CHAPTER 3

On Sukuk Insolvencies: A Case Study of East Cameron Partner

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Abstract An effective and universally acceptable legal, regulatory and insolvency framework for Islamic finance in general and sukuk in particular is currently lacking. Of particular concern is the question of how a secular court may protect the rights of sukuk holders. East Cameron Partner (ECP) sukuk is an interesting case where many of issues in sukuk insolvencies have been highlighted. The current study is concerned with the background of ECP sukuk issuance, its insolvency, its filing for bankruptcy under Chapter 11 of the United States’ Bankruptcy Code and the behaviour of the US bankruptcy court towards the issue of the ownership of the sukuk holders. The case sheds

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