



## **Rules on Registration of Takaful Intermediaries (RRTI)**



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**Document Revision Control**

Revision	Change Description	Effective Date	Approval Date																						
1.	New insertion from the ITA: i. PART 2 – REGULATIONS FOR THE REGISTRATION AND CONTROL OF TAKAFUL INTERMEDIARIES	October 2016																							
2.	<p>Part 1- Registration of Intermediaries (A) Corporate bodies All applications for Corporate Bodies shall be subject to the following fee schedule:</p> <table border="1"> <thead> <tr> <th>Categories</th> <th>New Application (RM)</th> <th>Renewal of Application (RM)</th> <th>Remarks</th> </tr> </thead> <tbody> <tr> <td>Family</td> <td>100</td> <td>100</td> <td rowspan="2">For a duration of 2 years per agent/employee by each Takaful Operator/ financial institution</td> </tr> <tr> <td>General</td> <td>80</td> <td>50</td> </tr> </tbody> </table>	Categories	New Application (RM)	Renewal of Application (RM)	Remarks	Family	100	100	For a duration of 2 years per agent/employee by each Takaful Operator/ financial institution	General	80	50													
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## 1. INTRODUCTION

- 1.1. In line with the objective of Malaysian Takaful Association (MTA) to promote self-regulations for common interest among members, RRTI is established to ensure standard and adequate requirements for the registration of Takaful Intermediaries especially for the Takaful advisory product. Takaful advisory product is defined as a product that needs face-to-face consultation before any Takaful proposal could be made. At the end of the consultation and promoting process to the prospective, Takaful participant are required to complete Customer Fact Finding (CFF) Form as required by Bank Negara Malaysia (BNM).
- 1.2. With RRTI, MTA is aiming to record a complete and current data of all registered Takaful Intermediaries. The data include data of the directors and shareholders of any of the appointed corporate bodies, and its corporate nominees. Furthermore, MTA is able to enforce the industry-wide requirement for these Takaful Intermediaries particularly in terms of the number of Takaful Operators that the Takaful Intermediaries can represent.
- 1.3. Consequently, with the complete and updated data, MTA is able to provide services to the consumers by allowing them to authenticate the status of these registered Takaful Intermediaries via MTA's online intermediaries public enquiry. This public enquiry facility is part of the initiatives undertaken by MTA to protect consumers by empowering them to check the registration status of the Takaful Intermediaries, and also to nurture the Takaful industry with accountability, integrity and competency.
- 1.4. These rules under these Guidelines must be read together with other MTA's Guidelines and BNM Guidelines, but are not limited to:
  - i. MTA's Guidelines on Continuous Professional Development (CPD) Hours
  - ii. MTA's Minimum Qualitative Criteria (MQC) for Family Takaful Agency Force
  - iii. MTA's Code of Ethics
  - iv. Shariah guidelines and principles
  - v. Anti-Money Laundering Act
  - vi. Anti-bribery and anti-corruption laws and regulations
  - vii. Guidelines issued by BNM from time to time

## 2. OBJECTIVES

- 2.1. The objectives of RRTI are:
  - (a) to provide a framework of transparent, consistent and facilitative rules to govern and regulate the appointment of Takaful Intermediaries; and
  - (b) to have a standard guidelines on registration of Takaful Intermediaries.

## 3. APPLICABILITY

- 3.1. These guidelines are applicable to all registrations of Family Takaful and General Takaful Intermediaries as per schedule below:

Type of Registration	Applicability
Agency Leader Corporation (ALC)	Family Only
Corporate Agent (CA)	Family and General
Financial Institution (FI)	Family and General
Financial Services Organization (FSO)	Family and General
Third Party Call Center (TPCC)	Family and General

- 3.2. The monitoring of requirements for registration must be monitored by Takaful Operator.

## 4. EFFECTIVE DATE

- 4.1. These guidelines come into effect from 1<sup>st</sup> July 2013.

### 5. REGISTRATION OF INTERMEDIARIES

#### 5.1. CORPORATE BODIES

5.1.1. Takaful Operators may appoint organisations or hereinafter referred to as Corporate Bodies to solicit and distribute Takaful products on their behalf.

