

51. Kareem, Muritala Kewuyemi "Islamic Banking And The Question Of Secularism In Nigeria" Ilorin Journal of Religious Studies, (IJOURELS). Vol.6 No.1, 2016: 77-99
52. Olusegun Gbadegesin, "The Philosophical Foundations of Secularism" African Philosophical Inquiry, 1988, Vol. 2 Nos. 1-2: 42
53. Abdur-Rahman Olalekan Olayiwola, "Federalism, Ethnic Politics, State and Religion in Nigeria" Journal of Arts and Contemporary Society, 2012, Volume 4: 10
54. The 1999 Constitution of the Federal Republic of Nigeria with 2011 Amendments
55. International IDEA .2001. Democracy in Nigeria (Stockholm: International Institute for Democracy and Electoral Assistance 2001: 74
56. Kareem, Muritala Kewuyemi "Islamic Banking And ... Vol.6 No.1, 2016: 77-99
57. Ibid
58. Ibid
59. CAN's comments on the Sukuk bond has not gone unnoticed by the president of MURIC, Retrieved from, https://www.pulse.ng/communities/religion/muric-has-an-epic-reply-for-can-over-sukuk-bond_id7435605.html, on the 3/5/2018 And Ameh Comrade Godwin, "Sukuk bond: Nigerian Christians hate Islam–NSCIA" Daily Post News Paper, September 22, 2017: 2
60. SUKUK: Muslim group tackles CAN, Premium Times, Wednesday, October 3, 2018, Retrieved from, <https://www.premiumtimesng.com/news/more-news/243831-sukuk-muslim-group-tacklescan.html>, on the 3/5/2018.

Insurance Corporation (NDIC), held at Transcorp Hilton Hotel, Abuja, November, 24th, 2010: 32

41. S.A. Gusau, "Interest-Free Banking System: Theory and Practice". A Paper Presented in a Seminar on the Prospects and Problems of Interest-Free Banking System in Nigeria, Organized by the SIA Management Consultants, at the Royal Tropicana Hotel, Kano. 1st-3rd August, 2000; 1-3
42. A.U. Bashir "The Impact of Interest Free Banking System on the Nigerian Economy" A Seminar on Non-Interest Banking Organized by the Nigerian Deposit Insurance Corporation (NDIC), held at the Transcorp Hilton Hotel, Abuja on 18 November 24th, 2010: 3-4
43. H. Dar and J. Presley "Lack of profit loss sharing in Islamic Banking: Management And control imbalances" International Journal of Islamic Financial Services, 2003, 2, 2: 3
44. B. Hamwi and A. Aylward "Islamic finance: A growing international market" Thunderbird International Business Review, 1999: 407-420.
45. B. Maniam, J.J. Bexley and J.F. James "Perception on of Islamic financial system: Its obstacles in application, and its market, Academy of Accounting and Financial Studies Journal, 2000: 22-36.
46. L.S. Sanusi, "Guidelines for the Regulation and Supervision of Institutions Offering Islamic Financial Services (IIFS) in Nigeria", in Leadership Newspaper, Wednesday June, 22, 2011: 1-5
47. M.K. Kareem, "The Development of Finance Instituti on in Nigeria and the Islamic Finance since 1964", Journal of Oriental and African Studies, 2010, Vol.19:161-190
48. Sukuk As An Alternative Source Of Funds For Nigerian Government, Retrieved from, <https://www.researchgate.net/publication/299398297>, on the 3/5/2018
49. Shakirah Adunola, "How Islamic finance can stimulate economic recovery", Guardian Newspapers, 29 December 2017:3
50. Tajudeen Yusu "Islamic finance, way out for Nigeria's economy –IIFP", Punch Nigeria News Paper, November 25, 2017:2 and 1. Magit, Habila "The Legality and Viability of Non Interest (Islamic) Banking in Nigeria: Problems and Prospects" A Seminar Presented in the Department Of Business Administration, University Of Jos, May, 2016: 12-18

28. AAI OFI "Statement on Sukuk and its implications", 2008: 1-4, Retrieved from, <http://www.lexology.com/library/detail.aspx?g=2407133b-7b12-4e7f-18b19be7de98>, on the 3/5/2018
29. Jhordy Kashoogie Nazar "Regulatory and Financial Implications of Sukuk's Legal Challenge for Sustainable Sukuk Development in Islamic Capital Market". A paper presented at 8th International Conference on Islamic Economics and Finance, Doha, Qatar, December 2011: 19-21
30. Khalid Howladar "Shari'ah and Sukuk: A Moody's Primer" Retrieved from, www.moodys.com, on the 3/5/2018
31. Muhammad Al-Bashir "Sukuk Market : Innovations and Challenges" Islamic Economic Studies, 2008, Vol. 15, No. 2:21
32. Faleel Jamaldeen "How Sukuk (Islamic Bonds) Differ from Conventional Bond" Retrieved from, <https://www.dummies.com/personal-finance/islamic-finance/how-sukuk-islamic-bonds-differ-from-conventional-bonds/>, on the 3/5/2018
33. Investing In Sukuk: How Does It Work? Retrieved from, <https://www.imoney.my/articles/investing-in-sukuk-how-does-it-work>, on the 3/5/2018
34. An Introduction to Islamic Securities (Sukuk) Pegah Zolfaghari, Retrieved from, http://www.jur.uu.se/digitalAssets/563/c_563862-l3-k_wps2017-2.pdf, on the 3/5/2018
35. M. N. Siddiqi "Some Economic Aspects of Mudarabah" Review of Islamic Economics, 1991, Vol.1, No.2: 21-33
36. Warsame, Mohammed, Hersi, "The Role of Islamic Finance in Tackling Financial Exclusion in the UK" Doctoral Thesis, Durham University, Retrieved from, http://ethesis.dur.ac.uk/23_2009_91-103, on the 3/5/2018
37. Shakirah Adunola, "Nigeria: Why Nigerians Should Embrace Islamic Finance", The Guardian News Paper, Lagos, 24 November 2017:3
38. Naveed Mohammed "Five Important Differences Between Sukuk and Traditional Bonds" Popular News, 26 July 2014:2
39. Yavar Moini, "Comparisons and Differences Between Sukuk and Conventional Products" in Sukuk and Islamic Capital Market, London: Globe Business Publishing Ltd, 2011: 23
40. C.U. Aliyu, "Shariah and Corporate Governance in Non-Interest (Islamic) Banking". A Paper Presented at one-day sensitization Seminar on Non-Interest Banking in Nigeria, Organized by Nigerian Deposit

