Takaful: chronology of establishment in 47 countries

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Abstract

Purpose – From 1979 to 2023, the takaful structure has been adopted in many jurisdictions, making the documenting of its early days of establishment relatively difficult and somewhat unreliable. This is unlike conventional insurance, where the history and legislation are well documented and archived in various research (Hellwege, 2016; Marano and Siri, 2017). The purpose of this paper is to provide a chronology for the establishment and development of takaful via the takaful establishment in each jurisdiction, documenting its first takaful operator and first takaful regulation.

Design/methodology/approach – This paper has used a qualitative method in the form of reviewing literature and available data such as journals, books and official resources. The data is thoroughly analysed in order to build the chronology for takaful. It adopted an exploratory research design, which is deemed suitable in situations where few works of literature have examined the subject (Neuman, 2014). The paper explores the establishment and non-establishment of takaful in 57 countries. The paper categorises the countries into seven regions starting with the GCC, Levant, Asia, Central Asia, Africa, Europe and Others.

Findings – The takaful chronology presented in this paper shows that takaful operations exist in 47 jurisdictions, starting from Sudan and the UAE in 1979, with the most recent adopters being Morocco and Iran in December 2021. It is found that 22 jurisdictions do not have takaful regulations, and the Takaful Act 1984, issued in Malaysia, is considered the first takaful regulation that sets the basis for other regulations that follow.

Originality/value – The paper contributes to the literature by providing a comprehensive chronology of takaful, especially as the few existing timelines have been found to be incomplete and consist of contradictory information.

Keywords Islamic insurance, Takaful, Regulation, Chronology, Timeline

Paper type Research paper

1. Introduction

Individuals and businesses are operating in an uncertain economic environment. The importance of the insurance industry has risen in the midst of unforeseen events and the increased need to manage risks. The insurance industry supports the economy in many ways, including savings mobilisation, empowerment of trade and commerce and stimulating investment (Ul Din *et al.*, 2017; Sümegi and Haiss, 2006). The mechanism of conventional insurance is built around elements such as Riba (interest), (Gharar) uncertainty and (Maysir) gambling, which are prohibited by Islamic law (Shariah) (Soualhi and Al Shammari, 2015). An alternative insurance model is Islamic insurance, which was developed to cater to the needs of

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Muslims, and along with it came the development of Islamic insurance products. Sudan saw the first company to be established based on the Islamic insurance model in 1979. It provided an alternative model of insurance aligned with the principles of Shariah and operating on the concept of mutual responsibility and cooperation. Islamic insurance is also referred to by several other names – participation structure (Turkey), cooperative structure (Saudi Arabia) and mutual structure (Sudan) or simply takaful structure [1] (many countries).

Insurance is a financial instrument, and that means it needs to be governed by sound and robust regulations. As the market players in the different financial sectors are interconnected to each other, regulations play a role in preventing potential systemic problems; correct market imperfections and failures in order to allow consumers their right to make informed decisions. Regulations also minimise moral hazards related to safety-net arrangements, i.e. deposit insurance schemes and lender of last resort (OECD, 2020). The International Association of Insurance Supervisors (IAIS) stated that the core objectives of insurance regulation and supervision should "at the minimum, cover the objectives of (1) protecting policyholders, (2) promoting/maintaining a fair, safe and stable insurance market, and (3) contributing to financial stability".

Jimerson (2008) stated that archivists, within their scope of authority, in determining what records are preserved for the reference and use of future generations and in interpreting these references and documentation, should do so with the view of ultimately bringing benefit to society. Two dedicated reports stand out among those that have been published documenting the history of the insurance industry, e.g. Staib and Puttaiah (2018) shows the history of insurance globally, and another report traces the historical milestones of insurance in China. Academia has recorded the evolution of insurance legislation and regulatory reform, such as those in Europe by Marano and Siri (2017) and Hellwege (2016) and in the US by Webel and Cobb (2005). For takaful, there are limited studies documenting the takaful evolution, e.g. Alshammari *et al.* (2018, 2022) show the historical development of takaful business in the GCC and in the Middle East. However, there is no complete chronology of takaful, which traces its history from an idea (concept) to becoming an important sector in the Islamic financial system. The paper aims to document how takaful started in each country and provide a timeline showing the evolution of the global takaful industry by highlighting the first company and the first regulation in the respective jurisdictions all over the world. It contributes significantly to enriching the body of literature on takaful, which, compared to banking and capital market, is the least explored financial sector. The paper provides a solid and central reference point for researchers in understanding and gathering essential data on the establishment of the takaful market in over 40 countries distributed across 7 regions, which identifies two key indicators – the first takaful company and the first and key regulation that appeared in support of takaful operations in each jurisdiction. This paper has adopted an exploratory research design, which is deemed suitable in situations where few works of literature have examined the subject (Neuman, 2014). In this case, the analysis of the current takaful industry around the world would be significant to explore the different adoption of takaful according to the difference in each country's regulatory framework. The paper has used a qualitative method in the form of reviewing literature and available data to examine the existence of takaful operators and takaful regulation to build an accurate and reliable chronology for takaful.

The paper comprises five sections, including Section 1, which provides the introduction. Section 2 discusses the evolution of insurance and takaful concepts. The history of insurance, as presented in three key milestones, assists in articulating the current insurance contract. Section 2 also explores the early development of takaful and the views of Shariah scholars pertinent to conventional insurance. Section 3 is the core of the paper, and it shows the establishment of takaful practices in over 40 jurisdictions across 7 regions. Section 4 compares each region separately and identifies some key observations. Section 5 provides the conclusion.

2. Evolution of insurance and takaful concepts

2.1 Dawn of the insurance concept

Insurance as the provision of coverage against potential risks is not a new concept. The evolution of the concept goes through three eras.

2.1.1 Prehistory of insurance: origins and early development. Insurance developed gradually. Several thousand years ago, Chinese merchants developed a system to protect their cargo from being lost at sea. The cargo was distributed into numerous ships. This system is akin to the diversification of risks whereby if anything was to happen to a ship, it would not affect the whole fleet (Masci, 2011).

Numerous works of literature denote that insurance practice can be found since 2250 BC by the Babylonians. The Code of Hammurabi contains a type of loan insurance for maritime business. Buckham *et al.* (2010) further illustrated the process whereby at the time a merchant asks the lender to fund a shipment, the merchant may pay an additional premium (interest on the loan) to the lender against the guarantee by the lender to cancel the loan if the consignment is stolen or lost at sea with the condition of repaying the loan with interest if the shipment reaches its destination safely. This transaction is known as bottomry [2].

It is noted that in bottomry, the insurance protection was not a separate contract but included with the loan. Bundling a loan with insurance links finance and insurance. Masci (2011) stated that bottomry was practised by the Greeks where in the practice of slavery, slave owners paid a periodic amount to a wealthy person to ensure the slaves did not escape. If the slave escaped, the wealthy person had to pay a lump sum to the owner. Moreover, Buckham *et al.* (2010) mentioned the Codified Roman Law did not recognise insurance as separate from the maritime loan. These instances during the early period show how people devised ways to protect themselves against uncertainties. Nevertheless, insurance as a separate contract had not been introduced.

2.1.2 Birth of the insurance policy. The primitive society in medieval times showed that family played a great role in risk sharing among members. This shifted to confraternities of workers when people moved and spread in towns throughout Europe, where the relationship was based on brotherhood to protect members of the guild (Masci, 2011). In the 10th and 11th centuries, a Danish person who suffered losses from events such as shipwreck, fire or burglary would be compensated by the guild, which received a contribution from members to compensate for such situations. This kind of assistance became a custom in society to provide social benefits, such as operating a burial fund.

Italy was a pioneer in insurance, showing the development of insurance forms whereby the first insurance contract that was separated from financing was introduced in 1,347 and is kept at the Genoa Records Office (De Roover, 1945). The contract was related to marine insurance. This policy drew inspiration from the practice of bottomry. In the mid-14th century, marine insurance became widespread in Europe. Marine insurance was the first insurance policy, which led to the development of other policies and helped establish insurance law. Barcelona devised the first statutes for marine insurance in 1,435 (Winter, 2010). At this stage, it can be seen that insurance policies separated from loans were accepted as separate contracts.

2.1.3 Insurance companies. The growth of British trade in the 17th and 18th centuries contributed to the development of insurance. Before the foundation of corporations, the first professional insurers were private individuals. Buckham *et al.* (2010) stated the first life insurance was issued to William Gibbons of London in 1,536, who paid 32-pound sterling as a premium against paying to his beneficiaries 400-pound sterling in the event of his death within one year from issuing the policy. It is important to state that the calculation did not depend on any knowledge of probability, making it close to gambling rather than insurance.

A Lloyd's café opened by Edward Lloyd near London Harbour was the location for merchants and ship owners to meet and make agreements related to trading trips for sharing profits and losses. Lloyd's later became one of the first insurance companies at the end of the 18th century and the engine in growing and developing the insurance market in London (Manes, 1942). It was the increasing complexity of insurance activities and the Great Fire of London, which made 100,000 people homeless and demolished around 13,000 houses (Manes, 1942), that led to establishing of the first real insurance company in 1,667, offering the first fire insurance in England. One year later, the first joint-stock insurance company was established in Paris, providing marine insurance, but it was a commercial failure. The first marine insurance joint-stock company was established in England in 1720, and the first life insurance companies were established in the mid-18th century. After that, the development of agriculture encouraged the introduction of livestock insurance.

Ferguson (2010) mentioned that insurance was perceived as something akin to gambling. Two leading churches in Scotland founded the first insurance fund in 1745, grounded on financial principles and calculations of life expectancy. The establishment of the fund started from the given premium, which was then invested. This is the first example of an insurance company that invests in savings. At this stage, it can be seen that insurance had become an independent business, and the premiums were being charged based on the risk involved, and the money was invested.

2.2 Birth of takaful [3]

Those familiar with the industry will know that the first Islamic insurance company was established in Sudan in 1979. However, the steps that it took to reach the landmark establishment are not as commonly known. In fact, as far back as the 18th century, there is evidence that jurists have discussed the subject of "insurance". The first scholar to discuss an insurance contract from a jurisprudence perspective was Muḥammad ibn Abidin (of the Hanafi school) in 1784. Muslim exposure to insurance contracts is evidenced in transactions with European sailors who had marine insurance to cover their ships (Islahi, 2014). In his book, Radd al-Muhtar ala Durr al-Mukhtar, Muhammad ibn Abidin explained that "Sukrah (security) [4] was the term used to refer to insurance. He stated, "It is not allowed for the Muslim Merchant to take compensation for any damage of his property. Because it is not binding under Law". This is built on the principle of Qias to other contracts such as 'Aqilah, Kafalah and al–Wa'ad ul-Mulzim (Anwar and Hussain, 1994; Khorshid, 2001).

