

Regulation Organizing the Activities of Beholding

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Chapter (1): Preface:

Introduction

Based on the civilizational role to which Waqf has contributed throughout the ages in developing Islamic societies across various development fields, and in recognition of the importance of reviving this leading role of Waqf in development, and restoring its appropriate standing in light of the reliability and effective contribution witnessed by modern societal institutions—across public and private sectors, profit and non-profit, locally and globally—in the prosperity of society and the fulfillment of its aspirations; and since beholding is the core through which the Waqf performs its mission and achieves the aspirations of its Endowers and beneficiaries, the General Authority for Awqaf has prepared the “Regulation Organizing the Activities of Beholding” pursuant to Council of Ministers Resolution No. (286) dated 21/05/1442H, which provides that “Second, Board of Directors of the General Authority for Awqaf shall issue ... 2. Regulation addressing matters related to beholding activities, including conditions, obligations, violations, and the determination of penalties applicable thereto.... ”

To ensure the application of best practices, the Authority studied the current status of the Awqaf sector in all its components, reviewed the challenges facing Awqaf and beholders, and examined leading local and international practices, with the aim of benefiting from such practices in formulating the provisions of this Regulation. In this context, the Authority's team exercised due diligence in considering the views of the public, experts, and specialists who provided feedback on the draft Regulation through the platform of the National Competitiveness Center, and such feedback was utilized to enhance the Regulation and align it with the expectations of all stakeholders in the Awqaf sector.

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Introduction

In addition, the Authority held workshops with interested parties in the Awqaf sector to solicit their opinions and proposals regarding the draft Regulation, taking due care to address the views expressed and the challenges raised therein, in a manner that serves the principal objective of adopting this Regulation.

This Regulation is concerned with the establishment of rules and instructions governing the function of beholding, its rights and obligations, the sustainability of its existence, the governance of its activities, and the strengthening of its relationship with all stakeholders associated with the Waqf, including beneficiaries, supervisory authorities, and public and private sector entities dealing with the Waqf, as well as society at large. Furthermore, the Regulation aims to enable the beholder to perform their duties and to achieve the mission and purposes for which the Waqf was established, by enhancing the professional competence of beholders and creating an attractive professional Awqaf market with distinguished standards. The Regulation also seeks to promote the principles of transparency and oversight over beholding activities, thereby contributing to the protection and sustainability of Awqaf, strengthening their developmental role, and reducing the likelihood of disputes among parties related to the Waqf, while taking into account the conditions of the Endowers and relevant laws and regulation.

Chapter (1): Preface:

Introduction

To ensure optimal application of the provisions of the Regulation and to overcome any difficulties related to the procedures it establishes, the Ministry of Justice played a fundamental and effective role in reaching alignment on the provisions of this Regulation and the procedures relating to the appointment of the beholder, including the qualifications and conditions required, as well as the provisions ensuring the empowerment of the beholder, its rights and obligations, and the consequences arising from any breach thereof.

The Authority will continue its periodic review of the application of the Regulation and its effects, adopting a gradual regulatory approach and enhancing standards in line with the evolution of practices in the Awqaf sector, in a manner that ensures responsiveness to legislative and economic developments in the Kingdom.

Article 1: Definitions

For the purposes of this Regulation, the following terms and expressions shall have the meanings assigned thereto below, wherever found herein, unless the context otherwise requires:

Authority	General Authority for Awqaf
Concerned Authority	The authority responsible for documenting the Waqf, appointing the beholder, and issuing approvals for dispositions relating to Waqf assets, in accordance with the laws, regulation, and decisions in force in the Kingdom.
Regulation	Regulation Organizing the Activities of Beholding
Endower	A natural or legal person who establishes the Waqf.
Waqf	The restriction of disposition of a valuable asset and the allocation of its proceeds to a charitable and/or a family purpose.
Beneficiary	A natural or legal person entitled to benefit from the proceeds of the Waqf in accordance with the condition of the Endower.
Beholder	A natural or legal person who assumes beholding the Waqf.
Waqf Instrument	A document issued by the competent authority that includes the condition of the Endower.
Condition of the Endower	The conditions set by the Endower regarding the Waqf, its proceeds, its allocation, its beholder, or its beneficiaries.
Beholding	The right to supervise and manage the affairs of the Waqf, protect its assets and proceeds, safeguard its interests, represent it, and implement the conditions of the Endower.
Administration	The acts carried out by the beholder, or those entrusted by the beholder to others—whether natural or legal persons in managing the affairs of the Waqf, its preservation, leasing, development, and maintenance.
Register of Beholders	A register in which the Authority records beholders who meet the criteria set out in this Regulation.
Large Awqaf	Awqaf whose total value of endowed assets amounts to SAR 200 million or more.

