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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