Suruhanjaya Sekuriti
Securities Commission
Malaysia

GUIDANCE NOTE ON SUKUK

An Alignment with Maqasid Al-Shariah Guidance
Islamic Capital Market Malaysia

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GUIDANCE NOTE ON SUKUK

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PART I
INTRODUCTION

Chapter 1

BACKGROUND AND PURPOSE

1.01 The Securities Commission Malaysia (**SC**) issued the principles-based *Maqasid Al-Shariah Guidance Islamic Capital Market Malaysia* (**Maqasid Guidance**) on 2 November 2023. The Maqasid Guidance serves as a fundamental developmental effort to further promote a strong and resilient Islamic capital market (**ICM**) industry.

1.02 Following its issuance, the SC has undertaken several initiatives to raise industry awareness and encourage adoption of the Maqasid Guidance through a series of workshops and engagements with Shariah advisers registered with the SC (**Shariah advisers**) and other relevant stakeholders, aimed at clarifying the content and application of the Maqasid Guidance, as well as facilitating understanding and alignment through disclosures in Shariah pronouncements for ICM product proposals.

1.03 Based on the SC's assessment of ICM product proposals submitted by the industry, the SC has identified several areas where further guidance would support more consistent alignment with the Maqasid Guidance, particularly in relation to the following:

(a) Greater consistency in the assessment and interpretation of the principles under the Maqasid Guidance;

(b) Enhanced clarity, coordination and detail in the supporting information provided to substantiate the alignment in sukuk proposals; and

(c) More streamlined disclosures in demonstrating how the sukuk proposals align with the Maqasid Guidance.

1.04 In this regard, the Malaysian sukuk market has been identified as the initial area for alignment with the Maqasid Guidance, given its significance as a core component of the ICM and its established role in supporting productive and value-creating economic activities.

1.05 The *Guidance Note on Sukuk, an Alignment with Maqasid Al-Shariah Guidance Islamic Capital Market Malaysia* (**Guidance Note**) is issued to support the practical application of the Maqasid Guidance within the sukuk ecosystem.

1.06 In developing the Guidance Note and the illustrative indicators, the SC adopted the following structured and consultative approach to ensure that the illustrative indicators are grounded in authentic Shariah principles, aligned with *Maqasid al-Shariah* (the objectives of Shariah) and relevant to prevailing developments in the sukuk market:

(a) The illustrative indicators and guiding questions were formulated with reference to the Maqasid Guidance, established Shariah and *Maqasid al-Shariah* literature, and relevant considerations intended to support effective engagement between Shariah advisers and sukuk issuers (**issuers**); and

(b) The development process also included benchmarking against relevant local and international standards and recognised best practices, as well as continuous and targeted engagements with the Shariah Advisory Council (**SAC**) of the SC and selected industry stakeholders, to enhance the credibility, consistency and practical applicability of the Guidance Note.

1.07 In line with the objectives of the Maqasid Guidance, the Guidance Note serves as a guide and reference for stakeholders, particularly Shariah advisers and issuers, with the aim of—

(a) facilitating alignment of sukuk proposals with the six aspirations and 15 principles of the Maqasid Guidance;

(b) encouraging sukuk issuances and practices that not only comply with Shariah requirements but also demonstrate the attainment of *Maqasid al-Shariah* through ethical, inclusive, and value-based outcomes; and

(c) strengthening the integration of Shariah principles throughout the sukuk structuring and decision-making processes, with an emphasis on ethical, inclusive and socially responsible outcomes.

1.08 In reinforcing these objectives, the SC emphasises that disclosures on the alignment of sukuk proposals with the principles of Maqasid Guidance are expected to be meaningfully applied and clearly demonstrated in practice. Such disclosures should not be merely formalistic in nature but should reflect a genuine and disciplined assessment and commitment by both Shariah advisers and issuers. The Guidance Note therefore serves as an important starting point to instil greater rigour and accountability in the application of principles of *Maqasid al-Shariah* across the sukuk ecosystem.

1.09 The Guidance Note complements the roles and responsibilities of Shariah advisers as well as the obligations of the issuer as prescribed under the *Guidelines on Islamic Capital Market Products and Services* (**ICMPS Guidelines**).

1.10 The Guidance Note also outlines a non-exhaustive list of illustrative indicators for each of the principles under the Maqasid Guidance. These illustrative indicators and the accompanying guiding questions are intended to serve as common reference points for the industry, particularly the issuers, in demonstrating the realisation of *Maqasid al-Shariah* within the sukuk ecosystem. The guiding questions are merely facilitative. Shariah advisers and issuers should consider and apply those relevant to their sukuk proposals, where possible.

1.11 The Guidance Note should be read together with the relevant laws and regulations, and guidelines issued by the SC. It is not intended to be legal advice provided by the SC and does not prevent the SC from taking action should the need arise.

1.12 The adoption of the principles and related practices in the Guidance Note does not necessarily denote compliance with the SC's requirements, though any alignment with the principles set out in the Maqasid Guidance will be taken into consideration by the SC in determining whether such requirements are complied with.

Chapter 2

APPLICABILITY

2.01 The Guidance Note is applicable to the following persons:

(a) Shariah advisers; and

(b) Issuers.

Shariah Advisers

2.02 The Guidance Note is intended to support Shariah advisers in guiding the issuers to embed the aspirations and principles under the Maqasid Guidance into sukuk issuance and impact strategies, while ensuring Shariah compliance and demonstrating the realisation of *Maqasid al-Shariah* outcomes.

2.03 In applying the Guidance Note, Shariah advisers are expected to—

(a) review and discuss with the issuer and the principal advisers, the illustrative indicators and guiding questions outlined in the Guidance Note, including the consideration of the qualifications, bases and assumptions adopted by the issuer in assessing the alignment of the sukuk proposals with the Maqasid Guidance;

(b) exercise reasonable diligence in understanding the issuer's business, the underlying activities and the basis on which such alignment is demonstrated and be satisfied that the assessments have been made with due care, objectivity and on a reasonable basis; and

(c) consider the information provided by the issuer and the principal adviser and incorporate the relevant findings and deliberations into the Shariah pronouncement, including a clear and reasoned articulation on how the sukuk structure and underlying activities align with the principles under the Maqasid Guidance.

Issuers

2.04 The Guidance Note aims to assist the issuers in the following:

(a) Integrating the Maqasid Guidance into their internal decision-making practices, including development of processes and procedures across all stages of sukuk issuance; and

(b) Identifying and managing material positive and negative impacts arising from their operations and embedding these considerations into organisational strategies and sukuk issuance processes.

Chapter 3

KEY CONSIDERATIONS IN APPLYING THE GUIDANCE NOTE

3.01 The application of the Guidance Note should be premised on the following three key considerations:

(a) Pre-Requisite Compliance with Existing Shariah Requirements for Sukuk

Maqasid al-Shariah forms part of the methodologies of *ijtihad* (intellectual reasoning) applied in deducing Shariah rulings made by Shariah advisers. The application of *Maqasid al-Shariah* should not be treated as a separate or subsequent validation layer following such Shariah ruling.

Nevertheless, to facilitate a more structured alignment exercise, a sukuk issuance should first comply with all applicable Shariah requirements governing the sukuk, including the Shariah requirements specified in the resolutions of the SAC of the SC as well as the SC's relevant guidelines, including the ICMPS Guidelines.

Only once full compliance with these requirements is achieved can the sukuk issuance proceed to demonstrate alignment with the principles as set out in the Maqasid Guidance.

In principle, a sukuk structure that complies with the applicable Shariah requirements is expected to be consistent with the *Maqasid al-Shariah*. This pre-requisite therefore refers to the existing Shariah justifications and highlights in the Shariah pronouncement.

(b) Alignment of Sukuk with Principles of the Maqasid Guidance

Each sukuk issuance is expected to demonstrate alignment with **<u>at least one principle</u>** of the Maqasid Guidance. Such alignment should be assessed with reference to the relevant illustrative indicators and guiding questions applicable to respective principles, set out in Part II of the Guidance Note.

However, focusing solely on a single principle may not fully capture the broader intent of the Maqasid Guidance, which encompasses 15 interrelated principles. In practice, many of these principles may have already been embedded within sukuk structures. Therefore, consideration of broader alignment across multiple principles is encouraged, in order to better reflect the holistic nature of *Maqasid al-Shariah*.

(c) Observation of Other Aspects Relating to the Alignment of Sukuk

In undertaking the alignment exercise, Shariah advisers are also expected to observe the following aspects to ensure that the alignment is applied in a consistent, balanced and holistic manner:

(i) Aligning One Principle Without Compromising Another Principle

In demonstrating alignment with a particular principle of the Maqasid Guidance, Shariah advisers should ensure that such alignment does not undermine, contradict or adversely affect the intent of the other principles. The principles should be applied in a complementary and balanced manner.

Examples of Illustrations:
(A) Principle 1: Cultivating Attainment of Basic Needs and Principle 5: Promoting Efficiency and Avoiding Wastage. Any sukuk that aligns with *Principle 1: Cultivating Attainment of Basic Needs* should not contradict *Principle 5: Promoting Efficiency and Avoiding Wastage*. For instance, where the sukuk proceeds are utilised to attain the basic needs, such utilisation should not result in material wastage or disproportionate inefficiencies that undermine the *Maqasid al-Shariah* of promoting efficiency and avoiding wastage.
(B) Principle 10: Honouring Freedom of Transactions and Dealings and Principle 7: Adhering to the Validity and Objective of Contracts. The flexibility to formulate new Shariah principles, features, terms or conditions in a sukuk structure based on ***hurriyyah al-ta`aqud*** (freedom of transaction) and ***al-taradhi*** (mutual consent) among the contracting parties that align with ***Principle 10: Honouring Freedom of Transactions and Dealings,*** should not contradict the requirement to observe ***muqtadha al-`aqd*** (essence of contract) as applied to the sukuk under ***Principle 7: Adhering to the Validity and Objective of Contracts***.

(ii) Additional Relevant Aspects Relating to *Maqasid al-Shariah*

Shariah advisers should also take into account broader *Maqasid al-Shariah* considerations that are not expressly covered under the illustrative indicators and guiding questions (which are not meant to be exhaustive). This ensures that the process of alignment remains comprehensive and robust. The other relevant aspects are as follows:[1]

(i) The alignment does not contradict with *al-nusus al-shar`iyyah al-mu`tabarah* (authoritative Shariah texts);

(ii) The alignment does not contradict *al-kulliyat al-khams* (five essentials);

(iii) The alignment takes into consideration the categories of *maqasid* (objectives) and their *maratib* (levels) in terms of *al-asalah* (originality) and *al-taba`iyyah* (subordination), *al-kulliyah* (comprehensiveness) and *al-juziyyah* (partiality), *al-qat`iyyah* (conclusiveness) and *al-dhanniyyah* (inconclusiveness), so that the subordinate neither takes precedence over the original, the partial over the comprehensive, nor the inconclusive over the conclusive;

(iv) The alignment takes into consideration *al-masalih al-`ammah* (public interests);

(v) The alignment distinguishes on matters that fall under *maqasid* and matters that fall under *al-wasail* (means), so that the means do not revoke and invalidate an established *maqsad* (objective), and the objective should not be abandoned in order to obstruct one of its means;

(vi) The alignment considers *muwazanah* (balance) and *awlawiyyah* (priority) between *masalih* (benefits) and *mafasid* (harms) under the *maqasid* principle of *jalb al-masalih wa dar' al-mafasid* (serving benefit and preventing harm). The contradiction may occur in three situations as follows:

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[1] The considerations relating to *Maqasid al-Shariah* above are guided by numerous sources which include but are not limited to, Resolution No. 247 (09/25) concerning *Guidelines for the Application of Maqāṣid in Regulating Contemporary Financial Transactions According to Shariah Rulings*, issued by the International Islamic Fiqh Academy on its 25th session in Jeddah, Kingdom of Saudi Arabia, on 29 Rajab – 3 Shaaban 1444H (20-23 February 2023). The resolution is available at the following website link: https://iifa-aifi.org/en/49708.html. Refer also Majma` al-Fiqh al-Islami al-Dawli, *Qararat wa Tawsiyat Majma`al-Fiqh al-Islami al-Dawli al-Munbathaq `an Munadzamah al-Ta`awun al-Islami*, 1st Edition, 2025, p. 890-892.

- between benefit;
- between harm; and
- between benefit and harm.

Where prioritisation matters arise between different *maqasid* categories or levels, consideration may be given to encouraging explicit articulation of the basis for such prioritisation, consistent with the principles of balance and priority;

(vii) The alignment considers *ma'alaat* (final consequences) of a particular matter or action; and

(viii) The alignment avoids any form of prohibited *hilah* (stratagem) to circumvent something prohibited under the Shariah.

Other references

3.02 In applying the Guidance Note, the local and global references as specified in the Appendix may be referred to support a robust alignment assessment. These references listed are not intended to be exhaustive. Where appropriate, relevant information from such references may be integrated, provided that the aspects considered are consistent with Shariah principles and align with the principles of the Maqasid Guidance.

PART II
ILLUSTRATIVE INDICATORS AND GUIDING QUESTIONS

Chapter 4

INTRODUCTION

4.01 The alignment of sukuk with principles of the Maqasid Guidance is guided by the thematic focus area for its respective aspirations. The contexts of such sukuk applicable to the said alignment are highlighted as follows:

Aspiration	Principle	Focus Area	Context for Alignment
Humanity	Principles 1, 2 and 3	Societal well-being impact	• Utilisation of sukuk proceeds
Justice and Benevolence	Principles 4, 5 and 6	Equitable economic conduct	• Utilisation of sukuk proceeds/ corporate purposes of issuer
Clarity and Transparency	Principles 7 and 8	Shariah conformity assurance	• Shariah principles/ contracts used in sukuk structuring • Terms and features of sukuk
Flexibility and Innovation	Principles 9 and 10	Innovative dynamism and contractual autonomy	• Shariah principles/ contracts used in sukuk structuring • Terms and features of sukuk
Fiduciary and Accountability	Principles 11 and 12	Resilient oversight and responsibility	• Roles and responsibilities of parties involved in sukuk
Accessibility and Inclusivity	Principles 13, 14 and 15	Holistic participation	• Utilisation of sukuk proceeds • Terms and features of sukuk

Chapter 5

ASPIRATION 1: HUMANITY

5.01 Humanity refers to the quality of being kind, compassionate and considerate towards human beings and other creatures.[2]

5.02 In the context of sukuk, this aspiration focuses on promoting societal well-being. Shariah encourages that individual wealth should serve not only personal interests but also benefit society[3]. It also emphasises the importance of maintaining social order, supporting sustainability and the community's well-being, and safeguarding people, their intellect and activities and surrounding environment.[4] This aligns with the Shariah principle of preserving wealth for the collective welfare of society, ensuring the continuous well-being of humanity.[5] The proceeds from the sukuk will be used not only for the benefit of the issuer but also to support the wider community, contributing to stability and overall societal welfare.[6]

5.03 This aspiration is reflected in the utilisation of proceeds, where the sukuk proceeds are utilised for purposes or projects that generate impact to society and the real economy, while preserving the quality of life and promoting sustainable well-being.

Principle 1: Cultivating Attainment of Basic Needs

5.04 Basic needs refer to essential requirements necessary for individual to achieve an acceptable standard of living. These include basic goods, such as food, clothing, and shelter, as well as essential services, such as access to clean drinking water, sanitation, education, healthcare facilities, and transportation.[7]

5.05 Basic needs encompass not only physical and biological necessities but also spiritual, emotional, and psychological well-being. The attainment of these aspects supports the overall purpose of human life. It follows that physical and biological needs are not diminished but imbued with greater meaning.

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[2] Securities Commission Malaysia, *Maqasid Al-Shariah Guidance Islamic Capital Market Malaysia*, November 2023, p. 16.
[3] Muhammad al-Tahir, Ibn `Ashur, *Maqaṣid al-Shari`ah al-Islamiyyah*, Wizarah al-Awqaf wa al-Syuun al Islamiyah, Qatar, 2004, vol. 3, p. 484.
[4] Ibid, vol. 2, p. 194.
[5] Fakhr al-Din Muhammad Ibn Umar Ibn al-Hasan Ibn al-Husayn al-Taymi al-Razi, *Mafatih al-Ghayb (al-Tafsir al-Kabir)*, Dar al-Fikr, Beirut, 1981, vol. 18, p. 18.
[6] Ibn `Ashur, *Maqasid al-Shari`ah al-Islamiyyah*, vol. 3, p. 460.
[7] Enrica Chiappero-Martinetti, Basic Needs, in: Filomena Maggino, (eds) Encyclopedia of Quality of Life and Well-Being Research. Springer, Cham, (2023) page 329-335 https://doi.org/10.1007/978-3-031-17299 -; See also Zubair Hasan, Fulfilment of Basic Needs: Concept, Measurement, and Muslim Countries' Performance, IIUM Journal of Economics and Management 5 2 (1997) 1-38, p. 6-7.

5.06 Proceeds from a sukuk issuance may be utilised either for specific identified projects or for the general business of the issuer, where such utilisation supports the attainment of basic needs. This includes activities that promote sustainable development of the community, support economic empowerment for individuals and society, improve quality of life and reduce deprivation.

5.07 Illustrative indicators under this principle may include but are not limited to the following:

Illustrative Indicator	Description
Food Security	Agricultural projects improving food production, storage and distribution to prevent malnutrition and hunger.
Basic Necessities	Infrastructure for clean water, sanitation and electricity.
Shelter	Affordable housing for safe, secure and decent living.
Health and Safety	Accessible and affordable healthcare infrastructure/services.
Education	Affordable and quality educational institutions.