Article 1: Definitions

For the purposes of this Regulation, the following terms and expressions shall have the meanings assigned thereto below, wherever found herein, unless the context otherwise requires:

Authority	General Authority for Awqaf
Medium-Sized Awqaf	Awqaf whose total value of endowed assets amounts to SAR 50 million up to less than SAR 200 million.
Small Awqaf	Awqaf whose total value of endowed assets is less than SAR 50 million.
Awqaf of Direct Utilization	Awqaf in which the beneficiary derives benefit directly from the endowed asset itself, such as direct-service Awqaf, medical equipment, consultation service canters, and similar assets.
Endowed Asset	Any valuable property the disposition of its asset is restricted and whose benefit is allocated.
Conflict of Interests	A situation in which a private interest conflicts with the interest of the Waqf in a manner that affects the beholder's ability to perform his functional and professional duties objectively, with integrity and impartiality, in a way that achieves the interest of the Waqf, whether the conflict is direct or indirect.
Violation	Any breach or non-compliance committed by the beholder or the administration with any provision of this Regulation or the relevant laws, regulation, rules, instructions, and directives.
Waqf Proceeds	Revenues generated from the operation, investment, and development of the endowed asset.
Borrowing for the Waqf	The Waqf obtaining the necessary financing to implement the condition of the Endower or for the construction and development of the Waqf.
Substitution of the Endowed Asset	The replacement of the endowed asset due to a legitimate reason, by transferring its value to another asset in realization of the interest of the Waqf.

Article (2): Objectives of the Regulation

This Regulation aims to achieve the following:

- .01** Regulating and organizing beholding activities in a manner that fulfills the intent of the Endower and enhances the developmental role of Awqaf.
- .02** Raising the professional competence of beholders in order to protect the Waqf and the rights associated therewith.
- .03** Strengthening the principles of transparency and oversight over beholding activities and regulating the rights and obligations of the beholder.
- .04** Protecting Awqaf, developing them, and enhancing their developmental role in accordance with the conditions of Endowers and the relevant laws and regulation.

This is in accordance with the supervisory and oversight mandate of the Authority over beholders and their activities as stipulated in the Law of the General Authority for Awqaf issued by Royal Decree No. (M/11) dated 26/02/1437H, and pursuant to the powers granted to the Authority under the Council of Ministers Resolution No. (286) dated 21/05/1442H.

Article (3): Scope of Application

Without prejudice to the relevant laws, this Regulation shall apply to beholders of Awqaf in the Kingdom and to those who undertake their administration activities.

Chapter (2): Commencement and Termination of Beholding

Article (4): Appointment of Beholders

- .01** The Endower may assume the beholding of his Waqf and may appoint a beholder by name or by description in accordance with the provisions of Article (5) of this Regulation..
- .02** The Endower may designate the person who shall assume beholding after the appointed beholder, whether by name or description, and such designation shall be recorded in the Waqf instrument.
- .03** The Endower may assign the task of appointing the beholder to any person of his descendants or others. The person entrusted with appointing the beholder shall comply with the condition of the Endower and this Regulation and shall document the appointment with the competent authority immediately.
- .04** The Endower, or the person entrusted with appointing the beholder, must obtain the consent of the person prior to appointing him as beholder.

Article (4): Appointment of Beholders

- .05** If the position of beholder becomes vacant and the Endower's designation ceases or it becomes impossible for him to designate a beholder, the Authority or any person having standing may complete the process for appointing a beholder before the competent authority, provided that the beholder is selected from among those registered in the Register of Beholders and in a manner that does not conflict with the condition of the Endower.
- .06** Without prejudice to the applicable laws, regulation, rules, controls, instructions, and circulars, the decision appointing the beholder shall specify his powers, remuneration, and responsibilities.

