Beneficial Ownership Standards for Awqaf.

Approved by the Resolution of the Authority's Board of Directors No. 14/1/47/ تdated 13/06/1447 – م04/12/2025ه

To stay updated with the latest version of these standards, please refer to the copy published on the official website of the General Authority for Awqaf: WWW.AWQAF.GOV.SA

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Preface

With reference to the Law of the General Authority for Awqaf issued under Royal Decree No. (M/11) dated 26/02/1437 AH, which stipulates in Article 3 that *"The Authority aims to regulate, preserve, develop, and enhance Awqaf in a manner that fulfills the conditions of their founders, strengthens their role in economic and social development and social solidarity, in accordance with the objectives of the Islamic Sharia and applicable regulations"*, and as stated in Article 4: *"The Authority shall supervise all public, private (family), and joint Awqaf."* Further reference is made to the Council of Ministers' Resolution No. (42) dated 15/01/1440 AH, which approved the national strategic objectives for combating money laundering and terrorist financing and the national action plan to achieve these objectives, which help reduce the risks of money laundering and terrorist financing in the Kingdom of Saudi Arabia, including the Strategic Objective No. 7: *"Enhancing the identification of the ultimate beneficial owner"* by taking measures to promote transparency in the Waqf sector. With reference to the Regulation Governing the Work of the Supervision, issued pursuant to the Authority's Board of Directors' Resolution No. (31/1/18/43) dated 30/05/1443 AH.

This is also in accordance with international guidelines, including the Financial Action Task Force (FATF) recommendations, in particular the Recommendation No. (25) concerning *"Beneficial Ownership and Transparency of legal arrangements"*, as well as the FATF Guidance on "Beneficial Ownership and Transparency of Legal Arrangements" issued in March 2024.

Accordingly, the Authority has issued the **Beneficial Ownership Standards for Awqaf**.

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Article 1: Definitions

A. Unless the context otherwise requires , the terms and expressions used in these Standards shall have the meanings assigned to them in Article (1) of the General Authority for Awqaf Law, issued by Royal Decree No. (M/11) dated 26/02/1437 AH, as well as those defined in Article (1) of the Regulation Governing the Work of the Supervision, issued pursuant to the Board of Directors' Resolution No. (31/1/18/43) dated 30/05/1443 AH.

B. Unless the context otherwise requires, the terms and expressions used in these Standards shall have the meanings set forth opposite each of them.

Authority	The General Authority for Awqaf.
Regulation	Regulation Governing the Work of the Supervision
Standards	The standards for beneficial ownership of Awqaf.
Beneficiary	A natural or legal person(s) who is entitled, or may become entitled, directly or indirectly, to benefit from the endowment, in accordance with the founder's stipulations.
Ultimate Beneficial Owner	The natural person who ultimately owns or exercises effective and ultimate control over Waqf.
Control	The ability to effectively and actually make decisions, impose decisions, or exercise influence.

Article 2: Objectives of the Standards

These standards aim to:

.01 Enhance transparency across endowments in the Kingdom.

.02 Guide supervisors on practices for identifying the ultimate beneficial owner of an endowment.

.03 Ensure compliance with international and local requirements.

.04 Prevent the misuse of endowments for money laundering or terrorist financing.

.05 Provide sufficient, accurate, and timely information about ultimate beneficial owners and beneficiaries of endowments within the Kingdom.

Article 3: Scope of Application

These standards shall apply to endowments subject to the supervision of the Authority, as well as to foreign endowments managed by a resident supervisor within the Kingdom.

Article 4: Criteria for Defining the Ultimate Beneficial Owner

.01 A natural person is an ultimate beneficial owner of the endowment if they are any of the following:

a. founder who exercises ultimate and effective control over the endowment;
b. A supervisor;
c. Any other natural person who exercises ultimate and effective control over the endowment; or
d. Any identifiable beneficiary or specified category of beneficiaries.

02. If the founder or supervisor is a legal entity, the owner of that legal entity or its director(s) or board members – as applicable – shall be considered the ultimate beneficial owner.

