

# The Role of Factorial Analysis to Show the Effect of Sovereign Islamic Sukuk in the Infrastructure A Malaysian Experiment

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## Abstract:

Islamic Sukuk have played a significant role in Malaysia's economic growth, especially after the competent authorities began publishing Islamic Sukuk to infrastructure, which contributed to create several mega infrastructure projects especially in the field of roads, which made a noticeable increase in changing the economic growth for all fields.

**Keywords:** Sovereign Islamic Sukuk, Infrastructure, Malaysia.

## دور التحليل العاملي لإظهار أثر الصكوك الإسلامية السيادية في البنية التحتية- التجربة الماليزية

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**المستخلص:** لعبت الصكوك الإسلامية دورًا مهمًا في النمو الاقتصادي لماليزيا، خاصة بعد أن بدأت الجهات المختصة بنشر الصكوك الإسلامية في البنية التحتية، مما ساهم في إنشاء العديد من مشاريع البنية التحتية الضخمة خاصة في مجال الطرق، مما أدى إلى زيادة ملحوظة في تعبير النمو الاقتصادي لماليزيا. جميع المجالات.  
**الكلمات المفتاحية:** الصكوك الإسلامية السيادية، البنية التحتية، ماليزيا.

## Introduction:

Islamic Sukuk, since its release in the 1980s, have become one of the most important Sukuk of financing at the global level, especially after the laws and regulations have been legislated, and it was found to be prominent in the international financial markets. One of the most important field that has emerged is the field of infrastructure sectors for all different kinds. Malaysia is considered one of the largest and most important countries in the field of publishing and trading Islamic Sukuk.[1]

**Research Importance:** Islamic Sukuk have been associated with large-scale financing projects for infrastructure, because it has demonstrated its ability to collect its own funds that is because its unique advantages from other financing methods.

**Research Goals:** The research aims to identify Malaysia's experiment in using Islamic Sukuk and their impact on the infrastructure sector and to seek its benefit from the experience and its success.

**Search Hypothesis:** Islamic Sukuk play an effective and important role in financing the construction of infrastructure.

**Research problem:** The search problem is concealed in the following question: have oriented Islamic Sukuk to infrastructure made a clear change in Malaysia's economy?

**Research Structure:** The research was divided into three sections:

1. Conceptual framework for Islamic Sukuk.
2. The role of Islamic Sukuk in the Malaysian economy.
3. Practical aspect of research.

### **Relationships between the current study and previous studies:**

One of the similarities between the current study and previous studies lies in the theoretical aspect of the study during the presentation of the general framework of Islamic Sukuk.

As for the differences between the current study and previous studies. The researcher should link the Islamic sukuk with the possibility of using it to finance infrastructure projects.

It can be mentioned the most important thing that distinguishes this study from its previous studies, including the following:

1. As far as the researcher knows, this study is the first in Iraq that examined the topic of Islamic Sukuk in particular and its relationship to infrastructure.
2. This study shows the possibility of applying Islamic bonds in financing infrastructure projects.

## **1. Conceptual Framework for Islamic Sukuk:**

### **1.1. The Concept of Islamic Sukuk:**

Islamic Sukuk are defined as "equal value documents representing common shares in ownership of goods, services, or property of assets of a particular project or special investment activity after collection check value and closing of subscription and commencement to use it in what it was issued for". [2]

It was also defined as "financing method based on dividing the required capital into similar parts expressed in property Sukuk or negotiable debt check". It was also defined as "financing method based on dividing the required capital into similar parts expressed in property. Sukuk or negotiable debt Sukuk that proves the holder's ownership of these Sukuk, and what these Sukuk represents." [3]

### **1.2 Establishment of Islamic Sukuk:**

The first idea of Islamic check was introduced at the first scientific conference of the Islamic economy in Makkah in 1976, where it was required to be a legitimate alternative to the traditional interest-bearing bonds [4]. It was implemented in 1983 in Malaysia, where the Central Bank of Malaysia issued a non-profit financial check called "Government Investment Certificates" to Malaysia Islam Bank after above-mentioned bank refused to deal with traditional financial Sukuk to become the first country in issuance of financial Sukuk and the largest international market for them, followed by the Islamic countries gradually [5]. In 2003, the accounting and auditing authority of the Islamic Financial Institutions laid the set up for this experiment by issuing legitimacy standard No. 17, which established the concept, characteristics and types of Islamic Sukuk, to be considered the culmination of all previous experiences in Sukuk issuance [6].

### **1.3 Characteristics of Islamic Sukuk:**

Islamic Sukuk, such as any securities have characteristics that distinguish them from other securities at any time, these characteristics are [7]:

- 1.3.1. Issued according to the controls and conditions of legitimacy (related to the Islamic law).
- 1.3.2. Based on the principle of participation in profit and loss.
- 1.3.3. The indivisibility of the Islamic check.

