



STRUCTURING AND DELIVERING A SWEET DEAL FOR INDONESIA

SINCE its inception, the Islamic Trade Finance Corporation (ITFC) has been a strong advocate and champion of Shariah-compliant trade financing. This particular US\$ 25 million trade financing operation for the Indonesian raw sugar refiner, PT Angels Products, has indeed offered an alternative Shariah-compliant financing solution, as it is designed on structured Murabaha basis with strong risk mitigants in place.

PT Angels Products uses the funds for the purchase of raw sugar to be stored, processed and refined into white sugar for industrial use. The warehouse financing has a maximum tenor of three months on a revolving basis. On the other hand, Peterson Mitra Indonesia, on behalf of Control Union, is responsible for the monitoring and collateral management of the transaction, up to the release of raw sugar. The legal documentation was done in-house at ITFC, and the deal was concluded and signed on October 1, 2009. ITFC has not only innovatively moved the deal structure to a higher level, it designed the first of its kind structured Murabaha trade financing in Indonesia in favour of PT Angels Products.

