



CBS

BANKIGA DHEXE EE SOOMAALIYA

البنك المركزي الصومالي

CENTRAL BANK OF SOMALIA

## **TAKAFUL LICENSING REGULATIONS, 2025**

**CBS/TAK/REG/01**

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## **PART I: PRELIMINARY**

IN EXERCISE of the powers conferred by Article 156, of the Takaful Law, the Central Bank of Somalia makes the following Regulations—

### **1. Citation**

These Regulations may be cited as the Takaful Licensing Regulations, 2025.

### **2. Applicability**

These Regulations shall apply to all entities licensed to conduct Takaful businesses undertakings and all other matters related thereto.

### **3. Commencement Date**

- 1) These Regulations shall come into force immediately upon approval by the Central Bank board of directors and signature by the chairman.
- 2) Any person who at the commencement of these Regulations is providing takaful services, shall within six (6) months from the date of commencement apply to the Bank for a license.
- 3) Sub-regulation (2) shall not apply to a new applicant and the new applicant shall apply for a license to the Bank before commencing to provide takaful services.

### **4. Interpretation**

In these Regulations, unless the context otherwise requires—

“**Actuary**” means a person appointed as an actuary by a licensed takaful operator in accordance with Article 24 of the Law.

“**Applicant**” means an applicant for licensing as a takaful operator or intermediary.

“**Bancatakaful**” means the sale, marketing, and distribution of takaful products by a bank or financial institution on behalf of a takaful operator under any written agreement.

“**Bank**” means the Central Bank of Somalia.

“**Beneficiary**” means a person who acquires the rights of the takaful certificate at the start or acquired through legal transfer.

“**Board**” means the Board of Directors of a licensed takaful operator.

**“Chief executive officer”** means an individual who is responsible for the conduct of the whole of the business of the licensed takaful operator.

**“Composite license”** means takaful operator that has been licensed to operate general and family takaful.

**“Customer”** means a participant or a potential participant.

**“Distribute”** means the soliciting of applications for, negotiating or concluding of takaful contracts by a licensed takaful operator or takaful intermediaries.

**“Family takaful contract”** means a takaful contract that falls within any class of family takaful business.

**“General takaful contract”** means a takaful contract that falls within any class of general takaful business.

**“Independent director”** means a member of a Board of directors who does not have a material relationship with the takaful business and is neither part of its executive team nor involved in the day-to-day operations of the takaful operator.

**“Intermediary”** means a person who carries on business as a broker, an agent, a loss adjuster and such categories of persons as the Bank may determine to be takaful intermediaries.

**“Key person in a control function”** means an individual appointed to undertake, or have responsibility for, and oversight of, a control function.

**“Law”** means the Takaful Law 2025.

**“Licensee”** means a person who has been issued a composite license by the Bank to conduct takaful business in Somalia.

**“Licensed takaful operator”** means a person who holds a takaful operator’s license issued under Article 31 of the Law.

**“Licensed retakaful operator”** means a person holding a retakaful operator’s license.

**“Loss adjuster”** means a person licensed by the Bank to evaluate a takaful claim and decide the compensation amount to be paid to the claimant. For the purposes of these Regulations, loss adjusters shall also include loss surveyors.

**“Operating Model”** means a Shariah-compliant mechanism that defines the relationship and obligations between a takaful operator and their participants.

**Principal officer:** a Person who is responsible for the general control, direction and supervision of the licensed Somalia Takaful business

**“Participant”** means a person who entered into the takaful contract with the licensed takaful operator, or if the rights of that person under the contract have been assigned or transferred, the person who has those rights.

**“Promotional material”** includes any explanatory, advertising or publicity material, in any form.

**“Qard-hasan”** means a means a benevolent loan extended by a takaful operator to a takaful fund when there is a deficit in the participants’ risk fund..

**“Senior management”** means—

- a) the senior managers of the licensed takaful operators who have collective responsibility for day- to-day management; or
- b) where the context requires, those senior managers having responsibility for particular functions relating to the day-to-day management.

**“Service provider”** in relation to an outsourcing arrangement, means a person who undertakes an activity for a licensed takaful or retakaful operators under an outsourcing arrangement with the licensed takaful or retakaful operators.

**“Shareholder”** means an individual or entity that owns shares or equity in the takaful or retakaful operator’s business.

**“Shariah”** means Islamic Law.

**“Shariah Board”** means a Board appointed by a takaful operator to ensure Shariah compliance of its takaful business.

**“Significant owner”** means a Person who holds shares of five per centum (5%) or more of the takaful operator and has the ability to control or influence management.

## **PART II: CLASSIFICATION OF TAKAFUL BUSINESS**

- 1) In accordance with the Law, takaful business shall comprise of two categories, a takaful operator and retakaful operator;
- 2) Takaful operator shall be licensed to provide a composite license consisting of family takaful and general takaful.
- 3) Family takaful shall comprise the classes and sub-classes of takaful business specified in Part I of the Fourth Schedule to these Regulations.
- 4) General takaful shall comprise the classes and sub- classes of takaful business specified in Part II of the Fourth Schedule to these Regulations.
- 5) For the purposes of these Regulations and the management of the takaful industry, the classes and sub-classes of takaful business shall be serialized according to the serial numbers specified in these Regulations.

## **PART III: LICENSING OF TAKAFUL OPERATORS**

### **5. Application for License**

- 1) Any person who intends to engage in takaful activities shall be licensed by the Bank before conducting any takaful operations in Somalia.
- 2) No entity is allowed to operate Takaful business in Somalia without or before having granted a License,
- 3) Every Takaful license expires on 31<sup>st</sup> December of each year
- 4) A Person, or an entity presenting themselves as offering Takaful Services without having been granted Licenses, shall face Penalty USD 100,000 and/or face jail term of not less than 3 years.
- 5) The application for a license or renewal of a license for a takaful operator shall be submitted in Form No. CBS 31-1 in the First Schedule together with all the information required to be submitted through electronic means.
- 6) A licensed takaful or retakaful operator shall at all times display the license in his or her head office and a copy of the license in all its branches, if any.

## 6. Licensing Requirements

- 1) For the purpose of Article 32 of the Law, every takaful operator shall, at the time of first making an application for licensing takaful business submit to the Bank the following—
  - a) The proposed takaful operator's name and head office address;
  - b) The prescribed license fee as provided in Regulation 7;
  - c) A certified copy of the applicant's certificate of incorporation or any other document by which the applicant is constituted;
  - d) Tax Compliance Certificate (TCC) from the Ministry of Finance;
  - e) Copies of the articles and memorandum of association;
  - f) An appropriate corporate governance framework in accordance with the Law;
  - g) An appropriate Shariah governance framework, including a clear description of the Shariah Board's mandate and responsibilities;
  - h) Details of the proposed Board members, Shariah Board members, senior managers, key persons in control functions, auditors, external Shariah auditors, actuaries and risk managers, in accordance with the Law;
  - i) Details of the significant owner(s);
  - j) List of the company shareholders including types of shares, nominal share value, percentage of holding in the share capital and any related persons or parties, particulars of substantial shareholders and of any person being proposed to act as the Chief Executive Officer of the proposed takaful operator;
  - k) A duly completed fit and proper form of the company's key persons in the prescribed Form No. CBS 11-3;
  - l) Information on shareholder capital sources within the meaning of the Law;
  - m) Proof that the initial minimum capital has been paid in cash to an account in a bank licensed under the Financial Institutions Law and approved by the Shariah Board;
  - n) A Shariah compliance certificate;
  - o) A fund segregation policy;
  - p) A written policy on the management of Participant Risk Fund surplus in consultation with the Shariah Board and approved by the Board of Directors, which at a minimum, will include—