14. Muhammad Al-Bashir "Sukuk Market : Innovations and Challenges" Islamic Economic Studies, Vol. 15 , No. 2: 3
15. Habib Ahmed, "Maqasid Al-Shari'ah and Islamic Financial Products: A Framework for Assessment" ISRA International journal of Islamic finance, Vol.3, No. 1: 149-160
16. Mohd Nazri Bin Chik, "Sukuk: Shariah Guidelines for Islamic Bonds, Islamic Banking Operations and Regulatory Framework" Workshop Organized by Centre for Banking Studies, Central Bank of Sri Lanka 24-26 January 2012: 3
17. A. Saeed and O. Salah "Development of Sukuk: Pragmatic and Idealist Approaches to Sukuk Structures" Journal of International Banking Law and Regulation, 2014: 40-48
18. T. A. Afshar "Compare and Contrast Sukuk (Islamic Bonds) with Conventional Bonds, Are they Compatible?" The Journal of Global Business Management, Vol. 9, No. 1, 2013: 44
19. Majeed Oladele Oladunjoye "Sukuk as a Tool for Infrastructural Development in Nigeria" Journal of Islamic Banking and Finance, 2014, Vol. 2, No. 1: 335-344
20. Ahmad Yousuf "Here are reasons why sukuk is a great alternative" Khaleej Times, May 27, 2017 2017:2
21. Patrick Drum, "What Makes Sukuk Hala, Amana Participation Fund", 2017, Retrieved from www.saturna.com, on the 3/5/2018
22. Shikder, Mufti Muhammed Nurullah "AAIOFI rulings on Sukuk and its implications", 2009: 1-11, Retrieved from, <http://www.gatehousebank.com>, on the 3/5/2018
23. Shaukat, Mughees, "Common Structure of Sukuk", 2009, Retrieved from, <http://www.iflr.com/article/2444719/the-future-of-sukuk>, on the 3/5/2018
24. Obaidullah, Mohammad "Islamic Risk Management: Towards greater Ethics and Efficiency" International Journal of Islamic Financial services, 1999, Vol. 3, No.4:32
25. Fazlur Rahman "Riba and Interest" Islamic Studies, Islamabad, 1964: 1-43
26. A.T. Afshar "Compare and Contrast Sukuk (Islamic Bonds) with Conventional Bonds, Are they Compatible?" The Journal of Global Business Management, 2013, Vol. 9, No. 1: 44-48
27. M. H. Kamali "Uncertainty and Risk Taking (Gharah) in Islamic Law" IIUM Law Journal, 1999: 199-216:23

4. Dissecting the FGN's N100bn Sukuk (Bond) Offering Retrieved from, <https://www.proshareng.com/news/islamic%20Finance/Dissecting-the-FGN%E2%80%99s-N100bn-Sukuk--BondOffering/> 36406, on the 3/5/2018
5. Sukuk bonds are Sharia loan, Nigeria not an Islamic country-CAN, Retrieved from, <https://punchng.com/sukuk-bonds-are-sharia-loan-nigeria-not-an-islamic-countrycan/>, on the 3/5/2018
6. Do Sukuk bonds lead to Islamisation? Retrieved from, <https://www.thecable.ng/fact-check-issuance-sukuk-ploy-sell-nigeria-islamic-nations>, on the 3/5/2018
7. Ameh Comrade Godwin, "Sukuk bond: Federal Government finally speaks on plans to islamise Nigeria" Daily Post News Paper, September 25, 2017: 1
8. Oladeinde Olawoyin "Nigeria's N100 billion Sukuk bond oversubscribed" Premium Times, September 27, 2017, Retrieved from, <https://www.premiumtimesng.com/business/business-news/244344-nigerias-n100-billion-sukuk-bondoversubscribed.html> , on the 3/5/2018
9. Nigeria's debut N100bn sovereign sukuk, Retrieved from, <https://africanbusinessmagazine.com/sectors/finance/nigerias-debut-n100bn-sovereign-sukuk/>, on the 3/5/2018
10. Kabiru Gwangwazo "SUKUK: Why CAN should shut up" vanguard Paper Nigeria, September 21, 2017, Retrieved from, <https://www.vanguardngr.com/2017/09/suSkuk-can-shut/>, on the 3/5/2018
11. Falana Femi, "SUKUK: 'Christianise' Nigeria too, tells CAN" Premium Times Wednesday, October 3, 2018,
12. Anuoluwapo Adeseun "Sukuk Bond: 'Christianise Nigeria Too' – Falana Mocks CAN" Retrieved from, <http://www.nigerianmonitor.com/femi-falana-mocks-can-sukuk-bond-nigerian-monitor/>, on the 3/5/2018 and Christianise Nigeria with interest-free banks, Falana taunts CAN, Retrieved from, <https://www.thecable.ng/christianise-nigeria-interest-free-banks-falana-tells-can>, on the 3/5/2018
13. What is Sukuk? Retrieved from, <https://thatwhy.isdb.org/irj/go/km/docs/documents/IDBDevelopments/Internet/thatwhy/en/sukuk/what-is-sukuk.html>, on the 3/5/2018

7. The Banks should improve the compatibility of Sukuk with the underlying principles of Sukuk (Islamic Bond) through separation of Sukuk bond from interest based bond, establishing full Sukuk bond department, application of Mudarabah (joint venture business) and Musharaka (partnership) principles and introduction of other forms of investment accounts and financing techniques.
8. The National Assembly should enact special laws that would address the peculiarities of Sukuk system in Nigeria.

