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PART I: OVERVIEW

1. Introduction

- 1.1 In line with the rapid development of takaful industry in Malaysia and worldwide as evidenced by the increase in the number of takaful operators and its double digit growth, Bank Negara Malaysia (the Bank) is strengthening the retakaful sector through promoting the establishment of retakaful operators in Malaysia. Besides fulfilling the need for retakaful support of the takaful operators and reducing the industry's dependency on conventional reinsurance support, the licensing of retakaful operators in Malaysia is also expected to enhance the technical knowledge in the market, particularly in takaful and retakaful underwriting, as well as promote product development and innovation in the takaful industry.
- 1.2 Therefore, the purpose of these Guidelines is to guide those interested to apply for registration as retakaful operator under the Takaful Act 1984 (TA) and the consequential operationalisation upon successful application.

2. Applicability

- 2.1 These Guidelines are applicable to qualified applicants who wish to conduct retakaful business in Malaysia under the TA.
- 2.2 These Guidelines shall supersede the Guidelines issued in October 2007 namely:-
- (a) *Guidelines on Establishment of Retakaful Operator in Malaysia*; and
 - (b) *Guidelines on Procedures for the Establishment, Registration and Operation of Retakaful Operator*.
- 2.3 If an applicant is also interested to conduct international currencies retakaful business from Malaysia, such interest should be indicated in the application and the applicant is required to adhere to the *Guidelines on International Currency Business Unit (Takaful Operator)*.

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PART II: LEGAL AND REGULATORY REQUIREMENTS

1. Major Licensing Criteria

1.1 The major licensing criteria that the Bank will apply in respect of all applications received from interested parties to conduct retakaful business in Malaysia are as follows:-

(a) **Financial strength and financial flexibility**

- (i) The applicant must be financially sound with strong capital support and good track record of operating profits to ensure that the proposed new retakaful operator provides good security and continued commitment to its retakaful operations in Malaysia; and
- (ii) The applicant should have a combined paid-up capital and surplus of at least USD100 million and good international ranking or rating from well-recognised rating agencies.

(b) **Related experience in insurance/reinsurance and/or takaful/retakaful**

The applicant should have the experience of conducting diversified types of retakaful/reinsurance business. Favourable consideration will be accorded to applicant with special technical expertise that benefits the Malaysian takaful market and the region.

(c) **Ability to contribute towards national agenda**

- (i) The applicant must be able to demonstrate that the proposed retakaful operator could contribute effectively to the development of the takaful industry and hence complement the efforts taken by the Government and the Bank in establishing Malaysia as an international Islamic financial centre. Favourable consideration will be given to applicant intending to establish its retakaful set-up in Malaysia as the centre for its regional or international retakaful business; and

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(ii) Applicants will also be required to provide plans towards transferring technical knowledge to local takaful market and optimising local talents in the management of the company.

(d) **Viability of the Malaysian operations**

The business plan of the proposed retakaful operator should demonstrate the viability of its Malaysian office within a 5-year period based on realistic assumptions.

2. Governing Legislation and Regulatory Requirements

2.1 The major legal and regulatory requirements that are applicable to all retakaful operators are as follows:-

(a) **Legal framework**

All retakaful operators are subject to the legal requirements under the TA.

(b) **Form of retakaful entity**

A retakaful operator registered under the TA would be allowed to conduct its retakaful business in Malaysia by way of an incorporated entity or a branch. Retakaful business in Malaysia may also be conducted through an incorporated joint-venture with Malaysians, depending on the merits of each case.

(c) **Type of retakaful registration**

The retakaful registration to be granted will be a composite retakaful registration. However, the Bank reserves the right to restrict the scope of the retakaful business to be conducted by the retakaful operator.

(d) **Minimum paid-up capital/working fund requirement**

- (i) Incorporated entity – RM100 million paid-up capital; and
- (ii) Branch – RM20 million net working funds.

The paid-up capital/net working funds must not be funded through borrowings.

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3. Relevant Legislation, Regulation, Guidelines & Circulars

3.1 The following are applicable for the setting-up, establishment and registration of retakaful operator:-

3.1.1 Legislation:-

- (i) TA;
- (ii) Takaful (Operators Registration) Regulations 1985 (PU(A) 308/1985); and
- (iii) Companies Act 1965.

3.1.2 Guidelines and circulars:-

- (i) **Guidelines on Directorship for Takaful Operators and Circular on Amendments to the Application Forms BNM/JPI/APP1, BNM/JPI/APP2, BNM/APP/TO and BNM/DIR/TO for the Appointment/Reappointment of Chairman, Directors and Chief Executive Officers (CEO);**
- (ii) **Guidelines on the Governance of Shariah Committee for the Islamic Financial Institutions;**
- (iii) **Guidelines on Related Party Transactions for Takaful Operators;**
- (iv) **Guidelines on Outsourcing for Takaful Operators;**
- (v) **Guidelines on the Role of the Appointed Actuary;**
- (vi) **Circular on Appointment of External Auditors** under Section 41(3)(c) of the TA; and
- (vii) **Circular on Appointment of Expatriate Officer.**

3.2 Notwithstanding the above requirements, all retakaful operators are required to observe any guidelines, circulars or directives on prudential, regulatory, reporting or other requirements as issued by the Bank that are applicable to retakaful operators from time to time.

