



الهيئة الخيرية الإسلامية العالمية
International Islamic Charity Organization

Regulations Controlling the Affairs of Endowments,

International Islamic Charity Organization (IICO)

2023



**Regulations Controlling the Affairs of
Endowments, Thirds, and Wills at the
International Islamic Charity Organization**

(IICO)

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Regulations Controlling the Affairs of Endowments, Thirds and wills at the International Islamic Charity Organization (IICO)

1. Introduction:

Since the inception of the International Islamic Charity Organization (IICO) in 1984 on a charity basis, it has been paying close attention to endowments. The aim for its blessed launch was to collect one billion dollars to invest and spend their proceeds in charity and development fields around the world.

With the development of its march and the issuance of Law No. 64 of 1986 declaring its inception, and the issuance of an Amiri decree regarding its statute on 4 Jumada al-Akhirah, 1407 H, corresponding to February 3, 1987, the IICO launched many endowments to spend its proceeds on sustainable development projects. This has been out of its belief that endowment is a great way of ongoing charity, empowerment, sustainable benefit, and ongoing reward for the donors.

Its endowments, amounting to more than 13 endowments, thirds, and wills of benefactors, have a major role in supporting its educational, developmental, health, social, cultural, and relief programs and projects in more than 80 countries.

The IICO has other endowments, including funds and endowment buildings, the proceeds of which are used to spend on sustainable development projects.

Out of its keenness to develop the endowment file and increase its proceeds, and to enhance communication with the donors, this regulation was issued to regulate the affairs of endowments, thirds, and wills in the IICO.

Regulations Controlling the Affairs of Endowments, Thirds and wills at the International Islamic Charity Organization (IICO)

Chapter 1: Definitions and Terms

Article (1)

These regulations govern all matters related to endowments, thirds, and wills in the International Islamic Charity Organization.

Article (2)

The following terms have the meanings assigned to each:

Term	Definition
IICO	International Islamic Charity Organization
Board of Directors of the International Islamic Charity Organization.	It is the supreme authority supervising the affairs of endowments, wills, and thirds, as well as proposing the general policy for them. It may take whatever decisions it deems necessary to achieve the purposes for which the International Islamic Charity Organization was established.
Fatwa and Sharia Supervisory Board	It is the authority responsible for Sharia supervision and issuing fatwas on the IICO's work, including the endowment.
Investment Committee	It is a committee emanating from the Board of Directors. It is the authority entrusted with general investment policies, developing the endowment's funds, and increasing the endowment's assets.
Director General	Director General of the International Islamic Charity Organization.

Term	Definition
Endowment	It is the preservation of property and allocating the benefit for the sake of Allah.
Will	Ownership that is added until after death through donation, whether in property or benefits.
Temporary Endowment	It is the retention of the endowment that the IICO or its owners have endowed to a time or period specified by the donor. If it expires, the endowment is considered terminated and the endowment shall be returned to its owner.
One Third	It means one-third of the estate, and it takes the rule of the will.
Investment of Endowment Funds	Developing endowment funds, whether assets or proceeds, through investment means that are permissible according to Sharia law and subject to a set of Sharia controls.
Endowment Funds	These are the funds circulated in the IICO and directly or indirectly related to the endowed assets.
Endowed Assets	These are all movable and immovable property that their owners endow them under the administration of the IICO, whether initially or permanently.
Administrator	He is the one who has the right to take care of the endowed objects, manage their affairs, preserve them, make beneficial use of them, and carry out the necessary construction for them. The administrator may be a woman.
Proceeds	All funds collected as revenue from endowed assets.
Disposable Proceeds	All funds collected as revenues from endowed assets, less allocations and expenses.

Surplus Proceeds	Surplus amounts of disburseable proceeds after exhaustion and completion of disbursement according to the requirements of the donors.
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Term	Definition
Allocations	The proceeds that are reserved for reconstruction or bad debts for the endowment for others.
Security Deposits	Funds taken from tenants of endowment properties to compensate for damage to the rented property or failure to pay rent.
Guide of the Policies Procedures	A guide to the policies, procedures, and operations of the endowment.
Audit Committee	The Audit Committee of the Board of Directors.
Giveaway	It is the donation of money or the assignment of a financial right to another, during the life of the owner without compensation.
Exchange and Replacement	An exchange is a sale of an endowment in exchange for money or property, while a replacement is a purchase of another and making it an endowment for the price for which the endowment property was sold.
Admission and Exclusion	Admission means that someone who is not eligible for the endowment enters the entitlement, while exclusion means that one of the eligible recipients of the endowment is excluded from the endowment so that he/she is not eligible.

Giving and Depriving	Giving is giving preference to some of the people who are eligible for giving permanently or for a specific period, while depriving is withholding the proceeds from some of the people who are eligible permanently or for a specific period.
Increase and Decrease	They mean that the share of those entitled to the endowment increases or decreases.