Article (5): Conditions for Appointment of the Beholder

The beholder may be a natural or legal person, as detailed below:

.01 Conditions for appointing a natural person:

- A. Islam
- B. Legal capacity
- C. Possession of appropriate knowledge and qualifications to manage the Waqf and care for its affairs.
- D. Good conduct and reputation and not having been convicted by a final judgment of a crime involving dishonesty, integrity, or honor.
- e. Not having previously been removed from beholding by a final judicial ruling due to lack of integrity.
- f. Saudi nationality, where the Endower is a foreigner and the endowed asset is real property.

Article (5): Conditions for Appointment of the Beholder

- .02** For appointing a legal person, the legal person must be licensed by the Authority.

The competent authority shall verify that all conditions set out in this Article are met before appointing any person as a beholder.

Article (6): Registration in the Register of Beholders

- .01** A register shall be established at the Authority in which the names of beholders qualified to carry out beholding activities shall be recorded in accordance with the registration conditions.

- .02** Without prejudice to the conditions for appointing beholders stipulated in the condition of the Endower or in this Regulation, the following conditions shall be met by beholders registered in the Register of Beholders:

- a) Appropriate academic qualifications and experience relevant to the activities carried out by the Waqf;
- b) Capacity to manage the affairs of the Waqf.
- c) Not having previously been removed from beholding in any Waqf within the Kingdom

- .03** Within a period not exceeding two years from the entry into force of this Regulation, a committee shall be formed at the Authority by a decision of the Chairman of the Board, to be named the "Committee for the Registration of Awqaf Beholders", which shall operate in accordance with the controls and procedures approved by the Board. It shall consider registration applications submitted by applicants in accordance with the process determined by the Authority.

Article (7): Termination of Beholding

The tenure of the beholder shall terminate upon the occurrence of any of the following cases:

- .01** Submission of his resignation to the competent authority and its acceptance, with notification to the Authority of the decision issued in this regard after following the statutory procedures.
- 02.** Issuance of a final decision or judgment removing the beholder.
- 03.** If one or more of the conditions for appointment set out in Article (5) are no longer met.
- 04.** Death, whether actual or legally presumed.
- 05.** Other cases of termination of the beholder's mandate as stipulated in the Waqf Deed or its internal regulation.

Chapter (3): The Activities of Beholding

Article (8): Registration of the Waqf

- .01** The beholder shall register the Waqf and all related endowed assets with the Authority within a period not exceeding (30) business days from the date of its documentation before the competent authority or from the effective date of this Regulation, through the Authority's website.
- .02** The beholder shall update the Waqf's data and information with the Authority within a period not exceeding (15) business days from the occurrence of any of the following cases:
- a) Expiry of the Waqf registration certificate issued by the Authority.
 - b) Upon the occurrence of any material change affecting the waqf, whether related to the endowed asset, beneficiaries, or beholders.
- .03** For the purposes of applying the provisions of this Regulation, the Authority shall classify Awqaf as follows:
- a. Large Awqaf
 - b. Medium-Sized Awqaf
 - c. Small Awqaf
 - d. Awqaf with direct usufruct

Article (9): Implementation of the Conditions of the Endower

The beholder shall comply with the following:

- .01** Implement the Endower's conditions and refrain from violating them, in accordance with Sharia and statutory considerations.
- .02** Verify and understand the Endower's conditions in accordance with established principles of textual interpretation linguistically, Sharia-wise, and customarily. The beholder may submit a written request for interpretation of the Endower's condition to the Endower during their lifetime, or to the competent authority where the meaning is unclear.
- .03** Implement all Endower's conditions. Where conditions conflict, they shall be reconciled where possible; where reconciliation is not possible, priority shall be given to what is closest to the Endower's objectives. In all cases, the beholder may not refrain from implementing any condition of the Endower except after obtaining permission from the competent authority.
- .04** Prepare internal bylaws for the Waqf in a manner consistent with the Endower's conditions and the regulation and instructions issued by the Authority, applicable to large and medium-sized Awqaf.
- .05** Not to violate the Endower's conditions except where the interest of the Waqf so requires and after obtaining permission from the competent authority.