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PART III: INFORMATION TO BE SUBMITTED FOR THE APPLICATION TO CONDUCT RETAKAFUL BUSINESS UNDER TAKAFUL ACT 1984

Submission Requirements

- 1.1 An applicant seeking approval to conduct retakaful business under the TA is required to submit the information and relevant documents as stated in Section I, II and III below. The application should be supported with the directors' declaration which shall be signed by at least two (2) directors representing the Board of the applicant (please refer to **Appendix I: Format for Directors' Declaration**).
- 1.2 The completed application form and any correspondence should be addressed to:-

**Director
Islamic Banking and Takaful Department
Bank Negara Malaysia
Jalan Dato' Onn
50480 Kuala Lumpur
MALAYSIA
Tel : 60 3 2698 8044
Fax: 60 3 2693 3826**

Section I – Basic information

- 2.1 Information on applicant
- (a) Name;
 - (b) Address of registered office and principal office;
 - (c) Website address (if any);
 - (d) Date and place of incorporation;
 - (e) Authorised and paid-up capital (as at latest financial year-end);
 - (f) Shareholders' fund (as at latest financial year-end); and
 - (g) Names, addresses and nationalities of shareholders holding 10% or more of the shares and their respective shareholdings.

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2.2 Contact person and/or senior officer of the applicant to whom queries on the application can be directed.

- (a) Name;
- (b) Designation;
- (c) Telephone; and
- (d) E-mail.

Section II – Overview of domestic and global operations of the applicant

3.1 Information on applicant:-

- (a) (i) Description on business activities, including information on products offered; and
- (ii) Area of specialisation.

- (b) Ranking in country of origin and internationally, in terms of:-
 - (i) Total assets;
 - (ii) Gross and net premium/contribution written (if the applicant is a general retakaful operator/reinsurer);
 - (iii) Sums insured/participated in force, premiums/contributions and total assets of the takaful/insurance fund (if the applicant is a family/life or composite retakaful operator/reinsurer); or
 - (iv) Any other indicators.

- (c) The applicant's highest and lowest financial strength rating in the last three (3) years, together with rating reports, if any, from any of the following rating agencies:
 - (i) Standard & Poors';
 - (ii) A.M. Best;
 - (iii) Moody's; or
 - (iv) Any other rating agencies (please specify).

- (d) Information on the financial position and performance of the applicant as per **Appendix II**.

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3.2 Information on holding company (if applicant is a subsidiary):-

- (a) Name;
- (b) Address;
- (c) Date and place of incorporation;
- (d) Names, addresses and nationalities of shareholders holding 10% or more of the shares and their respective shareholdings;
- (e) Brief description on the business activities within the group; and
- (f) Areas of takaful/insurance and other financial activities which the group has particular strength in, both in country of origin or internationally. Please include any supporting statistics/key performance indicators.

Section III – Other supporting information and accompanying documents

4.1 Justification on the ability of the applicant to meet all specified registration criteria, in addition to information submitted as required under section II.

4.2 Original or certified true copy (together) with certified English translation (if original is not in English) of each of the following to be submitted together with the application:-

- (a) Letter of authority/approval from the takaful/insurance supervisory authority in the home country to operate retakaful business in Malaysia;
- (b) Board resolutions and minutes of general body meeting of the applicant in respect of carrying on retakaful business in Malaysia; and
- (c) Latest three (3) years audited financial statements of the applicant.

If the applicant is a subsidiary, the abovementioned information should be submitted in respect of its holding company.

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PART IV: STAGES OF REGISTRATION APPROVAL

Submission Requirements

- 1.1 Once the application to conduct retakaful business under the TA is approved, the applicant shall proceed with the registration approval.
- 1.2 All submissions to the Bank must be accurate and complete, and signed by a person representing the applicant authorised to do so. The authorised person must furnish the Bank with a resolution signed by the Board of the applicant signifying the person's authority to act on behalf of the applicant/retakaful operator. In order to expedite processing, submissions can be made on progressive basis in the following order:-
- Stage 1 – Pre-registration Approvals
 - Stage 2 – Governance Structure Approvals
 - Stage 3 – Operational Framework & Infrastructure Approvals
- 1.3 The submissions must be addressed to:-
- Director**
Insurance and Takaful Supervision Department
The Bank Negara Malaysia
Level 15, Dataran Kewangan Darul Takaful
No. 4, Jalan Sultan Sulaiman
50000 Kuala Lumpur
MALAYSIA
Tel : 60 3 2263 5000
Fax: 60 3 2031 8181
- 1.4 The retakaful operator is also required to comply with post-registration: pre-launch notifications as set out in Part V.

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Stage 1 – Pre-registration approvals

2.1 SUBSIDIARY ESTABLISHMENT

At this stage, applicant is required to submit the following for approval:-

(a) **Name of the proposed establishment**

Applicant must have submitted and obtained the reply from the Companies Commission of Malaysia on Form 13A (Form on Request for Availability of Name) of the Companies Act 1965. Copies of both the form and the reply must be included in the submission to the Bank.

(b) **Draft memorandum and articles of association**

The memorandum of association of the subsidiary shall include specific provision that the business which the entity will carry on will not involve any element which is not approved by the Shariah. The articles of association of the subsidiary shall include provisions on the following:-

- Shariah Advisory Body

The establishment of a Shariah committee, as may be approved by the Director General of Takaful, to advise the retakaful operator on the business of the retakaful operator in order to ensure that it is not involved in any element which is not approved by the Shariah.