Term	Definition
Variation and Substitution	Variation is the right of the donor to change the conditions stipulated in the endowment, while substitution is the right of the donor to change the way of benefiting from the endowment, such as making a property for rent instead of being for residence.
Entitlement	Entitlement in an endowment is making or allocating a defined or undefined amount of the proceeds of an endowment to the recipient of the endowment, and the recipient of the endowment is the beneficiary. The donor's requirement shall be followed in identifying the beneficiary, distributing the proceeds, and the way to spend it in the share of the beneficiary who dies.
Interruption	It is the non-existence of the recipients of the progeny (family) endowment by death, such as the endowment for the children and they all die and no one remains worthy of the proceeds. Or, the non-existence of the entity to which the endowment is made in the charity endowment, such as the endowment for the poor of a particular country and there are no poor people left among them.

Expiration of Endowment	The Expiration of the endowment means returning to the ownership of the donor or his heirs. The endowment expires at the end of its term if it is temporary according to those who say it is temporary. Likewise, it expires when the owners of a share die. The endowment is transferred to the donor or his/her heirs until the endowment expires for the donor. The progeny (family) endowment also expires if all or some of its assets are destroyed.
Righteousness	It is the extension of benevolence to people. Righteousness is a name that encompasses all good deeds and is given to sincere and constant work. The jurists stipulated that the beneficiary of the endowment shall be a righteous entity through which he/she can draw closer to Allah and hope for reward. Therefore, it is not permissible to make an endowment for a sin.
Charity Endowment	It is intended to benefit one or more charity causes.
Progeny (family) Endowment	It is intended to benefit individuals.

Term	Definition
Joint Endowment	It combines charity endowment and progeny (family) endowment.
Rights Endowment	An interest of financial value protected by law.
Terminating the Temporary Endowment	An endowed asset is ended by the will of the donor or the person who has authority over the endowment (Judiciary).
Revocation	Revocation of the endowment means that the donor terminates his/her endowment, cancels it, and returns it to his/her ownership.

Real Estate Endowment	Reservation of real estate, including land, houses, shops, farms, real estate and buildings in various forms, and other fixed assets.
Benefits Endowment	Benefits are the interest obtained from using the property, such as the endowment of a service provided or the benefit of a particular machine.
Funds Endowment	The reservation of everything that has general acceptance in trading in a safe investment in accordance with Sharia controls, as well as to allocate its benefit to the causes of charity and righteousness.
Movables Endowment	Movable asset is the thing that can be moved and transformed from one place to another while it remains in its shape and form.”
Share	Entitlement to the property in the endowment.
Zakat	It is a share and an estimated right of money that has reached the legally estimated quota under certain conditions imposed by Allah, the Almighty, for the deserving people, namely (the poor and the needy, and those employed to administer the (funds); for those whose hearts have been (recently) reconciled (to Truth); for those in bondage and in debt; in the cause of Allah; and for the wayfarer).
Almsgiving	It is the money that the IICO receives in the form of general almsgiving recorded as recognized revenues, or designated almsgiving recorded as temporarily recognized revenues, or ongoing charity recorded as endowment revenues.

Term	Definition
Donations	The money that the IICO receives to spend in its specified disbursement channels, taking into account the purpose of the donor.
Activities Expenses	The money spent by the IICO on its charity activities in accordance with its plan and applicable regulations in fulfillment of the donation received.
General and Administrative Expenditure	These are the IICO's operational expenses, such as salaries, wages, rents, and other expenses incurred by the IICO to carry out its activities.
General Proceeds	Revenues generated from the endowment investment.
Disposable Surplus Proceeds	Proceeds accumulated after spending on legitimate disbursement channels.
Endowment Added until after Death (Endowment Will)	This is what the donor included in their will, indicating that the effectiveness of his/her endowment would be postponed until after his/her death (as if he/she said that I donated a third of my money after my death so that it could be spent from its proceeds on charity causes).
Allocation of the Proceeds of the Endowment	Allocating a portion of the proceeds of the endowment designated for the maintenance of the original endowment or increasing assets connected to it, such as buildings or plants, as required by the interest of the existing endowment. While taking into account the donor's requirement. Or, it may be by creating new assets and giving them the capacity of an endowment, so that their proceeds return to the beneficiaries under new conditions in accordance with jurisprudential controls required by the interest of the endowment.

Chapter 2: Purpose of establishing the endowment, its components and types

Article (3)

Purpose of establishing the Endowment:

To form a financial asset whose annual proceeds are reserved and spent according to the requirements of the donor, and in accordance with the strategic directions and general policies of charity spending in the International Islamic Charity Organization.

Article (4)

Endowed capital consists of the following:

1. The currently existing endowments, in addition to the new endowments, and endowments the Board of Directors approves of the surplus endowment return, according to the controls contained in the regulations, provided that it is set aside in a special account as an endowment reserve.
2. Grants, gifts, wills, and thirds (whether cash, movable property, or real estate) provided by governments, entities, organizations, or individuals.
3. What the Board of Directors decides as surpluses or other sources, in accordance with the controls and conditions contained in these regulations.

