



BANK NEGARA MALAYSIA
CENTRAL BANK OF MALAYSIA

Broader Application of *Ta`awun* in Takaful

Applicable to:

1. Licensed takaful operators including professional retakaful operators

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PART A OVERVIEW

1 Introduction

- 1.1 Mutual assistance (*ta`awun*) is a fundamental Islamic value that promotes cooperation in pursuit of good causes and righteousness, while prohibiting actions associated with sin, injustice or transgression. *Ta`awun* reflects the ethical obligation of individuals and societies to support one another, upholding the values of solidarity and collective responsibility.
- 1.2 *Ta`awun* forms the foundation of the risk-sharing mechanism in takaful¹. In line with the definition of “takaful” under section 2(1) of the Islamic Financial Services Act 2013 (“IFSA”), takaful is an arrangement based on mutual assistance under which takaful participants agree to contribute to a common fund providing for mutual financial benefits payable to the takaful participants or their beneficiaries on the occurrence of pre-agreed events. This fundamental concept differentiates takaful from conventional insurance that works on the basis of risk transfer from policy owners to licensed insurers. At present, the regulatory framework mainly focuses on the confined application of *ta`awun* among takaful participants in a takaful fund. This is intended to preserve the best interest of takaful participants as the collective owner of the takaful fund i.e. participants’ risk fund.
- 1.3 In the context of the takaful industry, a broader application of *ta`awun* encourages licensed takaful operators to adopt business practices that are responsible and beneficial to society at large, fostering stronger culture of empathy and support, which is essential for achieving the socio-economic objectives. Through a broader application of *ta`awun*, licensed takaful operators are expected to contribute significantly to the socio-economic development of the community. This is consistent with the aspirations of Value-Based Intermediation² (“VBI”) towards generating a positive and sustainable impact to the economy, community and environment, while significantly enhancing the realisation of objectives of Shariah (*maqasid* Shariah) in a more comprehensive manner.
- 1.4 As the industry progresses, *ta`awun* concept can be applied broadly to enable the takaful industry to contribute in a more meaningful way while continuing to preserve the rights of takaful participants and consistently achieving the objective of takaful.

¹ Shariah Resolutions in Islamic Finance (Second Edition), Bank Negara Malaysia (2010).

² VBI refers to intermediation function that aims to deliver the intended outcomes of Shariah through practices, conduct and offerings that generate positive and sustainable impact to the economy, community and environment, consistent with the shareholders’ sustainable returns and long-term interests.

- 1.5 The requirements in this policy document (“Policy Document”) aim to facilitate a smooth and effective broader application of *ta`awun* in the takaful business by setting out the following:
- (a) scope of a broader application of *ta`awun* encompassing the sources of fund that can be utilised;
 - (b) Shariah requirements in preserving the rights and ensure fair treatment of existing takaful participants, particularly when the broader application of *ta`awun* is also benefitting third parties beyond the existing takaful participants;
 - (c) regulatory requirements to support prudent and innovative implementation of a broader application of *ta`awun*, encompassing introduction of new and/or enhanced requirements on governance and oversight, market conduct as well as transparency and disclosure; and
 - (d) guiding principles to facilitate the exploration and development of new takaful operational models to support an effective implementation of broader application of *ta`awun*.
- 1.6 The Bank acknowledges that innovation inherently presents both opportunities and risks. In this regard, the Bank will adopt a balanced and proportionate regulatory approach in ensuring the regulatory framework remains accommodative and facilitative for the continuous development of sound, progressive and inclusive takaful industry, while prioritising financial soundness of licensed takaful operators and safeguarding the interests of takaful participants.

2 Applicability

- 2.1 This Policy Document is applicable to licensed takaful operators as defined in paragraph 5.2.

3 Legal provisions

- 3.1 The requirements in Part B and Part D of this Policy Document are specified pursuant to sections 29(2), 57(1), 90, 135 and 155 of the IFSA.
- 3.2 The Shariah requirements in Part C of this Policy Document are specified pursuant to section 29(1) of the IFSA.
- 3.3 The guidance in this Policy Document is issued pursuant to section 277 of IFSA.

4 Effective date

- 4.1 This Policy Document shall be effective on 28 November 2025.

5 Interpretation

5.1 The terms and expressions used in this Policy Document shall have the same meanings assigned to them in the IFSA, as the case may be, unless otherwise defined in this Policy Document.