- Minimum and maximum number of directors

The minimum number of directors be fixed at five (5). Retakaful operators are discouraged to fix more than eight (8) as the maximum number of directors.

- Retirement by rotation

One-third (1/3) of the directors, or the number closest to one-third (1/3), to retire by rotation at the annual general meetings of the retakaful operator in the manner provided in Article 63, Table A of the Fourth Schedule of the Companies Act 1965.

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- Dismissal of directors from office
Dismissal of directors from office by written resolution of at least 75% of his co-directors and/or dismissal due to failure to attend at least 75% of board meetings in a year without any valid reason.

(c) **Proposed CEO and members of the board of directors**

- Applicant is required to submit **Form BNM/JP3/APP** for the appointment of directors and/or CEO. In order to expedite incorporation, applicant is permitted to initially submit two (2) candidates for appointment as directors with the remaining candidates submitted at Stage 2.
- In nominating individuals as directors and/or CEO, applicant shall be guided by the requirements of **Guidelines on Directorship for Takaful Operators**.
- Those intending to appoint expatriates either as directors, CEO or part of the retakaful operator's management shall be guided by the **Circular on Appointment of Expatriate Officer**. Please note that **Application Form for Appointment/Renewal of Appointment of Expatriate Officer** must be submitted for such appointments.

(d) **Proposed authorised, issued and paid up capital**

Applicants are required to disclose details on the amount of funds together with how and when the funds will be injected. Information is also required on the proportion of subscription by each shareholder of the entity. The minimum issued and paid-up share capital must be fully subscribed prior to commencement of the retakaful operator's business operations.

2.2 BRANCH ESTABLISHMENT

At this stage, applicant is required to submit the following for approval:-

(a) **Name of the proposed establishment**

Applicant is required to submit the proposed name for the retakaful

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establishment.

(b) **Proposed CEO**

- Applicant is required to submit **Form BNM/JP3/APP** for the appointment of chief executive officer. In nominating individuals as CEO, applicant shall be guided by the requirements of **Guidelines on Directorship for Takaful Operators**.
- Those intending to appoint expatriates either as CEO or part of the retakaful operator's management shall be guided by the **Circular on Appointment of Expatriate Officer**. Please note that **Application Form for Appointment/Renewal of Appointment of Expatriate Officer** must be submitted for such appointments.

(c) **Proposed net working funds**

Applicant is required to disclose details on the amount of funds together with how and when the funds will be injected.

Stage 2 – Governance structure approvals

3.1 SUBSIDIARY ESTABLISHMENT

3.1.1 At this stage, applicant is required to submit the following for approval:-

(a) **Incorporation and ratification of transactions entered on behalf of retakaful operator**

Once the applicant has completed Stage 1 and has received approval from the Bank on the name and draft memorandum and articles of association, the applicant shall proceed to incorporate the retakaful operator pursuant to which the first board of directors meeting of the retakaful operator shall be convened. At the first board meeting, retakaful operator shall first resolve the following matters prior to submitting for approval by the Bank:-

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- Ratification of all actions undertaken by the applicant on behalf of the retakaful operator

Consistent with good corporate governance practices and Section 35 of the Companies Act 1965, retakaful operator is advised to ratify all contracts and transactions including submissions made during Stage 1 on their behalf prior to incorporation.

- Transfer of subscriber shares

Retakaful operator shall cause the subscriber shares of the entity to be transferred to the party/ies approved by the Bank.

- Constitution of a full board of directors and board committees

The board of retakaful operator shall appoint the CEO (whose proposed appointment is as approved by the Bank) and establish the board committees as stipulated in **Guidelines on Directorship for Takaful Operators**. In cases where two (2) directors have been approved for appointment so as to expedite incorporation of the retakaful operator, retakaful operator shall submit to the Bank, the remaining candidates for appointments to the board and/or CEO. Upon approval of the remaining candidates, a full board may then be convened for the establishment of the board committees.

(b) **Proposed Shariah Committee members**

Retakaful operator shall comply with **Guidelines on the Governance of Shariah Committee for the Islamic Financial Institutions** and is required to observe the following:-

- Nomination of Shariah Committee candidates by the board shall be with the recommendation of the Nomination Committee;
- Shariah Committee candidates are required to complete

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Form BNM/JKS1;

- A curriculum vitae of each Shariah Committee candidate must be furnished together with proof of their identification; and
- The proposed candidate shall not be an individual who is already a Shariah Committee member of the National Shariah Advisory Council or a Shariah Committee member of another retakaful or takaful operator.

(c) **Proposed external auditor**

Retakaful operator shall provide the required information on the proposed external auditor by completing the **Application Form for Appointment of External Auditor** under Section 41(3)(c) of the TA. In selecting the external auditor, retakaful operator shall be guided by **Circular on Appointment of External Auditors** under Section 41(3)(c) of the TA.

(d) **Proposed registered office**

The registered office must be situated in Malaysia.

(e) **Proposed appointed actuary**

Retakaful operator is required to have at least one (1) Appointed Actuary. In this regard, the retakaful operator shall nominate an individual or individuals in that capacity and provide the required information by completing **Borang Permohonan Perlantikan Aktuari Dilantik**. In selecting the appointed actuary/actuaries, retakaful operator shall be guided by **Guidelines on the Role of the Appointed Actuary**.