Article (5)

These regulations are subject to the laws and provisions in force in the State of Kuwait. As for endowments outside the State of Kuwait, every endowment is subject to the provisions of the law of the country in which it is located.

Article (6)

Types of Endowed Assets:

1. Real Estate Endowment
2. Movables Endowment.
3. Benefits Endowment.
4. Funds Endowment.
5. Rights Endowment.

Chapter 3: Pillars of Endowment and the Requirements for its validity in the IICO

Article (7)

An endowment is made by the initiative of one or more natural or legal persons, or both, by withholding money and allocating its proceeds to the purposes they specify, in a form indicating their endowment. Any natural or legal person may join an endowment and endow it for its purposes, provided that he/she adheres to the terms and conditions stated in its title.

Article (8)

The endowment is concluded by the will of the donor, orally or in writing. If the donor is unable to do so, the endowment contract is concluded with his/her indication of the endowment. The endowment is also concluded by deed with evidence indicating the will of the donor.

Article (9)

The following is required for the endowment to be valid:

1. The donor shall be eligible to donate freely, of adult age, and of sound mind. He/she shall also meet the legal conditions, general policies, and procedures issued by the International Islamic Charity Organization.
2. The endowment shall be property owned by the donor that meets the legal conditions, general policies, and procedures issued by the International Islamic Charity Organization. The endowment may be a common share with the exception of the mosque endowment and the tomb endowment. It may also be shares or stakes in companies. It is required that the money be of what is permissible to benefit from according to Islamic Law, and used in a manner consistent with Sharia provisions.
3. The endowment shall be for a good deed that meets the legal conditions and is regulated by the general policies and procedures issued by the International Islamic Charity Organization. It shall not be for an item where endowment is forbidden in Islamic Sharia.

Article (10)

The following conditions are required for the endowment to enter into force:

1. To take the legal and administrative procedures required to establish the official endowment title, issued by the Ministry of Justice in the State of Kuwait, and the official notarization authorities in countries for endowments outside the State of Kuwait and in cases that require this, in accordance with the provisions of these regulations, and regulated by the general policies, resolutions, and procedures issued by the International Islamic Charity Organization.
2. **The consent of the heirs in the following cases:**
 - (1) If the donor is terminally ill.
 - (2) If the endowment is added until after death (a will to endow after death) and the endowment exceeds one-third of the estate after the death of the donor.
3. Payment of the debt or approval of creditors if the endowment owes an outstanding debt.
4. Terminating the mortgage if the funds to be endowed are mortgaged.
5. Issuance of an official resolution by the Director General of the IICO regarding the endowment, its disbursement channels, administration thereof, and the resulting administrative and financial registration procedures in the IICO's records in cases that require that, in accordance with the provisions of these regulations, general policies, and the procedures issued by the International Islamic Charity Organization.

Article (11)

The legal and executive effects of the endowment, any amendments made to it, and the effect of revoking it, shall commence from the date of completing its official registration procedures in the Ministry of Justice, or in the IICO's records in cases of a special nature, and shall result in establishing its legal personality from the date of its introduction.

Article (12)

In order for the endowment to acquire the legal personality, the following shall be proven:

1. Independent financial liability.
2. Right to litigation.
3. An independent domicile, which is considered the place where it is located as per the regulations and laws issued regarding it.
4. An administrator expresses his/her will as per the regulations.

Article (13)

The donor's requirement shall be effective as of the date of defining the endowment in accordance with the provisions contained in these regulations.

Article (14)

The rights of beneficiaries to the proceeds of the endowment, or to use some or all of its assets shall begin in accordance with the donor's requirements immediately upon completion of the procedures for establishing the endowment.

Article (15)

The IICO's mandate as an administrator of the endowment shall begin with receiving the endowed assets and proving this through legal means and appropriate administrative procedures in special cases. It also begins with preserving these assets, properly investing and maintaining them, and distributing their proceeds to the beneficiaries according to the requirements of the donor.

Article (16)

The IICO may not accept endowment funds that exceed (KWD 10,000) except through official bank transactions. Any funds less than that shall be in accordance with the approved fundraising controls.

Chapter 4: Provisions of Donor's requirement, its controls, and temporary endowment controls

Temporary Endowment

Article (17)

The donor may specify the disbursement channels of the endowment. He/she may also replace and exchange it, revoke the endowment in whole or in part, and change its disbursement channels and conditions, except in the case of the endowment of a mosque or a tomb and in what he/she has endowed for them, in which case he/she may not revoke or change it.

Article (18)

If the endowment is associated with a valid condition, it shall be implemented unless implementing it becomes against the interest of the endowment or the beneficiary of the endowment, or prejudices a legitimate purpose for the donor.

Article (19)

If two valid conditions conflict, they shall be combined whenever possible, otherwise, the latest condition shall be applied.

Article (20)

It is not permissible for anyone other than the donor to change the conditions of the endowment except through a judge in the court.

Article (21)

Any requirement of the endowment that violates Sharia provisions, the law, public order, or public morals is considered invalid.

Article (22)

The principle of endowment is to be permanent. However, it may be restricted for a time period in order to benefit from the proceeds for charity purposes and to revoke it after the expiration of that period with the exception of mosque and tomb endowment and what was endowed for them, in which case it may only be a permanent endowment.

Article (23)

After his/her death, the heirs of the donor may not revoke the permanent or temporary endowment during the period of endowment that was set by the donor during his/her lifetime.

Article (24)

It is permissible to have multiple donors for one purpose or multiple purposes within one endowment title or multiple endowment titles. They may be combined provided that their conditions are similar, in accordance with the provisions of the regulations.

Article (25)

It is permissible to join a collective endowment provided adhering to its conditions.

Article (26)

The conditions of a collective endowment may not be changed except with the agreement of all living donors.

Article (27)

Small charity endowments may be joined together if their objectives are consistent and the value of their return in recent years is less than the amount specified by the entity responsible for investment, provided that approval is obtained from the Fatwa and Sharia Supervisory Board and the Board of Directors.

Article (28)

The principle of a temporary endowment is that the IICO is the administrator of the endowment.

Article (29)

A charity endowment may be permanent or temporary. However, if it is not defined for a specific period, it shall be permanent.

Article (30)

The charity endowment or the charity share in the joint endowment that is temporarily endowed is determined by time.

Article (31)

The charity endowment form specifies the type of endowment, whether permanent or temporary. It details the properties whose descriptions, contents, and facilities are stated.

Article (32)

Returns on the proceeds and the benefit achieved before the expiry of the endowment period are spent in the endowment's disbursement channels and shall not be returned to the donor.

Article (33)

A temporary endowment may be converted into a permanent endowment for the public interest with the approval of the donor, if he is alive, or his heirs.

Article (34)

If the donor of the charity endowment or the charity share in the joint endowment does not specify whether the endowment is permanent or temporary, the endowment is considered permanent.

Article (35)

After the expiry of the temporary charity endowment or the temporary charity share, the endowed assets are transferred to the donor or the heir.

Article (36)

Endowments that accept timing as a temporary endowment are endowments of real estate, movables, money, and benefits.

Article (37)

Endowments may not be temporary. They are considered permanent in the following cases:

1. The endowment of the mosque and the endowment of the tomb and what is endowed for them.
2. The endowment of the person who dies without revoking his/her endowment, while he/she reserves the right to do so.
3. Endowment that the court decides to perpetuate by final ruling.
4. Endowment that cannot be temporary according to the IICO's policies.

Article (38)

Financial rights and moral rights may be endowed, including copyright, innovation, and industrial and commercial trademarks, whether permanent or temporary.

Article (39)

The endowment of moral rights shall lapse upon the expiry of the legal period prescribed for them.

Article (40)

It is permissible to endow benefits, whether they are the benefits of service organizations or individuals, for permanent or temporary periods of time. While the benefits and rights shall be for the assets permitted by Islamic Law and be owned by the donor.

Chapter 5: The IICO's administration of the endowment and its powers and duties of endowments administration and their provisions

Article (41)

The IICO is considered a legal representative of the endowment, a trustee of its funds, and an agent for the beneficiaries.

Article (42)

The donor or testator may appoint the IICO as an administrator for the endowment, or appoint an administrator for his endowment in partnership with the IICO. He may also transfer the endowment from one administrator to another if he deems that he has done the right thing in undertaking the endowment and spending its proceeds. No one other than the administrator,

or the judge, may appoint an administrator to administer the endowment, in the absence of the donor.

Article (43)

The Board of Directors is the administrator of endowments and wills in the IICO. It may appoint the Director General as General Secretary of endowments, wills, and thirds, as well as delegate him with the necessary powers to carry out the procedures for administering everything related to the issues of endowments and wills.

Article (44)

The following conditions are required for the administrator of endowments, whether male or female:

1. To be of full legal capacity.
2. To be honest and capable of managing the endowment and taking care of its affairs.
3. He/she has not been convicted of a criminal penalty or a crime against honor and honesty, unless they have been exonerated thereof.
4. He/she has never been dismissed from a job or an endowment administration.
5. To be approved by the donor if he/she is alive.
6. The donor shall not have been deprived of administering the endowment and managing its affairs before death or recommended such deprivation.

Article (45)

The IICO, as an administrator of endowments and wills, shall receive the endowment funds and take procedures to register them, preserve them, invest them properly, and distribute their proceeds to the beneficiaries, while adhering to the wills and requirements of the donors in accordance with Sharia provisions.

Article (46)

The IICO shall prepare an annual budget for the endowment that includes its revenues and expected disbursement channels during the next year.

Article (47)

The IICO shall submit an annual report on the endowments that includes a detailed statement on the endowments' revenues, expenses, and the means of spending the proceeds, according to a specific form, within (60) days starting from the end of the endowment's fiscal year.