- i. Details on how the level of surplus to be retained in the fund will be arrived at; and
  - ii. Details on how surplus will be distributed;
- q) Appropriate systems for risk management, internal controls, information technology, consumer complaint handling systems and anti-money laundering and terrorism financing procedures;
- r) Appropriate retakaful and retrocession arrangements;
- s) An organogram, in the case of an applicant associated with other companies or entities, showing—
  - i. all its associated companies and entities and the position of each associated company and the relationship between the associated companies or entities;
  - ii. the shareholding held by each of the associated companies or entities; and
  - iii. a general description of the activities of each of the associated companies or entities.
- t) A statement of the proposed takaful business, including details of the class or classes of takaful business to be carried on as well as distribution methods and channels to be used;
- u) The proposed takaful operating model to be adopted by the applicant, which shall be consistent with the business and financial plans presented;
- v) Proposal forms, takaful contracts, agreements and other documents for which the company seeks to be licensed;
- w) Data on products, contributions, and contribution calculation as follows—
  - i. an application for family takaful shall include mortality tables, method for contribution calculation and method for calculating reserves as required by law; and
  - ii. an application for general takaful shall include the method of contribution calculation.
- x) The most recent audited financial statements of the applicant including the audited financial statements of the applicant's holding company and the consolidated group financial statements, if any;
- y) Work permits for employees or directors who are not citizens of Somalia;

z) A sound business plan or feasibility study, as may be applicable detailing the objectives of the takaful undertaking, the capability of the takaful operator to meet their estimates and liabilities, for at least the first three years of the undertaking and shall contain at least the following information—

- i. targeted market share;
- ii. evaluation of establishment expenses, management expenses, including overall expenses and commissions;
- iii. evaluation of expenses of setting up the administrative services and the organization for securing business and financial resources intended to meet those costs;
- iv. type of retakaful and retrocession agreements the company proposes to conclude with the retakaful operator and retrocessionnaires;
- v. optimistic and pessimistic estimates concerning the contributions and technical profitability for each takaful class in which they would like to operate;
- vi. a 3-year forecast statement of financial position and statement of comprehensive income; and
- vii. an evaluation of the financial sources intended to cover the technical provisions, required minimum capital and required solvency margin as well as the calculation methods used for such evaluations.

2) Where the Bank deems the application not complete, the Bank shall inform the applicant without delay, and the applicant shall be given the opportunity to provide additional information to complete the application.

## **7. Application and Licensing Fees**

1) The fee for application and licensing as a takaful operator under Article 35 of the Law, shall be—

- a) In the case of retakaful operator, a non-refundable one time application fee of two thousand dollars (USD 2,000) shall apply;
- b) In the case of a takaful operator, a non-refundable one time application fee of one thousand dollars (USD 1,000) shall apply;
- c) Upon acceptance of a complete application, retakaful operator shall pay a license fee ten thousand dollars (USD 10,000);
- d) Upon acceptance of a complete application, takaful operator shall pay a license fee five thousand dollars (USD 5000);

- e) The same fee shall be payable for renewal of a license; no application fee shall be required for license renewal
- 2) The fees payable by the members of the takaful industry for licensing or renewal of a license under the Law and these Regulations shall be paid to the Bank.

## **8. Minimum Capital Requirements**

1. No person shall be licensed as takaful operator unless he meets the minimum paid up capital requirements specified in the Third Schedule of these Regulations.
2. Upon initial approval of the application by the Bank, an applicant shall deposit the minimum capital per these Regulations into a bank approved by the Bank, provided that the capital of a takaful operator shall consist of ordinary shares each of which has a single face value with voting rights and shall be irredeemable.
3. Where the prescribed minimum capital of a takaful operator falls below the amount specified in these Regulations, the takaful operator shall notify the Bank immediately.
4. No Person Shall-
  - a. control, or be entitled to beneficial ownership directly or indirectly to more than twenty-five percent of the paid-up share capital or voting rights of a Takaful operator or
  - b. be entitled to appoint more than twenty-five percent of the board of directors of a takaful;
5. No person shall be appointed as an executive director, managing director, principal officer or other senior management official of a takaful operator if such person
  - a. controls, or is beneficially entitled, directly or indirectly, to more than twenty percent of the paid-up share capital or voting rights; or
  - b. is entitled to appoint more than twenty percent of the Board of Directors of the takaful operator; or
  - c. is entitled to receive more than twenty percent of aggregate dividend of the takaful operator in any given year.
6. For the purpose of subsection 4, indirect control or beneficial entitlement to the paid-up share capital or voting rights of a takaful operator, means control or entitlement-
  - a. in the case of a company or corporate body, through-

- i. a holding company or its subsidiary;
    - ii. a subsidiary or its holding company;
    - iii. nominees; or
  - b. in the case of an individual, through-
    - i. any member of his family;
    - ii. a company or corporate body controlled directly or indirectly by him, whether alone or with his associates;
    - iii. any associate of his associates, and a person shall be deemed to be a member of a family if he is the parent, spouse, brother, sister, child, uncle, aunt, nephew, niece, stepfather, stepmother, stepchild or adopted child of the person concerned, and in the case of an adopted child his adoptive parents.
7. A licensed takaful operator that permits its paid-up share capital to fall below the minimum prescribed under subsection 1 is a violation and is liable to a penalty of US\$ 500 and if the offence continues, to a further fine of US\$ 50 for every day during which the offence continues, up to a maximum cumulative penalty of US\$ 6,000.

## **9. Security Deposit Requirements**

- 1) For the purposes of Article 33 of the Law, a takaful operator shall deposit and maintain with the Bank an amount equal to ten per centum (10%) of the required paid up capital.
- 2) The deposit made under this regulation shall be returned by the Bank to the takaful operator if the application for licensing as takaful is declined by the Bank.
- 3) No deposit made in respect of takaful business shall be refunded so long as the takaful operator carries on that business.
- 4) A deposit made by a takaful operator shall be deemed to be part of the assets of the takaful operator, but shall not—
  - a) be capable of being transferred, assigned, or encumbered with a mortgage or other charge, by the takaful operator;
  - b) be available for the discharge of a liability of the takaful operator;
  - c) be liable to attachment in execution of a judgment.

## **10. Operating Model**

- 1) A takaful operator shall be required to adopt an operating model which shall have been approved by the Board of Directors and the Shariah Board.
- 2) The takaful operator may adopt any of the operating takaful models as prescribed in the Fifth Schedule.
- 3) The takaful operator shall obtain prior written approval from the Bank before launching or amending any model.
- 4) The takaful operator shall disclose the operating model adopted for use in its proposal forms, and within the participants' policy documentation and its annual report.

## **11. Consideration of Application**

- 1) For the purposes of Article 36 of the Law, the Bank shall receive a complete application where it receives—
  - a) a fully and properly completed written application; and
  - b) all the documents and information—
    - i. specified by the Law and these Regulations; and
    - ii. that the Bank may require to be provided.
- 2) In considering an application, the Bank shall, satisfy itself that—
  - a) the applicant has made good of the security deposit required by the Bank;
  - b) the applicant has provided evidence on the availability of the minimum required capital by the Bank;
  - c) the applicant shall, on the issuance of a license, be able to comply with any conditions the Bank may attach to grant of the license;
  - d) the applicant's ownership, corporate and management structure, governance framework, Shariah governance framework, proposed procedures and controls, financial resources and its proposed retakaful or retrocession arrangements, are appropriate having regard to the proposed takaful business of the applicant;
  - e) the applicant's significant owners, directors, Shariah Board members and the proposed senior managers and key persons in control functions are suitable persons who satisfy the fit and proper criteria as required by the Bank; and

- f) the applicant is likely to continue and be able to comply with such provisions of the Law as applicable to it.
- 3) On receipt of an application and before a license is issued, the Bank may make such inquiries as it may consider necessary for the purpose of satisfying itself about the genuineness of the particulars furnished by the applicant, its capacity to provide the proposed takaful services, its credentials or any other matter which it may consider necessary or expedient for the purpose.

## **12. Approval or Denial of a License**

- 1) The Bank shall not issue a license where the applicant does not meet the licensing requirements;
- 2) A license issued under these Regulations shall not be transferable to another person.
- 3) Where the Bank declines to issue a license, it shall within seven (7) days of its decision notify the applicant and shall give reasons for the decision.
- 4) The Bank shall within seven (7) days from the date of granting a license, publish its website, the name of the licensee, the date of the license and the nature of takaful services to be provided.
- 5) A licensed Takaful operator that fails to commence operations within six months without reasonable grounds shall have its license revoked.

## **13. Renewal of a License**

- 1) An application for the renewal of a license shall be made in the prescribed Form No. CBS 31-1 in the First Schedule, no later than 1<sup>st</sup> October of the year in which it expires and shall be accompanied by license renewal fees prescribed in Regulation 7.
- 2) An application for the renewal of a license shall be processed in the same manner as an initial application and the Bank may grant or refuse to grant a renewal application.
- 3) Failure to renew their license within the period specified in Article (11) subsection (1) or submission of incomplete application shall be subject to a penalty of US\$ 1,000, and an additional penalty of US\$ 100 for each day of operation without a renewed license, up to a maximum penalty US\$ 6,000.
- 4) Whereby a takaful operator fails to renew their license sixty(60) days after the due date, the license shall be deemed as cancelled.