3.1.2 Once the foregoing matters have been duly resolved and approved by the board, the following shall be submitted to the Bank:-

- (a) Certified true copy of the Memorandum & Articles of Association of

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the retakaful operator;

- (b) Certified true copy or extract of the Board resolution approving the matters set out in paragraph 3.1.1(a);
- (c) Certified copies of Form(s) 32A of the Companies Act 1965 (Form of Transfer of Securities), duly completed and stamped, to evidence the transfer of the subscriber shares to the approved shareholders of the retakaful operator;
- (d) Certified copy of Certificate of Incorporation of the retakaful operator;
- (e) Information and forms, duly completed, as set out in paragraph 3.1.1(b) - (e); and
- (f) Cover letter signed by a director or authorised person of the retakaful operator confirming the accuracy and completeness of the documents and information submitted to the Bank.

3.2 **BRANCH ESTABLISHMENT**

At this stage, applicant is required to submit the following for approval:-

- (a) Applicant shall proceed with the appointment of the CEO (whose proposed appointment is as approved by the Bank) and submit confirmation on the said appointment.
- (b) Information and forms, duly completed, as set out in paragraph 3.1.1(b) - (e);
- (c) Certified copy of Certificate of Registration of the Malaysian branch; and
- (d) Cover letter signed by a director or authorised person of the retakaful operator confirming the accuracy and completeness of the documents and information submitted to the Bank.

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Stage 3 – Operational framework and infrastructure approvals

At this stage, applicant is required to submit the following for approval:-

4.1 SUBSIDIARY ESTABLISHMENT

(a) **Authorised, issued and paid-up share capital**

- Certification by external auditors of the retakaful operator on the availability of the funds. The certification should state the nominal value of the share capital; and
- Certified copy of Form 24 of the Companies Act 1965 (Return on Allotment of Shares) reflecting the latest authorised, issued and paid-up share capital of the retakaful operator.

4.2 BRANCH ESTABLISHMENT

(a) **Net working funds**

Certification by external auditors of the retakaful operator on the availability of the funds.

4.3 SUBSIDIARY AND BRANCH ESTABLISHMENT

(a) **Format of organisation structure**

Retakaful operator is required to submit a chart on their organizational structure and detailed description of the departments/divisions/section established, setting out the specific roles and responsibilities. Where the function is outsourced, please indicate the same in the chart.

(b) **Outsourcing**

Retakaful operator is allowed to outsource certain business activities, functions and processes as a means of reducing costs, acquiring expertise and achieving strategic business objectives, subject to compliance with **Guidelines on Outsourcing for Takaful Operators**.

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(c) **Related parties as outsourced service provider**

Where related parties are involved, retakaful operator is additionally required to comply with **Guidelines on Related Party Transactions for Takaful Operators**.

(d) **Detailed business plan and business model**

Retakaful operator is required to furnish the business plan to the Bank setting out the business model which the retakaful operator intends to adopt. In drawing up the business plan, retakaful operator must specify the class of retakaful business which it intends to be involved in and where possible identify its major clients in the region. The business plan must be supported by business projections as per the format provided in **Appendix III(a) and (b)**.

(e) **Certificate by authorised person**

A certificate signed by the authorised person through whom the application to the Bank is made (as per **Appendix IV**), certifying that the information given in all the submissions to the Bank is complete and accurate.

(f) **Infrastructural set-up**

- Retakaful operator is required to establish operational team(s) and furnish a list of the persons (as per **Appendix V**) who will discuss with the Bank on the preparation and implementation of operational and information technology systems.
- IT systems, operations, other systems readiness, requirements on anti-money laundering and financial reporting will also be conducted with the retakaful operator. In this regard, retakaful operator shall furnish the said contacts list to **Insurance and Takaful Supervision Department** who will coordinate all discussions regarding this area.
- Retakaful operator is required to ensure proper segregation of funds of its retakaful business from its other operations and

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observe all prudential requirements imposed by the Bank at all times.

PART V: POST-REGISTRATION: PRE-LAUNCH

1. The following must be furnished to the Bank prior to registration:-

- (a) The proposed date of commencement of operations;
- (b) Written confirmation by a director/principal officer of the retakaful operator on the readiness of its operations and systems for commencement of business;
- (c) Under Section 9 of the TA, an annual fees of RM2,500 are required for each class of retakaful business. This annual fee is due and payable no later than 31 January each year. Payment shall be made using RENTAS facility in commercial banks with details as follows:

Transaction code: ANT01
Account Name: Akauntan Negara Malaysia
Account No.: 1554095430
Payment Details: Annual Registration Fee for the year _____
Instruction by: (Name of the retakaful operator)

- (d) Confirmation that a statutory deposit of RM300,000 for each class of retakaful business has been placed with the Accountant General of Malaysia as required under Section 13 of the TA. Alternatively, retakaful operators can use a bank guarantee (waad bank) as permitted under Section 14 of the TA provided it is in the format enclosed as per **Appendix VI**.

Note: The annual fees and statutory deposit must be paid two (2) weeks prior to the business commencement date.

Appendix I

Format for Directors' Declaration

(On the applicant's letterhead)

We hereby submit this application and declare that all information given in this application is true and complete to the best of our knowledge and belief. We understand that any misrepresentation or omission of material facts may be grounds for rejecting the application. We understand that we may be required to furnish additional information relating to this application, upon request of Bank Negara Malaysia (the Bank). We also understand that the Bank may request for additional information from the home supervisor.