Over time, the insurance concept continued to evolve. At the end of the 1940s, jurists had started issuing Fatawa on the validity and legitimacy of insurance contracts (Al-Saati, 2009). Scholars such as Muḥammad Abu Zahra, Al-Siddiq Muhammad Al-Darir and Mustafa Al-Zarqa, began analysing insurance contracts, and in 1961 in Damascus, their views were presented in (the second session of) a Seminar of Jurisprudence. The Seminar is remembered for a notable disagreement between Mustafa Al-Zarqa and Muhammad Abu Zahra, from which the only resolution recorded was an invitation to create a new insurance system (Mohamed, 2020). Scholars again discussed the topic of insurance in 1965 at the Al-Azhar Islamic Research Academy. It was resolved that cooperative societies were allowed for insurance purposes. However, no resolution was reached on commercial insurance. In a further development, in 1972, scholars proposed to use cooperative insurance in place of commercial insurance in a Legislation Seminar hosted in Tarablus, Libya. The resolution on the non-permissibility of commercial insurance finally came during the First Conference of the OIC Fiqh Academy in 1978. However, while an important decision, it has to be noted that it was not unanimous (Al-Zarqa opposed it). Decision No 9/(2/9) regarding insurance and reinsurance was issued in December 1985 at the Second Conference of the OIC Fiqh Academy in Jeddah. It prohibited the use of commercial insurance and favoured cooperative insurance. Table 1 shows the three different views regarding the insurance contract.

Three views pertinent to insurance	Commercial and cooperative insurance are not allowed	Commercial insurance allowed	Cooperative insurance allowed and commercial insurance is not allowed
Names of scholars who adopt the stated view	Shawkat Alalyan Suliman Althuniyan	Mohammed Salama Jibr Abduallah Bin Zaid Al-Mahmood Mustapha Al-Zarqa Ali Al-Khafif	Mohammed Abu Zahra Al-Sadiq Al-Darir Hussain Hamid Hassan
The key basis of the view	• It is a form of gambling that is clearly not allowed in Shariah "O you have believed, indeed, intoxication, gambling . . . are but defilement from the work of Satan, so avoid it that you may be successful" • Insurance contract contains high uncertainty as the amount of paid money is not assured, and the covered guarantee is not obviously known • Usury (or Riba) is not allowed in Shariah, and the insurance contract is an exchange of unequal money and late payment • To avoid the need for insurance, these scholars suggest encouraging donation schemes like Waqf and Sadaqah as well as enhancing the social commitments among society members	• People need insurance to overcome the issue of risks that they face in their trade or lives • The basic legal maxim and fundamental concept of Shariah says that the transactions are permissible except what is stated in Shariah as not allowed. Thus, due to the absence of a clear prohibition on insurance transactions in Shariah sources, insurance remains the fundamental concept of what is allowed • The insurance contract is similar to some of the allowed Shariah contracts, although the outcome or return is not known exactly like Al'Aqilah (wergild or blood-money to free an accused in accidental killings), Alhirasah and Almualah. Therefore, insurance is similar to these contracts based on analogy (Qiyas)	• Cooperative insurance is allowed not due to the fact that there is no uncertainty but because its basic contract differs from the commercial insurance contract due to its different nature. The basis of a commercial contract is that it is an exchange and bilateral contract in which certainty in price and its corresponding goods or services must be made known to all parties (this is not found in an insurance contract). Whereas the basis of a cooperative insurance contract is Tabaru' or donation, which makes the matter of uncertainty not applicable as the contract is unliteral. Therefore, cooperative insurance is allowed not because uncertainty (Gharar Fahish) does not exist but because the basis of its contract is a gift (Tabaru'), in which uncertainty is not a matter of concern

Source(s): Authors' own work

Table 1. Views of scholars on insurance contracts

3. Establishment of takaful activities

This section gives an overview of the establishment of takaful in 47 jurisdictions across 7 regions, i.e. GCC, Levant, Asia, Central Asia, Africa, Europe and others. It specifically documents the early takaful practices of the jurisdiction in terms of the first operations and the first regulation.

3.1 GCC markets

This section focuses on the Gulf Cooperation Council (GCC), which comprises six countries, i.e. Saudi Arabia, the United Arab Emirates, Kuwait, Oman, Bahrain and Qatar. This region has significant importance in the global takaful market, and it dominates the market in terms of takaful contributions (Alshammari *et al.*, 2022).

3.1.1 Saudi Arabia. In the Kingdom of Saudi Arabia, insurance first appeared in the 1950s through foreign agents and branches. The first local insurer in the market was the Red Sea Company in 1974 (Al-Muatq, 2010; Insurance Panorama, 2014). In 1977, a legal, religious ruling (Fatwa) was issued by the Permanent Committee no.5 1397H, which disallowed conventional insurance and promoted cooperative insurance, sparking a change in the insurance market. Subsequently, the first licensed national insurance company in the Kingdom, Company for Cooperative Insurance (Tawuniya), was established in 1986. It operated in line with cooperative insurance principles. The Cooperative Insurance Companies Control Law was issued in 2005 by the insurance regulator, Saudi Central Bank (SAMA), requiring insurers in the country to operate on the cooperative insurance model in line with Shariah rules and principles.

3.1.2 UAE. An insurance Indian firm, Oriental Insurance, is considered the first to introduce insurance activities in the Emirates in 1959, while many other foreign players entered the market in the 1960s UAE Insurance Authority (2017). In 1970, national players Sharjah Insurance Company and Dubai Insurance Company started offering insurance products. In terms of Islamic insurance, the incorporation of the Arab Insurance Company (SALAMA) brought Islamic insurance products to the market in 1979 (SALAMA's official website). In terms of regulation, the industry was first governed by the Ministry of Economy and Commerce. In 2007, the supervision was transferred to the Insurance Authority, and in 2020 handed over to the UAE central bank. In 2010, the UAE Insurance Authority (2017) introduced comprehensive regulatory legislation for takaful, i.e. Resolution No. 4 of 2010 concerning Takaful Regulations, the first Arab country to do so.

3.1.3 Kuwait. A Lebanese insurer, Arabia Insurance Company, pioneered the introduction of insurance products in the country (in 1949). Kuwait Insurance Company was incorporated as the first local insurer in 1960 (Alshammari *et al.*, 2018). To govern insurance companies and agents, the government issued Law No. 24 of 1961 mandating the role of insurance supervision to the Insurance Department of the Ministry of Commerce and Industry. Years later, the supervision was transferred to the Insurance Regulatory Unit based on the Law No. 125 of 2019. This law recognised takaful activities, which have been offered in the Kuwaiti market since 2000 through Wethaq Takaful and First Takaful (Alshammari, 2021).

3.1.4 Oman. The American Life Insurance Company (ALICO) is a foreign insurer that first started operations in the Omani market in 1971. In 1983, the first local player, National Life and General Insurance, appeared. Similar to other jurisdictions, the supervision of the insurance industry has evolved. It started out being under the Ministry of Commerce and Industry until Royal Decree No. 90 of 2004 shifted it to the Capital Market Authority (CMA). Takaful operations started in 2014 in the Omani market via Al Madina Takaful and Takaful Oman. Takaful Law was issued as Royal Decree No. 11 of 2016 to govern takaful operations.

3.1.5 Qatar. The Qatari insurance industry started in 1962 with services offered by a foreign insurer, ALICO. The Qataris responded swiftly when in only two years, the Qatar Insurance Company appeared as the country's pioneer national insurance firm. In 1966, Insurance Law No. 1 was issued to govern the operations of the insurance business, assigning the Ministry of Economy and Commerce the regulatory role for the sector. Consequently, Law No. 13 of 2012 transferred the function to the Qatar Central Bank (QCB). Article 78 of the Law officially acknowledged the takaful business, even though the country's first insurer, Qatar Insurance Company (QIIC), had been operating since 1995.

3.1.6 Bahrain. The Central Bank of Bahrain (CBB), published in 2016 the historical development of insurance in the country. It started in 1950 with the opening of Norwich Union, a prominent British insurer. The company appointed Yusuf bin Ahmed Kanoo as Norwich Union's principal agent in Bahrain. At that time, Bahrain was a growing regional trade centre. It was not long before other players, such as New India Assurance and General Accident Insurance, entered the market. In 1955, the Cooperative Compensation Society (CCS), an insurance society, was formed by a group of taxi drivers to provide Third Party Liability insurance coverage for their vehicles. The CCS was renamed the Vehicle Insurance Fund in 1982. In 1961, ALICO started operations. It was the first company to be granted a license to offer long-term insurance products. 1969 saw the establishment of Bahrain Insurance Company (BIC), initially as a public shareholding company, and later merging with another insurance firm to become the Bahrain National Holding Company (BNH).

Takaful only started in the country in 1989. The first takaful provider was Bahrain Islamic Insurance Company (BIIC) (Alshammari, 2021), later renamed the Takaful International Company in 2005. The Takaful Module is the regulation addressing the business of takaful. The sector has been under CBB's supervision since 2002.

3.2 Levant markets

This section focuses on the Levant region which comprises five countries i.e. Syria, Lebanon, Iraq, Palestine and Jordan.

3.2.1 Syria. Syrian Daman Company, a company wholly owned by the government and the first national insurance company, was established under Legislative Decree No. 226 of 1952. The Nationalization Law No. 117 of 1961 made it the sole player offering insurance business in Qatar. A decade on, its name was changed to the Syrian General Insurance Corporation. The Legislative Decree No. 68 of 2004 mandated the supervision of insurance to the Syrian Insurance Supervisory Commission, and in 2005, through Legislative Decree No. 43 of 2005, the market opened for private insurance companies (regulator's official website) and private insurance and reinsurance companies were to be incorporated as joint stock companies. As a result, United Insurance Company and AROPE were among the seven insurers established in 2006. Takaful started with the establishment of Al-Aqeelah Takaful Insurance in 2007 (Mahaini and Al-Sabban, 2018).

3.2.2 Lebanon. Insurance was introduced to Lebanon in 1948, when, as a result of political instability, ARABIA Insurance was moved from Jerusalem to Lebanon. The insurance regulator was the Insurance Control Commission (ICC), with the oversight of the Minister of Economy and Trade. The first regulation to govern the industry was Decree No. 9812 of 1968 (Insurance Law) (Hachem *et al.*, 2018). Takaful's first and only full-fledged takaful player, Al Aman Trust Insurance, appeared in 1988. AROPE began offering Shariah-compliant products in 2015 through a takaful window (Mustaqbal, 2019). There are currently no regulations pertaining to takaful in the country.

3.2.3 Iraq. Insurance was initially offered in the market through agents, branches and foreign companies. This landscape shifted with the introduction of certain controls on companies' operations in the Insurance Companies Law No. 74 of 1936. The country's pioneer private insurance provider, Rafidain Insurance Company, was established in 1946 (Kamal, 2014; Khan, 2016). This was followed by the National Insurance Company, the first state-owned insurance company, in 1950. Nationalisation in 1964 reduced the number of insurers to three companies: Iraq Insurance Co. (life business), National Insurance Co. (non-life business) and Iraq Reinsurance Co. (reinsurance). The three players were under the supervision of the State Insurance Organization (SIO), which later, in 1988, became an insurance commissioner under the Ministry of Finance.

