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SR No. 2118  
Issued to with: Munamim Ali Bhimla  
Through with: Advocate  
Purpose: L.No. 4480, H.C. Karachi  
Value Rs. 200/-  
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18 AUG 2017



WAQF DEED

Know all men through these presents that State Life Insurance Corporation of Pakistan, a Corporation constituted and established under the Life Insurance Nationalization Order 1972 having its principal office at State Life Building No.9, Dr Ziauddin Ahmed Road, Karachi, Pakistan (hereinafter referred to as "Operator", which expression, wherever the context so permits, shall mean to include successors in interest and assigns)

WHEREAS:

- A. The Operator is competent and legally authorized and is desirous of establishing a Waqf Fund for the purpose of achieving the objectives and functions given herein below;
- B. The Operator has decided to and hereby establishes an irrevocable Fund called State Life Insurance Corporation of Pakistan Waqf Fund [hereinafter referred to as the Individual Family Participant Takaful Fund (IFPTF)] which shall be a separate and independent entity being capable of having title to ownership of, and possession of assets whether in the form of moneys, movable and immovable properties, and/or in any other tangible or intangible form legally possible and permissible while also being in compliance with the Shariah Principles/Guidelines;
- C. The Operator has set apart Rupees One Million only (Rs. 10,00,000/-) and hereby cede the same to the IFPTF being the Waqf money; and
- D. The Operator has also undertaken to accept the responsibility of managing and operating the said IFPTF on the terms and conditions appearing in this Deed and in the IFPTF Rules and in any other Supplementary Deed(s) made hereunder, on the basis of a predefined fee (hereinafter referred to as the "Takaful Operator's fee").

Whereas State Life Insurance Corporation of Pakistan shall be called as Settlor or Operator, which expression shall, unless repugnant to the context or the meaning thereof, mean and include its survivor(s).

1. Definitions. - In this Deed, unless there is anything repugnant in the subject or context, -

1.1 Accounting Year means financial year of the Operator;

1.2 Board of Directors means Board of Directors of State Life Insurance Corporation of Pakistan;

1.3 **Commission** means Securities and Exchange Commission of Pakistan (SECP);

1.4 **Contribution** means the amount payable by a participant to an operator under a Takaful Contract;

1.5 **Deficit** means the shortfall in the IFPTF, that is, excess of payments over receipts and after accrual of all expenses and income in accordance with generally accepted accounting principles and applicable law for the time being in force. This also implies admissible assets not sufficient enough to cover all its liabilities;

1.6 **Ordinance** means the Insurance Ordinance (XXXIX of 2000);

1.7 **Operator** means State Life Insurance Corporation of Pakistan authorized as Window Takaful Operator under Takaful Rules 2012 and is working in its capacities of Wakeel and Modarib, as the case may be, thereby operating the IFPTF;

1.8 **Operator sub-fund** means a sub-fund of a statutory fund set up by the Operator in which all takaful operator fees shall be credited and from which all expenses relating to the Statutory Fund which are not charged to any Participant Takaful Fund or Participant Investment Fund shall be debited;

1.9 **Participant** means a person who participates in a Takaful scheme and to whom a Takaful Contract is issued;

1.10 **Individual Family Participant Takaful Fund (IFPTF)** means a separate sub-fund of a Statutory Fund set up into which the participant's risk related contributions are paid and from which risk related benefits are paid out;

1.11 **Participant's Membership Documents (PMD)** means the documents detailing the benefits and obligations of the Participant;

1.12 **Participant Investment Account (PIA)** means a separate group of assets forming a sub-fund of a statutory fund which is to be used as a basis for determination of the benefits payable under a Takaful contract;

1.13 **Qard-e-Hasna** means an interest-free loan to the IFPTF from the Operator's sub-fund, when the IFPTF is in deficit and insufficient to meet their current liabilities or the solvency requirement as described by the regulatory authorities from time to time;

1.14 **Re-Takaful** means an arrangement for re-Takaful of liabilities in respect of risks accepted by the Operator in the course of carrying on Takaful business and includes ceding risks from Participant Takaful Fund(s) to Re-Takaful Operator(s);

1.15 **Settlor** means Window Takaful Operations carried out by State Life Insurance Corporation of Pakistan acting in its capacity as Settlor of the IFPTF and/or Waqif of Waqf money through initial ceding. The term Settlor or Operator may be used interchangeably;

1.16 **Shariah Advisor** means Shariah Advisor of the Operator appointed under Rule 26 of the Takaful Rules 2012;

1.17 **Supplementary Rules** means sub-rules or other rules to be made under this Deed as deemed necessary for legal and operational reasons;

1.18 **Shariah Advisory Board** means the Shariah Advisory Board constituted by the Commission;

1.19 **Shareholders' Fund** means Statutory Fund of Shareholders'.