Article (10): Obligations of the Beholder

A beholder shall comply with the following:

- .01** Comply with the duties associated with his functions as prescribed by Islamic Sharia, applicable laws, regulation, rules, controls, and instructions, and any instructions issued by the Authority.
- .02** Comply with the laws and regulation governing the collection of donations and refrain from undertaking any such activity except after obtaining approval from the competent authorities in the Kingdom.
- .03** Make information and data available to beneficiaries where it relates to their interests or upon request.
- .04** Exercise due care in a manner that achieves the best interest and benefit of the Waqf.
- .05** Establish a mechanism for communication with Waqf stakeholders, including beneficiaries, for the purpose of receiving and addressing inquiries, suggestions, and complaints.
- .06** Comply with laws and regulation governing inward and outward financial transfers to and from outside the Kingdom, in particular the banking account rules issued by the Saudi Central Bank.
- .07** Establish a mechanism for disbursing waqf proceeds in cases where beneficiaries are located outside the Kingdom and notify the Authority accordingly.
- .08** Collect sufficient information on the beneficial owners of the waqf's proceeds, verify such information using all possible and reliable means, retain it, and keep it up to date.

Article (10): Obligations of the Beholder

A beholder shall comply with the following:

- .09** Periodically inform beneficiaries of the waqf's financial statements, particularly in the case of large and medium-sized Awqaf.
- .10** Immediately notify the General Department of Financial Intelligence at the Presidency of State Security upon suspicion, or where reasonable grounds for suspicion exist, that Waqf funds, in whole or in part, constitute proceeds of crime or are linked or related to money laundering or terrorist financing operations, or are intended to be used for such operations, including attempted transactions, subject to the following:
 - a.** Providing the General Department of Financial Intelligence with a detailed report containing all available data and information relating to the transaction and related parties.
 - b.** Fully responding to any request from the General Department of Financial Intelligence for additional information related to the report.
 - c.** Maintaining the confidentiality of information contained in the report and refraining from informing the suspected person or alerting or notifying any other person that information has been submitted to the competent authority or that a criminal investigation is underway or has been conducted in this regard. This shall not include disclosure or communication between directors and employees of the Waqf, communications protected by legal professional privilege with lawyers, or communications with competent authorities.

Article (11): Rights of the Beholder

The beholder is the supreme authority within the Waqf, to whom all powers revert, and for this purpose he shall have the right to:

- .01** Receive remuneration commensurate with the nature of his duties unless waived by the beholder.
Such remuneration shall be determined in the Waqf deed; where the Endower's condition does not specify the amount of remuneration, the beholder may submit a request to the competent authority for determination.
- .02** Acquire legal standing to initiate legal actions and submit applications before competent authorities and the Authority, represent the Waqf before all entities, and defend its rights and interests.
- .03** Access Waqf documents held by the Authority and competent authorities and request any documents related to the Waqf.
- .04** Delegate certain acts of the beholder's functions—without violating the Endower's conditions—to another person. The delegated person shall be subject to the provisions of Article (5) of this Regulation, and both the beholder and the delegated manager shall be jointly and severally liable for compliance with the provisions of this Regulation, related instructions, and for any consequences incurred by the Waqf as a result of such delegation.
- .05** Supervise the activities of entities affiliated with the Waqf, request their information, data, and reports, and take the necessary decisions in the interest of the Waqf and in a manner that achieves its benefit.
- .06** Provide adequate guarantees when confronted with the commission of a violation attributed to him

Article (12): Protection of the Waqf

The beholder shall take all measures necessary to preserve the Waqf, care for its affairs, and develop it in a manner that achieves its benefit, interest, and sustainability, without prejudice to the Endower's conditions and the relevant laws, including the following:

- .01** Protect the Waqf, its interests, and its rights, and represent the Waqf personally or by supervising those entrusted with representing the Waqf before the competent judicial authority.
- .02** Comply with the maintenance and repair of the Waqf, and for this purpose take all measures that ensure such maintenance, including deducting an amount from the Waqf proceeds prior to their disbursement and distribution to cover the costs of maintaining and operating the endowed asset and other costs necessary for the operation and management of the Waqf to the extent appropriate for that purpose.
- .03** Without prejudice to the Endower's conditions, the beholder shall not substitute any Waqf asset except after obtaining permission from the competent authority. The beholder shall notify the Authority of any substitution of an endowed asset immediately upon completion thereof, and such notification shall include detailed data regarding the substitute asset. Such notification shall be submitted within a period not exceeding (10) business days from the date of completion of the substitution.