Conclusion

The paper found that secular life and religion are pervasively entangled to the extent that official indifference cannot justify politically or constitutionally the indifference. Many official practices such as work-free days (Saturdays and Sundays), holidays (on Christmas, Idul fiṭr), churches and mosques in the state government houses and presidential villa clearly show that there is an engagement with religion. There is also evidence that, Sukuk is one of the ways by which the economic aspect of Islam is practiced; it does not violate section 10 of the Nigerian Constitution because it is not being financed directly or indirectly by the state funds. It concluded that, the conception of secularism in Nigeria is religious tolerance and equal treatment of all religious groups.

Notes and References

1. Ameh Comrade Godwin, "SUKUK bond: Federal government planning to Islamize Nigeria through back door –CAN insists" Daily Post News Paper, September 20, 2017:2-3, 64 and We will not accept Sukuk bond; it is islamic loan - CAN Read more: <https://www.naija.ng/1129272-we-accept-sukuk-bond-islamic-loan-can.html#1129272>, on the 3/5/2018
2. SUKUK Islamic Bond Is A Way To Islamize Nigeria Through Back Door –CAN, Retrieved from, <https://www.nairaland.com/4066649/sukuk-islamic-bond-way-islamize>, on the 3/5/2018 Patience Oniha "The Case for Nigerian Sukuk", Daily Post News Paper, September 18, 2017:1-3
3. Ike Obudulu "N100B Sukuk Islamic Bonds Part Of Buhari's Agenda To Islamise Nigeria – CAN" Nigeria Circle News, September 20th, 2017:2, Ikechi Nzeako "CAN And Sukuk Bond" Independent Newspapers Limited, September 25, 2017:1

2. Establishment of faculties, active research institutes or centers specifically for Sukuk and Islamic finance in Nigerians' educational institutions such as universities, colleges of education and polytechnics should introduce Sukuk in their curriculum for the production and training of professionals will also serve as solution to many challenges faced by the Sukuk and Islamic finance. Faculties will be able to produce qualified graduate to work in industry. Research institutes or centers also will conduct many researches and produce more instruments or find solution(s) to any other problem faced the industry. This will also, go a long way in increasing level of financial literacy as well as filling the manpower gap in Sukuk bond in Nigeria.
3. In order to overcome dearth of knowledge in any of its form as enumerated in the challenges section there should be collaborations with foreign countries who are vanguard or experts in industries, such as Malaysia, Iran, Sudan, Egypt and Bahrain. People should be sent to those countries to acquire skills and training likewise involve in research. Memorandum of Understanding (MOU) can be signed with those countries to include sending their scholars as expatriates to Nigeria and train our local staffs.
4. There is need for the bank to engage in promotional efforts through promotional mix- involving personal selling, sales promotion, public relations and advertisement in print and electronic media, to attract good patronage for the Sukuk products and services.
5. There should be sponsorship of research and development of risk bearing instruments "Sukuk" as well as continues introduction of innovative services and products for mobilizing deposits and utilizing them effectively under profit and loss sharing system.
6. The Central Bank of Nigeria (CBN) should expand the scope of operational guidelines of Sukuk and establish a separate department for handling all issues relating to Interest free financial institution.

dean, rector, etc.). Indirectly, the state has taken Christianity as the state religion. The Government has not only violated section 10 of the constitution but also is partial in this regard⁶¹. Despite this remarkable tolerance from Muslims over the years, CAN appears to be increasingly becoming Islamophobic and paranoid.

Recommendations

It was reported that Prophet Muhammad (SAW) says: Whosoever of you sees an evil action, he must change it with his hand. If he is not able to do so, then he must change it with his tongue. If he is not able to do so then [he must change it] with his heart and this is the weakest (manifestation) of faith⁶². One of the lessons learnt from this hadith is that evil must be eliminated. Evil here in general sense refers to everything that is objectionable or rejected. Any obstacle, challenge or impediment that delays action or progress in any form is an evil, which whoever sees it or discovers it must try to change it by any possible way. That is to say, solution must be channeled towards impediment. Therefore, some possible solutions towards Sukuk (Islamic Bond) challenges in Nigeria are enumerated as follows:

1. Since religious misconception and misgivings among Muslims and Christians on Sukuk bond, there is need to embark on vigorous public enlightenment campaign programmes, to create more awareness on the objective and modalities of the Sukuk bond. Ignorance is a great human disease. Therefore, Nigerian government (from federal to local), Non-governmental organizations (NGOs) and religious clerics should inform and educate general public about the opportunities and merits of the establishment through public lectures, conferences, symposia, seminars and publication of books, journals, magazines and pamphlets. Ministry of information can lead the role through advertisement on radio and television. Ministry of Art and culture can enlighten people through drama/play and cinemas. Religion clerics both Muslims and informed Christians should educate people the benefits of Sukuk and enlighten the public that it is not only for Muslims. All religions adherences can patronize the Sukuk and involve in institution activities. These should also be carried out especially in the local languages in order to reach the wider audience.

solemnly resolved to live in unity and harmony as one indivisible and indissoluble sovereign nation under God⁵⁹. Here God is first recognised in the Nigerian constitution. Involvement of government in pilgrimage to Jerusalem for Christians and Hajj (to Makkah and Madinah) for Muslims indicates that Nigeria is not a secular state. Some government officials participate officially in religious services and activities. Therefore, Nigeria is not and has never been a secular nation but a multi-religious country.

