

In the Name of Allah, most gracious most Merciful

*Praise be to Allah and peace and blessings be upon His Faithful
Messenger*

Guided by the Quranic verse **“Let there arise out of you a band of people inviting to all that is good, enjoining what is right, and forbidding what is wrong: They are the ones to attain felicity”**(104) *Sūrat āl Im'rān*

, and Out of desire to consolidate the foundations of cooperation between Islamic companies working in the field of “Takaful” and cooperative insurance in accordance with the principles of Islamic Shari’a in response to **Quranic verse “Help ye one another in righteousness and piety, but help ye not one another in sin and rancour: fear Allah: for Allah is strict in punishment.”** (2) *Sūrat āl Mā'idah*

, and in realization of the joint goal of extending the umbrella of “Takaful” and Islamic insurance in every corner of our society to reform the economic structure, and to eliminate impurities and methods that contradicts Islamic Shari’a in compliance with the Prophet’s Hadith **“Worship Allah and do not associate anything with him and hold all fast of you together to the rope of Allah and be not divided among yourself and provide advice to your guardians”**

“Takaful” and Islamic insurance companies, which are playing a vital role in the economic life, have agreed to establish a union to fall under its umbrella and utilize in initiating complementary systems to disseminate Islamic “Takaful” and insurance along with inviting Islamic companies and establishments to join the union in line with the Quranic verse

And hold fast, all together, by the rope which Allah (stretches out for you), and be not divided among yourselves; and remember with gratitude Allah's favour on you; for ye were enemies and He joined your hearts in love, so that by His Grace, ye became brethren” (103) *Sūrat āl Im'rān*

And thus the desired ideal formula for cooperation, collaboration and solidarity among Islamic institutions and bodies could be achieved in act rather than in word.

"Allah does not look at our appearances or wealth, but He looks at our hearts and actions."

The project of establishing a union for Islamic “Takaful”, aims at enabling Muslims to entertain both rooting “Taseil” and modernity so as to disseminate goodness among all Islamic societies and peoples.

Article One: Name and Headquarters

1. Name: International Union for Islamic “Takaful” and Insurance
2. Headquarters: Khartoum, capital of the Republic of Sudan, the board shall have the right to establish regional offices in any state.

Article Two: Definitions

In this Articles of Association, unless the context requires another meaning:

- Union: means the International Union for Islamic “Takaful” and Insurance
- Articles of Association: Union’s Articles of Association
- Board: Unions Board
- Committee: Executive Committee of the Bard
- General Secretariat: Union’s General Secretariat
- President: Chairman of the Union
- Vice President: First Vice President of the Union (President of the previous General Assembly)
- Vice President/Deputy Managing Director: the Vice President of the Union chosen from [local] insurance market of the headquarters State to perform the Union’s activities.
- Secretary-General: Secretary-General of the Union.
- Member: Member of the Union who satisfies all membership provisions contained in this document, in addition to the right to stand and vote.
- Observer Member: Member of the Union who satisfies all membership provisions contained in this document with the exception of the right to stand and vote
- Islamic insurance: means “Takaful” or cooperative insurance and re-insurance

Article Three: Objectives and Means

1st: Objectives

The Union seeks to spread the principles of Islamic insurance based on the following:

1. Provision of support to uplift the members to the extent to be capable and qualified entities in order to provide Islamic Insurance Services of the best quality.
2. Rehabilitation and upgrade of the Islamic insurance industry, including the use of latest technology.
3. Review of members' problems and contribution to the development of appropriate solutions.
4. Qualifying manpower in the field of Islamic insurance in all aspects; legal technical, administrative and financial.
5. Issuance of Islamic insurance industry-related "fatwas" in addition to compilation of "fatwas" issued by insurance institutions, along with other relevant studies.
6. Cooperation between the member companies and availing them of priority in the business.
7. Promotion of the sense of cooperation among members in various insurance fields.
8. Encouragement of the spirit of scientific research to achieve development of Islamic insurance industry.
9. Provision of the manpower with necessary knowledge in the field of Islamic insurance.
10. Encouragement of establishing Islamic insurance institutions at the international level.
11. Assuming the task of reconciliation and resolving disputes among members.
12. Modeling and setting of standards and principles required by Islamic insurance industry from legal, technical, financial and administrative aspects

2nd: Means

1. Review of Islamic insurance policies to reach a text that reflects the spirit of cooperation and “Takful” and yet meet the requirements of a contemporary society.
2. Promotion of doctrinal “Fiqhi”, scientific and technical levels of relevant institutions through exchange of expertise and information, and working on establishing institutes and training centers.
3. Arranging for courses, seminars, forums and workshops on Islamic insurance industry in particular and insurance in general.
4. Preparation of studies and data on issues and challenges that face Islamic insurance market taking making use of international experiences.
5. Studying of doctrinal “Fiqhi” issues confronting Islamic insurance.
6. Adoption and encouragement of Islamic re-insurance institutions and formation of Islamic insurance gatherings among members.
7. Provision of possible assistance to overcome obstacles of establishing new companies to enable provision of Islamic insurance services.
8. Issuance of periodic publications concentrating on Islamic insurance and all staff-related issues and those interested in the industry.
9. Adoption of any other legitimate means that enable the Union to achieve its objectives.