5.1.2. The appointment of Corporate Bodies are listed below:

##### A. Agency Leader Corporation (ALC)

- i. An ALC must be a legally incorporated body registered in Malaysia with a minimum paid-up capital of RM10,000 or Partnership or Limited Liability Partnership (LLP). All shareholders of the ALC have to be individuals (natural persons). A foreigner can be a shareholder of an ALC provided that the person holds a working permit in Malaysia (provided no working restriction).
- ii. Any person recruited by the ALC to solicit Takaful business as an intermediary, must be individually registered as a Registered Takaful Intermediary (RTI) and fulfil the requirement of Paragraph 5.2.
- iii. All intermediaries recruited by the ALC shall have an agency contract with the one and the same Takaful Operator.
- iv. An ALC contract can only be given to an Agency Manager.
- v. An Agency Manager who operates through an ALC may be required to sign two contracts with the Takaful Operator i.e. one agency contract and one ALC contract.
- vi. An ALC must be registered with MTA. The contract of an ALC would be renewed at the sole discretion of the Takaful Operators concerned. MTA is to be advised on any termination of an ALC contract.
- vii. A list of shareholders of the ALC must be lodged with MTA. All shareholders and Directors have to be RTIs with the same Takaful Operator.
- viii. Any transfer of shares within the ALC will require the approval of the Takaful Operator; otherwise the registration of the ALC will be revoked. Any change in the members of the Board of Directors or the shareholders should also be lodged with MTA.

##### B. Corporate Agent (CA)

- i. CA must be a legally incorporated body registered in Malaysia with a minimum paid-up capital of RM50,000.
- ii. CA must be registered with MTA with the representation of a corporate nominee. The registration of corporate nominee shall be subjected to the requirement of individual intermediaries and must be individually registered as a RTI. The registration requirements of RTI are in paragraph 5.2.
- iii. All RTI engaged by the CA shall have an agency contract with the one and the same Takaful Operator.
- iv. Where commissions are payable to the CA, the CA must be registered with MTA and be contracted with the Takaful Operator.
- v. Directors or shareholders of the CA who are not involved in promoting Takaful, are not required to be registered as a RTI. However, they are still subject to the principal to representation Takaful Operators.

### **C. Financial Institution (FI)**

- i. FIs in the context of the RRI shall include: -
  - a. Banks
  - b. Development Financial Institution (DFIs)
  - c. Credit Corporations
  - d. POS Malaysia
  - e. Insurance Companies
- ii. For the promotion of Takaful products via FIs, Takaful Operators must comply with: -
  - a. BNM's Circular on Marketing of Bancassurance / Bancatakaful products (BNM/RH/CIR 008-8) and Guidelines on Bancatakaful (BNM/RH/GL 004-18) and;
  - b. Any other relevant requirements imposed by BNM.
- iii. FIs are exempted from being registered as a corporate body. The Takaful Operator is not required to notify MTA on any appointment of FI as its corporate body. Any employee appointed by the FI to solicit Takaful business on a face-to-face basis must be individually registered as a Registered Financial Institution Employees (RFIE) meeting the requirements stipulated in item 5.2.
- iv. RFIEs are not allowed to represent any Takaful Operator on their personal capacity to avoid conflict of interest.
- v. For FI employees including FIs call centres and telemarketers who are not involved in face-to-face promoting are not required to pass Takaful Basic Examination (TBE) and registered with MTA.
- vi. All Takaful Operators shall independently undertake the registration of their FI employees irrespective whether or not the FI employee has been registered through another Takaful Operator.

### **D. Financial Services Organization (FSO)**

- i. FSOs in the context of the RRTI shall include: -
  - a. Credit / debit / charge card companies
  - b. Unit Trust corporations
  - c. Hire purchase companies
  - d. Investment banks / stockbroking companies
- ii. FSOs are not required to be registered with MTA as corporate bodies. However, employees / representatives of FSOs marketing Takaful must be individually registered as a RFIE by fulfilling the requirement stipulated for RFIE.
- iii. However, these employees / representatives are not required complete the minimum CPD hours annually based on the requirements of the Guidelines on CPD hours.

### **E. Third Party Call Centers (TPCC) / Telemarketing Companies (TC) / Direct Marketing / Mailers Companies (DMC)**

- i. A TPCC / TC / DMC must be a legally incorporated body registered in Malaysia with a minimum paid-up capital of RM50,000. They are subject to the same CA's registration requirement with a representation of a corporate nominee.
- ii. Specific for TPCC / TC / DMC whether or not is engaged by Takaful Operator or FIs or in-house call centers of FIs, the following requirement should be observed:
  - a. Team leaders / supervisors of such companies must pass TBE as specified under Paragraph 5.2.1.
  - b. Team leaders / supervisors are not required to be registered with MTA and it shall be the responsibility of the respective Takaful Operators to ensure that the TBE requirements for Team leaders / supervisors are met.

