

Socially Responsible Investment Sukuk in Iran Capital Market;

How many further steps?

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What is Socially Responsible Investment?



SRI
Investment

- Environmental Facts
- Social Facts
- Governance Facts

Move towards ESG



Environmental

- Clean Technology
- Smart Growth



Social

- Human Rights
- Diversity and Anti-Bias Issues



Governance

- Anti-Corruption
- Independence

SRI + Sukuk

SRI

- Social Impact
- Financial Dimensions

Sukuk

- Shariah Compliancy
- Financial Dimensions

Sukuk in Iran

History

First Issued in 1994

- Musharakah Sukuk was the first type which was issued under supervision of Iran Central Bank

Profit

Fixed income and Variable Income compromise two wings

- Ijarah, Murabaha, Istisna are known fixed income structures; Salam and Musharakah are known variable income structures.

SPV

All structures do not necessarily utilize SPV

- Special Purpose Vehicles make some tax benefits for the issuers; However, there are some laws which permit tax-exemptions specific structures which do not use SPV

Sukuk types in Iran Capital Market

Fixed income



- Ijarah
- Murabaha
- MBS + ABS
- Istisna

Variable Income



- Musharakah
- Salam

Sukuk Development in Iran Capital Market

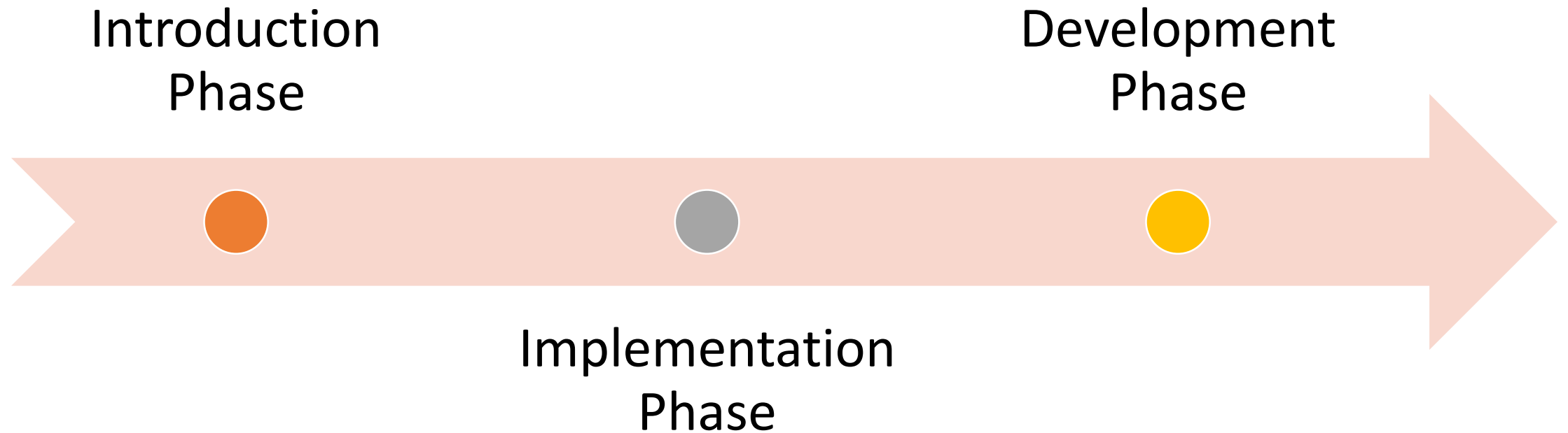
What Passed?

- Introduction of Sukuk in Iran financial system
- Development of Sukuk Structures in Iran Capital Market
- Sukuk Structures