Article Four: Membership

Union’s Membership

- 1- The Union’s membership is available for all Islamic insurance and re-insurance institutions and companies as full members.
- 2- Islamic institutions and organizations or any other entities related to Islamic insurance industry may be admitted as observers.

Article Five: Terms and Duties of Membership:

1. Companies and organizations interested in joining the Union shall submit their requests on the application prepared for this purpose.
2. Members shall pay membership fees and specified periodic contributions after the Board of Directors’ approval.
3. Members shall comply with the provisions of the Union’s Articles of Association.

Article Six:

A- Termination of Membership

1. Membership shall be terminated by a decision approved by two-third of the Board of Directors in any of the following cases:
 - 1) If the member undermines the reputation of the Union, works for its distortion or dispersing its unity.
 - 2) If the Board of Directors approves the member's withdrawal request.
 - 3) If the Board of Directors approves termination due to member's refraining from paying its financial obligations for two consecutive years.
 - 4) If the member loses its legal personality.

B. Suspension of Membership

- 1- The Board of Directors may suspend the membership for a period not exceeding one Gregorian year in case the member failed to pay the financial obligations for a similar period, or for violating the provisions of the Articles of Association.

D. Reinstatement of Membership

- 1) Those whose membership was terminated or suspended may submit a request to the Board of Directors after the demise of termination or suspension reasons.

If the Board of Directors denied re-instatement of membership, the member shall have the right to object at the first general conference that convenes after the Board's decision and the conference decision will be final.

Article Seven:

- a) Each member who has paid the annual subscription fees shall have the right to attend the conference, the right to vote, and to be represented by one person or more. The member shall notify the Secretariat General of the name(s) of its representative(s) to the conference adequate time before convention.
- b) The delegation of each member has one vote and in case of tie vote, the conference Chairman shall have a casting vote.

- c) Representatives of Islamic States, Arab Insurance Unions, Insurance and re-insurance companies, insurance industry-related global unions may be invited to the conference as observers.

Article Eight: Union Offices

The Union will be managed and run by five bodies as follows:

1. General Conference
2. Union's Board of Directors
3. Executive Committee
4. Secretariat General
5. Committees

Article Nine: General Conference

1st: Formation and Convention of the Conference

1. The conference includes the members who have paid membership and subscription fees through the date of convention.
2. The conference convenes once every two years at the headquarters and it may convene at any agreed place.
3. The conference will determine, before the end of its sessions, time and place of the next conference, if convention at the chosen place becomes impossible, the conference shall convene at any place to be determined by the Board of Directors.
4. The conference decisions shall be taken by absolute majority and in case of a tie vote, the conference Chairman shall have a casting vote.
5. The conference shall be presided by the representative of insurance market in the hosting State and the selected person shall be the Union's President until the date of the next conference. The President must have two deputies; a vice president-president of the previous union- and a Managing Director.

2nd: Conference's Authorities:

1. The conference is the upper authority of the Union.
2. The conference shall approve nominations of the markets for the Board of Directors.

3. Drawing general plans of the objectives for which the Union was established and how to achieve them.
4. Determination of work method within the Union and the appropriate means for development of relations among the members in particular and other bodies in general.
5. The Conference may delegate part of its authorities to the Board of Directors.
6. Amendment of Articles of the Association shall be as provided for in Article Sixteenth.

President's Authorities:

1. Residing the conference, Board of Directors and
2. Committee meetings.
3. Representing the Union.
4. Following up implementation of the conference and Board of Directors' decisions.
5. Approval of secretariat's qualified and honest staff appointments.
6. Performing any job to be assigned by the conference or Board of Directors.

Article Ten: Board of Directors

1st: Formation and Convention

- a. The Board of Directors consists of the President, his two deputies and other twelve members to be elected by the conference taking into consideration markets' representation.
- b. The Secretary General shall be the Boards' rapporteur.
- c. The Board of Directors shall meet at least once a year or meet upon call from the President or two-thirds of members the Board of Directors.
- d. The meeting shall convene at the Union's headquarters or any place to be agreed upon.
- e. The quorum is complete by the attendance of majority of members.
- f. The Board of Directors' decisions shall be approved by majority and in case of a tie vote; the Chairman must have a casting vote.

