

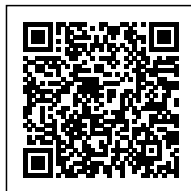
# EGYPT'S FIRST-EVER SOVEREIGN SUKUK ATTRACTS GLOBAL INVESTORS

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**Categories:** [Banking & Finance](#), [Banking & Finance](#), [Egypt](#)

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Egypt has made history by issuing its first-ever sovereign Islamic sukuk, and it has proven to be a resounding success. The issuance was oversubscribed by more than 4 times, with subscriptions amounting to USD6.1 billion for a USD1.5 billion issuance. This is a clear indication of the confidence that investors have in Egypt's economic potential and its ability to meet its financial obligations.

The transaction is a huge landmark in the MENA region as the first sukuk programme for the Egyptian Government following the issuance of the Sovereign Sukuk Law in 2021 and sets a milestone for the first issuance under the programme which is listed as sharia-compliant bonds through the London Stock Exchange.

The sukuk was established as part of an international program for issuing sovereign sukuk, valued at USD5 billion, that the Egyptian Ministry of Finance plans to roll out over the next several years. The program was registered on the London Stock Exchange on February 14, 2023, and received a rating of (P) B3 from Moody's.

The 11 percent return on the sukuk is the highest ever offered by Egypt in international markets over the last 10 years. This demonstrates the strong demand for Islamic financial instruments and the willingness of investors to seek out alternative investment opportunities that can generate high returns.

The success of the sukuk issuance is a testament to the efforts that Egypt has made to promote its economy and to attract foreign investment. It has attracted a diverse base of investors from the international community, including asset managers, pension funds, insurance and investment funds, and banks.

The proceeds from the sukuk issuance will be directed towards investment and development projects that are included in the state's general budget. This will support the Egyptian government's efforts to boost economic growth and create new job opportunities, as well as improve infrastructure, healthcare, and education.

Moody's rating of (P) B3 for Egypt's proposed USD5 billion sukuk program is reflective of the country's declining ability to absorb external shocks. However, the success of the sukuk issuance suggests that Egypt has made significant progress in overcoming some of the challenges that it has faced in recent years.

## The advisors

[Zaki Hashem & Partners](#), Attorneys at Law, acted as Egyptian legal counsel, in partnership with Linklaters, acted as legal advisers to the Arrangers and Dealers as to English and U.S. Law. The team was led by Of Counsel **Ragia Omran** and senior associates **Peter Maurice** and **Khalid Al-Melegi**.

[Clifford Chance](#) acted as legal advisers to the Egyptian Ministry of Finance as to English and U.S. federal securities Law. The team was led by partner and global head of Islamic finance, **Qudeer Latif** together with US Securities partner **Johannes Juette**. The wider team involved counsel **Ahmed Choudhry** and senior associate **Pearl Mahaga** in Dubai and **Stephanie Liman**, **Rachel Sumption** and **Joel Sherard** on US securities matters.

[ADSERO](#)-Ragy Soliman & Partners acted as legal advisers to the Ministry of Finance as to Egyptian Law.

Lead managers and book runners: Abu Dhabi Islamic Bank, Citigroup Global Markets, Crédit Agricole Corporate and Investment Bank, Emirates NBD Bank, First Abu Dhabi Bank and HSBC Bank, and HSBC Corporate Trustee Company (UK) as Delegate.