



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

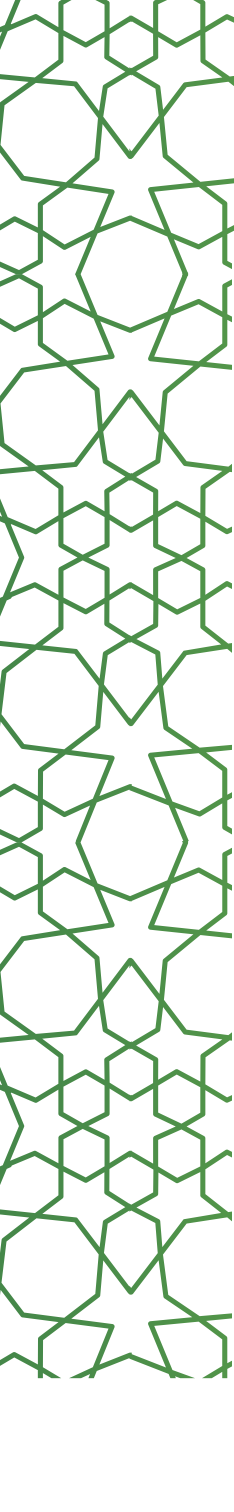


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Introduction

The Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC) launched an innovative product, the “**Sovereign Sukuk Insurance Policy**” —the first of its kind in the market. The policy 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” provides protection to investors — The Sukukholders — against payment defaults on Sukuk issued by both Sovereign and Sub-Sovereign entities of Member States.

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Standard Sukuk Insurance

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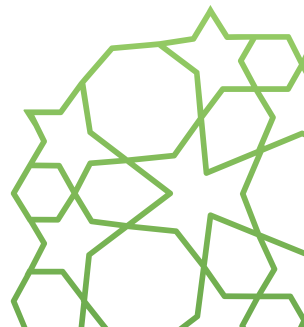
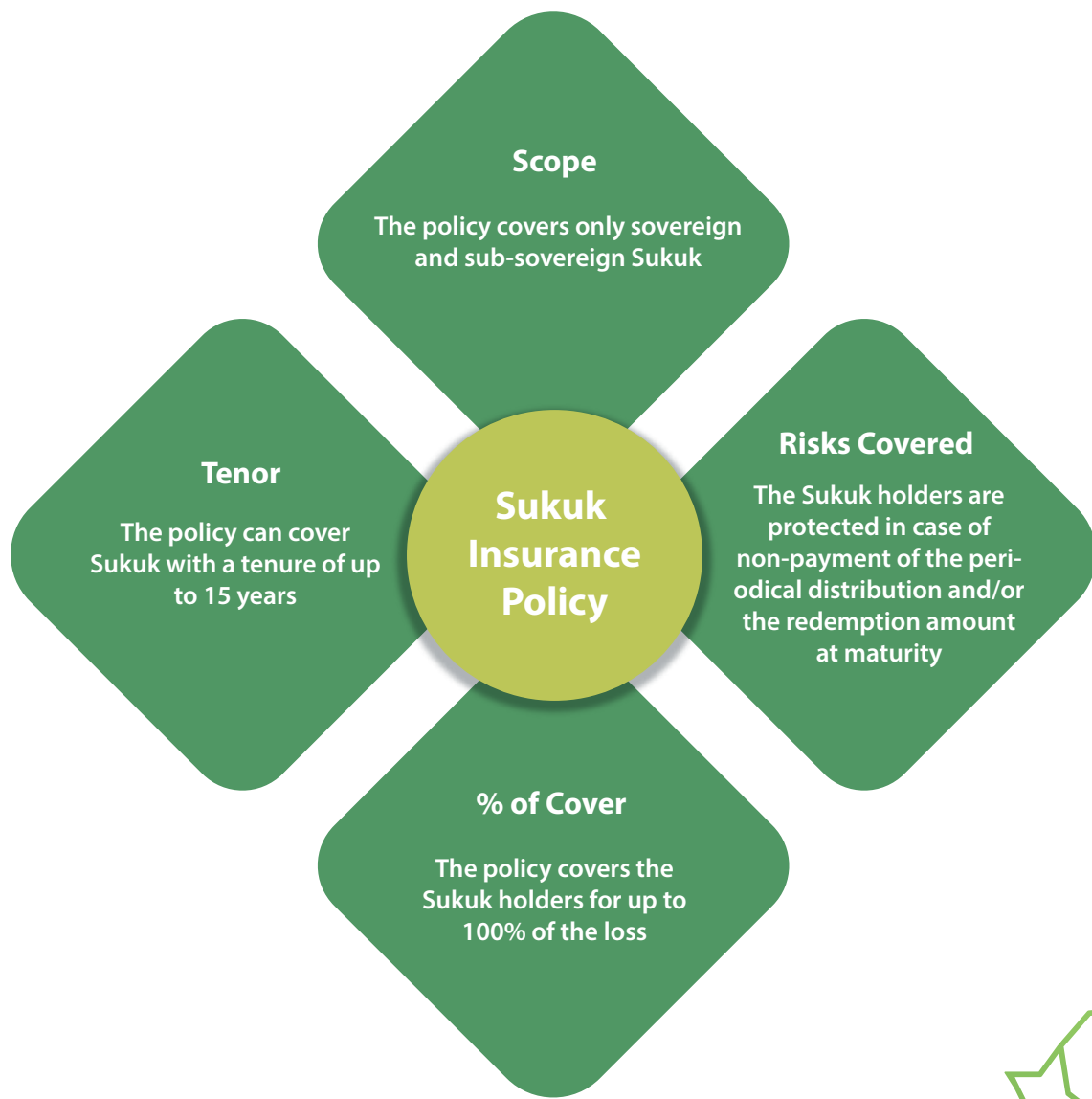
Green Sukuk Insurance