1.3.4. Issued with classes of equal nominal value.

#### **1.4 The Goal of Islamic Sukuk <sup>[8]</sup>:**

1.4.1. Helps to get funding for the purpose of establishing a new project.

1.4.2. Helps to provide the corollary financial liquidity that aims to contribute, expand and develop existing projects through the transferring its origins (the project) to Sukuk and to offer them to investors for purchasing.

#### **1.5 Types of Islamic Sukuk:**

Islamic check types were differed and varied according to diversely of Islamic financing formulate, but we can include it in the following types:

##### **1.5.1 Profit Sukuk:**

"documents of equal value issued to finance the purchase of commodity for profit, and profit commodity becomes the property of check holders. The source of these Sukuk is the seller of merchandise profit, and the subscribers are purchasers of the merchandise profit, and the outcome of the subscription is the cost of buying the commodity, the check holders owns profit commodity and entitled and they deserve the price of its sale" <sup>[9]</sup>.

##### **1.5.2 Peace Sukuk:**

Documents of equal value issued to collect capital peace finance, and peace commodity becomes the property of check holders. The source of these check is the seller of the peace commodity and subscribers are purchasers of the commodity. The proceeds of the subscription are the price of buying the commodity (peace capitalism). The check holders own commodity are entitled to deserve the price of its sale, or the price of selling the peace product in the parallel peace, if any.

##### **1.5.3 Industrial Sukuk:**

"Documents of equal value issued to finance the use of the proceeds of the subscription to manufacture the commodity, and the manufacture becomes the property of check holders. The source of these check is the manufacturer (seller) and subscribers are purchasers of the commodity that is manufactured and the proceeds of the subscription is the cost of the manufactured. and check holders have the sample commodity, and are entitled to have selling price, or the sale price of the commodity that is made in a parallel industrial, if any" [10].

##### **1.5.4 Lease Sukuk:**

They are the most common and defined as documents of equal value issued to finance by the owner of a leased or appointed property to be leased or issued by a financial intermediary acting on behalf of the owner for the purpose of selling and taking its cost from the proceeds of the subscription. The source of these check is a hired or appointed seller who is promised to rent it and subscribers are purchasers for it, and the proceeds of the subscription is the price of the manufactured. Check holders own these assets in common with their gain and loss on the basis of partnership among themselves".

##### **1.5.5 Speculative Sukuk:**

It stands for sharing documents representing speculative projects or activities with appointment of speculators from partners or others who manage them. The source of these check is the speculator, and subscribers are the owners, and the proceeds of the subscription is the capitalism of speculative. These Sukuk holders have assets of speculative, while agreed share of profit go to the money owners', and they will bear the loss if occurred".

##### **1.5.6 Participating Sukuk:**

"Documents of equal value issued for the use of proceeds to establish a project, develop an existing project or financing an activity on the basis of a contract participation, the project or assets of activity become the property of check holders within limits of their shares. It is similar to speculative Sukuk, but the main difference is that the money in the speculative check is completely provided by a group of parties, whereas in the Participating check, check issuer is considered as a partner with the Sukuk holder".

### **1.5.7. Farmer's Sukuk:**

"Documents of equal value issued for the use of proceeds in financing a project on the basis of farming, the check holder will have a share in the crop as specified in the contract, the source of these Sukuk is the owner of the land (its owner or the owner of its benefits). Subscribers are farmers in the farming contract (the employers themselves or others) and the proceeds of the subscription are the costs of agriculture. The source may be the farmer (the employer) and the subscribers are the owners of the land (the investors whom the land bought with their proceeds of subscription), and check holders will have a share of what the land produces".

### **1.5.8. Irrigation Sukuk:**

"Documents of equal value issued for irrigating, spending and caring for productive trees on the basis of the irrigation contract, and the check holders shall have a portion from the fruit as determined by the contract. The source of these Sukuk is the owner of the land. (its owner or the owner of its benefits) in which the trees, and the subscribers are participants in the contract, and the proceeds of subscription are the costs of tree care. The source may be the one who has irrigated (the employer) and the subscribers are the owners of the land (the investors who liquidated the land with the proceeds of their subscription) and the check holders deserve the agreed share of the trees' produce. "[11] .

## **1.6 Risk of Islamic Sukuk:**

Islamic Sukuk have some advantages from other financial instruments, in terms of the risks which they are exposed, as follows [12]:

**1.6.1.** Risks of irregularities of the legitimacy, which are violations occur when the issuances do not comply with legitimacy, which exposes the check to invalidity.

**1.6.2.** The risks of formulas sales, which all profit Sukuk are exposed to, sale in installments, lease sale, peace sale and industrial sale because its depends on the fixed return linked either with commodity, lease place or service, where the risks are either the loss of commodity that agreed between the client and the bank, the volatility of prices, the appearance of defects or inability of the tenant to pay its legal obligations.

**1.6.3.** Risks of form of shares, which both of speculative Sukuk and participation Sukuk are exposed to because they depend on sharing profits between the source of the check and the investor, and the risks are represented by low prices of materials or commodity that agreed to produce directly or exceed the project time limit without achieving a return as well as presence of new competitors in the same activity, which affects the supply and demand.