Article (13): Disbursement of Waqf Proceeds

- .01** The beholder shall disburse waqf proceeds in accordance with the purposes specified in the waqf deed and within the designated disbursement schedules through bank accounts dedicated to the waqf. Where the endower has not specified a disbursement date, proceeds must be disbursed within a period not exceeding three months from the end of the waqf's financial year.
- .02** The beholder shall document all disbursements of waqf proceeds to beneficiaries. Where disbursement is carried out through a legal entity, such entity must be licensed in accordance with the regulation in force in the Kingdom.
- .03** Where the Endower has not specified a beneficiary by name or description; where the designation of the beneficiary has ceased, or where the Endower's condition is of a general charitable nature, the beholder shall ensure that Waqf proceeds are disbursed in accordance with the Endower's intent, in a manner that is of greater benefit, yields greater reward, enhances the role of the Waqf in economic and social development and social solidarity, and maximizes impact. In all cases, the beholder shall refer to the competent authority to determine the Endower's intent.

Article (14): Administration of the Waqf

The beholder shall supervise the management of the Waqf's activities in accordance with its nature, the size of its assets, and the scope of its transactions, in a manner proportionate to its condition. In doing so, the beholder shall perform his duties with skill, due care, and diligence, including the following:

- .01** Preparing internal regulation, policies, and procedures necessary for the management of the Waqf, including those related to the collection, disbursement, and investment of Waqf proceeds, and reviewing and updating them periodically in a manner consistent with the Waqf's circumstances, applicable to large and medium-sized Awqaf.
- .02** Establishing regulatory systems and internal controls over Waqf funds to ensure their protection, proper disbursement, and optimal utilization in accordance with best standards.
- .03** Ensuring that all persons appointed to manage the Waqf possess competence and integrity, comply with their functional duties and apply best practices in their management.
- .04** Attending awareness and training programs related to Awqaf, including training programs on combating money laundering and terrorist financing for Waqf personnel, according to the nature of duties of each position and in accordance with best practices.

Article (15): Financial Management

The beholder shall undertake the following measures:

- .01** Opening one or more bank accounts in the name of the waqf with banks operating in the Kingdom, through which all financial transactions related to the waqf, and its management shall be conducted, ensuring that waqf funds are not commingled with personal funds.
- .02** Recording all financial transactions of the waqf in Arabic.
- .03** Maintaining waqf documents and correspondence in an orderly manner.
- .04** For large and medium-sized Awqaf, preparing a budget estimate for all waqf activities, taking into account current and future needs, and preparing audited financial statements approved by accountants and auditors accredited by the Saudi Organization for Chartered and Professional Accountants.
- .05** Preparing an annual financial statement detailing the waqf's revenues and expenditures for small Awqaf, and for Awqaf with direct utilization where revenues and expenditures exist.

Article (16): Investment of the Waqf

Without prejudice to the relevant laws and the Endower's conditions, the beholder shall comply with the following:

- .01** Ensure that all investments are compliant with the provisions of Islamic Sharia.
- .02** Comply with applicable laws, regulation, and instructions in force in the Kingdom.
- .03** Ensure that investments fall within an acceptable risk threshold, that returns are proportionate to the risks assumed, and that the Waqf is not exposed to excessive risk.
- .04** Develop and maintain the endowed real estate asset for the purpose of increasing Waqf proceeds.
- .05** Exercise due care in all investment operations to ensure the sustainability and growth of the Waqf in accordance with the Endower's conditions.

Article (17): Full-Time dedication of the Beholder

- .01** The beholder shall allocate sufficient and appropriate time and effort to perform his duties.
- .02** The beholder may combine the exercise of beholding with other professional activities, provided that such activities do not conflict with the interests or sustainability of the Waqf. Where the Endower's condition requires full-time dedication to beholding, the beholder shall be prohibited from combining beholding with any other occupation.

Article (18): Conflict of Interests

Subject to the Endower's conditions, the beholder shall, in performing his duties, comply with the requirements of honesty and integrity, give priority to the interests of the Waqf over any personal interest, and refrain from exploiting his position to achieve personal benefits at the expense of the Waqf. The beholder shall disclose to the Authority any situation involving a conflict of interest and is, in particular, prohibited from the following:

- .01** Contracting for or executing Waqf-related activities with himself or with any of his relatives up to the second degree, whether directly or indirectly.
- .02** Using any information or data relating to the Waqf, its activities, or operations to achieve personal benefits.

