



**SHARIAH RESOLUTION OF THE SHARIAH SUPERVISORY COUNCIL  
OF LABUAN FSA ON THE USE OF THE WORD “GUARANTEE” ON FAMILY  
RETAKAFUL YEARLY RENEWABLE TERM CONTRIBUTION RATES**

The Shariah Supervisory Council of Labuan FSA, in its 20<sup>th</sup> meeting dated 12 July 2016, has resolved that the Labuan family retakaful operator may use the word “guarantee” on the family retakaful yearly renewable term (YRT) contribution rates. The basis of this ruling is that the guarantee is for the fixing of the contribution rates and not to guarantee the payment of claims. Therefore, the guarantee does not affect the substance of *tabarru’* in the retakaful contract.

In this regard, the Labuan family retakaful operator shall ensure that the word “guarantee” is appropriately reflected in the wordings of the treaty agreement between the retakaful operator and its cedant takaful operators.

**Labuan Financial Services Authority  
18 August 2016**