The issuance of the Insurance Business Regulation Law in 2005 aimed to develop and enhance the country's insurance sector and mandated the establishment of a new supervisory and regulatory authority of the sector known as the Iraqi Insurance Diwan. A takaful regulation was issued by the Insurance Diwan and the Central Bank of Iraq (CBI) in 2019.

Diwan also decided to establish a takaful company supported by all banks in the country (Kamal, 2019; Hassani and Al-Ghabban, 2019).

3.2.4 Palestine. A historical snap of the insurance sector was published by the Palestine News & Info Agency (2021), showing the existence of insurance activities in Palestine in 1845 (during the Ottoman rule) through the Law of Insurance Companies, also known as the "Security Contract Law". During the British rule from 1918 to 1948, the sector saw several developments, including Law No. 18 of 1929 related to foreign insurance companies and Law No. 8 of 1947 related to motor vehicles. From 1948, the situation changed with the changes in lands jurisdictions – the West Bank, for example, fell under Jordan. Thus, the sector became subject to Jordan's Law No. 24 of 1959 and Law No. 5 of 1965. Other Palestinian lands Palestine under Israeli jurisdiction were subject to Law No. 662 of 1976.

The relative stability of the 1990s saw the establishment of many Palestinian insurers, pioneered by the National Insurance Company in 1992. The first takaful firm, the Palestinian Takaful Company, opened in the market in 2008 (Abu Farha, 2018). In 2013, the Palestinian National Authority became the industry's regulatory and supervisory authority. This changed to the Palestinian Capital Market Authority in 2004, necessitated by certain challenges requiring improvements in the country's regulatory framework. Law No. 20 of 2005 was issued by the authority to govern the market.

3.2.5 Jordan. Post-Second World War, economic activities witnessed positive growth in the Kingdom. Insurance services were pioneered by an agency founded by Raouf Saad Abu Jaber in 1946. It was affiliated with an Egyptian insurance company, Al Sharq, and offered life insurance. The Jordan Insurance Company appeared five years later as the Kingdom's first national insurance company (Jordan Insurance Federation, 2018). The first dedicated legislation and regulation for the insurance business in the country were the Insurance Regulatory Act No. 5. Since then, the regulations have evolved – either amended or repealed – to adapt to the market's needs. The Insurance Regulatory Law No. 12 of 2021 was issued to accommodate global regulatory developments and provide enhanced guidance for the takaful business. The first national takaful provider, Insurance Company, was introduced to the market in 1996.

The supervision of the insurance sector has been transferred multiple times over the years. This supervisory evolution can be summarised as follows: (1) the Insurance Regulatory Act No. 5 of 1965 mandated the supervisory role to the Insurance Business Regulatory Directorate under the Ministry of National Economy (the name of the ministry changed into various names, and in 1975, it settled as the Ministry of Industry and Trade); (2) the Insurance Supervision Act No. 33 of 1999 proposed the formation of the Insurance Regulatory Commission to take over the regulation and supervision of the insurance sector from the Insurance Directorate at the Ministry of Industry and Trade; (3) Law No. 17 of 2014 (the Restructuring of Institutions and Government Departments) returned the supervision of the sector to the Insurance Directorate under the Ministry of Industry, Trade and Supply; (4) In 2016, the Council of Ministers decided to transfer the supervision from Insurance Directorate to the Central Bank of Jordan within two years; and (5) Insurance Regulatory Law No. 12 of 2021 assigned insurance supervision to the Central Bank of Jordan.

3.3 Asian markets

Geographically, the GCC and Levant regions are also located in the Asian continent, but for simplicity, they are explained in separate categories above. This section focuses on the Southern and Southeast Asian regions. Takaful is present in nine Asian countries: Brunei, Malaysia, Bangladesh, Maldives, Sri Lanka, Pakistan, Indonesia, Singapore and Thailand. Surprisingly Afghanistan [5] and India [6] have a large number of Muslims but do not have a takaful presence in the form of operators or regulations.

3.3.1 Brunei. The takaful business started in 1993 through the establishment of Takaful TAIB Sdn Bhd (the name changed to Insurans Islamic TAIB in 1997) under Perbadanan Tabung Amanah Islam Brunei (TAIB) (Matsawali *et al.*, 2012). The establishment of the takaful business is in line with the core values of the State of Brunei Darussalam as an Islamic state. The supervision of insurance was handled by the Ministry of Finance until the establishment of the Brunei Darussalam Monetary Authority (AMBD) in 2010 (Bashir, 2011). In terms of regulations, companies are guided by Insurance Order 2006) and Takaful Order 2008. To strengthen the Shariah governance, in 2006, a central Shariah board – the Syariah Financial Supervisory Board (SFSB) – was established to ensure compliance with Islamic law on any financial and other related matters to the business of Islamic finance (Islamic Financial Services Industry Stability Report 2021, 2021).

3.3.2 Malaysia. The origins of the insurance industry in Malaysia date back to the British colonial era in the 18th century. Many British agency houses started operations as agents to insurance companies incorporated in the UK (Sherif and Shaairi, 2013; Guan *et al.*, 2020). The industry landscape changed after the independence of Malaysia in 1957, with the establishment of some domestic insurers. The government enacted the Insurance Act of 1963 to govern insurance operations (Lee, 1996). The takaful industry's development in the early 1980s was predominantly in response to the need for a Shariah-compliant alternative to conventional insurance for the Muslim population. It was also to complement the operations of the Islamic bank established in 1983. A decree issued by the Malaysian National Fatwa Committee ruling life insurance (in its present form) is a void contract due to the presence of the prohibited elements also playing a role. It triggered the government to establish a Special Task Force in 1982 to study the viability of setting up an Islamic insurance company. Based on the Task Force's recommendations, the Takaful Act 1984 was enacted, and Syarikat Takaful Malaysia Berhad, the country's first takaful operator, was incorporated in November 1984 (Sharif, 2004; Fauzi *et al.*, 2016).

The supervision of the insurance sector transferred from the Ministry of Finance to Bank Negara Malaysia (BNM) in 1988 to control and develop the market. In 1997, BNM established the Shariah Advisory Council (SAC) as an advisory authority on Shariah issues relating to Islamic financial business, including takaful. The takaful regulatory development witnessed a remarkable turning point with the repeal of the Takaful Act 1984 and the issuance of the Islamic Financial Services Act 2013, which promoted a more robust and enhanced Shariah governance in takaful operations (Nor *et al.*, 2016; Eldaia *et al.*, 2020).

3.3.3 Bangladesh. In 1999, Islami Insurance Bangladesh Ltd started offering Islamic insurance products to the Bangladeshi market, focusing on the general insurance business. In 2000, Fareast Islami Life Insurance Co. Ltd was established as the first family insurance company (Islam and Sultana, 2018). In 2010, the market witnessed a new evolution in regulation and supervision when the Insurance Development and Regulatory Authority (IDRA) became the sector's regulatory authority. This was followed by regulatory reforms by the Government of Bangladesh, which enacted the Insurance Act 2010 (repealing the Insurance Act 1938) to develop and regulate the insurance business. The Act defined Islamic insurance but did not provide specific guidance and regulations to control and monitor Islamic insurance. Article 7 in the Insurance Act 2010 grants permission to only conventional life insurance companies, not general insurers, to set up takaful windows (Alam *et al.*, 2019).

The Islamic insurance players had a unique cooperation among themselves, and they subsequently established a private body, the Central Shariah Council for Islamic Insurance of Bangladesh, in 2008. The Council worked to standardise Islamic insurance practices and minimise inconsistencies. Any resolution issued by the Council is binding upon Islamic insurance, although it is legally not recognised by the Ministry of Commerce and Insurance Development Academy (Khan *et al.*, 2018).

3.3.4 Maldives. The insurance industry is regulated and governed by Maldives Monetary Authority (MMA) based on provisions in Presidential Decree No 6/2002. After two years of taking over the supervision of the industry, MMA issued a primary law pertaining to insurance activities, the Insurance Industry Regulation (IIR), in 2004. IIR and other regulations do not provide guidance for takaful businesses, although takaful has existed in the Maldivian insurance market since 2003. Takaful started via a Sri Lankan takaful firm, Amana Takaful, which started operations as an agent in 2003. The company became a private company in 2005, and then a public company in 2010. To support the demand for takaful, Allied Insurance started offering Islamic products via its window Ayady Takaful in 2014 (Qasim and Arif, 2021).

3.3.5 Sri Lanka. The booming coffee and tea industries during the British rule encouraged foreign insurers to embark on the insurance business in Sri Lanka (Mazahir *et al.*, 2017). The industry was governed under the Control of Insurance Act No. 25 of 1962 and later the Regulation of Insurance Industry Act No. 43 of 2000. The establishment and constitution of the Insurance Board of Sri Lanka (IBSL) are stated in Act No. 43 of 2000, in which the Board is responsible for the development, supervision and regulation of the country's insurance industry. The Act incorporated several amendments for enhancements, which included an amendment to Act No. 23 of 2017, substituting the name IBSL for the Insurance Regulatory Commission of Sri Lanka (IRCSL).

The Ceylon Insurance Company (currently known as Ceylinco General Insurance) is the first Ceylonese Company to be registered in 1939. Six decades later, the country witnessed the first Islamic insurance company operating based on Islamic principles, Amana Takaful Limited (ATL). ATL was the only player in the industry until HNB Assurance and LOLC General Insurance started offering takaful solutions as takaful windows (Hilmy, 2018). Although the takaful business is not a new concept and it has been operating in the Sri Lankan market since 1999. IRCSL has yet to issue guidance for takaful operations.

3.3.6 Pakistan. The insurance business in Pakistan was traditionally dominated by foreign insurance companies. In 1953, the government took the initiative to establish the Pakistan Insurance Corporation to encourage local participation. Nationalisation was adopted in both life and general insurance businesses in 1972 and 1976, respectively. The landscape moved towards liberalisation in the 1990s (Noreen and Ahmad, 2016).

In 2003, Shariah scholars of Pakistan held a meeting at the University of Darul Uloom Karachi to discuss the permissibility of takaful. Thereon, the regulator translated the resolution of this meeting into a roadmap to develop the country's regulatory framework for takaful. In 2005, the Securities and Exchange Commission of Pakistan (SECP) issued Takaful Rules 2005 and set a base for the establishment of the first takaful in the country, the Pak Kuwait Takaful Co. Limited. The SECP updated the Takaful Rules in 2012 to address global developments and provide further guidance to the market (Ali *et al.*, 2019). One of the key observations in the Takaful Rules 2012 was that it allows conventional insurance companies the right to offer takaful window operations to improve competitiveness and increase the takaful market share (Alshammari *et al.*, 2021).

3.3.7 Indonesia. Bank Muamalat Indonesia (BMI), which started operations in 1991, raised the need for Shariah insurance (a term commonly used in the Indonesian market). In 1993, the Indonesian Muslim scholars (ICMI), through the Abdi Bangsanya Foundation together with BMI and Tugu Mandiri Insurance Company, agreed to initiate the establishment of takaful insurance by establishing the Takaful Indonesia Insurance Formation Team (RIGHTI).

