



# Prospectus



## The Offer of Ijarah Sukuk

### Safe Water Supply for the Whole Country

*(A project for developing infrastructure to supply safe water to the whole country)*

**BDT 8000,00,00,000**

In pursuant to a Memorandum of Understanding (MoU) signed between Finance Division, Ministry of Finance and Bangladesh Bank for issuing Ijarah Sukuk to raise fund for developing the infrastructure of a project named **Safe Water Supply to the Whole Country** as per Bangladesh Government Investment Sukuk Guideline, 2020 (guideline no 07.00.000.137.35.001.20.2, dated 08 October 2020) manifested by the Finance Division, Ministry of Finance; and

In accordance with the assignment letter and undertaking to repurchase the assigned asset for transferring the ownership of usufruct and the lease agreement signed between the Finance Division, Ministry of Finance, and Bangladesh Bank;

On request of the Finance Division, Ministry of Finance, the Special Purpose Vehicle (SPV) formed by Bangladesh Bank will issue Ijarah Sukuk in the market to promote the development of the financial sector.

#### **About The Project:**

In Bangladesh, there is a great concern over the high morbidity and mortality related to water-borne diseases. Bangladesh (GoB) has installed more than 1.4 million hand pump tube wells in rural areas. The introduction of drinking water through tube wells, some higher sanitation coverage and improved primary healthcare have contributed to a significant drop in mortality from diarrheal diseases. At present, Bangladesh achieved 88% safe water supply coverage. However, the situation is yet to be improved. The Government has taken initiatives of a five years tenor project named “**Safe Water Supply for the Whole Country**”, which will be implemented by the Department of Public Health Engineering (DPHE). The project commenced on 01 January, 2020 and will be completed on 30 June, 2025. The overall cost for

completion of this project is estimated as BDT 8,851 (eighty thousand eight hundred fifty one) crore. This project will improve public health and enhance the standard of living of the people of Bangladesh.

### **Purpose of the prospectus**

This prospectus comprised of terms required for the issue of the Sukuk certificates described herein pursuant to the BDT 8,000 (eight thousand) crore Sukuk certificate issuance programme under Bangladesh Government Investment Sukuk Guidelines, 2020.

### **Originator:**

The Finance Division, Ministry of Finance on behalf of the Government of the People's Republic of Bangladesh.

### **SPV and Issuing Authority:**

A separate section named "Islamic Securities Section" has been formed in the Debt Management Department (DMD) of Bangladesh Bank as following composition:

- |   |                 |
|---|-----------------|
| 1. Deputy General manager, Debt Management Department, Bangladesh Bank- | Head of Section |
| 2. Joint Director, Debt Management Department, Bangladesh Bank-         | Member          |
| 3. Deputy Director, Debt Management Department, Bangladesh Bank-        | Member          |
| 4. Assistant Director, Debt Management Department, Bangladesh Bank-     | Member          |
| 5. Assistant Director, Debt Management Department, Bangladesh Bank-     | Member          |

This section will work as SPV for the issuance and management of this Sukuk. SPV will work separately and independently as a front office and back office to issue Ijarah Sukuk certificate for raising funds from the investors and managing the fund thereof.

### **Trustee:**

A trust committee comprised of 6(six) members headed by Deputy Governor, Bangladesh Bank is formed for ensuring the rights and benefits of Sukuk certificate holders and mitigating any kinds of dispute arise during the Sukuk period. The ownership of usufruct of the underlying asset will be transferred to the trust committee by the originator in due course. The composition of trust committee is as follows:

- |   |          |
|---|----------|
| 1. Deputy Governor, In charge of Debt Management Department -                 | Chairman |
| 2. Executive Director, In charge of Debt Management Department-               | Member   |
| 3. Executive Director, In charge of Banking Regulation and Policy Department- | Member   |
| 4. Executive Director, In charge of Monetary Policy Department-               | Member   |
| 5. Executive Director, In charge of Law Department-                           | Member   |
| 6. General Manager, In charge of Debt Management Department-                  | Member   |

### **Overview of Shariah Committee:**

The Shariah Advisory Committee formed by Bangladesh Bank has given their valuable decision (fatwa) and suggestion on various issues of this Sukuk complying with Shariah Principles. The composition of the Shariah Advisory Committee is as follows:

- |   |                  |
|---|------------------|
| 1. Executive Director, In charge of Debt Management Department  | Chairman         |
| 2. General manager, In charge of Debt Management Department   | Member           |
| 3. General manager, In charge of Banking Regulation and Policy Department   | Member           |
| 4. Md. Monzorul Haque, Deputy Secretary, Ministry of Finance  | Member           |
| 5. Professor Dr. Mohammad Gias Uddin Talukder, Chairman,<br>Shariah Supervisory Committee, Islami Bank Bangladesh Limited, and<br>Central Shariah Board for Islamic Banks of Bangladesh (CSBIB) | Member           |
| 6. Mufti Shahed Rahmani, Shariah Adviser, Al-Arafah Islami Bank Limited   | Member           |
| 7. Moulana M. Shamaun Ali, Shariah Adviser, First Security Islami Bank Limited  | Member           |
| 8. Abul Quasem Md. Safiullah, Member Secretary<br>Shariah Supervisory Committee, EXIM Bank  | Member           |
| 9. Md. Farid Uddin, Member Secretary,<br>Shariah Supervisory Committee, Shahjalal Islami Bank Limited   | Member           |
| 10. Md. Abdullah Sharif, Secretary General,<br>Central Shariah Board for Islamic Banks of Bangladesh (CSBIB)  | Member           |
| 11. Deputy General Manager, Debt Management Department  | Member Secretary |