2nd: Board of Directors' Authorities

The Board of Directors authorities shall include the following:

1. Approval of the Union's final accounts.

2. Approval of the budget submitted by the Secretariat General.
3. Appointment of Accounts Auditors and determining of their remunerations.
4. Selection of the executive Committee.
5. Suggestion of membership and annual subscription fees to the conference for approval.
6. Approval of regulations necessary for carrying out the Union's activities.
7. Summoning the conference for periodical or exceptional meetings.
8. Setting and approval of policies to be implemented by the Secretariat General to carry out the Union's activities.
9. Taking necessary actions to achieve the Union's goals and maintaining contacts to implement them as necessary.
10. Appointment of the Secretary General.
11. Approval of the conference Agenda.
12. Approval of the Organization Chart and benefits of the Secretary General and Secretariat staff.
13. Approval of Committees formation and appropriations.
14. The Board of Directors may delegate any of its authorities to any of the Union's bodies.

Article Eleven: Executive Committee

1st: Formation:

- 1- The Committee includes the President, his two deputies and three members to be chosen by the Board of Directors from among its members.
- 2- The Committee's meeting shall be presided by the President and one of his deputies.
- 3- The Committee shall convene at least each six months.
- 4- The Committee's decisions shall be taken by absolute majority.

2nd Authorities of the Committee

1. Formation of a special committee to study issues considered vital by the Committee and determination of remunerations.
2. Follow up implementation of the Board of Directors' decision.
3. Supervision of the Secretariat's activities.
4. Facilitation of exchange of missions and visits among members.
5. Formation of delegations that represent the Union to attend international and regional conferences and meetings.
6. Recommendation for admission of observers' membership.
7. Performing of any other tasks assigned by the Board of Directors.

**Article Twelve:
Secretariat General**

1. The Union has a secretariat general to be located in Khartoum city; capital of the Republic of Sudan.
2. The Secretary General shall represent the Union before others.
3. The Secretary General shall implement decisions of the general conference and the Union's Board of Directors and shall carry out all Union's private executive activities under the supervision of the Union's President.
4. The Secretariat General shall assign all Secretariat General Staff subject to the extent of the estimated budget approved by the Board of Directors.
5. The Secretariat General shall be held accountable before the Board of Directors.
6. The Secretariat General shall prepare regulations and submit the same to the Union's Board of Directors for approval.

**Article Thirteen
Committees**

Formation of the committees shall be intended to achieve objectives of the Union. Committees' duties and membership shall be determined in accordance to what will be mentioned later.

a. The following permanent committees shall be formed:

1. **Technical Affairs Committee:** To be in charge of setting technical basis for practicing of Islamic Insurance transactions.
2. **Financial Committee:** To be in charge of preparing accounting standards, bookkeeping systems, financial data, preparation of final budget estimate for Islamic insurance companies and review of standards issued by any other body for the same purpose.
3. **Legal Affairs Committee:**

- To be in charge of research of Islamic insurance transaction formulas with the intent of approving a unified form for all Islamic insurance companies.
- Devising of principles, rules and guidelines approved by legal control bodies of the Islamic insurance companies, and any other tasks that target rooting, Fatwa, Ijtihad and doctoral education.

b. Membership of Committees: The Committees consist of permanent committees not exceeding five members each to be a qualified person and an expert in the committee's specialty. The Union's Board of Directors shall approve their membership and determine remuneration.

c. Committees' Term

Committees' term shall be two years after which membership will be re-formed or re-elected for all or certain members of the previous committee by the Unions' Board of Directors.

d. Permanent Committees

Permanent Committees shall submit their reports to the Secretary General who will in turn present them to the Unions' Board of Directors in preparation for submittal to the general conference for approval.

- e. The Conference, Secretary General and the Board of Directors shall have the right to appoint special committees to study certain subjects irrespective of the above point.
- f. Both permanent and special committees shall select rapporteurs from among their members.
- g. Each permanent or special committee shall convene its meeting at the premises of each of the Union's members subject to circumstances and availability.

Article Fourteen:

Union's Financial Resources

The Union's financial resources consist of:

- a. Membership fee.

- b. Annual subscription fee.
- c. Donations and financial aids to be approved by the Union's Board of Directors
- d. Any other resources.

Article Fifteen:

Annual Budget and Final Account:

- a. The Union's fiscal year begins on the first of January and ends on 31st December each year.
- b. The Secretary General shall prepare the estimated annual budget and submits it to the Board of Directors for review and approval.
- c. If the Board denied approval of the estimated budget, the previous year's budget shall be implemented provided that its provisions are not violated.
- d. The Secretary General shall present the final accounts with the auditor's report to the Board of Directors for approval.

Article Sixteen

Amendment of Articles of Association

The conference shall have the right to amend the Articles of Association by a majority of two-thirds of the attending members provided that the amendment request is submitted by at least one-third of the members represented in the Union.

Article Seventeen

A decision for dissolution or liquidation of the Union shall be issued in an exceptional meeting by a majority of two-third of attending members. The Board of Directors shall appoint a liquidator along with specifying the body to which money and assets shall be in custody.