The history of Shariah insurance in Indonesia began in 1994 when PT Asuransi Takaful Indonesia (Takaful Indonesia) was established. It is worth stating that Shariah insurance does not have a legal umbrella and thus adheres to Law No. 2 of 1992. As it still adheres to conventional insurance rules, the understanding of Shariah principles in insurance is less accommodated.

The National Shariah Council (DSN) was established by Indonesian Ulema Council (MUI) in 1999 to carry out the duties of the MUI in stipulating Fatwa and supervising their implementation in order to develop Islamic finance, business and economics in Indonesia. DSN has since issued various Fatawa related to Shariah insurance, such as Number 51/DSN-MUI/III/2006 on Guidelines for Musytarakah Mudharabah on Shariah Insurance. However, these Fatawa do not have legal force in the country's national law for implementation. The supervisor governing the insurance industry and its activities is the Financial Services Authority (OJK). The Indonesian Insurance Law No. 40 of 2014 recognises the nature of Islamic insurance. Prior to that, the Decree of the Minister of Finance No. 426/KMK.06/2003 stated various provisions concerning Islamic insurance.

3.3.8 Singapore. Singapore was one of the most important trading hubs in Asia in the early 19th century, which helped the spread of insurance to East Asia (Staib and Puttaiah, 2018). The country has a minority Muslim community, and takaful was introduced via two firms to meet their demands. The two takaful firms, established in 1995, are Ampro-Income Takaful Company and the Syarikat Takaful Singapura. In 2004, Tokio Marine Retakaful was licensed as Singapore's first-rated retakaful company. Simultaneously, specialised services to takaful operators in the region were being offered by a few Singapore-based reinsurance companies (Al-Amri and Hossain, 2015).

In 1970, the government established the Monetary Authority of Singapore (MAS), a new body to regulate the financial services sector in Singapore. The insurance industry was included within the scope of MAS in 1977. Insurers registered to carry out insurance activities under the Insurance Act are allowed to offer Takaful products after seeking approval from the authority. MAS has yet to issue a specific regulation to guide the takaful business.

3.3.9 Thailand. Similar to many other countries, insurance was first introduced by a foreign company, Sun Life Insurance Company, acting as an agency office providing life insurance. In 1929, the insurance business was put under the authority of the Insurance Division at the Ministry of Commerce and Communications. In 1942, during the time of the Second World War, the market witnessed its first national life insurance company, as stated by Bundhit Kantabutra. The journey of the takaful sector only started in 2011 when Muang Thai Life Insurance extended its product portfolio to include takaful products. The Office of the Insurance Commission (OIC) is the regulator of the insurance business in Thailand. The OIC was established in 2007 and issued three (44, 45 and 46) supervisory materials in 2014 for companies offering takaful products (Chaiyasri and Yukate, 2018).

3.4 African markets

This section focuses on the African region, which comprises 16 countries, i.e. Kenya, Nigeria, Senegal, Algeria, Libya, Somaliland, Zambia, Tunisia, Mauritania, Gambia, Sudan, South Africa, Morocco, Egypt, Ethiopia and Tanzania.

3.4.1 Sudan. Insurance began in Sudan through the emergence of agencies and branches of British, Swiss, French, Italian and Egyptian companies, often run by local institutions working in foreign trade. The idea of a law regulating the insurance business began in 1955, and after several studies, the Insurance Control Act of 1960 was passed. In 1961, General Insurance Company (Sudan), the country's pioneer national insurance company, was established. Meanwhile, Islamic Insurance Company, the pioneer insurance company operating on the mutual concept and Islamic rules and principles, was established in 1979 (Sudan Democracy First Group, 2019). Islamic Insurance Company was established in 1978 to address a critical problem faced by an Islamic Bank; where at the beginning of its operations. Faisal Islamic Bank found it had no means to insure its assets and operations in an Islamic manner (Islamic Financial Services Industry Stability Report 2021, 2021).

Sudan's insurance industry went through various regulatory developments. The Insurance Control Act of 1960 was amended in 1964 to require insurance companies to maintain a general reserve. It was amended again in 1970 to protect national insurance companies from foreign competition, resulting in the Sudanisation of the insurance industry. In 1980, the law was amended to increase the capital of existing companies at that time. All insurance companies under this law were put under the insurance controller's supervision. At the time, the insurance controller was affiliated with the Ministry of Commerce but was later transformed into one of the departments of the Ministry of Finance. The Department of Insurance was established in 1960. In February 1992, the Law of Supervision of the Insured of 1960 was abolished. The enactment of the Insurance Supervision and Control Act of 1992 required all insurance companies to operate on the Islamic cooperative insurance model. The Act was later abolished with the issuance of the Insurance Supervision Act of 2001 and its regulation in 2002. Similarly, the Insurance Control Act of 2001 was abolished when the Insurance Control Law of 2018 and its regulation in 2019 were issued (Sudan Democracy First Group, 2019).

3.4.2 South Africa. In 1808, insurance operations started in South Africa via a British company, the Phoenix Fire Insurance Company, and the South African Fire and Life Assurance Company was established in 1831 as the first national provider. In terms of legislation, the earliest insurance legislation in South Africa came into effect in 1891 requiring insurers to do registration, payment of a deposit and furnishing of annual returns to the colonial treasury. This was followed by the Insurance Act No. 37 of 1923 to govern insurance operations. Since then, the regulator has issued various amendments to develop the insurance market, with the latest being the Insurance Act 18 of 2017.

The first takaful company in South Africa was Takafol South Africa (Pty) Limited (Takafol SA), established in 2003 (Parker, 2011). The company was acquired by ABSA Bank Takaful SA (window) in 2011. The other takaful company in the country is Reliance Takaful So Africa. There is currently no specific regulation for the takaful industry in South Africa.

3.4.3 Egypt. The strong Egyptian economy saw the penetration of British and French insurance companies acting as agents in 1882 (Wagdi, 2014). In 1894, the National Insurance Company, the country's first insurance provider, appeared (the company was renamed Misr Life Insurance in 2011). Until the year 1928, it was the sole national player in the market. Egypt was the first Arab country to issue insurance regulations, whereas Law No. 92 of 1939 consisted of the establishment of the General Authority for Insurance. Nationalisation came with Law No. 23 of 1957 and a 1964 merger decree resulted in the industry having four fully-owned state companies (Abu Fadhel, 2019; Alsheqeri, 2020). Private sector involvement started in 1979 with the Suez Canal Company for Insurance. Egyptian Saudi Insurance House (ESIH) introduced takaful to the market when it started operations in 2004. ESIH and other takaful operators received minimal guidance for over ten years. The regulation for takaful only came with the issuance of Decision No. 8 of 2014 for Shariah Governance, and Decision No. 23 of 2019.

Abu Fadhel's (2019) evolution of insurance supervision presented the different authorities responsible for the insurance industry over time. Supervision was initially, in 1939, under the Ministry of Finance, followed in 1961 by the Egyptian General Insurance Corporation. The Egyptian General Insurance Authority took over 15 years later. Law No. 10 of 1981 established the Egyptian Insurance Supervisory Authority, and from 2009, the Financial Regulatory Authority acted as the sector's supervisory body.

3.4.4 Kenya. The UK Companies Act of 1960 formed the basis of Kenya's first insurance regulation. It was followed by the Kenya Insurance Act 1984, a key regulation intended to protect insurance consumers by ensuring companies adhere to policy contracts. In 1986, attempts to localise Kenya's insurance business regulation and the Insurance Act, CAP 487, was enacted. This Act led to the establishment of the Office of the Commissioner of Insurance as a department under the purview of the National Treasury and Planning Ministry. An amendment to the Act in 2006 separated the Office of the Commissioner of Insurance from the ministry, establishing it as a statutory government agency named The Insurance Regulatory Authority (IRA). The mandate of the IRA was to regulate, supervise and develop the insurance industry. The first takaful company in Kenya, Takaful Insurance of Africa, was incorporated in 2008 and launched in 2011. In 2015, the IRA issued the Takaful Operational Guidelines to govern takaful businesses.

3.4.5 Nigeria. The first initiative taken by the government of Nigeria to establish and regulate the insurance industry was based on the enactment of the Insurance Companies Act of 1961. The Act brought about the establishment of the Office of the Registrar of Insurance to supervise the insurance practice (Yusuf and Yusuf, 2010). However, insurance had already existed much earlier, with the first insurance company in the country established in 1921. In 1958, the African Insurance Company Limited emerged as the first indigenous insurance company (Uche, 1999). The National Insurance Commission Act 1997 established the National Insurance Commission (NAICOM), assigned with the responsibility of supervising and regulating the insurance business in Nigeria. NAICOM issued a dedicated regulation for takaful, the Takaful Operational Guidelines 2013, to govern the takaful practice in Nigeria established in 2005 via the takaful window – African Alliance Insurance (Ismail, 2015).

3.4.6 Senegal. Attempts to regulate the insurance industry in Senegal started in 1962 with the establishment of the International Conference of Insurance Controls (CICA). The aim of CICA was to preserve the proper functioning of insurance companies and agencies established in the former French colonies, of which Senegal was a member. The idea of the Inter-African Conference on Insurance Markets (CIMA) led to the setting up of a working group in 1991 by the Ministers of Finance of the Franc Zone. In 1992, CIMA was established as an Integrated Organization of the Insurance Industry in the African States. CIMA is a regional or supranational body that governs or supervises the insurance sector in 16 Francophone countries, including Senegal. In 1995, the CIMA Treaty entered into force. Thus, the insurance industry in Senegal has been supervised by the CIMA (or the Conférence Interafricaine des Marches d'Assurance) since 1995 (GIABA, 2017). Salama Assurances Senegal is the first Takaful company in Senegal, established in 2005. CIMA introduced a takaful legislative framework to allow an individual member country to introduce takaful regulations under the legislative framework (Middle East Insurance Review, 2019). Meanwhile, CIMA Regulation No. 003 regulates Takaful insurance operations in CIMA member states.

3.4.7 Algeria. Prior to the country's independence, the insurance market in Algeria was composed of foreign insurance companies, particularly, from France. Soon after independence in 1963, the first insurance company that was wholly Algerian, the Algerian Insurance and Reinsurance Company (CAAR), was established as an act of re-conquest of the country's sovereignty. In 1963, the second state-owned insurance company, the Algerian Insurance Company (SAA), emerged. SAA had the status of a mixed Algerian-Egyptian company and was entirely nationalised in 1966 with the acquisition of the 39% Egyptian stake by the Algerian StateState. The Algerian authority imposed specialisation in the insurance market from 1978 to 1989. In 1995, the Algerian authority opened the market to private competitors, including international firms. In 2011, the regulator imposed the insurer to separate licensees of non-life and life activities.

Takaful operations started appearing in 2000 with the setting up of Salama Insurance Company, the pioneer Islamic insurance company in Algeria (Himrane and Hassani, 2021). In terms of regulation, in early 2021, the Algerian government issued an executive decree in the Official Journal of the Algerian Republic setting the regulations and modalities for undertaking takaful business in Algeria (Middle East Insurance Review, 2021).