## RULES ON THE REGISTRATION OF TAKAFUL INTERMEDIARIES (RRTI)

- c. The Team leader / supervisor ratio to call agents shall be limited according to a ratio of 1:10.
  - d. Each Team leader / supervisor and call agent shall be required to complete 10 hours of training for products prior to promoting. The 10 hours training is inclusive of the 30 and/or 20 hours CPD training for Family and General Takaful respectively.
  - e. Each Team leader / supervisor shall be required to comply with 30 hours and/or 20 CPD hours annually, commencing from 1 January of the year following their appointment by the respective Takaful Operator(s).
- iii. Takaful Operators are to ensure that the TPCC / TC / DMC are registered with MTA. Once a TPCC / TC / DMC have been registered by any member of MTA, the second and subsequent Takaful Operator need not register the TPCC / TC again. The Registration template is in **Appendix I**.
  - iv. Should the contract between a Takaful Operator and TPCC / TC / DMC come to an end, the Takaful Operator shall be responsible to inform MTA of the status.

5.1.3. In terms of representations of Takaful Operators, the following conditions are applicable:

Corporate Bodies	Family Takaful	General Takaful
ALC	One (1) principal	Not applicable
CA	One (1) principal	Maximum of two (2) principal
FI / FSO / TPCC / TC / DMC	More than one (1) principal	More than one (1) principal

5.1.4. For the purpose of registration with MTA, where applicable generally, the following copies of the documents are required:

<b>Corporate Bodies registered under Companies Act</b>
<ul style="list-style-type: none"> <li>a. Copy of the certificate of incorporation of the company</li> <li>b. Form 6 – Statutory Declaration of Compliance or Section 58 and 236 (2) – Notification of Appointment of the First Company Secretary</li> <li>c. Form 24 – Return of Allotment of Shares or Section 78 – Return of Allotment of Shares</li> <li>d. Form 48A – Statutory Declaration by a person before Appointment as Director, or by a promoter before Incorporation of Corporation or Section 58 and 236 (2) – Notification of Appointment of the First Company Secretary</li> <li>e. Form 49 – Return giving particulars in register of Managers and Secretaries and changes of particulars or Section 14 – Application for Registration of a Company</li> <li>f. Form 11 – Notice of Resolution (if changes are made to the Memorandum and Articles of Association) or Section 58 and 236 (2) – Notification of Appointment of the First Company Secretary</li> <li>g. Form 44 – Notice of Situation of Registered Office or Section 14 – Application for Registration of a Company</li> </ul> <p><i>Note: Section 58 and 236 (2), Section 78 and Section 14 are applicable for registered company on 31 January onwards.</i></p>
<b>Limited Liability Partnerships Act 2012</b>
<ul style="list-style-type: none"> <li>a. Notice of registration issued by the Registrar of LLP;</li> <li>b. A register of the name and address of each partner and compliance officer;</li> <li>c. A copy of the most recent annual declaration;</li> <li>d. A copy of any statement lodged with the Registrar under the LLP Act 2012;</li> <li>e. A copy of certificate (if any), issued by the Registrar under section 11(4) LLP Act 2012; and</li> <li>f. LLP agreement and any amendment thereto</li> </ul>
<b>Registration of Businesses Act 1956 (ROBA 1956) &amp; ROBA Rules 1957</b>
<ul style="list-style-type: none"> <li>a. Form A : A copy of business registration form lodged with the Registrar of Business;</li> <li>b. Form B : A copy of registration of changes or business particulars lodged with the Registrar of Business;</li> <li>c. Form D : A copy of the partnership's Certificate of Registration issued by Registrar of Business and/or Form E : Certificate of Renewal of Registration;</li> <li>d. A register of name and address of partner(s);</li> <li>e. A copy of the Partnership Agreement and any amendments thereto.</li> </ul>

