

# Tazkiya™ - A South African first for Muslim communities

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South Africa is a diverse country with many different cultures and religions, each with its unique characteristics. One religion that has very specific governing principles when it comes to financial aspects is Islam. Until now, there have been very few feasible financial services solutions for South African Muslims who want to honour their Islamic faith in this regard.

As South Africa's leading provider of wills, Capital Legacy has provided more than 300,000 clients with wills and indemnified more than R70bn in fees that arise during the estate administration process.

"Leaning on our experience in drafting wills and administering estates over the last decade, as well as the expertise of an independent supervisory board that ensures our product and services are, and remain, Sharī'ah-compliant, we have created an exciting, industry-first, end-to-end financial services solution that addresses a real need in South African Muslim communities," states Alex Simeonides, CEO of Capital Legacy.



Alex Simeonides, CEO of Capital Legacy

## Financial services and fiduciary challenges for Muslim communities

- Islamic law of inheritance differs considerably from South African law of intestate succession. This means that an estate administered under South African law will not be administered according to the principles set out in the Qur'an.
- Conventional insurance is considered as impermissible because it incorporates elements of *gharar* (uncertainty), *maysir* (gambling) and *riba* (interest), all of which is prohibited in the Qur'an. As a result of this, too many Muslim families remain at risk or are forced to take out insurance that goes against their religious beliefs, to protect their family when the primary breadwinner passes away.

## A unique solution with proven success

"We have essentially taken our entire service offering, that we have built up over the last decade, from will-drafting to indemnification of fees and estate administration - and recreated it from the ground up to ensure it is ring-fenced, purified and Sharī'ah-compliant for our Muslim clients," says Simeonides. "Additionally, we've added a life insurance component, through the creation of a Family Takaful, which strictly adheres to Islamic law and which is certified by an independent board of trustees and Islamic scholars."

"Any will that is drafted to observe Islam needs to adhere to Islamic principles, as our country's law of intestate succession does not recognise these principles. And any estate administration that is done on behalf of a Muslim client, is best done when it recognises the client's religious beliefs and testamentary wishes," adds Simeonides.

**“ There are more than a million people of Islamic faith in South Africa and our research shows that as few as 11% have adequate life cover in place. ”**

**Tazkiya™ - The first-of-its-kind Sharī'ah-compliant will, Family Takaful and estate administration offering in South Africa.**

- The word 'Tazkiya' is derived from an Arabic word that means 'to purify'. Capital Legacy has created a Family Takaful structure, which will ensure that all the contributions clients make to the fund, to protect their families from the costs associated with their passing away, will remain untainted by interest and uncertainty, keeping it pure.
- The wills that are drafted for someone who wants their estate to be administered according to Islamic principles, will be drafted according to the required Islamic laws of inheritance.
- As the life cover component is Shari'ah-compliant, a Muslim client can nominate a direct beneficiary of the life cover or simply leave it to their estate to make up any shortfall for the Islamic heirs. Estate administration fees, which include executor, trust and conveyance attorney fees, will be indemnified ensuring that the legacy they leave to their loved ones will be passed on, and not depleted by the unexpected costs of dying.
- Through the Family Takaful, Muslim clients can secure long-term insurance that is Shari'ah-compliant to provide their loved ones with an immediate cash benefit, financial provision to cover monthly expenses while their estate is being wound up, and cover to provide for the inheritance taxes should both spouses pass away within quick succession.
- Muslim clients have peace of mind that when they create a testamentary trust for their minor children through their will, that this trust will be administered in line with their beliefs, ensuring the inheritance remains Shari'ah-compliant.

"There are more than a million people of Islamic faith in South Africa and our research shows that as few as 11% have adequate life cover in place," notes Simeonides. "This is almost entirely due to the lack of feasible solutions available to Muslim clients. It is our goal to change this statistic and we're confident that Tazkiya™ directly addresses this need."

For more info on Tazkiya™, speak to your financial advisor or visit: <https://www.capitallegacy.co.za/your-cover/tazkiya/>

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Wills & Estates Specialists

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