#### **14. Additional Conditions of Licencing**

- 1) The Bank, in the case of a license granted, may at any time in writing amend or revoke any existing condition of an authorization or impose any new conditions thereto.
- 2) A takaful operator shall not be licensed unless at least thirty-three per centum (33%) of its shares, paid up share capital or voting rights are held by citizens of Somalia.
- 3) No person shall transfer or acquire five per centum (5%) or more of the shares of a takaful operator without prior approval of the Bank.

#### **15. Appeal Against Refusal to Grant or Renew a License**

- 1) Where the Bank declines to grant or renew a license, the aggrieved person may in writing and within thirty (30) days from the date of receipt of the Bank's decision, appeal to the governor of the Bank to reconsider the application and shall state the reasons in support of the appeal.
- 2) On receipt of an appeal, the Bank shall determine the appeal within sixty (60) days from the date the Bank received the appeal and the outcome of the appeal shall be communicated to the appellant in writing within seven (7) days from the date of the decision.
- 3) Where an appellant is dissatisfied with the decision of the Bank, it may seek remedy in a Court of Law.

#### **16. Licensing of Foreign Takaful Operators**

The Bank shall not license a foreign applicant to open a branch to conduct takaful or retakaful business in Somalia without written confirmation from the home supervisory authority that the applicant—

- a) is currently licensed to carry out the same proposed line of takaful business in its home jurisdiction, and has been writing the same line of business for the past three years;
- b) is solvent and meets all regulatory requirements in its home jurisdiction;
- c) meets the capital requirements in Somalia;
- d) operates on Shariah principles;
- e) verify suitability of directors, owners and senior managers with both domestic and foreign authorities; and
- f) receive no objection from home supervisor on venturing into the Somali Market.

## **PART IV: LICENSING OF TAKAFUL INTERMEDIARIES**

### **17. Application for License**

- 1) Any person who intends to engage in takaful intermediary activities shall be licensed by the Bank before conducting any takaful operations in Somalia;
- 2) Every takaful intermediary's license expires on 31<sup>st</sup> December of each year;
- 3) The application for or renewal of a license for a takaful intermediary shall be submitted through electronic means in Form No. CBS 46-2 in the First Schedule together with all the information required to be submitted;
- 4) A licensed takaful intermediary shall at all times display the license in its head office and a copy of the license in all its branches, if any;
- 5) Individual intermediaries shall be persons of a minimum age of eighteen (18) years with relevant qualifications and training;
- 6) Corporate entities shall be legally incorporated in Somalia with a minimum capital as prescribed in the Third Schedule;
- 7) For the promotion of takaful products, financial institutions including banks may be authorized to transact Bancatakaful products as provided for in the Bancatakaful regulations and subject to any other requirements imposed by the Bank; and
- 8) For the promotion of digital distribution and products, takaful operators may appoint aggregators and other forms of digital distribution channels under such terms and conditions as may be determined by the Bank.

### **18. Licensing Requirements for Takaful Intermediaries**

#### **Agents**

An application for a takaful agent's license or renewal of a license shall be submitted to the Bank and shall be accompanied by the following details—

- a) The proposed name of the applicant;
- b) In case of individual application, National identification document issued by National Identification and Registration authority (NIRA)
- c) A licensing fee of two hundred dollars (USD 200);

- d) Physical and postal address of the head office and branches, if any;
- e) A copy of the certificate of incorporation or any other document by which the applicant is constituted in case of corporate agents;
- f) Tax Compliance Certificate (TCC) from the Ministry of Finance in case of corporate agents;
- g) Copies of the articles and memorandum of association;
- h) Details of the directors and shareholders or partners, where applicable;
- i) Curriculum Vitae of the Chief Executive Officer;
- j) Details of the company's significant owners in the case of corporate agents;
- k) Details of takaful business intended to be transacted;
- l) An auditor's certificate as proof of the minimum paid-up share capital for corporate agents as provided for in Regulation 22 as well as on the separation of accounts;
- m) Feasibility study and business plan containing three (3) years financial projections for new corporate applicants;
- n) The company's returns and audited financial statements for the last three (3) years, if any;
- o) Evidence of training and educational qualifications for the Chief Executive Officer;
- p) A certificate of competence or proficiency for the Chief Executive Officer;
- q) A duly completed fit and proper form of the company's key persons in the prescribed Form No. CBS 11-3;
- r) Work permits for employees or directors who are not citizens of Somalia; and
- s) Such other particulars as may be specified by the Bank.

### **Brokers**

An application for a takaful broker's license or renewal of a license shall be submitted to the Bank and shall be accompanied by the following details—

- a) The proposed name of the takaful broker;
- b) A licensing fee of five hundred dollars (USD 500);
- c) Physical and postal address of the head office and branches, if any;
- d) A copy of the certificate of incorporation or any other document by which the applicant is constituted;

- e) Tax Compliance Certificate (TCC) from the Ministry of Finance;
- f) Copies of the articles and memorandum of association;
- g) Details of the company's shareholding of the issued share capital of the takaful broker;
- h) Details of the Chief Executive Officer and Board of Directors of the takaful broker;
- i) Curriculum Vitae of the Chief Executive Officer;
- j) Curriculum vitae of the Principle Officer;
- k) Details of the takaful broking business to be carried out by a new applicant and in case of an existing takaful broker, details of the takaful broking business carried out during the last year including but not limited to the break-up of the revenue/income into brokerage commission, brokerage fees and details of any other revenue/income along with the detailed break-up of the expenses incurred;
- l) A certificate of security deposit issued by the Bank;
- m) An auditor's certificate as evidence of proof of the minimum paid-up share capital, in cash or cash equivalents;
- n) Evidence of a professional indemnity cover as provided for in Regulation 20;
- o) Feasibility study and business plan containing three (3) years financial projections for new applicants;
- p) The company's returns, annual audited accounts and statements for the last three (3) years, if any;
- q) Evidence of training and educational qualifications for the Chief Executive Officer;
- r) A duly completed fit and proper form of the company's key persons in the prescribed Form No. CBS 11-3;
- s) Work permits for employees or directors who are not citizens of Somalia;
- t) Proof of membership to the Brokers Association; and
- u) Such other particulars as may be specified by the Bank.

### **Loss Adjusters and Other Intermediaries**

- 1) An application for a loss adjuster's license or renewal of a license shall be submitted to the Bank and shall be accompanied by the following details—
  - a) The proposed name of the loss adjuster;

- b) A licensing fee of five hundred dollars (USD 500);
  - c) Physical and postal address of the head office and branches, if any;
  - d) Evidence of minimum educational qualification of a Bachelor's Degree in any related discipline from a recognized university;
  - e) Evidence that the chief executive officer possess qualification in loss adjustment or assessment from a recognized professional body;
  - f) Evidence that the chief executive officer has at least five years working experience in takaful loss adjustment or assessment;
  - g) Proof that the volume of business that is likely to be available and the earning prospects are adequate;
  - h) Proof of financial soundness by the applicant;
  - i) Curriculum Vitae of the chief executive officers who shall be a partner in case of a partnership or a shareholder in case of a corporate entity;
  - j) A certified copy of certificate of incorporation if the firm is a company or a certificate of registration of business name;
  - k) Tax Compliance Certificate (TCC) from the Ministry of Finance in case of corporate entities;
  - l) A certificate of good conduct of the Chief Executive Officer;
  - m) A duly completed fit and proper form of the company's key persons in the prescribed Form No. CBS 11-3;
  - n) Work permits for employees or directors who are not citizens of Somalia;
  - o) Details of adjustment or assessment services to be offered by the applicant; and
  - p) Such other particulars as may be specified by the Bank.
- 2) The applicant shall demonstrate that the business in respect of which the application is made will be conducted in accordance with accepted regulatory and professional standards.