5.2 For the purposes of this Policy Document –

“**S**” denotes a standard, an obligation, a requirement, specification, direction, condition and any interpretive, supplemental and transitional provisions that must be complied with. Non-compliance may result in enforcement action;

“**G**” denotes guidance which may consist of statements or information intended to promote common understanding and advice or recommendations that are encouraged to be adopted;

“**board**” refers to the board of directors of a licensed takaful operator;

“**consumer**” refers to individuals, households or business, or all of these, as the case may be;

“**critical protection gaps**” in respect of takaful, include the examples³ provided in the Bank’s Policy Document on Licensing and Regulatory Framework for Digital Insurers and Takaful Operators;

“**distributable surplus**” refers to surplus as determined by a licensed takaful operator based on requirements specified the Bank’s Policy Document on Takaful Operational Framework;

“**licensed takaful operator**” refers to a licensed takaful operator, including a professional retakaful operator;

“**orphan surplus**” refers to surplus residing in a takaful fund that has no in-force takaful certificates (i.e. all takaful certificates have expired or are out-of-force), and such takaful fund has no outstanding takaful liabilities and expenses;

“**Perlindungan Tenang product**” has the same meaning assigned to it under the Bank’s Policy Document on Perlindungan Tenang;

“**senior management**” refers to the CEO and senior officers of a licensed takaful operator;

“**unserved and underserved segments**” refers to the consumers whose protection needs are currently either not served or not adequately served as described and

³ Examples of protection gap cited include retirement, long-term care, business interruption, cyber and climate-related.

elaborated in the Bank's Policy Document on Licensing and Regulatory Framework for Digital Insurers and Takaful Operators; and

"**vulnerable consumer**" has the same meaning assigned to it under the Bank's Policy Document on Fair Treatment of Financial Consumers.

6 Related legal instruments and policy documents

- 6.1 This Policy Document must be read together with other relevant legal instruments and policy documents that have been issued by the Bank, including any amendments or reissuance thereafter, particularly–
- (a) Appointed Actuary: Appointment and Duties issued on 28 April 2014;
 - (b) Appointed Actuary: Appointment and Duties (for reinsurers and retakaful operators) issued on 24 December 2014;
 - (c) Corporate Governance issued on 3 August 2016;
 - (d) Fair Treatment of Financial Consumers issued on 27 March 2024;
 - (e) *Hajah* and *Darurah* issued on 3 January 2024;
 - (f) Introduction of New Products by Insurers and Takaful Operators issued on 15 May 2015;
 - (g) Licensing and Regulatory Framework for Digital Insurers and Takaful Operators issued by the Bank on 9 July 2024;
 - (h) *Mudarabah* issued on 24 April 2015;
 - (i) *Musyarakah* issued on 20 April 2015;
 - (j) *Perlindungan Tenang* issued on 2 July 2021;
 - (k) Product Transparency and Disclosure issued on 29 February 2024;
 - (l) Risk-Based Capital Framework for Takaful Operators issued on 17 December 2018;
 - (m) Shariah Governance issued on 20 September 2019;
 - (n) Takaful Operational Framework issued on 26 June 2019; and
 - (o) *Wakalah* issued on 24 June 2016.

PART B GENERAL REQUIREMENTS

7 Scope of broader application of *ta`awun*

- S** 7.1 In respect of the utilisation of distributable surplus⁴ belonging to takaful participants or orphan surplus, a licensed takaful operator must ensure that such utilisation would promote—
- (a) equitable wealth circulation by encouraging effective resource distribution while preserving protection needs among existing takaful participants; and
 - (b) social cohesion by sustaining communal relationships among takaful participants and the community at large, including critical protection needs of unserved and underserved segments whose protection needs remain unmet due to financial hardships and commercial non-viabilities.
- G** 7.2 A licensed takaful operator is encouraged to explore and develop innovative takaful business and operational models that may involve the application of more diverse Shariah contracts. This includes designing business models and product structures that incorporate key *ta`awun* features. A licensed takaful operator may refer to **Appendix 1** – ‘Guiding Principles on New Takaful Operational Models’ as a reference for structuring such models.

⁴ Under the existing takaful operational models based on *wakalah* and *mudarabah* contracts, as well as *tabarru`* concept.

PART C SHARIAH REQUIREMENTS

8 Definition

- G** 8.1 *Ta`awun* is a principle in Islam that encourages mutual assistance for good causes and prohibits assistance for ill-intent causes⁵.

