

STATUTORY INSTRUMENTS SUPPLEMENT

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S T A T U T O R Y I N S T R U M E N T S

2025 No. 81

The Insurance (Takaful and Retakaful) Regulations, 2025

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STATUTORY INSTRUMENTS

2025 No. 81

The Insurance (Takaful and Retakaful) Regulations, 2025

(Under Section 34(2) and 150 of the Insurance Act, Cap. 191)

IN EXERCISE of the powers conferred upon the Minister responsible for finance, and in consultation with the Insurance Regulatory Authority of Uganda, these Regulations are made this 25th day of August, 2025

PART I—PRELIMINARY

1. Citation

These Regulations may be cited as the Insurance (Takaful and Retakaful) Regulations, 2025.

2. Interpretation

In these Regulations, unless the context otherwise requires—

“Act” means the Insurance Act, Cap. 191;

“contribution” means the amount of money payable by a participant to a takaful operator or takaful window in a takaful or retakaful undertaking;

“Currency Point” has the value assigned to it in Schedule 1;

“participant” means a member of a takaful fund, that pays contribution into the takaful fund to seek and obtain a risk cover under the takaful contract;

“retakaful” means reinsurance conducted in accordance with Shari’ah principles;

“Shari’ah Committee” means a committee established under regulation 13 of these Regulations;

“takaful” means insurance conducted in accordance with Shari’ah principles;

“takaful business” means insurance or reinsurance business conducted in accordance with Shari’ah principles;

“takaful fund” means a fund established and maintained under regulation 19 of these Regulations to facilitate the carrying on of takaful business;

“takaful or retakaful operator” means a person licensed by the Authority to carry on takaful business;

“takaful window” means part of the insurance company or any other person licensed under the Act, approved by the Authority to carry on takaful business.

3. Recharacterisation of arrangement under takaful business

(1) For purposes of regulating takaful business under the Act and the Regulations made under the Act, the Authority may recharacterise an arrangement or a regulatory requirement under conventional insurance to be an equivalent arrangement or a regulatory requirement under takaful business for purposes of reflecting the equivalent regulatory requirement, economic substance other than the form.

(2) The Authority shall comply with Shari’ah takaful principles in recharacterising an arrangement or a regulatory requirement under conventional insurance not expressly provided for under these Regulations.

(3) For avoidance of doubt, the provisions of the Act and the Regulations made under the Act relating to conventional insurance may be recharacterised to apply to takaful business on matters where these Regulations are silent.

PART II—LICENSING OF TAKAFUL OR RETAKAFUL OPERATOR AND TAKAFUL WINDOW

4. Takaful business

(1) A person shall not carry on takaful business unless the person is licenced or approved by the Authority to carry on takaful business.

(2) A takaful business referred to under subregulation (1) may be offered by a takaful or retakaful operator or through a takaful window.

(3) A person who operates a takaful business without a licence or an approval issued by the Authority, commits an offence and is liable to a fine not exceeding one thousand currency points.

5. Application for a takaful or retakaful operator licence

(1) A person who wishes to operate as a takaful or retakaful operator shall apply to the Authority for a takaful or retakaful operator licence before carrying on takaful business.

(2) The application referred to in subregulation (1), shall be in Form A set out in Schedule 2 to these Regulations.

(3) An applicant for a licence under subregulation (1), to carry on takaful business shall indicate the class of takaful business that the applicant intends to engage in.

(4) The application under subregulation (1), shall be accompanied by the —

- (a) proof of payment of the fee prescribed in Schedule 3 to these Regulations;
- (b) a certified copy of the applicant's certificate of incorporation;
- (c) an organogram, in the case of an applicant associated with other companies or entities, showing—
 - (i) all its associated companies and entities and the position of each associated company and the relationship between the associated companies or entities;
 - (ii) the shareholding held by each of the associated companies or entities; and
 - (iii) a general description of the activities of each of the associated companies or entities;

- (d) a certified copy of the beneficial owner register;
- (e) the details of proposed directors, senior managers, key persons in control functions, auditors, actuaries and members of the Shari'ah Committee;
- (f) a draft business plan;
- (g) the most recent audited financial statements of the applicant, including the audited financial statements of the applicant's holding company and the consolidated group financial statements, if any;
- (h) details of the proposed retakaful arrangement with a retakaful operator or in the case of a retakaful operator, a retotakaful arrangement; and
- (i) proof of adequate funds to meet the minimum capital requirement specified in Regulation 4 of the Insurance (Capital Adequacy and Prudential Requirements) Regulations, 2025.

(5) The Authority may require an applicant to provide such information and documents, in addition to those specified in subregulation (4), as the Authority may require in the format and manner determined by the Authority.