1.20 **Takaful Benefit** includes any benefit, whether pecuniary or otherwise, which is secured by a Takaful Contract;

1.21 **Takaful Rules** means Takaful Rules, 2012, issued by SECP (or any successor for the time being in force);

1.22 **Takaful Contract** means any contract of Family Takaful issued by the Operator;



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1.23 Waqf Rules means IFPTF rules/policies made under this Deed;

1.24 Waqf Fund sees Individual Family Participant Takaful Fund (IFPTF);

1.25 Waqif see Settlor;

Unless the context otherwise requires, words or expressions contained in this Deed shall have the same meaning as in the Insurance Ordinance, 2000 and Takaful Rules; and words importing the singular shall include the plural, and vice versa, and words importing the masculine gender shall include feminine, and words importing persons shall include corporate entities.

## 2. Objectives and Purposes of Individual Family Participants Takaful Fund (IFPTF):

The objectives and purposes of the IFPTF are as follows:

- 2.1 To receive contributions, donations, gifts, charities, subscriptions etc., from the Participants and others;
- 2.2 To provide relief to the Participants against benefits defined as per the IFPTF Rules, the PMD and any Supplementary Takaful Benefit Document(s);
- 2.3 To give charities in consultation with the Shariah Advisor and the Appointed Actuary;
- 2.4 To invest monies of the IFPTF in and subscribe for, take, acquire, trade or deal in, instruments approved by the Shariah Advisor such as shares, stocks, Sukuks, securities or instruments of redeemable capital of any other company, institution, mutual fund, corporation or body corporate or any other manner;
- 2.5 To do all such other things/acts/objects as are incidental or conducive to the attainment of the above objects or any of them with the due approval of Shariah Advisor in so far these are not repugnant to any of the provisions of the Takaful Rules or other prevalent regulations;

## 3. Assets of the IFPTF

The IFPTF shall comprise of any or all of the following:

- 3.1 The cede amount donated from the Shareholders' Fund to the IFPTF;
- 3.2 The risk contributions received from the Participants by way of subscriptions, contributions, donations, gifts, etc.; and
- 3.3 Income or incomes derived from investments etc. made by the IFPTF;
- 3.4 Amount received from Re-takaful fund in respect of claims recovery or rebate;
- 3.5 Any other amount or income with the approval of Shariah Advisor;
- 3.6 All the above stated amounts may be utilized for offsetting the IFPTF's liabilities of payments of benefits to the members of the Fund;

## 4 Operator's Obligations

The following shall be considered as the role of the Operator:

- 4.1 The management of the IFPTF: The Operator may create further sub-funds within the Waqf Fund after approval from the Shariah Advisor and the Appointed Actuary. The risk contributions and Takaful Operators' fee and the liabilities related to each sub-fund would be transferred to their respective sub-fund.
- 4.2 The Operator shall define the IFPTF Rules, which shall be in accordance with generally accepted principles; applicable law for the time being in force; norms of the Takaful business and guidelines of its Shariah Advisor.



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4.3 The Operator shall act as Wakeel of the IFPTF (other than investments of IFPTF). For the investment management of the IFPTF the Operator shall act either as Wakeel or Modarib after approval from the Shariah Advisor and the Appointed Actuary.

4.4 The Operator shall, on the basis of set rules and regulations to be defined in the IFPTF Rules and in the PMD, pay takaful benefits of the Participants from the same Fund as per its rules.

4.5 The Operator shall bear all the administrative and management expenses of the IFPTF except those enumerated under clause 6.2 of this Deed, in consideration of defined Takaful Operator's Fee.

4.6 At least at the end of each accounting year the Operator shall evaluate; the assets and liabilities of the IFPTF either on an overall basis or for each sub-fund created as per clause 4.1 and determine whether the operations for that particular, period had produced a surplus for sharing amongst the Participants under advice of the Appointed Actuary and the Shariah Advisor. The mechanism of surplus determination as well as surplus distribution would be defined in the IFPTF Rules as well as in the PMD.

4.7 In case there is a deficit in any IFPTF, the Operator shall provide an interest-free loan to be called Qard-e-Hasna to make good the shortfall in that Fund. The loan shall be repaid from the future surpluses generated in the IFPTF without any excess on the actual amount given to the IFPTF.

4.8 The Operator shall invest the available funds in the IFPTF in the modes and products that adhere to principles established by the Shariah and all such modes and products shall be approved by the Shariah Advisor of the Operator.

4.9 Subject to the provisions of the Ordinance and the Takaful Rules, the Operator shall maintain statutory reserves and any additional reserves as its Appointed Actuary may require, in the IFPTF.

4.10 The Operator shall ensure that the Re-takaful arrangements are consistent with the regulations and sound Takaful principles in line with the guidelines provided by its Shariah Advisor.

4.11 The IFPTF, established for any class of business shall, notwithstanding that the Operator at any time ceases to carry on that class of business in Pakistan, continue to be maintained by the Operator so long as it is required to maintain proper books and records for schemes belonging to that class under the law for the time being in force and applicable to the IFPTF.



#### 5. Operator's Rights

5.1 The Operator shall be entitled to receive Takaful Operator's Fee. The Operator shall have the right to make such adjustments in Takaful Operator's Fees as may be appropriate for each Participant. The Operator shall ensure that any adjustment to the Takaful Contributions is made from the Takaful Operator's fees and not from the risk contribution, which should be appropriate to the risk being put in the IFPTF.

