



## **Systematic Review on Takaful and Retakaful Windows: A Regulatory Development Perspective**

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### **Abstract**

This paper reviews the regulatory developments of takaful and retakaful windows in the international regulatory bodies and selected jurisdictions. The takaful and retakaful window operations as a business model has been adopted in some countries such as Indonesia, Nigeria, Pakistan and Turkey to achieve certain objectives, including encouraging financial inclusion, tapping a new market segment, and boosting competitiveness. On the flip side, takaful and retakaful window operations are banned by the regulators in other countries such as Brunei, Qatar and Saudi Arabia due to concerns on adherence to Shariah governance, and the performance of standalone full-fledged takaful operators, which have the capability of handling the demands of their respective markets. The paper investigates the takaful and retakaful window operations in the six jurisdictions i.e. Indonesia, Pakistan, Turkey, Nigeria, Kenya and Bangladesh. It also discusses the current regulatory development of transferring the takaful and retakaful windows business into full-fledged takaful players in Indonesia and Turkey, and the decision to maintain the windows model as the ideal model in Pakistan.

**Keywords:** Takaful Window; Retakaful Window; Systematic Review