



**Middle East Business Forum - Sukuks**

# **Role of Central Banks in Sukuk Markets**

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# Main Players

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- **Government**
- **Central Banks**
- **Islamic Financial Institutions**

***Commercial banks***

**ASSETS**

Loans

Marketable Securities

**LIABILITIES**

Current Accounts

Interest bearing deposits

***Islamic banks***

**ASSETS**

Mark-up financing (Murabaha)

Trust financing (Mudaraba)

VC financing (Musharaka)

Lease financing (Ijara)

Sukuks

**LIABILITIES**

Current Accounts

PSIAs

- unrestricted

- restricted

Sukuks

# Holding Investment Securities

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- **Preservation of capital**
- **Liquidity**
- **Yield**
- **Risk diversification**
- **Meeting pledging requirements**

# Central Bank Main Goals

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- **Effective monetary policy**
- **Financial stability**
- **Efficient payment systems**
- **Well developed financial markets**

**Sound & stable financial  
system**



**Dynamic well integrated Islamic  
Financial Industry**

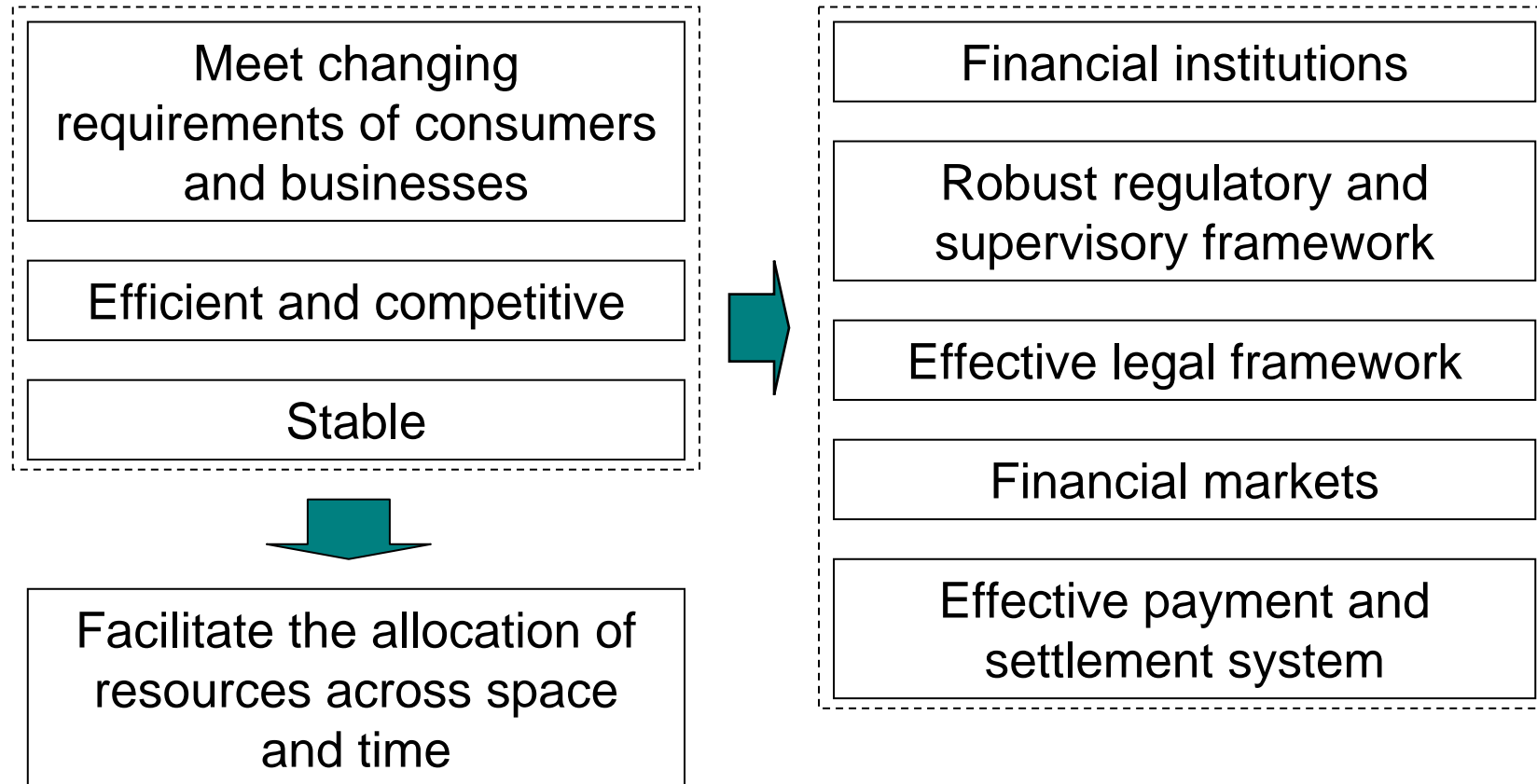
# Integration into Financial System

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- **Product development & market integration**
- **Legal environment**
- **Regulatory and supervisory framework**
- **Corporate governance**
- **Financial reporting and transparency**

# Sustainability of Financial System





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Competing in the marketplace



Innovation

Supportive  
regulatory  
structure



# Financial Innovation



- Economic Council of Canada classifies financial innovation into 3 broad categories:

