



اؤتوريٲى مونيتارى بروني دارالسلام
AUTORITI MONETARI BRUNEI DARUSSALAM

Guideline No: ITS/G-2/2014

GUIDELINES ON REGISTRATION OF GENERAL TAKAFUL AGENTS

1 July 2014

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1. Purpose

- 1.1. These Guidelines are issued pursuant to section 90 of the Takaful Order, 2008 ("the TO 2008").
- 1.2. These Guidelines are intended to provide guidance on the registration criteria for persons applying for general takaful agent registration under the TO 2008.
- 1.3. These Guidelines should be read in conjunction with the provisions of the TO 2008, its subsidiary legislation, as well as directions, notices, circulars and other guidelines that Autoriti Monetari Brunei Darussalam ("the Authority") may issue from time to time.
- 1.4. These Guidelines shall take effect on 1st July 2014.

2. Legal Requirements

- 2.1. Section 49(1) of the TO 2008 requires a person carrying on takaful business in Brunei Darussalam as a takaful agent to be registered under the TO 2008.

3. Definitions

- 3.1. The TO 2008 provide the following definitions:-

"general takaful" means takaful for financial aid and assistance to a participant in case of loss or damage caused to his property, assets or body due to a casualty or disaster such as fire, flood, accident;

"general takaful business" means all takaful business which is not family business;

"member of his immediate family" includes a wife, husband, father, mother, son and daughter;

"takaful" means a scheme in accordance to *Hukum Syara'* based on brotherhood, solidarity and mutual assistance which provides for mutual financial aid and assistance to the participants in case of need whereby the participants mutually agree to contribute for the purpose;

"takaful agent" means a person who does all or any of the following –

- (a) solicits or obtains a proposal for takaful on behalf of a takaful operator;
- (b) offers or assumes to act on behalf of a takaful operator in negotiating a contract;
- (c) does any act on behalf of a takaful operator in relation to the issuance, renewal or continuance of a certificate;

"takaful business" includes the business of takaful whose aims and operations are in accordance with *Hukum Syara'*.

- 3.2. For the purposes of these Guidelines,

"applicant" means an applicant for registration as a general takaful agent;

“corporate agent” means a company incorporated or registered under the Companies Act (Chapter 39) which carries on general takaful business as a general takaful agent and registered under the TO 2008;

“corporate nominee” means a nominee who acts for a corporate agent and who provides technical advice on general takaful;

“individual agent” means a sole proprietorship registered under the Business Names Act (Chapter 92) who carries on general takaful business as a general takaful agent and registered under the TO 2008.

4. Criteria for Registration

- 4.1. An applicant may be registered to carry on general takaful business in Brunei Darussalam as a general takaful agent.
- 4.2. An applicant can conduct general takaful business as an individual agent or a corporate agent.
- 4.3. An applicant can apply to represent up to three (3) principals only, inclusive of takaful operators registered under the TO 2008 and/or insurers registered under the IO 2006.
- 4.4. In order for the Authority to consider an application for registration to carry on general takaful business in Brunei Darussalam as a general takaful agent, an applicant must meet the following criteria:-
 - 4.4.1. where the applicant intends to be an individual agent, he must be:
 - (a) a holder of a qualification approved by the Authority;
 - (b) a holder of a valid Certificate of Membership issued by Brunei Insurance and Takaful Association (BITA);
 - (c) at least twenty-one (21) years of age;
 - (d) a citizen or permanent resident of Brunei Darussalam;
 - (e) registered as a sole proprietorship under the Business Names Act (Chapter 92); and
 - (f) an individual who fulfils the fit and proper criteria set out in “**Guidelines on Fit and Proper Criteria for Key Responsible Persons in Insurance and Takaful**” or any notices and guidelines issued by the Authority from time to time;
 - 4.4.2. where the applicant intends to be a corporate agent, the applicant must be:
 - (a) a company incorporated or registered under the Companies Act (Chapter 39);
 - (b) a citizen or permanent resident of Brunei Darussalam; and
 - (c) approved and endorsed by BITA.
 - 4.4.3. where a corporate nominee is appointed, he must meet the following criteria:
 - (a) he holds a qualification approved by the Authority;
 - (b) he holds a valid Certificate of Membership issued by BITA;
 - (c) he must be at least twenty-one (21) years of age;
 - (d) is a citizen or permanent resident of Brunei Darussalam, or a foreign spouse of a citizen or permanent resident of Brunei Darussalam, or a foreigner holding senior management position approved by the Authority;

- (e) is the principal officer or such other officer of the corporate agent as approved by the Authority;
 - (f) is engaged full time in the principal office of the corporate agent; and
 - (g) fulfils the requirements of the fit and proper criteria set out in **“Guidelines on Fit and Proper Criteria for Key Responsible Persons in Insurance and Takaful”** or any notices and guidelines issued by the Authority from time to time;
- 4.4.4. an individual agent, the director or other management staff of a corporate agent, or any member of his immediate family must not hold shares in any takaful operator registered under the TO 2008;
- 4.4.5. in the case of a corporate agent, the company carrying on general takaful business as a general takaful agent must not hold shares in any takaful operator registered under the TO 2008.