3.4.8 Libya. Prior to Libyan independence in 1951, the National Institution of Social Insurance only provided protection to the country's foreign workers (excluding Libyans). The insurance market witnessed the first national insurance company, the Libyan Insurance

Company (LIC), in 1964. In 1970, the government granted the responsibility of governing insurance activities to the Ministry of Economy (Otman and Karlberg, 2007). Regulatory developments in 1971 are significant – Decree No. 14 of 1971 allowed the government takeover of all foreign companies operating in the Libyan insurance market; Law No. 80 of 1971 nationalised all insurance companies operating in the country; and Decree No. 52 of the Ministry of Economy reduced all insurance activities to two companies, the Libya Insurance Company and the Al-Muktar Insurance Company. The two companies merged in 1981. In 1999, the market witnessed a new company, United Insurance Company.

The insurance industry opened for private sector participation in the early 2000s. In 2008, based on governing Law No.3 of 2005, the Libya Insurance Supervision Board (LISB) was instituted reporting to the Ministry of Economy. LISB's role was solely supervision, and the Ministry of Economy had the role of regulating or managing the industry, including the issuance of rules or imposing penalties (World Bank, 2020). In terms of takaful, the first takaful provider in Libya was Takaful Insurance Company which was established in 2007 based on Rule No. 266 of 2007 (FAIR, 2019). The Ministry of Economy issued Decision No. 60 of 2021 to regulate the takaful business as the country's first decision regulating takaful.

3.4.9 Somaliland. The first law intended to govern the insurance industry in Somaliland was the Somaliland Insurance Agency Act No. 92/2020 in 2020. However, at the time of writing, this law has not yet been passed. It is to be noted that no laws in the country related to insurance have been passed, and the above-mentioned bill on insurance companies has not been considered formally by the Parliament. There have been discussions on the aspects of common insurance practices that may not be Shariah-compliant, but no bills have been drafted as yet. There is, however, wide consensus about the pressing need for insurance to cover transport and trading. On the takaful side, Takaful Insurance of Africa Ltd (TIA) was the first takaful company in Somaliland, founded in 2010. The company is a member of the Omer Hashi Group of Companies and has its own Shariah supervisory council based in Somaliland. The country does not have any takaful regulations to date.

3.4.10 Zambia. The first insurance regulation in Zambia was the British insurance law which was applied to the insurance industry until the Insurance Act of 1968 was enacted. In 1971, the insurance industry in Zambia was nationalised, leading to the reduction of 26 insurance companies to one single insurance company, Zambia State Insurance Corporation Limited (ZSIC), and one brokering company, Zambia National Insurance Brokers Limited (ZNIB). The industry was thus dominated by these two state-owned companies until the coming of economic reforms following the return of democratic governance in Zambia. In 1992, the opening of the Zambian economy led to more local and foreign private participation in the insurance business. Madison Insurance Zambia Limited appeared as the country's first private insurance. In 1997, the Insurance Act of 1997 was enacted which served as the foundation for insurance regulation in Zambia (Manje, 2005). In 2005, the insurance legislation in the country was amended. The Zambian insurance supervisor is the Pensions and Insurance Authority (PIA), and the first takaful provider in Zambia is a takaful window under Phoenix Assurance Group, launched in 2014 (IFN, 2014).

3.4.11 Tunisia. The pioneer insurance company in Tunisia was the Tunisian Insurance and Reinsurance Company (STAR), established in 1958. This was followed by COMAR (Compagnie Méditerranéenne d'Assurances et de Réassurances), Tunisia, in 1969. Since the mid-1980s, the insurance industry in Tunisia appeared to have suffered from the structural adjustments of the economy. The regulation of the country's insurance industry started with the Insurance Code in 1992. The Code was revised a number of times in 2002 and 2005 for enhancement. In 2008, the General Insurance Committee (CGA) was created, while the legal framework for takaful was enacted in 2015. Zitouna Takaful was the first takaful company in Tunisia, established in 2012 (Noor, 2015).

3.4.12 Mauritania. In 1993, the Insurance Code of 1993 was enacted as the first regulation governing all insurance operations in accordance with Mauritanian law as adopted by the National Assembly and the Senate (Serge, 2009). The Code governed the insurance industry, which had already been established in 1970 (Abd Salam, 2020). The first insurance company in the country was SMAR which was later taken over by the National Insurance and Reinsurance Company (NASR SA), which was founded in 1995. Prior to the liberalisation of the sector by the government in the 1990s, insurance companies in Mauritania were state-owned. In the early 2000s, the government opened the sector for private sector participation, making the state-owned insurance providers compete with a number of privately owned firms. The market was regulated by the Insurance Supervisory Directorate in the Ministry of Trade, Industry and Tourism (MCIT), and the supervision changed to the Central Bank of Mauritania (CBM), based on CBM Basic Law No.034-2018, effective in 2021.

For Islamic insurance, the TAAMIN Islamic Insurance Company was the first firm operating based on Islamic principles in 1999. Regulation is still not developed for this kind of business structure in Mauritania.

3.4.13 Morocco. As a way to boost Islamic finance and improve the integration of the insurance system as a whole, the Moroccan Parliament approved Law 59–13 for governing takaful in July 2019. This law comes as an amendment and supplements to Law 17–99 on the Insurance Code that was promulgated on 06/10/2016, after taking into consideration the directives of the High Council of Ulema (Eljechtimi, 2019; African Development Bank, 2018).

The insurance regulator in Morocco, the Supervisory Authority for Insurance and Social Welfare (ACAPS), was established in 2016 based on Law No. 64–12. It governs the insurance industry, replacing the Ministry of Economy and Finance. In 2021, ACAPS issued a specific circular for takaful. In December 2021, ACAPS granted the country's first three takaful licenses to Wafa Takaful, Attakafulia Assurances and Taaouiniyate Taamine Takafuli. Two other firms, La Marocaine Vie and SCR, were granted licenses in January 2022 (EcoActu, 2022).

3.4.14 The Gambia. The regulatory and supervisory role of the insurance business started in 1974 with the enactment of the Insurance Act 1974 under the Ministry of Finance. However, for greater compliance, the Ministry of Justice was assigned the responsibility for the Act's administration. This responsibility shifted to the Ministry of Finance with the appointment of a desk officer to be in charge of insurance matters at the Ministry. In 1981, the first insurance company in The Gambia, Senegambia Insurance Company Limited, was set up. It, however, ceased operating in 1996. The Gambian Constitution, in 1997, attempted to improve the efficiency of the country's financial system by empowering the country's central bank to regulate and supervise insurance institutions. The Central Bank consequently updated the Insurance Act 1974, revamping its provisions, leading to the issuance of the Insurance Act 2003.

The takaful business commenced in Gambia with the establishment of Takaful Gambia Ltd in 2007. This was followed by West African Takaful Limited, which was conceived in 2018, but its operating license was only issued by the regulatory authority in 2020 (Cham, 2020).

3.4.15 Ethiopia. In 1905, the journey of insurance services started in Ethiopia when a foreign insurance company hired the Bank of Abyssinia to manage insurance services. Since then, the country has hosted many insurers, reaching 33 companies in 1960 (Girma (2022). The insurance regulatory regime commenced with the issuance of Proclamation No. 281/1970 (Isayas, 2021). Recently, the Ethiopian government has made efforts to promote the development of the insurance industry, the National Bank of Ethiopia – the insurance regulator – issued new regulations allowing foreign insurance companies to operate in Ethiopia in 2019, in order to boost the growth of the insurance and financial industry in the country.

In terms of Takaful, it penetrated the Ethiopian market through the Global Insurance Company, which is considered the first company that provided takaful services via window operations (Hailu and Yatoo, 2021). This establishment of takaful happened after the National Bank of Ethiopia issued a dedicated directive for takaful titled, "Directive to License a Takaful Operator or Authorise a Takaful Window Operator No. STB/1/2020".

3.4.16 Tanzania. In Tanzania, the Insurance Act issued in 1996 and 2009 were the game changers in the regulatory framework of the insurance industry. It transformed the market from a monopoly market where insurance is offered by a single player – National Insurance Corporation (NIC) – to a free market that allows private entities (Kamwambia, 2013; Tanzania Insurance Regulatory Authority, 2022).

The intention for integrating the takaful into the Tanzanian insurance system was shown in 2011 when the Tanzania Insurance Regulatory Authority (TIRA) conducted research to assess the demand and acceptability of takaful in the market. However, the project has been paused for years (Abdallah, 2017). In 2022, TIRA issued dedicated guidelines titled Takaful Operational Guidelines 2022, with an aim to increase insurance penetration. In terms of operation, there is no company offering March 2023 takaful products. However, Zanzibar Insurance Corporation is at the final stage of offering takaful products.

3.5 European markets

European countries generally see Islamic finance as an opportunity to expand and diversify their financial markets. The literature shows that takaful exists in six European countries; the UK, Luxembourg, Switzerland [7], Belgium, Germany [8] and France. However, further exploration found that takaful operations exist in three jurisdictions – the UK, Luxembourg and France. Swiss and German insurers actually joined the takaful business by offering services in other jurisdictions, and it could be this fact that has resulted in the misunderstanding among researchers, who have stated that takaful is present in Switzerland and Germany. For the Belgium market, Camp (2014) confirmed that takaful products are not offered in Belgium, although ŞAHİN (2019) mentioned that takaful was introduced in the country in 1983 via Takaful Islam Luxembourg. This section discusses three jurisdictions, which are Luxembourg, UK and France.

3.5.1 Luxembourg. The Grand Duchy of Luxembourg is a European country known for being one of the global financial hubs. It has extended its scope to offer diversified products to meet unique demands. Luxembourg for Finance, an agency for the development of Luxembourg as a financial centre, stated on its official website that Luxembourg is the first country in Europe to recognise Islamic finance in its financial system, e.g. listing Sukuk in the stock market in 2002, authorising Solidarity Takafol S.A. as the first Islamic insurance company in 1983 (Laarab, 2019). Solidarity Takafol is a part of the Solidarity Group Holdings located in Bahrain. In general, Luxembourg takaful products are being sold in Germany and France and are linked to a variety of asset management tools and investment funds (Luxembourg for Finance, 2019). These initiatives show the seriousness of Luxembourg being a key player in the Islamic finance industry, which led the country to be the fourth largest Islamic fund centre. No specific takaful requirements have been issued by Commissariat Aux Assurances (CAA), the insurance regulatory and supervisory authority in Luxembourg.

3.5.2 United Kingdom. UK is a prominent financial hub and market. Its market has witnessed some initiatives related to Islamic finance, such as granting five Islamic bank licences and issuing sovereign Sukuk (Camp, 2014). Hauser (2020) stated that takaful was first introduced in the UK by Takaful UK Ltd [9] in 1983, while Sadeghi (2010) stated 1982. In 2006, Lloyd's of London launched the first Takaful syndicate via the Creechurch Underwriting Limited in partnership with the Islamic Arab Insurance Company

(SALAMA) (Dingwall and Griffiths, 2006). After two years, the UK market saw the establishment of Principal Insurance Holdings Limited, a full-fledged Shariah-compliant Islamic insurer, obtaining authorisation from the Financial Service Authority (Aziz, 2014). The company launched Salaam Halal Insurance (Salaam) in July 2008 and stopped accepting new business in November 2009, and subsequently, the firm failed to raise sufficient capital to sustain itself in the market. In terms of a regulatory framework, the regulatory and supervisory authority has not yet issued any dedicated takaful regulation.

3.5.3 France. Islamic insurance companies started offering takaful products in the French market via conventional insurance players, such as in 2013, through Salam of Swiss Life and Amâne Exclusive Life of Vitis Life (Grassa and Hassan, 2015). Another approach adopted in the market is through insurance agents and brokers. For example, Azurite Courtage, an insurance broker, developed takaful products and partnered with insurance carriers to meet clients' needs (Santelli and Wylde, 2019). The French market has certain brokers that specialise in offering takaful products like Noorassur and SAAFI. There is no takaful regulation issued by the regulatory body in France.

3.6 Central Asian markets

Based on the World Bank classification, the Central Asian (CA) region comprises Kazakhstan, Kyrgyz Republic, Tajikistan, Turkmenistan and Uzbekistan. Along with these Central Asian countries, the researchers also studied the existence of takaful in the Russian market. Magomadova (2013, 2019) stated that there are no takaful operations in Russia. Among CA countries, Turkmenistan has no takaful activities.

3.6.1 Kazakhstan. Kazakhstan is the largest country in terms of land size and economy in Central Asia (Radchenko, 2017). Its government has shown interest in supporting business and finance by establishing the Astana International Financial Centre (AIFC). In 2020, AIFC issued an Islamic Finance Masterplan (Roadmap) for the Republic of Kazakhstan, 2000 with the goal of becoming the region's hub for Islamic finance. The roadmap provided a brief evolution of Islamic insurance. An Islamic insurer was established in Kazakhstan in the form of a mutual insurance society in 2010. Prior to 2010, it was known as MIS Akniet, but it changed its Charter and officially renamed itself MIS Halal Insurance Takaful in 2010. It is better known as MIS Takaful. This firm was forced to cease its operations after a successful 6-year operation due to amendments to the law on insurance activities in 2015 which do not allow MIS to offer Islamic insurance. The law specifies that only Joint Stock Companies (JSC) are allowed to offer takaful products.

The insurance industry is governed and supervised by the National Bank of Kazakhstan (NBK). The Law on Insurance and Insurance Activities is the key regulation governing the industry, and it was issued in 2000. To be in line with global developments, the Law underwent various amendments, with those in 2015 being the game changer for takaful, as it enabled the establishment of takaful with Chapter 6–1 stating in depth the features of Islamic insurance.

3.6.2 Uzbekistan. The government of the Republic of Uzbekistan started an economic reform in the country, and developing the insurance sector was one of the priorities identified in the country's "Strategy of Actions" (Adilova, 2020). Developing the Uzbek insurance sector would increase the level of protection of assets of individuals and businesses through insurance (Tadjimuratovna, 2021). The country was also witnessing a growing interest in Islamic finance. Its registration as a member country of the Islamic Development Bank (IsDB) and the Islamic Corporation for the Development of the Private Sector (ICD) in 2003 and 2004, respectively, indicated its intention towards Islamic finance.

For takaful, Uzaro Yardam, which started operating in 2017, was the first insurer operating according to Shariah mutual principles in the Uzbek insurance market. APEX

Takaful, the second operator, started operations in 2021. No specific takaful regulation has been issued.

3.6.3 Kyrgyz Republic. The President of Kyrgyz Republic signed a decree in 2006 on the "Implementation of a pilot project for the introduction of Islamic principles of financing in the Kyrgyz Republic", allowing the National Bank of the Kyrgyz Republic to formulate and introduce new rules and regulations for Islamic financial institutions, including takaful. This came after a Memorandum of Understanding was signed between the IsDB, the Kyrgyz Republic, and OJSV EcoIslamicBank on introducing Islamic banking and finance in the Republic (Aliyev, 2012; Elena, 2020). The Kyrgyz Republic became the first jurisdiction in the region to put in place regulations governing Islamic insurance (takaful) and capital market (Sukuk) activities in 2009. The regulation was amended twice, in 2014 and in 2016, and these businesses fall under the responsibility of the State Service for Regulation and Supervision of the Financial Market in the Ministry of Economy and Finance (Zhoraev and Yüksek, 2021). The researchers did not find any takaful operator in the country.

3.6.4 Tajikistan. Islamic finance is one of the country's top priorities, which has received strong support from the Tajik leadership. The country signed a Technical Assistance Agreement with the IsDB in 2011 to develop legal, regulatory and supervisory frameworks for Islamic banking (Aliyev, 2012), and the government passed the Islamic Banking Act in 2014 (Omonov *et al.*, 2020).

Decree No. 408 of 2016 stated that insurance supervision is governed by the National Bank of Tajikistan. Based on the regulator's website, there is only one takaful firm, Takaful Insurance Company LLC, licensed in 2019. However, the firm has not yet started operations.

3.7 Other Markets

The paper has adopted the regional classification of countries for ease of presentation and understanding. However, some markets are not classified into any of the above regions above. Six countries, i.e. Iran, Yemen, Turkey, Bahamas, Canada and the USA, will be discussed in this section under Other Markets. It is worth mentioning that Jalaluddin (2015) stated that takaful operations have not started in the Australian market, although it has the potential to succeed.

3.7.1 Iran. While evidence shows that insurance activities in the country date back to Achaemenes times, the formal introduction of insurance in Iran was in 1890. It was an arrangement between the Russian embassy and the government of Iran. In 1910, Russian insurers Nadezhda and Kafkaz established their branches in Iran. European insurers only came on the scene in 1931, when a law regarding the registration of companies in Iran was enacted (Nia and Thimmarayappa, 2018). The first national insurance firm, the Iranian Insurance Company, introduced in 1935, effectively ended the domination of foreign insurers (Hashempoor, 2013).

The Insurance Law was enacted in 1937, providing the basis for the industry's insurance foundation. Over a decade later, in 1950, Shargh Insurance became the pioneer in private insurance. In 1971, the Central Insurance of Iran was established and mandated with the development and monitoring of the country's insurance industry and activities. During the 1979 Revolution, the country introduced a transformation to an interest-free financial system (Eskridge, 1981). The industry's nationalisation started in 1980, with private insurers only allowed from 2001. December 2021 saw a landmark change in the Iranian market when Dana Insurance, operating as a window, was the first provider to offer takaful products. The delay is said to be due to the view of the Shia school of thought towards conventional insurance.

3.7.2 Yemen. Insurance started operating through branches of foreign insurance companies in the 1950s. There were an estimated 40 insurance players in the market. The independence of Yemen in 1967 instigated the development of the insurance industry, and

Yemen Insurance and Reinsurance Company was established in 1969. It was the first Yemeni government-affiliated company resulting from the nationalisation initiative (Shabih, 2006). The Ministry of Economy and Industry was mandated as the insurance regulatory authority in 1974, and its role was to supervise and control insurance companies and brokers. In the same year, the first Yemeni private-sector insurance company, Marib Insurance Company, appeared.

With the unity of the North and South of Yemen in 1990, the supervision of the insurance industry shifted to various different bodies. In 1992, it was under the Ministry of Finance, followed by the Ministry of Supply and Trade in 1997. It was finally moved to the Ministry of Industry and Trade in 2001. Yemen Insurance Company first introduced its services in 2001. Takaful products are presently available from many insurers, including takaful windows. However, regulations to govern takaful operations are lacking (Insurance Panorama, 2013).

3.7.3 Turkey. Interest in insurance started during the Ottoman Empire when in 1870, a large part of Istanbul's Beyoğlu district was destroyed in a fire. Insurance was offered by three British insurance companies (operating as agencies) and a French insurance company in 1872 and 1878, respectively. The sector was dominated by foreign firms, and there was no local or national insurance company. Osmanlı Umum Sigorta, dated 1893, was the first local insurance company. Later, in 1923, Şark Sigorta and others followed suit (Ercan and Onder, 2016).

Within the framework to operate and strengthen its domestic capital in the financial sector, Anadolu Anonim Türk Sigorta Şirketi was established in 1925. The Law on Inspection and Supervision of Insurance and Insurance Companies came in 1927. Doğan Sigorta, the pioneer privately-owned insurance company, entered the market in 1942, followed by other companies in the following years. The Insurance Supervision Law No. 7397 came into effect in 1959. The Law transferred the duties and authorities for insurance services from the Ministry of Industry and Trade to the Prime Ministry, and subsequently, Decree Law No. 303 in 1987 to the Undersecretariat of Treasury and Foreign Trade. Neova Sigorta was the first takaful firm and started offering non-life takaful in 2009. Katılım Emeklilik ve Hayat introduced family takaful in 2013 (COMCEC, 2019).

In 2017, the industry's authority body, the Ministry of Treasury and Finance, introduced a regulation called "Procedures and Principles of Participation Insurance Business". It set out the procedures and principles related to participation insurance (one of the forms of insurance), aimed to ensure both the safeguarding of participants' rights and interests, as well as the system's reliability. Participation insurance, the Turkey Model, is one of the models classified as insurance (Öz and Işık, 2019). In June 2020, the supervision of the insurance and pension sector was transferred to the Insurance and Private Pension Regulation and Supervision Agency of Turkey (SEDDK). (Islamic Financial Services Industry Stability Report 2021, 2021).

3.7.4 Bahamas. The Bahamas is one of the world's key international business and financial centres. It is a prominent country in the Latin American and Caribbean regions. For takaful business, many researchers, such as Lewis and Algaoud (2001), Venardos (2012) and Billah *et al.* (2019), state that takaful penetrated the Bahamas via Islamic Takaful and Re-Takaful Co., which is part of DMI Group registered in Switzerland in 1983 (OICU-IOSCO, 2004). It is important to mention that there is no website, annual report or any information relating to whether this firm exists or otherwise. The authors explored the regulator's website as well as that of the Insurance Commission of the Bahamas, and no information was found pertaining to Islamic Takaful and Re-Takaful Co.

3.7.5 Canada. The Canadian insurance market witnessed the introduction of the country's first takaful products in 2008 (Goud, 2009; ICMIF, 2009). The initiative came as a pilot takaful operation by Ansar Cooperative Housing Corporation, partnering with the Cooperators Insurance Group (Gonulal, 2012). According to Pervez Nasim, the cooperative offered home and auto takaful products for its members, not to the general Muslim population yet. The Chairman of Ansar Financial Group stated the cooperative needed to raise awareness and invest 70% of its premium in fixed-income products. At this stage, there are no takaful regulations in the country.

3.7.6 United States. Takaful entered the United States (US) in particular and North America in general via First Takaful USA in 1996. The firm later shut down its operations and no longer exists in the market (Goud, 2009). In December 2008, Risk Specialists Companies Inc. (RSC), a subsidiary of AIG Commercial Insurance, started offering the first takaful homeowners product for the US market, which came after a US government bailout of AIG in September 2008 (Insurancepost, 2008; Alharbi, 2016).