## 5.2. INDIVIDUALS

5.2.1. General registration requirements of individual intermediaries are as follows:

- i. The minimum age is 18 years old.
- ii. Must have passed TBE depending on the route specified for Family Takaful and General Takaful. If the individual is promoting Family Takaful's investment-linked products, the following scenarios are applicable:
  - a. Individuals who have passed TBE prior to April 2012<sup>1</sup>, they are required to undergo eight (8) hours of in-house training provided by the respective TO (*refer to MTA notice MTA-006-009 dated 13 July 2009*). If the individuals have already passed Certificate Examination in Investment-Linked Life Insurance (CEILLI) of Malaysian Insurance Institute (MII), they are not required to undergo the 8 hours in-house training requirement.
  - b. Individuals who have passed TBE after April 2012<sup>2</sup>, they are not required to undergo the eight (8) hours of in-house training requirement or to pass CEILLI of MII.
- iii. Notwithstanding to the requirement of item ii, certain individuals may be granted a TBE exemption status in accordance to Guidelines on TBE exemption.

5.2.2. The following are the various categories of individual intermediaries:

Individual Intermediaries	Category
Agents of Takaful Operators (including agents under ALC)	RTI
Staff / Appointed Representatives of CAs	RTI
Staff / Appointed Representatives of FIs / FSOs	RFIE

5.2.3. The registrations of Individual Intermediaries with MTA are follows:

### A. Registered Takaful Intermediaries (RTI)

- i. The registration of RTI will be subjected to the principal rules as stipulated in Paragraph 5.2.4.
- ii. An individual who has registered as a RTI cannot be registered as a RFIE or a Nominee / Director / Shareholder/ Partner CA or Nominee of CA or ALC to represent other Family Takaful Operators.
- iii. RTI is allowed to register as a Nominee / Director / Shareholder / Partner of Family Takaful CA and ALC for the same Takaful Operator<sup>3</sup>. Similarly a Nominee / Director / Shareholder / Partner of General Takaful CA allow to register as RTI for the same Takaful Operator.
- iv. RTI must comply with the requirements of MTA MQC and Guidelines on CPD hours.

<sup>1</sup> Prior April 2012, TBE did not have separate exam route for Family Takaful and General Takaful. Therefore, for those who have passed TBE prior to 2012, are allowed to register Family and/or General Takaful Intermediaries. For those who wish to promote Family Takaful investment-linked product, they are required to undergo the abovementioned FFs.

<sup>2</sup> Effective from April 2012, TBE has three (3) major components, namely, Part A for the Basics of Takaful and Medical & Health Takaful, Part B for General Takaful and Part C for the Family Takaful and Investment-Linked Takaful (ILT).

<sup>3</sup> MTA Notice: MTA\_AGT\_003\_2016 dated 11 October 2016 on Registration of individual Family Takaful Agent and Nominee/ Director/ Shareholder/ Partner of Corporate Agent



### B. Registered Financial Institution Employee (RFIE)

- i. RFIE are employees of FIs / FSOs as described under paragraph 5.1.2 C and D.
- ii. RFIE may represent for more than one Takaful Operator since FIs / FSOs are required to have a panel of Takaful Operators for its services and products.
- iii. RFIE must complete the minimum CPD hours annually based on the requirements of the Guidelines on CPD hours except for RFIE that representing FSOs.

5.2.4. In terms of representations of Takaful Operators, the following conditions are applicable:

<b>Category</b>	<b>Family Takaful</b>	<b>General Takaful</b>
RTI	One (1) principal	Maximum of two (2) principal
RFIE	More than one (1) principal	More than one (1) principal

## RULES ON THE REGISTRATION OF TAKAFUL INTERMEDIARIES (RRTI)

### 6. EXEMPTION

- 6.1. Individuals would be exempted from the general registration requirements of individual intermediaries as prescribed in paragraph 5.2.1 and they are not required to be individually registered with MTA if they: -
- i. are members of cooperatives / associations where membership is not contingent upon the participate in the Takaful products / consumer based products;
  - ii. are employees of Takaful Operators and Takaful broking companies soliciting group Takaful plans;
  - iii. are Motor Vehicle Franchise Holders who have been granted the sole rights to the importation, promotion, promotion or distribution and/or manufacture of a particular motor vehicle by the franchiser and who provide group term Takaful cover to clients as coverage for the credit lines provided in conjunction with the Hire Purchase agreements.
  - iv. Takaful Operator In-house Call Centers / In-house Telemarketers who are not involved in face-to-face promoting.
- 6.2. In the case of cooperatives or organizations that intend to effect group certificate or scheme under the Family Takaful and/or General Takaful business for their members or staff and the promotion of schemes are not for third parties, these cooperatives or organizations are exempted from the registration.
- 6.3. Employees of Takaful Operators who solicit ONLY advisory products of Takaful Operators directly with the prospects or Takaful participants are required to fulfill general requirement of individual intermediaries. However, member companies are encouraged to have TBE for all staff.
- 6.4. For staffs who have resigned from the Takaful industry and yet to pass TBE, the staff could be entitled for TBE exemptions as the requirement prescribed under the Guidelines on TBE Exemption provided that these staff wish to be a Takaful intermediary as their career.