The Standard Sukuk Insurance offers credit enhancement to facilitate raising funds for trade, infrastructure, and developmental projects or programmes in ICIEC Member States. In parallel, the Green Sukuk Insurance provides credit enhancement to support green and sustainable projects and programmes aligned with a certified sustainability framework.

Objective

The objective of ICIEC’s Sukuk Insurance Programme is to enable its Member States to raise Shariah-compliant financing at a competitive cost from the international capital markets through the issuance of Sovereign Sukuk, thereby channeling resources into critical infrastructure and other priority developmental projects.

Main Features



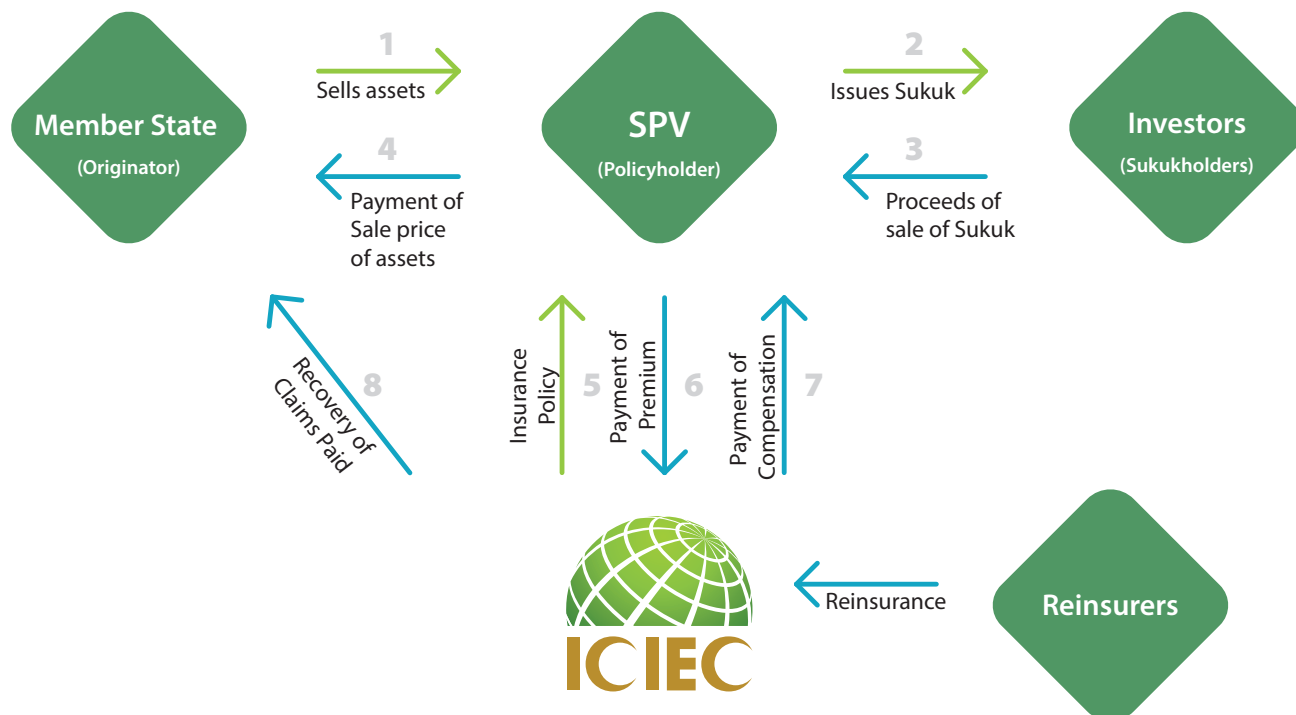
Shariah Justification

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](#).

