APPLICATION FOR TAKAFUL LICENCE

SUBMISSION OF APPLICATION FORM

The application should be submitted and signed by the applicant or person authorised on behalf of the applicant. All applications should be addressed to:

Director
Islamic Banking and Takaful Department
Bank Negara Malaysia
6th Floor, Block A
Jalan Dato' Onn
50480 Kuala Lumpur
Malaysia

Applications should reach Bank Negara Malaysia latest by 31 October 2009.

SECTION I: DETAILS OF APPLICANT

(a) Name of Applicant

(b) Address of registered office and principal place of business (if different address)

Contact number Fax

Website address (if any)

(c) Details of incorporation / registration

Date Incorporation/ registration number

Place of incorporation/ registration

(d) Law under which applicant is incorporated

(e) Form of incorporation (e.g. public limited company, private limited company, limited liability partnership etc.)

(f) Capital (in USD or RM equivalent)

Authorised	Issued	Paid-up

(g) Authorised person of the applicant in relation to this application

Name			
Designation			
Contact number		Fax	
E-mail			

Declaration

On behalf of the applicant, I hereby attest that I have been duly authorised by the Board to make this application and the information submitted in this application is true to the best of the Boards's knowledge, information and belief. I further attest that (name of authorised person) have been authorised to provide clarification and further information regarding this application for and on behalf of the applicant. Misrepresentations or omissions of material facts may be grounds for rejecting this application

Signature

Date of application

SECTION II: BACKGROUND INFORMATION

A BRIEF HISTORY

Please provide a brief history of the applicant, its group and the ultimate parent company. If the group is undergoing or planning to undergo significant changes globally, please elaborate how these changes may affect the operations on proposed application in Malaysia. Information should include principal business activities of main operating subsidiaries.

B OWNERSHIP STRUCTURE

Please provide an organisation chart of the applicant (showing all subsidiaries, associates and the Malaysian operations) and any holding company with substantial interest or ability to exert significant influence over the applicant and the Malaysian operations.

(i) Organisation chart.

(ii) List of shareholders who hold 5% or more (directly or indirectly) of the voting shares of the applicant and the Malaysian operations in Form BNM/SH.

C OVERVIEW OF BUSINESS ACTIVITIES

Please provide brief description of business activities of the applicant and its group, and areas of specialisation, particularly in respect of products and services that the applicant intends to offer for its Malaysian operations.

Name of subsidiary/ associate company/ holding company	Date and place of incorporation	Issued share capital	Relationship (e.g. subsidiary, associate company or holding company)	Equity interest (direct and indirect)	Licence (if any)	Principal activities	Geographical presence

D ADVERSE RECORDS

Please elaborate on the following, where applicable, if the applicant or ultimate parent company:

- Has been found guilty or liable for any offences in a Court of Law during the last 3 years or if are there any proceedings now ongoing which may lead to such a conviction;
- Has been reprimanded or has had restrictions imposed on its operations by the regulatory authorities; or
- Had any of its previous applications to establish in other countries rejected and the reason for rejection.

SECTION III: FINANCIAL STRENGTH & SOUNDNESS

A CREDIT/ FINANCIAL STRENGTH RATING

Please provide applicant's highest and lowest ratings in each of the last 3 years, together with rating reports, if any, from the following rating agencies:

(i) A.M. Best
(ii) Moody's
(iii) Standard & Poor's
(iv) Any other international rating agencies (please specify)

B RANKING

Please provide ranking of the applicant in its domicile country and internationally (according to the nature of business that the applicant is conducting)

- Insurance/ Takaful
  (i) Total assets (according to the respective shareholders' and insurance/ takaful funds)
  (ii) General insurance/ takaful gross and net premiums/ contribution written
  (iii) Sums insured/ participated in force and net premiums/ contributions

- Banking
  (i) Total assets
  (ii) Tier 1 capital

- For other types of regulated business, please provide the equivalent ranking

C FINANCIAL POSITION AND PERFORMANCE

Please provide details on the financial position and performance of the applicant's business, including key performance indicators for each of the last 3 years and explanation for the significant changes.

SECTION IV: PLANS FOR MALAYSIAN OPERATIONS

A. OVERVIEW

Proposed name of new Malaysian subsidiary

Proposed date for commencement of operations

B. CAPITAL

Please provide details on the capital structure (amount in RM and the category of shares) as well as the sources of capital to be invested

Authorised	Issued	Paid-up	Source of capital

C. STRUCTURE OF BUSINESS

Please provide a business plan which incorporates the goals or milestones of the new subsidiary's first 3 years of operations in Malaysia and covers the following areas as detailed below:

(1) A proposed organisation chart of the Malaysian subsidiary, which should include the reporting lines to the applicant and/or any intermediate entity exercising control over the subsidiary, where applicable.

(2) Briefly describe how the subsidiary in Malaysia will be supervised by the applicant.

(3) A list of the proposed directors, chief executive officer and senior management of the Malaysian subsidiary, their responsibilities and experience in relevant financial operations that commensurate with the intended activities of the Malaysian subsidiary.

(4) A detailed outline of the proposed strategy and activities of the Malaysian subsidiary and demonstrate how the proposed subsidiary will be able to contribute to Malaysia's position as an international Islamic financial hub and the overall development of the Malaysian economy and financial sector. This would include details of any specialised area of business proposed, relevant expertise to support the provision of such services and ability to enhance takaful penetration and fulfill other financial services needs of the economy, especially in areas where there are gaps in the current financial system and in areas of new growth.

