

Cabinet Resolution No. (6) of 2010
on the Regulations for the Disbursement from the Income of Endowment

The Cabinet:

- After perusal of the Constitution;
- Federal Law No. (1) of 1972 Concerning Competencies of Ministries and Powers of Ministers and amendments thereof,
- Federal Law No. (29) of 1999 on the Establishment of the General Authority of Islamic Affairs and Endowments and amendments thereof,
- Ministerial Council for Service Resolution No. (162 / 7) of 2009 on Approving the Controls governing the Disbursement from the Income of Endowments,
- And as per the proposal of the Chairman of the Board of Directors of the General Authority of Islamic Affairs and Endowments,
- Upon the approval of the Cabinet,

Has hereby issued the following Resolution:

Article (1)

Definitions

In application of the provisions of this Resolution, the following words and phrases shall have the meanings assigned to them unless the context requires otherwise:

- Authority** : General Authority of Islamic Affairs and Endowments.
- Board** : Board of Directors of General Authority of Islamic Affairs and Endowments.
- Endowment** : The entrusting of a specific asset for a period of time and the devoting of its profit or products in charity for the poor or other good purposes.
- Charitable Endowment** : An Endowment which the income and usufruct thereof are devoted to charitable purposes for the benefit of the public or the society.
- Family Endowment (Ahly or Dhurri)** : An Endowment which the income and usufruct are devoted to the creator of an Endowment himself, his offspring males

and females, both together, certain persons of his issue or others provided that such Endowment shall be vested to a charitable body after the death of the beneficiaries.

- Mixed Endowment** : The Endowment can be mixed, when it combines both Charitable Endowment and Family Endowment (Ahly or Dhurri).
- Endowment Income** : All revenues generated from the different endowment resources.
- Endowment Income Distributing Channels** : Bodies upon which an endowment's income is distributed thereto.
- Deed of Endowment** : A written instrument, which has been issued by an eligible person indicating his will to restrict the income and usufruct of a certain asset to a beneficiary.
- Sharia Committee** : The Committee that is formed by a Board's Resolution to answer questions and fatwas received by the Authority.
- Projects and Investment Committee** : The Committee that is formed by a Board's Resolution to give an opinion on the investment of the Endowment assets via various projects.

Article (2)

The resources of the Endowment Income are composed of the following:

1. Charitable Endowment.
2. Mixed Endowment.
3. The share of the beneficiary from a Mixed Endowment in the event of his death, if the creator of the Endowment does not provide for transferring such share to others after the beneficiary's death.
4. The value of the Endowment for which the beneficiary no longer exists.
5. The Share of the beneficiary from an Endowment, which he does not apply to receive within six months from the date of notification via an official registered letter published in the local official newspapers. Such shares shall be recorded as trusts in the Authority. The Board, in coordination with Projects and Investment Committee, may decide to invest such shares

until the beneficiaries therefrom claim such.

6. All resources of Endowment provided for by applicable laws and regulations in the State.

Article (3)

If the Endowment is mixed and the shares of the beneficiaries from the income of the Endowment were not determined in the deed of the Endowment, the income shall be equally divided among beneficiaries.

Article (4)

The Board in coordination with Sharia Committee shall determine the nature of the Endowment in cases in which the words and phrases of the deed are not clear to determine the nature of the Endowment and it is hard to reach the creator of the Endowment to know his purpose of creating the Endowment.

Article (5)

Endowment Income Distributing Channels

Endowment income shall be distributed on the following fields:

1. Endowment distribution for Islamic Affairs.
2. Endowment distribution for Science.
3. Endowment distribution for Health.
4. Endowment distribution for Orphans and the Poor.
5. Endowment distribution for Righteousness and Piety.
6. Family Endowment distribution.
7. Endowment distribution for Social Welfare and Community Service.
8. Any other Endowment distribution field approved by the Board.

Article (6)

The Controls Governing Disbursement of Endowment Income

Endowment income shall be disbursed subject to the following controls:

1. Disbursement shall be in charitable fields specified in Article (5) of this resolution.

2. No activity shall be disbursed, other than from the endowment distribution that has been allocated for it.
3. Disbursement shall be subject to the need and sufficiency determined by the Board.
4. Compliance with the condition or restriction contained in the Endowment Deed, if any.
5. The priorities among Endowment Distributing Channels shall be taken into account when distributing the income as determined by the Board.
6. Any other controls approved by the Board in coordination with Sharia Committee.

Article (7)

The Board shall have the following competencies:

1. To execute disbursements and approve necessary plans to do so.
2. Control the process of disbursement of Endowment Income and ascertain that the controls set out in Article (6) of this resolution are considered.
3. Develop by-laws and regulations governing the management, exploitation, development, investment and collection of Endowment funds in a regular basis and maintain Endowment assets, in a way that is not contradicted with the purposes of the Endowment and in coordination with the Sharia Committee.
4. Develop plans to activate the role of Endowment Income Distributing Channels in a way that is not contradicted with the provisions of Islamic law.
5. Follow-up implementation of the Endowment Deeds and inspect bodies which oversee the implementation.
6. Approve endowment and charitable projects in common with the Authority.
7. Perform financial transfers for the income surplus of endowment distributing channels.
8. Determine wages and remunerations of endowment workers.

Article (8)

Any resolution contrary to or inconsistent with the provisions of this Resolution shall be repealed.

Article (9)

This Resolution shall be effective from the date of its issuance and all the competent authorities, each within its competence, shall implement this Resolution. The Resolution shall be published in the Official Gazette.

Mohammed Bin Rashid Al Maktoum

Prime Minister

Issued by us:

Date: 26 / Rabie Al Akher / 1431 AH

Corresponding to: 11 / April / 2010 AD