

Press Release

Final Rules for Takaful within 2-3 Weeks

Islamabad – May 24, 2005: The final rules for Takaful shall be enforced within two to three weeks following which Takaful insurance, an Islamic alternative to conventional insurance, will start operation in Pakistan.

This was told to a high level Malaysian delegation that visited the head office of the Securities and Exchange Commission of Pakistan (SEC) on Tuesday. The delegation, which was headed by Mr. Datuk Zamani Abdul Ghani, Deputy Governor of the Bank Negara Malaysia, comprised chief executives and other senior officials of Malaysian commercial banks, insurance companies, Takaful companies and other financial institutions.

The delegation was apprised of SEC's role as the apex regulator of the corporate sector, capital market, insurance as well as non-banking financial sector in Pakistan. They expressed particular interest in the rules and regulations framed by the SEC for Takaful operations in the country. The delegation also shared their own experience in the field of Takaful, which was introduced in Malaysia in the early 1980s, and offered valuable insight into operational issues. Malaysia has already invested in the First Takaful Insurance Company in Pakistan launched by Pak-Kuwait Investment Company.

The delegation also shared their experience in the non-banking financial sector and the emerging trends in Malaysia. The two sides discussed the matters of mutual interest and decided to increase mutual cooperation in the fields of non-banking finance and insurance, particularly Takaful insurance. A formal mechanism for cooperation would also be explored in future.