## **1.7 Technical hedging risks of Islamic Sukuk:**

There are many different technique or means used to hedge the risks which effects on the securities, and we will only mention here the most important and related to Islamic Sukuk, which are [13].

**1.7.1.** Forming a legitimacy board whose objective is ensuring compliance with all legitimacy regulations regarding the issuance process and the legality of the project.

**1.7.2.** Cooperative Islamic insurance, in which an insurance portfolio is formed from the contributions of check owners, from these contributions a compensation shall be paid upon the occurrence of the insured damage, away from the traditional insurance that has legitimacy problems.

**1.7.3.** Put / Install a set of determinants or conditions for the check competent exporting party, who benefits from the money in order to ensure that money is used only for the purpose that it is collected for.

## 2. The role of Islamic Sukuk in the Malaysian economy

### 2.1 Development issuance Sukuk in Malaysia:

The Islamic Sukuk inception in Malaysia in 1983 under the name of (government certificates of investment), as a useless certificates issued by the Central Bank of Malaysia (NIGARA) in favor of Malaysia Islamic Bank, after the mentioned bank has rejected working with traditional financial instruments issued by the Central Bank of Malaysia, until it took its current form in the early nineties of the twentieth century, a huge growth in the volume of check issuance, which made them occupy the first position globally, helped by the existence of a legal structure, organizational, institutional, visions, plans and knowledge of that she want to achieve, as shown in (Table 1), which shows the volume of Islamic check issuance in the world compared to Malaysia (1 billion\$).

Table (1) shows the Development of check issuance in Malaysia and the world for the period 2010-2017

Years	2010	2011	2012	2013	2014	2015	2016	2017
Global Sukuk Release	45.1	85.1	131.2	119.7	118.8	63.3	72.7	97.3
Malaysian Check Release	32.8	60.9	97.1	82.4	77.9	30.4	29.9	36.5

Source: Nik Mohamed Din Nik Musa, "Role of Islamic Finance in Infrastructure Financing", Bank Negara Malaysia Kuala Lumpur, p:11.

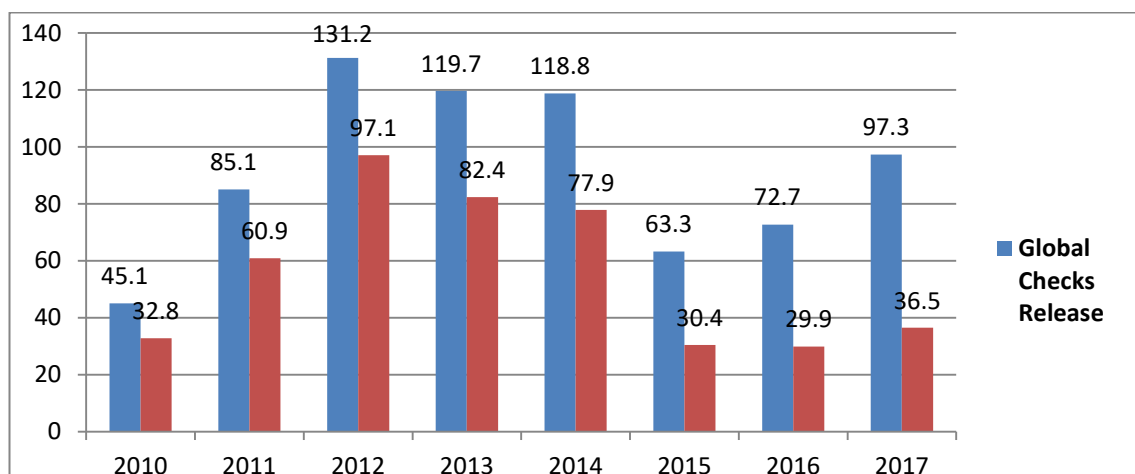
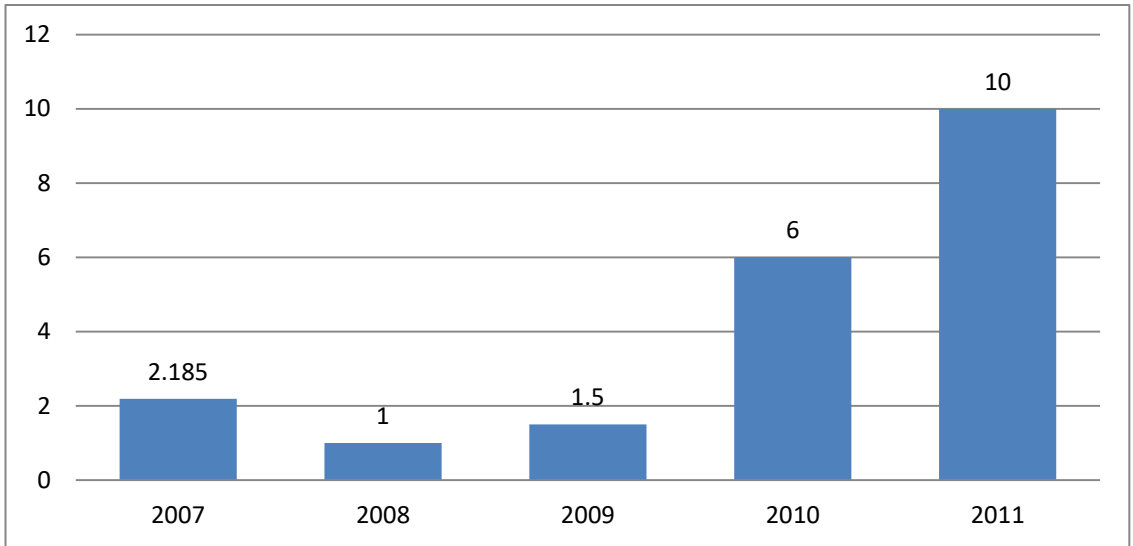