### **19. Licensing Criteria for Digital Distribution Agencies and Other Aggregators**

- 1) Applicants shall be required to demonstrate that their product is in the best interest of Somalia and contributes to long-term social and economic benefits for the country.
- 2) The following shall be key value propositions which form part of the Bank's assessment criteria for licensing digital distributors and other aggregators—

- a) Digital applicants and aggregators shall demonstrate the ability to develop and deliver affordable protection solutions that are suitable and responsive to the needs of the wider population, addressing critical protection gaps, particularly among the financially at-risk population.
- b) Applicants shall prove they are capable of offering on-demand, tailored, and innovative products and services. This includes leveraging technology to compete, delivering value-added services, and enhancing the customer experience.
- c) Applicants shall demonstrate the ability to deliver a better customer experience through efficient processes and service improvements, ultimately enhancing customer satisfaction.
- d) Applicant must have robust and demonstrable cyber security policies in place.
- e) Have robust insurtech solutions with wide reach.
- f) Have passed the Regulatory Sandbox for a period of not less than 1 year before launch to the mass market,

## **20. Professional Indemnity Cover**

For the purpose of Article 47 of the Law, every broker shall provide proof of a professional indemnity cover of one million dollars (USD 1,000,000) or five per centum (5%) of the contributions transacted in the previous year, whichever is higher, which shall be on a yearly basis for the entire period of license.

## **21. Security Deposit**

For the purpose of Article 47 of the Law, a broker shall be required to maintain a security deposit held by the Bank and the minimum amount of that guarantee shall be fifty thousand dollars (USD 50,000).

- i) for the purpose of section 21, a Broker may provide a Bank Guarantee or Takaful Bond of the same amount of the required deposit.

## **22. Minimum Capital Requirements**

For the purpose of Article 47 of the Law, every broker, corporate agent, loss adjuster and bancatakaful agent shall maintain a minimum capital as prescribed in the Third Schedule of these Regulations.

### **23. Renewal of a License**

- 1) An application for the renewal of a license of an intermediary shall be made in the prescribed Form No. CBS 46-2 in the First Schedule, no later than 1<sup>st</sup> October of the year in which it expires and shall be accompanied by the prescribed license renewal fees.
- 2) Failure to renew their license within the period specified in Article (23) subsection (1) or submission of incomplete application shall be subject to a penalty of US\$ 200, and an additional penalty of US\$ 50 for each day of operation without a renewed license, up to a maximum penalty of US\$ 1,500.
- 3) Whereby a takaful intermediary fails to renew their license thirty (30) days after the due date, the license shall be deemed as cancelled.

### **24. Remuneration**

- 1) The basis of remunerating an intermediary shall be by means of a fee or commission as specified by the Bank from time to time.
- 2) The commission paid shall be reasonable and commensurate with the scale and cost of services rendered.
- 3) A takaful operator shall pay commission rates payable as a percentage of the contributions generated by intermediaries for general and family takaful business, shall be as per 6<sup>th</sup> schedule of this Regulations
- 4) A takaful operator shall not pay any commission or fee to an intermediary that is not licensed under the Law.

### **25. Brokerage Commission**

- 1) Takaful brokers are prohibited from deducting their brokerage commissions from the contribution's accounts.
- 2) Takaful brokers shall be paid separately their brokerage commissions from the takaful operators after transferring the amounts due to takaful operators no later than fifteen (15) calendar days from the receipt of contributions by the takaful operators.

## **26. Training and Continuous Professional Development**

- 1) An intermediary shall be required to possess relevant knowledge and skill in takaful as may be prescribed by the Bank.
- 2) Takaful intermediaries shall ensure that the staff employed or so appointed are suitably qualified and competent, and the person possesses the relevant professional training or experience to act in the capacity so employed.
- 3) A takaful operator shall determine the composition of technical and non-technical training programs required to be attended by its appointed intermediaries based on an intermediary's development needs and the business needs of the takaful operator on a yearly basis.

## **27. Restriction on Intermediaries**

No intermediary licensed under the Law shall transact business in Somalia for a takaful operator that is not licensed or authorized by the Bank.

## **PART V: SUPPLEMENTARY PROVISIONS**

### **28. Establishment of a Branch Office**

- 1) Takaful operators seeking to establish branch offices in Somalia shall pay an application fee of five hundred dollars (USD 500) to the Bank.
- 2) The Bank shall consider the following when considering an application for establishment of a branch office by takaful operators—
  - a) The history and the financial condition of the takaful operator;
  - b) The capital adequacy requirements and the structure of the takaful operator;
  - c) The viability and earning prospects of the branch office; and
  - d) Any other matter that may have a bearing on the takaful operator or the proposed branch office.

### **29. Administrative Levy Regulations**

- 1) Licensees shall be required to pay an administrative levy to the Bank quarterly.
- 2) The administrative levy shall be computed at one per centum (1%) of the gross written contribution of the respective licensee.
- 3) The levy shall be paid to the Bank on the 20<sup>th</sup> day following the end of every quarter.

### **30. Destruction, Concealment or Disposal of Information**

A person who destroys, conceals or disposes off or permits the destruction, concealment or disposal of a document or thing that the person knows or ought reasonably to have known is relevant to the performance or exercise of the Bank's functions or powers shall be liable to a penalty of twenty thousand dollars (USD 20,000).

### **31. Amendments**

Prior to establishing, modifying, or substituting any regulation or providing guidance, the Bank shall—

- a) furnish takaful operators, individuals and/or entities expected to be significantly affected with copies of the proposed regulations, amendments, or replacements, and allow them a fair chance to submit written feedback;
- b) grant the takaful operators, individuals and/or entities a reasonable opportunity to present their views in writing to the Bank; and

- c) consider any written feedback received.

### **32. Takaful Covers Outside Somalia**

- 1) No takaful operator, intermediary or any other person shall place any risk outside Somalia without the prior exemption by the Bank.
- 2) A person shall only procure takaful cover outside of Somalia for any risk or portion of the risk concerning Somalia property or interest at the time the takaful cover takes effect under the following circumstances—
  - a) Where the risk cannot be adequately covered in Somalia;
  - b) Retain a minimum of 10% of the Risk that the takaful operator intends to place outside the country; and
  - c) In cases of exceptionally compelling reasons warranting exemption.
- 3) Such exemptions shall hold for specific assets, properties or interest including index takaful and durations that the Bank may deem appropriate.

### **33. No Takaful Cover Without Receipt of Contribution**

- 1) Takaful operators shall not issue a takaful cover without receipt of the contribution.
- 2) Subject to sub-regulation (1), takaful operators shall provide the participants with a cover note to allow the prospective participant to review the coverage details and shall be replaced by a takaful cover before its expiration provided that the takaful operator has received the contribution.

### **34. Notification of False, Misleading or Inaccurate Information to the Bank**

- 1) A licensee shall notify the Bank immediately the licensee becomes aware that, reasonably, the licensee has or may have provided the Bank with information that was, or may be false, misleading, incomplete or inaccurate, or has or may have changed in a material way.
- 2) The notification shall include—
  - a) details of the information, which is or may be false, misleading, incomplete or inaccurate or has or may have changed;
  - b) an explanation as to why such information was or may have been provided; and
  - c) all the details of the correct information.

### **35. Change of Address**

A licensee shall seek approval from the Bank and give reasonable advance notice of a change in any of the following addresses—

- a) The licensee's head office in Somalia; or
- b) In the case of a foreign operator, its registered home office address.

### **36. Change in Legal Status**

A licensee shall seek approval from the Bank and give reasonable advance notice of a change in its legal status that may in any way, affect its relationship with or limit its liability to its participants or customers.

### **37. Provision of Information to Other Supervisors**

- 1) The Bank may on behalf of or at the request of other supervisors request a licensee to provide information, which shall enable them to discharge their functions properly.
- 2) These supervisors may include foreign supervisors or government agencies in Somalia.
- 3) The Bank may also, without notifying a licensee, pass on information it already possesses to those supervisors or agencies.

### **38. Access to Premises**

- 1) Every licensee shall permit access to representatives of the Bank or persons appointed for the purposes by the Bank, with or without notice, during reasonable business hours, to any of its business premises in relation to the discharge of the Bank's functions under the law.

## SCHEDULES

### FIRST SCHEDULE

FORM No. CBS 31-1

#### APPLICATION FOR LICENSING/RENEWAL OF LICENCE AS A TAKAFUL OR RETAKAFUL OPERATOR FOR THE YEAR ENDING 31 DECEMBER 20.....

##### 1. Applicant

- a) Name of company: .....
- b) Type of application (Initial or Renewal): .....
- c) Date of first license (For renewal): .....
- d) Nationality of applicant:.....
- e) Takaful business to be transacted: .....
- f) Proposed date of commencement: .....
- g) Primary contact:
  - i. Name of individual:.....
  - ii. Email address: .....
  - iii. Telephone number: .....