This declaration and the application attached are made pursuant to the authority granted by the Board of Directors by a resolution passed on [date].

For and on behalf of the Board of Directors, [name of the applicant]

Signature:

Signature:

(Name)
Director

(Name)
Director

Appendix II

Financial Position and Performance Indicators

Company Name :

Financial Year End :

| Currency (RM' 000) ¹ | Year 1 | Year 2 | Year 3 |
|--------------------------------------------------------------------|--------|--------|--------|
| Capital and Assets | | | |
| Paid up capital | | | |
| Shareholders' funds | | | |
| Total assets | | | |
| | | | |
| Income | | | |
| Breakdown of gross premium/contribution written (general business) | | | |
| (i) Marine, aviation and transit | | | |
| (ii) Contractors' all risks and engineering | | | |
| (iii) Fire | | | |
| (iv) Medical expenses and personal accident | | | |
| (v) Motor | | | |
| (vi) Liability | | | |
| (vii) Workmen's compensation and employers' liability | | | |
| (viii) Others | | | |
| Breakdown of net contribution/premium written (general business) | | | |
| (i) Marine, aviation and transit | | | |
| (ii) Contractors' all risks and engineering | | | |
| (iii) Fire | | | |
| (iv) Medical expenses and personal accident | | | |
| (v) Motor | | | |
| (vi) Liability | | | |
| (vii) Workmen's compensation and employers' liability | | | |
| (viii) Others | | | |

¹ Please state the exchange rate used.

| Currency (RM' 000) ¹ | Year 1 | Year 2 | Year 3 |
|----------------------------------------------------------|--------|--------|--------|
| | | | |
| New business contribution/premium (Family/life business) | | | |
| Annual contributions in force (Family/Life business) | | | |
| | | | |
| Profitability (Family/Life business) | | | |
| Total claims | | | |
| Total expenses | | | |
| Net investment income | | | |
| Net income/(loss) after tax | | | |
| | | | |
| Profitability (General business) | | | |
| Claims ratio | | | |
| Combined ratio | | | |
| Underwriting profit/(loss) | | | |
| Net investment income | | | |
| Net income/(loss) after tax | | | |

Appendix III(a)

BUSINESS PROJECTION OF PROPOSED FAMILY RETAKAFUL OPERATIONS

1) Business relating to Malaysian Certificates (RM'000)

| Business Line | Single/Regular Contribution | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
|----------------------|------------------------------------|---------------|---------------|---------------|---------------|---------------|
| | | | | | | |
| Total | | | | | | |

2) Business relating to Offshore Certificates (RM'000)

| Business Line | Single/Regular Contribution | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
|----------------------|------------------------------------|---------------|---------------|---------------|---------------|---------------|
| | | | | | | |
| Total | | | | | | |

3) Business of overseas branches (if applicable) (RM'000)

| Business Line | Single/Regular Contribution | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
|----------------------|------------------------------------|---------------|---------------|---------------|---------------|---------------|
| | | | | | | |
| Total | | | | | | |

Major sources of business by country:

DETAILED BUSINESS PROJECTION OF PROPOSED FAMILY RETAKAFUL OPERATIONS

Business relating to Malaysian Certificates

a) Contribution Income

| Description | Year 1 | | | | | | Year 5 | | | | | |
|----------------------------------|--------------------------|---------------------|-------|---------------------|---------------------|-------|--------------------------|---------------------|-------|---------------------|---------------------|-------|
| | Ordinary Family (RM'000) | | | Annuity (RM'000) | | | Ordinary Family (RM'000) | | | Annuity (RM'000) | | |
| | Single Contribution | Annual Contribution | Total | Single Contribution | Annual Contribution | Total | Single Contribution | Annual Contribution | Total | Single Contribution | Annual Contribution | Total |
| Retakaful contributions accepted | | | | | | | | | | | | |
| Less Retrocession contributions: | | | | | | | | | | | | |
| Net contributions | | | | | | | | | | | | |

b) New Certificates

| Description | Year 1 | | | | | | Year 5 | | | | | |
|--------------------|--------------------|--------|------------------|--------|---------------|--------|--------------------|--------|------------------|--------|---------------|--------|
| | Number of Cessions | | Sum Participated | | Contributions | | Number of Cessions | | Sum Participated | | Contributions | |
| | Single | Annual | Single | Annual | Single | Annual | Single | Annual | Single | Annual | Single | Annual |
| Ordinary: | | | | | | | | | | | | |
| Individual Family | | | | | | | | | | | | |
| Group Family | | | | | | | | | | | | |
| Sub-total | | | | | | | | | | | | |
| Investment-Linked: | | | | | | | | | | | | |
| Individual Family | | | | | | | | | | | | |
| Group Family | | | | | | | | | | | | |
| Sub-total | | | | | | | | | | | | |
| Annuity: | | | | | | | | | | | | |
| Individual Family | | | | | | | | | | | | |
| Group Family | | | | | | | | | | | | |
| Sub-total | | | | | | | | | | | | |
| Total | | | | | | | | | | | | |