5.08 In assessing whether the utilisation of sukuk proceeds aligns with Principle 1, the following are guiding questions to evaluate such alignment:

1. How does the utilisation of sukuk proceeds support the fulfilment of basic needs?

2. How are the sukuk proceeds or projects used to support essential services for underserved or vulnerable or disadvantaged groups, long term social welfare or sustainable developments for the community, human dignity and improve people's living conditions and safety and tackle issues like poverty, inequality, malnutrition or poor infrastructure in the community?

3. How does the utilisation of sukuk proceeds support matters relating, but not limited to the following?
   (a) Food Security
   (b) Basic Necessities
   (c) Shelter
   (d) Health and Safety
   (e) Education

4.	How does the utilisation of sukuk proceeds reflect the issuer's commitment to social impact towards meeting the basic needs of society?

Principle 2: Demonstrating Positive Social Culture

5.09 The utilisation of sukuk proceeds and issuer's principal activities aim to foster a positive impact on social culture and prevent activities that contribute to a negative social culture. This is to serve the broader objective of promoting human well-being and social equity. Such utilisation and activities also focus on promoting ethical conduct, trust-based relationship and inclusive community development, including support for responsible business practices or socially beneficial services. Any utilisation of sukuk proceeds should be assessed based on its outcomes and impact on societal well-being and sustainability.

5.10 Illustrative indicators under this principle may include but are not limited to the following:

Illustrative Indicator	Description
Public Health and Nutrition	Production of nutritious, halal-certified foods (e.g. low-sugar or fortified options), boosting the availability of healthier choices.
Mental Health and Well-being	Establishment of new mental health centres and programmes, enhancing access to vital mental health services.
Social Stability and Crime Reduction	Initiatives to reduce crime rates through skill-building, youth engagement and rehabilitation programs.
Economic Empowerment and Employment	Projects that create short-term or long-term employment for the community.
Fair Wealth Distribution	Presence of social safety nets e.g. zakat, welfare programmes, and participation in charitable activities, volunteer programmes and communal initiatives.

Promotion of Knowledge and Learning	Lifelong learning participation i.e. continuous education and skills development and access to knowledge resources such as online learning platforms, public lectures, libraries and schools.

5.11 In assessing whether the utilisation of sukuk proceeds aligns with Principle 2, the following are guiding questions to evaluate such alignment:

1. Does the utilisation of sukuk proceeds contribute to any of the following?
   (a) Fostering a positive social culture such as promoting initiatives aimed at strengthening family values, community bonds, and ethical behaviour and charity
   (b) Preventing negative social culture

   If yes, determine and assess the basis supporting such an assessment.

2. Are the sukuk proceeds used to support any of the following?
   (a) Public Health and Nutrition
   (b) Mental Health and Well-being
   (c) Social Stability
   (d) Economic Empowerment and Employment
   (e) Promotion of Knowledge and Learning

   If so, ascertain the impact this has towards fostering a positive social culture.

3. How does the sukuk issuance ensure that the utilisation of sukuk proceeds does not contribute to or support crimes against humanity such as genocide, war and other undignified treatment of human rights?

Principle 3: Undertaking Initiatives in Preserving the Well-Being of Future Generations

5.12 The allocation from the sukuk proceeds and the business of the issuer should support initiatives that safeguard interest of future generations. This includes aligning financial utilisation and organisational activities with the objectives of protecting and promoting human welfare. This includes the preservation of the environment, the well-being of future generations, and the strengthening of long-term societal resilience such as investments in renewable energy, green infrastructure or youth empowerment.

5.13 Illustrative indicators under this principle may include but are not limited to the following:

Illustrative Indicator	Description
Investment in Renewable Energy	Clean energy projects (e.g. solar, wind, hydroelectric) to reduce reliance on fossil fuels.
Climate Change Mitigation and Adaptation	Projects focused on reducing emissions, enhancing climate resilience and addressing environmental impacts.
Support for Eco-friendly Practices	Promotion of sustainable resource management, recycling or green manufacturing.
Biodiversity and Ecosystem Protection	Ecosystem restoration, carbon footprint reduction, conservation and biodiversity preservation.
Environmental Sustainability	Activities relating to carbon footprint reduction, renewable energy adoption, deforestation prevention and biodiversity conservation.
Health and Well-being	Preventive healthcare, e.g. vaccination, health screening availability and public health campaigns.

5.14 In assessing whether the utilisation of sukuk proceeds aligns with Principle 3, the following are guiding questions to evaluate such alignment:

1. How does the utilisation of sukuk proceeds contribute to preserving the well-being of future generations which includes but is not limited to the following:
   (a) Investment in Renewable Energy
   (b) Climate Change Mitigation and Adaptation
   (c) Support for Eco-friendly Practices
   (d) Biodiversity and Ecosystem Protection
   (e) Environmental Sustainability
   (f) Health and Well-being

2. Does the utilisation of sukuk proceeds negatively impact the preservation of well-being of future generations? If so, what are the steps taken to minimise those negative impacts?

3. Based on the sustainability report of the issuer or other relevant documents, describe the issuer's approach towards incorporating sustainability and ethics into its planning and operations in alignment with Principle 3.

Chapter 6

ASPIRATION 2: JUSTICE AND BENEVOLENCE

6.01 Justice refers to the practice of treating others fairly and equitably, regardless of their background or social status. Benevolence refers to the act of doing good deeds for others to the best of one's ability, going above and beyond the call of duty to help others.[8]

6.02 In the context of sukuk, justice and benevolence can be achieved through embracing equitable economic conduct. It entails upholding fairness[9], equity[10] and balance[11] between excess and deficiency[12] towards people and society. Such conduct aims to enhance positive outcomes and mitigate negative impacts[13], while adhering to high standards of governance and best practices.[14] This aspiration also emphasises responsible profit practices, ensuring that the pursuit of financial return is conscientiously balanced with equitable outcomes for all stakeholders and the broader economy.

Principle 4: Fostering an Ethical and Learning Culture

6.03 This principle relates to utilisation of sukuk proceeds in promoting an ethical and learning culture across society, as well as maintaining surroundings that foster individual and collective excellence. Amid ongoing development and technological advancement, utilisation of sukuk proceeds should support the development of holistic human capital, cultivate ethical integrity and moral excellence. This is to ensure that progress is not solely material but also grounded on values that uphold sustainable societal growth.

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[8] Securities Commission Malaysia, *Maqasid Al-Shariah Guidance Islamic Capital Market Malaysia*, 2023, p. 20.
[9] Muhammad *al-Tahir* Ibn `Ashur*, al-Taḥrir wa al-Tanwir*, al-Dar al-Tunisiyyah li al-Nashr, 1984, p. 255.
[10] `Ali ibn Sulaiman Mardawi, *al-Insaf fi Ma`rifat al-Rajih min al-Khilaf*, Matba`at al-Sunnah al-Muḥammadiyah, 1955, vol. 12, p. 43.
[11] Isma`il Ibn `Umar Ibn Kathir, *Tafsir al-Qur'an al-`Azim*, Dar al-Kutub al-`Ilmiyah, 1998, vol. 4, p. 511.
[12] `Ali Ibn Muhammad al-Sharif, al-Jurjani, *Kitab al-Ta`rifat*, Dar al-Kutub al-`Ilmiyah, 1983, p. 147.
[13] al-Ḥusain Ibn Muhammad al-Raghib al-Asfahani, *al-Mufradat fi Gharib al-Qur'an*, Dar al-Qalam, al-Dar al-Shamiyah, 1992, p. 522.
[14] Muhammad Ibn Ahmad al-Ansari al-Qurtubi, *al-Jami` li-Aḥkam al-Qur'an*, Dar al-Kutub al-Misriyyah, 1964, vol. 10, p. 166.

6.04 Illustrative indicators under this principle may include but are not limited to the following:

Illustrative Indicator	Description
Promotion of Education and Professional Development	Investment in initiatives that foster education, training and professional development growth, leadership and technical knowledge within the organisation or for the broader community.
Enhancement of Human Capital and Development	Improvement of skills, knowledge, health and abilities of people, refraining from engaging in exploitative practices.

6.05 In assessing whether the utilisation of sukuk proceeds aligns with Principle 4, the following guiding question may be applied to evaluate such alignment:

1. How does the utilisation of sukuk proceeds contribute to fostering ethical and learning culture especially in reference to the following?
   (a) Promotion of Education and Professional Development
   (b) Enhancement of Human Capital and Development

Principle 5: Promoting Efficiency and Avoiding Wastage

6.06 This principle relates to the utilisation of sukuk proceeds in enhancing the efficiency of the market and minimising waste to optimise resources. Such utilisation of sukuk proceeds should be guided by the prioritisation of needs and wants to ensure that resources are channelled in a prudent and purposeful manner with the objective of achieving the highest level of societal welfare.

6.07 Illustrative indicators under this principle may include but are not limited to the following:

Illustrative Indicator	Description
Resource Management	Infrastructure or technological innovation that boosts productivity and internal efficiency.

Risk Management and Financial Integrity	Effective risk management practices, ensuring that the structure of the sukuk minimises the likelihood of default and market instability.
Alignment with Standards	Standards or frameworks related to efficiency and resource optimisation.

6.08 In assessing whether the utilisation of sukuk proceeds aligns with Principle 5, the following are guiding questions to evaluate such alignment:

> 1. How does the utilisation of sukuk proceeds contribute to promoting efficiency and avoiding wastage, especially in reference to the following?
>   (a) Resource Management
>   (b) Risk Management and Financial Integrity
>
> 2. Does the utilisation of sukuk proceeds align with any standards or frameworks related to efficiency and resource optimisation? If so, how and to what extent?

Principle 6: Upholding Best Practices, Codes of Conduct and Ethical Values

6.09 This principle relates to adherence to exemplary standards, ethical guidelines and moral principles in all aspects of behaviour and decision-making that is essential to sustaining best practices and a code of conduct. This principle aspires to cultivate a culture of excellence that encourages the adoption of best practices beyond mere compliance with standard requirements, thereby reinforcing integrity, accountability, and continuous improvement in all aspects of conduct and decision-making.

6.10 Illustrative indicators under this principle may include but are not limited to the following:

Illustrative Indicator	**Description**
Integrity Management Policy	Integrity management policy is in place to mitigate unethical practices and ensuring accountability.

Independent Third-Party Oversight	Independent third-party organisations (e.g. auditors) are appointed to independently assess adherence to ethical guidelines and governance standards.

6.11 In assessing whether the utilisation of sukuk proceeds aligns with Principle 6, the following are guiding questions to evaluate such alignment:

1. How does the utilisation of sukuk proceeds contribute to upholding best practices, codes of conduct and ethical values, especially in reference to the following?
   (a) Integrity Management Policy
   (b) Independent Third-Party Oversight

2. Does the utilisation of sukuk proceeds align with any standards or frameworks on best practices, codes of conduct and ethical values? If so, how and to what extent?

Chapter 7

ASPIRATION 3: CLARITY AND TRANSPARENCY

7.01 Clarity refers to the requirement to comprehensively define Islamic rulings, principles, and decisions so that they are understood. It encompasses the clarity and precision in interpreting and applying Shariah objectives and principles. Furthermore, transparency encapsulates the transparency of decisions, processes, transactions and governance.[15]

7.02 In the context of sukuk, this aspiration aims to emphasise Shariah compliance, by balancing between substance and form of a contract, ensuring that structures reflect their intended Shariah objectives. While contracts and transactions are governed by the terms and intention of the parties[16], the elements of the essence of contract and *maqsad al-shari`* (the objective of Shariah) must be observed.[17] This observation is essential to minimise harm, ambiguity and avoid potential disputes.[18] Therefore, any sukuk must be structured with precision and transparency, with robust Shariah conformity assurance, in order to prevent conflict, ensure stability, and protect the rights of all parties involved.

7.03 This aspiration can be manifested through the selection and application of Shariah principles or contracts used in the sukuk structures, as well as in the terms and features of the sukuk.

Principle 7: Adhering to the Validity and Objective of Contracts

7.04 The structuring of sukuk must reflect the Shariah principles applied, ensuring that all contractual pillars and conditions comply with Shariah requirements, be clearly defined, and effectively serve their intended purpose. This approach emphasises the essence or substance of the contract to reflect its form, in alignment with *Maqasid al-Shariah.*

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[15] Maqasid Al-Shariah Guidance Islamic Capital Market Malaysia, p. 24.
[16] Aḥmad Ibn `Abd al-Halim Ibn Taymiyah, *Nadzariyyat al-`Aqd*, Dar Imam Ahmad, 2012, p. 482.
See also: Muḥammad Ibn Abi Bakr Ibn Qayyim al-Jawziyyah, *`Ilam al-Muwaqqi`in `an Rabb al-`Alamin,* Dar al-Kutub al-`Ilmiyyah, 1991, vol. 1, p. 221.
[17] Aḥmad ibn `Abd al-Halim Ibn Taymiyah, *al-Qawa`id al-Nuraniyyah al-Fiqhiyyah*, Dar Ibn al-Jawzi, 2001, p. 280 - 281.
[18] Muhammad al-Tahir, Ibn `Ashur, *Maqasid al-Shari`ah al-Islamiyyah*, 2004, vol. 3, p. 483.

7.05 Illustrative indicators under this principle may include but are not limited to the following:

Illustrative Indicator	Description
Feasibility of Applying Shariah Contracts or Principles	(a) The feasible application of Shariah contracts or principles to align with the goals and intentions of the contracting parties. (b) Demonstration of the reason and rationale for applying a specific Shariah contract/principle in the structuring. (c) Clear reflection on the purpose of the transaction and comply with Shariah requirements. (d) Absence of any elements prohibited by Shariah.
Adhering to the Essence of Contract	(a) The underlying Shariah contracts applied adhere to its form (essential Shariah requirements), as well as its substance (nature and implications). (b) Consistent application between both form and substance to avoid contradiction. (c) The prevalence of substance over form is guided by the following Islamic legal maxim: العبرة في العقود بالمقاصد والمعاني لا بالألفاظ والمباني "*The consideration in Shariah contracts is due to its intentions and purposes, not its wordings and forms*". (d) The application of *al-jam`u baina al-`uqud al-maliyah* (combination of Shariah contracts) into a single transaction must observe its Shariah parameters.

7.06 In assessing whether the appropriateness of Shariah contract or principle applied in a sukuk structuring, and the extent of its alignment with Principle 7, the following are guiding questions to evaluate such alignment:

1. To what extent does the sukuk structure take into consideration the following?
   (a) Suitability in the selection of Shariah contracts or principles to meet the objective of sukuk issuance especially in balancing between commercial objective and Shariah requirements
   (b) Adhering to the essence of contract and consideration of the objective of contract
   (c) Ensuring the validity of the underlying contract
   (d) Ensuring the combination of multiple Shariah contracts, if any, does not violate any Shariah principles

2. In what ways do Shariah advisers communicate the benefits and challenges of assessing the element highlighted in Question 1 above to the issuer?

3. To what extent do sukukholders assume ownership interests, bear associated risks and undertake responsibilities in respect of the underlying assets as a basis for their entitlement to profits?

Principle 8: Enhancing Disclosure and Documentation

7.07 This principle relates to terms and features of a particular sukuk and aim to enhance the quality of disclosure in the documentation by ensuring comprehensive and accurate disclosure of relevant details, risks, terms and conditions of the said sukuk. While such disclosure is primarily intended for the contracting parties, issuers are encouraged to go beyond minimum requirements to ensure transparency for other key stakeholders, in the interest of public accountability and to uphold trust and protection across the sukuk ecosystem.

7.08 Illustrative indicators under this principle may include but are not limited to the following:

Illustrative Indicator	**Description**
Disclosure of Terms and Information	(a) Disclosure of all the relevant information in relation to the terms and features of the sukuk to the client. (b) Provision of additional information on features or terms that are applied differently from the other sukuk issuances.

Accessible Records	Maintenance and accessibility of records.
Accuracy of Disclosure	Accuracy, completion and absence of disclosure from material misstatement.

7.09 In assessing whether the disclosure of the terms and information of the sukuk aligns with Principle 8, the following are guiding questions to evaluate such alignment:

> 1. In addition to the regulatory requirements set out in relevant guidelines, what are the other disclosures documented in the sukuk?
>
> 2. Are there any and if yes, what are the standards or policies adopted as reference in ensuring robust disclosure in sukuk documents?
>
> 3. How is the sukuk documentation organised and maintained to allow for secure and accessible records to relevant parties?
>
> 4. How are material risks associated with the sukuk identified, documented and communicated to investors and stakeholders?
>
> 5. What measures are taken to ensure all disclosures relating to the Shariah aspects of sukuk are accurate, complete and free from material misstatements?

Chapter 8

ASPIRATION 4: FLEXIBILITY AND INNOVATION

8.01 Flexibility refers to freedom to undertake any transactions and economic activities. Innovation refers to creation and development of new ideas or solutions that serve the best interests of society.[19]

8.02 The general principle in contracts and transactions is that they are valid and permissible unless expressly prohibited by Shariah. Any matters not expressly covered by Shariah may be regarded as *ʽafw* (a deliberate allowance) and *raḥmah* (a mercy).[20] This provides scope for innovation[21] and contractual flexibility, allowing development of diverse contracts[22], particularly in structuring sukuk based on mutual consent and freedom of transaction by the contracting parties.[23] Such flexibility may be exercised provided that it does not contravene the fundamental Shariah principles or result in harm to the rights of parties involved.[24] This aspiration aims to ensure that sukuk development remains innovatively dynamic, contractually autonomous and responsive to evolving societal needs. It encourages sukuk issuers and market participants to continuously shape the future of the market through solution-based structures and leadership in innovation.

8.03 This aspiration is applicable in the context of the Shariah principles used in the sukuk structure as well as its terms and features.

Principle 9: Fostering Innovation via Flexibility and Dynamism

8.04 This principle recognises the need for flexibility in the interpretation and application of Shariah principles and requirements, taking into consideration evolving market practices and societal needs. In the context of sukuk, innovation is not limited to the application of Shariah principles alone, but also extends to the structure, utilisation of proceeds, tokenisation and other features that enhance efficiency and market relevance.