6. Consideration of application for a takaful or retakaful operator licence

(1) Where the Authority receives a complete application for a takaful or retakaful operator licence, the Authority shall review and consider the application in accordance with the Act and the Regulations made under the Act.

(2) A complete application referred to under subregulation (1), is when the application is fully and properly completed in the format prescribed by the Act and the Regulations.

7. Grant of a takaful or retakaful operator licence

Where the Authority is satisfied that the applicant meets the licensing requirements under the Act and these Regulations, the Authority shall issue a takaful or retakaful operator's licence.

Takaful window

8. Application for approval to operate a takaful window

(1) A person who wishes to operate as a takaful window shall apply to the Authority for an approval before carrying on a takaful business through a takaful window.

(2) The application referred to in subregulation (1), shall be in Form A set out in Schedule 2 to these Regulations.

(3) An applicant for an approval to operate a takaful window under sub-regulation (1), shall indicate the class of takaful business the applicant intends to engage in through a takaful window.

(4) The application under subregulation (1), shall be accompanied by—

- (a) proof of payment of the fee prescribed in Schedule 3 to these Regulations;
- (b) a copy of a licence issued under the Act by the Authority;
- (c) an organogram, showing the governance structure for the takaful business;
- (d) the details of proposed members of the Shari'ah Committee;
- (e) a draft takaful business plan; and
- (f) details of the proposed retakaful arrangement with a retakaful operator.

(5) The Authority may require an applicant to provide such information and documents, in addition to those specified in subregulation (3), in the format and manner determined by the Authority.

9. Consideration of application for approval to operate a takaful window

(1) Where the Authority receives a complete application for approval to operate a takaful window, the Authority shall review and consider the application in accordance with the Act.

(2) The complete application referred to under sub-regulation (1) is when the application is fully and properly completed in the format prescribed by the Act and the Regulations.

10. Approval to operate a takaful window

(1) Where the Authority is satisfied that the applicant meets the requirements under the Act and these Regulations, the Authority shall issue an approval in writing to the applicant to carry on takaful business through a takaful window.

(2) A person granted an approval under sub-regulation (1) shall—

- (a) perform an internal Shari’ah review of its compliance with rulings and guidance issued by its Shari’ah Committee;
- (b) comply with the terms and conditions specified in the approval letter to carry on takaful business through a takaful window; and
- (c) perform the internal Shari’ah review in accordance with the standards adopted by the Authority.

11. Compliance with Shari’ah takaful principles

(1) A takaful or retakaful operator and a takaful window shall carry on takaful business in accordance with Shari’ah takaful principles.

(2) A person who contravenes sub-regulation (1), commits an offence and is liable to a fine not exceeding one thousand currency points.

PART III—GOVERNANCE OF TAKAFUL OR RETAKAFUL
OPERATOR AND TAKAFUL WINDOW

12. Governance structure for takaful or retakaful operator and takaful window

(1) A takaful or retakaful operator and takaful window shall establish governance structure in accordance with the provisions of the Act, Parts IV and V of the Insurance (Licensing and Governance) Regulations 2020, and these Regulations.

(2) Subject to sub-regulation (1), a takaful or retakaful operator and takaful window shall establish and maintain a Shari’ah Committee in accordance with regulation 13 of these Regulations.

13. Shari’ah Committee

(1) A takaful or retakaful operator and takaful window shall establish and maintain a Shari’ah Committee with the approval of the Authority.

(2) The Shari’ah Committee shall be comprised of a Chairperson and at least two other members appointed by the Board of the person licensed or approved to carry on takaful business.

(3) A person shall not be appointed to the Shari’ah Committee under subregulation (2), unless the person has the relevant knowledge, skill, experience, and understanding of takaful, the application of Shari’ah takaful principles and Islamic finance.

14. Functions of the Shari’ah Committee

(1) The Shari’ah Committee shall perform the following functions-

- (a) establish, implement and supervise the takaful operator or window’s Shari’ah governance and compliance;
- (b) prepare a report, on an annual basis, in accordance with the standards adopted by the Authority relating to preparing and assessing in compliance with Shari’ah;
- (c) ensure that reviews to assess the takaful operator’s or windows compliance with Shari’ah are carried out;

- (d) review every service or product before the takaful window issues the financial communication or promotions to launch a service or product, and
- (e) perform any other function assigned to it by the takaful operators or window's board.

(2) The Shari'ah Committee is responsible for expressing a binding opinion about the extent to which the operations, transactions, and contracts of the takaful operator comply with Shari'ah.

(3) The Shari'ah committee shall submit an annual report to the Board of a takaful or retakaful operator and takaful window for onward submission to the Authority before the 30th day of October every calendar year.

15. Independence of the Shari'ah committee

(1) The Shari'ah Committee shall be independent and not subject to any control from management of a takaful or retakaful operator and takaful window in the exercise of its functions and duties under these Regulations.