### 7. REGISTRATION FEES SCHEDULE

- 7.1. Fees that applicable to the registration of intermediaries are as follows

Categories	New Registration (RM)		Renewal (RM)		Remarks
	Family Takaful	General Takaful	Family Takaful	General Takaful	
Corporate Bodies	100.00	80.00	100.00	50.00	For a duration of two (2) years per corporate bodies for each Takaful Operator
RTI	30.00	50.00	30.00	35.00	For a duration of two (2) years per person for each Takaful Operator
RFIE	30.00	50.00	30.00	35.00	

- 7.2. These fees may be subject to any relevant tax, where relevant, and it may be revised at the sole discretion of MTA.

### 8. GENERAL PROVISIONS

- 8.1. Family Takaful plan in the context of this guideline shall exclude products (whether individual or group) where the total Takaful contribution premiums as a percentage of product price is less than 10%. For unit trust, instead of "product price", the total investment holdings of the customer shall be used. The cost of the Takaful is the total contributions over the entire period of the coverage of the Takaful certificates. For example, in the case of Takaful certificates being marketed, with unit trust, the cost of the Takaful is the sum of the expected yearly contribution over the maximum period of the available coverage. The maximum contribution shall be capped at RM10,000 or 10% of product prices, whichever is lower, will be determined at the point of inception of the Family Takaful certificates. In this regard, the Takaful participant may continue to renew his Takaful coverage at the original sum covered although he has reduced his investment holdings. However, if there is an increase in the investment holdings, the insurance coverage will be subjected to the limit of 10% or RM10,000 whichever is lower.
- 8.2. The above exclusion shall be limited to only Family Takaful certificates being distributed by the appointed Unit Trust / Private Retirement Scheme (PRS) agents. Such Family Takaful certificates can only be marketed together with the Unit Trust / PRS product. As an example, where the asset under management value is RM100,000 the agent is allowed to market the Family Takaful certificates with a maximum contribution of RM10,000 only, to qualify to be under this exclusion.
- 8.3. Further, the Takaful Operator is required to put in place safeguards / controls to reduce risk of mis-selling, which shall include requirement for Unit Trust / PRS agents to fulfil the following:
- i. Pass the TBE prior to market any of the Family Takaful plans;
  - ii. Attend product training prior to market any of the Family Takaful plans; and
  - iii. Attend one-off training on applicable regulatory requirements

### 9. NON-COMPLIANCE

- 9.1. Any Takaful Operator found in breach of RRTI shall be subject to MTA disciplinary process determined by the Management Committee.

## RULES ON THE REGISTRATION OF TAKAFUL INTERMEDIARIES (RRTI)

Appendix I

### Details of the Third Party Call Centers / Telemarketing Companies

No.	Company Name	Company Registration No.	Address (with Postcode)	Appointment Date (DD/MM/YYYY)	Directors (D) / Shareholders (S) or Both (B)	NRIC/Old IC of Directors and Shareholders	Name of Team Leaders (TL)	NRIC/Old IC of Team Leaders	TL Passed TBE (Yes/No) / Date Exam
1	Company ABC	111111-X	123 Jalan DEF 50300 Kuala Lumpur	29/08/2012	En Isnin bin Selasa (D) Puan Rabu binti Kamis (S)	111111-11-1111 222222-22-2222	Encik Y Encik Z	333333-33-3333 444444-44-4444	

**\*NOTE :** Any changes to any of the information provided above, e.g. Company details, Directors/Shareholders or Team Leaders, should be notified to MTA for record keeping purposes.

#### Prepared by:

Name : \_\_\_\_\_  
 Designation : \_\_\_\_\_  
 Contact No : \_\_\_\_\_  
 Email : \_\_\_\_\_

\*Please return this reply slip to MTA via email or mails.