Article (48)

The IICO shall maintain the budgets and accounting records of the endowments for a period of no less than five (5) years after the end of the fiscal year, and shall approve the final accounts with the accounting records and payment vouchers of the endowment funds.

Article (49)

The IICO or the joint administrator shall receive financial allocations for the administration identified by the donor. If it is not identified by the donor, the amount of the allocation shall be identified by the IICO within the limits of the equivalent allocation.

Article (50)

The Board of Directors shall identify the administrative percentage for the annual expenses of endowments and wills, including financial allocations for administration, provided that the administrative percentages do not exceed 5.21% of the endowment proceeds. If it is necessary to exceed this percentage, the Chairman of the IICO may estimate it.

Article (51)

The IICO, as an administrator of endowments and wills, may take all measures that are of benefit and interest to the endowment and the beneficiaries of the endowment, while taking into account what the donor has stipulated, if it is deemed legitimate.

Article (52)

The IICO may not contribute to the financing and development of an endowment from the capital of endowments, wills, and thirds, or from their proceeds, except in the following cases:

1. The endowment, will, or third is fully administered by the IICO.
2. The donor stipulated that, and it was one of the purposes of the endowment in accordance with the legal controls and conditions stipulated in the regulations.
3. The IICO implements the projects for beneficiaries in accordance with Sharia controls and conditions set out in this regulation.
4. Lending in accordance with Sharia controls and the conditions stipulated in the regulations.

5. For investment purposes in accordance with Sharia controls and the conditions stipulated in the regulations.
6. Special cases decided by the IICO for the purpose of sustaining strategic projects that contribute to the comprehensive development of the individual and society. With the aim of achieving the considered interest of the endowment and its beneficiaries after obtaining permission from the Fatwa and Sharia Supervisory Board of the IICO, and in accordance with the conditions stipulated in the regulations.

Article (53)

The principle is that the IICO shall market its endowments. The IICO may not market an endowment that is not under its full or joint administration except in special cases for the purpose of sustaining the strategic projects established by the IICO.

Article (54)

The IICO may not dispose of or sell endowed assets without obtaining the consent of the donor if he/she is alive, or obtaining permission from the Fatwa and Sharia Supervisory Board and the Investment Committee in accordance with the provisions of the regulations.

Article (55)

The IICO may not carry out any work or take any legal action that violates the requirement of the donor or is inconsistent with the provisions of these regulations.

Article (56)

The IICO shall deduct a portion of the endowment proceeds in order to ensure sustainability before distributing it to the beneficiaries, in order to provide the necessary funds for the following works:

1. Maintaining the endowment's funds and assets, provided that the maintenance is necessary, effective, and feasible.
2. Financial allocations for doubtful debts in accordance with the rules adopted in this matter.
3. Allocations to replace items that are depreciated by use and over time.
4. Expenses of endowment management.
5. Payment of endowment debts.

The Director General shall issue a decision identifying the percentages of allocations.

Article (57)

It is permissible to borrow for an endowment if the following conditions are met:

1. The endowment urgently needs funds.
2. No endowment proceeds or any other endowment sources that meet this need.

3. The debt shall be within a legal, non-usurious framework.
4. Obtaining permission from the IICO's Fatwa and Sharia Supervisory Board.

Article (58)

The IICO may not lend endowment funds, except in the following cases:

1. If lending is one of the purposes of the endowment.
2. If lending is more effective in protecting the endowment's funds than its retention.
3. If lending is for other endowments in need.
4. If the donor stipulates that.
5. Obtaining permission from the IICO's Fatwa and Sharia Supervisory Board.

Article (59)

The IICO may not disclaim endowment debts due from others except by a judicial ruling or in special cases decided by the Fatwa and Sharia Supervisory Board, provided that it is approved by the Board of Directors, in accordance with Sharia and legal controls and the provisions of the regulations.

Article (60)

The IICO shall document the endowment's debts with third parties, and obtain sufficient guarantees from the creditor for payment, including a mortgage or other personal or in-kind guarantees.

Article (61)

The IICO may not mortgage the endowed assets. It may mortgage the benefit of the endowed property. It also may mortgage the remains of the property after its demolition in whole or in part.

Article (62)

The IICO may not accept reconciliation and arbitration in disputes related to endowment rights except after obtaining the approval of the donor or permission from the court judge, or in special cases decided by the Fatwa and Sharia Supervisory Board. Provided that it is approved by the Board of Directors in accordance with Sharia and legal controls and the provisions of the regulation.

Article (63)

The IICO may accept the endowment of a non-Muslim. However, the endowed asset shall not be an entity forbidden by his law or by Islamic Sharia.

Article (64)

The IICO shall take all legal measures and exercise due diligence to register endowments and wills outside the State of Kuwait and have the IICO's administration over them.