Secondly, The Nigeria Supreme Council for Islamic Affairs (NSCIA) claimed that the Christian Association of Nigeria (CAN) is showing itself to be Islamophobic. But in a statement issued by Salisu Shehu, deputy secretary-general of the NSCIA, the council said CAN was intolerant of Islam. "CAN cannot claim ignorance about the fact that even the World Bank has been involved in issuing Sukuk and the floating of Sukuk bonds," the statement read. "Interestingly also, several non-Muslim countries across Africa, Europe and Asia have also instituted Islamic Financial System generally and Sukuk in particular. "Worthy of mention here are Kenya, Tanzania, South Africa, United Kingdom, Luxembourg, Russia, China, Singapore and a number of arms in the United States. "Less than two years ago, Britain hosted a world conference on Islamic Banking and Finance and David Cameron, the then British prime minister, openly declared that their intention was to make UK the hub of Islamic Finance in the World. "It would certainly be embarrassing for CAN to be told that the first and foremost state in Nigeria to submit application for loan to the Islamic Development Bank is a Christian-dominated state in the south-east. "This has been the factor that made Muslims to tolerate several practices or things that are essentially Christian in nature and outlook, in substance and form and indeed in principle and practice, but imposed on us⁶⁰.

Muslims have not been talking of Christianization because there are two work-free days every week: Saturdays and Sundays. The former is set aside for the Sabbath (Christianity). The latter, Sunday is also a work-free day for the sake of Christians (see Advanced Learner's Dictionary). Muslims are not given such an opportunity. Friday is a normal working day. Also, the Nigerian membership of the International Red Cross, and many other things including almost all the titles of the heads of academic institutions (chancellor, provost,

Table 3: Nigerian Senate President and Speakers 1999- 2015 ⁵⁸

1	Senate President	Religion	Speaker	Religion	Date
2	Chief Evans Enwerem	Christianity	Salisu Buhari	Islam	1999-1999
3	Dr Chuba Okadigbo	Christianity	Salisu Buhari	Islam	1999-2000
4	Chief Pious Anyim	Christianity	Ghali Na' Abba	Islam	2000-2003
5	Chief Adolphus Wabara	Christianity	Aminu B. Masari	Islam	2003-2005
6	Chief Ken Nnamani	Christianity	Aminu B. Masari	Islam	2005-2007
7	Chief David Mark	Christianity	Patricia Etteh	Christianity	2007-2007
8	Chief David Mark	Christianity	Oladimeji Bankole	Islam	2007-2011
9	Chief David Mark	Christianity	Aminu W. Tanbuwal	Islam	2011-2015
10	Dr.Abubakar Bukola Saraki	Islam	Yakubu Dogara	Christianity	2015-date

It is clear from the above-drawn tables that religion is the unseen element which is out of sight of the devotees of secularism. The hidden aspect of religion appears most clearly when it comes to the question of public affairs. It is clear from the first table that if a Christian was the president or head of state, a Muslim would be his vice and vice versa. If a Christian was Senate President, a Muslim would be chosen as the Speaker of the House. The only year when a Christian was the Senate President and a Christian was also the Speaker of the House was in 2007. It was due to the fact that there was no Muslim among those who won the election in the geo-political zone where a candidate must be chosen as the Speaker for the House. Immediately, Patricia Etteh was impeached, a Muslim was chosen from another zone to replace her as the next Speaker of the House. It is also useful to avoid over-emphasizing the importance of secularism at the expense of paying close attention to real life experiences within the frame work of a reality influenced by religion. Unlike Christianity, Islam does not separate religion from state. The Religion of Islam on its part incorporates politics and brings religious values to the forefront of governance.

It must also be mentioned that the Nigeria constitution starts with: We the people of the Federal Republic of Nigeria having firmly and

geo-political zones⁵⁵. But the key determinant is religion. The following table brings home the point that is being discussed.

Table1: Candidates for 2015 Presedential Election ⁵⁶

S/N	PRESIDENT	RELIGION	VICE PRESIDENT	RELIGION	PARTY
1	Chief (Dr.) Chekwes Okorie	Christianity	Barr, Bello Umar	Islam	UPP
2	Godson Mgbodile Ohaenyem Okoye	Christianity	Haruna Adamu	Islam	UDP
3	Allagoa Kelvin Chinedu	Christianity	Arabamhen Mary	Christianity	PPN
4	Goodluck Ebele Jonathan	Christianity	Arc. Muhammad Namadi Sambo	Islam	PDP
5	Chief Martin Onovo	Christianity	Ibrahim Muhammad	Islam	NCP
6	Comfort Oluremi Soniaya	Christianity	Alhaji Seibu Bobboi	Islam	KOWA
7	High Chief Ambrose N.Albert Owuru	Christianity	Alhaji Haruna Yahaya Shaba	Islam	HOPE
8	Chief sam Eke	Christianity	Hassan Haruna	Islam	CPP
9	Muhammandu Buhari	Islam	Yemi Osinbajo	Christianity	APC
10	Musa Adebayo Ayeni	Islam	Anthony Faith Ologbosere	Christianity	APA
11	Dr, Mani Ibrahim Ahmad	Islam	Obianuju Murphy-Uzohue	Christianity	ADC
12	Rafiu Salau	Islam	Akuchie Clinton Cliff	Christianity	AD
13	Alhaji Ganiyu O. Galadima	Islam	Ojengbede Oluremi Farida	Christianity	ACPN
14	Jci Sen Tunde Anifowose-Kelani	Islam	Comrade Ishaka Paul Olufemi	Christianity	AA

Table 2: Nigeria Heads of State/President 1975-2015 ⁵⁷

	Nigeria Heads of State/President	Religion	Vice Name	Religion	Date Inaugurat ed
1	Muritala Muhammed	Islam	Olusegun Obasanjo	Christianity	29-Jul-75
2	Olusegun Obasanjo	Christianity	Sheu Musa Yar,adua	Islam	13-Feb-76
3	Sheu Shagari	Islam	Alex ifeanyichukwu Ekwuwme	Christianity	1-Oct-79
4	Muhammadu Buhari	Islam	Tunde Idiagbon	Islam	31-Dec-83
5	Ibrahim Babangida	Islam	Ebitu Ukiwe	Christianity	27-Aug-85
6	Ibrahim Babangida	Islam	Agustus Aikhomu	Christianity	1-Oct-86
7	Sani Abacha	Islam	Oladipo Diya	Christianity	17-Nov-93
8	Abdulsalam Abubakar	Islam	Michael Akhigbe	Christianity	9-Jun-98
9	Olusegun Obasanjo	Christianity	Atiku Abubakar	Islam	29-May-99
10	Umaru Musa Yaradua	Islam	Goodluck Ebele Jonathan	Christianity	29-May-07
11	Goodluck Ebele jonathan	Christianity	Namadi Sambo	Islam	19-May-10
12	Muhamadu Buhari	Islam	Yemi Osinbajo	Christianity	29-May-15

domination of Christian culture such as having Saturday and Sunday as work-free days while Friday is a normal working day. The Christians are afraid of imposing Sharī'ah in the country. Muslims argue that Sharī'ah is for only Muslims and that it will not affect non-Muslims including Christians⁵².