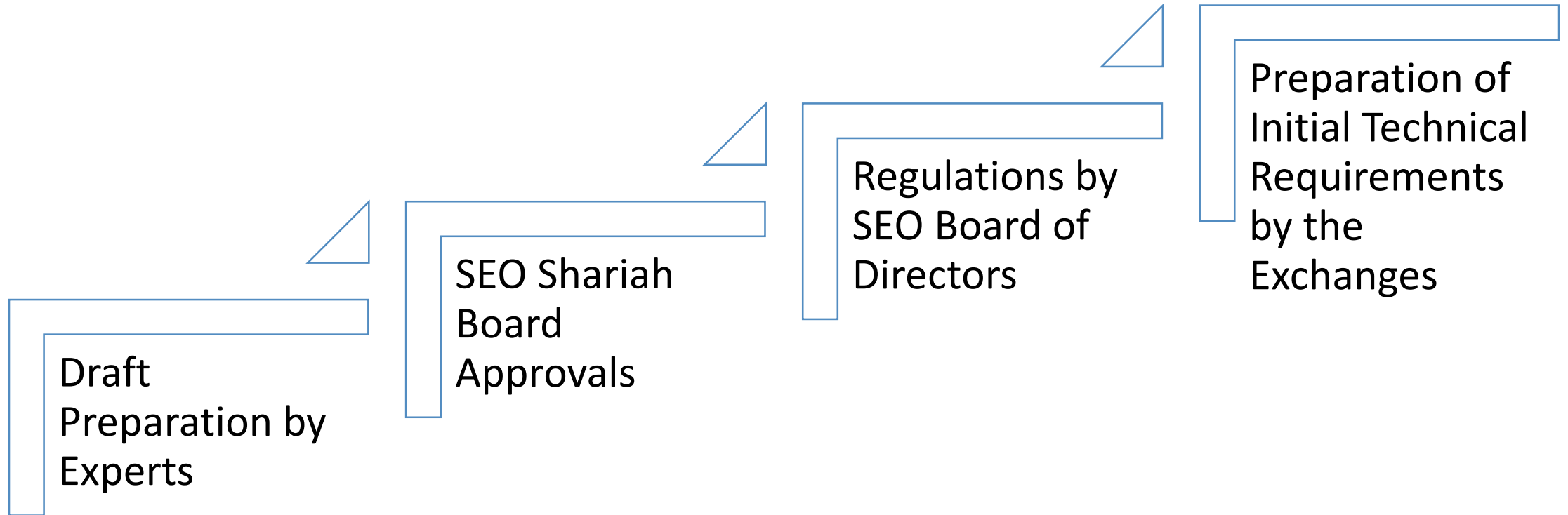
What to come?

- Introduction of Rating Agencies
- Diversity of profit making in Sukuk Structures