c) Certificates in Force

| Description | Year 1 | | | | | ...Year 5 | | | | |
|--------------------|--------------------|--------|------------------|--------|----------------------|--------------------|--------|------------------|--------|----------------------|
| | Number of Cessions | | Sum Participated | | Annual Contributions | Number of Cessions | | Sum Participated | | Annual Contributions |
| | Single | Annual | Single | Annual | | Single | Annual | Single | Annual | |
| Ordinary: | | | | | | | | | | |
| Individual Family | | | | | | | | | | |
| Group Family | | | | | | | | | | |
| Sub-total | | | | | | | | | | |
| Investment-Linked: | | | | | | | | | | |
| Individual Family | | | | | | | | | | |
| Group Family | | | | | | | | | | |
| Sub-total | | | | | | | | | | |
| Annuity: | | | | | | | | | | |
| Individual Family | | | | | | | | | | |
| Group Family | | | | | | | | | | |
| Sub-total | | | | | | | | | | |
| Total | | | | | | | | | | |

Business relating to Offshore Certificates

a) Contribution Income

| Description | Year 1 | | | | | | Year 5 | | | | | |
|-----------------------------------|--------------------------|---------------------|-------|---------------------|---------------------|-------|--------------------------|---------------------|-------|---------------------|---------------------|-------|
| | Ordinary Family (RM'000) | | | Annuity (RM'000) | | | Ordinary Family (RM'000) | | | Annuity (RM'000) | | |
| | Single Contribution | Annual Contribution | Total | Single Contribution | Annual Contribution | Total | Single Contribution | Annual Contribution | Total | Single Contribution | Annual Contribution | Total |
| Retakaful contributions accepted | | | | | | | | | | | | |
| Less Retrocessions contributions: | | | | | | | | | | | | |
| Net contributions | | | | | | | | | | | | |

b) New Certificates

| Description | Year 1 | | | | | | Year 5 | | | | | |
|--------------------|--------------------|--------|------------------|--------|---------------|--------|--------------------|--------|------------------|--------|---------------|--------|
| | Number of Cessions | | Sum Participated | | Contributions | | Number of Cessions | | Sum Participated | | Contributions | |
| | Single | Annual | Single | Annual | Single | Annual | Single | Annual | Single | Annual | Single | Annual |
| Ordinary: | | | | | | | | | | | | |
| Individual Family | | | | | | | | | | | | |
| Group Family | | | | | | | | | | | | |
| Sub-total | | | | | | | | | | | | |
| Investment-Linked: | | | | | | | | | | | | |
| Individual Family | | | | | | | | | | | | |
| Group Family | | | | | | | | | | | | |
| Sub-total | | | | | | | | | | | | |
| Annuity: | | | | | | | | | | | | |
| Individual Family | | | | | | | | | | | | |
| Group Family | | | | | | | | | | | | |
| Sub-total | | | | | | | | | | | | |
| Total | | | | | | | | | | | | |

c) Certificates in Force

| Description | Year 1 | | | | Annual Contributions |Year 5 | | | |
|--------------------|--------------------|--------|------------------|--------|----------------------|--------------------|--------|------------------|--------|
| | Number of Cessions | | Sum Participated | | | Number of Cessions | | Sum Participated | |
| | Single | Annual | Single | Annual | | Single | Annual | Single | Annual |
| Ordinary: | | | | | | | | | |
| Individual Family | | | | | | | | | |
| Group Family | | | | | | | | | |
| Sub-total | | | | | | | | | |
| Investment-Linked: | | | | | | | | | |
| Individual Family | | | | | | | | | |
| Group Family | | | | | | | | | |
| Sub-total | | | | | | | | | |
| Annuity: | | | | | | | | | |
| Individual Family | | | | | | | | | |
| Group Family | | | | | | | | | |
| Sub-total | | | | | | | | | |
| Total | | | | | | | | | |

Business relating to Overseas Branches

a) Contribution Income

| Description | Year 1 | | | | | | Year 5 | | | | | |
|----------------------------------|--------------------------|---------------------|-------|---------------------|---------------------|-------|--------------------------|---------------------|-------|---------------------|---------------------|-------|
| | Ordinary Family (RM'000) | | | Annuity (RM'000) | | | Ordinary Family (RM'000) | | | Annuity (RM'000) | | |
| | Single Contribution | Annual Contribution | Total | Single Contribution | Annual Contribution | Total | Single Contribution | Annual Contribution | Total | Single Contribution | Annual Contribution | Total |
| Retakaful contributions accepted | | | | | | | | | | | | |
| Less | | | | | | | | | | | | |
| Retrocession contributions: | | | | | | | | | | | | |
| Licensed insurers | | | | | | | | | | | | |
| Offshore insurers | | | | | | | | | | | | |
| Foreign insurers | | | | | | | | | | | | |
| Net contributions | | | | | | | | | | | | |

b) New Certificates

| Description | Year 1 | | | | | | Year 5 | | | | | |
|--------------------|--------------------|--------|------------------|--------|---------------|--------|--------------------|--------|------------------|--------|---------------|--------|
| | Number of Cessions | | Sum Participated | | Contributions | | Number of Cessions | | Sum Participated | | Contributions | |
| | Single | Annual | Single | Annual | Single | Annual | Single | Annual | Single | Annual | Single | Annual |
| Ordinary: | | | | | | | | | | | | |
| Individual Family | | | | | | | | | | | | |
| Group Family | | | | | | | | | | | | |
| Sub-total | | | | | | | | | | | | |
| Investment-Linked: | | | | | | | | | | | | |
| Individual Family | | | | | | | | | | | | |
| Group Family | | | | | | | | | | | | |
| Sub-total | | | | | | | | | | | | |
| Annuity: | | | | | | | | | | | | |
| Individual Family | | | | | | | | | | | | |
| Group Family | | | | | | | | | | | | |
| Sub-total | | | | | | | | | | | | |
| Total | | | | | | | | | | | | |

