through issuance of sukuk is to acquire and hold the underlying assets.

Each sukuk represents undivided beneficial ownership in the asset pool held on trust for the sukuk holder.

*Disclaimer: This info sheet is not intended to indicate participation, expressly or implicitly, on the part of IILM or any of its shareholders in this tokenisation exercise.

Features

IILM Sukuk Value Proposition

Low Risk	<ol style="list-style-type: none"> 1. Investment Grade Short Term “A-1” rated by S&P 2. Underlying asset pool of Sovereign grading
High Liquidity	Secondary market is highly liquid with a record of USD 2.2 billion in 2022 representing 16% of the total underlying sukuk outstanding during the period
Ownership of asset	Value of sukuk is always related to real assets with provable and tangible value, providing security and protection to sukuk holders

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