Figure 1. This data can be represented as follows Global Issuance of Sukuk Comparisons with Malaysia

### 2.2 The effect of several sectors of the Malaysian economy by the issuance of sovereign check that Towards to infrastructure:

By the beginnings of 2007, when Islamic sovereign Sukuk have been issued in the Malaysian towards to infrastructure sector, these issuances experienced steady and increasingly growth except year 2008 during the global financial crisis, as well as the decisions of the competent legitimacy. Organization in Islamic financial transactions, have revoked some of the non-conforming illegitimate issuances. Then, in subsequent years, it began to rise again, supported by the government economic transformation program (Malaysia Industrial 2020) [14]. Figure (2) shows the growth in Islamic check issuance for infrastructure 2007-2011.

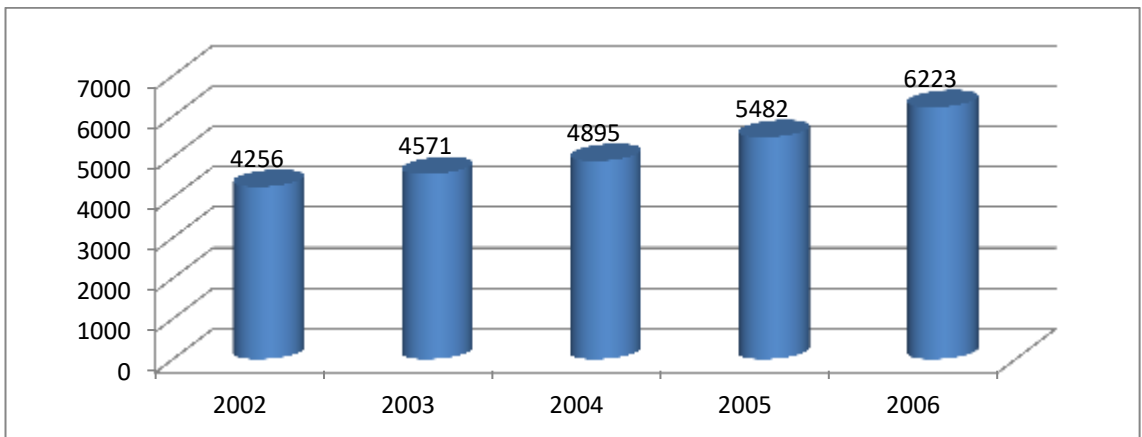


**Figure 2. Growth in sovereign Islamic Sukuk for infrastructure 2007-2011**

Source Malikov.A, (2016), "How Does Sovereign Check Impact On the Economic Development of Developing Countries?" An Analysis of Infrastructure Sector, p :14.

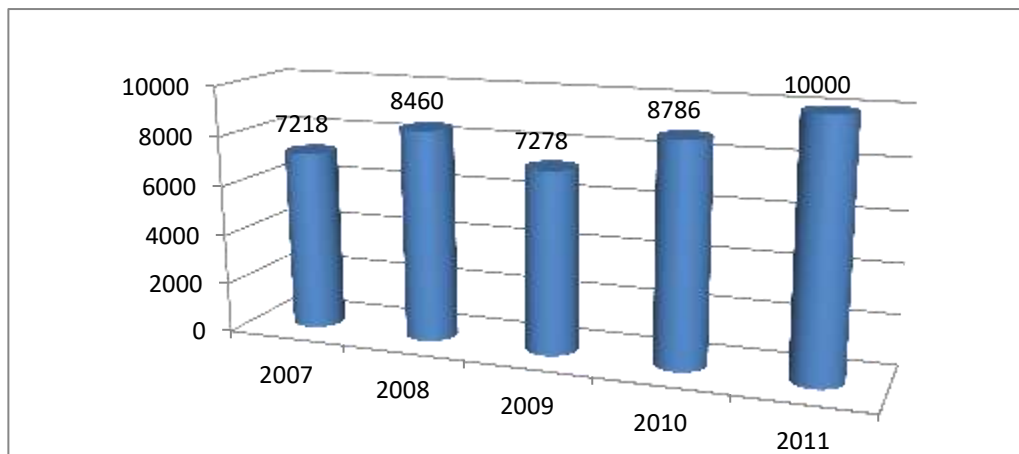
**2.2.1. Islamic infrastructure sovereign check Influence on the domestic product gross of the individual:**

Since 2007 and the years that followed, we’ve noticed an increasing on domestic product gross of the individual in Malaysia, the year in which sovereign check began to be issued in comparison with previous years. It has also engaged growth but not at the same rate before issuance. Figure (3) shows the value of the growth before the check issuance and the figure (4) after the issuance<sup>[15]</sup>.