During important occasions, if a Muslim offers prayer at the beginning, a Christian will say the closing prayer and vice versa. This is an indication of recognizing religion by the state, Nigeria. Newly appointed government officials use the Qur'ān and the Bible to swear at their swearing-in ceremonies. Every year, holidays, at least two days are declared by the Federal Government of Nigeria as public holidays for the celebration of Easter and Christmas (Christianity). After so many years of agitation, two days are also declared for the celebration of 'Īdul Adhā, 'Īdul Fiṭri and Mawlūd Nabiyy. There are churches and mosques in the state government houses and the presidential villa. Part vii of the 1999 Constitution recognizes Common law (Christian law), Islamic law (Sharī'ah) and Customary law (Traditional religion)⁵³.

If secularism is to be used to resolve political conflicts and other areas of disagreement, no religion should impose its wishes on other adherents of other religions. If secularism is the most necessary in Nigeria being a society with high levels of religiosity, the term needs to be redefined to allow every religion to practice its tenets without interfering with other religions. Secularity of the country should not mean the withdrawal of the state from religious affairs but as a guarantee of religious freedom to all religious groups as enshrined in the 1999 constitution of the Federal Republic of Nigeria, as amended (section 38)⁵⁴.

Public officials both elected and appointed go to churches and mosques and find it difficult to completely disassociate their religious beliefs from their official task and role. It is truly difficult to draw a line between religion and secularism in Nigeria. Although the political parties do not use religions i.e Islam and Christianity as key reference points in their politics in practice, there is an engagement with religion i.e religion permeates all their affairs. For instance, the political parties believed it was necessary to base the system of selection of presidents and their vices, senate president and speakers on religion and other considerations such as ethnicity and

It is important to add that the issuance of the sovereign Sukuk will also deepen Nigeria's financial market by increasing the variety of instruments available for issuers and investors. The DMO expects that the sovereign Sukuk will serve as a benchmark for the pricing of future Sukuk that may be issued by other tiers of governments, corporate institutions and multilaterals. For this purpose, the DMO will be extending the developmental role it played in the capital market using FGN Bonds to the non-interest bearing segment of the market. Despite all these benefits for Nigerians, it has attracted a lot of strong opposition particularly the Christian Association of Nigeria CAN by alleged the Federal Government of Nigeria that intends to Islamize Nigeria⁵⁰.

The Clarification of the Question of Secularism and Islamization of Nigerian

There are large numbers of religious belief systems and practices thrive in Nigeria, two of the three main religions: Islam and Christianity have dominated all other religions. The traditional religious belief has declined heavily. This could be seen in the Nigerian census of 1931 when 50 per cent of the population were registered as pagans. The figure reduced to 34 percent in 1952; and it further reduced to 18.2 per cent in 1963. In 1963, the percentage of Muslims was 47 while that of the Christians was 34.28. Today, nobody is registered as a pagan. The 1991 census did not recognize the pagans because it did not pose the question of religious affiliation. By implication, Muslims are in majority in the country. This assertion is made based on the figure of 1963; and the fact that Muslims practice polygamy. As a result of this practice, the percentage of Muslims is definitely the higher⁵¹.

The level of religiosity is very high in this country and continues to increase virtually every day. Muslims and Christians have turned the concept of secularism into a major political stake. The view of Muslims is that the Christians are using the concept to blackmail them and impede the progress of Islam. To Muslims, Islam governs their conduct religiously, economically, socially, morally and politically. The Christians defend secularism because they believe it is the only way their interest can be protected. Both accuse each other of domination. The Muslims expressed their fears of the

Sukuk (Islamic Bond) in Nigeria: The Journey So Far

The offer for Nigeria's debut sovereign Sukuk in the sum of N100 billion opened on September 14, 2017. This followed a road show, which took the Debt Management Office (DMO), Ministry of Power, Works and Housing, Central Bank of Nigeria (CBN) and the transaction parties to Lagos, Port Harcourt, Abuja, Kano and Kaduna to engage with prospective investors on the issuance⁴⁷.

Prior to this time, the FGN had borrowed in the domestic market through conventional bonds namely, Nigeria Treasury Bills, FGN Bonds and the FGN Savings Bond. The issuance of a new instrument (the Sukuk) by the government at this time is another landmark in the domestic market that is of immense September 18, 2017 Growth Plan (2017-2020) is to build a globally competitive economy and one of the plans for achieving this is by investing in infrastructure; thus, every avenue towards developing Nigeria's infrastructure must be explored. The use of the Sukuk to raise funds to finance infrastructure contributes directly to achieving this objective. The proceeds from the issuance of the N100 billion Sukuk will be used to construct and rehabilitate 25 roads in Nigeria's six geopolitical zones. The deployment of the Sukuk proceeds to these projects would improve road infrastructure, which because of the multiplier effect of good infrastructure, will translate to many benefits all over the country. Many of the prospective investors that the DMO met during the road show were very interested in the fact that the Sukuk is tied to projects and enquired about the specific roads towards which the N100 billion Sukuk would be applied⁴⁸.

