

Islamic Finance news talks to leading players in the industry



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Could you provide a brief journey of how you arrived where you are today?

My practice in Islamic finance started in 2001 when I worked on the first Sukuk transaction in Singapore. In those early days, we did not have, as we do now, laws or regulations in Singapore designed to facilitate Islamic finance. It was a challenge putting together a Sukuk issue which complies with both Shariah principles and conventional laws and regulations. And when we succeeded, it was exhilarating. After that experience, I developed a keen interest in developing and promoting Islamic finance in Singapore.

What does your role involve?

In our firm, we are fortunate to have Eugene, Teong Sit and Suhaimi who have a deep passion for Islamic finance. My role is to join hands with my colleagues and work as a team.

What is your greatest achievement to date?

It is heartening to see the Sukuk market growing roots in Singapore. Currently, this market centers around two pioneering Sukuk programs that we had structured and documented. Since their establishment, we have seen continuing issues of Sukuk and we are hopeful that more will follow.

These two programs have also won awards from and gained honorable mention in leading legal publications, including the first ever Singapore Deal of the Year award by *Islamic Finance news*.

Which of your products/services deliver the best results?

At this early stage of growth of Islamic finance in Singapore, we are focusing on building up our core practice in Murabahah and Sukuk transactions, while developing emerging areas such as Shariah compliant funds, Tahawwut Master Agreement and Istisna transactions.

What are the strengths of your business?

Our key strength is harnessing the breadth and depth of specialized expertise available in Allen & Gledhill to carve out sectors of leadership. We possess the resources and more importantly, the mindset to navigate uncharted territory.

What are the factors contributing to the success of your company?

The most important factor is our clients. We value their trust above all. This governs what we do and how we act.

The current stage of our Islamic finance practice would not have been possible without the legislative and regulatory changes in Singapore since 2005 that were introduced to facilitate Islamic finance. For instance, before the tax changes, corporations had to bear the onerous tax burden of double or triple stamp duty for Islamic finance transactions involving sale and buyback of real estate. This burden was lifted by changes to the tax regime to equalize tax treatment of certain Islamic financing structures with their conventional financing equivalents. New laws and regulations were also put in place to allow banks to carry on Islamic financing activities.

What are the obstacles faced in running your business today?

Our primary obstacle is the relative small size of Islamic finance which at the same time represents, to us, a reservoir of untapped opportunities.

“I see Islamic finance becoming more accepted and growing in stature”

Where do you see the Islamic finance industry in, say, the next five years or so?

I see Islamic finance becoming more accepted and growing in stature. Our world is getting more inter-connected. Islamic finance is far too important.

Name one thing you would like to see change in the world of Islamic finance.

In time to come, I hope to see Islamic finance structures or products which are not benchmarked to conventional equivalents. This will lead to the next stage of development when Islamic finance creates its own unique structures and products and value proposition. ⁽²⁾

Islamic Finance training

Featured Workshop

Structuring and Documenting Commodity Murabahah Transactions

29th June 2010, Kuala Lumpur

This 1-day only "Structuring & Documenting Commodity Murabahah transactions" will be led by key industry practitioners such as Dato Sri' Zukri Samat, Raja Teh Maimunah, and Megat Hizaini Hassan to name a few. Key topics featured in this conference are key transactions in Commodity Murabahah & Tawarruq; Salient Features of Commodity Murabahah; Legal and Documentary Issues Facing Commodity Murabahah; Commodity Murabahah Concerns, Challenges and Market Appetite; and a Case-Study by Bursa Malaysia

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