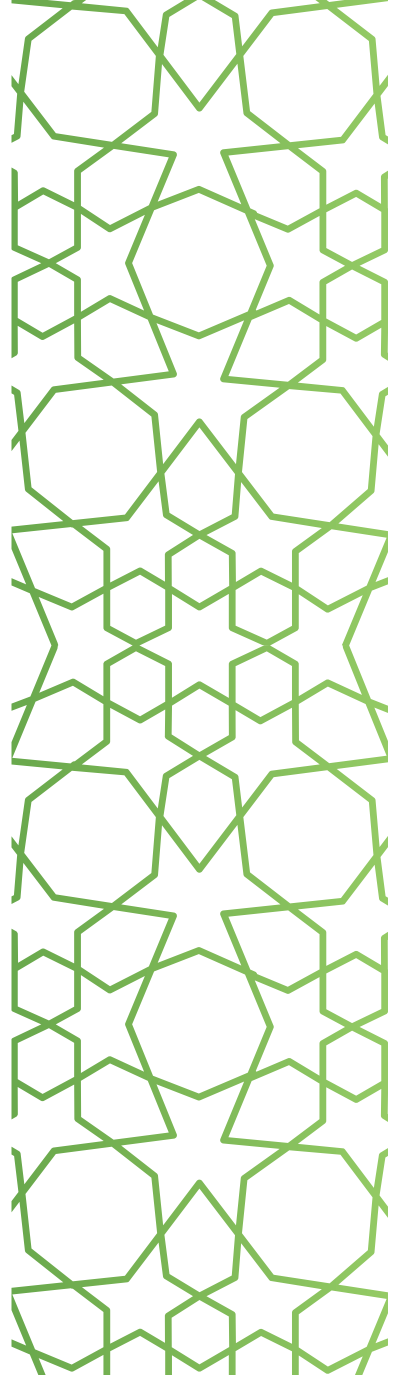
This was reinforced by the Resolution of the [Fiqh Academy of the Organization of the Islamic Cooperation](#), issued at its 20th meeting held in Algeria in September 2012, permitting the protection of Sukuk holders by Islamic insurance instruments.

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



Our comprehensive product suite spans solutions such as Documentary Credit Insurance Cover, Credit Insurance Cover, Bank Master Policy, Non-Honoring of Sovereign Financial Obligations, and Investment Insurance Products. These offerings are designed to address the unique needs of our stakeholders and support key sectors, including energy, manufacturing, infrastructure, healthcare, and agriculture.

ICIEC's unwavering commitment to excellence is evident through its "Aa3" insurance financial strength credit rating from Moody's, a distinction we have consistently reaffirmed since its initial assignment in 2008, alongside an "AA-" from S&P obtained in 2024 and maintained with a stable outlook. This recognition places ICIEC among the elite institutions in the Credit and Political Risk Insurance (CPRI) industry. Our resilience is firmly anchored in sound underwriting practices, strategic reinsurance partnerships, and robust risk management policies.

In addition, ICIEC partners with leading international reinsurers, leveraging their global expertise and capacity to reinforce our robust risk management framework. We also possess an in-depth understanding of our Member States, bolstered by our local expertise and knowledge, which enables us to tailor solutions that align with the specific needs of each region.

Beyond its core mandate, ICIEC is also a proud co-founder of the AMAN Union, a premier association representing Islamic and Arab Export Credit Agencies (ECAs). This alliance further underscores ICIEC's role in advancing economic development and fostering cooperation within the Islamic and Arab world.

Looking ahead, ICIEC remains steadfast in its mission to foster economic growth, trade, and investment across OIC Member States, as we continue to build resilience and prosperity for all our stakeholders.



Member States

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

**South
America**
Suriname

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

**East & Central
Africa**
Cameroon, Chad,
Comoros, Djibouti,
Gabon, Uganda,
Mozambique

**Central Asia &
Europe**
Albania, Azerbaijan,
Kazakhstan,
Uzbekistan,
Turkmenistan,
Türkiye

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

Arab Asian Countries
Bahrain, Iraq, Jordan,
Kuwait, Lebanon, Oman,
Palestine, Qatar, Yemen,
Saudi Arabia, United
Arab Emirates, Syria

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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