(2) Notwithstanding subregulation (1), the management of a takaful or retakaful operator and takaful window may—

- (a) provide such assistance to the Shari'ah Committee that is required to perform its duties;
- (b) provide the Shari'ah Committee with access to the required records and information to perform its duties; and
- (c) provide any other assistance as the committee may request.

PART IV—CONDUCT OF TAKAFUL OR RETAKAFUL BUSINESS

16. Conduct of takaful or retakaful business

(1) A takaful or retakaful operator and takaful window shall comply with the Shari'ah takaful principles in the conduct of takaful business.

(2) The provisions of the Act on conduct of insurance business and Part VI of the Insurance (Licencing and Governance) Regulations, 2020 shall apply to a takaful or retakaful operator and takaful window with necessary modifications while carrying on the takaful business.

(3) A takaful or retakaful operator and takaful window shall comply with the standards relating to the conduct of takaful business adopted by the Authority.

(4) The Board of a takaful or retakaful operator and takaful window shall perform an internal Shari'ah review to assess the extent to which management of the takaful or retakaful operator and takaful window, has complied with fatwas, rulings, directives and guidance issued by the Shari'ah Committee.

17. Requirement for disclosure

(1) A takaful or retakaful operator and takaful window shall disclose—

- (a) in its letter heads, official communications, websites and correspondences that it is licensed or approved to carry on takaful business as a takaful or retakaful operator or takaful window whichever is applicable;
- (b) to the participants of the takaful fund that it is licensed or approved to carry on takaful business as a takaful or retakaful operator or takaful window whichever is applicable; and
- (c) to the participants that takaful business is conducted in accordance with Shari'ah takaful principles.

(2) A takaful or retakaful operator and takaful window shall disclose to the participant or counterpart the following information—

- (a) the details of the members of the Shari'ah Committee; and
- (b) on request by the participant or a counterpart the information on the manner and frequency of internal Shari'ah reviews carried out on the business activities.

(3) A takaful or retakaful operator and takaful window shall disclose the information referred to in subregulation (2)—

- (a) before conducting takaful business with a takaful participant or a counterpart; or
- (b) within five working days from the date of request in case of subregulation (2) (b) or any case of any changes in the membership of the Shari'ah Committee.

(4) A person who contravenes the provisions of this regulation, commits an offence and is liable to a fine not exceeding one thousand currency points.

18. Shari'ah compliance policy

(1) A takaful or retakaful operator and takaful window shall develop and implement a Shari'ah compliance policy that provides for the compliance procedures that comply with Shari'ah takaful principles.

(2) The Shari'ah compliance policy referred to in subregulation (1) shall be approved by the Authority.

19. Takaful fund

(1) A takaful or retakaful operator and takaful window shall establish and maintain a takaful fund to facilitate the carrying on takaful business.

(2) A takaful or retakaful operator and takaful window shall manage the takaful fund referred to in subregulation (1) in accordance with Shari'ah takaful principles.

(3) A takaful or retakaful operator and takaful window shall have adequate arrangements for ensuring that transactions not related to the takaful fund do not impair the operations of the takaful fund.

(4) A takaful or retakaful operator and takaful window may operate more than one takaful fund for different products in accordance with the takaful shari'ah principles.

(5) Subject to subregulation (4), a takaful or retakaful operator and takaful window operating more than one takaful fund shall not make or attribute any loans from one of the takaful fund to another takaful fund.

(6) A takaful or retakaful operator and takaful window shall not use the funds in the takaful fund for purposes of offering a loan, an advance or any other benefit to a person other than a benefit that person is entitled to under the Shari'ah takaful principles.

(7) A takaful or retakaful operator and takaful window who fails to comply with the provisions of this regulation commits, an offence and is liable to pay a fine not exceeding one thousand currency points.

20. Capital adequacy

The Insurance (Capital Adequacy and Prudential Requirements) Regulations, 2025 shall apply to a person licensed or approved to carry on takaful business with necessary modifications.

21. Distribution of a surplus or deficit

(1) A takaful or retakaful operator and takaful window shall have a written agreement applicable to a takaful product providing for the distribution of the surplus or deficit arising from a takaful business between the participant and the shareholder.

(2) The written agreement referred to in subregulation (1) shall be approved by the Authority.

22. Core obligation on investment

(1) A takaful or retakaful operator and takaful window shall only invest in assets or investment opportunities that are approved by the Authority.

(2) The Authority shall not approve a takaful or a retakaful operator and a takaful window to invest in an asset or investment opportunity, unless the investment complies with Shari'ah takaful principles.

23. Group financial statements

A takaful or retakaful operator and takaful window that is a member of group of companies shall comply with section 110 of the Act relating to financial statements.