c) Certificates in Force

| Description | Year 1 | | | | | ...Year 5 | | | | |
|--------------------|--------------------|--------|------------------|--------|----------------------|--------------------|--------|------------------|--------|----------------------|
| | Number of Cessions | | Sum Participated | | Annual Contributions | Number of Cessions | | Sum Participated | | Annual Contributions |
| | Single | Annual | Single | Annual | | Single | Annual | Single | Annual | |
| Ordinary: | | | | | | | | | | |
| Individual Family | | | | | | | | | | |
| Group Family | | | | | | | | | | |
| Sub-total | | | | | | | | | | |
| Investment-Linked: | | | | | | | | | | |
| Individual Family | | | | | | | | | | |
| Group Family | | | | | | | | | | |
| Sub-total | | | | | | | | | | |
| Annuity: | | | | | | | | | | |
| Individual Family | | | | | | | | | | |
| Group Family | | | | | | | | | | |
| Sub-total | | | | | | | | | | |
| Total | | | | | | | | | | |

Appendix III(b)

BUSINESS PROJECTION OF PROPOSED GENERAL RETAKAFUL OPERATIONS

1) Business relating to Malaysia Certificates

| Class of Business | Gross Contributions (RM'000) | | | | | Net Contributions (RM'000) | | | | |
|-------------------------------------------------|------------------------------|--------|--------|--------|--------|----------------------------|--------|--------|--------|--------|
| | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
| Marine, Aviation and Transit | | | | | | | | | | |
| Contractors' All Risks and Engineering | | | | | | | | | | |
| Fire | | | | | | | | | | |
| Medical Expenses and Personal Accident | | | | | | | | | | |
| Motor | | | | | | | | | | |
| Liability | | | | | | | | | | |
| Workmen's Compensation and Employers' Liability | | | | | | | | | | |
| Others (Please specify) | | | | | | | | | | |
| Total | | | | | | | | | | |

2) Business relating to Offshore Certificates

| Class of Business | Gross Contributions (RM'000) | | | | | Net Contributions (RM'000) | | | | |
|-------------------------------------------------|------------------------------|--------|--------|--------|--------|----------------------------|--------|--------|--------|--------|
| | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
| Marine, Aviation and Transit | | | | | | | | | | |
| Contractors' All Risks and Engineering | | | | | | | | | | |
| Fire | | | | | | | | | | |
| Medical Expenses and Personal Accident | | | | | | | | | | |
| Motor | | | | | | | | | | |
| Liability | | | | | | | | | | |
| Workmen's Compensation and Employers' Liability | | | | | | | | | | |
| Others (Please specify) | | | | | | | | | | |
| Total | | | | | | | | | | |

Appendix IV

Format for Certificate by Authorised Person

[On the letterhead of the retakaful operator]

Date:

Director General of Takaful
Bank Negara Malaysia
Jalan Dato' Onn
50480 Kuala Lumpur

Dear Sirs,

Certificate in Connection with Application for Registration as a Retakaful Operator

We, [name of retakaful operator & company number], of [registered address], are desirous of being registered as a retakaful operator under the Takaful Act 1984 to conduct retakaful business hereby confirm and declare that after having made all reasonable inquiries, all applications whether made by us or on our behalf in furtherance thereof (collectively, the Applications) are in full compliance with the Guidelines on Application for Registration and Operation of Retakaful Operator issued by Bank Negara Malaysia.

2. We further confirm and declare that we are satisfied, after having made all reasonable inquiries and to the best of our knowledge, information and belief, there is no information or statement nor is there any omission which would make our Applications false or misleading.

3. We undertake to –

- (a) provide to Bank Negara Malaysia such further information and documents as Bank Negara Malaysia may reasonably require in relation to the Applications; and
- (b) immediately notify Bank Negara Malaysia in writing of any fact or circumstances which would or could render our Applications or any information furnished in pursuance thereof untrue or misleading.

This certificate is made by the undersigned authorised person of [name of retakaful operator] pursuant to the authority granted by a written resolution of our Board of Directors passed on [date].

Yours faithfully,
For and on behalf of [Name of retakaful operator]

[Name of Director]

Appendix V

Format for Contacts List

Name of Retakaful Operator: _____

| Responsibility | Name, Designation, Department & Company | Telephone | Facsimile | email |
|----------------------------------|--------------------------------------------------------|-----------|-----------|-------|
| Regulatory contact* | <u>Primary contact:</u> <u>Back-up contact:</u> | | | |
| Overall responsibility | | | | |
| Operations | | | | |
| Information technology & systems | | | | |
| Shariah | | | | |
| Audit | | | | |
| Products & Services | | | | |
| Anti-money laundering | | | | |
| [any other relevant areas] | | | | |

* Required as this person will be the main liaison between the Bank and the applicant for all matters concerning the applicant's submissions & coordination of any meetings which the Bank may require concerning the application. Please nominate his alternate as well.