Zayan Takaful was established in 2009 to offer takaful products. It was dissolved in 2013. Based on the company's official LinkedIn profile, Zayan Takaful customers and assets have been transferred to Murzzy SRI, Inc., and Zayan Takaful is no longer an operational entity. Takaful regulation does not yet exist in the country (Alharbi, 2016).

4. Comparison and discussion

This section will look at a comparison of the chronology by region, as discussed in Section 3 of the paper. It aims to provide a better bird's eye view of the relevant regions' takaful journey.

The GCC is considered the most significant region for takaful business. According to the IFSB Stability Report 2021, 53% of the global takaful market is in the GCC. Takaful started being offered in the GCC markets in 1979 via SALAMA in the UAE. Table 2 shows that the GCC region is generally the pioneer in offering takaful, where, by the year 2000, five (out of six) countries had takaful operators, and with the establishment of Al-Madina Takaful in Oman in 2014, all six countries offer takaful in their markets. In terms of takaful regulation, Table 2 shows that the Saudi Central Bank was the first (in 2005) to recognise takaful in their regulations. The last to come on board was the Insurance Regulatory Unit of Kuwait, which only recently, in 2019, recognised takaful business in their regulations.

Table 3 shows the chronology of the takaful establishment in the Levant region. It presents the Lebanese company Al-Aman Trust Insurance as the region's pioneer operator in 1988. The takaful business exists in all the countries in the region, with the exception of Iraq. To date, there is no takaful operator or takaful window in the Iraqi insurance market, although the Central Bank of Iraq's takaful regulation, aimed to provide a proper jurisdictional environment for future comers, was issued in 2019. The table also shows that regulation is still underdeveloped in the region and is only present in Iraq and Jordan. The former has regulation with no takaful operations, while the latter has both operator presence and takaful regulation – where instruction was issued in the 2010s, but the recognition of takaful only came with the issuance of the Insurance Regulatory Law No. 12 of 2021.

GCC Countries	First takaful operation Name	Year	First takaful regulation Name	Year
UAE	Islamic Arab Insurance Company (SALAMA)	1979	Takaful Regulation	2010
Saudi	Cooperative Company for Insurance (Tawuniya)	1986	Cooperative Insurance Companies Control Law	2005
Kuwait	Wethaq Takaful and First Takaful	2000	Law No. 125 of 2019	2019
Oman	Al-Madina Takaful	2014	Takaful Law 2016	2016
Qatar	Qatar Islamic Insurance Company	1995	Law No. 13 of 2012	2012
Bahrain	Bahrain Islamic Insurance Company	1989	Takaful Module	2005

Source(s): Authors' own work

Table 2.
GCC markets

Table 4 explores nine Asian countries and shows that takaful exists in all of them. Malaysia was the first jurisdiction that issued a dedicated regulation. The Malaysian Takaful Act 1984 has been the core foundation of the takaful development, setting out the takaful structure for the establishment of Syarikat Takaful Malaysia Berhad [10] in the same year. In the 1990s, this structure expanded and was adopted by four countries; Bangladesh, Brunei, Singapore and Sri Lanka. The most recent country to come on board in the region is Thailand through Muang Thai Life Insurance in 2011. Although the presence and activities of takaful in the region are considered mature, there is a delay in developing the corresponding takaful regulation. To date, four jurisdictions – Bangladesh, Maldives, Sri Lanka and Singapore – have yet to issue regulations governing takaful.

Islamic insurance actually started in this continent with the establishment of the Islamic Insurance Company of Sudan in 1979. Table 4 shows the chronology of takaful operations and regulations in 15 jurisdictions. Takaful's presence was only really felt during the 2000s with 10 countries having takaful operations. Tunisia joined the pack with Zitouna Takaful in 2012, and Morocco and Ethiopia penetrated the takaful operations in 2021. In terms of takaful regulation, the region is still underdeveloped and may need more attention from regulators. Five regulators have no regulations to address the takaful nature of business – South Africa, Gambia, Mauritania, Zambia and Somaliland, while only recently, in 2019, five regulators (Senegal, Morocco, Libya, Algeria and Ethiopia) recognised takaful in their regulations.

Surprisingly, the European insurance providers Solidarity Takafol in Luxembourg and Takaful UK Ltd in the UK were the first operators to use the term "takaful" in 1983. Prior to this, companies that followed Shariah rules and principles adopted the term "Islamic insurance" in their names. The term takaful could have been inspired by the Task Force of the

Levant countries	First takaful operation		First takaful regulation	
	Name	Year	Name	Year
Syria	Al-Aqeelah Takaful Company	2007	–	–
Lebanon	Al-Aman Trust Insurance	1988	–	–
Iraq	–	–	Takaful Regulation	2019
Palestine	Palestine Takaful Company	2008	–	–
Jordan	Islamic Insurance Company	1996	Insurance Regulatory Law No. 12 of 2021	2021

Source(s): Authors' own work

Table 3.
Levant markets

Asian Countries	First takaful operation		First takaful regulation	
	Name	Year	Name	Year
Brunei	Takaful TAIB Sdn Bhd	1993	Takaful Order 2008	2008
Malaysia	Syarikat Takaful Malaysia Berhad	1984	Takaful Act 1984	1984
Bangladesh	Islami Insurance Bangladesh Ltd	1990	–	–
Maldives	Amana Takaful	2003	–	–
Sri Lanka	Amana Takaful Limited	1999	–	–
Pakistan	Pak Kuwait Takaful Company Limited	2005	Takaful Rules 2005	2005
Indonesia	PT Syarikat Takaful Indonesia	1994	Decree No. 426/ KMK.06/2003	2003
Singapore	Ampro-Income Takaful Company and Syarikat Takaful Singapura	1995	–	–
Thailand	Muang Thai Life Insurance	2011	B.E. 2557	2014

Source(s): Authors' own work

Table 4.
Asian markets

Malaysian Government, who worked on the issuance of the Takaful Act 1984. To date, there is no takaful regulation enacted in any European jurisdiction.

The penetration of the takaful business in the Central Asian region is relatively new. Among the four countries, Kazakhstan is the only country that has both a takaful presence and takaful regulation to govern the business. MIS Halal Insurance was considered the first player in Kazakhstan to follow Islamic rules and principles in 2010, and five years later, in 2015, the regulator amended the country's Law of Insurance Business to address the features of the takaful business.

Table 8 shows the six remaining countries, all of which have a large population. As an example, globally, Iran is the second-largest Islamic insurance market. However, the Iranian insurance structure follows the Shia school of thought, which essentially does not prohibit the conventional insurance structure. However, takaful products were introduced in December 2021 in an effort to draw in almost 10 million Sunni followers and promote greater financial inclusion among the country's population. Turkey is the only country that has a dedicated regulation for Islamic insurance. Meanwhile, in terms of the takaful business, the first takaful players among these countries were in the Bahamas in 1983.

4.1 Chronology of takaful

Based on the information presented in the above section, the researchers prepared a chronology of the takaful industry in Table 9. This is prepared after exploring 56 insurance markets and finding that (until December 2021) takaful exists in 47 jurisdictions, beginning with Sudan and the UAE in 1979. Table 9 shows the first takaful operators in 18 markets during the period of 1979– 1999, in 17 markets from 2000 to 2009, and finally 11 markets from 2010 to 2023.

In terms of regulations that address the specificities of takaful, as stated in Tables 2–8, it is found almost half of the jurisdictions do not have regulations for takaful, i.e., 22 jurisdictions. A review also showed that the depth of discussing the takaful regulations vary among the jurisdictions. The Takaful Act 1984, issued by BNM, the insurance regulatory body in Malaysia, is the first regulation to discuss the uniqueness of takaful as an alternative insurance structure, and it could be for this reason that the takaful regulatory development in Malaysia has led the way for other jurisdictions to adopt the takaful operating structure (see Table 9).

5. Conclusion

The conventional insurance mechanism involves elements that are prohibited by Islamic rules and principles. Hence, the permissibility of conventional insurance has been a highly debated topic ever since 1784, when scholar Muhammad ibn Abidin deliberated the insurance contract from a jurisprudence perspective. The evolving understanding of conventional insurance and the proposed alternative that is in line with Shariah in the 1960 and 1970s has been further debated amongst scholars, the most prominent of them include Muḥammad Abu Zahra, Al-Siddiq Muhammad Al-Darir, Mustafa Al-Zarqa and Hussain Hamid Hassan. The collaborative support of Islamic scholars and technical experts has led to the establishment of an alternative structure, and in 1979 was realised in the first Islamic insurance company in Sudan, which then expanded and has been adopted by over 40 countries globally. Documenting the timeline of takaful establishment in each jurisdiction is less of a focus in existing takaful research papers. On the contrary, conventional insurance is well archived and documented in many references, e.g. Staib and Puttaiah (2018). Conventional insurance literature shows regulatory developments of insurance, which are well documented and recorded in numerous articles, e.g. Marano and Siri (2017), Hellwege (2016), Webel and Cobb

Africa Countries	First takaful operation Name	Year	First takaful regulation Name	Year
Egypt	Egyptian Saudi Insurance House	2002	Decision No. 8 of 2014 on Shariah Governance	2014
Kenya	Takaful Insurance of Africa	2008	Takaful Operational Guidelines	2015
Nigeria	African Alliance Insurance (window)	2005	Takaful Operational Guidelines 2013	2013
Algeria	SALAMA Insurance Company	2000	Executive Decree on Takaful 2021	2021
Libya	Takaful Insurance Company	2007	Decision No. 60 of 2021 Regulating Takaful Business	2021
Somaliland	Takaful Insurance of Africa Ltd	2010	–	–
Zambia	Phoenix Takaful Zambia	2007	–	–
Tunisia	Zitouna Takaful	2012	Legal framework for takaful	2015
Mauritania	The Taamin Islamic Insurance Company	1999	–	–
Gambia	Takaful Gambia Ltd	2007	–	–
Sudan	Islamic Insurance Company of Sudan	1979	Insurance Supervision and Control Act 1992	1992
South Africa	Takafol South Africa (Pty) Ltd	2003	–	–
Morocco	Wafa Takaful, Attakafulia Assurances and Taaouiniyate Taamine Takafuli	2021	Law governing Takaful	2019
Senegal	SALAMA Assurances Senegal	2005	CIMA Regulation No. 003 of 2019	2019
Ethiopia	Global Insurance Company (GIC) – Ahli Takaful	2021	A Directive to License a Takaful Operator or Authorise a Takaful Window Operator No. STB/1/2020	2020
Tanzania			Takaful Operational Guidelines 2022	2022

Source(s): Authors' own work

Table 5. African markets

European Countries	First takaful operation Name	Year	First takaful regulation Name	Year
Luxembourg*	Solidarity Takafol	1983	–	–
UK*	Takaful UK Ltd	1983	–	–
France	Salam of Swiss Life	2013	–	–

Note(s): *The authors have not found any reliable sources to confirm this information
Source(s): Authors' own work

Table 6. European markets

(2005). Unfortunately, for takaful, there are only a few contributions, such as ŞAHİN (2019), who provided a timeline for takaful in 13 countries, and Alshammari *et al.* (2022) who discussed takaful in 16 Middle East countries.