##### 2. Office Address

- a) Physical address:
  - i. Head office:.....
  - ii. Branches (If any): .....
- b) Postal address: .....
- c) Email address: .....
- d) Telephone (Office): .....
- e) Website: .....

##### 3. Details of Incorporation

- a) Date of incorporation: .....
- b) Country of incorporation: .....
- c) Laws under which the applicant is incorporated: .....

**4. Chief Executive Officer Add Principal Officer**

- a) Name: .....
- b) Email Address: .....
- c) Mobile: .....

**5. Senior Management:**

Attach details of senior management and their qualifications.

**6. Particulars**

- a) Shareholders: (Provide under Appendix A)
- b) Board of Directors: (Provide under Appendix B)
- c) Shariah Board Members: (Provide under Appendix C)
- d) Auditors, Shariah Auditors and Signing Actuary: (Provide under Appendix D)

**7. Share capital**

- a) Authorized: .....
- b) Paid up: .....
- c) Particulars of paid up capital: (Provide under Appendix E)

**8. Security Deposits**

- a) Amount of Deposit: .....
- b) Bank receipt number: .....
- c) Date: .....

**9. Principal Bankers**

- a) Name: .....
- b) Physical Address: .....
- c) Email: .....

**10. Total number of takaful Intermediaries**

- a) Agents: .....
- b) Brokers: .....
- c) Loss adjusters: .....

**11. Audited Financial Statements**

- a) Date up-to which accounts are made up: .....
- b) Date of submission of the accounts to the Bank: .....
- c) Date of last annual shareholders' assembly: .....

## 12. Shariah Compliance

Attach a Shariah compliance certificate issued.

## 13. Foreign Applicant

- a) Country of incorporation: .....
- b) Laws under which the applicant is incorporated
- c) Name(s) and address of the regulatory authority that has licensed the applicant: .....

## 14. Legal Confirmations (Delete whichever is not applicable)

- a) Has the applicant applied to establish an entity subject to financial regulation in any other jurisdiction(s) which was either withdrawn or refused?  
(Yes/No)  
If 'Yes' please provide details on a separate sheet.
- b) Has the applicant been subject to an investigation into allegations of fraud, misconduct or malpractice by a regulatory authority in any other jurisdiction? (Yes/No)  
If 'Yes', please provide details on a separate sheet.
- c) Has the applicant been convicted of any offense, censured, disciplined or criticized by any Court of Law, or professional or regulatory body in the last ten (10) years? (Yes/No)  
If 'Yes', please provide details on a separate sheet.
- d) Are there any court orders outstanding against the applicant or has the applicant been subject to an application to any Court of Law for administration, receivership or winding up? (Yes/No)  
If 'Yes', please provide details on a separate sheet.
- e) Has any of the directors ,in the past five years, been convicted of any offence involving fraud or dishonesty? (Yes/No)  
If 'Yes' please provide details on a separate sheet.
- f) Has any of the directors been adjudged to be bankrupt or compounded with creditors? (Yes/No)  
If 'Yes' please provide details on a separate sheet.
- g) Does any of the directors have any interest in any firm licensed under the Takaful Law. Please state the nature of the interest on a separate sheet.

I hereby certify that the statements contained herein and, in the documents submitted herewith required by Article 32 of the Takaful Law and the Regulation 11, are true and accurate to the best of my knowledge and belief. Any material alterations in the particulars stated herein or in the said documents will be promptly communicated to the Bank.

I hereby declare that the company does not and does not intend to carry on any business other than the takaful business for which it is seeking licensing.

Chief Executive Officer

Name: .....

Signature: .....

Date: .....

Company Director

Name: .....

Signature: .....

Date: .....

**APPLICATION FOR LICENSING/RENEWAL OF LICENCE AS A TAKAFUL INTERMEDIARY  
FOR THE YEAR ENDING 31 DECEMBER 20.....**

**1. License Application For:**

- ☐ Takaful Agent License
- ☐ Bancatakaful License
- ☐ Takaful Broker License
- ☐ Loss Adjuster License
- ☐ Other Intermediaries

**2. License Category**

- ☐ General Takaful
- ☐ Family Takaful

**3. Type of Application**

- ☐ Initial
- ☐ Renewal

**4. Applicant Details**

- a) Name of intermediary: .....
- b) Nationality of applicant:.....
- c) Date of first license (Renewal): .....
- d) Legal status (Company, Partnership etc): .....
- e) Takaful business to be transacted: .....
- f) Name of takaful operator represented:.....
- g) Primary contact:
  - i. Name of individual:.....
  - ii. Email address: .....
  - iii. Telephone number: .....
- h) Proposed date of commencement: .....

**5. Office Address**

- a) Physical address:
  - i. Head office:.....
  - ii. Branches (If any): .....
- b) Postal address: .....
- c) Email address: .....
- d) Telephone (Office): .....
- e) Website: .....

**6. Details of Incorporation**

- a) Date of incorporation: .....
- b) Country of incorporation: .....
- c) Laws under which the applicant is incorporated: .....
- d) Proposed date of commencement: .....

**7. Chief Executive Officer**

- a) Name: .....
- b) Email Address: .....
- c) Mobile: .....

**8. Share capital**

- a) Authorised: .....
- b) Paid up: .....

**9. Security deposit held**

- a) Amount of Deposit: .....
- b) Bank receipt number: .....
- Date: .....

**10.. Qualifications of the Chief Executive Officer**

- a) General educational standard and qualifications: .....
- b) Takaful experience and qualifications: .....
- c) Professional qualifications: .....
- d) Membership in a professional organization: .....

**10.Individual Applicants**

- a) Name of the applicant: .....

- b) Date of Birth: .....
- c) Nationality of the applicant: .....
- d) S.N.I.S/Passport No. : .....
- e) T.I.N :.....
- f) Mobile/ Phone No. : .....
- g) Email Address :.....

#### **11. Shariah Compliance**

Attach a Shariah compliance certificate issued (where applicable).

#### **12. Professional Indemnity**

Please attach a copy of the professional indemnity cover.

#### **13. Legal Confirmations**

- a) Has the applicant applied to establish an entity subject to financial regulation in any other jurisdiction(s) which was either withdrawn or refused? (Yes/No)  
If 'Yes' please provide details on a separate sheet.
- b) Has the applicant been subject to an investigation into allegations of fraud, misconduct or malpractice by a regulatory authority in any other jurisdiction? (Yes/No)  
If 'Yes', please provide details on a separate sheet.
- c) Has the applicant been convicted of any offense, censured, disciplined or criticized by any Court of Law, or professional or regulatory body in the last ten (10) years? (Yes/No)  
If 'Yes', please provide details on a separate sheet.
- d) Are there any court orders outstanding against the applicant or has the applicant been subject to an application to any Court of Law for administration, receivership or winding up? (Yes/No)  
If 'Yes', please provide details on a separate sheet.

## DECLARATION BY APPLICANT

I/We, ....., hereby apply for licensing under the Takaful law, 2025 and declare the above particulars to be true and correct and agree to notify the Bank of any material alteration in the information supplied and that the applicant—

- a) Is Shariah compliant;
- b) Have not been adjudged insolvent or bankrupt;
- c) Have not made an assignment to or an arrangement or composition with creditors which has not been rescinded or set aside; and
- d) Have not been convicted by a court in any country of an offence involving dishonesty, criminal misappropriation or criminal breach of trust or cheating or forgery or an abetment of or an attempt to commit such offence.

Chief Executive Officer

Company Director

Name: .....

Name: .....

Signature: .....

Signature: .....

Date: .....

Date: .....

## DECLARATION BY THE TAKAFUL OPERATOR REPRESENTED (AGENTS)

I,....., hereby certify that to the best of my knowledge and belief the above particulars are true and correct and the applicant has—

- a) undergone training in takaful;
- b) the necessary skills and competence to operate as a takaful intermediary;
- c) adequate knowledge on the takaful products to be distributed; and
- d) has adequate experience as a takaful operator.

Chief Executive Officer

Name: .....

Signature: .....

Date: .....

(A sample certificate of license)

## THE FEDERAL REPUBLIC OF SOMALIA



License No: .....

Expires on:.....