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19 *Maqasid Al-Shariah Guidance Islamic Capital Market Malaysia,* p. 28.
20 Muḥammad Ibn Abi Bakr Ibn al-Qayyim al-Jawziyyah, *`Ilam al-Muwaqqi`in `an Rabb al-`Alamin*, Dār Ibn Hazm, Beirut, 2019, vol. 1, p. 167-168.
21 `Ali Mahyuddin al-Qarahdaghi, *Fiqh al-Mizan Mi`yar li Fahm al-Quran wa as-Sunnah wa Raf`an li Mawatinin al-Khalal wa al-Firqah*, Darul al-Nida', 2018, p. 67.
22 Husam al-Din Ibn Musa Muhammad Ibn `Afanah, *Yasaloonak*, Maktabah Dandis, Palestine, 2007, vol. 9, p. 107.
23 Aḥmad Ibn `Abd al-Halim Ibn Taymiyah, *Nadzariyyat al-`Aqd,* Dar Imam Ahmad, 2012, vol. 3, p. 482; Muhammad Ibn Idris al-Shafi`e, *al-Umm,* Dar al-Fikr, Beirut, 1983, vol. 3, p. 3.
24 Muhammad al-Tahir Ibn ʽAshur, *Maqasid al-Shariah al-Islamiyyah*, Wizarah al-Awqaf wa al-Shuun al-Islamiyyah, Qatar, 2004, vol. 3, p. 371 and 382.

8.05 Illustrative indicators under this principle may include but are not limited to the following:

Illustrative Indicator	Description
New Approach of Structuring and Application	(a) Introduction of an unprecedented sukuk structure that sets a new reference in the market. (b) Instances may include introduction of a new Shariah principle such as *wakalah bi al-khadamat* (agency contract for services).
New Features within the Existing Sukuk Structure	(a) Introduction of new features or new solutions to an existing sukuk. (b) Instances may include application of *waqf* features, green sukuk etc.
Pioneering	Pioneering issuance in any aspects.

8.06 In assessing whether the innovation within sukuk aligns with Principle 9, the following are guiding questions to evaluate such alignment:

1. To what extent does the sukuk issuance contribute to fostering innovation via flexibility and dynamism?

2. Does the sukuk contribute to the following innovations?
   (a) New approach of structuring and/or applications, such as green sukuk, *waqf* sukuk etc.
   (b) New terms and/or features within the existing sukuk structure
   (c) Pioneering issuance in any aspects

3. Based on the responses provided in Question 2, how does the innovation demonstrate adaptability and responsiveness to changing circumstances, contexts and market needs?

Principle 10: Honouring Freedom of Transactions and Dealings

8.07 This principle stresses the importance of allowing individuals the freedom to engage in transactions and dealings under the Shariah concepts of freedom of transaction and mutual consent. These concepts allow individuals to exercise their autonomy and make informed decisions. Nevertheless, such freedom in transactions goes beyond consent – it requires embedding ethical principles. Parties should avoid manipulation and ensure that the substance of the contract is consistent with its form and is transparent. For example, a financial agreement should not be structured in a manner that obscures the true intent of the contract to evade regulatory or Shariah requirements. Importantly, the Shariah concept of freedom of transaction does not permit prohibited transactions or the use of multiple interrelated contracts to conceal the true intent of an arrangement, particularly where it undermines fairness, transparency and ethical standards.

8.08 Illustrative indicators under this principle may include but are not limited to the following:

Illustrative Indicator	**Description**
Flexibility in Formulating Terms and Features of Sukuk Based on Mutual Consent	(a) Application throughout the tenure, at maturity, upon triggering event etc. (b) Contracting parties are well informed and aware of the terms and features of sukuk. (c) Instances may include structuring sukuk with callable or convertible feature, use of *tanazul* (waive of rights) and *ibra'* (rebate) due to early redemption or termination by the issuer etc.
Negotiation Process	The principles of fairness and voluntary agreement are upheld in drafting the terms.

8.09 In assessing whether freedom of transactions and dealings align with Principle 10, the following are guiding questions to evaluate such alignment:

1. How is freedom of transactions and dealings honoured during the process of sukuk issuance?

2. Based on the answer to Question 1, was the negotiation and drafting of the sukuk terms and conditions formulated based on mutual consent of the

parties in a fair and transparent manner having regard to the principles of fairness and voluntary agreement?

If so, assess and determine the grounds in support of this position including how this ensures the protection of all parties' rights and interests.

Chapter 9

ASPIRATION 5: FIDUCIARY AND ACCOUNTABILITY

9.01 Fiduciary refers to the duty or conduct of individuals or groups of people who are entrusted and delegated with the power to look after, manage or safeguard the interests of others. Accountability underscores the principle that individuals and groups are obligated to take responsibility for their actions with the acknowledgement that they will eventually face consequences for those actions.[25]

9.02 The concept of *amanah* (trust) which forms the ethical foundation of resilient oversight and responsibility is crucial in the context of sukuk as the duty of all parties to safeguard entrusted responsibilities with vigilance and avoiding negligence.[26] As the Shariah is founded on adherence to trust, it encompasses all matters relating to human affairs[27] which includes fulfilling fiduciary duties in all forms of financial dealings.[28] Therefore, any breach of this trust due to any act of negligence or financial wrongdoing is subject to accountability under Shariah.[29] This fiduciary obligation extends beyond immediate or temporal interests, underscoring a lasting responsibility in all forms of financial dealings, including those with long-term impacts.

9.03 This aspiration can be manifested through the context of sukuk i.e. roles and responsibilities of relevant parties to the sukuk structure.

Principle 11: Upholding Fiduciary Duty with Utmost Good Faith

9.04 This principle stands as a cornerstone of ethical conduct in ICM, particularly in the context of sukuk based on the concept of trust, transcending mere legal or technical compliance. It demonstrates commitment to transparency, honesty and dedication to the best interests of all stakeholders, especially the sukukholders. This principle measures the extent to which sukuk issuers and other relevant parties uphold their duty of trust by ensuring that the sukuk proceeds are utilised in a manner that aligns with the principles of *Maqasid al-Shariah*. It emphasises transparency, accountability and ethical stewardship in the allocation and management of funds.

9.05 Illustrative indicators under this principle may include but is not limited to the following:

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[25] Maqasid Al-Shariah Guidance Islamic Capital Market Malaysia, Securities Commission Malaysia, November 2023, p. 31-32.
[26] Muhammad al-Tahir Ibn `Ashur, *al-Tahrir wa-al-Tanwir*, al-Dar al-Tunisiyah li al-Nashr, 1984, vol. 22, p. 129.
[27] Muḥammad Ibn Abi Hayyan al-Andalusi, *al-Baḥr al-Muhit*, Dar al-Fikr, 2000, vol. 8, p. 508-509.
[28] Aḥmad Ibn `Abd al-Halim Ibn Taymiyah, *al-Siyasah al-Shar`iyyah*, Dar Ibn Hazm, 2019, p. 40.
[29] Wahbah al-Zuhayli, *al-Tafsir al-Munir fi al-`Aqidah wa-al-Shari`ah wa-al-Manhaj*, Dar al-Fikr, 1991, vol. 17, p. 39; See also Nazih Hammad, *Mu`jam al-Muṣṭalaḥat al-Maliyyah wa-al-Iqtisadiyyah fi Lughat al-Fuqaha'*. Bank al-Jazirah, Dar Sulayman al-Maiman, 2025, p. 113.

Illustrative Indicator	Description
Fiduciary Duty	Duty of each role undertaken by the issuer and other parties involved such as sukuk trustee, lead arranger and principal adviser to act in the best interests of sukukholders, upholding principles of transparency, diligence and good faith.
Remedy Plan/Action	Actions and steps that an investor may undertake when the issuer fails to perform and conduct its fiduciary duty in good faith.

9.06 In assessing whether the roles and responsibilities align with Principle 11, the following are guiding questions to evaluate such alignment:

1. To what extent do the sukuk terms clearly define the fiduciary roles and responsibilities of all parties involved?
2. How is fiduciary duty upheld with utmost good faith in the sukuk transactions?
3. How are conflicts of interest identified, disclosed and managed to uphold fiduciary responsibilities in the sukuk transactions?

Principle 12: Promoting Accountability in Performances and Activities

9.07 This principle establishes a fundamental expectation that all parties are accountable for their actions and outcomes. Any individual or entity entrusted with a role or responsibility must act in a manner that can be justified, evaluated, and assessed by relevant stakeholders in accordance with established standards and ethical considerations. In the context of sukuk, the accountability of all parties extends beyond tenure or maturity of the sukuk, reflecting a continuing responsibility to uphold the trust, integrity and long-term impact of decisions made.

9.08 The concept of accountability is critical in the context of sukuk. Issuers and all other parties involved in the structuring, issuance and utilisation of sukuk proceeds shall adhere strictly to Shariah principles. Such adherence goes beyond religious observance but also serves as a core component of the financial instrument's legitimacy and integrity.

9.09 Failure to uphold this accountability may result in Shariah non-compliance, which is not only prohibited from the Shariah perspective but may also have significant regulatory implications. Therefore, robust accountability mechanisms in sukuk are essential for maintaining market confidence, ensuring ethical financial practices and safeguarding the interests of all stakeholders.

9.10 Illustrative indicators under this principle may include but are not limited to the following:

Illustrative Indicator	**Description**
Accountability Practices	(a) Accountability for misconduct, negligence or failure to adhere to the relevant requirements of a sukuk. (b) Accountability of the vendor appointed by the issuer for any misconduct negligence or failure to adhere to the relevant requirements.
Continuous Monitoring of Function/Process	Ongoing process of monitoring and tracking of sukuk transactions, alerts and anomalies, to facilitate risk management, enhance performance and maintain Shariah compliance.
Safeguard Compliance	Terms must safeguard the issuer's compliance and proper utilisation of proceeds.

9.11 In assessing whether the sukuk aligns with Principle 12, the following are guiding questions to evaluate such alignment:

1. How does the sukuk contribute to promoting accountability in activities relating to utilisation and management of sukuk proceeds?

2. In what ways does the sukuk promote continuous monitoring function or process?

3. In what ways do the sukuk terms safeguard the issuer's compliance and proper utilisation of sukuk proceeds align with the purpose of sukuk issuance?

4. In the case of a proposed revision in the sukuk structure post issuance, how is continuous Shariah compliance ensured?

Chapter 10

ASPIRATION 6: ACCESSIBILITY AND INCLUSIVITY

10.01 Aspiration 6 aims to ensure that all individuals, regardless of their socio-economic background, have fair and meaningful access to economic and financial opportunities. Accessibility involves enabling participation by ensuring equitable access to resources, services, and opportunities. Inclusivity entails recognising and accommodating the diverse needs and circumstances of individuals and communities to ensure full integration in all aspects of economic and societal life.[30]

10.02 Shariah emphasises holistic participation via circulation of wealth within society according to a well-regulated system governing its transfer. It entails the movement of wealth among all classes of people as much as possible[31] in a lawful manner. This serves as an encouragement for engaging in financial transactions and support the legitimate transfer of wealth from one hand to another.[32]

10.03 In promoting inclusivity, sukuk may be structured to incorporate philanthropic values and Islamic social finance principles such as *zakat* (Islamic almsgiving), *waqf* (Islamic endowment) and *sadaqah* (Islamic charity). By integrating these elements, sukuk serves not only as an investment instrument, but also as a mechanism for a more equitable distribution of wealth and support including socio-economic development.[33] Sukuk features and structures may also increase financial inclusion by allowing participation from retail and lower-income investors, democratising access to ICM instruments.

10.04 This aspiration can be manifested through the context of sukuk i.e. utilisation of proceeds and terms and features of sukuk.

Principle 13: Broadening the Circulation of Wealth and Participation

10.05 This principle emphasises the need for an inclusive and accessible financial system involving the public at large regardless of financial background, reducing financial obstacles and ensuring that various groups have equal access to wealth.

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[30] Securities Commission Malaysia, *Maqasid Al-Shariah Guidance Islamic Capital Market Malaysia* (2023), p. 35-36.
[31] Muhammad al-Tahir Ibn 'Ashur, *Maqasid al-Shariah al-Islamiyyah*, Wizarah al-Awqaf wa al-Shuun al-Islamiyyah, Qatar, 2004, vol. 3, p. 471.
[32] Muhammad al-Tahir Ibn 'Ashur*, Al-Tahrir wa Al-Tanwir,* al-Dar al-Tunisia li al-Nashr, Tunisia, 1984, vol. 28. p. 85; See also Makki Ibn Abi Talib al-Qaysi al-Qurtubi, *al-Hidayah ila Bulugh al-Nihayah fi `Ilm Ma`ani al-Qur'an wa Tafsiruh, wa Aḥkamuhu, wa Jumal min Funun `Ulumihi*, Majmu`ah Buhuth al-Kitab wa al-Sunnah Kulliyat al-Shari'ah wa al-Dirasat al-Islamiyyah, Jami`at al-Shariqah, 2008, vol. 11, p. 7391.
[33] Yusuf al-Qaraḍawi, *Malamih al-Mujtama` al-Muslim Alladzi Nanshuduh*, Maktabat Wahbah, 2012, p. 222-228; See also: Yusuf al-Qaradawi, *Fiqh al-Zakat: Dirasah Muqaranah li Ahkamihi wa Falsafatihi fi Dau' al-Qur'an wa al-Sunnah* (vol. 1 & 2) Mu'assasah al-Risalah, Beirut, 1999, p. 880.

10.06 Illustrative indicators under this principle may include but are not limited to the following:

Illustrative Indicator	**Description**
Accessibility	Allocation of the proceeds to create a system that enable the accessibility of wealth to society regardless of background.
Participation	Structural features to attract broader investor participation, particularly from the mass, by offering smaller denominations and simplified processes for Shariah-compliant investment.
Leverage on technology	Enhancement of accessibility and facilitate participation across different segments of society.

10.07 In assessing whether the sukuk aligns with Principle 13, the following are guiding questions to evaluate such alignment:

1. How does the sukuk contribute to the circulation of wealth and participation?
2. How does the utilisation of sukuk proceeds promote accessibility to wealth, particularly for marginalised communities and small businesses in the sukuk projects?
3. How does the sukuk enable broad and equitable accessibility and participation among diverse investor groups, including retail investors and the public?
4. How does the sukuk issuance leverage technology to enhance accessibility and facilitate participation across different segments of society and geographical locations?

Principle 14: Maximising Wealth Distribution with Focus on Social Finance

10.08 This principle emphasises the distribution of wealth and resources through social finance instruments such as Islamic almsgiving, Islamic endowments and Islamic charity. This is to support projects and initiatives that have positive impact on communities and address social challenges.

10.09 Illustrative indicators under this principle may include but not limited to the following:

Illustrative Indicator	**Description**
Social Finance	(a) Utilisation of the sukuk proceeds for social finance purposes. (b) Allocation of a portion of the profits of the sukuk for social finance. (c) Allocation of part of the sukuk proceeds for socially responsible projects.
Promote Accessibility	Use of technology to enhance accessibility.

10.10 In assessing whether the sukuk aligns with Principle 14, the following are guiding questions to evaluate such alignment:

1. How does the sukuk contribute to maximising wealth distribution through social finance?
2. How does the sukuk structure integrate social finance instruments such as Islamic almsgiving, Islamic endowments, Islamic charity or other charitable funds?
3. How does the utilisation of sukuk proceeds promote inclusive wealth distribution through social finance?
4. How does the sukuk issuance leverage technology to enhance accessibility and facilitate participation across different segments of society and geographical locations with a special focus on social finance?

Principle 15: Nurturing Businesses with Supportive Ecosystem

10.11 Wealth creation and distribution focus on nurturing micro, small and medium-sized enterprises (**MSMEs**) and new firms. It includes providing infrastructure, resources and involves assistance to create a flourishing and inclusive business ecosystem.

10.12 Illustrative indicators under this principle may include but are not limited to the following:

Illustrative Indicator	Description
Empowering MSMEs	(a) Appointment of MSMEs as vendors, suppliers etc. (b) Utilisation of sukuk proceeds for investment in MSMEs and new projects.

10.13 In assessing whether the sukuk aligns with Principle 15, the following are guiding questions to evaluate such alignment:

1. How does the sukuk contribute to nurturing businesses with s supportive ecosystem?
2. How does the utilisation of sukuk proceeds and sukuk projects empower MSMEs?
3. How does the sukuk project formulate certain mechanisms to enable MSMEs to participate in relevant procurement and supply chain services?

Chapter 11

ILLUSTRATIONS OF ALIGNMENT

The illustrations of alignment are based on fictional sukuk issuances and is intended solely to demonstrate example disclosures on how a sukuk issuance may align with the Maqasid Guidance. The examples are constructed based on hypothetical scenarios that may be relevant to market participants for illustrative purposes only. The illustrated disclosures are not exhaustive and do not represent the only approach by which a sukuk issuance may demonstrate alignment with the Maqasid Guidance.

Illustration 1

Item	Details
Issuer	Amanah Takaful Bhd
Shariah Principles	*Wakalah bi al-istithmar* and *Murabahah* (via *Tawarruq* Arrangement)
Utilisation of Proceeds	For working capital and corporate purposes
Alignment with Principles of Maqasid Guidance	i. Principle 1: Cultivating Attainment of Basic Needs ii. Principle 6: Upholding Best Practices, Codes of Conduct and Ethical Values iii. Principle 7: Adhering to the Validity and Objective of Contracts iv. Principle 8: Enhancing Disclosure and Documentation v. Principle 10: Honouring Freedom of Transactions and Dealings vi. Principle 11: Upholding Fiduciary Duty with Utmost Good Faith vii. Principle 12: Promoting Accountability Performances

Aspiration 1: Humanity

i. Principle 1 – Cultivating Attainment of Basic Need

The use of the sukuk proceeds to finance Amanah Takaful Berhad's core operations is a clear example of alignment with the principle of cultivating the attainment of basic needs. This is because the fundamental service of takaful is to provide financial protection against unforeseen calamities that could disrupt access to essential needs such as shelter, healthcare and personal safety. By mitigating the financial impact of such events, takaful enables individuals and families to maintain continuity in meeting these basic needs.