9 Fairness to contracting parties

- S** 9.1 In line with the objectives of Shariah and the value propositions of Islamic finance⁶, the preservation of fairness and best interest of the contracting parties is paramount in the management of takaful fund. Under a *wakalah* contract, a licensed takaful operator acts as the agent (*wakil*) for takaful participants, who are the principal (*muwakkil*). In the capacity as the agent, the licensed takaful operator must ensure that the implementation of broader application of *ta`awun* upholds fairness principles and do not detriment the interest of takaful participants.
- S** 9.2 A licensed takaful operator must ensure that the implementation of broader application of *ta`awun* does not result in any unwarranted increase in takaful contribution rates or any additional cost implications that may place takaful participants at a financial disadvantage.
- S** 9.3 A licensed takaful operator must adopt appropriate *fiqh* adaptation (*takyif fiqhi*) to guide the utilisation of distributable surplus and orphan surplus for the broader application of *ta`awun*. A licensed takaful operator must ensure such adaptation is consistent with Shariah principles and upholds the integrity of the takaful framework.
- G** 9.4 In relation to paragraph 9.3, a licensed takaful operator may, where appropriate and guided by the deliberations of Shariah committee, consider among others, *hibah* (gift), *waqf* (endowment) or *tanazul* (waiver), as deemed suitable to the circumstances, specific form and intended purpose of the surplus utilisation.
- S** 9.5 In relation to paragraph 9.1 and subject to paragraph 9.6, a licensed takaful operator shall obtain the express consent of existing takaful participants prior to utilising the takaful participants' portion of distributable surplus⁷. At minimum, the licensed takaful operator shall–
- (a) include in the contractual terms and conditions between the licensed takaful operator and takaful participants in the takaful certificate all pre-agreed

⁵ "Cooperate with one another in goodness and righteousness, and do not cooperate in sin and transgression. And be mindful of Allah. Surely Allah is severe in punishment" (*Al-Maidah*, verse 2).

⁶ Refers to the universal objectives of Shariah in preservation of wealth, as well as the specific objective of takaful i.e. mutual indemnity among takaful participants.

⁷ For the avoidance of doubt, the utilisation of orphan surplus does not require express consent from the takaful participants due to no in-force takaful participants and is subject to the internal policy of respective licensed takaful operator that is endorsed by the Shariah committee.

events⁸ leading to the broader application of *ta`awun* and the pre-agreed events shall not give rise to any conflict of interest for the licensed takaful operator as an agent in managing the takaful fund on behalf of the takaful participants;

- (b) obtain the express consent of takaful participants as provided in paragraph 9.5 without undue influence, coercion or deliberate omission of any material information; and
- (c) disclose clearly the specific contractual obligations of the licensed takaful operator to takaful participants with regard to the broader application of *ta`awun*, such as the obligation to ensure the utilisation is in line with Shariah requirements and consistent with the purposes set out in paragraph 7.1 or other purposes as approved by the Bank under paragraph 13.

S 9.6 In circumstances where a licensed takaful operator decides to obtain a takaful participant's consent through deemed consent approach prior to utilising the takaful participants' portion of distributable surplus, the licensed takaful operator shall observe the following conditions:

- (a) adequate notification outlining the information on distributable surplus for the year and periodic disclosures on the impact achieved from the utilisation of distributable surplus for the broader application of *ta`awun* have been provided to the takaful participants;
- (b) the takaful participants are provided with the option to revoke their earlier deemed consent; and
- (c) the amount involved in the utilisation of the distributable surplus for the broader application of *ta`awun* is negligible, subject to the requirement in paragraph 12.2(c).

⁸ For example, in the event there is distributable surplus declared for the financial year or specific events for the utilisation of distributable surplus, such as during pandemic.

