

# Understanding Halal Investments in Tanzania's Capital Market

*Exploring Sharia Compliant Equities and Fixed Income Securities*



# Brief Overview



## Core Principles

*Riba (Interest)*

*Gharar (Uncertainty)*

*Maisir (Gambling)*

*Asset-backed*

### **Riba (Interest)**

“The first principle is Riba, or interest, which is strictly prohibited.

In traditional finance, interest allows one party to earn a guaranteed return regardless of outcome.

In Sharia finance, this is considered unjust – because return must be linked to real economic activity and shared risk.”

### **Gharar (Uncertainty)**

“The second principle is Gharar, which refers to excessive uncertainty or ambiguity in transactions.

This discourages investments where outcomes are unclear, contracts are vague, or risks are not properly understood.”

### **Maisir (Gambling)**

“The third principle is Maisir, which prohibits gambling and speculative behavior.

This means investment decisions should not be driven by short-term bets, luck, or market hype.”

### **Asset-Backed Investing**

“Finally, Halal investing emphasizes asset-backed transactions.

Every investment must be linked to real economic activity – whether it’s a business, infrastructure, or productive asset.”

# Sharia Compliant Asset Class

## Collective Investment Schemes

these are professionally managed funds that pool money from multiple investors and invest in a diversified portfolio of Sharia-compliant assets.”

- Managed by professionals
- Pre-screened for compliance
- Diversified by design

This is the easiest entry point for investors who want exposure without doing the screening themselves

In Our Market, we have:

- Alpha Halal Fund
- ilman Fund

## Equities

Investors own shares in businesses which Must pass Sharia screening:

- Business activity
- Financial ratios

“There are certain industries that are immediately excluded under Sharia principles.”

- Conventional banking (interest-based)
- Alcohol production & distribution
- Gambling / betting

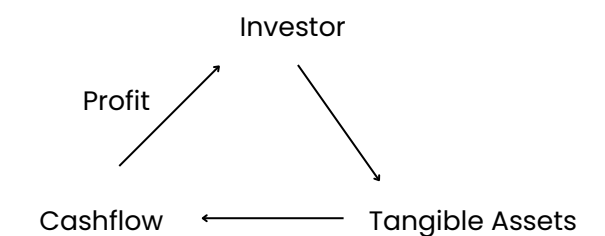
If the business itself is Haram, the investment is Haram

## Fixed Income

fixed income – but in a Sharia context, this is not conventional bonds. Instead, we use Sukuk.”

- Asset-backed instruments
- Investors earn from asset performance
- No interest involved