(5) Elaborate on any additional value proposition you can bring, for example, establishment of shared services and outsourcing centre and creation of substantial employment opportunities.

(6) Describe how the subsidiary in Malaysia will be staffed, providing an estimate of the total staff envisaged as well plans to ensure continuous human capital development.

(7) Please provide a 3-year business plan outlining the proposed operations in Malaysia, including:

(i) The business model that it intends to adopt, details on the distribution channels, products and services that will be offered, business territorial scope that the Malaysian operations is allowed to underwrite.

(ii) Business projections detailing the business lines in Form BNM/BP (stating the assumptions used in deriving the projections) and the key performance indicators.

(8) Outline the risk management systems and procedures to be adopted to control and monitor risks in the Malaysian subsidiary, including the oversight of outsourced functions and corporate governance structure.

SECTION V: REGULATORY SYSTEM IN HOME COUNTRY

A. OVERVIEW

Briefly describe the regulatory system in the applicant's home country and the functions and powers of the regulatory authority that are in accordance with the internationally accepted best practices and standards.

B. SUPERVISORY FRAMEWORK

Please elaborate the extent to which the applicant's supervisory authority exercises consolidated supervision. This should include any supervisory arrangement that the applicant's holding company and related companies are subject to in overall assessment of the applicant's financial condition and compliance with laws and regulation. Please also indicate if the applicant's home country legislation allows for the gathering and exchanging of information for cross-border establishments.

SECTION VI: SUPPORTING DOCUMENTS

Please ensure the following documents are submitted together with their application. Where the original document is not in English, please provide a certified English translation*.

(a) Letter from the home country supervisory authority, which includes:

  (i) statement of no objection towards the establishment of a subsidiary in Malaysia;

  (ii) confirmation that the applicant is of good financial standing; and

  (iii) agreement to co-operate in the supervision of the proposed subsidiary in Malaysia, in terms of the Basel Concordat, IAIS, IFSB standards or other applicable regulatory standards.

(b) Board resolution or resolution of the highest decision making body of the applicant in respect of carrying takaful business in Malaysia.

(c) Board resolution approving the appointment of the authorised representative to act on behalf of the applicant with respect to this application and to authorise him to answer any queries the person may have on the application.

(d) Undertaking by the applicant to keep Bank Negara Malaysia informed of any material adverse developments affecting its financial soundness and/or reputation globally.

(e) Certified copy of the Memorandum and Articles of Association or other constituent documents under which the applicant is established.

(f) Certified copy of licence held by the applicant.

(g) Certified copy of the applicant's latest unaudited financial statements.

(h) Published audited annual financial statements for the last 2 years of the applicant and the applicant's holding company or any shareholder with substantial interest or ability to exert significant influence over the applicant.

(i) Any other information which will support the application.

* The documents and translation must be certified by a notary public and authenticated at the Malaysian Embassy of the applicant's home country or if the applicant is Malaysian, certified by a Commissioner for Oaths.

Name & address of shareholder	Type of legal entity of shareholder[1]	Domicile country	Class of shares held	Nominal value of voting shares held	% share-holding	Name & address of representative (if any) of shareholders on Board of Directors	Nature of business of shareholder

Note: Please provide separate forms for particulars of major shareholders of the applicant and Malaysian operations

[1] State whether shareholder is an individual, corporation (declare types of corporation, for example limited or unlimited, etc.) society, co-operative, sole proprietorship, etc.

BUSINESS PROJECTION OF PROPOSED FAMILY TAKAFUL OPERATIONS[2]

1) Business relating to Malaysian certificates

Business line	Single/ Regular contribution	Year 1	Year 2	Year 3
Total				

2) Business relating to foreign certificates

Business line	Single/ Regular contribution	Year 1	Year 2	Year 3
Total				

3) Business relating to overseas branches

Business line	Single/ Regular contribution	Year 1	Year 2	Year 3
Total				

[2] Please state the assumptions used in deriving the projections

INFORMATION SUBMISSION CHECKLIST

Please tick (√) or (X) only. Do not leave any of the parts blank. If tick (X), please provide rationale under comments.

		To be completed by Applicant	For BNM use only
	Application form		
1.	Details of applicant		
2.	Background information of the applicant		
3.	Applicant's financial strength and soundness		
4.	Business plans for Malaysian operation		
5.	Regulatory system in home country		
6.	Form BNM/SH		
7.	Form BNM/BP		
	Supporting documents		
1.	Letter of awareness from home country supervisory authority		
2.	Board resolution or resolution of the highest decision making body of the applicant in respect of the application		
3.	Board resolution approving the appointment of the authorised representative acting on behalf of the applicant		
4.	Letter of undertaking by the applicant		
5.	Certified copy of Memorandum and Articles of Association or other constituent documents of the applicant		
6.	Certified copy of licence held by applicant		
7.	Certified copy of the applicant's latest unaudited financial statements		
8.	Published audited annual financial statements for the last 2 years of the applicant and the applicant's holding company or any shareholder with substantial interest/influence over the applicant		
9.	Other documents (please specify)		

Officer responsible for information submission:

Signature:_____Phone number:_____
Name:_____Email:_____
Designation:_____ Date: _____
Comments:
_____
_____
_____
_____