1. Protection from Unforeseen Risks: The provision of takaful products enables individuals, families, and businesses to protect their assets and personal security from unexpected risks. This serves as a proactive measure to support safety and security.

2. Enhancing Societal Well-being: Takaful provides a financial safety net to mitigate the impact of losses or damages, ensuring that the affected parties have access to adequate financial resources. This helps in maintaining the well-being and stability of individuals, families and the broader commercial workforce, thereby enhancing overall societal well-being. The protection against such risks can be seen as a fundamental human necessity.

The alignment is further reinforced by Shariah evidence from Quranic verses, hadith and Islamic legal maxims:

Allah SWT said:

مِنْ أَجْلِ ذَٰلِكَ كَتَبْنَا عَلَىٰ بَنِي إِسْرَائِيلَ أَنَّهُ مَن قَتَلَ نَفْسًا بِغَيْرِ نَفْسٍ أَوْ فَسَادٍ فِي الْأَرْضِ فَكَأَنَّمَا قَتَلَ النَّاسَ جَمِيعًا وَمَنْ أَحْيَاهَا فَكَأَنَّمَا أَحْيَا النَّاسَ جَمِيعًا ۚ

"On that account: We ordained for the Children of Israel that if anyone slew a person unless it be for murder or for spreading mischief in the land it would be as if he slew the whole people: and if anyone saved a life it would be as if he saved the life of the whole people."[34]

This Quranic verse highlights the sanctity of preserving human life and well-being. In this context, takaful contributes directly to this objective by mitigating financial hardship and providing protection during unforeseen calamities, thereby supporting the preservation of life and societal stability. Allah SWT further commands:

وَتَعَاوَنُوا عَلَى الْبِرِّ وَالتَّقْوَىٰ ۖ وَلَا تَعَاوَنُوا عَلَى الْإِثْمِ وَالْعُدْوَانِ ۚ وَاتَّقُوا اللَّهَ ۖ إِنَّ اللَّهَ شَدِيدُ الْعِقَابِ

"Help ye one another in righteousness and piety but help ye not one another in sin and rancor: fear God: for God is strict in punishment."[35]

This verse highlights the importance of mutual assistance in promoting good and preventing harm. The takaful system embodies this principle through collective risk-sharing, where participants support each other in mitigating financial risks and securing well-being.

[34] Surah al-Ma'idah 5: 32.
[35] Surah al-Ma'idah 5: 2.

The Prophet Muhammad ﷺ said:

إِنَّ لكلِّ داءٍ دواءً، فإذا أُصِيب دواءُ الدَّاءِ برَأَ بإذنِ اللهِ

"*There is a remedy for every disease, and when the remedy is applied to the disease, it is cured by the permission of Allah, the Exalted and Majestic.*"[36]

This hadith supports the proactive seeking of solutions to potential problems, including financial ones, that may arise from unexpected events.

In the same spirit, the Prophet ﷺ also said:

مَن نَفَّسَ عَنْ مُؤْمِنٍ كُرْبَةً مِن كُرَبِ الدُّنْيا، نَفَّسَ اللَّهُ عنْه كُرْبَةً مِن كُرَبِ يَومِ القِيامَةِ

"*Whoever relieves a believer of a worldly hardship, Allah will relieve him of a hardship on the Day of Resurrection.*"[37]

This narration highlights the virtue of alleviating the difficulties of others and reflects the collective spirit of mutual assistance that underpins the takaful system.

Another key prophetic saying: "(لَا ضَرَرَ وَلَا ضِرَارَ) *Harm shall neither be inflicted nor reciprocated.*"[38], highlights the importance of preventing harm. The takaful system embodies this principle by working to avert or mitigate potential financial hardship.

The issuance is also consistent with the following Islamic legal maxims:

The first legal maxim, "(الضَّرَرُ يُزَالُ) Harm is to be eliminated" which provides the jurisprudential basis for taking measures to prevent harm. The second maxim, "(دَرْءُ الْمَفَاسِدِ مُقَدَّمٌ عَلَى جَلْبِ الْمَصَالِحِ) Averting harm takes precedence over achieving benefit", which prioritises the precautionary and protective functions of takaful over purely commercial gain.

[36] Abu al-Husain Muslim al-Hajjaj al-Qushairi al-Naisaburi, *al-Jami` al-Sahih Ṣaḥih Muslim*, (1916), Dar al-Toba`ah al-`Amirah, Turkey, vol. 7, p. 21, hadith no. 2204.
[37] Muslim, *Sahih Muslim*, (1916), vol. 8, p. 71, hadith no. 2699.
[38] Ibn Majah Abu `Abdullah Muhammad Yazid al-Qazwini, *Sunan Ibn Majah*, (1969), Dar Ihya' al-Kutub al-`Arabiyyah, vol. 2, p. 784, ḥadith no. 2340.

Aspiration 2: Justice and Benevolence

ii. Principle 6 – Upholding Best Practices, Codes of Conduct and Ethical Values

The utilisation of sukuk proceeds for working capital and general corporate purposes is inherently aligned with Aspiration 2: Justice and Benevolence, which promotes fairness, compassion, and balance in economic conduct. Within the context of the Islamic capital market (ICM), such utilisation is not merely a financial exercise but a manifestation of *Maqasid al-Shariah*, ensuring that economic activities uphold justice and benevolence across all stakeholders. By deploying funds toward maintaining liquidity, operational stability and service efficiency, the issuer ensures that its takaful operations continue to protect policyholders' interests, meet obligations promptly and sustain equitable risk-sharing, key principles of *takaful* and Islamic finance ethics.

From a *Maqasid al-Shariah* perspective, the allocation of sukuk proceeds to strengthen the issuer's capital position supports the *hifz al-mal* (preservation of wealth) through responsible financial stewardship. This enables the company to enhance its claims management capacity, expand coverage to underserved segments, and innovate Shariah-compliant protection solutions – outcomes that directly contribute to *maslahah* (public benefit). Such equitable economic conduct embodies Principle 6 by integrating best practices, codes of conduct, and ethical values into every stage of capital deployment. The company's internal Shariah oversight ensures transparency and accountability in fund utilisation, thereby preventing misallocation, *gharar* (excessive uncertainty) or *darar* (harm) to stakeholders.

The Quranic injunction where Allah says:

فَأَوْفُوا الْكَيْلَ وَالْمِيزَانَ وَلَا تَبْخَسُوا النَّاسَ أَشْيَاءَهُمْ

"Give just measure and weight nor withhold from the people the things that are their due"[39];

reinforces the ethical dimension of financial utilisation, while another verse states:

إِنَّ ٱللَّهَ يَأْمُرُ بِٱلْعَدْلِ وَٱلْإِحْسَـٰنِ وَإِيتَآئِ ذِى ٱلْقُرْبَىٰ وَيَنْهَىٰ عَنِ ٱلْفَحْشَآءِ وَٱلْمُنكَرِ وَٱلْبَغْىِ

"God commands justice, the doing of good, and liberality to kith and kin, and He forbids all shameful deeds, and injustice and rebellion …"[40];

serves as a moral compass for corporate behaviour. Through this sukuk, the issuer translates these divine values into tangible action, ensuring proceeds are used in ways that promote sustainable growth, uphold transparency, and distribute economic benefits fairly.

[39] Surah al-A'raf, 7: 85.
[40] Surah al-Nahl, 16: 90.

In doing so, the sukuk not only meets the issuer's working capital needs but also fulfils Aspiration 2: advancing a just, trustworthy, and benevolent economic ecosystem within Malaysia's ICM.

Aspiration 3: Clarity and Transparency

iii. Principle 7 – Adhering to the Validity and Objective of Contract

The sukuk issuance is structured based on the Shariah principles of *wakalah bi al-istithmar* and *murabahah* (via *tawarruq* arrangement), which have been selected to facilitate the issuer's funding requirements in a manner that is consistent with Shariah principles and the commercial objectives of the sukuk issuance. The combination of these contracts reflects a balance between commercial practicality and adherence to Shariah requirements, while ensuring that the validity, purpose and legal effects of each contract are preserved.

1. Suitability, Validity and Objective of the Contracts

The utilisation of *wakalah bi al-istithmar* as the primary investment agency arrangement is suitable for the objectives of the sukuk issuance as it enables the sukukholders, acting as principals, to appoint the issuer as *wakil* to manage and invest the sukuk proceeds in accordance with an agreed investment mandate. This structure facilitates efficient management of the underlying investments while maintaining a clear agency relationship that is recognised under Shariah.

The structure also gives effect to the objective and essence of the *wakalah* contract, where the *wakil* acts on behalf of the principals within the scope of authority granted and remains subject to the terms and conditions agreed by the parties. The contractual rights, obligations and responsibilities of the parties are clearly defined, thereby preserving the integrity and purpose of the *wakalah* arrangement.

Murabahah (via *tawarruq* arrangement) is utilised as a Shariah-compliant mechanism for generating investment returns and facilitating liquidity. The structure fulfils the objective of *murabahah* contract by giving effect to a genuine sale transaction involving identified assets, disclosure of acquisition cost and profit margin, and transfer of ownership in accordance with the requirements of a valid sale contract. The arrangement also satisfies the essential pillars and conditions of *murabahah*, including the existence of the subject matter, ownership of the asset by the seller prior to sale, price certainty, offer and acceptance and mutual consent of the contracting parties.

The use of *tawarruq* serves as an operational mechanism to facilitate liquidity while preserving the underlying characteristics and legal effects of the *murabahah* contract. The arrangement is structured in accordance with applicable Shariah requirements and relevant regulatory resolutions governing organised *tawarruq* transactions.

2. Combination of Contracts and Preservation of Shariah Requirements

The combination of *wakalah bi al-istithmar* and *murabahah* (via *tawarruq* arrangement) does not alter or negate the essential characteristics of either contract. Each contract is separately identifiable, possesses its own rights and obligations, and is implemented in accordance with its respective Shariah requirements.

The contractual arrangement has been structured in a manner that avoids prohibited elements such as *riba* (usury), excessive uncertainty, impermissible legal stratagems or contractual inconsistencies that may invalidate the transaction. The interaction between the contracts serves complementary functions within the overall sukuk structure while preserving the validity and objectives of each underlying contract.

3. Assessment and Communication by the Shariah Adviser

In assessing the sukuk structure, the Shariah adviser evaluates the suitability of the selected contracts, the achievement of their respective objectives, the validity of the contractual documentation and the interaction between the various contractual arrangements within the structure.

The Shariah adviser communicates to the issuer the Shariah considerations, benefits and potential implementation risks associated with the chosen structure, including the need to preserve the legal effects and objectives of each contract, ensure compliance with applicable Shariah requirements and avoid contractual features that may give rise to Shariah concerns. This process assists the issuer in ensuring that the commercial objectives of the sukuk issuance are achieved without compromising Shariah compliance.

In addition, the sukuk issuance strictly adheres to the resolution of the SC's Shariah Advisory Council on underlying assets. All assets used in the contracts specifically in the *`uqud mu`awadhat* (exchange contracts) and *`aqd wakalah bi al-istithmar,* must comply with Shariah principles,[41] ensuring the transaction is ethical and lawful.

This emphasis on justice and clarity in dealings is a fundamental tenet of Islamic jurisprudence, supported by the Qur'an:

يَا أَيُّهَا الَّذِينَ آمَنُوا كُونُوا قَوَّامِينَ لِلَّهِ شُهَدَاءَ بِالْقِسْطِ ۖ وَلَا يَجْرِمَنَّكُمْ شَنَآنُ قَوْمٍ عَلَىٰ أَلَّا تَعْدِلُوا ۚ اعْدِلُوا هُوَ
أَقْرَبُ لِلتَّقْوَىٰ ۖ وَاتَّقُوا اللَّهَ ۚ إِنَّ اللَّهَ خَبِيرٌ بِمَا تَعْمَلُونَ

[41] Securities Commission Malaysia, Resolutions of the Shariah Advisory Council of the Securities Commission Malaysia, 31 December 2023, p. 109-110.

"*O you who believe! Stand out firmly for God as witnesses to fair dealing and let not the hatred of others to you make you swerve to wrong and depart from justice. Be just: that is next to Piety: and fear God for God is well-acquainted with all that ye do*."[42]

This verse underscores the obligation to uphold justice, fairness, and transparency in all aspects of life, including financial transactions. The sukuk structure reflects this by ensuring that its contracts are not only legally valid but also align with ethical standards.

Furthermore, the Qur'an commands:

يَا أَيُّهَا الَّذِينَ آمَنُوا أَوْفُوا بِالْعُقُودِ

"*O ye who believe! fulfil (all) obligations*"[43]; and

يَا أَيُّهَا الَّذِينَ آمَنُوا لَا تَأْكُلُوٓا۟ أَمْوَالَكُم بَيْنَكُم بِالْبَاطِلِ إِلَّآ أَن تَكُونَ تِجَارَةً عَن تَرَاضٍ مِّنكُمْ

"*O ye who believe! eat not up your property among yourselves in vanities: but let there be amongst you traffic and trade by mutual good-will*."[44]

These verses emphasise that contracts such as *wakalah bi al-istithmar* and *murabahah* must be properly structured and executed in a transparent manner. Terms and conditions must be clearly defined and mutual consent established to prevent injustice or exploitation.

The Prophet ﷺ reinforced these Quranic principles through his guidance on transactions:

الْمُسْلِمُونَ عَلَى شُرُوطِهِمْ، إِلَّا شَرْطًا حَرَّمَ حَلَالًا أَوْ أَحَلَّ حَرَامًا

"*Muslims are bound by their conditions, except for a condition that makes the unlawful lawful or the lawful unlawful*."[45]

This hadith highlights the sanctity of contractual terms and conditions. In the context of sukuk, this ensures that the terms and conditions agreed in *wakalah* and *murabahah* arrangements must be honoured faithfully. Any term and condition that contravenes Shariah, such as permitting usury or involving unlawful assets, is considered void even if mutually agreed upon by all parties.

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[42] Surah al-Ma'idah 5: 8.
[43] Surah al-Ma'idah 5: 1.
[44] Surah al-Nisa' 4:29.
[45] Muhammad `Isa Saurah Musa al-Tirmidhi, *Sunan al-Tirmidhi,* (1975), 2nd Edition, Sharikah Maktabah Mustafa al-Baji al-Halabi, Egypt, vol. 3, p. 626, hadith no. 1352.

Aspiration 3: Clarity and Transparency

iv. Principle 8 – Enhancing Disclosure and Documentation

Sukuk issuance places strong emphasis on complete and accurate disclosure as a fundamental aspect of transparent and ethical financial dealings. All relevant information regarding the structure, risks, terms and conditions, as well as the rights and obligations of all parties, is fully detailed in the documentation submitted to the SC.

Compliance with Regulatory Standards: The issuance complies with the SC's *Guidelines on Islamic Capital Market Products and Services*, including requirements to disclose key information such as details of the issuer and its group of companies, early redemption feature, circumstances on events of default and the utilisation of sukuk proceeds.

Empowering Informed Decision-Making: Comprehensive disclosure ensures that sukukholders have access to all relevant information. This empowers them to conduct their own assessments and make informed investment decisions. This approach promotes fairness, prevents manipulation and misrepresentation, or concealment of material information and strengthens trust among all stakeholders.

The importance of truth and transparency in all dealings is a core principle in Islam, as evidenced by both the Qur’an and Hadith:

يَا أَيُّهَا الَّذِينَ آمَنُوا كُونُوا قَوَّامِينَ لِلَّهِ شُهَدَاءَ بِالْقِسْطِ ۖ وَلَا يَجْرِمَنَّكُمْ شَنَآنُ قَوْمٍ عَلَىٰ أَلَّا تَعْدِلُوا ۚ اعْدِلُوا هُوَ
أَقْرَبُ لِلتَّقْوَىٰ ۖ وَاتَّقُوا اللَّهَ ۚ إِنَّ اللَّهَ خَبِيرٌ بِمَا تَعْمَلُونَ

"*O ye who believe! stand out firmly for God as witnesses to fair dealing and let not the hatred of others to you make you swerve to wrong and depart from justice. Be just: that is next to Piety: and fear God for God is well-acquainted with all that ye do*."[46]

This verse underscores the ethical obligation to uphold justice and fairness, even in the face of adversity, a principle that is directly applied in the practice of full and truthful disclosure. Furthermore, the Prophet Muhammad ﷺ warned against dishonesty, emphasising the severity of giving false testimony:

عَنْ أَبِي بَكْرَةَ قَالَ قَالَ النَّبِيُّ صَلَّى اللَّهُ عَلَيْهِ وَسَلَّمَ أَلَا أُنَبِّئُكُمْ بِأَكْبَرِ الْكَبَائِرِ ثَلَاثًا قَالُوا بَلَى يَا رَسُولَ اللَّهِ
قَالَ الْإِشْرَاكُ بِاللَّهِ وَعُقُوقُ الْوَالِدَيْنِ وَجَلَسَ وَكَانَ مُتَّكِئًا فَقَالَ أَلَا وَقَوْلُ الزُّورِ قَالَ فَمَا زَالَ يُكَرِّرُهَا
حَتَّى قُلْنَا لَيْتَهُ سَكَتَ

[46] Surah al-Ma'idah 5: 8.