5. Conditions of Registration

- 5.1. Once an applicant has been registered, he must adhere to the following conditions:
- 5.1.1. agents are not allowed to act on behalf of any takaful operator not registered under the TO 2008;
 - 5.1.2. agents are not allowed to appoint any sub-agents;
 - 5.1.3. agents are not allowed to carry on takaful business at an address other than at the address stated in their registration;
 - 5.1.4. an agent shall indicate below his name that he is a “registered takaful agent” in all advertisements, letterheads, signboards, brochures or other publications;
 - 5.1.5. agents must display their valid licence at their registered business address;
 - 5.1.6. agents shall not grant credit to a participant in respect of motor vehicle takaful and a motor takaful cover note may only be issued by an agent after the agent has received the participant’s contribution payable in full;
 - 5.1.7. agents whom accept contributions in respect of general takaful certificates must remit such contributions to their respective principals without undue delay within thirty (30) days from the date of the receipt of such contributions;
 - 5.1.8. to minimise outstanding contributions, agents are required to maintain a deposit with each of their principals in the form of cash, where:
 - 5.1.8.1 the amount shall be the higher of:
 - (a) BND 2,000 for an individual agent per principal;
 - (b) BND 5,000 for a corporate agent per principal; or
 - (c) any other amount set by the principal;

- 5.1.8.2. if an agent is unable to remit contributions within the stipulated period, a principal may deduct the outstanding amount from the deposit;
- 5.1.8.3 if any amounts have been deducted by a principal as aforesaid, the agent shall immediately arrange to replace or restore the said deposit to its full amount; and
- 5.1.8.4 the principal will return the deposit to the agent once the agent ceases to represent the principal, less any amount of outstanding contributions that may be owing from the agent to the principal.
- 5.1.9. before soliciting/procuring a takaful certificate, an agent must disclose all material information, including:
 - (a) the name of the registered takaful operator;
 - (b) his relationship with the registered takaful operator;
 - (c) the contribution charged by the registered takaful operator; and
 - (d) such other information as may be prescribed or specified in directions.
- 5.1.10. an agent must seek the approval of the Authority, if the agent intends to make changes to the information provided in the registration application form after the agent is duly registered. This includes changes to the agent's business or company name; office address; and corporate nominees. The Authority may issue a new certificate of registration upon approval of any changes to the information provided in the registration application form; and
- 5.1.11. any other such conditions that may be imposed by the Authority from time to time.

6. Registration

- 6.1 Upon registration, an agent is deemed to be registered from the date of registration until the end of the anniversary month. For greater certainty, where an agent is registered on 15 June 2014, the first year's registration period will be valid from 15 June 2014 until 30 May 2015, and the second year's registration period will be valid from 1 June 2015 until 30 May 2016.
- 6.2 A registered agent may apply in writing to the Authority for the renewal of registration annually. Registration may be renewed by the Authority subject to continuing compliance with registration criteria and conditions imposed by the Authority.
- 6.3 Subject to the approval of the Authority, a certificate of registration will only be re-issued if:
 - (a) the certificate is lost, damaged or stolen; or
 - (b) the agent has made any changes to the details in the registration as described in paragraph 5.1.10 above.

7. Registration Fee

- 7.1. Applicants that have been approved for registration or agents who have applied for the annual renewal of registration are subject to the following fees which shall be made payable to the Authority:
 - 7.1.1. registration fee:

- (a) corporate agent = BND2,000;
- (b) individual agent = BND300;

7.1.2. annual fee:

- (a) corporate agent = BND1,000;
- (b) individual agent = BND200.

- 7.2. Where the registration of a general takaful agent is effective from any date other than the 1st day of the month, the registration fee for that particular year will be pro-rated.

8. Procedures for Application for Registration

- 8.1. The application form for registration as a general takaful agent can be obtained from the office of the Authority.
- 8.2. The completed application form should be submitted together with relevant documents to:-

Managing Director
Autoriti Monetari Brunei Darussalam
Level 14, Ministry of Finance Building,
Commonwealth Drive BB3910
Bandar Seri Begawan
Brunei Darussalam
Attention: Executive Director, Insurance/Takaful and Capital Market Supervision