**Figure 3. Domestic product gross of the individual prior the issuance of sovereign check for the period 2002-2006**

Source Malikov.A, (2016), "How Does Sovereign Check Impact On the Economic Development of Developing Countries?" An Analysis of Infrastructure Sector, p :16

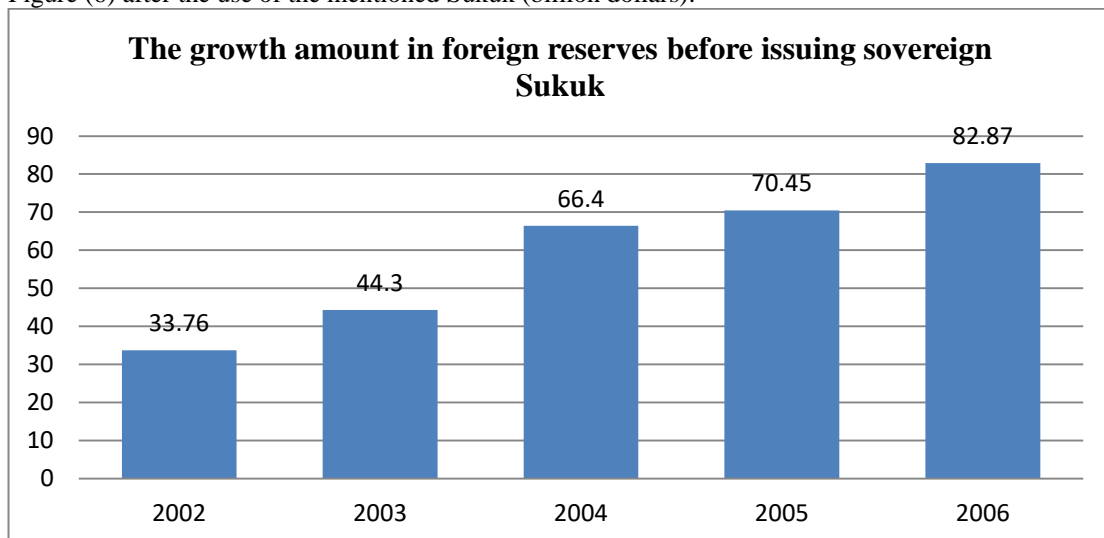


**Figure 4: Domestic product gross of the individual after the issuance of sovereign check for the period 2007-2011**

Source Malikov.A, (2016), "How Does Sovereign Check Impact on the Economic Development of Developing Countries?" An Analysis of Infrastructure Sector, p :16

**2.2.2 The Influence of Malaysian Foreign Reserves by the Issuance of Islamic Sukuk that is designated for Infrastructure:**

In spite of Malaysia's reserves have been growing steadily since 2002, but they have witnessed significant and remarkable growth after 2007, peaking in 2011 to grow by 133.64\$ million during the year. Figure (5) shows the annual growth before the use of sovereign Sukuk for infrastructure and in Figure (6) after the use of the mentioned Sukuk (billion dollars).



**Figure 5: The growth amount in foreign reserves before using sovereign Sukuk for infrastructure 2002-2006**

Source Malikov.A, (2016), "How Does Sovereign Check Impact On the Economic Development of Developing Countries?" An Analysis of Infrastructure Sector, p :21.