**Uses of Proceeds:** Infrastructure development (such as building construction, machinery, equipment and part purchase, arsenic iron removal plant, rain water harvesting unit, hydrological characterization, the establishment of submersible pump, deep tube well, hand pump, multiple hand pump, solar panel, etc.) for implementing the project **“Safe Water Supply to the Whole Country.”**

**Bangladesh Bank**  
Debt Management Department  
Islamic Securities Section  
(Special Purpose Vehicle)

**Issuance of Sukuk Certificate for BDT 8000,00,00,000 due 2025**

**CONTRACTUAL TERMS**

This document constitutes the Final Terms of the Sukuk Certificate described herein and must be read in conjunction with Bangladesh Government Investment Sukuk Guidelines, 2020. Full information on the issuer, the government, and the offer of the Sukuk certificate is available based on a combination of this information:

1	SPV, Issuer, and Lessor	: Debt Management Department, Bangladesh Bank
2	Obligor, Lessee, and Servicing Agent	: Finance Division, Ministry of Finance on behalf of the Government of the People's Republic of Bangladesh
3	Aggregate Face Amount	: BDT 8000,00,00,000 (Eight Thousand Crore)
4	Tenor of Sukuk	: 5 (five) years
5.	Number of Tranche and Issue Amount of Each Tranche	: 2 (two) tranche; BDT 4,000 (four thousand) Crore in each tranche
6.	Auction Process	: Fixed profit (yield) based auction
7.	Specified Currency	: Bangladeshi Taka
8.	Issue Price	: At Par BDT 100
9.	Specified Denomination	: Minimum BDT 10,000 (Ten Thousand) and Maximum integral multiples of BDT 10,000.
10.	Auction Date	: a) 1st Tranche : 28 December, 2020 : b) 2 <sup>nd</sup> Tranche : 28 June, 2021
11.	Maturity Date	: 05 years from the issue date
12.	Rental Rate	: BGIIB rate as declared for the calendar year 2019 dated 12/05/2020 by the Bangladesh Bank + 1% which is 3.69%+1% = 4.69% (Fixed) per annum
13.	Rent Distribution Interval	: Half Yearly
14.	Dissolution Basis (if needed)	: Dissolution at par with accrued profit in case of early redemption with the mutual consent of originator and investors.
15.	Redemption Basis at maturity	: Redemption at agreed price

16.	Call/Put Option	: Not Applicable
17.	Day Count Convention	: Actual/Actual
18.	Eligibility for investment	: Any resident and non-resident individuals and institutions can purchase Sukuk through Banks and Financial institutions.
19.	Tradability	: Tradable
20.	Tax Applicability	: As per the Income Tax Ordinance, 1984
21.	Statutory Liquidity Ratio (SLR) Applicability	: Sukuk held by Banks and Financial Institutions on their own account will qualify as approved security for SLR fulfillment.
22.	Commence and Termination	: Each of Ijarah Sukuk Certificates will commence on the issuance date and terminate on the maturity date.
23.	Governing Guideline	: Bangladesh Government Investment Sukuk Guideline, 2020 issued by the Finance Division, Ministry of Finance
24.	Security	: Backed by the full faith and credit of the government.
25.	Litigation	: No litigation is pending or threatened against the Project for the Sukuk Asset.

#### **Sukuk Structure, Sukuk Asset, and Leased Asset:**

1.	Asset Name	: Project of Safe Water Supply to the whole country
2.	Cost of the Asset	: BDT 8,851 (Eight Thousand Eight Hundred Fifty One) Crore
3.	Duration of Project	: 11 January, 2020 to 30 June, 2025
4.	Implementation Institution of the Project of Underlying Sukuk Asset	: Department of Public Health Engineering (DPHE)
5.	Sukuk Structure	: Ijarah-Based
6.	Sukuk Asset	: Ownership of existing and future asset including usufruct under the project “Safe Water Supply to the Whole Country” of Government
7.	Form of Sukuk Certificate	: Electronic Certificate issuance by Bangladesh Bank
8.	Servicing Agency	: Department of Public Health and Engineering (DPHE)
9.	Leased Asset	: Sukuk Asset

**Other Transaction Document Information:**

(a)	MoU between Originator and SPV	: MoU between Finance Division, Ministry of Finance and Bangladesh Bank.
(b)	Transfer of Ownership (usufruct) Agreement	: Assignment letter and subsequent undertaking to repurchase the assigned asset at agreed price to Bangladesh Bank by Finance Division, Ministry of Finance.
(c)	Lease agreement	: Supplemental lease Agreement between Finance Division, Ministry of Finance, and Bangladesh Bank.

**Responsibility:**

Finance Division, Ministry of Finance and Bangladesh Bank accept responsibility for the information contained in these Terms mentioned in the prospectus. To the best of the knowledge and belief, the Finance Division, Ministry of Finance, and Bangladesh Bank, having taken all reasonable care to ensure that the information contained in this prospectus is in accordance with the facts, guidelines, and all agreements. It does not omit anything likely to affect the interest of the Government, Bangladesh Bank, or Investors.

Signed on behalf of  
**Bangladesh Bank**

Signed on behalf of  
**Government of the People's Republic of Bangladesh**

**Sd/**

**Sd/**

By:  
Duly authorized

By:  
Duly authorized