The Sukuk also provides an opportunity for the federal government to diversify its sources of funding by introducing a product that is more acceptable to ethical investors who would ordinarily not invest in interest bearing instruments. The Sukuk effectively provides an avenue for ethical investors to also contribute to the development of the nation in a manner an avenue for non-interest investors to participate in the fixed income market. In addition, it provides an opportunity to further develop the savings culture in Nigeria, particularly among individuals and other retail investors. It is expected that financial institutions, social and religious organizations, co-operative societies, trust funds and retail investors will take advantage of this opportunity⁴⁹.

social cohesion and sometimes leads to increase in crime rate due to poverty. There is no feeling of brotherhood or sympathy for the poor, and this makes some of the poor ones resort to all kinds of dubious means in order to earn a living. Interest is purely based on selfish, greed, parsimony, narrow mindedness and harsh-heartedness⁴¹.

The unjustified high interest rate on loans imposed by rich countries and international financial institutions on borrowers is adversely affecting many citizens of the borrowing countries. This has resulted in the current impending world debt crisis which is bedeviling many poor nations. For instance, Nigeria borrowed 13.5 billion US Dollars from Paris Club between 1965 and 2003, but it paid up to 42 billion US Dollars, because of the accrued interest over the years⁴².

In societies where interest is prevalent, the rich and economically strong always benefit from the suffering of the poor. Consequently, the rich becomes richer, and the poor continue to be poorer. This often generates envy and hatred between the rich and the poor⁴³. In fact Islam has forbidden this kind of unjustified gain in order to protect the poor against the exploitation of the rich. Hamidullah⁴⁴ argues: "Nobody pays willingly an interest on what he borrows. He pays only because he requires money, and he finds that he cannot get it without paying interest."

The differences between Sukuk (Islamic Bond) and Conventional Bonds

		Sukuk (Islamic Bond)	Conventional Bonds
1	Underlying Asset	Proof of ownership in an asset	Debt obligation
2	Legal Structure	Holders each hold an undivided beneficial ownership in underlying assets	Issuer has a contractual obligation to pay bond holders interest and principal on certain specified dates
3	Halal considerations	The underlying assets are halal	n/a
4	Pricing	Pricing based upon value of underlying assets	Pricing based on credit rating of issue and issuer
5	Valuation	Buyers purchase assets that have value	Buyers act as creditors in implicit loan agreement
6	Investment rewards and risks	Holders receive a share of profits from the underlying assets (and accept a share of any loss incurred)	Holders receive regularly scheduled interest payment for the life of the bond, and the principal is returned at the bond's maturity date ⁴⁵

“Ubada b. al-Samit (may Allah be pleased with him) reported Allah’s Messenger (SAW) as saying: Gold is to be paid for by gold, silver by silver, wheat by wheat, barley by barley, dates by dates, and salt by salt, like for like and equal for equal, payment being made hand to hand. If these classes differ, then sell as you wish if payment is made hand to hand.”³³

The second ban in Shari’ah in relation to Islamic finance is that of gharar or excessive uncertainty and risk. In contracts, gharar must be avoided as much as possible;³² the Shari’ah recognises that ruling out uncertainty in financial transactions altogether is unrealistic³⁴. For that reason, the gharar ban primarily concerns essential is only justified when the investor takes a commercial elements of contracts, such as price, deliverability, quality, quantity, etc³⁵. Therefore the essentials of a contract may not remain unspecified. The gharar prohibition is also somewhat related to the ban on qimar which is strictly forbidden by the Shari’ah³⁶. Qimar pertains to yields that depend solely on luck or chance, such as gambling³⁷. Many Islamic economists would argue that excessive speculation and gambling are prohibited, because profits achieved through them cannot be justified³⁸. Yet ordinary entrepreneurial risks are not included in this ban. Conventional derivatives contracts are considered in this context to contain elements that are akin to speculation³⁹.

Rationale behind Prohibition of Interest

Interest is an unjust and exploitative instrument of financing because the lender is assured of a fixed and definite return without doing any work or sharing the risk of any loss, while the borrower, in spite of hard work, is not assured of any positive return. If the borrower’s investment happens to be unsuccessful, without any negligence from his part, it would be unfair to demand from him the payment of excess in the name of interest over the capital he borrowed⁴⁰.

The prohibition of interest, therefore, serves as an effective mechanism to establish justice between the lender and the borrower. Interest also retards economic growth and development in society, because it promotes inflation and unemployment. Besides, interest eats the social fabric of society. The poor are always at the mercy of the rich. The financial resources are under the monopoly of the rich, while the poor always gets poorer. This brings about hatred, lack of

al-nasi'a have been prohibited in the Sunnah of the Prophet. Riba al-jahiliyya refers to the riba of the pre-Islamic period²⁷. According to the practice in pre-Islamic Arabia, interest was charged at the maturity of debts from interest-free loans or credit sales, and compounded at later maturity dates²⁸. This form of riba has been prohibited in the Glorious Qur'an²⁹. In the Glorious Qur'an it is also mentioned that Muslims should abandon all remaining riba³⁰. One of the most discussed verses on the prohibition of riba in the Glorious Qur'an is verse 2:275 according to which Allah has categorically condemns and prohibits interest and all usurious transactions in strong terms:

Those who devour (riba) will not stand except as stand one whom the Evil one by his touch hath driven to madness. That is because they say: 'Trade is like (riba),' but Allah hath permitted trade and forbidden (riba). Those who after receiving direction from their Lord, desist, shall be pardoned for the past; their case is for Allah (to judge); but those who repeat (the offence) are companions of the Fire: They will abide therein (for ever)."¹⁰ In the same Chapter, Allah states:

O you who believe, fear Allah and give up what remains (due to you) of interest; if you should be believers. And if you do not, then be informed of a war against you from Allah and His Messenger. But if you repent, you may have your principal, thus you do no wrong nor are you wronged. (Qur'an 2:278-279).

Yet in another ayah; Allah (SWT) says: Allah destroys interest and gives increase for charities and Allah does not like every sinning disbeliever, (Qur'an 2:276). Also in Glorious Quran Chapter Qur'an 3:130, Allah states: O you who believe, do not consume usury (interest) doubled and multiplied, but fear Allah, that you may be successful.

The word 'riba' used in these verses literally mean excess or addition, which means an addition over and above the principal sum lent. Some scholars apply this term as usury, but it is generally used to include all kinds of interest³¹. All these Qur'anic verses serve as bases for the prohibition of interest in Islam.