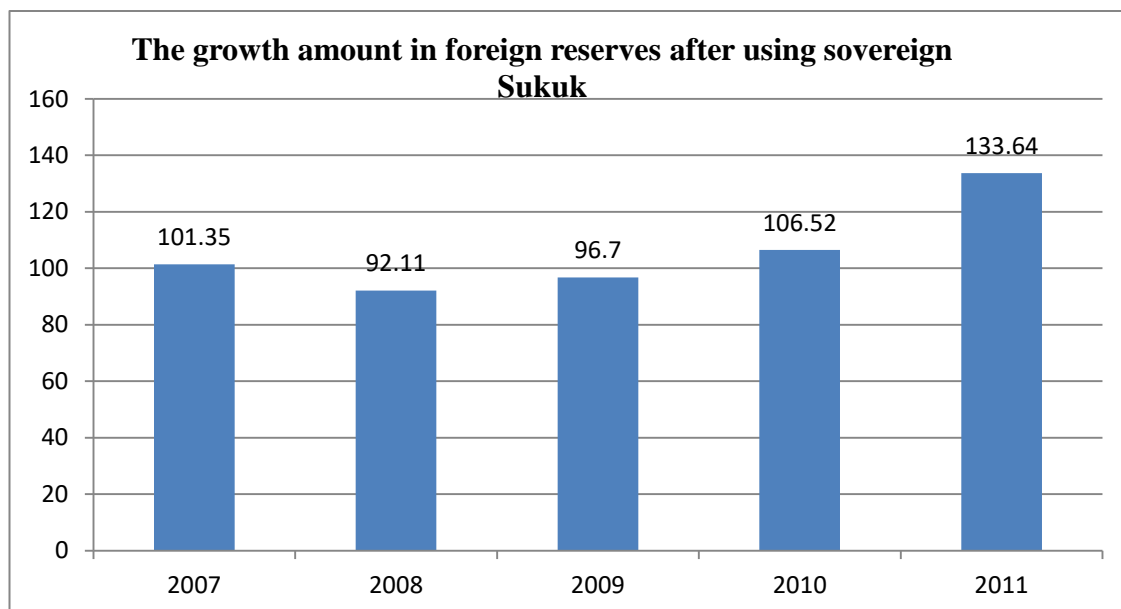


Figure 6: The growth amount in foreign reserves after using sovereign Sukuk for infrastructure 2007-2011

Source Malikov.A, (2016), "How Does Sovereign Sukuk Impact On the Economic Development of Developing Countries?" An Analysis of Infrastructure Sector, p :21.

### 3. Practical aspect of research:

In respect of what we’ve discussed previously in the two studies. The researcher adopted the statistical analysis using a questionnaire form consisting of (12) question which were distributed to a number of employees in the Islamic banks in Iraq country. Then he used the method of analysis using basic components (Principle Components) for the purpose of proving what was presented previously.

#### 1.3 The variables that the research dealt with:

Table (2): Variables

No.	Variable icon	Variable
1	X <sub>1</sub>	Islamic Sukuk for infrastructure financing help to increase economic growth indicators in various economic sectors
2	X <sub>2</sub>	The type of financing formula that is used in the Islamic Sukuk determines the extent of the investor's desire to acquire it (participation, speculation, etc.)
3	X <sub>3</sub>	Issuing Islamic Sukuk encourages the competent authorities to establish specialized organization for Islamic financial transactions
4	X <sub>4</sub>	The issuance of Islamic Sukuk contributes to rapid application of international standards on Islamic Sukuk
5	X <sub>5</sub>	Issuing Islamic Sukuk stimulates banks to use external expertise (non-Iraqi)



6	$X_6$	The type of infrastructure project that the check is directed to contributes in raising investors number who are interested to acquire it
7	$X_7$	The issuance of Islamic Sukuk contributes to amend laws and regulations that have related indirectly to Sukuk that facilitate the issuance, sale and trading process
8	$X_8$	Islamic Sukuk contributes to establish cooperation between Islamic banks, the Central Bank and educational institutions to implement the accounting standards for Islamic Sukuk
9	$X_9$	Sukuk issuance contributes to lead Islamic banks to set up Islamic insurance companies to reduce risk
10	$X_{10}$	Laws and regulations that are clear and uncomplicated and have direct or indirect related with Islamic Sukuk contribute to attract different types of investors
11	$X_{11}$	In the current time, there are faculties capable of managing issuance process and dealing with Sukuk
12	$X_{12}$	At present, the client has an idea about the Islamic Sukuk topic

### The explanation of questionnaire results:

After analyzing the correlation of the (12) variables through the main Principle Components method. It was found that there are (6) main factors represented by latent root which is bigger than one as shown in Table (3). These values are arranged according to the influence importance of each factor. The explanatory capacity of these variables reached (63,927). The following is an explanation of the factors through the matrix of factors importance. Figure (7) shows the escalation of relative importance to factors that are greater than one.

We notice from Table (3) and Figure (7) that there are six factors distribute by the research paragraphs and with an explanatory contrast. (63,927%) which is an acceptable ratio where the remaining percentage is (36.08%) due to other variables, were the researcher might not take it into account. which are important or may be uncontrolled variables. And after obtaining the solution and factors, the factors are rotated, the purpose of rotation is that the contrasts will be centered on the first factor. So, circulating around the first factor is to rearrange the variables within each factor, and by observing. the contrast for each factor before the rotation differed from the post-recycling (15.25%), while after recycling (12.89%). this variation means that difference is distributed to the rest of factors after the rotation and you can say that the results after recycling. was best and so on for the rest of the other sections .

Below is a table showing the percentages of factors ramifications before and after the rotation. A detailed explanation of the variables results will be given to the variables after rotation. Only positive indications will be indicated.

