

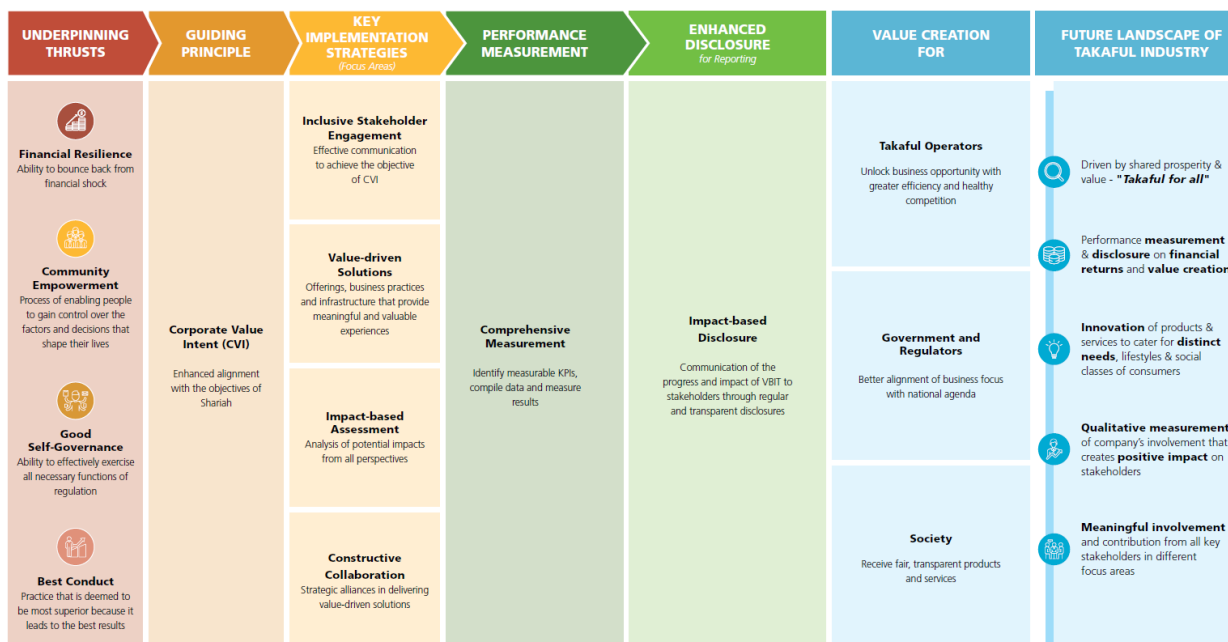
PRESS RELEASE
For Immediate Release

Value-based Intermediation for Takaful (VBIT) Framework: Unlocking the Potential of Takaful Industry towards a Sustainable Finance Ecosystem

Kuala Lumpur, Wednesday, 23 June 2021 – Malaysia’s Takaful industry has taken another big step forward in embracing the Value-based Intermediation (VBI) agenda with the release of the Value-based Intermediation for Takaful (VBIT) Framework. The VBIT Framework was launched today at the JC3 Flagship Conference: #FinanceForChange. In her keynote address, Governor Datuk Nor Shamsiah Mohd Yunus emphasised that “the financial sector is in a unique and powerful position to contribute beyond climate change, towards the broader sustainability agenda, including helping to end poverty and to reduce inequality”.

Since the issuance of Bank Negara Malaysia’s VBI Strategy Paper in 2017, the Takaful industry has been committed to translating the VBI into business practices and values offered to customers. In essence, VBI focuses on the adoption of practices that generate sustainable impact to the economy, community, and environment, which are universally applicable within the financial sector community. The VBIT framework serves as a comprehensive guideline in implementing VBI practices and values in takaful industry and is relevant to Family Takaful, General Takaful, and Retakaful Operators.

The Framework encourages industry players to realise the objectives of Shariah, or Maqasid Shariah. It further elaborates the underpinning thrusts of VBIT, which are Financial Resilience, Community Empowerment, Good Self-Governance and Best Conduct. It also highlights how value-driven business strategies and practices can be embodied in respective companies’ Corporate Value Intent (CVI), vision and mission. Whilst there are various approaches in implementing value-based practices and initiatives, four focus areas are prioritised in the Framework, namely Inclusive Stakeholder Engagement, Value-Driven Solutions, Impact-Based Assessments and Constructive Collaborations. In this respect, the industry aims to work collaboratively in informing the progress and effectiveness of value-based initiatives to the public and the relevant stakeholders.



“Sustainability is a widely discussed topic within the society today, and there is no better time for the Takaful industry to consider value-added initiatives within their business conduct and practices as part of the evolving industry. The Framework is important to help the Takaful industry to integrate value-based principles seamlessly into the respective business practices. This is in line with the aspiration to achieve inclusive protection for underserved and unserved segments of the society and to address relevant socio-economic issues,” said Encik Elmie Aman Najas, Chairman of Malaysian Takaful Association.

“We expect that over time, the adoption of VBI agenda will have a significant impact on Takaful companies’ models and this will drive the industry towards sustainable finance ecosystem for the Community (People), Environment (Planet) and Economy (Prosperity). VBI-oriented Islamic financial institutions including the respective Takaful and Retakaful Operators can, and indeed should, also play an important role in strengthening resilience against climate change and social issues,” he added.

The development of the VBIT Framework involves in-depth deliberation by industry players. Its initiatives, which are expected to be implemented in stages, aim to change mindsets, and to spur creativity and encourage innovation to deliver positive and meaningful impacts. It will be the responsibility of Takaful players and the collective efforts of all stakeholders involved in this value creation journey to achieve the Takaful industry's aspirations.

The full Framework can be downloaded at VBIT website by scanning the QR code below or visit www.vbitakaful.com.



End

About Malaysian Takaful Association

Malaysian Takaful Association (MTA) was established in November 2002 under the Societies Act 1966. It is a trade association representing all 18 licensed Takaful and Retakaful operators in the country. The objectives and the powers of MTA are to promote the interests of its members and to lead and supervise the exercise of self-regulation within the Takaful industry.

For media enquiries, you may contact:

Puan Siti Nor Kamariah

Head of Corporate Communications

Malaysian Takaful Association

21st Floor, Main Block

Menara Takaful Malaysia

No. 4, Jalan Sultan Sulaiman

50000 Kuala Lumpur

Tel : +603-2031 8160

Fax : +603-2031 8170

E-mail : mtasecretariat@malysiantakaful.com.my