"*Abu Bakrah reported: The Prophet, peace and blessings be upon him, said three times, "Shall I not tell you about the worst of major sins?" They said, "Of course, O Messenger of Allah." The Prophet said, "They are to associate partners with Allah and to be disrespectful to parents." Then, the Prophet sat up after reclining, saying, "And surely to speak falsely." The Prophet continued repeating it until we said to ourselves, "Would that he stop!"*[47]

This hadith highlights the consequences of misrepresentation and reinforces the obligation of honesty and transparency in all contractual and financial dealings. The sukuk full disclosure practice reflects the application of this principle.

Aspiration 4: Flexibility and Innovation

v. Principle 10 – Honouring Freedom of Transaction and Dealings

This sukuk issuance is structured to uphold the principle of freedom of transaction and dealings by ensuring that sukukholders' participation is based on informed and voluntary decision making. Clear, accurate and comprehensive information is provided to assist sukukholders in their independent assessment.

Informed Consent: The detailed information disclosed in the relevant documentation ensure that sukukholders have access to all relevant information. This includes details on the issuer and its group of companies, early redemption feature, circumstances or events of default and the use of sukuk proceeds. This supports sukukholders in making informed decisions, consistent with the requirement of mutual consent in Shariah.

The provision of transparent and accessible information helps to ensure that sukukholders are not subject to misrepresentation or undue influence and manipulation. It facilitates them to undertake their own assessment of the relevant risks and returns on the investment. This aligns with the Islamic ethical standard that all transactions must be conducted with the mutual consent of all parties.

The importance of voluntary and fair dealings is a core tenet of Islamic jurisprudence, as highlighted in the Qur'an:

يَا أَيُّهَا الَّذِينَ آمَنُوا لَا تَأْكُلُوٓا أَمْوَالَكُم بَيْنَكُم بِالْبَاطِلِ إِلَّآ أَن تَكُونَ تِجَارَةً عَن تَرَاضٍ مِّنكُمْ

"*O ye who believe! Eat not up your property among yourselves in vanities: but let there be amongst you traffic and trade by mutual good-will.*" [48]

This verse is a direct command to avoid unjust gain and to ensure that all financial dealings are based on genuine mutual consent. The sukuk adherence to regulatory disclosure requirements and its transparent nature directly applies to this principle.

[47] Muslim, *Sahih Muslim*, (1916), vol. 1, p. 64, hadith no. 87.
[48] Surah al-Nisa' 4: 29.

Aspiration 5: Fiduciary and Accountability

vi. Principle 11 – Upholding Fiduciary Duty with Utmost Good Faith

Sukuk issuance is grounded on the principle of upholding fiduciary duty with utmost good faith, a cornerstone of Islamic finance. The issuer, as the investment *wakil* (agent), is entrusted with the responsibility to act in the best interest of the sukukholders, who are the principals.

Diligence and Stewardship: This principle reflects the concept of *amanah* (trust), requiring the issuer to act with diligence, integrity and transparency in addition to his contractual obligations. This includes exercising responsible stewardship over the assets and funds entrusted to it.

Avoiding Conflicts of Interest: The issuer has established a Conflict of Interest Policy to identify, disclose, manage and mitigate potential conflicts of interest that could compromise the interest of the sukukholders. Commitment to prioritise the sukukholders' interests is a direct application of core Islamic values.

The importance of fulfilling this trust is emphasised in the Qur'an and Hadith:

يَا أَيُّهَا الَّذِينَ آمَنُوا لَا تَخُونُوا اللَّهَ وَالرَّسُولَ وَتَخُونُوٓا أَمَانَاتِكُمْ وَأَنتُمْ تَعْلَمُونَ

"O ye that believe! Betray not the trust of God and the Apostle Nor misappropriate knowingly Things entrusted to you." [49]

This verse serves as a reminder on the seriousness of breaching a trust, likening it to a betrayal of God and His Messenger. It establishes the moral and spiritual foundation for the fiduciary relationship.

Furthermore, the Prophet Muhammad ﷺ reinforced this principle, stating:

أَدِّ الْأَمَانَةَ إِلَى مَنِ ائْتَمَنَكَ، وَلَا تَخُنْ مَنْ خَانَكَ

"Trust those who entrust you and do not betray those who betray you." [50]

This hadith highlights the ethical obligation to uphold trust, even when it is not reciprocated, which is the very essence of fiduciary duty. The sukuk structure, therefore, is not only a legal arrangement but a testament to the issuer's commitment to this ethical trust.

[49] Surah al-Anfal 6: 27.

[50] Abu Dawud Sulaiman al-Ash`ath Ishaq Bashir al-Sijistani, *Sunan Abi Dawud*, (2009), First Edition, Dar al-Risalah al-ʿAlamiyyah, vol. 5, p. 395, hadith no. 3535.

Aspiration 5: Fiduciary and Accountability

viii. Principle 12 – Promoting Accountability in Performances and Activities

The sukuk issuance demonstrates alignment with Principle 12: Promoting Accountability in Performances and Activities under Aspiration 5: Fiduciary and Accountability, which requires that all parties involved including the issuer, Shariah committee, trustee, lead arranger and investors, to uphold accountability (collectively or individually) in ensuring that the sukuk is managed in a transparent, ethical and Shariah-compliant manner. As a licensed takaful operator, the issuer operates within a robust governance ecosystem guided by Bank Negara Malaysia's *Shariah Governance Framework* and its internal *Code of Ethics and Conduct.* Extending these frameworks to the sukuk issuance ensures that the responsibilities of all participants, from monitoring utilisation of sukuk proceeds to compliance reporting are clearly defined, documented and implemented.

In practice, this is reflected through continuous Shariah supervision, periodic performance reviews and transparent disclosures to sukukholders and regulators. The trustee safeguards the interest of sukukholders by ensuring that the sukuk proceeds are utilised in accordance with for the stated purposes (e.g. working capital and corporate purposes) and in compliance with Shariah requirements. The lead arranger and Shariah adviser registered with the SC ensure that the structure complies with regulatory and Shariah requirements throughout the sukuk lifecycle. Internally, the issuer's Shariah Committee and Board Audit Committee provide oversight on financial and operational matters, ensuring adherence to governance and ethical standards, reflecting the Quranic injunction:

وَلَا تَكْتُمُوا الشَّهَادَةَ ۚ وَمَن يَكْتُمْهَا فَإِنَّهُۥٓ ءَاثِمٌ قَلْبُهُۥ ۗ وَاللَّهُ بِمَا تَعْمَلُونَ عَلِيمٌ

"Conceal not evidence; for whoever conceals it his heart is tainted with sin. And God knoweth all that ye do." [51]

This verse underlines the duty of transparency and truthful reporting – core elements of fiduciary responsibility in Islamic ethics.

From a *Maqasid al-Shariah* perspective, Principle 12 reinforces the objective of *mas'uliyyah* (accountability) as part of *hifz al-mal* (protection of wealth) and *hifz al-'ird* (protection of integrity and reputation). By institutionalising proper oversight mechanisms, the sukuk structure helps prevent financial misconduct, conflicts of interest, and reputational harm – all of which could undermine public trust in the Islamic finance system.

This is further supported by the Prophet's saying:

كُلُّكُمْ رَاعٍ وَكُلُّكُمْ مَسْئُولٌ عَنْ رَعِيَّتِهِ

[51] Surah al-Baqarah 2:283.

"Surely, everyone of you is a guardian and responsible for his charges…" [52]

which reflects the fiduciary ethos of responsibility and accountability. Hence, through diligent performance monitoring, transparent disclosure, and continuous Shariah review and oversight, the sukuk issuance operationalises Aspiration 5's focus on resilient oversight and responsibility, ensuring that all parties uphold accountability in line with both Shariah and regulatory requirements.

[52] Abu `Abdullah Muhammad Isma`il Al-Bukhari, *Sahih al-Bukhari,* (1993), Fifth Edition, Dar Ibn Kathir & Dar al-Yamamah, Damascus, vol. 5, p. 19996, ḥadith no. 4904.

Illustration 2

Item	Details
Issuer	Solar Green Sdn Bhd
Shariah Principles	*Murabahah* (via *Tawarruq* Arrangement)
Utilisation of Proceeds	i. To finance fees, costs and expenses in relation to the construction and development of a 50MWa.c. solar photovoltaic plant undertaken by the issuer's holding company in Tampin, Negeri Sembilan (Eligible Projects) for the SRI Sukuk *Murabahah* Programme, inclusive of reimbursement of advances used for the same purposes; and ii. For general corporate purposes and/ or working capital requirements in connection with the Eligible Projects.
Alignment with Principles of Maqasid Guidance	i. Principle 3: Undertaking Initiatives in Preserving the Well-Being of Future Generations ii. Principle 6: Upholding Best Practices, Codes of Conduct and Ethical Values iii. Principle 7: Adhering to the Validity and Objective of Contracts iv. Principle 8: Enhancing Disclosure and Documentation v. Principle 10: Honouring Freedom of Transactions and Dealings vi. Principle 11: Upholding Fiduciary Duty with Utmost Good Faith vii. Principle 12: Promoting Accountability in Performances and Activities

Aspiration 1: Humanity

i. Principle 3 – Undertaking Initiatives in Preserving the Well-Being of Future Generations

The issuance of the SRI Sukuk *Murabahah* Programme is directly aligned with the principle of preserving the well-being of future generations. This principle emphasises the significance of meeting the requirements of future generations through environmental preservation and promoting sustainable and responsible behaviour.

(1) Climate Change Mitigation: The sukuk proceeds will be used to finance a large-scale solar power plant, which contributes to climate change mitigation by generating clean renewable energy. This project reduces the reliance on fossil fuels, thereby lowering carbon emissions and minimising the environmental impact on future generations.

(2) Protection of Ecosystem and Biodiversity: By investing in renewable energy, the sukuk issuance supports the protection of the ecosystem and biodiversity. This proactive approach ensures that natural resources are managed sustainably, allowing future generations to inherit a healthy environment.

The sukuk structure and use of sukuk proceeds are designed to comply with Sustainable and Responsible Investment (SRI) Sukuk Framework. The framework requires the funds to be utilised towards projects that meet established environmental criteria. This approach is consistent with the Islamic teachings that emphasise balance and moderation.

This is supported by the following Quranic verse:

يَٰبَنِيٓ آدَمَ خُذُوا زِينَتَكُمْ عِندَ كُلِّ مَسْجِدٍ وَكُلُوا وَاشْرَبُوا وَلَا تُسْرِفُوٓا ۚ إِنَّهُ لَا يُحِبُّ الْمُسْرِفِينَ

"O children of Adam! wear your beautiful apparel at every time and place of prayer: eat and drink: but waste not by excess for God loveth not the wasters." [53]

This verse highlights the importance of avoiding excess and promoting responsible use of natural resources. In this context, the SRI Sukuk *Murabahah* Programme reflects this principle, by supporting sustainable energy and environmentally responsible practices, ensuring that the resources are managed prudently for long-term benefit. In addition, the alignment of sukuk proceeds with this Principle 3 is also inspired by the following Quranic verse:

وَلْيَخْشَ الَّذِينَ لَوْ تَرَكُوا مِنْ خَلْفِهِمْ ذُرِّيَّةً ضِعَافًا خَافُوا عَلَيْهِمْ فَلْيَتَّقُوا اللَّهَ وَلْيَقُولُوا قَوْلًا سَدِيدًا

"*Let those (disposing of an estate) have the same fear in their minds as they would have for their own if they had left a helpless family behind: let them fear God and speak words of appropriate (comfort).*"[54]

This verse manifests the importance of preserving the well-being of future generations. In the context of this sukuk, the utilisation of sukuk proceeds to financing a large-scale solar power plant supports climate change mitigation and hence, preserving the environment for the benefit of present and future generations.

Aspiration 2: Justice and Benevolence

ii. Principle 6 – Upholding Best Practices, Codes of Conduct and Ethical Values

The sukuk issuance demonstrates alignment with Principle 6: Upholding Best Practices, Codes of Conduct and Ethical Values under Aspiration 2: Justice and Benevolence,

[53] Surah al-A'raf 7: 31.
[54] Surah al-Nisa' 4; 9.

particularly through its commitment to equitable economic conduct. The sukuk proceeds are primarily utilised to finance fees, costs, and expenses for the construction and development of a 50MWa.c. solar photovoltaic plant in Tampin, Negeri Sembilan, with the balance allocated for working capital related to the same expenses, exemplifies ethical deployment of capital towards environmentally sustainable and socially beneficial projects.

By financing a renewable energy initiative under the SRI Sukuk *Murabahah* Programme, the issuer promotes economic activities that not only generate profit but also uphold social and environmental justice, consistent with the *Maqasid al-Shariah* of promoting *maslahah 'ammah* (public benefit). The clear and specific utilisation of sukuk proceeds also reflects transparency and integrity in financial dealings, ensuring that sukukholders' funds are applied directly to projects with positive environmental and societal impact.

The alignment reflects the Quranic emphasis on justice and benevolence in economic transactions. Allah SWT commands in Surah an-Nahl:

إِنَّ اللَّهَ يَأْمُرُ بِالْعَدْلِ وَالْإِحْسَانِ وَإِيتَآيِٕ ذِي الْقُرْبَىٰ وَيَنْهَىٰ عَنِ ٱلْفَحْشَآءِ وَالْمُنكَرِ وَالْبَغْيِ

"God commands justice, the doing of good, and liberality to kith and kin, and He forbids all shameful deeds, and injustice and rebellion." [55]

Likewise, *Surah Al-Mutaffifin (83:1-3)* warns against those who deal unjustly in measures and weights, implying that ethical conduct and fair dealing are fundamental to economic justice. In the Sunnah, Abu Sa'eed narrated that the Prophet (ﷺ) said:

التَّاجِرُ الصَّدُوقُ الْأَمِينُ مَعَ النَّبِيِّينَ وَالصِّدِّيقِينَ وَالشُّهَدَاءِ

"The truthful and trustworthy merchant will be with the Prophets, the truthful, and the martyrs." [56]

These sources collectively support Principle 6's emphasis for transparency, honesty, and integrity as reflected in the sukuk's governance, Shariah oversight, and utilisation reporting. Through clear disclosure of the use of sukuk proceeds and adherence to ASEAN Green SRI Sukuk Framework, the issuer ensures that the sukuk proceeds are applied responsibly, in line with Shariah values of fairness and benevolence.

Viewed through the lens of *maqasid khassah* under Aspiration 2, this sukuk achieves equitable economic conduct by facilitating sustainable energy development that benefits communities and align with *hifz al-bi'ah* (environmental stewardship). It also ensures that stakeholders including sukukholders, contractors, and the public are treated with fairness and respect.

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55 Surah al-Nahl 16:90.

56 Al-Tirmidhi, *Sunan al-Tirmidhi,* (1975), vol. 5, p. 28, hadith no. 2646.

The issuer's responsible management of the sukuk proceeds and commitment to green objectives reflects a balanced approach between commercial outcome and societal benefit. This demonstrates the application of Shariah vision of justice and benevolence, while reinforcing trust and accountability within Malaysia's ICM.

Aspiration 3: Clarity and Transparency:

iii. Principle 7 – Adhering to the Validity and Objective of Contract

This sukuk issuance, which uses a *murabahah* (via *tawarruq* arrangement), is aligned with the principle of ensuring that all contractual agreements are valid under Shariah, transparent, and serve their intended purpose. The focus is placed on the substance of the contract over its form, ensuring that the transaction's goals and the needs of all parties are met.

The structuring of the sukuk using *murabahah* (via *tawarruq* Arrangement) ensure that each contract is valid under Shariah. *Murabahah* is applied in this sukuk as a method for generating returns for investors through the sale of an asset at a marked-up price, with payment made at a future date. The application of *murabahah* ensures that both the cost and profit margin are transparent, making it easy for all parties to understand the financial terms of the transaction. Through the *tawarruq* mechanism, liquidity is achieved by purchasing commodities and subsequently selling them to third parties. The validity of this contract is maintained as it fulfils the essential pillars of *murabahah* namely the existence of the subject matter, price disclosure, offer and acceptance, and mutual consent while avoiding prohibited elements such as usury and excessive uncertainty. This arrangement enables the issuer to raise liquidity and meet its financial obligations in a Shariah-compliant manner.

The sukuk is structured using the specific Shariah principle to ensure that its underlying purpose, facilitating fundraising and investment, is achieved in a permissible manner. This reflects the Shariah principle of substance over form, where the actual economic objectives and intended outcomes of the transaction are given greater consideration than its legal form alone.

The foundation for this principle is found in the Quranic verse that stresses the importance of fulfilling one's commitments:

يَا أَيُّهَا الَّذِينَ آمَنُوا أَوْفُوا بِالْعُقُودِ

"O ye who believe! fulfil (all) obligations." [57]

This verse serves as a fundamental directive for all Muslims to uphold their contractual duties and promises, making the adherence to the validity and objectives of the contracts a core tenet of this sukuk issuance.

[57] Surah Al-Ma'idah 5: 1.

In assessing the validity and objectives of the contractual arrangements, the Shariah adviser advises the issuer on the relevant Shariah requirements, suitability of the selected *murabahah* (via *tawarruq* arrangement), considerations and potential issues associated with the proposed structure. This includes advising on the proper application of the essence and objective of the contract, ensuring that the intent and execution of each contract are coherent and Shariah-compliant. The rights and obligations of the sukukholders are clearly set out in the transaction documents, ensuring the alignment with the objective of the contract of this issuance.

The Shariah adviser also provides guidance on the practical implementation of the structure to ensure that the intended commercial objectives are achieved without compromising the requirements and objectives of Shariah.

Aspiration 3: Clarity and Transparency:
iv. Principle 8 – Enhancing Disclosure and Documentation

This sukuk issuance, structured on the principle of *murabahah* (via *tawarruq a*rrangement), is designed to foster complete disclosure and enhance documentation. This involves providing comprehensive and accurate information to all stakeholders, which is crucial for transparency and informed decision-making.