### Ijarah Structure

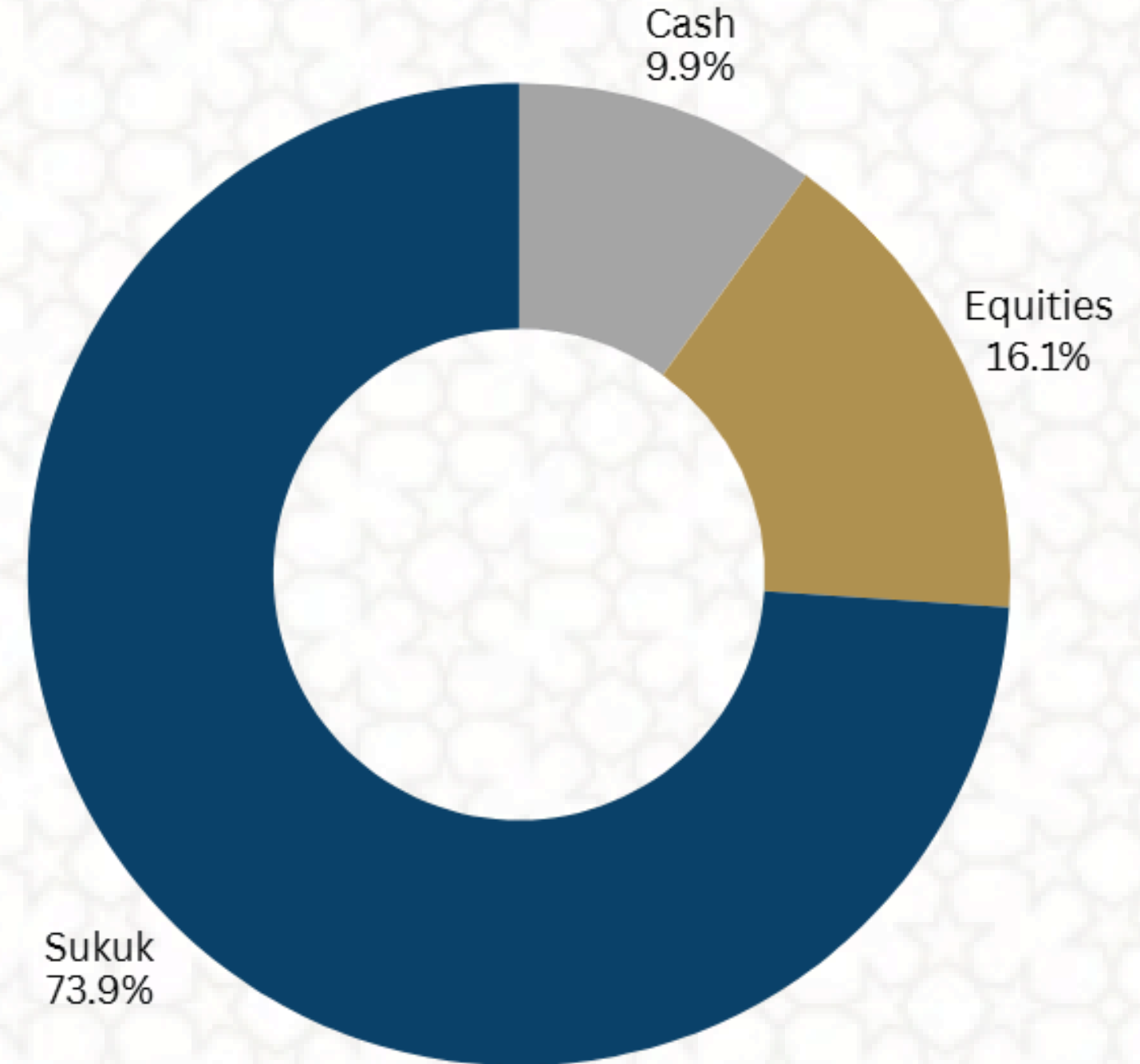


# Collective Investment Schemes



Item	Details
<b>Fund Manager</b>	iTrust Finance Ltd
<b>Fund Launch Date</b>	Dec 3, 2024
<b>Fund Type</b>	Shariah Compliant Fund
<b>Minimum Investment</b>	100,000
<b>Subsequent Investments</b>	10,000
<b>Entry Fee</b>	0%
<b>Exit Fee</b>	1%
<b>Repurchase Period</b>	3 Working Days

Performance Period	Fund	Benchmark
<b>Since Inception (Annualized)</b>	32.19%	8.94%
<b>Year to Date (Annualized)</b>	20.69%	9.43%



# Sharia Compliant Equities

## SCREENING RATIOS

Ratio	TOL GASES	TPCC	VODACOM	SWISSPORT	Threshold
Debt / Market Cap	20.42%	0.01%	89.69%	2.55%	< 33%
Cash + Securities / Market Cap	1.89%	8.76%	56.67%	7.68%	< 33%
Receivables / Market Cap	10.98%	7.20%	7.57%	12.54%	< 49%

## COMPLIANCE STATUS

Status	TOL GASES	TPCC	VODACOM	SWISSPORT
Debt Test	✓ PASS	✓ PASS	✗ FAIL	✓ PASS
Cash Test	✓ PASS	✓ PASS	✗ FAIL	✓ PASS
Receivables Test	✓ PASS	✓ PASS	✓ PASS	✓ PASS
Revenue Test	✓ PASS	✓ PASS	✓ PASS	✓ PASS

## OVERALL RESULT

✓ COMPLIANT

✓ COMPLIANT

✗ NOT COMPLIANT

✓ COMPLIANT

# Fixed Income – Sukuk

## CRDB Al Barakah Sukuk

Item	Details
<b>Issuer</b>	CRDB Bank Plc
<b>Structure</b>	Sukuk (Public Issuance)
<b>Tenor</b>	5 Years
<b>Total Offered</b>	TZS 30 Billion / USD 5 Million
<b>Total Raised</b>	TZS 125.4 Billion / USD 32.3 Million
<b>Subscription Rate</b>	418% (TZS) / 646% (USD)
<b>Profit Rate</b>	~12.0% p.a. (TZS) / 6.0% p.a. (USD)
<b>Payment</b>	Quarterly (in arrears)
<b>Issue Price</b>	At par

## Zanzibar Government Sukuk

Item	Details
<b>Issuer</b>	Government of Zanzibar
<b>Listed On</b>	Dar es Salaam Stock Exchange (DSE)
<b>Listing Date</b>	May 21, 2025
<b>Target Capital</b>	TZS 300 Billion
<b>Total Subscription</b>	TZS 381.38 Billion
<b>Oversubscription</b>	127.27%
<b>Minimum Investment</b>	TZS 1 Million
<b>Profit Rate</b>	10.5% p.a.
<b>Subscription Period</b>	March 6 – April 11, 2025

The Sukuk market in Tanzania was primarily driven by corporate issuances.