### CERTIFICATE OF LICENSING FOR TAKAFUL AND RETAKAFUL OPERATORS

The Central Bank of Somalia pursuant to its authority under the Takaful Law 2025, hereby grants this license to:

Name of Takaful Operator: .....

Address: .....

Date of issue: .....

to carry on, in Somalia, the following class(es) of takaful business—

- a) .....
- b) .....
- c) .....
- d) .....
- e) .....

This license is subject to the provisions of the Takaful Law 2024, the Regulations made under the Law and the conditions, if any, given and shall remain valid up to 31<sup>st</sup> December 20..... unless varied, suspended or revoked.

.....

Governor of the Central Bank of Somalia

(A sample certificate of license)

## THE FEDERAL REPUBLIC OF SOMALIA



License No: .....

Expires on:.....

### CERTIFICATE OF LICENSING FOR TAKAFUL INTERMEDIARIES

The Central Bank of Somalia pursuant to its authority under the Takaful Law 2025, hereby grants this license to:

Name of Takaful Intermediary: .....

Address: .....

Category of License: .....

Date of issue: .....

This license is subject to the provisions of the Takaful Law 2025, the Regulations made under the Law and the conditions, if any, given and shall remain valid up to 31<sup>st</sup> December 20..... unless varied, suspended or revoked.

.....

Governor of the Central Bank of Somalia

## FIT AND PROPER FORM FOR KEY PERSONS

### 1. Personal Information

Name .....

Name of the Takaful Operator.....

Position.....

Date of Birth(dd/mm/yyyy): .....Place of Birth.....

Nationality(ies): .....

S.N.I.S Number/Passport No.....T.I.N.....

Present residential address in full: .....

Permanent residential address in full: .....

Present job/status: .....

Institution/Official address: .....

Contact Details:

Residential Phone No.....Office Phone No.....

Mobile Phone No. ....

E-mail: .....

### 2. Education:

a) Details of highest academic qualifications and the year in which they were obtained:

Qualification	Educational Establishment/awarding Body	Year Obtained	Address of awarding Institution

b) Details of any Professional qualifications and the year in which they were obtained.  
Please provide certified true copies in relation to the qualifications obtained.

Membership No.	Professional Qualification	Year Obtained	Address of Institution

c) Courses/Trainings attended related to Islamic Finance and/or Takaful, if any:

i. \_\_\_\_\_

ii. \_\_\_\_\_

iii. \_\_\_\_\_

### 3. Work Experience

a) .Current occupation or employment and occupations or employment during the last ten years (starting from the most recent), including the name of the employer, the nature of the business, the position held and a brief explanation of duties and relevant dates. Please also include details of any previous employment in the financial services industry.

*Present occupation or employment and occupations during the last ten years.*

<b><i>Name of Employer and Nature of Business</i></b>					
<b><i>Dates of employment</i></b>					
<b><i>Title of Position Held and Brief Explanation of Duties</i></b>					
<b><i>Regulatory Status and if regulated:</i></b>	<table border="1"> <tr> <td>YES</td> <td><input type="checkbox"/></td> </tr> <tr> <td>NO</td> <td><input type="checkbox"/></td> </tr> </table>	YES	<input type="checkbox"/>	NO	<input type="checkbox"/>
YES	<input type="checkbox"/>				
NO	<input type="checkbox"/>				
If YES – Name and address of the regulatory body					

	<i>Reasons for Leaving Employment (where applicable)</i>	Resignation	<input type="text"/>	Dismissal	<input type="text"/>
		Redundancy	<input type="text"/>	End of Contract	<input type="text"/>
		Retirement	<input type="text"/>	Termination	<input type="text"/>
	Other (please specify)				

  

<b>Probity, Personal Integrity, and Reputation</b>		
1. Have you ever been the subject of disciplinary or criminal procedures, or have you ever been informed of any pending or ongoing investigations that could result in such proceedings?	Yes	No
Please provide details.		
2. Have you disregarded any clause in a written law intended to shield the public from financial harm caused by dishonesty, negligence, or malpractice?	Yes	No
Please provide details.		
3. Have you violated any rules or guidelines set forth by the government, its agencies, a professional organization, or a regulatory body?	Yes	No
Please provide details.		
4. Have a regulatory or professional body, a court or tribunal, whether publicly or privately, conducted an investigation against you or any company in which you hold the majority of the stock or have substantial influence?	Yes	No

Please provide details.		
5. Has your professional behavior been compromised by any commercial activities that are dishonest, oppressive, or otherwise wrong (whether or not they are illegal);	Yes	No
Please provide details.		
6. Because of concerns about your honesty and integrity, have you ever been fired, asked to quit, or left a job, a position of trust, a fiduciary appointment, or a comparable position?	Yes	No
Please provide details.		
7. Has a company, partnership, or other business association you were a part of had its registration, authorization, membership, or license to practice any trade, business, or profession denied, revoked, withdrawn, or terminated? Have you held an ownership or management position in that organization.?	Yes	No
Please provide details.		
8. Have you ever been associated with a company that underwent insolvency, receivership, or involuntary liquidation while you occupied a position of responsibility in the administration of that company?	Yes	No
Please provide details.		
9. Have you ever served as a director of, or been directly involved in the management of, a corporation that is currently being wound up by a court or other authority with the authority to	Yes	No

do so within the country or outside of it, or a licensed institution whose license has been revoked in accordance with any written law?		
Please provide details.		
10. Have you ever acted dishonestly or unfairly toward your clients, your boss, your auditors, or any regulatory bodies?	Yes	No
Please provide details.		
11. Have you ever demonstrated a strong opposition to regulatory authorities or a lack of readiness to collaborate with them, as well as a failure to adhere to legal, regulatory, and professional requirements and standards, including tax obligations?	Yes	No
Please provide details.		
12. Have you made a substantial contribution to an organization or business unit failing?	Yes	No
Please provide details.		
13. Have you ever shown a strong distaste for or a lack of desire to keep up efficient internal control procedures and risk management techniques?	Yes	No
Please provide details.		

14. Are you free from any business or other relationships that would negatively affect the takaful interest by creating a material conflict of interest or impeding your ability to perform responsibly in your role as a key person?		Yes	No
Please provide details			
<b>Financial Integrity</b>			
1	Have you and will you be able to meet your financial commitments, whether they are domestic or international, when they become due?	Yes	No
	Please provide details		
2	Have you ever been the subject of a judgment debt that hasn't been paid in full or in part, whether it's from this country or somewhere else?  Have you, for instance, been declared bankrupt or taken part in a bankruptcy proceeding	Yes	No
	Please provide details		

## Signature and acknowledgement

- a) I am aware that it is illegal to intentionally or carelessly provide incorrect or misleading information in connection with this application for this takaful operation.
- b) I am also aware that the Bank may reject my application if I provide misleading information in this regard.
- c) To the best of my knowledge, the information provided above is complete and accurate, and there are no additional details pertaining to this application that the Bank should be made aware of.
- d) I undertake to inform the Bank of any changes material to the applications which arise while the application is under consideration.

Key Person

Chief Executive Officer

Name: .....

Name: .....

Signature: .....

Signature: .....

Date: .....

Date: .....

**FIT AND PROPER FORM FOR SHARIAH BOARD MEMBERS****1. Personal Information**

a) Full name: \_\_\_\_\_

b) Date of Birth (dd/mm/yyyy): \_\_\_\_\_ Place of Birth: \_\_\_\_\_

c) Nationality(ies): \_\_\_\_\_

d) S.N.I.S. Number/Passport No.: \_\_\_\_\_ T.I.N \_\_\_\_\_

e) Present residential address in full:

\_\_\_\_\_

f) Permanent residential address in full:

\_\_\_\_\_

g) Present job/Status:

\_\_\_\_\_

Institution/ Official address:

\_\_\_\_\_

\_\_\_\_\_

h) Contact Details:

Residential Phone No. \_\_\_\_\_ Office Phone No. \_\_\_\_\_

Mobile Phone No. \_\_\_\_\_

E-mail: \_\_\_\_\_

**2. Education:**

a) Details of Shahadat-ul-Aalamiyyah/Post Graduate Degree:

S. No	Degree Name	Board/University	Passing Date

b) Major Subjects studied in Bachelors/Master's degree:

i. \_\_\_\_\_

ii. \_\_\_\_\_

iii. \_\_\_\_\_

c) Courses/ Trainings attended related to Islamic Finance and/or Takaful, if any:

- i. \_\_\_\_\_
- ii. \_\_\_\_\_
- iii. \_\_\_\_\_

d) Language Skills in English and Arabic (Excellent/Good/Fair/Poor):

Proficiency in:	English	Arabic
Reading		
Writing		
speaking		

### 3. Experience/Appointments/Positions held during the last five years:

a) Fatwa Experience:

i. Experience of giving Shariah rulings:

S.No.	Name of Institution	Field(s) of Fatwa	From (dd/mm/yyyy)	To (dd/mm/yyyy)

ii. No. of Fatawa Issued:

S.No	Name of Institution	Field(s) of Fatwa	No. of Fatwa

iii. No. of Fatawa Published:

S.No	Name of Publication	Subject	Publisher Name	Year of Publication

b) Research Experience: \_\_\_\_\_ Years

i. Total No. of Publications/Articles Published in Research Journals: \_\_\_\_\_

S.No.	Subject of Publication/Article	Name of Journal/Magazine	Date of Publication

--	--	--	--

ii. No. of Books Authored/Compiled: \_\_\_\_\_

S.No	Name of Book	Subject	Publisher Name	Year of Publication

c) Teaching Experience:

S.No.	Name of Institution	Subjects and Books Taught	Level of Teaching (Under Graduation /Graduation/ Post Graduation)	From ( dd/mm/yyyy)	To ( dd/mm/yyyy)

d) Takaful Experience (including current positions held):

S.No.	Name of Institution	Designation	From (dd/mm/yyyy)	To (dd/mm/yyyy)

e) Financial Institutions (excluding takaful) / Other Institutions Experience (including current positions held):

S.No	Name of Institution	Designation	From (dd/mm/yyyy)	To (dd/mm/yyyy)

f) Name(s) & designation(s) of the supervisor (one grade up) under whom Shariah scholar has served during the last five years:

S.No	Name of Supervisor	Designation of Supervisor	Name of Institution

g) Have you ever been terminated or dismissed in the capacity of employee, director/chairman from any institution, firm or a company?

Yes\_\_\_\_\_ No\_\_\_\_\_

If yes, provide details in the following format:

S.No	Year	Designation	Name of Institution	Reason of Termination/ Dismissal

h) Have you ever been convicted of any offence?

Yes\_\_\_\_\_ No\_\_\_\_\_

S.No	Year	Nature of offence	Authority by whom convicted	Penalty/Sentence Imposed

If yes, provide details in the following format:

i) Have you ever been censured and/or penalized by any financial/tax authority (local or foreign)?

Yes\_\_\_\_\_ No\_\_\_\_\_

If yes, provide details in the following format:

S.No	Year	Nature of offence	Authority by whom penalized	Penalty Imposed

j) Do you hold/have held any executive/non-executive position in any other financial institution?

Yes\_\_\_\_\_ No\_\_\_\_\_

If yes, provide details in the following format:

S.No	Designation and Nature of position	Name of Financial Institution	From (dd/mm/yyyy)	To (dd/mm/yyyy)

k) Do you hold any direct or beneficial equity or proprietary interest in the business of:

a) The takaful operator in which you are being appointed as Shariah Board member;

b) Takaful Brokerage Firm;

c) Retakaful Company; and/or

d) Takaful Related Entity or are you an employee of any of the aforementioned takaful related entities?

Yes\_\_\_\_ No\_\_\_\_

If having equity or proprietary interest, provide details in the following format:

S.No	Name of Institution	Percentage Interest Held	From (dd/mm/yyyy)	To (dd/mm/yyyy)

If an employee of any of the aforementioned entities, provide details in the following format:

S.No	Name of Institution	Designation	From (dd/mm/yyyy)	To (dd/mm/yyyy)

a) Shareholding in the takaful operator: Number of shares held\_\_\_\_\_ Held as of \_\_\_\_\_

l) Do you hold any direct or beneficial equity interest in the business of any other takaful or Islamic financial institution?

Yes\_\_\_\_ No\_\_\_\_

If yes, provide details in the following format:

S.No	Name of Institution	Percentage Interest Held	From (dd/mm/yyyy)	To (dd/mm/yyyy)

m) Names & addresses of three respectable persons (not relatives) who have been closely acquainted with the Shariah Scholar during the last five years.

S.No.	Name	Address	Contact No.
1			
2			
3			

**4. Signature and acknowledgement**

- a. I am aware that it is illegal to intentionally or carelessly provide incorrect or misleading information in connection with this application for this takaful operation.
- b. I am also aware that the Bank may reject my application if I provide misleading information in this regard.
- c. To the best of my knowledge, the information provided above is complete and accurate, and there are no additional details pertaining to this application that the Bank should be made aware of.
- d. I undertake to inform the Bank of any changes material to the applications which arise while the application is under consideration.

Shariah Scholar

Name: .....

Signature: .....

Date: .....

Chief Executive Officer

Name: .....

Signature: .....

Date: .....

## SECOND SCHEDULE

### APPENDIX A

Form No. CBS 56-1

PARTICULARS OF SHAREHOLDERS							
Name of Takaful Operator:.....				As at 31st December.....			
	Name	Citizenship	Residential Address	Class of Shares	Nominal value of voting rights held	% of Shareholding	Occupation or other business of the shareholder
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							

Chief Executive Officer

Name: .....

Signature: .....

Date: .....

Company Director

Name: .....

Signature: .....

Date: .....

**APPENDIX B****Form No. CBS 57-2**

PARTICULARS OF BOARD OF DIRECTORS								
Name of Takaful Operator:.....					As at 31st December .....			
	Name	Citizenship	Residential Address	Highest Academic Qualification	Membership in Professional Bodies	Years of Relevant Experience	Date of Appointment	Shareholding (Yes/No)
1								
2								
3								
4								
5								
6								
7								
8								
9								
10								

Chief Executive Officer

Name: .....

Signature: .....

Date: .....

Company Director

Name: .....

Signature: .....

Date: .....

**APPENDIX C****Form No. CBS 64-2**

PARTICULARS OF SHARIAH BOARD MEMBERS								
Takaful Operator:.....					As at 31st December.....			
	Name	Citizenship	Residential Address	Highest Academic Qualification	Membership in Professional Bodies	Years of Relevant Experience	Date of Appointment	Shareholding (Yes/No)
1								
2								
3								
4								
5								
6								
7								
8								
9								
10								

Chief Executive Officer

Name: .....

Signature: .....

Date: .....

Company Director

Name: .....

Signature: .....

Date: .....

**APPENDIX D****Form No. CBS 56-4**

<b>PARTICULARS OF EXTERNAL AUDITORS, EXTERNAL SHARIAH AUDITORS AND ACTUARIES</b>					
Name of Takaful Operator: .....			As at 31st December.....		
	<b>Name</b>	<b>Address</b>	<b>Partners Name</b>	<b>Professional Qualifications</b>	<b>Since When</b>
External Auditor					
External Shariah Auditor					
Actuary					

Chief Executive Officer

Name: .....

Signature: .....

Date: .....

Company Director

Name: .....

Signature: .....

Date: .....

**APPENDIX E****Form No. CBS 118-1**

<b>PAID-UP CAPITAL</b>							
Name of Takaful Operator:.....					As at 31st December.....		
	Types of Shares	Number of Shares	Amount per Share	Total Number of Shareholders	Holding by Somalia Citizens		
					Number of Shares	Total Amount	% of Total Shareholding
1							
2							
3							
4							
5							

Chief Executive Officer

Name: .....

Signature: .....

Date: .....

Company Auditor

Name: .....

Signature: .....

Date: .....

## **THIRD SCHEDULE**

### **MINIMUM PAID-UP CAPITAL**

#### **1. COMPOSITE TAKAFUL OPERATOR:**

- a. Minimum capital US\$ 1,000,000; and
- b. Risk based capital as prescribed.

#### **2. Retakaful Operator**

The higher of—

- a) ten million dollars (USD 5,000,000); or
- b) risk based capital determined from time to time.

#### **3. Intermediaries**

- a) Broker, fifty thousand dollars (USD 50,000);
- b) Bancatakaful agent, fifty thousand dollars (USD 50,000);
- c) Corporate agent, ten thousand dollars (USD 10,000); and
- d) Loss Adjuster, three thousand dollars (USD 30,000).