### 1. The first factor:

It is often called the main factor, where all the variables have usually incorporeal ramifications (usually greater than 0.25) associated with the first factor as shown in (Table 5). All variables have different ramification that reflects the general correlation between the (12) variables. This factor is explained by (12.895) of the total variance between the variables of the study. It included the most three variables ramification (X11, X6, X12) by ramifications (0.790, 0.620, 0.547). They are positive ramifications, and this is considered logical, as defining the type of infrastructure project contributes to investors' interest in their check, as well as increasing the customer's awareness about the importance of Islamic banks and to increase owners, awareness to manage issuance process, and dealing with Sukuk increases the demand for Islamic Sukuk.

### 2. The second factor:

This factor is ranked in the second place in terms of importance in interpreting the relationship between variables. This factor explained the amount by (11.750) of the total variance of variables and contains two of the highest variables (X10, X9) with ramifications (0.541,0.321). It has positive ramification that means the use of Islamic check contributes to emergence of Islamic insurance as well as simplifying laws and regulations to attract investors.

### 3. The third factor:

This factor is ranked in the third place in terms of importance in interpreting the relationship between variables. This factor explains the amount by (10.322) of the total variance of variables including three variables that are the most ramifications contributing to composition of this factor. (X6, X4, X2), with ramifications (0.807, 0.458, 0.385), positive ramification. That means determining infrastructure project type contributes to attract investors' to its check. as well as the speed in applying international standards, and determining type of financing formulas used in the check to ensure investors' interest in it.

### 4. The forth factor:

This factor is ranked in the fourth place in terms of importance in interpreting the relationship between variables. This factor explains the amount by (10.295) of the total variance of variables, includes two variables that are the most ramifications contributing to composition of this factor (X5, X9), with ramifications (0.838 ,0.320) respectively. That has positive ramification, which means Islamic Sukuk pays Islamic banks to use foreign expertise (non-Iraqis) to meet their needs of trained personnel and also contributes to emerge Islamic insurance.

### 5. The fifth factor:

This factor is ranked in the fifth place in terms of importance in interpreting the relationship between variables. This factor explains the amount by (10.107) of the total variance of variables, includes two variables that are the most ramifications. contributing to composition of this factor (X1, X8), with ramifications (0.791 ·0.448) that has positive ramification, which means the infrastructure Islamic Sukuk helps to increase the indicators of economic growth in addition to Sukuk format cooperation between Islamic financial institutions and the educational institutions to apply their standards.

### 6. The sixths factor:

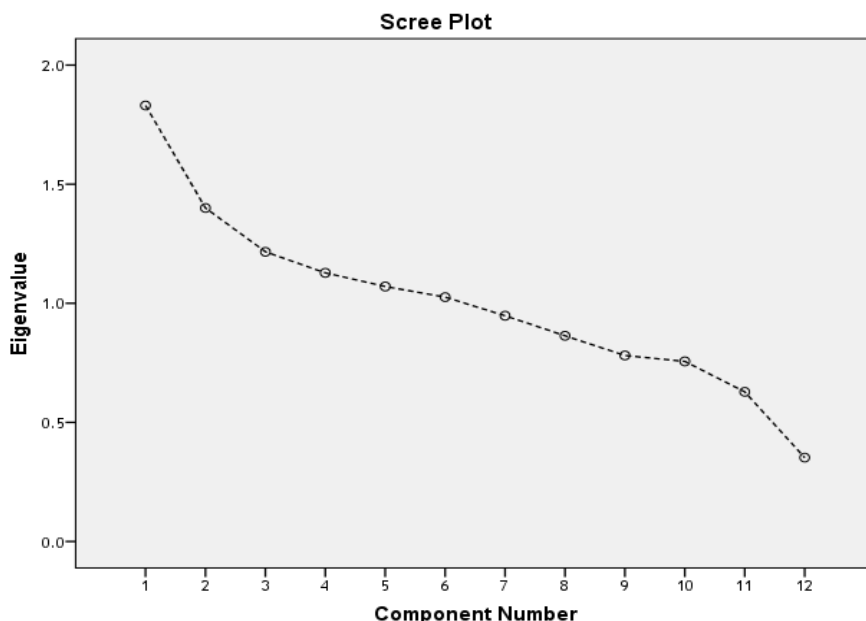
This factor is ranked in the sixth place in terms of importance in interpreting the relationship between variables. This factor explains the amount by (8.557) of the total variance of variables, includes one of the most ramifications contributing variables that helps to compose. This factor (X7), with ramifications (0.932) that has positive ramification. It means Islamic Sukuk contributes to adjust

laws that have an indirect relationship with the Sukuk for the purpose of facilitating the issuance and sale process.

**Table 3: Total explanatory contrast of Islamic Sukuk sections**

Total Variance Explained									
	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	1.831	15.256	15.256	1.831	15.256	15.256	1.547	12.895	12.895
2	1.400	11.667	26.922	1.400	11.667	26.922	1.410	11.750	24.646
3	1.216	10.136	37.058	1.216	10.136	37.058	1.239	10.322	34.967
4	1.128	9.398	46.456	1.128	9.398	46.456	1.235	10.295	45.263
5	1.070	8.921	55.377	1.070	8.921	55.377	1.213	10.107	55.370
6	1.026	8.550	63.927	1.026	8.550	63.927	1.027	8.557	63.927
7	.948	7.898	71.825						
8	.864	7.197	79.022						
9	.781	6.508	85.530						
10	.756	6.301	91.831						
11	.628	5.235	97.066						
12	.352	2.934	100.000						

Extraction Method: Principal Component Analysis.