PART D REGULATORY REQUIREMENTS

10 Governance and oversight

- S** 10.1 The board must provide an effective oversight over the implementation of the broader application of *ta`awun* and ensure that such application is governed by robust and clear internal policies and procedures⁹.
- S** 10.2 In ensuring the implementation of the broader application of *ta`awun* complies with Shariah requirements, the Shariah committee shall endorse the following to ensure fairness to takaful participants and protect the interest of takaful participants:
- (a) implementation of the broader application of *ta`awun* is in line with Shariah requirements specified under paragraph 9, including, where appropriate, the adoption of appropriate *fiqh* adaptation to guide the utilisation of distributable surplus;
 - (b) the eligibility criteria of beneficiaries or recipients to the benefits under the broader application of *ta`awun* is in line with the requirements specified under paragraph 11.1;
 - (c) the terms and conditions on the broader application of *ta`awun* stipulated in the relevant legal documentations, including in the proposal form or takaful certificate, are in line with paragraph 12.3; and
 - (d) the information to be disclosed in the relevant promotional materials or related publications under paragraph 12.4.
- S** 10.3 In relation to paragraph 7.1 on the utilisation of distributable surplus, the senior management must establish internal policies and procedures governing broader application of *ta`awun* that take into consideration the relevant factors including the following:
- (a) compliance with regulatory requirements including preservation of takaful participants' best interest and licensed takaful operator's fiduciary duty;
 - (b) sustainability of takaful funds in meeting current and future obligations to pay out takaful benefits, based on recommendations from the Appointed Actuary; and
 - (c) mitigation of adverse impact to the takaful participants, such as increase in pricing of annual takaful contributions attributed to the implementation of broader application of *ta`awun*.
- S** 10.4 With regard to the determination and management of distributable surplus, a licensed takaful operator shall be subject to, among others, the Policy Document on Takaful Operational Framework and Policy Document on Appointed Actuary: Appointment and Duties.

⁹ In line with paragraph 8.4 of the Policy Document on Corporate Governance and paragraph 8.1 of the Policy Document on Shariah Governance.

11 Operational requirements

- S** 11.1 In relation to paragraph 7.1, a licensed takaful operator shall establish internal criteria in defining the eligible beneficiaries or recipients of distributable surplus or orphan surplus for the purpose of the broader application of *ta`awun* that must be endorsed by Shariah committee and approved by the board. At minimum, a licensed takaful operator shall ensure that the eligibility criteria consider the following types of beneficiaries or recipients:
- (a) vulnerable consumers¹⁰ among existing takaful participants within the same takaful fund for utilisation of distributable surplus, or among any takaful participant for utilisation of orphan surplus;
 - (b) unserved and underserved segments; or
 - (c) charitable organisations approved by the Director General under subsection 44(6) of the Income Tax Act 1967 or authorised bodies under the State Islamic Religious Councils.
- S** 11.2 In relation to paragraph 11.1, a licensed takaful operator shall give priority to the takaful participants identified under paragraph 11.1(a) when utilising distributable surplus or orphan surplus, as the case may be.
- G** 11.3 Aligned with the core principles of Value-Based Intermediation for Takaful¹¹ (VBIT), a licensed takaful operator may consider donating a portion of its distributable surplus for purposes outlined in paragraph 7.1 to strengthen the social cohesion with takaful participants and support affordable and accessible financial protection. A licensed takaful operator may also utilise other funding sources such as philanthropic funds (i.e. grants, *sadaqah*, and *zakat*) or existing corporate social responsibility (CSR) funds to complement the consented distributable surplus from participants for the purposes mentioned above.
- S** 11.4 In relation to the implementation of broader application of *ta`awun* to the recipients referred to under paragraph 11.1(b), a licensed takaful operator shall incorporate its commitments in its business plan to develop new products and/or extend takaful coverage to address emerging risks based on the broader application of *ta`awun*. A licensed takaful operator must ensure that the products and risks covered demonstrate innovation and/or expansion of takaful penetration among unserved and underserved segments.
- G** 11.5 To further amplify the impact of the broader application of *ta`awun* and optimise on the economies of scale, an industry-level *ta`awun* fund may be established by licensed takaful operators to consolidate distributable surplus belonging to takaful participants who have provided their consent and orphan surplus, as the case may be. In the event that a licensed takaful operator intends to participate in the industry-

¹⁰ This includes those who face genuine financial hardships in paying the takaful contribution.

¹¹ Malaysian Takaful Association – Value-Based Intermediation for Takaful Framework ([Value-Based Intermediation for Takaful Framework](#)).

level *ta`awun* fund (collectively referred to as “participating licensed takaful operators”), the participating licensed takaful operators may consider the following in establishing the industry-level *ta`awun* fund:

- (a) the application of new structures and/or Shariah contracts, subject to the Bank’s prior approval as outlined in paragraph 13; and
- (b) a party is appointed as the *ta`awun* fund administrator must have strong, robust and secured technology that promotes innovation and efficiency in the broader application of *ta`awun* offerings, transparency as well as impact disclosures; and
- (c) scope of benefits and eligible recipients to be collectively decided by participating licensed takaful operators and their respective Shariah committees.