Article 5: Minimum Information Required for the Ultimate Beneficial Owner

.01 The supervisor must obtain, maintain, and update adequate, accurate, and current information on the endowment and each ultimate beneficial owner, which shall include, at a minimum:

A. Full name, nationality, date and place of birth, residential address, contact details, and identity document number and type.
B. Date on which the status of ultimate beneficial owner was acquired.
C. Banking details used to receive proceeds from the endowment.
D. Nature of the relationship between the ultimate beneficial owner and the endowment.
E. The amount or share of endowment proceeds due to the ultimate beneficial owner.

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Article 5: Minimum Information Required for the Ultimate Beneficial Owner

02. If the ultimate beneficial owner is a legal entity, the supervisor shall obtain and maintain the information specified in paragraph (1) above for each natural person who qualifies as an ultimate beneficial owner under Article (4-2), as well as recording the following details of the legal entity:

A. Name and legal form.
B. National address.
C. List of directors, including full names, dates and places of birth, and nationalities.
D. Powers vested in the legal entity

03. A beholder shall also obtain and maintain accurate information for any professional service provider of the Waqf, including:

A. Name and legal form.
B. National address.
C. List of directors, including full names, dates and places of birth, and nationalities.
D. Powers vested in the legal entity.

04. The beholder must maintain accurate records, reference numbers, and a historical classification of payments made to beneficiaries.

05. In cases where there are no identifiable beneficiaries at the time the Waqf is established, the beholder must obtain, retain, and verify accurate and reliable information regarding the category of beneficiaries, their characteristics, and objectives before any disbursement from the Waqf proceeds, as stipulated in paragraph (1) of this Article.

Article 6: Verifying and Updating Ultimate Beneficial Owner Information

01. A beholder must periodically verify the accuracy of the information referred to in Article (5) by reviewing the Waqf deed, registration certificate, and all official documents related to the Waqf, and update the records upon any changes.

02. The beholder must provide the Authority with all information and data specified in Article (5), in addition to details about the nature, location, and size of the Waqf assets, on a regular basis, or upon request by the Authority, and after any change occurs.

03. When verifying the ultimate beneficial owner's information, the level of risk and material significance shall be taken into consideration while determining the scope and rigor of verification procedures that must be applied by the beholder.

04. Beneficiaries must provide the supervisor, either upon request or on their own motives, with any relevant information to ensure the accuracy and update of their data.

Article 7: Provision of Information on Beneficial Ownerships

.01 A beholder must

A. Disclose the information of the ultimate beneficial owner to financial institutions or designated non-financial businesses and professions upon request.
B. Disclose their capacity as beholder to financial institutions or designated non-financial businesses and professions when dealing with them on behalf of the Waqf.
C. Provide financial institutions and designated non-financial businesses and professions with necessary information regarding any assets of the Waqf that may be managed or held by such financial institutions and designated non-financial businesses and professions within the scope of their business relationship.
D. Provide the Authority and competent authorities with necessary information related to the Waqf or related parties.

.02 The Authority must provide all information of the ultimate beneficial owner to competent authorities upon request.

.03 The beholder must retain a copy of the information specified in Article (5) hereof for a period of no less than ten years.

.04 Upon termination of his/her term, a beholder must immediately hand over original documents to the new beholder.

.05 The Waqf deed and the Waqf registration certificate are the primary sources of information on the parties to the Waqf. Certain information may be included in other documents such as supervision deeds or judicial rulings concerning Waqf parties.

Article 8: Additional Provisions

01. An Waqf may not be managed by non-Saudi individuals who are permanently residing outside the Kingdom. Beholders must be residents of the Kingdom.

02. Awqaf may apply additional standards depending on the nature, size, and type of the Waqf, its disbursement channels, and the nature or categories of its beneficiaries or ultimate beneficial owners.

Article 9: Penalties

Penalties shall apply as set out in the Schedule of Violations and Penalties for the Regulation Governing the Work of the Supervision issued by the Authority's Board of Directors under Resolution No. (100/1/34/46) dated 05/06/1446 AH.

Article 10: Entry into Force

These standards shall be published in the Official Gazette and shall enter into force from the date of publication.

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