Article (65)

The IICO shall exercise due diligence in maintaining the originals of the endowment titles and the necessary documents related to the endowment and its transactions, in hard copies and electronically, in accordance with the latest methods.

Chapter 6: Endowment Management

Article (66)

The Board of Directors is the supreme authority supervising the affairs of endowments, wills, and thirds, and proposing general policy for them. It may take whatever decisions it deems necessary to achieve the purposes for which the International Islamic Charity Organization was established. It is responsible for the following:

1. To draw up the general policy for managing endowments, investing endowment funds, and disbursing the proceeds.
2. To approve bylaws, regulations, and general policies that ensure the development of endowment revenues, their regular collection, and the maintenance and preservation of endowment assets.
3. To propose legislation and regulations related to the endowment and express opinions regarding proposed projects related to it.
4. To approve the annual revenues and expenditures of endowment funds, thirds, wills, and their final accounts.
5. To approve internal audit reports on endowments and wills in the IICO.
6. To consider the periodic reports submitted by the Director General on the progress of work in the IICO regarding endowments, thirds, and wills, and approve them.

7. To consider all matters related to the IICO's activity in the subjects of endowments, thirds, and wills that the Chairman of the Board of Directors and the Director General deem necessary to present.
8. To delegate the Director General with all powers to assume leadership of the executive tasks related to endowment administration.
9. To accept endowed funds, thirds, and wills, as well as work to increase their assets.
10. To accept and approve bad debts of endowments that are due from others.

Article (67)

The Investment Committee's Terms of Reference:

1. To approve the investment of endowment funds in ways permitted by Sharia.
2. To approve the investment body specialized in investing endowed funds in the event that the investment portfolio is handed over to specialized bodies to carry out the work and operations of investments for the endowed assets.
3. To develop and update the general policies and objectives for investing endowments and present them to the Board of Directors for approval.

4. To make appropriate decisions regarding investment opportunities for new endowments and the risks associated with existing investments, as well as develop investment methods for endowments.
5. To review the Investment Office's reports on the endowment portfolio and take the necessary measures regarding them.
6. To review the IICO's endowment investment strategies and plans before they are approved by the Board of Directors, and their consistency with the nature and size of the IICO's activities, and then verify, review, and update their implementation based on the IICO's internal and external variables.
7. To assist the Board of Directors in periodically evaluating the performance of the IICO's investment portfolio.
8. To study the issues referred to the Committee by the Board of Directors regarding the scope of the endowment's work, and submit its recommendations to the Board for decision-making. Or, take decisions if the Board delegates it to do so and submit whatever issues it deems appropriate in endowment investment that it deems necessary to take action on to the Board of Directors, and make its recommendations on the actions that should be taken.
9. To approve the annual endowment investment plan.
10. To approve and adopt debts owed by endowments and pay them in installments.

Article (68)

The roles of the Director General are as follows:

1. To carry out executive tasks related to overseeing endowments and take special measures to enforce the resolution of the Board of Directors.
2. To approve internal bylaws and regulations related to administrative and financial matters of endowments, thirds, and wills in the IICO.
3. To preserve endowment funds and rights, invest them, and spend the proceeds in legal aspects, in accordance with the regulations, legal controls, and the resolutions of the Board of Directors.
4. To prepare an annual budget for the endowment and have it approved by the Board of Directors.
5. To maintain accounting records and disbursement vouchers for a period of not less than five (5) years.
6. To submit an annual report on the endowment (income - investment - expenses) to the Board of Directors according to the forms prepared for that.
7. To commit to institutional principles and standards, governance, and transparency in the management of endowments, wills, and thirds.
8. To commit to the donors' requirements in disbursing the proceeds, taking into account not to retain the endowment proceeds for long periods unless there is a justification approved by the Board of Directors.

9. To assign a specialized entity to conduct an evaluation of the investment activities of the endowment based on scientific criteria, including (the standard of preserving endowment funds - the standard of profitability - the standard of investment risk rate - the standard of balance between investment fields to ensure diversity and reduce risks - the standard of adherence to Sharia provisions - the standard of compliance with applicable laws and regulations).
10. To follow up on the investment of endowment funds according to the regulations and general policies approved by the Board of Directors.
11. To take all executive measures to follow up on the investment entity specialized in investing endowed funds in the event that the investment portfolio is handed over to specialized entities to carry out investments for the endowed assets.
12. To conclude contracts and pledges related to legal relations to which the endowment is a party.
13. To take all executive procedures and special resolutions to implement the requirements of the donors and testators in accordance with the provisions of the regulations.
14. To prepare reports related to the control of endowments and thirds in the IICO and have them approved by the Board of Directors.
15. To take all executive procedures and decisions related to the development of the endowment capital.

Chapter 7: Interpretation of the Endowment Title, Disbursement Channels of Endowment, Controls and Provisions

Article (69)

The IICO's Fatwa and Sharia Supervisory Board is responsible for interpreting the endowment title, the requirement of the endowment, the disbursement channels of the endowment, the administration of it, as well as other requirements contained in the title or Sharia provisions related to those endowments and thirds.

