

## BICM Research Seminar 47

We cordially invite you to join our research seminar and contribute to share academic excellence. Please note the following specifics about the upcoming seminar.

Paper details	
Title	<b>Alternative Sukuk Structures to Finance Development Projects Without Raising Debt</b>
Authors	<b>Mezbah Uddin Ahmed</b> Research Fellow ISRA Institute, INCEIF University, Malaysia
	<b>Dr. Obiyathulla Ismath Bacha</b> Professor INCEIF University, Malaysia
	<b>Dr. Marjan Muhammad</b> Deputy President Research ISRA Institute, INCEIF University, Malaysia
	<b>Dr. Noor Suhaida Kasri</b> Senior Research Fellow ISRA Institute, INCEIF University, Malaysia
Presentation details	
Presenter researcher	<b>Mezbah Uddin Ahmed</b>
Date	21 August 2025 (Thursday)
Time	03:00 – 4:30 PM
Venue	BICM Multipurpose Hall
Expected Participants	Faculty Members of BICM & Invited Guests
Discussants	<b>Mufti Shahed Rahmani</b> Member, Shari'ah Advisory Committee, Bangladesh Government Investment Sukuk & Chairman, Shari'ah Supervisory Committee, Shahjalal Islami Bank PLC
	<b>Istequenal Hussain</b> Director Debt Management Department, Bangladesh Bank
	<b>Dr. Abdur Rahman</b> Director, Islamic Finance, Banking, and Insurance (IFBI) Program, & Associate Professor, Eastern University

## About the Presenter

Mezbah Uddin Ahmed is a Research Fellow at the ISRA Institute of INCEIF University, established by Bank Negara Malaysia. He has contributed to several leading global publications in Islamic finance, widely read by academics, industry professionals, regulators, and legal practitioners worldwide. In addition, Mezbah has authored research papers, industry reports, book chapters, journal articles, and newspaper articles. He also works with ISRA International Consulting, providing advisory services, including Shariah audits and projects for institutions such as the National Bank of Tajikistan, Da Afghanistan Bank, Bank of Algeria, and UNHCR, as well as banks, takaful companies, and financial institutions in Malaysia and beyond. Mezbah served as an Expert Member of the Shari'ah Advisory Council of the Bangladesh Securities and Exchange Commission, a Technical Committee Member for the Bangladesh Government Investment Sukuk, and a structuring advisor for corporate Sukuk and other Islamic finance instruments in Bangladesh. Currently, he serves as a Master Trainer for AAOIFI, with many trainers and learners of AAOIFI Shari'ah standards utilising the learning materials he has prepared. He also conducts regular training sessions on various aspects of Islamic finance, including Shari'ah, accounting, auditing, governance, and Sukuk. His thought leadership has contributed to shaping various Islamic finance policies and practices in Bangladesh. He holds FCCA, AAOIFI CIPA, and CSAA qualifications, an MSc in Islamic Banking and Finance from the International Islamic University Malaysia, and a BSc in Applied Accounting from Oxford Brookes University in the UK.

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](mailto:kalbin@bicm.ac.bd).

## Alternative Sukuk Structures to Finance Development Projects Without Raising Debt

Mezbah Uddin Ahmed<sup>1</sup>, Dr. Obiyathulla Ismath Bacha<sup>2</sup>,  
Dr. Noor Suhaida Kasri<sup>1</sup> & Dr. Marjan Muhammad<sup>1</sup>

### Abstract

The rise in government debt has become a significant concern for many countries. Since debt obligations must be fulfilled regardless of economic conditions, the burden of debt restricts a government's ability to allocate resources to priority sectors and increases the costs of securing additional funding. State-contingent debt instruments (SCDIs) have emerged as a potential alternative to mitigate the negative impacts of debt while still meeting government funding needs. However, there are only a few real-world applications of SCDIs, and for Muslim-majority countries seeking to attract Muslim and Islamic institutional investors, these instruments must be structured in a Shariah-compliant manner. In this context, participatory Sukuk structures appear to be the most suitable alternative, as they directly link the performance of the underlying activity to the rate of return for investors, thus holding the potential to play a crucial role in alleviating the debt burdens of Muslim-majority countries. Despite this potential, limited research has focused on Shariah-compliant alternatives to conventional SCDIs, and none have critically evaluated the Shariah aspects of the proposed structures. Therefore, this research reviews existing literature to identify proposed participatory structures and critically assesses their Shariah compliance in light of standards established by the Accounting and Auditing Organisation for Islamic Financial Institutions (AAOIFI). As the AAOIFI standards have gained global recognition, ensuring compliance with these standards would enhance the acceptance of the structures among global stakeholders. This research contributes to the existing body of knowledge, as few studies have critically examined the Shariah compliance aspects of alternatives to conventional SCDIs. The study has practical implications by highlighting the Shariah issues that must be addressed for the participatory Sukuk structures proposed in the literature to gain acceptance across various jurisdictions.

<sup>1</sup> ISRA Institute, INCEIF University, Malaysia;

<sup>2</sup> INCEIF University, Malaysia