G 11.6 In relation to paragraph 11.5, a licensed takaful operator may consider the following in designing the structure, benefit and eligible recipients of the industry-level *ta`awun* fund:

- (a) prioritisation on the protection relating to cyber-attack, climate-resilience, and uninsured health coverage such as for individuals with HIV or those with disabilities;
- (b) features or tools to encourage partial self-contribution by the eligible recipients or philanthropic fund to reduce total reliance on distributable surplus only; and
- (c) integration with structured financial literacy and empowerment programmes suited to the identified recipients.

12 Market conduct and disclosure

S 12.1 Where express consent cannot be obtained from all takaful participants of a takaful fund for utilisation of distributable surplus for the broader application of *ta`awun*, a licensed takaful operator shall ensure that the amount of distributable surplus to be utilised for the broader application of *ta`awun* is confined to the portion belonging to the takaful participants who have provided the express consent.

S 12.2 Where a licensed takaful operator adopts deemed consent approach as specified in paragraph 9.6, the implementation of deemed consent is subject to the fulfillment of the following conditions:

- (a) the licensed takaful operator has provided written notification to obtain express consent from all affected takaful participants;
- (b) the takaful participant has not responded to the written notification provided under paragraph 12.2(a) within thirty (30) days from the date of notification;
- (c) the amount of the distributable surplus to be utilised for the broader application of *ta`awun* is negligible, which must be less than or equal to RM10 per takaful participant per financial year;
- (d) the takaful participant had not previously provided his banking information to facilitate direct crediting of funds;

- (e) the distributable surplus does not arise from investment-linked takaful or a Perlindungan Tenang product; and
 - (f) the takaful participant is provided with the option and avenue to revoke his earlier deemed consent (if any) during the term of contract.
- S** 12.3 A licensed takaful operator must provide adequate information to the existing and prospective takaful participants to support informed decision-making and instill confidence among takaful participants on the broader application of *ta`awun*. At minimum, the licensed takaful operator must ensure that the terms and conditions on the broader application of *ta`awun* are included in the takaful certificate which shall cover amongst others–
- (a) the purpose of and the beneficiaries or target segments of the broader application of *ta`awun*; and
 - (b) the takaful participants' rights, if any, under the broader application of *ta`awun*.
- S** 12.4 A licensed takaful operator must disclose to the existing and prospective takaful participants on the impact arising from the broader application of *ta`awun*, such as the amount of contribution or takaful benefits to be received by beneficiaries or recipients, donations to charitable organisations and increased access of protection by unserved and underserved segments.
- G** 12.5 In relation to paragraph 12.4, a licensed takaful operator may disclose information through various mediums and platforms, including on its website, social media or communications to takaful participants such as through annual or renewal statements.
- S** 12.6 In relation to paragraph 11.3 and where a licensed takaful operator opts to market the broader application of *ta`awun* as part of its CSR activities, the licensed takaful operator shall disclose that the CSR funds are sourced from the distributable surplus of the takaful participants and the licensed takaful operator, where applicable.

PART E SUBMISSION REQUIREMENTS

13 Application procedure

- S** 13.1 A licensed takaful operator shall submit a written application to the Bank on the following:
- (a) adoption of the broader application of *ta`awun* in respect of the utilisation of distributable surplus or orphan surplus for purposes other than as specified under paragraph 7.1¹²; or
 - (b) introduction of new takaful product¹³ or new takaful operational model based on the Shariah contracts other than *wakalah*, *mudarabah* or *tabarru`* concept as provided under the Policy Document on Takaful Operational Framework including the new takaful product to be offered under the new takaful operational model.
- S** 13.2 An application made under paragraph 13.1, together with the required information and documents, shall be submitted to the following departments:
- (a) in respect of paragraph 13.1(a), to Pengarah, Jabatan Sistem Kewangan Islam; or
 - (b) in respect of paragraph 13.1(b), to Pengarah, Jabatan Penyeliaan Insurans dan Takaful.

¹² For example, utilisation of surplus or fund other than distributable surplus or orphan surplus for different types of applications beyond assistance to existing takaful participants, vulnerable consumers and unserved and underserved segments.

¹³ For the avoidance of doubt, the submission of application is subject to the requirements specified in the Policy Document on Introduction of New Products by Insurers and Takaful Operators.