Article (70)

Wills and thirds are considered an endowment if there is evidence indicating that they are intended as an endowment, such as perpetuating them or disbursing their proceeds to charity causes, appointing an administrator over them, or the custom in the country deems them as an endowment.

Article (71)

The IICO may finance allocated endowments from the revenues of public endowments if their returns are insufficient. The IICO may also take from public donations not allocated to those endowments.

Article (72)

The IICO may implement endowment projects, or disburse the proceeds of an endowment, or will that is not under the administration of the IICO, in accordance with Sharia controls and provisions of the regulations.

Article (73)

If the donor does not identify the method of disbursement of endowment revenues and thirds, the IICO may identify them by its Fatwa and Sharia Supervisory Board, or through a judge in the court in cases that require that.

Chapter 8: Investment of endowed funds managed by the IICO

Article (74)

The types of endowment assets managed by the International Islamic Charity Organization are classified into:

1. Endowed Assets are classified as follows:

- Real estate assets.
- Replacement funds and surplus replacement funds.
- Cash Funds:

01) **Conditional**

02) **Unconditional cash funds:**

- Securities (Shares).
- And other endowment funds.

2. Proceeds Funds are classified as follows:

- General Proceeds
 - Disposable Proceeds.
 - Disposable Surplus Proceeds.
 - Provisions:
 - 01) Reconstruction provision.
 - 02) Provision for doubtful and bad debts.
3. Security Deposits.

Article (75)

For managing the investment operations of endowment funds, the IICO requires that the investment be in accordance with the legitimate investment rules and forms.

Article (76)

The IICO is committed to reviewing and approving the various forms, contracts, and agreements by the Fatwa and Sharia Supervisory Board before implementing them in accordance with the Sharia control system approved by the IICO.

Article (77)

Proper and proven norms shall be taken into account in investment methods, risk distribution, and choosing safe forms. This shall be based upon the custom of investors in each type of investment.

Article (78)

Investment is limited to endowed assets, and the proceeds or replacement funds may not be invested except in accordance with the special conditions and controls stipulated in these regulations.

Article (79)

The investment of endowed assets is identified according to the endowed asset, starting with the donor.

Article (80)

The invested assets shall be evaluated in order to identify the amount of money endowed and the amount of the proceeds on the evaluation of the endowment assets.

Article (81)

The real estate allocated by the State, whose investment is financed from endowed assets, is bound to be financed and invested according to the terms agreed upon with the State, in a manner that does not conflict with the provisions of Sharia, as decided by the IICO's Fatwa and Sharia Supervisory Board.

Article (82)

It is not permissible to invest directly in companies or funds whose activities involve lending or borrowing with interest.

Article (83)

The IICO may entrust the investment of all or part of the endowment funds to entities specialized in investment and its operations in accordance with Sharia controls and the provisions of the regulations.

Article (84)

The entity entrusted with investing endowed funds shall fulfill the following requirements:

1. It shall be an entity specialized in investment in accordance with its statute and the license issued to it.
2. It shall be bound by Sharia provisions.
3. It shall be established in accordance with the provisions of the law of the country in which it was established.
4. It shall have a high degree of credibility, transparency, and trust.
5. No judicial rulings have been issued against it that undermine confidence in it or its work leaders.

Article (85)

The IICO may not buy or sell endowment properties except through official bank transactions.

Article (86)

Investments of more than one endowment may be combined in one project according to the controls of the regulations.

Article (87)

The investment methods specified by the endowment shall be adhered to according to its requirements unless the investment is proven to be futile. This is done by a resolution of the Investment Committee after taking the opinion of the Fatwa and Sharia Supervisory Board.

Article (88)

The Director General shall present the investment subject to be entered into to the competent committee explaining in it the type of money required to be invested and according to the classification contained in Article (74) of these regulations, with a clear and adequate explanation of the investment subject. As well as presenting all contracts related to it in Arabic and answering the committee's inquiries regarding them, with an explanation of the percentage of projected risk, provided that all of the above are presented to the committee through its rapporteur in sufficient time.

Article (89)

Endowed assets may not be invested and used except in the cases stipulated by the regulations.

Article (90)

When identifying investment periods and dates for disbursing returns, consideration shall be given to providing liquidity to the endowment at appropriate times, which leads to the implementation of the donors' wills related to specific dates and the fulfillment of the endowment's needs.

Article (91)

The IICO may not invest in bonds, as they are deemed usurious debt instruments.

Article (92)

All the following are considered proceeds:

1. Real estate revenues after deducting their expenses and allocations.
2. Cash profits from investing in companies if the investment is not for speculation.
3. Profits realized as a result of selling shares or cash dividends.

Article (93)

Donation shares are considered a capital increase, where they are treated as an endowment asset and are not considered proceeds.