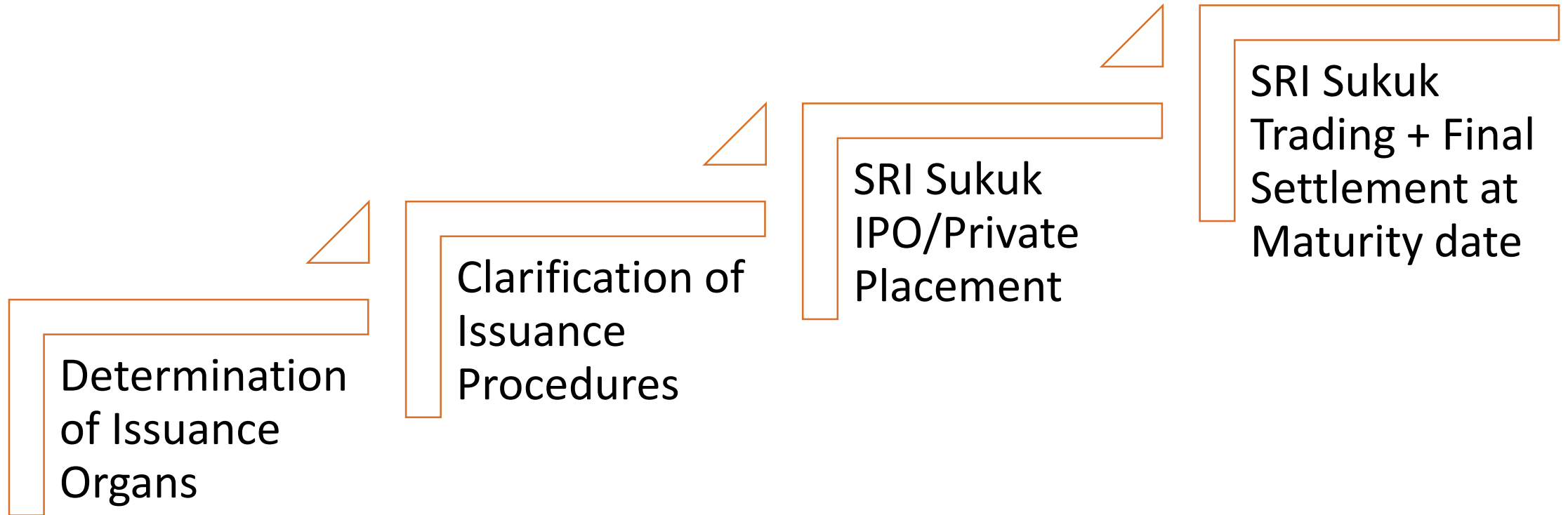
SRI Sukuk in Iran Capital Market



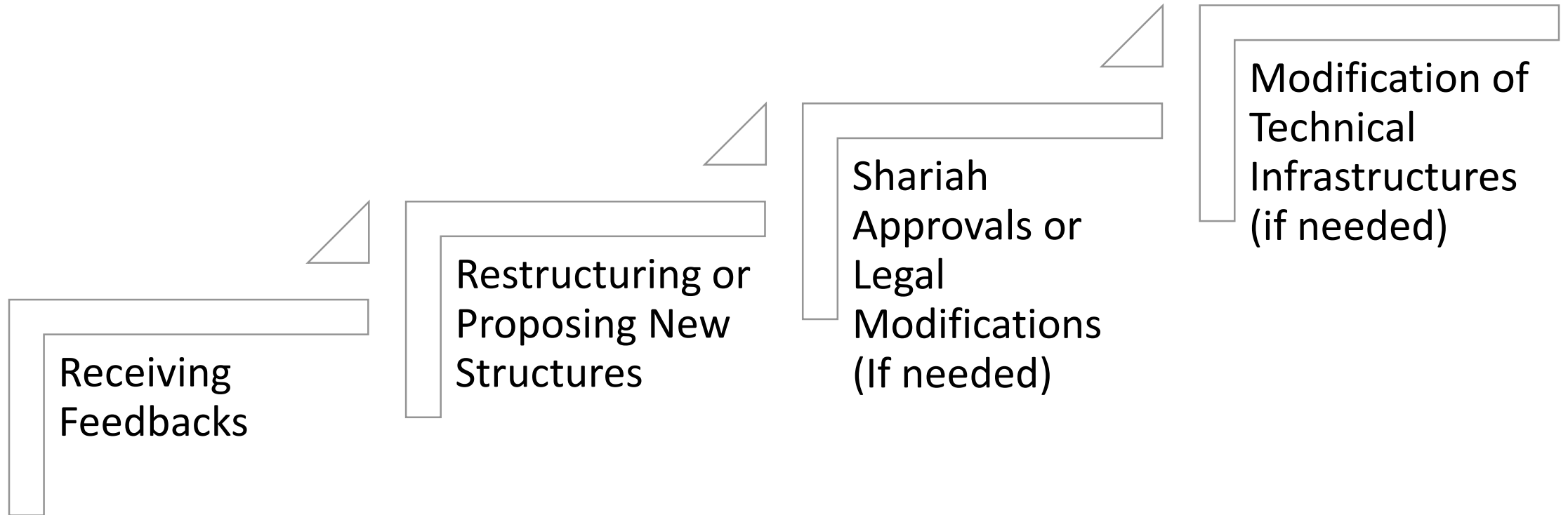
Introduction Phase of SRI Sukuk



Implementation Phase of SRI Sukuk



Development Phase of SRI Sukuk



Requirements for Success of SRI Sukuk in Iran Capital Market

Policy Requirements

- Macro Policies for development of green industries
- Development of Governance Systems for investors' protection

Shariah Requirements

- Studying Shariah Related Aspects at national and company levels
- Development of Fatwas in SRI aspects

Legal Requirements

- Introducing protective rules and regulations
- Increasing issuer/investors' incentives

Technical Requirements

- Providing profit realization mechanism for variable income sukuk
- Preparation of listing, pricing, trading and final settlements necessities

Thank You

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