

## **Press Release**

### **Task Force Submits Report to SEC on Takaful Business**

**Islamabad – 29 September, 2004:** The Task Force, constituted by the Securities and Exchange Commission of Pakistan (SEC) for preparing the requisite rules for Takaful business in Pakistan, has submitted its report to the SEC.

Takaful is an Islamic mode of insurance, which provides for mutual financial aid and assistance to participants in case of occurrence of certain contingencies and whereby participants mutually agree to contribute to a common fund for the purpose. In pursuance to the Government's objective of Islamization of economy and in order to provide insurance coverage to institutions undertaking Islamic financing, the SEC had decided earlier during the year to allow Takaful business in the country.

Takaful business can be conducted under the Insurance Ordinance, 2000 but the rules for its conduct are to be formulated. In this regard, the SEC constituted a Task Force headed by former Chief Justice of Federal Shariat Court, Mian Mahboob Ahmed and comprising Shariah experts and others. The task force, after detailed deliberations and consultation with religious scholars and other experts on Takaful, has prepared draft rules for the conduct of Takaful business and has also made recommendations on certain key policy issues with regard to Takaful operations in the country.

The draft rules would be finalized in concurrence with the Ministry of Commerce and after inviting public comments. The SEC has already submitted draft rules to the Ministry of Commerce for its review.