The prohibitions of riba al-fadl and riba al-nasi'a originate from the Sunnah of the Prophet Muhammad³². There are several hadith prohibiting both riba al-fadl and riba al-nasi'a. The most quoted hadith on the prohibition of riba is:

Sukuk are financial products whose terms and structures comply with Shari'a, with the intention of creating returns similar to those of conventional fixed-income instruments like bonds. Sukuk are asset-based securities, not debt instruments and represent ownership in a tangible asset giving the legal right of using and enjoying the fruits or profits of an asset, service, project, business, or joint venture²¹.

Under Sukuk structure, the Sukuk holders (investors) each hold an undivided beneficial ownership in the "Sukuk assets"²². These Sukuk represent the proportional ownership of an existing asset or a pool of diversified assets, and a pledge against existing or future cash flows generated from these assets for a specified period of time. The risk and return associated with underlying assets and these cash flows are passed to Sukuk holders. These assets may be tangible or intangible, existing or described with deferred delivery, usufruct or services. Under Sukuk structure the investors, Sukuk holders each hold an undivided beneficial ownership in the underlying assets²³.

There are two types of Sukuk, asset based and asset backed. Under the asset based Sukuk, the Sukuk holders have beneficial ownership in the asset. The Sukuk holders have recourse to the originator if there is a shortfall in payments. The beneficial ownership is a legal term where specific property rights, such as its use and title belongs to a person even though legal title of the property belongs to another person²⁴. A common example of beneficial owner is the owner of funds held by a nominee bank or for stocks held in the name of brokerage firm. Under asset backed Sukuk, the Sukuk holders owned the asset and as a result do not have recourse to the asset but to the originator if there is a shortfall in payment.

Salient Features of Sukuk

Sukuk is one of the Islamic finance which refers to a system that functions on the principles of Islamic Law, called Sharia. Under this law, all Islamic financial transactions must be free of the following: Receiving or paying Riba (interest) and Gharar (uncertainty) in contracts²⁵.

Riba is often divided into three different forms: the riba al-jahiliyya, riba al-fadl, and riba al-nasi'a²⁶. Riba al-jahiliyya has been prohibited directly in the Glorious Qur'an, while riba al-fadl and riba

offered by the Nigerian government. He added that, the Sukuk bond was a legitimate means through which government could generate funds, as practiced in many countries of the world. He called on religious leaders not to set Nigerians against themselves based on religion. "I am challenging CAN to Christianize Nigerians; Christianize us by setting up interest-free banks..." he said ¹². Hence, there is need to throw light on the Sukuk's issuance which is the intention of this paper.

What is Sukuk?

The Arabic word Sukuk is the plural of the word Sakk are referred to as "legal instrument, deed, cheque"¹³ is the Arabic name for financial certificates, also commonly referred to as "Shari'a compliant" bonds. Sukuk are defined by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) as securities of equal denomination representing individual ownership interests in a portfolio of eligible existing or future assets¹⁴. The Fiqh academy of the OIC legitimized the use of Sukuk in February 1988¹⁵. In the pre-modern period of Muslim societies the Sukuk was used as forms of papers representing financial obligations originating from trade and other commercial activities.

During the middle Ages, a Sakk was a written vow to pay for goods when they were delivered and it was used to avoid money having to be transported across dangerous terrain¹⁶. As a result, these Sukuk were transported across several countries and spread throughout the world. The Jewish merchants from the Muslim world transmitted the concept and the term Sakk to Europe¹⁷. An interesting outcome of the trade and transport of these Sukuk, is that it functioned as a source of inspiration for the modern day cheque. Although the cheque has a British background¹⁸, the modern Western word "cheque" appears to have been derived from the Arabic word "sakk"¹⁹.

In recent years, the emergence of Sukuk has been one of the most significant developments in Islamic capital markets. Sukuk are developed as an alternative to conventional bonds which are not considered permissible by many Muslims as they pay interest and may finance businesses involved in non- Sharia-compliant activities (gambling, alcohol, pork, etc.)²⁰.

through the back door and today proceeds from the bond are being used to develop the state to the benefit of residents irrespective of the faith⁶.

Again, when the federal government of Nigeria licensed Jaiz Bank, the body alleged that it was a scheme to Islamize the country. But today, the bank has employed many Nigerians of different faith. Both Christians and Muslims are benefitting from the financial services being rendered by the bank⁷. Yes Christian Association of Nigeria is duty bound to protect the interest of Christians in the country, but in doing so it must properly define those interests so that it does not hurt the economic well-being of those it seeks to protect.

Also, Adeosun reacted that several countries of the world, South Africa had issued sukuk bonds in the past, and Nigeria's plan bond started about six years ago, long before the current administration power (Ameh Comrade Godwin). Adeosun said, "Sukuk is part of our programme to deepen the financial interestingly, it predated us⁸. The committee started work in 2011, so, working on it for six years, to structure products that would be compliant. Sukuk is about two things: one is about raising money and deepening market. She added, South Africa even did a sovereign Sukuk before Nigeria. So, there is no Islamisation agenda. The minister said not every investor wanted to put their money into regular bonds and Treasury bills and, as such, there was the need to everyone on board⁹.

On concerns that the funds raised from Sukuk must be used for Shari'a compliant activities strictly, the minister said, "That is part of what called the ethical investment. A lot of people for example, don't want funds invested in particular items such breweries, among others. Funny, a lot of investors that we have been marketing the bond to looking at the yield, so, it is really just another product which we hope would deepen the market and bring more people in. Not everybody to do bond or treasury bills. And we are still going to bring out many products¹⁰."