Comprehensive Information: The transaction's documentation includes all relevant details about the sukuk *murabahah*, its structure, associated risks, terms, and conditions. This ensures that investors have a clear understanding of their rights and obligations.

Informed Decisions: By providing full disclosure, the sukuk enables investors to make informed decisions based on their own assessment. This transparency helps mitigate potential risks arising from undisclosed information and promotes fairness in the transaction.

This commitment to complete and accurate disclosure is a direct application of Islamic ethical principles, particularly those found in the Qur'an. The longest verse in the Qur'an provides a clear command for documentation in financial dealings:

يَٰٓأَيُّهَا ٱلَّذِينَ ءَامَنُوٓاْ إِذَا تَدَايَنتُم بِدَيۡنٍ إِلَىٰٓ أَجَلٖ مُّسَمّٗى فَٱكۡتُبُوهُ

"O ye who believe! When ye deal with each other in transactions involving future obligations in a fixed period of time reduce them to writing."[58]

This verse underscores the importance of proper record-keeping and documentation to ensure clarity and avoid disputes. The sukuk's documentation, therefore, not only serves a legal and commercial purpose but also fulfils a religious obligation to conduct financial affairs with the utmost transparency and integrity.

[58] Surah Al-Baqarah 2: 282.

Aspiration 4: Innovation and Flexibility:

v. Principle 10 – Honouring Freedom of Transactions and Dealings

The issuer's sukuk *murabahah* aligns closely with Principle 10: Honouring Freedom of Transactions and Dealings under Aspiration 4: Innovation and Flexibility, by demonstrating how Shariah contracts can accommodate legitimate commercial needs within ethical and legal boundaries. The SRI Sukuk *Murabahah* Programme which is based on *murabahah*, reflects contractual autonomy where the parties involved in the sukuk structuring enter into a clearly defined and mutually consensual transaction. Through the *murabahah* arrangement, the sukuk enables the issuer to raise capital for the financing, development, and construction of the 50Mwa.c. solar photovoltaic plant in Tampin, Negeri Sembilan, as well as related working capital needs, without engaging in interest-based lending. This showcases innovative dynamism, allowing a classical Shariah contract to be applied in a modern capital market setting that supports green infrastructure financing and sustainability-linked objectives.

The freedom of transactions endorsed in Shariah is firmly grounded in the Qur'an and Sunnah. Allah SWT says:

يَا أَيُّهَا الَّذِينَ آمَنُوا لَا تَأْكُلُوٓاْ أَمْوَالَكُم بَيْنَكُم بِالْبَاطِلِ إِلَّآ أَن تَكُونَ تِجَارَةً عَن تَرَاضٍ مِّنكُمْ

"O ye who believe! eat not up your property among yourselves in vanities: but let there be amongst you traffic and trade by mutual good-will."[59],

affirming that permissible trade is based on mutual agreement and fairness. Likewise, the Prophet ﷺ said:

الْمُسْلِمُونَ عَلَى شُرُوطِهِمْ، إِلَّا شَرْطًا حَرَّمَ حَلَالًا أَوْ أَحَلَّ حَرَامًا

"*Muslims are bound by their conditions, except for a condition that makes the unlawful lawful or the lawful unlawful.*"[60]

These Shariah evidence affirm the legitimacy of contractual freedom and the right of parties to structure terms such as price, tenure, and repayment, so long as they avoid usury, excessive uncertainty, and *zulm* (injustice). Within this sukuk, the contractual terms comprising the sale of Shariah-compliant commodities, fixed profit margin, and defined payment obligations are transparently disclosed and agreed upon, ensuring both autonomy and accountability.

From a *maqasid khas* perspective, under Aspiration 4: Innovation and Flexibility, the sukuk achieves innovative dynamism and contractual autonomy by effectively blending Shariah

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[59] Surah al-Nisa' 4:29.

[60] Al-Tirmidhi, *Sunan al-Tirmidhi,* (1975), vol. 3, p. 626, hadith no. 1352.

compliance with market efficiency. It promotes *taysir al-mu'amalat* (facilitation of transactions) and *maslahah 'ammah* (public benefit) through financing sustainable energy projects that benefit the *hifz al-bi'ah* (environment and society). By utilising *murabahah* in an innovative structure under the SRI Sukuk framework, the issuer demonstrates that Shariah principles are not restrictive but adaptive, capable of supporting economic advancement and ethical innovation. This harmonisation of flexibility and fidelity to Shariah objectives exemplifies the spirit of Aspiration 4: ensuring that Islamic capital market instruments remain dynamic, responsive, and rooted in the higher objectives of justice, equity, and responsible freedom in economic activity.

Aspiration 5: Fiduciary and Accountability

vi. Principle 11 – Upholding Fiduciary Duty with Utmost Good Faith

The issuer's sukuk *murabahah* demonstrates clear alignment with Principle 11: Upholding Fiduciary Duty with Utmost Good Faith under Aspiration 5: Fiduciary and Accountability, by embedding accountability and trustworthiness into every role within the sukuk structure. This principle underscores the duty of all relevant parties which are the issuer, trustee, Shariah adviser, lead arranger, facility agent, and investors to act with integrity, transparency, and responsibility in managing the sukuk. As an issuer under the SRI Sukuk *Murabahah* Programme, the issuer is entrusted with ensuring that proceeds are used exclusively for the stated purposes namely, the financing, development, and construction of a 50Mwa.c. solar photovoltaic plant in Tampin, Negeri Sembilan, and related corporate requirements. The trustee safeguards investors' rights, and the arranger and agents monitor fulfilment of covenants and disclosure obligations. Together, these fiduciary relationships uphold *amanah* (trust) and *mas'uliyyah* (accountability), ensuring resilient oversight and adherence to ethical and legal standards.

The Shariah foundation for this principle lies in Allah's command:

إِنَّ اللَّهَ يَأْمُرُكُمْ أَن تُؤَدُّوا الْأَمَانَاتِ إِلَىٰ أَهْلِهَا وَإِذَا حَكَمْتُم بَيْنَ النَّاسِ أَن تَحْكُمُوا بِالْعَدْلِ

"Allah doth command you to render back your trusts to those to whom they are due; and when ye judge between man and man that ye judge with justice." [61],

and Abu Hurairah (May Allah be pleased with him) reported that the Prophet ﷺ said,

آيَةُ الْمُنَافِقِ ثَلَاثٌ: إِذَا حَدَّثَ كَذَبَ، وَإِذَا وَعَدَ أَخْلَفَ، وَإِذَا اؤْتُمِنَ خَانَ

"Three are the signs of a hypocrite: When he speaks, he lies; when he makes a promise, he breaks it; and when he is trusted, he betrays his trust."[62]

[61] Surah An-Nisa' 4:58.
[62] Al-Bukhari, *Sahih al-Bukhari,* (1993), vol. 1, p. 21, hadith no. 33.

These texts affirm that fiduciary responsibility is both a legal and moral obligation. In the sukuk context, the commitment to accurate disclosure, continuous monitoring of proceeds and periodic reporting ensures that all fiduciaries fulfil their roles in *husnu al-niyyah* (good faith). The oversight mechanisms built into the sukuk framework including trustee supervision, Shariah audits, and compliance with SRI reporting standards collectively reinforce ethical discipline and transparency, protecting both investors and the public interest.

Viewed through the lens of *maqsad khas* under Aspiration 5: Fiduciary and Accountability, this sukuk promotes resilient oversight and responsibility by translating the Islamic concept of *amanah* (trust) into institutional practice. The ethical execution of fiduciary duties supports the *maqasid* of *hifz al-mal* (preservation of wealth), *hifz al-'ird* (protection of integrity), and promotion of *maslahah 'ammah* (public benefit). Through proactive governance, transparent stewardship and commitment to ethical oversight, the sukuk contributes to building a trustworthy and resilient Islamic capital market ecosystem. By upholding good faith and accountability, the issuer does not only safeguard investors' interests but also affirm that Islamic finance, at its core, is an ethical system grounded in responsibility before both society and Allah SWT.

Aspiration 5: Fiduciary and Accountability

vii. Principle 12 – Promoting Accountability in Performances and Activities

Promoting accountability is a cornerstone of this sukuk's structure, ensuring that all parties are responsible for their actions and outcomes. This principle requires those entrusted with a task to act in a manner that can be justified and assessed by relevant stakeholders. It promotes transparency and ethical conduct by establishing clear mechanisms for oversight and monitoring.

Defined Roles and Responsibilities: The roles and responsibilities of each transacting party are explicitly detailed within the sukuk documentation. This clarity ensures that all stakeholders understand their duties and are held accountable for their performance.

Consequences for Non-Performance: The transaction documents outline the implications of non-performance, which may include the imposition of *ta`widh* (compensation). This measure ensures that fiduciaries are held responsible for their decisions and actions, fostering trust and integrity throughout the issuance.

This commitment to accountability is a direct application of a foundational Islamic principle, as highlighted in the Qur'an:

فَمَن يَعْمَلْ مِثْقَالَ ذَرَّةٍ خَيْرًا يَرَهُۥ

"Then shall anyone who Has done an atom's weight of good, see it!"[63]

وَمَن يَعْمَلْ مِثْقَالَ ذَرَّةٍ شَرًّا يَرَه

"And anyone who Has done an atom's weight of evil, shall see it." [64]

This verse serves as a powerful reminder that every action, no matter how small, has a consequence. It reinforces the idea that accountability is not merely a legal or commercial requirement but a moral and spiritual one, where individuals are held responsible for their deeds in this life and the next.

[63] Surah al-Zalzalah 99: 7.
[64] Surah al-Zalzalah 99: 8.

Illustration 3

Item	Details
Issuer	AAMIN Healthcare Bhd
Shariah Principles	*Murabahah* (via *tawarruq* arrangement)
Utilisation of Proceeds	i. To finance the expansion and working capital requirements of Aamin Group's healthcare and healthcare-related businesses (including to finance/ refinance (in whole or in part) any existing borrowings/financings/corporate bonds/sukuk and/or future sukuk/Shariah compliant financings); and ii. In the event Sustainability Sukuk *Murabahah* are issued, the sukuk proceeds raised from the issuance of the Sustainability Sukuk *Murabahah* shall be utilised for the purposes set out above provided that it shall meet the criteria of the eligible projects as set out in the Sustainability Sukuk Framework and the applicable Sustainability Guidelines/Frameworks under which such Sustainability Sukuk *Murabahah* are issued (Eligible Projects), as further set out in the relevant pricing supplement in relation to the issuance of such Sustainability Sukuk *Murabahah*.
Alignment with Principles of Maqasid Guidance	i. Principle 1: Cultivating Attainment of Basic Needs ii. Principle 2: Demonstrating Positive Social Culture iii. Principle 3: Undertaking Initiatives in Preserving the Well-Being of Future Generations iv. Principle 4: Fostering an Ethical and Learning Culture v. Principle 5: Promoting Efficiency and Avoiding Wastage vi. Principle 6: Upholding Best Practices, Codes of Conduct and Ethical Values vii. Principle 7: Adhering to the Validity and Objective of Contracts viii. Principle 8: Enhancing Disclosure and Documentation ix. Principle 9: Fostering Innovation via Flexibility and Dynamism x. Principle 10: Honouring Freedom of Transaction and Dealings xi. Principle 11: Upholding Fiduciary Duty with Outmost Good Faith xii. Principle 12: Promoting Accountability in Performance and Activities

xiii. Principle 13: Broadening the Circulation of Wealth and Participation
xiv. Principle 14: Maximising Wealth Distribution with Focus on Social Finance
xv. Principle 15: Nurturing Businesses with Supportive Ecosystem

Aspiration 1: Humanity
i. Principle 1 – Cultivating Attainment of Basic Need

The utilisation of proceeds for working capital requirements and the expansion of issuer Group's healthcare and healthcare-related business contributes directly to addressing essential societal needs. The financing of hospital facilities, medical centres and healthcare support services enhances access to affordable and quality healthcare, which is intrinsic to the preservation of life. This aligns with *Maqasid al-Shariah* in fulfilling basic needs and promoting equitable well-being community. In particular, the sukuk proceeds support the fulfilment of basic needs in the area of health and safety, by improving access of healthcare infrastructure and services for broader community, including underserved and vulnerable segments of society. The issuer's commitment to expanding its healthcare network reflects a long-term social welfare objective. As Allah SWT mentioned in the verse:

وَمَنْ أَحْيَاهَا فَكَأَنَّمَا أَحْيَا النَّاسَ جَمِيعًا

"And if anyone saved a life it would be as if he saved the life of the whole people." [65]

This verse highlights the sanctity and *hifz al-nafs* (preservation of life), one of the five essentials (*daruriyyat al-khams*) in *Maqasid al-Shariah*. By financing hospitals, medical centres and healthcare facilities, the sukuk contributes to safeguarding lives and ensuring that communities have access to affordable, quality healthcare. This reflects the Islamic principle that meeting essential needs especially healthcare, is not just a social duty but an act of preserving the collective well-being of society and a demonstration of the issuer's commitment to meaningful social impact.

Aspiration 1: Humanity
ii. Principle 2 – Demonstrating Positive Social Culture

The sukuk reflects the issuer's commitment to responsible and ethical business practices in accordance with Shariah values. Through its healthcare operations and adherence to sustainability standards under the Sustainability Sukuk Framework, the issuer contributes to strengthening social cohesion, promoting good governance and cultivating a culture compassion and service to society. These values are consistent with the *Maqasid al-Shariah* principle of fostering a positive and sustainable social culture that emphasises care, fairness and accountability in economic and social conduct.

[65] Surah al-Ma'idah 5: 32.

The utilisation of sukuk proceeds actively fosters a positive social culture by supporting public health initiatives that promote community well-being and enhance quality of life. The healthcare services funded through this sukuk including hospital operations and medical centres contribute to reducing health care related deprivation caused by inadequate healthcare access.

The issuer's operations are strictly governed by Shariah principles, applicable laws and ethical standards and the sukuk proceeds are utilised exclusively for socially beneficial purposes. The issuer does not engage in and ensures that proceeds are not directed towards any activities that are contrary to crimes against humanity or undignified treatment of human rights. As the verse from the Qur'an says:

إِنَّ اللَّهَ يَأْمُرُكُمْ أَن تُؤَدُّوا الْأَمَانَاتِ إِلَىٰ أَهْلِهَا وَإِذَا حَكَمْتُم بَيْنَ النَّاسِ أَن تَحْكُمُوا بِالْعَدْلِ

"Allah doth command you to render back your trusts to those to whom they are due; and when ye judge between man and man that ye judge with justice." [66]

This verse emphasises ethical responsibility, justice and trust values central to a positive social culture. The issuer's commitment to ethical business practices, good governance and compassion in service reflects *Maqasid al-Shariah* of promoting social harmony through fairness and accountability. By fostering integrity and service-oriented approach, the sukuk supports a cohesive and responsible environment in line with Quranic ethics.

Aspiration 1: Humanity

iii. Principle 3 – Undertaking Initiatives in Preserving the Well-Being of Future Generations

The inclusion of sustainability features in the sukuk issuance demonstrates the issuer's long-term commitment to protect the well-being of future generations. Under the Sustainability Sukuk Framework, the sukuk proceeds may also be channelled to eligible projects that incorporate environmentally responsible and resource-efficient practices such as green healthcare facilities, energy-efficient systems and waste management initiatives.

This is in line with the issuer's Sustainability Policy which integrates sustainable practices into its operations, focusing on the 5Ps – Patients, Physicians, People, Partners and Planet. Guided by the environmental, social and governance (ESG) principle of environmental stewardship, the policy aims to reduce environmental impact through responsible management of waste, resources and climate risks. The issuer's approach to sustainability demonstrates a commitment to embedding ethics as a long-term responsibility into its planning and operations.

[66] Surah al-Nisa' 4: 58.

While the issuer's primary business is healthcare, the issuer recognises that healthcare operations may carry incidental environmental footprints including medical waste generation and energy consumption. The issuer actively takes steps to minimise such impacts through its ESG framework including adoption of energy-efficient systems, responsible waste disposal practises and alignment with applicable environmental standards, ensuring that its operations do not unduly compromise the well-being of future generations.

These measures ensure that healthcare services remain sustainable while minimising environmental impact, thereby aligning with the *Maqasid al-Shariah* of preserving life, health and environmental integrity for the benefit of future generations, as Allah SWT says in the following verse:

وَلَا تُفْسِدُوا فِي الْأَرْضِ بَعْدَ إِصْلَاحِهَا وَادْعُوهُ خَوْفًا وَطَمَعًا ۚ إِنَّ رَحْمَتَ اللَّهِ قَرِيبٌ مِّنَ الْمُحْسِنِينَ

"Do no mischief on the earth after it hath been set in order but call on Him with fear and longing (in your hearts): for the mercy of God is (always) near to those who do good." [67]

This verse emphasises environmental stewardship and the prevention of harm (*la darar wa la dirar*). By incorporating green healthcare initiatives, energy efficiency system and effective waste management, the sukuk aligns with the *Maqasid* principle of *hifz al-bi'ah* (preservation of the environment) and *hifz al-nafs* (protection of life). The focus on sustainability ensures that the benefits of development extend to future generations, maintaining ecological balance and fulfilling the divine trust to care for the Earth.

Aspiration 2: Justice and Benevolence

iv. Principle 4 – Fostering an Ethical and Learning Culture

Fostering an ethical and learning culture is a cornerstone of this sukuk's framework, ensuring that knowledge, integrity and professional excellence are embedded in the issuer's operations. This principle emphasises that the development of human capital and the cultivation of ethical conduct are not merely organisational goals but religious and moral imperatives within the broader *Maqasid al-Shariah*.