This paper is developed to provide a chronology of takaful by exploring and documenting the takaful establishment in each jurisdiction. It is qualitative in nature, using analysis of the literature such as journals, books and official websites. In some cases, the researchers connected with professional experts to verify the information given in academia, especially in those countries with French and Russian as their official languages. This approach was adopted as disclosure and transparency is relatively low in certain countries and where published timelines may have missing, inaccurate, and/or incomplete information. The researchers found that takaful exists in 47 jurisdictions, and the takaful chronology started in

Sudan and the UAE in 1979 and, to date, ends with Morocco and Iran in December 2021. The justification for the delay in Iran is due to the Shia scholars' opinion towards conventional insurance, who view the insurance structure as not contradictory with Shariah. This view of the Shia school, however, does not change, but the permissibility of offering takaful products in Iran. Rather, it is to promote financial inclusion and to encourage the Sunni followers to be part of the system. The accuracy and reliability of any timeline are important, and the paper found some observations that may need to be adjusted in existing literature, such as; (1) ŞAHİN (2019) stated that takaful in Belgium started in 1983. However, there is no evidence of takaful existence in the Belgium market, as stated by Camp (2014), who wrote a dedicated dissertation on this topic; (2) OICU-IOSCO (2004) and ŞAHİN (2019) mentioned that takaful was first introduced in Switzerland by Darul Mal Al-Islami (DMI) in 1981 and 1983, respectively. The researchers discovered that there is no consistency in the year of establishment, and this paper may go beyond to propose that there is no evidence of takaful existence in Switzerland, as it is stated on the DMI's website that the DMI Group is associated with Islamic insurance companies based in Bahrain and Luxembourg; (3) there are many researches Lewis and Algaoud (2001), Venardos (2012) and Billah *et al.* (2019) stating that takaful penetrated the Bahamas through Islamic Takaful and Re-Takaful Co., which is part of DMI Group that registered in Switzerland, in 1983. It is important to mention that there is no website or annual report, or any information relating to this firm, causing doubt on its mere existence. The authors explored the regulator's website, the Insurance Commission of the

Central asian countries	First takaful operation		First takaful regulation	
	Name	Year	Name	Year
Kazakhstan	MIS Halal Insurance	2010	Amendment of the Law of Insurance Business	2015
Kyrgyz Republic	NA*	NA	Takaful regulation	2009
Tajikistan	Takafful Insurance Company LLC	2019	–	–
Uzbekistan	Uzaro Yardam	2017	–	–

Note(s): *The authors have not found any source to confirm the existence or non-existence of takaful operations
Source(s): Authors' own work

Table 7.
Central Asian markets

Other markets Countries	First takaful operation		First takaful regulation	
	Name	Year	Name	Year
Yemen	Yemen Islamic Insurance Company	2001	–	–
Turkey	Neova Sigota	2009	Procedures and Principles of Participation Insurance Business	2017
Iran	Dana Insurance	2021	–	–
Bahamas*	Islamic Takaful and Re-Takaful Co	1983	–	–
US	First Takaful USA	1996	–	–
Canada	Ansar Cooperative Housing Corporation, in partnership with Cooperator's Insurance Group	2008	–	–

Note(s): *The authors have not found any reliable sources to confirm the information
Source(s): Authors' own work

Table 8.
Other markets

Table 9. Overall chronology of takaful establishment (operations)

1970–1999			2000–2009			2010–2023		
Year of establishment	Country	Company	Year of establishment	Country	Company	Year of establishment	Country	Company
1979	UAE	Islamic Arab Insurance Company (SALAMA)	2000	Kuwait	Wethaq Takaful and First Takaful	2010	Somaliland	Takaful Insurance of Africa Ltd (TIA)
1979	Sudan	Islamic Insurance Company of Sudan	2000	Algeria	Salama Insurance Company	2010	Kazakhstan	MIS Halal Insurance
1983	UK*	Takaful UK Ltd	2001	Yemen	Yemen Islamic Insurance Company	2011	Thailand	Muang Thai Life Insurance
1983	Luxembourg*	Solidarity Takaful	2002	Egypt	Egyptian Saudi Insurance House	2012	Tunisia	Zitouna Takaful
1983	Bahamas*	Islamic Takaful and Re-Takaful Co	2003	Maldives	Amana Takaful	2013	France	Salam of Swiss Life
1984	Malaysia	Syarikat Takaful Malaysia Berhad	2003	South Africa	Takafol South Africa (Pty) Ltd	2014	Oman	Al-Madina Takaful
1986	Saudi Arabia	Cooperative Company for Insurance (Tawuniya)	2005	Nigeria	African Alliance Insurance (window)	2017	Uzbekistan	UZARO YARDAM
1988	Lebanon	Al-Aman Trust Insurance	2005	Senegal	SALAMA Assurances Senegal	2019	Tajikistan	Takafful Insurance Company LLC
1989	Bahrain	Bahrain Islamic Insurance Company	2005	Pakistan	Pak Kuwait Takaful Company Limited	2021	Iran	Dana Insurance (window)
1990	Bangladesh	Islami Insurance Bangladesh Ltd	2007	Syria	Al-Aqeelah Takaful Company	2021	Morocco	Wafa Takaful, Attakafulia Assurances and Taaouiniyate Taamine Takafuli

(*continued*)

Table 9.

1970–1999			2000–2009			2010–2023		
Year of establishment	Country	Company	Year of establishment	Country	Company	Year of establishment	Country	Company
1993	Brunei	Takaful TAIB Sdn Bhd	2007	Libya	Takaful Insurance Company	2021	Ethiopia	Global Insurance Company (window)
1994	Indonesia	PT Asuransi Takaful Indonesia	2007	Zambia	Phoenix Takaful Zambia	2022	Tanzania	
1995	Qatar	Qatar Islamic Insurance Company	2007	Gambia	Takaful Gambia Ltd			
1995	Singapore	Ampro-Income Takaful Company and Syarikat Takaful Singapura	2008	Palestine	Palestine Takaful Company			
1996	Jordan	Islamic Insurance Company	2008	Kenya	Takaful Insurance of Africa			
1996	US	First Takaful USA	2008	Canada	Ansar Cooperative Housing Corporation (partnership with Cooperators Insurance Group)			
1999	Mauritania	The TAAMIN Islamic Insurance Company	2009	Turkey	Neova Sigota			
1999	Sri Lanka	Amana Takaful Limited						

Note(s): *The authors have not found information from official sources
Source(s): Authors' own work

Bahamas, and no information was found pertaining to (Islamic Takaful and Re-Takaful Co; (4) OICU-IOSCO (2004) stated that takaful started in Bahrain via Syrakit Takaful Al-Islamiyah in 1983. However, the official resources state the Bahrain Islamic Insurance Company as the country's pioneer provider, established in 1989; (5) COMCEC 13 (2019) stated that takaful started in the UAE market in 1980, while it is actually documented as 1979.

The paper also explores the introduction of takaful regulation, and it is found that almost half of the jurisdictions do not have regulations for takaful, i.e. 22 jurisdictions. The depth of discussion in the takaful regulations also varies among the jurisdictions. The Malaysian insurance regulator, BNM, was the first regulator to govern the takaful business in 1984 via its Takaful Act 1984. The existence of the Act may be the reason why the term takaful and its operational structure, as presented in the Act, started being adopted in different jurisdictions. Bearing in mind that takaful research is generally the least explored subject in the Islamic financial system, maintaining the reliability of information is extremely important, especially as some researchers cite information without proper due diligence. Building this chronology may encourage other researchers to give more attention to accurate and reliable information.

The paper is limited to the first takaful provider and first takaful regulation without exploring and deepening the discussion. Future research may explore the European takaful market and understand how the term takaful is being used since some researchers mentioned the takaful providers started in 1983. The paper also does not discuss the components of takaful regulation, which may need to be considered by regulators who have yet to issue guidance for the takaful business.

Notes

1. The paper will use the term takaful as it is the term that is most commonly used in the industry.
2. Kaplan and Kaplan (2007) described it as *"an arrangement that is easy to describe but difficult to characterise: not a pure loan, because the lender accepts part of the risk; not a partnership, because the money to be repaid is specified; not pure insurance, because it does not specifically secure the risk to the merchant's goods. It is perhaps best considered as a futures contract: the insurer has bought an option on the venture's final value"*.
3. Takaful as a concept goes the date before Islam; it was developed based on Aqilah (blood money). The concept was endorsed by Muslims after the Prophet Muhammad PBUH used it in a verdict to solve a tribal dispute (Sadeghi, 2010).
4. For further explanation on the view of Ibn Abidin about Sukrah, please refer to the following reference: https://www.elgaronline.com/view/9781788115827/chapter01.xhtml
5. There is an idea to develop a legal system for takaful, but the instabilities in politics have delayed the project.
6. India has the second largest Muslim-populated country, recording more than 200 million Muslims, and the alternative insurance, takaful, does not exist (Sheila and Salman, 2014; Salama, 2021)
7. OICU-IOSCO (2004) and ŞAHİN (2019) mentioned that takaful was first introduced in Switzerland by Darul Mal Al-Islami (DMI) in 1981 and 1983, respectively. However, Takaful does not exist in Switzerland. DMI Group associates with takaful companies in Bahrain and Luxembourg. Also, Swiss insurance companies, e.g. Zurich Insurance and Swiss Re, have used a different approach in adopting takaful by expanding and scaling in emerging markets that have prosperity in takaful, like Asia–Pacific and the Middle East. In terms of regulations, the Swiss laws do not address Islamic finance in Switzerland, and financial institutions that offer Shariah-compliant products are subject to those regulations issued by the regulator - the Swiss Financial Market Supervisory Authority (FINMA) – applicable for conventional products.
8. Germany has the second largest Muslim population in the EU and has a strong economy, where its financial institutions are incorporated in different regions (Camp, 2015). The country has strong and giant insurance groups, e.g. FWU Group and Allianz started offering takaful policies by targeting emerging markets like UAE in 2003 and Indonesia in 2005, respectively. Hannover Re is the first

major reinsurance group that joined the retakaful industry in 2006 via the establishment of Hannover ReTakaful B.S.C in Bahrain. To this date, takaful business does not exist in Germany.

9. The authors try to verify the accurate date of existence of this firm, but there is no available information, and the website of this firm is not found as well. Hence, the view of Hauser (2020) will be adopted since it is issued by the Bank of England.
10. In 1982, a Special Task Force was established by the Government to study the viability of establishing an Islamic insurance company. The recommendations of the Task Force resulted in the enactment of the Takaful Act 1984, and the first takaful operator was incorporated in Malaysia in November 1984. Ref website: https://www.bnm.gov.my/documents/20124/792371/booklet.en.pdf

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