However, we are now seeing a shift – with government participation, particularly in financing infrastructure projects.

We start with the CRDB Al Barakah Sukuk, which represents the corporate side of the market.

This issuance was primarily aimed at raising capital for business financing – particularly to support Sharia-compliant lending and expand Islamic banking operations.”

On the other hand, we have the Zanzibar Government Sukuk – which represents the public sector entering the market.

Unlike the corporate issuance, this Sukuk was directly linked to financing infrastructure projects – meaning investors are effectively funding real economic assets.

# Fixed Income – Sukuk IPO



## KCB Sahl Sukuk Programme Overview

Item	Details
<b>Issuer</b>	KCB Sahl Banking
<b>Programme Type</b>	Sukuk Programme (Multi-Tranche)
<b>Total Programme Size</b>	Up to TZS 30 Billion
<b>Structure</b>	Phased Issuance (Tranches over time)

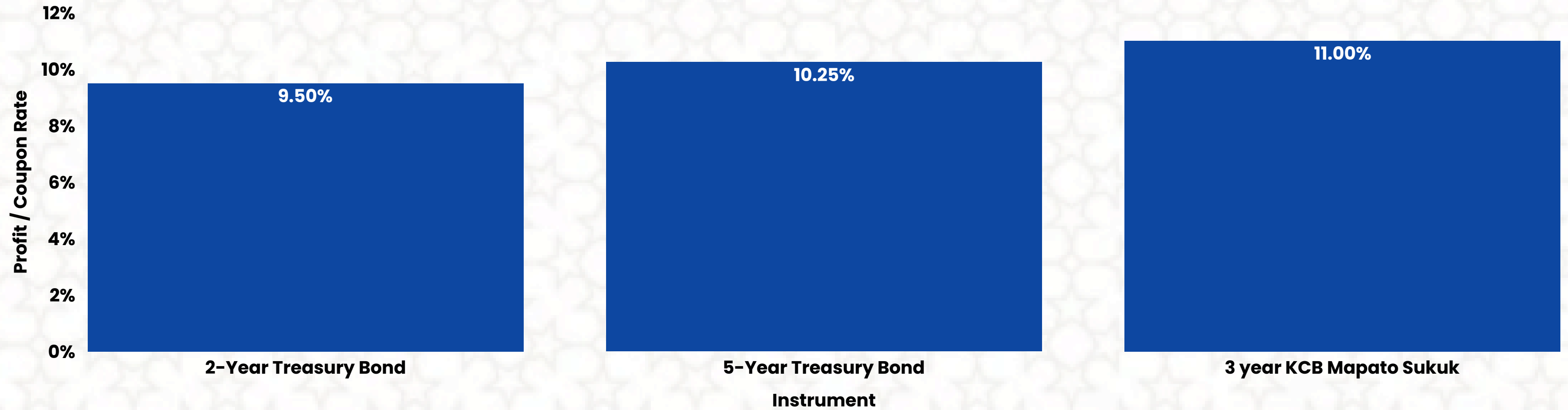
## Indicative Tranche Schedule

Tranche	Amount	Indicative Offer Date
<b>1</b>	TZS 10 Billion	May 2026
<b>2</b>	TZS 10 Billion	May 2027
<b>3</b>	TZS 10 Billion	May 2028

“The structure offers a competitive profit rate with quarterly income distribution, tax efficiency, and relatively low entry thresholds – making it accessible to both institutional and retail investors.”

Profit sharing	11% Of Nominal Value	Status
<b>Minimum Investment</b>	<b>TZS 500,000</b>	Currently On Offer
Item	Details	
<b>Issue Date</b>	28th May 2026	
<b>Maturity Date</b>	28th May 2029	
<b>Profit Payment Dates</b>	August, November, February, and May (annually until maturity)	
<b>Profit Commencement Date</b>	28th May 2026	
<b>Tenor</b>	3 Years	
<b>Tax Obligation</b>	Exempted from withholding tax on coupon payments	
<b>Listing Status</b>	To be listed on Dar es Salaam Stock Exchange (DSE)	

# Fixed Income - Returns Comparison



“What this tells us is that Sharia-compliant instruments are not only competitive – they are increasingly offering attractive returns relative to conventional bonds.”

**THANK  
YOU!**

**Contact Details:**

**+255 750 016 900**

**+255 763 889 000**

**+255 765 152 031**