The sukuk proceeds are directed towards initiatives that enhance education, training and leadership growth within the organisation and the wider community. This includes education sponsorships for underprivileged students in nursing and health sciences, thereby promoting equitable access to knowledge and professional development. In line with the issuer's employment development policy, continuous learning and skill enhancement are emphasised through structured training programmes, covering a wide range of subjects from professional development to corporate culture and compliance. In addition, selected sponsored underprivileged students may be offered employment within the issuer's Group,

[67] Surah al-A'raf 7: 56.

contributing to sustainable career opportunities in healthcare workforce. These initiatives collectively enhance human capital and development within the healthcare sector, improving the skills, knowledge and abilities of individuals, thereby fulfilling the *Maqasid al-Shariah* objective of *hifz al-'aql* (preservation of intellect) in its fullest sense.

This commitment to education and ethical refinement directly reflects the guidance of the Qur'an and Sunnah:

وَإِذَا قِيلَ انشُزُوا فَانشُزُوا يَرْفَعِ اللَّهُ الَّذِينَ آمَنُوا مِنكُمْ وَالَّذِينَ أُوتُوا الْعِلْمَ دَرَجَاتٍ

"*And when ye are told to rise up, rise up: God will raise up, to (suitable) ranks (and degrees), those of you who believe and who have been granted (mystic) Knowledge*." [68]

Abu Hurairah narrated that the Prophet ﷺ said:

مَنْ سَلَكَ طَرِيقًا يَلْتَمِسُ فِيهِ عِلْمًا، سَهَّلَ اللَّهُ لَهُ بِهِ طَرِيقًا إِلَى الْجَنَّةِ

"*Whoever takes a path upon which to obtain knowledge, Allah makes the path to Paradise easy for him*." [69]

These verses highlight that the pursuit of knowledge and the practice of ethical excellence are forms of worship that *hifẓ al-ʿaql* (preserve intellect) and promote societal well-being. Through such utilisation of sukuk proceeds, the sukuk promotes development of skilled and responsible individuals who serve as stewards of both knowledge and ethics.

Aspiration 2: Justice and Benevolence

v. Principle 5 – Promoting Efficiency and Avoiding Wastage

Promoting efficiency and avoiding wastage is a key element of this sukuk issuance, ensuring that the sukuk proceeds are utilised to enhance productivity, optimise resources and support environmental stewardship within the organisation. This reflects prudent resource management, financial discipline and alignment with recognised standards reflecting Shariah perspective in all economic activities.

The sukuk proceeds are allocated to energy efficiency and pollution prevention initiatives, which include LED lighting, chiller optimisation, air-conditioning upgrades, and the use of renewable energy. These projects are intended to improve the hospitals' operational efficiency, reduce energy consumption and lower carbon emissions, contributing directly to environmental conservation and responsible resource use. This is consistent with the issuer's Environmental Safety Services (EES) Policy, aligned with the Malaysian Society for

[68] Surah al-Mujadilah 58: 11.

[69] Al-Tirmidhi, *Sunan al-Tirmidhi,* (1975), 3rd Edition, vol. 5, p. 28, hadith no. 2646.

Quality in Health (MSQH) and Joint Commission International (JCI) standards, as well as the Environment Management Systems ISO 14001:2015.

The sukuk structure incorporates effective risk management practices and financial integrity measures, ensuring that projects financed are well-governed, properly monitored and implemented. This approach helps to minimise potential defaults or inefficiencies, sustain the healthcare operations and safeguard investor confidence.

All eligible projects under this sukuk comply with established green and energy efficiency standards, including the Green Building Index (GBI) and other recognised national and international sustainability frameworks. This alignment demonstrates the issuer's commitment to responsible resource management, operational transparency and adherence to both environmental and Shariah values.

This dedication to efficiency and the avoidance of waste mirrors the Quranic command:

وَكُلُوا وَاشْرَبُوا وَلَا تُسْرِفُوٓا ۚ إِنَّهُۥ لَا يُحِبُّ الْمُسْرِفِينَ

"Eat and drink: but waste not by excess for God loveth not the wasters." [70]

and it was narrated from 'Amr bin Shu'aib, from his father, that his grandfather said the Prophet ﷺ said:

كُلُوا وَاشْرَبُوا وَتَصَدَّقُوا وَالْبَسُوا مَا لَمْ يُخَالِطْهُ إِسْرَافٌ أَوْ مَخِيلَةٌ

"Eat and drink, give charity and wear clothes, as long as that does not involve any extravagance or vanity." [71]

These teachings affirm that efficiency and resource optimisation are important values in Islam. By directing proceeds toward sustainable infrastructure and efficient operations, this sukuk upholds the values of justice and benevolence ensuring that every asset is used responsibly to achieve both economic benefit and environmental sustainability.

Aspiration 2: Justice and Benevolence

vi. Principle 6 – Upholding Best Practices, Codes of Conduct and Ethical Values

Upholding best practices, codes of conduct, and ethical values is a central feature of this sukuk issuance, ensuring that all activities financed are conducted with integrity, transparency, and accountability. This principle underlines the issuer's commitment to

[70] Surah al-A`raf 7:31.
[71] Ibn Majah, *Sunan Ibn Majah,* (1969), vol. 2, p. 1192, ḥadith no. 3605.

exemplary governance, ethical behaviour, and responsible disclosure elements that are fundamental to sustain stakeholder trust and fulfil *Maqasid al-Shariah* of preserving justice.

The sukuk framework is supported by a robust integrity and governance framework that sets out the issuer's corporate ethics and accountability measures. This includes the adoption of Issuer Policy on Work Ethics and Code of Conduct, which outlines strict principles against bribery, corruption and conflicts of interest. A whistleblowing policy is also in place to enable confidential reporting of misconduct by employees and stakeholders, reinforcing a culture of integrity and compliance across the organisation.

Transparency is achieved through annual sustainability and sukuk reporting, where information on the use of proceeds, project progress, and environmental and social impacts is disclosed clearly and accurately to investors and regulators. These reports are prepared in accordance with recognised standards, such as the ASEAN Green, Social and Sustainability Bond Standards, ensuring consistency and accountability in the disclosures.

To further enhance governance credibility, the issuer appoints an independent external reviewer to verify the alignment of the sukuk framework and funded projects with relevant sustainability standards. This includes obtaining a second-party opinion, and where relevant, periodic external assurance to confirm that sukuk proceeds have been allocated to eligible projects.

This approach reflects the divine command for honesty and accountability:

إِنَّ اللَّـهَ يَأْمُرُكُمْ أَن تُؤَدُّوا الْأَمَانَاتِ إِلَىٰ أَهْلِهَا وَإِذَا حَكَمْتُم بَيْنَ النَّاسِ أَن تَحْكُمُوا بِالْعَدْلِ

"Allah doth command you to render back your trusts to those to whom they are due; and when ye judge between man and man that ye judge with justice." [72]

And Abu Sa'eed narrated that the Prophet (ﷺ) said:

التَّاجِرُ الصَّدُوقُ الأَمِينُ مَعَ النَّبِيِّينَ وَالصِّدِّيقِينَ وَالشُّهَدَاءِ

"The truthful and trustworthy merchant will be with the Prophets, the truthful, and the martyrs." [73]

These principles affirm that integrity and transparency are fundamental in Islamic financial practices. By embedding strong governance controls, transparent reporting and independent oversight, the sukuk demonstrates example of justice and benevolence, ensuring that every transaction upholds the trust of sukukholders and society.

[72] Surah al-Nisa' 4: 58.
[73] Al-Tirmidhi, *Sunan al-Tirmidhi,* (1975), vol. 5, p. 28, hadith no. 2646.

Aspiration 3: Clarity and Transparency

vii. Principle 7 – Adhering to the Validity and Objective of Contracts

The sukuk issuance is structured using the Shariah principles of *murabahah* (via *tawarruq* arrangement), which ensures its alignment with the validity and objective of such contract. This adherence to Shariah requirements upholds transparency for all parties involved, leading to the fulfilment of the contract's intended goals.

The structuring of the sukuk using *murabahah* (via *tawarruq* arrangement) ensure that each contract is valid under Shariah. *Murabahah* is applied in this sukuk as a method for generating returns for investors through the sale of an asset at a marked-up price, with payment made at a future date. The application of *murabahah* ensures that both the cost and profit margin are transparent, making it easy for all parties to understand the financial terms of the transaction. Through the *tawarruq* mechanism, liquidity is achieved by purchasing commodities and subsequently selling them to third parties. The validity of this contract is maintained as it fulfils the essential pillars of *murabahah* namely the existence of the subject matter, price disclosure, offer and acceptance, and mutual consent while avoiding prohibited elements such as usury and excessive uncertainty. This arrangement enables the issuer to raise liquidity and meet its financial obligations in a Shariah-compliant manner.

By ensuring full compliance with the Shariah requirements for this principle, the structure provides clarity and transparency to all parties involved, including investors, issuer and other relevant parties. This transparency is critical in maintaining trust and preventing misunderstandings between the contracting parties. All contractual terms, including the roles and responsibilities of the parties (issuer as an agent and investors as principals), are explicitly defined. This clarity is a fundamental aspect of the sukuk's structure, promoting fairness and trust among the contracting parties. Supporting contracts like *ibra'* and *ta`widh* further reinforce the clear objectives and terms of the contracts.

The issuance strictly adheres to the SAC resolution on underlying assets. This requires that all assets used in the contracts specifically in the *`uqud mu`awadhat* (exchange contracts) must comply with Shariah principles. This commitment ensures the ethical and lawful nature of the entire transaction.

In structuring this sukuk, the Shariah adviser has assessed and communicated to the issuer the benefits and considerations of applying the *murabahah* (via *tawarruq* arrangement) structure, including its suitability in balancing the commercial financing objectives of the issuer with the requirements of Shariah. The Shariah adviser has advised on the proper application of the essence of contract and the objective of contract, ensuring that the intent and execution of each contract are coherent and Shariah-compliant. The rights and obligations of the sukukholders are clearly set out in the transaction documents, ensuring the alignment with the objective of contract of this issuance.

This emphasis on justice and clarity in dealings is a fundamental tenet of Islamic jurisprudence, supported by the Qur'an:

يَا أَيُّهَا الَّذِينَ آمَنُوا كُونُوا قَوَّامِينَ لِلَّهِ شُهَدَاءَ بِالْقِسْطِ ۖ وَلَا يَجْرِمَنَّكُمْ شَنَآنُ قَوْمٍ عَلَىٰ أَلَّا تَعْدِلُوا ۚ اعْدِلُوا هُوَ أَقْرَبُ لِلتَّقْوَىٰ ۖ وَاتَّقُوا اللَّهَ ۚ إِنَّ اللَّهَ خَبِيرٌ بِمَا تَعْمَلُونَ

"O ye who believe! stand out firmly for God as witnesses to fair dealing and let not the hatred of others to you make you swerve to wrong and depart from justice. Be just: that is next to Piety: and fear God for God is well-acquainted with all that ye do."[74]

This verse serves as a powerful reminder of the Islamic imperative to uphold justice, fairness, and transparency in all aspects of life, including financial transactions. The sukuk's structure embodies this principle by ensuring that its contracts are not only legally sound but also ethically and morally upright.

The Prophet ﷺ reinforced these Quranic principles through his guidance on transactions:

الْمُسْلِمُونَ عَلَى شُرُوطِهِمْ، إِلَّا شَرْطًا حَرَّمَ حَلَالًا أَوْ أَحَلَّ حَرَامًا

"*Muslims are bound by their conditions, except for a condition that makes the unlawful lawful or the lawful unlawful*."[75]

This hadith highlights the sanctity of contractual conditions. In sukuk, this ensures that the terms agreed in *murabahah* (via *tawarruq* arrangement) must be honoured faithfully. At the same time, any condition that contravenes Shariah, such as legitimising usury or permitting unlawful assets, is void even if mutually agreed.

Aspiration 3: Clarity and Transparency

viii. Principle 8 – Enhancing Disclosure and Documentation

Sukuk issuance prioritises complete and accurate disclosure, a fundamental aspect of transparent and ethical financial dealings. All necessary information regarding the structure, risks, terms, and conditions, as well as the rights and obligations of all parties, is fully detailed in the formal documents submitted to the SC.

The issuance fully complies with the SC's *Guidelines on Islamic Capital Market Products and Services* and the *Guidelines on Unlisted Capital Market Products* under the Lodge and Launch Framework, which mandates the provision of crucial information, such as details about the issuer, early redemption options and the precise utilisation of proceeds.

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74 Surah al-Ma'idah 5: 8c.

75 Al-Tirmidhi, *Sunan al-Tirmidhi,* (1975), vol. 3, p. 626, hadith no. 1352.

Additionally, the issuance adheres to the relevant requirements of the Accounting and Auditing Organization for Islamic Financial Institutions' (AAOIFI) *Shariah Standard on Tawarruq*, ensuring that the underlying *tawarruq* transactions are undertaken in accordance with recognised Shariah parameters and market practices, thereby preserving the integrity and Shariah compliance of the structure.

Sukuk documentation is maintained by the issuer, trustee and other relevant parties in accordance with applicable contractual and regulatory requirements. The trustee maintains the relevant trust documentation and monitors compliance with the obligations and covenants under the sukuk programme, ensuring that material records remain accessible to authorised parties throughout the tenure of the sukuk.

Material risks associated with the sukuk are identified during the structuring process and disclosed in the offering and transaction documents, enabling investors to make informed investment decisions.

The comprehensive disclosure ensures that potential investors have access to all relevant information. This empowers them to conduct their own assessments and make well-informed investment decisions, free from any pressure, manipulation or concealment of important details. This approach prevents unfair practices and builds trust among all stakeholders.

To ensure accuracy and completeness, the disclosure is subject to a comprehensive review process involving the issuer, legal counsel, lead arranger/principal adviser and the appointed Shariah adviser. Such disclosures are assessed for consistency with the approved Shariah structure, underlying transaction documents, Shariah pronouncement and applicable regulatory requirements.

The importance of truth and transparency in all dealings is a core principle in Islam, as evidenced by both the Qur'an and Hadith:

يَا أَيُّهَا الَّذِينَ آمَنُوا كُونُوا قَوَّامِينَ لِلَّهِ شُهَدَاءَ بِالْقِسْطِ ۖ وَلَا يَجْرِمَنَّكُمْ شَنَآنُ قَوْمٍ عَلَىٰ أَلَّا تَعْدِلُوا ۚ اعْدِلُوا هُوَ
أَقْرَبُ لِلتَّقْوَىٰ ۖ وَاتَّقُوا اللَّهَ ۚ إِنَّ اللَّهَ خَبِيرٌ بِمَا تَعْمَلُونَ

"O ye who believe! stand out firmly for God as witnesses to fair dealing and let not the hatred of others to you make you swerve to wrong and depart from justice. Be just: that is next to Piety: and fear God for God is well-acquainted with all that ye do."[76]

This verse underscores the ethical obligation to uphold justice and fairness, even in the face of adversity, a principle that is directly applied in the practice of full and truthful disclosure.

[76] Surah al-Ma'idah 5:8.

Furthermore, the Prophet Muhammad ﷺ warned against dishonesty, emphasising the severity of giving false testimony:

عَنْ أَبِي بَكْرَةَ قَالَ قَالَ النَّبِيُّ صَلَّى اللَّهُ عَلَيْهِ وَسَلَّمَ أَلَا أُنَبِّئُكُمْ بِأَكْبَرِ الْكَبَائِرِ ثَلَاثًا قَالُوا بَلَى يَا رَسُولَ اللَّهِ قَالَ الْإِشْرَاكُ بِاللَّهِ وَعُقُوقُ الْوَالِدَيْنِ وَجَلَسَ وَكَانَ مُتَّكِئًا فَقَالَ أَلَا وَقَوْلُ الزُّورِ قَالَ فَمَا زَالَ يُكَرِّرُهَا حَتَّى قُلْنَا لَيْتَهُ سَكَتَ

"*Abu Bakrah reported: The Prophet, peace and blessings be upon him, said three times, "Shall I not tell you about the worst of major sins?" They said, "Of course, O Messenger of Allah." The Prophet said, "They are to associate partners with Allah and to be disrespectful to parents." Then, the Prophet sat up after reclining, saying, "And surely to speak falsely." The Prophet continued repeating it until we said to ourselves, "Would that he stop!."*[77]

This hadith highlights the grave consequences of misrepresentation, reinforcing the Islamic imperative for complete honesty and transparency in all contractual and financial matters. The sukuk's full disclosure practice is therefore a direct application of this profound ethical teaching.

Aspiration 4: Flexibility and Innovation

ix. Principle 9 – Fostering Innovation via Flexibility and Dynamism

The sukuk issued by AAMIN Healthcare Berhad reflects strong alignment with Principle 9: Fostering Innovation via Flexibility and Dynamism under Aspiration 4: Innovation and Flexibility, by demonstrating how classical Shariah contracts can be innovatively structured to serve the modern healthcare sector.

The sukuk provides financing for issuer's healthcare operations, including working capital and refinancing of existing conventional borrowing or Islamic financing. By using a *tawarruq* arrangement, a multi-leg trading mechanism designed to generate liquidity in a Shariah-compliant manner, the sukuk highlights innovation in structuring and ensuring flexibility while preserving Shariah integrity.

This flexibility is further reflected in the sukuk's ability to respond to evolving market needs, investor preferences and financing priorities. As the first retail sukuk in the healthcare sector, the issuance broadens the application of sukuk beyond traditional sectors while providing retail investors with direct access to an investment linked to the delivery of essential healthcare services.

The incorporation of a sustainability feature further enhances the sukuks relevance in a market increasingly driven by impact-oriented investing. Beyond traditional return

[77] Muslim, *Sahih Muslim,* (1916), vol. 1, p. 64, hadith no. 87.

considerations, a growing segment of investors, particularly younger and purpose-driven investors, seek investment opportunities that generate measurable social and environmental benefits alongside financial returns.