## FOURTH SCHEDULE

### CLASSES AND SUB-CLASSES OF TAKAFUL BUSINESS

#### PART I –FAMILY TAKAFUL BUSINESS

<b>Class No.</b>	<b>Class Name</b>	<b>Brief Description of Class</b>	<b>Serial No.</b>	<b>Sub-Class (If any)</b>
01	Group family takaful & Superannuation	Contracts to pay Lump Sums to employees/ former- employees, creditors or other individuals that relate to the issuing of or the undertaking of liability under superannuation, Group term or Group Credit policies.	010	Group Life
			011	Group Term
			012	Group Credit
			013	Group Savings
02	Ordinary family takaful	Contracts of takaful on human life, including contracts that pay a benefit to a beneficiary at the end of the contract term or if the participant dies (but excluding any contract falling within Class 1).	020	Endowments
			021	Term Life
			022	Whole Life

## PART II – GENERAL TAKAFUL BUSINESS

Class No	Class Name	Brief Description of Class	Serial No.	Sub-Class (If any)
03	Agriculture Takaful	Contracts of takaful against— (a) loss of or damage to agricultural produce, livestock, agricultural stocks and consumables and buildings, temporary structures, plant, machinery and vehicles used in connection with agriculture; (b) loss or damage arising out of or in connection with the use or operation of buildings, temporary structures, plant, machinery and vehicles used in connection with agriculture, including loss of or damage to surrounding property of the participant, liability to third parties for damage to property, injury or loss of life; (c) loss or damage arising out of contract work in relation to buildings, temporary structures, plant, machinery and vehicles used in connection with agriculture, including damage to property on site and third party risks	030	Crop Takaful
			031	Livestock Takaful
04	Engineering Takaful	Contracts of takaful against— (a) loss or damage to plant and machinery and consequential loss from breakdown; (b) loss or damage arising out of the use or operation of plant and machinery, including loss of or damage to surrounding property of the participant, liability to third parties for damage to property, injury or loss of life. (c) loss or damage arising out of contract work in relation to plant and machinery, including damage to property on site and third party risks	040	Contractor's all risk
			041	Erection all risks
			042	Machinery Breakdown
05	Fire & Perils Takaful	Contracts of takaful against loss or damage to property, and consequential losses, due to fire, explosion, storm and other natural perils and other perils customarily included in fire takaful policies. Fire domestic takaful covers risks of fire which are of private or personal use while industrial and commercial takaful cover risks of fire which are commercial or industrial.	050	Fire industrial and commercial takaful
			051	Fire domestic Takaful
06	Liability Takaful	Contracts of takaful against risks of the persons covered incurring liability to third parties (excluding any risk to which any other class of non-life takaful relates).	060	Public Liability
			061	Professional Indemnity
			062	Product Liability
07	Marine & Aviation Takaful	a) Contracts of takaful against— (i) loss of or damage to marine craft or the equipment or fittings of marine craft;	070	Marine Cargo

Class No	Class Name	Brief Description of Class	Serial No.	Sub-Class (If any)
		(ii) loss or damage arising out of or in connection with the freight, use, construction or repair of marine craft, including third party risks, carrier's liability and medical expenses for the injury of occupants of a marine craft, including crew.	071	Marine Hull
		b) Contracts of takaful against— (i) loss of or damage to aircraft or aircraft equipment or fittings;	072	Aviation Hull
		(ii) loss or damage arising out of or in connection with the use of aircraft, or the construction or repair of aircraft, including third party risks, carrier's liability, airport owner's liability and medical expenses for the injury or loss of life of occupants of an aircraft, including aircrew.	073	Aviation Liability
08	Medical Takaful	Contracts of takaful that cover medical expenses, including the business of covering disability or long-term nursing or custodial care needs.	080	Medical
09	Motor Takaful	Contracts of takaful against—	090	Motor Commercial PSV
		(a) loss of or damage to motor vehicles;	091	Motor Commercial
		(b) loss or damage arising out of or in connection with the use of, motor vehicles, including third party risks, carrier's liability and medical expenses for the injury of occupants of a motor vehicle.	092	Motor Private
		(c) Exclusive of transit risks.	093	Motorcycle
10	Workmen's Compensation	Takaful contracts against the liability of the employer to the employees in respect of any injury or disease arising out of and in the course of their employment.	100	Workmen's Compensation
11	Miscellaneous Takaful	(a) Contracts of takaful against broad variety of risks and casualties related to personal or business loss and damage.	110	Money Takaful
		(b) It is the business of effecting and carrying out contracts of takaful which are not principally or wholly of any type or types included in other classes of business.	111	Fidelity Takaful
			112	Personal Accident Takaful
			113	Travel Takaful
			114 115	Goods in transit Theft/Burglary

## FIFTH SCHEDULE

### TAKAFUL OPERATING MODELS

- 1) A takaful operator may establish and document one of the following operating models to conduct Takaful business—
  - a) **Takaful based on Mudharabah Contract-** In this model, the Takaful Operator holds the role of the Mudarrib and the Takaful Participants are the Rabul-mal. The key aspects of the model shall be set out in the contract and shall include:
    - i. Takaful Operator manages investment and underwriting activities.
    - ii. The percentage share of gains on investments between the Takaful Operator and Participants.
    - iii. Financial losses to be borne by Takaful participants.
  - b) **Takaful based on Wakalah -** In this model, the Takaful Operator holds the role of the Wakil acting on behalf of the Takaful Participants in return for a fee. The key aspects of the model shall be set out in the contract and shall include:
    - i. description of the subject matter or task to be delegated by takaful participants to a licensed takaful operator;
    - ii. details of the agreed wakalah fees as follows
      - a. types of fees and corresponding tasks or services to be undertaken by the licensed takaful operator;
      - b. bases in determining fees, for example as a percentage of the takaful contribution; and
      - c. terms in which fees shall be paid, for example fees are taken upfront upon payment of takaful contributions;
    - iii. Takaful Operator manages investment and underwriting activities.
    - iv. circumstances that would be deemed as mismanagement or negligence by the licensed takaful operator and remedial actions that will be undertaken accordingly;
    - v. conditions for dissolution of the wakalah, which include-
      - a. circumstances in which the contract will be dissolved; and
      - b. treatment of the wakalah fees in the event of a dissolution;
    - vi.
    - vii. Takaful Operator is also permitted to receive a performance related fee as per the contract.

- c) **Takaful based on Hybrid Wakalah-Mudharabah Contract-** In this model, a Wakalah contract is in place between the Takaful Operator and the Takaful participants for the management of underwriting activities and a Mudharabah contract is between the Takaful Operator and the Takaful participants for the investment activities.
- d) **Waqf Model-** Takaful Operator creates a Waqf Fund where participants contribute their contributions on the basis of “Tabarru” into this Waqf Fund. The relationship of the participants with the Waqf fund is such that the Takaful Operator is the Wakeel of the participants in the management of the Fund. The Waqf fund shall work to achieve the following objectives:
- i. To extend financial assistance to the participants in the event of losses.
  - ii. To extend benefits to the participants strictly in accordance with the Waqf Deed.
- 2) Hybrid of the Waqf model and either Wakala or Mudharabah models can also be adopted as approved by the Shariah Board.

## SIXTH SCHEDULE

### GENERAL TAKAFUL ACQUISITION COST

Serial Number	Class of Business	Percentage of Contribution
72	Aviation	10%
40	Engineering	20%
52	Fire-Domestic	20%
51	Fire-Industrial	25%
60	Liability	20%
70	Marine-Cargo and other transit	17.5%
71	Marine Hull	10%
90	Motor-Private	10%
91	Motor-Commercial	10%
112	Personal Accident	20%
115	Theft	20%
100	Workman Compensation	20%
101	Miscellaneous	10%

**RETAKAFUL BUSINESS ACQUISITION**

1. Retakaful Operators shall pay takaful operators a retakaful commission at the following rates expressed as percentages of the contributions payable by the takaful operator.

Serial Number	Class of Business	Percentages of the Contribution
072	Aviation-Aircrew personal accident	22.5%
	Aviation-others	15%
40	Engineering	25%
52	Fire Domestic	30%
51	Fire-industrial	30%
60	Liability	25%
70	Marine-Cargo and other transit	22.5%
71	Marine-Hull	15%
90	Motor-Private	15%
91	Motor-Commercial	15%
112	Personal Accident	25%
115	Theft	25%
100	Workman Compensation	25%
101	Miscellaneous	
	Bonds	15%
	Others	25%