



Press Release

For immediate release

Increasing financial inclusion is high priority of government: Chairman SECP

KARACHI, September 12: Chairman, Securities and Exchange Commission of Pakistan (SECP) Tahir Mahmood said that supporting sustainable growth and improvement of existing level of financial inclusion in the country is a high priority of the government.

He was delivering his keynote address at the first ever launch of Pakistan's first window takaful operations by a conventional insurer company 'United International Group'. Tahir Mahmood said that the SECP is committed to developing a vibrant takaful sector in Pakistan besides other Islamic products like sukuk and modarabas. He said that non-availability of Islamic insurance products is one of the main reasons for low insurance penetration in Pakistan. Therefore, he added, the potential and significance of Takaful system needs to be highlighted. Takaful holds the key for accelerated growth of insurance penetration in Pakistan, Tahir said.

Considering the high demand for takaful, Tahir Mahmood said, the SECP has allowed conventional insurance companies to participate and run takaful window operations. Earlier, as per the 2005 Takaful rules, Takaful could be offered by only for dedicated takaful companies, he explained.

Currently the takaful sector in Pakistan is in initial stage with gross premium of Rs7.1 billion, which is only 4.1% compared to the gross premium of the insurance industry, he said. However, introduction of the option of takaful window operations is a step in the right direction. It shall provide a much required boost to help flourish the takaful sector.

Mian M.A. Shahid, Chairman, United International Group, appreciated the SECP for its efforts to liberalize rules for insurance sector and said that the new takaful rules will be conducive to the development of a vibrant takaful sector in Pakistan.

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