SCHEDULE 1

Regulation 1

CURRENCY POINTS

One currency point is equivalent to twenty thousand shillings

SCHEDULE 2

FORM A

Regulation 5(2)

APPLICATION FORM FOR A LICENCE TO OPERATE A TAKAFUL BUSINESS

1. Name of applicant:
2. Postal address (Head Office):
3. Telephone Nos.....
4. E-Mail:
Website:
5. Physical address: (Head Office).....
6. No. of Branch/Agency Offices
7. Date of Incorporation
8. The proposed date for commencement of business.....
9. Bankers: Address Location, Postal Address, Email, etc.
Name
10. Note: Please give details of commitment with the bank.
11. Total number of all classes of employees
Managerial.....
Officers
Support Staff.....(give details)
12. Insurance Agents.....(Total Number)
13. Name and address of Retakaful /retrocessionaires and their current ratings.
.....
14. Share Capital -
- 15 (a) Authorized share capital:

- (b) Paid up share capital:
- (c) Net worth/Shareholders funds.
- (d) Composition of paid up capital and takaful funds.....
- 16. Security Deposits made under the Act;
.....
- 17. Takaful business intended to be transacted: State whether Family or General
.....
- 18. PQ for Shari'ah Committee Members
Please fill in the personal questionnaire form which is downloaded from website on www.ira.go.ug (for each of the Directors, Members of the Shari'ah Committee, Senior Officer and Principal Officer) and Significant Shareholders to be filled at least once every three (3) years.
- 19. (a) Has any member of Staff in the past five years been convicted of any offence involving fraud or dishonesty?
.....
- (b) If yes give full details on a separate paper.
- 20. (a) Has any member of staff been adjudged to be bankrupt or compounded with creditors?
.....
- (b) If yes give full details on a separate paper.
- 21. (a) Has any member of staff been involved in the management of any insurance institution or financial institution which has been wound up in the last five years.....?
- (b) If yes give full details on a separate paper.
Indicate the nature of interest (if any) of any member of staff in any institution licensed under the Act.
- (i) Date of last valuation
- (ii) Date of submission of the valuation report
- 22.
Annual Accounts
- (i) Date of submission of accounts to IRA.....
.....
- (ii) Date of last annual meeting of shareholders
.....

(iii) Date of submission of minutes of the above meeting to the IRA

.....
(iv) Date of when accounts were published (indicate the newspapers)

23. List all brokers who you intend to place business with.....
24. List and attach information on contracts with affiliates (see Appendix)
.....
25. List and attaché information on contracts with any outsourcing arrangements
26. I, the undersigned, (name)

being the Chief Executive Officer, I confirm that I have carefully studied all the information hereinabove and hereby certify that the information contained herein and documents submitted are true and accurate to the best of my knowledge and belief.

Name

Signature

Date

ENCLOSURES TO THE APPLICATION FORM

1. A certified copy of the applicant constitutes documents and certificate of incorporation or other document by which the applicant is constituted.
2. If the applicant is associated with other companies or entities, an organogram showing the relationship with the associated companies and entities, together with any parallel companies; the position of each associated company and the relationship between the associated companies or entities; the shareholdings held by each of the associated companies or entities and a general description of the activities of each of the associated companies or entities.

3. Written consent to act for the person appointed, or proposed to be appointed, as the applicant's auditor and, if applicable, the person appointed, or proposed to be appointed, as the applicant's appointed actuary.
4. A business plan signed by the Chief Executive Officer and the Chair of the board that complies with the Schedule and any guidance issued by the Authority.
5. The most recent audited financial statements of the applicant, the applicant's holding company, and consolidated group financial statements, if any.
6. Details of the retakaful arrangements proposed by the applicant or, in the case of a relicensed insurer, proposed retrocession arrangements (to be submitted annually for Non-life Companies); and
7. Evidence that the security deposit required under the Act has been placed with a commercial bank.

SCHEDULE 3

FEES

Regulation 5(4)(a) and 8(4)

No.	Item	Fees payable (Ug. Shs)
1.	Application fee for a licence to operate a takaful business or retakaful business	1,000,000
2.	Application fee for an approval to operate a takaful business through a window	1,000,000
3.	Annual compliance fee for a takaful business or retakaful business	the fee prescribed under Regulation 3 of the Insurance (Fees) Regulations, 2020
4.	Certification fees	5,000 for each copy

MATIA KASAIJA (MP),

Minister of Finance, Planning and Economic Development.

Cross references

The Insurance (Fees) Regulations, 2020, S.I. No. 96 of 2020;

The Insurance (Capital Adequacy and Prudential Requirements) Regulations, 2025, S.I. No. 62 of 2025; and

The Insurance (Licensing and Governance) Regulations 2020, S.I. No. 101 of 2020.