Article (94)

Allocation of the endowment proceeds: It means to allocate a portion of the proceeds of the endowment designated for the maintenance of the original endowment or increasing assets connected to it, such as buildings or plants, as required by the interest of the existing endowment, taking into account the donor's requirement. Or, it may be by creating new assets and giving them the capacity of an endowment so that their proceeds return to the beneficiaries under new conditions in accordance with jurisprudential controls required by the interest of the endowment.

First: The IICO, as an administrator of the endowment, may establish the original or surplus proceeds with which to raise the value of the principal endowment, or make it an independent endowment unless the donor is prevented from doing so in the validity of the endowment. Taking into account the provisions stipulated in Article (95) regarding the controls for investing the proceeds.

Second: A portion of the proceeds or of the surplus proceeds may be allocated to another endowment for the same purpose, or for another purpose, if the IICO deems it expedient to do so.

Third: The administrator of the endowment is obligated to comply with the special controls included in the issues and provisions of establishing the proceeds of the endowment, and to what is decided by the authorities competent to take care of endowments in this regard.

Fourth: The proceeds of the endowment may not be allocated if the administrator or the endowment organization intends to conceal the loss or default resulting from negligence and transgression in the management of the endowed assets, or to show unrealized growth in the endowed assets.

Fifth: If there is no requirement by the donor or the bylaw establishing the endowment, then distributing the proceeds shall be as follows:

1. Provide the necessary or needed maintenance for the endowed asset.
2. Distribute proceeds to the beneficiaries of the endowment.

Article (95)

The proceeds may only be invested in accordance with the following controls:

1. Investment shall be made only from surplus disposable proceeds.
2. The disbursement of the proceeds may not be delayed once their disbursement channels or those entitled to them exist, with the intention of investing the proceeds to achieve profits.
3. The investment shall be safe and bound by Sharia investment controls.
4. The investment shall be short-term and its assets can be liquidated as soon as there are beneficiaries.
5. All profits resulting from the investment of proceeds or allocations are considered proceeds, and the previous provisions are applied to them.

Article (96)

All profits resulting from the investment of the replacement funds are considered an endowed asset and are spent on purchasing the replacement, and they are governed by the same provisions and conditions.

Article (97)

Replacement funds are not invested in the event that an alternative property exists or can be provided soon.

Article (98)

The replacement shall be purchased within a maximum period of six (6) months. In the event that this is not possible, the Fatwa and Sharia Supervisory Board shall be addressed with a request for an extension, giving the reasons that prevented the replacement from being purchased.

Article (99)

When investing security deposit funds for rented endowment properties, the tenants shall agree to the investment, provided that the contract stipulates who is entitled to the profits from both parties: the IICO and tenants.

Article (100)

Reconstruction shall take precedence over investment as soon as the need arises.

Article (101)

Reconstruction may not be delayed if this results in detriment to the endowment.

Chapter 9: Termination and Expiration of the Endowment and its conditions in the IICO

Article (102)

The endowment ends with the extinction of its origin or the end of its purpose identified by the donor. It also ends with the expiration of the period specified by the donor. The funds return to the property of the donor or his/her heirs, or an entity specified by the donor. The temporary endowment may turn into a permanent endowment for charity causes in the event that there is no entity to which the temporary endowment can devolve.

Article (103)

Every charity endowment whose purpose has stopped, shall devolve upon the poor in the area of the endowment's purpose.

Article (104)

Any change in the purpose of the endowment shall be final and shall not return to what it was previously.

Article (105)

The endowment may not be terminated except when the donor stipulates in the endowment contract that he has the right to terminate it whenever he/she desires. Or, in cases of termination that take place by a court ruling, or special cases decided by the IICO, provided that it obtains the approval of the Fatwa and Sharia Supervisory Board and the Board of Directors.

Chapter 10: Endowment Zakat and endowment of Zakat Funds

Article (106)

Zakat is not due on the items of endowment funds, nor on charity endowment shares in joint-stock companies.

Article (107)

Zakat is not obligatory on the funds of scientific, charity, and social organizations and the like, whether private or charitable, whatever their source, as it is governed by the same ruling as endowment funds.

Article (108)

Zakat funds may not be endowed because each of them (endowment - zakat) differs from the other in terms of meaning, purpose, and ruling.

Article (109)

If Zakat funds exceed the immediate needs of those entitled to them, the IICO may establish service or investment projects if it sees an interest in that, where the proceeds of which shall return to those entitled to them, taking into account the controls contained in investing Zakat funds. The IICO may liquidate them if the need of those entitled to them requires it and distribute its value among them, provided that it obtains the approval of the Fatwa and Sharia Supervisory Board and approval of the Board of Directors.

Chapter 11: Miscellaneous

Article (110)

These regulations and any amendments to them shall be approved by the Board of Directors of the International Islamic Charity Organization.

Article (111)

The provisions of these regulations shall be effective as of the date of its approval by the Board of Directors of the International Islamic Charity Organization, and any provision that conflicts with them shall be repealed.

Allah is the guarantor of success



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