This structure operationalises the Quranic encouragement of reflection and innovation in permissible economic activities:

وَسَخَّرَ لَكُم مَّا فِي السَّمَاوَاتِ وَمَا فِي الْأَرْضِ جَمِيعًا مِّنْهُ ۚ إِنَّ فِي ذَٰلِكَ لَآيَاتٍ لِّقَوْمٍ يَتَفَكَّرُونَ

"And He has subjected to you, as from Him, all that is in the heavens and on earth: behold, in that are signs indeed for those who reflect." [78]

Likewise, the Prophet ﷺ's practice of adapting contracts to suit the context within the bounds of Shariah, illustrates Islam's encouragement for flexibility and creativity to achieve *maslahah* (public benefit). The sukuk's design, capable of addressing diverse financing needs within a Shariah-compliant and sustainability-linked framework, demonstrates innovative dynamism consistent with the issuer's corporate vision of delivering exceptional healthcare through technology and collaboration.

From the perspective of *maqasid khas* of Aspiration 4, the sukuk fosters innovation and flexibility by channelling capital towards healthcare development, an area aligned with *hifz al-nafs* (preservation of life) and *hifz al-mal* (protection of wealth). Its integration within sustainability-linked healthcare financing exemplifies how the Islamic capital market can support socially impactful innovation while adhering to Shariah principles, thereby advancing both ethical and developmental objectives outlined in the Maqasid Guidance.

Aspiration 4: Flexibility and Innovation

x. Principle 10 – Honouring Freedom of Transaction and Dealings

The sukuk also aligns with Principle 10: Honouring Freedom of Transactions and Dealings under Aspiration 4: Innovation and Flexibility, as it embodies *hurriyyah al-ta'aqqud* (freedom of transaction) and flexibility in design while ensuring all dealings remain within the parameters of Shariah. The *tawarruq*-based structure allows parties to transact freely through mutually agreed terms governing the purchase and sale of Shariah-compliant commodities, the determination of profit margins, and payment schedules.

The terms and conditions of the sukuk are formulated through negotiations among the issuer and relevant transaction parties, taking into account the issuer's funding objectives, investor expectations, prevailing market conditions and applicable regulatory requirements. Key commercial terms, including the tenure, profit rate, redemption provisions, events of default and utilisation of proceeds, are established based on mutual agreement among the parties and are subsequently documented in the transaction documents.

[78] Surah al-Jathiyah 45:13.

The rights and interests of all parties are safeguarded through clearly defined contractual rights and obligations set out in the transaction documents, including the trust deed and principal terms and conditions. The appointment of a trustee further provides an independent mechanism to safeguard the interests of sukukholders and to monitor compliance with the obligations of the issuer throughout the tenure of the sukuk programme.

In addition, all material terms, risk factors and key structural features of the sukuk are disclosed to investors in accordance with the applicable regulatory requirements, enabling investors to make informed investment decisions on a voluntary basis. This promotes fairness, transparency and informed consent among all parties participating in the transaction.

This principle is anchored in the Quranic verse:

يَا أَيُّهَا الَّذِينَ آمَنُوا لَا تَأْكُلُوٓاْ أَمْوَالَكُم بَيْنَكُم بِالْبَاطِلِ إِلَّآ أَن تَكُونَ تِجَارَةً عَن تَرَاضٍ مِّنكُمْ

"*O ye who believe! eat not up your property among yourselves in vanities: but let there be amongst you traffic and trade by mutual good-will.*"[79]

Affirming that transactions based on consent and transparency are permissible. The Prophet ﷺ said,

الْمُسْلِمُونَ عَلَى شُرُوطِهِمْ، إِلَّا شَرْطًا حَرَّمَ حَلَالًا أَوْ أَحَلَّ حَرَامًا

"*Muslims are bound by their conditions, except for a condition that makes the unlawful lawful or the lawful unlawful.*" [80]

These sources support contractual freedom within the limits of justice and fairness. By ensuring that all terms in the sukuk are transparent, consensual and devoid of usury or excessive uncertainty, the issuer's sukuk exemplifies lawful autonomy and ethical flexibility.

In fulfilling the Aspiration 4, the sukuk promotes innovative contractual autonomy that empowers the issuer to mobilise capital for healthcare expansion in a Shariah-compliant, socially responsible, and economically efficient manner. This balance of freedom and discipline ensures that innovation in financial structuring continues to serve *maslahah 'ammah* (public benefit), particularly through enhancing access to quality healthcare, thus realising the higher objectives of Shariah in promoting welfare, justice, and human well-being.

[79] Surah al-Nisa' 4:29.
[80] Al-Tirmidhi, *Sunan al-Tirmidhi*, (1975), vol. 3, p. 626, hadith no. 1352.

Aspiration 5: Fiduciary and Accountability

xi. Principle 11 – Upholding Fiduciary Duty with Upmost Good Faith

The Sustainability Sukuk Framework established by the issuer was founded on the principle of upholding fiduciary duty with utmost good faith, ensuring that the sukuk proceeds are utilised and managed responsibly and in alignment with Shariah principles.

Allah SWT stated in the Qur’an on upholding fiduciary duty with outmost good faith:

يَا أَيُّهَا الَّذِينَ آمَنُوا لَا تَخُونُوا اللَّهَ وَالرَّسُولَ وَتَخُونُوا أَمَانَاتِكُمْ وَأَنتُمْ تَعْلَمُونَ

"O ye that believe ! Betray not the trust Of God and the Apostle nor misappropriate knowingly things entrusted to you."[81]

This fiduciary duty integrates both Shariah compliance and the principles of sustainable finance. The framework ensures that all activities not only avoid usury, excessive uncertainty, and investment in prohibited sectors but also proactively channel capital into projects that deliver tangible environmental and social benefits. In this way, Shariah principles emphasis on *adl* (justice), *maslahah* (public interest) and *hifz al-bi’ah* (preserving the environment) are realised through the framework's sustainable objectives.

The roles and responsibilities of the key parties are clearly set out in the transaction documents. The issuer is responsible for complying with the terms of the sukuk and the utilisation of proceeds in accordance with the disclosed purposes, while the trustee acts on behalf of sukukholders in safeguarding their interests and monitoring compliance with the issuer's obligations under the sukuk programme. The Shariah adviser provides oversight on matters relating to Shariah compliance.

Fiduciary duty is upheld through adherence to the transaction documents, applicable regulatory requirements and the Sustainability Sukuk Framework, including commitments relating to the utilisation of proceeds, governance processes and reporting obligations.

Potential conflicts of interest are managed through established governance and approval processes, segregation of responsibilities among the relevant parties and the disclosure of material information in accordance with applicable regulatory requirements.

The proceeds from the sukuk *murabahah* shall be utilised exclusively for the purposes defined as 'Eligible Projects' under the Sustainability Sukuk Framework and its applicable guidelines. The Sustainability Sukuk Framework represents the issuer Group's covenant of trust, assuring sukukholders that their capital is managed with strong governance, guided by Shariah ethics and purposefully utilised towards building a more sustainable and equitable future, thereby fulfilling duty to God, stakeholders and the planet.

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[81] Surah al-Anfal 8:27.

Aspiration 5: Fiduciary and Accountability

xii. Principle 12 – Promoting Accountability in Performance and Activities

The issuance of the Sustainability Sukuk Framework is a core component of the issuer Group's strategy, promoting accountability by linking financing directly to their sustainable development goals. The Sustainability Sukuk Framework ensures that proceeds from the sukuk are managed with a high degree of accountability, with projects selected based on their alignment with the framework's defined environmental and social objectives.

The Sustainability Sukuk Framework establishes clear parameters for the allocation and utilisation of proceeds, ensuring that funds are applied solely for the purposes disclosed to investors and where applicable, eligible projects identified under the Framework.

Continuous monitoring is supported through the issuer's governance and reporting processes, which provide oversight of proceeds allocation and compliance with the Sustainability Sukuk Framework throughout the tenure of the sukuk.

The transaction documents and Sustainability Sukuk Framework further safeguard the proper utilisation of proceeds through clearly defined use-of-proceeds requirements, issuer undertakings and reporting commitments, thereby promoting transparency and accountability to sukukholders.

Any material revision to the sukuk structure post-issuance would be subject to the necessary review and approvals, including Shariah assessment where applicable, to ensure continued compliance with the approved Shariah structure and relevant regulatory requirements.

The Quranic evidence that promotes accountability in performance and activities:

فَمَن يَعْمَلْ مِثْقَالَ ذَرَّةٍ خَيْرًا يَرَهُۥ

"Then shall anyone who has done an atom's weight of good, see it!"[82]

وَمَن يَعْمَلْ مِثْقَالَ ذَرَّةٍ شَرًّا يَرَهُ

"And anyone who has done an atom's weight of evil, shall see it."[83]

In essence, the Sustainability Sukuk Framework is more than a set of guidelines; it is a strategic commitment to stakeholders. It directs the issuer Group's financing activities to support its sustainability agenda, ensuring that every ringgit raised delivers not only

[82] Surah al-Zalzalah 99:7.

[83] Surah al-Zalzalah 99:8.

financial returns but also measurable positive impact and benefit for the planet and society, thereby reinforcing long-term business value and fulfilling fiduciary duty to all stakeholders.

Aspiration 6: Accessibility and Inclusivity

xiii. Principle 13 – Broadening the Circulation of Wealth and Participation

The use of sukuk proceeds for quality healthcare services demonstrates a value-based financing approach designed to promote equitable wealth circulation and inclusive participation in line with the *Maqasid al-Shariah*. By channelling proceeds towards construction and expansion of hospitals, ambulatory and senior care centres, pharmacy networks, and digital healthcare ecosystems, the sukuk stimulates economic activity across multiple sectors.

As the first retail sukuk in the healthcare sector, the issuance broadens participation in the Islamic capital market by providing retail investors with access to an investment opportunity that was traditionally more accessible to institutional and sophisticated investors. This facilitates wider participation in wealth creation and capital market activities across different segments of society.

The sukuk also supports access to quality healthcare for marginalised and remote communities. By supporting employment opportunities, integrating local businesses into sustainable supply networks, and enabling technological innovation such as telemedicine and e-prescription systems, the sukuk ensures that social and economic benefits are not concentrated among a few but distributed widely across society.

The issuance also leverages digital investment and distribution channels, enabling investors from different geographical locations to participate in the sukuk more efficiently. Such technology-enabled access enhances investor reach, improves accessibility and facilitates wider participation in the Islamic capital market.

This approach aligns with the Quranic principle of equitable circulation of wealth, as stated in:

كَيْ لَا يَكُونَ دُولَةً بَيْنَ ٱلْأَغْنِيَآءِ مِنكُمْ

"In order that it may not (merely) make a circuit between the wealth among you."[84]

This verse underscores the obligation to design economic systems that ensure wealth reaches all layers of society.

Furthermore, the Prophet Muhammad ﷺ emphasised social participation and mutual support. Al-Nuʿmān ibn Bashīr narrated that God's Messenger (peace be upon him) said:

[84] Surah al-Hashr 59:7.

مَثَلُ الْمُؤْمِنِينَ فِي تَوَادِّهِمْ، وَتَرَاحُمِهِمْ، وَتَعَاطُفِهِمْ، مَثَلُ الْجَسَدِ، إِذَا اشْتَكَى مِنْهُ عُضْوٌ، تَدَاعَى لَهُ سَائِرُ الْجَسَدِ بِالسَّهَرِ وَالْحُمَّى

"In their mutual love, compassion and sympathy, believers are like a single body: when any of its organs suffers a complaint, the rest of the body will share its sleeplessness and fever."[85]

In embodying these teachings, the sukuk serves not merely as a financial instrument but as a tool for social justice. It promotes collective participation in advancing national healthcare, supports human well-being, and ensures that economic growth translates into holistic community benefit.

Aspiration 6: Accessibility and Inclusivity

xiv. Principle 14 – Maximising Wealth Distribution with Focus on Social Finance

The use of sukuk proceeds to support healthcare services for underprivileged (B40) and disabled communities represents a socially responsible approach grounded in the principles of justice and *ihsan* (benevolence). By funding affordable healthcare facilities, healthcare awareness programmes, education sponsorships, and employment pathways, the sukuk promotes broader access to essential services and supports inclusive participation across society. This approach integrates economic empowerment with social upliftment, particularly benefiting low-income and vulnerable groups.

Through its focus on social finance, the sukuk maximises wealth distribution by transforming financial capital into social capital, enhancing human capability, social return, promoting public-private partnerships and ensuring sustainable access to essential health and employment opportunities. By providing scholarships in nursing and health sciences and securing employment opportunities within the issuer's Group, it creates a self-sustaining ecosystem of empowerment, where beneficiaries evolve from recipients to active contributors in the national economy.

In addition, a portion of the profit generated from the sukuk will be channelled towards *waqf* initiatives, with the specific beneficiaries to be identified at a later stage in consultation with the relevant Majlis Agama Islam Negeri (MAIN). This arrangement ensures that the social benefits generated by the sukuk extend beyond its immediate healthcare and educational objectives, while allowing flexibility to direct *waqf* contributions towards areas of greatest societal need in accordance with Shariah principles and local priorities.

Furthermore, investments in digital healthcare solutions, including telemedicine and related healthcare technologies, enhance accessibility to healthcare services across different

[85] Muslim al-Naisaburi, *al-Jami ` al-Sahih Ṣaḥih Muslim*, (1916), vol. 8, p. 20, hadith no. 2586.

geographical locations, thereby extending the social impact of the sukuk to a wider segment of society.

This initiative embodies the Quranic directive on equitable wealth distribution, as reflected in:

وَالَّذِينَ فِي أَمْوَالِهِمْ حَقٌّ مَعْلُومٌ لِلسَّائِلِ وَالْمَحْرُومِ

"...And those within whose wealth is a known right, for the petitioner and the deprived."[86]

This verse calls for social responsibility in wealth allocation to ensure that the vulnerable share in economic prosperity. Furthermore, Abdullah b. Umar reported that as Allah's Messenger (ﷺ) was sitting on the pulpit and talking about Islamic charity and abstention from begging, he said:

الْيَدُ الْعُلْيَا خَيْرٌ مِنَ الْيَدِ السُّفْلَى، وَالْيَدُ الْعُلْيَا الْمُنْفِقَةُ، وَالْيَدُ السُّفْلَى السَّائِلَةُ

"The upper hand is better than the lower one, the upper being the one which bestows and the lower one which begs."[87]

This hadith highlights the virtue of enabling others to stand on their own, precisely the spirit of this sukuk, which empowers rather than merely assists.

In essence, the sukuk integrates faith-based ethics with social impact, serving as a practical instrument for maximising wealth distribution and advancing a compassionate, inclusive and resilient society through Islamic social finance.

Aspiration 6: Accessibility and Inclusivity

xv. Principle 15 – Nurturing Businesses with Supportive Ecosystem

The sukuk enables participation among local contractors, micro, small and medium enterprises (MSMEs), and service providers who contribute to the healthcare value chain. Thus, promoting shared prosperity and strengthening national healthcare resilience. The use of sukuk proceeds for supply chain development reflects the issuer Group's commitment to build a supportive and inclusive business ecosystem that nurtures MSMEs as vital contributors to sustainable economic growth.

Through vendor financing schemes and structured partnerships, these initiatives strengthen local supply chains, enabling smaller enterprises to participate within a Shariah-compliant and socially responsible framework.

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[86] Surah al-Ma'arij 70:24-25.

[87] Muslim al-Naisaburi, *al-Jami` al-Sahih Ṣaḥih Muslim*, (1916), vol. 3, p. 94, hadith no. 1033.

The utilisation of sukuk proceeds serves to improve MSMEs' access to financing, market participation, and operational readiness to meet healthcare sector demands. This supports job creation, enhances participation of underserved groups such as women and marginalised communities and contributes to reducing economic inequality through meaningful participation in value creation and service delivery.

This initiative reflects principles of fairness, transparency and partnership in line with Islamic economic ethics. It embodies the Quranic injunction:

وَتَعَاوَنُوا عَلَى الْبِرِّ وَالتَّقْوَىٰ ۖ وَلَا تَعَاوَنُوا عَلَى الْإِثْمِ وَالْعُدْوَانِ ۚ وَاتَّقُوا اللَّهَ ۖ إِنَّ اللَّهَ شَدِيدُ الْعِقَابِ

"Help ye one another in righteousness and piety but help ye not one another in sin and rancor: fear God: for God is strict in punishment."[88]

This verse reflects the moral foundation of collaboration and shared responsibility in building an equitable and resilient business ecosystem.

Furthermore, the Prophet Muhammad ﷺ emphasised the virtue of supporting productive enterprise, saying:

التَّاجِرُ الصَّدُوقُ الْأَمِينُ مَعَ النَّبِيِّينَ وَالصِّدِّيقِينَ وَالشُّهَدَاءِ

"The truthful and trustworthy merchant will be with the Prophets, the truthful, and the martyrs."[89]

This hadith underscores the noble status of ethical commerce and the importance of enabling fair and responsible participation in business activities.

In this context, the sukuk supports fair participation in economic activity by providing opportunities for MSMEs and women entrepreneurs within a structured framework. This approach also promotes wealth creation, aligned with the Islamic vision of shared prosperity through mutual cooperation and trust.

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[88] Surah al-Ma'idah 5:2.
[89] Al-Tirmidhi, *Sunan al-Tirmidhi*, (1975), vol. 5, p. 28, hadith no. 2646.

ABBREVIATIONS

ESG	Environmental, Social and Governance
ICM	Islamic Capital Market
MSME	Micro, Small and Medium-Sized Enterprises
SAC	Shariah Advisory Council
SC	Securities Commission Malaysia
SRI	Sustainable and Responsible Investment

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APPENDIX

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