



**Decision No. (50) of 2019**  
**Concerning Enhancing the Shari'a Controller's Role in Takaful**  
**Insurance Companies Operating in the State**

**Director General of the Insurance Authority,**

**Having pursued:**

- The Federal Law No. (6) of 2007, concerning the Establishment of the Insurance Authority and the Organization of Insurance Operations and the amendments thereof;
- Insurance Authority Board of Directors Resolution No. (2) of 2009 concerning the issuance of the Executive Regulation of Federal Law No. (6) of 2007 pertinent to the Establishment of the Insurance Authority and Organization of its Operations;
- And, Takaful Insurance Regulations issued by The Insurance Authority's Board of Directors Resolution No (4) of 2010 Concerning the Takaful Insurance Regulations,

**Has Decided:**

**Conditions that must be met in Shari'a Controller**

**Article (1)**

To approve the employment of a **Shari'a** Controller at Takaful insurance companies, following conditions must be met:

- 1. To be a natural person.**
2. The Shari'a Controller shall be appointed in the company by its Board of Directors, and based on the recommendation of the Shari'a Supervisory Committee in the Company.
3. To practice the Shari'a Controller duties on full-time basis, and it is not permissible to combine between the job of a Shari'a Controller and any other job in the Company.
4. To be a Muslim with full legal capacity, and has a sound reputation and good conduct and to be knowledgeable in the Arabic language.
5. Has never been dismissed from service for disciplinary reasons.
6. Submit a certificate confirming that he has not been sentenced in a felony or misdemeanor that violates honor or honesty and public morals, and to



submit a declaration that he has not been declared bankrupt unless he is rehabilitated.

7. The following qualifications and experience are required:

- a) Must be a holder of a university qualification in Shari'a and a degree in either law, insurance, business or economics.
- b) Must have passed training courses in Shari'a or any legal, insurance, business or financial training courses.
- c) To be knowledgeable in the jurisprudence of Islamic financial transactions.
- d) To have practical experience for a period of not less than three years in the field of insurance or have worked in the field of Shari'a Control and other related activities. The experience shall be for one year for UAE Nationals.

### **Duties and Functions of the Shari'a Controller** **Article (2)**

The Shari'a Controller shall conduct and ensure the following:

- 1- Review Insurance contracts and transactions to confirm that they comply with the provisions of the Islamic Shari'a Principles and the Fatwa(s) issued to newly originated transactions.
- 2- Takaful insurance operations in the company are carried out in accordance with the provisions of Islamic Shari'a Principles.
- 3- The Company carries out its business either in accordance with the basis of WAKALA or WAKALA and MUDARABA together.
- 4- The Participants' accounts and the accounts of shareholders are separated.
- 5- Covering the realized deficit in participants' account is followed up through interest-free loan "QARD HASSAN"
- 6- The existence of a documented and approved mechanism for the distribution of surplus to the participants in the Company's Takaful insurance operations.
- 7- The company has prepared the membership document, attached to the insurance policy and its clauses are reviewed.
- 8- There are no charges imposed on the participants' accounts in the general insurance more than the percentage of the WAKALA remuneration prescribed in the Financial Regulations for Takaful Insurance companies.
- 9- The company is providing the Insurance Authority with a copy of the report of the Shari'a Supervisory Committee.
- 10- The company has implemented the recommendations contained in the reports of the Shari'a Supervisory Committee.



- 11- The External Auditor's report is prepared to review the extent of compliance with the Anti Money Laundering and Terrorist Financing Instructions and other relevant decisions.
- 12- The Actuary has carried out his role in terms of reviewing the actuarial aspects in the family Takaful insurance.
- 13- The Zakat Fund is established in the company in accordance with the provisions of the Regulations.
- 14- The nature of clients and properties to be insured, to what extent they are compliant with Islamic Shari'a provisions, and whether the approval of the Shari'a Supervisory Committee is acquired.
- 15- To prepare periodic reports and submit them to the Shari'a Supervisory Committee and the Board of Directors on the extent to which the company's operations are compliant with the Shari'a Supervisory Committee's decisions and opinions.
- 16- To attend the Shari'a Supervisory Committee's meetings and to present their report in the general assembly of the company.
- 17- Any other matters affecting the Company's compliance with the Islamic Shari'a provisions and the related legislation.
- 18- Issues requiring clarification, interpretation or Fatwa are collected in order to be introduced to the Shari'a Supervisory Committee at its periodic meetings to take the necessary action to issue Fatwa concerning them.
- 19- Violations and deficiencies are clarified for Takaful insurance operations and General Manager of the Company was informed for correction.
- 20- Any other duties assigned to him are carried out.

### Regularization Article (3)

Takaful insurance companies shall regularize the positions of Shari'a Controllers in accordance with the provisions of the decision herein within six months from the date of issuance.

**Ebrahim Obaid Al Zaabi**  
**Director General**

*Issued by us in Abu Dhabi,*  
*On: 17 / 04 / 2019*

*In case there is any inconsistency between this translation and the Arabic version of this decision, then the Arabic version shall prevail.*