APPENDIX

Appendix 1: Guiding Principles on New Takaful Operational Models

Area	Guiding principle	Guidance
Shariah contract	1. A licensed takaful operator may consider adopting other types of Shariah contracts that reinforce mutual assistance (<i>ta`awun</i>) values in takaful.	<ol style="list-style-type: none"> a. A licensed takaful operator may consider adopting other Shariah contracts (e.g. <i>kafalah</i>, <i>musyarakah</i>, <i>waqf</i>) in a takaful or retakaful arrangement, as well as the <i>fiqh</i> adaptation (<i>takyif fiqhi</i>) of takaful and the mechanisms for payment of takaful benefits as an alternative to the current practice of conditional <i>hibah</i>. b. For example, a <i>musyarakah</i> contract may be used to establish the relationship among takaful participants, and/or with a licensed takaful operator while in the context of a retakaful arrangement, it is a partnership between the licensed takaful operator and retakaful operator. c. Based on the Shariah contract chosen, a licensed takaful operator can better clarify the application of <i>ta`awun</i> in its overall takaful operations, for example, enabling a wider coverage of mutual assistance.
Structure of takaful operational model	2. A licensed takaful operator may explore various takaful operational models that can better deliver value proposition of takaful and <i>ta`awun</i> .	<ol style="list-style-type: none"> a. A licensed takaful operator may consider a takaful operational model with features that are aligned with <i>ta`awun</i> values. For example, a licensed takaful operator may consider the following takaful operational models: <ol style="list-style-type: none"> i. mutual or discretionary mutual-based takaful operational model; and

Area	Guiding principle	Guidance
		<ul style="list-style-type: none"> ii. cooperatives or friendly society-based takaful operational model. b. In assessing the new takaful operational model to be adopted, a licensed takaful operator is expected to consider the existing legal and operational requirements. For example, in the case of a mutual or cooperative-based takaful operational model, the type of legal entity that may fit such structure such as a company limited by guarantee or cooperatives and whether this legal entity and the proposed operational model would be able to comply with the existing legal and operational requirements. c. Based on the Shariah contract adopted, a licensed takaful operator is expected to consider the role of takaful participants and a licensed takaful operator within the current legal and regulatory requirements. <ul style="list-style-type: none"> i. rights and responsibilities of the takaful participants: based on the Shariah contract adopted, for example, to pay capital in partnership (<i>musyarakah</i>) contract, pay fee in guarantee (<i>kafalah</i>) and endow an asset in endowment (<i>waqf</i>); and ii. roles of the licensed takaful operator: based on the Shariah contract adopted, for example, as a guarantor in <i>kafalah</i> contract, trustee in <i>waqf</i> or partner in <i>musyarakah</i> contract. d. A licensed takaful operator is expected to initiate discussions with the Bank

Area	Guiding principle	Guidance
		<p>should the proposed new takaful operational model requires an enhancement to the current legal and regulatory framework.</p>
Business model	<p>3. With the adoption of other Shariah contracts and new takaful operational model, a licensed takaful operator may design a business model and takaful product that can better deliver the value proposition of takaful, in line with the aspiration under the Financial Sector Blueprint 2022 – 2026.</p>	<p>a. In designing the business model and takaful product, a licensed takaful operator may consider the following areas:</p> <ul style="list-style-type: none"> i. flexibility of the risk coverage (such as the list of exclusions and assistance to other takaful funds with different risk profile); ii. the targeted customer segment such as unserved and underserved customers; and iii. a new takaful model with its own risk absorbent arrangement.
<i>Ta`awun</i> features	<p>4. A licensed takaful operator may assess and identify <i>ta`awun</i> features or elements that would guide the exploration of a new takaful operational model.</p>	<p>a. In exploring a new takaful operational model, a licensed takaful operator may consider the following features or elements of <i>ta`awun</i>:</p> <ul style="list-style-type: none"> i. inclusivity and solidarity: mutual assistance beyond the takaful participants of a particular takaful fund, including community empowerment efforts. Product benefits structured to cater for specific protection needs of unserved and underserved segments; ii. transparency and traceability: impact of the disclosure on fund utilisation towards takaful participants and the wider

Area	Guiding principle	Guidance
		<p>community (aligned with VBIT aspirations); and</p> <p>iii. fiduciary duty: expanded fiduciary duty on the licensed takaful operator to continue managing takaful funds in the best interest of takaful participants and consider the impact to other takaful participants, other licensed takaful operators and the broader community.</p>