



معهد الخليج لدراسات التأمين
GULF INSURANCE INSTITUTE

Management Development Certificate

Takaful Operations

Course Code	MDTK
Content:	Students must complete the following modules: MD 2.3 Regulation and Compliance MD 2.6 Takaful principles and Practice MD 3.2 Islamic Finance and Accounting
Duration	Each module consists of 24 hours of classroom learning involving Lectures, and interactive sessions. Candidates must complete a practical assignment for each module. Participants are allowed to take modules as and when they wish however, the order as they appear above is recommended and the three modules and the examination must be completed within twenty four months. Candidates should devote, for each module, a further 30 hours for private study, further reading and completion of assignment. The assignments are marked and include instructor's comments and advice and carry at 30% of the final examination mark.
Audience	Advanced
Learning Objectives:	At the end of this course participants will be able to:

MD 1.2 – Regulation and Compliance

- 1.2.1 Define the core principles and objectives of an insurance regulatory framework
- 1.2.2 Discuss the role of an insurance regulator in a market place
- 1.2.3 Explain the main features of an authorization process for insurance companies and intermediaries.
- 1.2.4 Explain the term "Controller" in relation to a licensee and outline the qualities, compliance duties and responsibilities of Controllers, directors and managers.
- 1.2.5 Outline the roles of Auditors and Actuaries in relation to regulation and supervision
- 1.2.6 Explain Capital Adequacy and outline the main financial requirements of a licensed insurance company
- 1.2.7 Explain the main authorization requirements of an insurance intermediaries, insurance managers and consultants.
- 1.2.8 Explain separation of insurance monies in relation to insurance intermediaries and discuss ways in which it can be achieved.
- 1.2.9 Outline the main statutory financial statements and reports which licensees (insurance companies and insurance intermediaries) are required to file.
- 1.2.10 Outline the administrative and disciplinary actions for non-compliance against licensees which an insurance regulator may take to fulfill its functions.
- 1.2.11 Discuss customer disclosure requirements, codes of business conduct, and marketing standards.



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- 1.2.12 Outline an insurance regulator's training and competence requirements for an insurer and an intermediary
- 1.2.13 Explain the main scope and objectives of financial crime legislation and outline the main methods of control to ensure compliance.
- 1.2.14 Outline the regulatory frameworks affecting insurance supervision of the GCC countries.
- 1.2.15 Outline the regulatory frameworks affecting insurance supervision in the EU making specific reference to its application in the UK

MD 2.6 Takaful principles and practice

- 2.6.1 Outline the Shariah framework, definition and ideology of Takaful and the prohibited elements of conventional insurance.
- 2.6.2 Explain the various structures of Takaful operators, differentiate between the Mudraba model and Wakala model, explain how surplus is treated and its distribution
- 2.6.3 Outline market trends and main providers
- 2.6.4 Discuss key products and services such as general takaful, family Takaful, Distribution, Bancatakaful and future challenges facing takaful distribution
- 2.6.5 Outline the demand for takaful insurance and the needs which it serves in the Muslim community
- 2.6.6 Explain Re-takaful and its operation and models
- 2.6.8 Outline the objectives and services of the International Cooperative and Mutual Insurance Federation (ICMIF) and its role in the development of takaful.
- 2.6.9 Define micro-insurance and explain its characteristics, Discuss the challenges faced by micro-insurance providers, Explain the linkage between micro-insurance and takaful
- 2.6.10 Outline some examples where micro-takaful helps to ensure the long-term self sustainability of the individual and his family to stay above the poverty line.
- 2.6.11 Discuss Future Prospects and Opportunities for the Takaful market

3.2 – Islamic Finance and Accounting

- 3.2.1 Explain the principles and objectives of Islamic accounting within an organisation
- 3.2.2 Distinguish between Islamic accounting and conventional accounting
- 3.2.3 Define the stakeholders of an Islamic business organisation and its obligations in their regard with particular reference to accounting and financial information.
- 3.2.4 Explain the principles of the Islamic financial system
- 3.2.5 Explain the different operational models of operating a takaful fund with particular reference to the *al mudaraba* model and the *al wakala* model
- 3.2.6 Outline the accounting framework, standards and practices of Islamic financial institutions with particular reference to takaful and re-takaful
- 3.2.7 Discuss the accounting treatments of various Islamic financial transactions and the importance of Islamic financial reporting, regulations and audit practices
- 3.2.8 Distinguish between the duties and responsibilities of the directors and officers of the company the Shari'a supervisory board and the external auditors.



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- 3.2.9 Define terms which are commonly used in insurance accounting
- 3.2.10 Define Management Accounting and explain its scope
- 3.2.11 Explain the budgetary process and discuss the involvement of managers and business units in this regard
- 3.2.12 Draw up a budget plan apply common techniques for its graphical representation and interpretation
- 3.2.13 Discuss the importance of planning and the control of resources
- 3.2.14 Outline the techniques available to a company to implement cost control and resource allocation and discuss the merits and disadvantages of each.
- 3.2.15 Explain investment instruments which give higher returns whilst conforming with the Shari'a principles
- 3.2.16 Explain the basic instruments in the Islamic financial system including cost-plus financing (*murabaha*), profit-sharing (*mudaraba*), leasing (*ijara*), partnership (*musharaka*), and forward sale (*bay' salam*).

Assessment

- a) Practical Assignment: Students must complete each module including the practical assignment handed out at the end of each unit. The practical assignments carry 30% of the overall mark of 200
- b) Written Examination: Participants will be asked to sit for a three-hour written examination at the end of the course consisting of:-
 - Part 1: 8 compulsory short questions
 - Part 2: 1 compulsory essay question
 - Part 3: 3 essay questions from a choice of five

The written examination carries 140 marks.

Out of the overall mark of 200, candidates must obtain a minimum 40 marks from the practical assignments and a minimum of 110 marks overall.

Accreditation

2 credits towards Associateship or Fellowship or the GII