Also, a Lagos-based lawyer, Femi called on the Christian Association of Nigeria to "Christianize" Nigeria¹¹. He spoke at the strategic dialogue roundtable organized by the Social Economic Rights and Accountability (SERAP) held in Lagos. The lawyer was reacting to the controversy surrounding the N100 billion Sukuk bond

Introduction:-

The emergence of Sukuk (Islamic Bond) in several Muslim and non-Muslim countries and its impact on the economic development increase desire and agitation to establish the institution in Nigeria, which recently generated a lot of controversy among agents in the industry and stakeholders alike. Since Nigeria is a secular country, adoption of Sukuk is perceived by many secularists & non-Muslim advocates as a way to Islamized Nigeria. For instance the Christian Association of Nigeria alleged that the issuance is an attempt to Islamize the country by offering it to Arab nations through the back door¹. The body in a statement by its General Secretary Rev. Musa Asake, demanded the cancellation of the laws and framework behind the Sukuk bond and threatened to seek legal redress if that was not done. The group accused the Federal Government of trying to sell the nation to Arab countries through the Sukuk bond, arguing that the government was pursuing an Islamization agenda².

The Association further said that Nigeria is a secular state, adding that the government is expected to be neutral on issues involving religion. It argued further that the promotion of a sectional religious financial policy was a violation of the Nigerian constitution. It said, "The Christian Association of Nigeria has been protesting against this aberration since the Osun State Government, under Governor Rauf Aregbesola, embarked on this violation of the constitution. It called on the government to dismantle all legal and institutional frameworks established to promote Islamic financing in Nigeria³.

But the Federal Government has denied any plan to Islamize the country⁴. The Minister of Information and Culture Lai Mohammed said that, the financial initiative was borne out of the need to include people who are opposed to interest-yielding enterprises. He said, "Sukuk is not an attempt to Islamize Nigeria in any form. On the contrary, it is an attempt at financial inclusiveness. The difference between Sukuk Bond and other bonds is that if you invest in Sukuk bond, you earn no interest⁵. This is not the first time Christian Association of Nigeria accusing government of trying to Islamize the country. When the government of Ogun State floated a Sukuk bond, the association alleged that it was a ploy to Islamize the country

Abstract:-

Since the introduction of Sukuk (Islamic Bond) in Nigeria, the importance of secularism has been the object of discussion, with the general belief by a large number of people that Islamic Sukuk will Islamize Nigeria and disrupt its secularity. It is against this backdrop that this paper discusses the salient features and rationale behind of Sukuk. It also discusses the differences between Sukuk and Conventional Bonds and clarifies the question of secularism and Islamization of Nigerians by the Federal Government through the Sukuk in Nigeria. Generally, expository methodology will be used for the study while historical approach was resorted to where necessary. The qualitative, library based approach will also be used and the data will be exclusively seek from the Glorious Qur'an, Sunnah, books, journals, and Islamic manuscripts. The paper found that Sukuk is one of the Islamic finance which refers to a system that functions on the principles of Islamic Law that must be free from receiving or paying Riba (interest) and Gharar (uncertainty) in contracts unlike Conventional Bond which is based on uncertainty. Therefore, the study also indicates secular life and religion are pervasively entangled to the extent that official indifference cannot justify politically or constitutionally the indifference. Many official practices such as work-free days (Saturdays and Sundays), holidays (on Christmas, Idul fitr), churches and mosques in the state government houses and presidential villa clearly show that there is an engagement with religion. There is also evidence that, Sukuk does not violate section 10 of the Nigerian Constitution because it is not being financed directly or indirectly by the state funds. The paper recommends that, there is need to embark on vigorous public enlightenment campaign programmes, to create more awareness on the objective and modalities of the Sukuk bond. It concludes that, the conception of secularism in Nigeria is religious tolerance and equal treatment of all religious groups.

Key Words: Sukuk, Islamic Bond, Islamization, Nigerian, Christian, Muslim.

المخلص:-

منذ إدخال الصكوك (الصكوك الإسلامية) في القانون ، كانت ذات العلم العلماني ، نقاش ، مع إيمان عام. في ظل هذه الخلفية تناقش هذه الورقة. كما يناقش الخلافات بين الصكوك والسندات الوطنية ويوضح المسألة العلمية وأسلمة النيجيريين من قبل الحكومة الاتحادية من خلال الصكوك في نيجيريا. بشكل عام ، سيتم استخدام المنهجية التفسيرية للدراسة بعد تم اللجوء إلى المنهج التاريخي عند الضرورة. كما سيتم استخدام المقاربة النوعية المستندة إلى المكتبة وستوفر ووجدت الصحيفة أن الصكوك هي واحدة من التمويل الإسلامي الذي يشير إلى أن النظام قد لا يكون مبرمجاً على الإطلاق. لذلك ، تشير الدراسة إلى أن الحياة العلمانية والدين متشابكان إلى درجة أن اللامبالاة الرسمية لا يمكن أن تبرر اللامبالاة السياسية أو الدستورية. تظهر العديد من المراجع في هذه الأيام (أيام السبت والأحد)، والعطلات (في عيد الميلاد، عيد الفطر)، والكنائس والمساجد في المنازل الحكومية والفيلات الرئاسية بوضوح أن هناك علاقة مع الدين. هناك حاجة لتدقيقها بشكل مباشر أو غير مباشر من أموال الدولة. وتوصي الورقة، هناك حاجة للاحتفاظ بالبرنامج العام. وتخلص إلى أن مفهوم العلمانية في سلسلة هو المتضامنة الديني والمعاملة المتساوية لجميع الجماعات الدينية.

الكلمات المفتاحية: الصكوك، الأسدية الإسلامية، الأسلمة، النيجيري، المسيحي، المسلم.

CUSTOMER'S EXPECTATIONS IN SUKUK (ISLAMIC BOND) AND THE QUESTION OF ISLAMIZATION OF NIGERIAN

Kamal-deen Olawale Sulaiman (Ph.D)

Department of Religious Studies

Ekiti State University

Ado-Ekiti , Nigeria

gn.edu.eksu@sulaiman.kamaldeen

توقعات العميل في الصكوك (السندات الإسلامية) ومسألة إسلامية

النيجيريين

الأستاذ المشارك الدكتور

كمال الدين علاوي سليمان

نيجيريا – أڊو إكيتي

جامعة ولاية إكيتي - قسم الدراسات الدينية