For contacts list on operational teams purposes, the responsibility column need not be filled. Please however indicate the team leader.

Appendix VI

Format of Bank Guarantee (Waad Bank)

(Tarikh)

Akauntan Negara Malaysia
Jabatan Akauntan Negara
Tingkat 1-7, Blok 8
Kompleks Pejabat-pejabat Kerajaan
Jalan Duta
Kuala Lumpur

AKTA TAKAFUL 1984 BORANG PERJANJIAN

SUATU PERJANJIAN dibuat pada(tarikh)..... di antara (.....bank penjamin.....)(alamat)..... (kemudian daripada ini disebut 'Bank') sebagai satu pihak dengan KERAJAAN MALAYSIA kemudian daripada ini disebut 'kerajaan') sebagai pihak yang satu lagi.

1. Mengikut peruntukan-peruntukan seksyen 14 Akta Takaful 1984, maka atas permintaan Tetuan.....(pengendali takaful semula)..... beralamat di(alamat)..... (kemudian daripada ini disebut 'pengendali takaful semula') Bank berwaad dengan Kerajaan Malaysia (sebagai suatu penyelesaian bagi wang sebanyak yang tersebut dalam waad yang dibuat oleh (.....bank penjamin.....) pada(tarikh mula)..... bahawa pada(tarikh tamat)..... atau apabila berlaku sebelum tarikh itu apa-apa jua daripada kejadian tertentu (dan mengenai berlakunya kejadian itu, Bank akan menerima suatu perakuan yang ditandatangani oleh Akauntan Negara Malaysia sebagai muktamad), Bank akan menandatangani wang dengan Akauntan Negara Malaysia sebanyak **RM300,000 (Ringgit Malaysia Tiga Ratus Ribu Sahaja)** atas akaun deposit Pengendali Takaful Semula di bawah Akta Takaful 1984, berkenaan urusan takaful semula melainkan jika dalam masa itu Pengendali Takaful Semula tidak lagi dikehendaki menyenggara deposit itu.

Dengan syarat bahawa jika, sebelum berlaku apa-apa kejadian tertentu dan tidak kurang daripada satu bulan sebelum tarikh tersebut, Bank atau mana-mana Bank Islam lain yang dilesen di bawah Akta Bank Islam 1983 berwaad dengan Kerajaan menurut suatu perjanjian, sebagai suatu penyelesaian bagi wang sebanyak yang tersebut dalam waad ini, menandatangani wang sebanyak seperti tersebut di atas pada suatu masa selepas tarikh tersebut atau apabila berlaku sebelum masa itu apa-apa jua kejadian yang tertentu itu, maka Bank hendaklah dengan demikian itu dilepaskan di bawah Perjanjian ini daripada membayar wang sebanyak yang diwaadkan itu. Juga dengan syarat bahawa Perjanjian ini hendaklah bermula hanya dari.....(tarikh kuatkuasa)..... dan jika apa-apa jua daripada kejadian yang tertentu itu berlaku sebelum hari itu maka Perjanjian ini tidaklah mempunyai apa-apa kuatkuasa.

2. Kejadian-kejadian yang tertentu bagi maksud Perjanjian ini adalah:

- (i) Pengambilan apa-apa langkah pembicaraan di Malaysia atau mana-mana negeri lain bagi menggulung dengan sukarela atau selainnya urusan mana-mana bahagian urusan Pengendali Takaful Semula.
- (ii) Apa-apa pengurangan am mengenai tanggungan Pengendali Takaful Semula atau apa-apa jenis tanggungan dengan membuat apa-apa penyelesaian atau perkiraan dengan siputang-siputangnya atau selainnya.
- (iii) Pengesahan oleh Mahkamah, mengenai sesuatu skim di bawah seksyen 51 Akta Takaful 1984 bagi memindah milik kepada seorang pengendali takaful semula lain kesemua atau sebahagian daripada urusan perniagaan Pengendali Takaful Semula dalam Malaysia.

- (iv) Pembuatan sesuatu perkiraan yang berkenaan dengannya Pengendali Takaful Semula dikehendaki membayar deposit di bawah seksyen 11(3) Akta Takaful 1984.
- (v) Terhentinya Bank daripada dilesen di bawah Akta Bank Islam 1983, atau berhubung dengan sesuatu waad oleh sesuatu Bank lain, Bank itu terhenti daripada dilesen sedemikian.

Sebarang tuntutan jika ada hendaklah sampai kepada kami dalam tempoh sah lakunya Jaminan ini atau dua (2) minggu selepas tamat tarikh sah laku Jaminan ini di mana selepas dari tarikh itu Jaminan ini dianggap mansuh dengan sendirinya.

Jaminan Bank ini berkuatkuasa dari(tarikh kuatkuasa)..... dan tamat tempoh sah lakunya pada(tarikh tamat).....

Pada menyaksikan hal-hal di atas, pihak-pihak dalam Perjanjian ini telah menurunkan tandatangan mereka pada tarikh yang mula-mula tertulis di atas.

Ditandatangani oleh)
 bagi pihak Bank)

No. Pendaftaran Surat

Kuasa Wakil

Di hadapan saksi)
)
)

No. Pendaftaran Surat)
 Kuasa Wakil)

Ditandatangani oleh)
 AKAUNTAN NEGARA MALAYSIA)
 bagi pihak Kerajaan)
 Di hadapan saksi)
