



UNIVERSITI TEKNOLOGI MARA

**RESEARCH TRENDS ON CONTRACTS,
STRUCTURES, PRICING AND GRADING OF
SUKUK: A BIBLIOMETRIC ANALYSIS**

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Final Year Project submitted in fulfillment of
the requirements for degree of
Bachelor of Business Administration (Hons)
Investment Management

Faculty of Business and Management

FEBRUARY 2022

ABSTRACT

The objective of this study is to compile quantitative data on Sukuk contracts, structures, pricing, and grading. The research looked at publishing trends, regions that produce Islamic finance research, major contributing organizations, significant authors, the most cited articles, authorship patterns, and keywords. A total of 301 records between 1970 and 2021 for bibliometric analysis, results from the *Web of Science Core Collection* database were used *VOSviewer software*. This analysis shows Sukuk mainly falls in twelve research clusters and allows it to form a themed or a research hotspot. The data indicated that Sukuk's research had a significant impact on the publication between Malaysia, the United States of America, and Saudi Arabia. Thus, it would be beneficial to investigate the underlying elements that drive Sukuk investment and its impact on a country's economic development in a cross-country environment.

Keywords: Sukuk, Islamic finance, Sukuk structure, Sukuk pricing, Sukuk contracts, Sukuk grading, Sukuk restructure, Sukuk risk

ACKNOWLEDGEMENT

First and foremost, I would like to thank Allah S.W.T for allowing me to complete this assignment successfully. Then I would want to express my gratitude to my supervisor, Dr. Tan Yan Ling, whose invaluable advice has helped me patch this project and make it a complete success. Her recommendations and directions have been a large contributor to the project's completion.

Then I would want to express my gratitude to my parents and friends for their invaluable comments and support throughout the project's various stages of completion.

Last but not least, I would want to express my gratitude to my classmates for their invaluable assistance. Alhamdulillah.

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CHAPTER ONE INTRODUCTION

1.1 Introduction

Sukuk is an Islamic bond; however, an Islamic Investment Certificate is a more appropriate translation of the Arabic word according to the Securities Commission Malaysia (2020). Islamic private debt securities (IPDS) are defined as any securities issued in accordance with Shariah principles and concepts that have been approved by the SC's Shariah Advisory Council (SAC). Sukuk are certificates of equal value representing undivided shares in ownership of tangible assets, usufructs and services in the ownership of particular projects or special investment activity, according to the Accounting and Auditing Organization for Islamic Financial Institutions, AAOIFI 1999. This is true after receipt of the value of Sukuk, the closing of subscription, and the employment of the funds received for the purpose for which the Sukuk were issued.

Sukuk, which are compliant with Shariah Islamic law (Wilson, 2004), are appealing investment tools for Islamic banks, takaful or Islamic insurance companies, and Shariah managed funds that are unable to invest in traditional securities that require riba or interest payments. Sukuk helped financial institutions stay afloat with better portfolio, liquidity, and risk management capabilities. Furthermore, Sukuk have become increasingly popular as a result of an increase in the number of high-net-worth Muslims who want their asset holdings to be compliant with Islamic law (Wilson, 2008). The dynamics of the Islamic financial business have evolved as a result of recent modernization. Sukuk, or Islamic securities, had grown in popularity in recent years and has earned widespread acceptance as a valid alternative to traditional financial products. Sukuk has become one of the most important tools for raising capital in the market under an Islamically-acceptable structure (Organization of Islamic Cooperation. Standing Committee for Economic and Commercial Cooperation & Organization of the Islamic Conference Standing Committee for Economic and Commercial Cooperation, 2018). As a result, the underlying concepts of Sukuk, its rating, and the default risk implications of Sukuk rating will be explored in this study.

Sukuk are financial products that allow market participants to gain a huge amount of cash or capital from investors, according to a simple explanation of modern sukuk. It can be accomplished by creating a variety of sukuk structures with