**Figure (7): The increasing of relative importance of factor (Axis of Islamic Sukuk)**

**Table (4): Ratios of ramifications before the rotation (Axis of Islamic Sukuk)**

variables	1	2	3	4	5	6
The determination of check validity period (short, medium, long) encourages the investor to posies it			0.793			
The type of financing formula that used in the Islamic check determines the extent of the investor's desire to acquire it (participation, speculation, etc.)	0.471				0.261	
Issuing Islamic check encourages the competent authorities to establish specialized organization for Islamic financial transactions	-0.532	0.266		0.321	0.419	
The issuance of Islamic check contributes to rapid application of international standards on Islamic check	0.268	-0.420		0.494	00.270	
Issuing Islamic check stimulates banks to use external expertise (non-Iraqis)		0.558		-0.539	0.406	
The Islamic bank simulates the development and upgrade factual employees to be qualified to deal with Islamic Sukuk	0.328		0.506		0.586	
The issuance of Islamic Sukuk contributes to amend laws and regulations that have indirect relation with Sukuk that facilitate the issuance, sale and trading process						0.925
Islamic Sukuk contributes to establish cooperation between Islamic banks, the Central Bank and educational institutions to implement the accounting standards for Islamic Sukuk	00.300	0.539	0.286		-0.410	
The issuance of Sukuk contributes to make Islamic banks set up Islamic insurance companies to reduce risk	0.510		-0.402	0.251		
Laws and regulations that are clear and uncomplicated and have direct or indirect related with Islamic Sukuk contribute to attract different types of investors	0.484	-0.422				
In the current time, there are faculties capable of managing issuance process and dealing with Sukuk	0.735	0.233		0.289		
At present, the client has an idea about Islamic check		0.520		0.522		0.219

Extraction Method: Principal Component Analysis.

**Table (5): shows ratios of ramifications after the rotation (Axis of Islamic Sukuk)**

variables	1	2	3	4	5	6
The determination of check validity period (short, medium, long) encourages the investor to posies it					0.791	
The type of financing formula that used in the Islamic check determines the extent of the investor's desire to acquire it (participation, speculation, etc.)	0.214	0.255	0.385			
Issuing Islamic check encourages the competent authorities to establish specialized organization for Islamic financial transactions		-0.760				
The issuance of Islamic check contributes to rapid application of international standards on Islamic check			0.458	-0.593		
Issuing Islamic check stimulates banks to use external expertise (non-Iraqis)			0.218	0.838		

The Islamic bank simulates the development and upgrade factual employees to be qualified to deal with Islamic Sukuk			0.807		0.253	
The issuance of Islamic Sukuk contributes to amend laws and regulations that have indirect relation with Sukuk that facilitate the issuance, sale and trading process						0.932
Islamic Sukuk contributes to establish cooperation between Islamic banks, the Central Bank and educational institutions to implement the accounting standards for Islamic Sukuk	0.620				0.448	
The issuance of Sukuk contributes to make Islamic banks set up Islamic insurance companies to reduce risk	0.394	0.321		0.320	-0.404	
Laws and regulations that are clear and uncomplicated and have direct or indirect related with Islamic Sukuk contribute to attract different types of investors		0.541	0.279		-0.255	
In the current time, there are faculties capable of managing issuance process and dealing with Sukuk	0.790					
At present, the client has an idea about Islamic check	0.547	-0.552				

### Conclusions:

1. Using the statistical method of global regression, it was found that there is a desire among Islamic banks to deal with Islamic Sukuk and to find other Islamic financial industries that are complementary, such as Islamic Cooperative Insurance, as well as Islamic financial markets, and bodies specialized in Islamic financial transactions and the application of their standards.
2. Using the statistical method, the analysis shows that there is a desire among local and foreign investors to enter into this field, for instance, Sukuk after the availability of legal and legislative bases.
3. The desire of Islamic banks to attract more customers for the purpose of investing funds deposited by them in Islamic Sukuk which in turn leads to increase the expected return on investment in Sukuk by Islamic banks, which in turn reflected on the customers of the bank.

### Recommendations:

1. Laying the legal, legislative and regulatory bases for Islamic instruments in the country, which facilitates the process of dealing with them. This, in turn, gives reassurance to those wishing to invest in this instrument, both at home and abroad.
2. Using the expertise of long-selling countries in dealing with this financing instrument (Islamic Sukuk) for the purpose of shortening a lot of time in knowing the success points and overcoming the mistakes and obstacles that have been signed by our predecessors.
3. Develop the management and leadership skills of workers in projects to be funded by Islamic Sukuk, and find appropriate hedging tools for the risk of this tool to be one of the elements of safety and reassurance to investors.

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