5.2 The Operator, in the capacity of Modarib or Wakeel, shall be entitled to set the profit sharing ratio on the investment management of the IFPTF based on the advice of the Shariah Advisor and the Appointed Actuary. The Operator might choose to keep different profit sharing ratios for different sub-funds after approval from the Shariah Advisor and the Appointed Actuary.

5.3 The Operator shall be entitled to make such Supplementary Rules or Sub-Rules for each class of Takaful business as may be deemed necessary. The same shall be approved by its Shariah Advisor and thereafter be filed with the Commission.

5.4 The Operator shall have a first right of return in respect of the amount provided as Qard-e-Hasna to IFPTF. The exact portion of surplus to be used for the payment of Qard-e-Hasna would be defined by the Appointed Actuary and the Shariah Advisor at the time of surplus determination in the IFPTF.

5.5 The Operator shall have a right to make deductions from the IFPTF as are enunciated in the clause 6.2 of this Deed.

5.6 Notwithstanding anything contained herein, the Operator shall have deemed necessary, under the applicable laws for the time being in line with Shariah guidelines as advised by the Shariah Advisor.

## 6. The income of and outgo from the IFPTF

6.1 The income of the IFPTF shall consist of the following, but not limited to, namely:-

- (i) Risk Contributions received from the Participants;
- (ii) Claims received from the Re-takaful Operators;
- (iii) Surplus share received from the Re-takaful Operators;
- (iv) Investment profits generated by the investment of funds and other reserves attributable to the Participants in the IFPTF;
- (v) Qard-e-Hasna paid by the Operator's sub-fund or the Shareholders' Fund to the IFPTF in case of a deficit;
- (vi) Commission received from Re-takaful Operators; and
- (vii) Any donation made by the Operator.

6.2 The outgo from the IFPTF shall consist of the following, but not limited to, namely:-

- (i) Claims Paid
- (ii) Contributions paid to Re-takaful Operator/ Re-insurer;
- (iii) Takaful Operator's share in investment income of the IFPTF;
- (iv) Surplus distributed to the Participants;
- (v) Return of Qard-e-Hasna to the Operators' sub-fund; and
- (vi) Any amount given to Charity



## 7. Dissolution

In the event of winding up, the following procedure would be followed:

7.1 The Actuarial Valuation would be carried out as at the date of the winding up of business for the IFPTF. The Valuation would be carried out as per the basis which the Appointed Actuary deem appropriate for this purpose.

7.2 If after discharging the total liabilities of the IFPTF there is a surplus, it would first be used to repay any remaining payment of Qard-e-Hasna. If the surplus is not sufficient to repay the entire Qard-e-Hasna, it would be repaid to the extent that there is a surplus in the IFPTF. If there is a surplus even after paying the liabilities and Qard-e-Hasna, it would either be distributed to the Participants or given to the charity as advised by the Shariah Advisor and the Appointed Actuary.

7.3 If the Actuarial Valuation shows that the IFPTF is not sufficient to pay the total liabilities of the IFPTF, the deficit would be funded by the Operator from the deposit made by the Operator as per relevant provisions of the Takaful Rules. In case the deficit is still there, the remaining amount would be funded by the Takaful Operator from the Paid-up Capital.

7.4 The cede amount would be transferred, with the approval of the Shariah Advisor and the Appointed Actuary, to another IFPTF, formed for similar or any other purpose. However, the shareholders of the Operator shall not be entitled to any of the aforesaid amounts.

7.5 The Operator shall comply with the prevalent regulations and requirement that may be prescribed by the Commission for the purpose of dissolution of the IFPTF.

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## 8. General

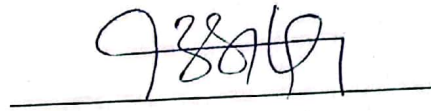
8.1 This deed shall be governed by the laws in Pakistan applicable from time to time on the Operator and the Waqf Fund.

8.2 Notwithstanding anything contained herein, the Operator shall ensure due compliance with all applicable laws for the time being in force and Shariah Principles.

8.3 This Deed shall be irrevocable and shall not be altered or amended in any manner, whatsoever.

8.4 Notwithstanding the irrevocability of this Deed, the Operator shall be empowered to execute such number of Supplementary Deed as may be deemed necessary for legal or operational reasons and to enhance the objectives and purposes of this Waqf/IFPTF. However, all such deeds shall be executed with the approval of the Shariah Advisor.

IN WITNESS HEREOF these Rules are executed hereunto on Wednesday, the 30<sup>th</sup> day of August 2017 at Karachi.



For and on behalf of State Life Insurance Corporation of Pakistan (the Operator)

Witness 1:

Signature: 

Name: Mehmod Hussain Malik

Address: State Life Bldg # 09, Dr. Ziauddin Ahmed Road Karachi.

CNIC No: 37405-1707866-3



Witness 2:

Signature: 

Name: Muhammad Naseer-Ud-Din

Address: State Life Bldg # 09, Dr. Ziauddin Ahmed Road Karachi.

CNIC No: 42101-1624935-7

