

BICM Research Seminar 56

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Paper details	
Title	Bangladesh Government Sukuk: Alternative Structures and Practical Considerations
Author	Mezbah Uddin Ahmed, FCCA, CIPA, CSAA Research Fellow ISRA Institute, INCEIF University, Malaysia
Presentation details	
Presenter researcher	Mezbah Uddin Ahmed, FCCA, CIPA, CSAA
Date	02 June 2026 (Tuesday)
Time	11:30 AM – 12:30 PM
Venue	BICM Multipurpose Hall
Expected Participants	Faculty Members of BICM & Invited Guests
Discussants	Mufti Shahed Rahmani Member, Shari'ah Advisory Committee, Bangladesh Government Investment Sukuk & Chairman, Shari'ah Supervisory Committee, Shahjalal Islami Bank PLC
	Istequemal Hussain Director, Debt Management Department Bangladesh Bank

About the Presenter

The presenter is an Islamic finance professional with extensive experience in research, industry advisory, Shariah governance, professional education, and regulatory and policy development across multiple jurisdictions. Through his affiliations with ISRA and ISRA Consulting, he has undertaken projects for central banks, ministries of finance, and international organisations. He currently serves as a Technical Committee Member for the Bangladesh Government Investment Sukuk (BGIS) and is a member of the Shariah Supervisory Board for two corporate sukuk in Bangladesh. He previously served as an Expert Member of the Shariah Advisory Council of BSEC. Additionally, he serves various Islamic finance entities across multiple countries in different capacities, including as a Shariah committee member and advisor. He also works with AAOIFI in various capacities. He is the first Bangladeshi to obtain AAOIFI's CIPA qualification and the first to hold both CIPA and CSAA qualifications. He is a Fellow Member of the Association of Chartered Certified Accountants (FCCA), holds an MSc in Islamic Banking and Finance from the International Islamic University Malaysia, and a BSc in Applied Accounting from Oxford Brookes University.

The paper abstract is given below. If you have any questions regarding the seminar or you wish to present a paper or invite a guest researcher, please do not hesitate to contact S. M. Kalbin Salema, Assistant Professor, BICM at kalbin@bicm.ac.bd.

**Bangladesh Government Sukuk:
Alternative Structures and Practical Considerations**
Mezbah Uddin Ahmed, FCCA, CIPA, CSAA¹

Abstract

While Bangladesh's public debt remains at a moderate risk level, multilateral institutions, including the International Monetary Fund (IMF), the World Bank, and the Asian Development Bank (ADB), have warned that rising domestic debt servicing costs are increasingly constraining fiscal space. The United Nations Conference on Trade and Development (UNCTAD) similarly cautions that excessive debt burdens risk becoming structural impediments to development. These assessments collectively underscore the urgency of strengthening Bangladesh's debt management framework through prudent, sustainable, and diversified borrowing strategies—ones that go beyond traditional sovereign instruments that impose fixed interest obligations regardless of underlying economic conditions or the productive purpose of the debt. This imperative aligns with the broader discourse on state-contingent debt instruments (SCDIs), a class of sovereign securities designed to align debt servicing obligations with a government's actual capacity to pay. Given that Islamic finance offers a dynamic, purpose-driven financing toolkit that links capital mobilisation to real economic activity, structuring sovereign sukuk within the broader framework of SCDIs emerges as a compelling and timely alternative. Accordingly, this paper proposes a set of sovereign sukuk structures tailored to specific government financing purposes and economic contexts relevant to Bangladesh. Moving beyond theoretical exposition, the research addresses the practical dimensions of sovereign sukuk issuance, encompassing applicable risk typologies, risk mitigation instruments, Shariah compliance requirements, and governance frameworks, while identifying key implementation challenges and the policy responses needed to address them. The study contributes to the literature on Islamic public finance and serves as a practical reference for sovereign sukuk issuances in Bangladesh and comparable developing economies seeking fiscally sustainable, Shariah-compliant financing alternatives.

Keywords: Sovereign Sukuk, Islamic Public Finance, Government Debt Management, State-Contingent Debt Instruments

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