Article (19): Pledging of the Waqf

- .01** The beholder shall be prohibited from pledging the Waqf except after obtaining permission from the competent authority and notifying the Authority thereof. The beholder shall comply with the Endower's conditions and take into account the interests of the Waqf and its beneficiaries.

Article (20): Record Keeping

The beholder shall retain all waqf records securely, including records of local and international financial transactions related to the waqf, for a period of not less than (10) years after each transaction, and establishing appropriate mechanisms to ensure rapid access to such information by the competent authorities upon request.

- .01** Contracting for or executing Waqf-related activities with himself or with any of his relatives up to the second degree, whether directly or indirectly.
- .02** Using any information or data relating to the Waqf, its activities, or operations to achieve personal benefits.

Chapter (4): Supervision and Oversight

Article (21): Compliance with the Supervisory and Oversight Authority

The beholder shall comply with the following:

- .01 Provide the Authority with the requirements set forth in paragraphs (4) and (5) of Article (15) of this Regulation, in accordance with the mechanisms and means specified by the Authority.
- .02 Provide the Authority with the information and reports it requests and respond to any inquiries relating to the Waqf within the prescribed time.
- .03 Fully cooperate with the Authority's employees and those entrusted with examining the Waqf, its records, and its bank accounts, facilitate their tasks, and provide all required data and information without delay.

Article (22): Confidentiality of Information

The beholder shall maintain the confidentiality of data and information accessed during the performance of beholding duties. Such obligation shall remain in effect even after the termination of his relationship with the Waqf. Disclosure of data and information shall be excluded from confidentiality were made in accordance with the provisions of this Regulation and in a manner that preserves the rights of the Waqf.

Article (23): Consideration of Violations

- .01** The Authority shall consider violations committed by the beholder of the provisions of this Regulation and the relevant laws, regulation, and instructions, and shall apply the penalties set forth in Article (24).
- .02** The Authority shall issue rules for addressing violations, specifying the procedures for considering violations and the mechanism for imposing sanctions.
- .03** The Authority shall form one or more committees to consider violations committed by the beholder of the provisions of this Regulation and the relevant laws, regulation, rules, controls, and instructions. The Board shall determine the committee's operating rules and procedures.
- .04** Where the Authority finds that a violation is connected to any of the crimes set forth in the laws and regulation in force in the Kingdom, the matter shall be referred to the competent authorities to complete the necessary procedures.
- .05** The Authority shall receive reports of violations through its official channels.
- .06** Categories and severity levels of violations shall be classified according to the size of the Waqf, the type of violation, the consequences thereof, and the associated risks.
- .07** The Authority shall consider grievances submitted against its decisions imposing penalties on the violating beholder within (60) days from the date of knowledge thereof and shall specify the rules for addressing violations and the grievance mechanism applicable to such decisions.

Article (24): Penalties

- .01** Without prejudice to civil and criminal liability, where the Authority finds that a beholder or any person delegated with the administration of the Waqf has violated any provision of this Regulation or any instructions issued by the Authority, it may impose one or more of the following penalties, taking into account the gravity of the violation, its effects, and the circumstances of its commission:
- Warning;
 - Imposition of a financial fine not exceeding SAR 500,000.
 - Suspension of the beholder from performing beholding duties for a period not exceeding (90) days from the date of commission of the violation.
- .02**

Taking into account the gravity and repetition of the violation, its effects, and the circumstances of its commission, the Authority may impose the penalty of dismissal of the beholder in the following cases:

- The beholder commits any crime stipulated in any law through the Waqf or in the course of performing beholding duties.
- It is established that the beholder has violated the Endower's condition relating to Waqf disbursement channels, provided being notified of the violation by the Authority and failed to respond in remedying it.
- The beholder commingles Waqf funds with other funds without a Sharia or legal justification.
- It is established that the beholder has carried out fictitious transactions in the name of the Waqf for the purpose of circumventing laws.
- It is established that the beholder has refused to open a bank account in the name of the Waqf without justification.

Article (24): Penalties

- e. It is established that the beholder has refused to open a bank account in the name of the Waqf without justification.
- f. It is established that the beholder has violated the relevant laws relating to the disposition of the Waqf asset in any form of disposition.
- g. It is established that the beholder has refused, without legitimate justification, to enable the Authority to conduct desk-based or on-site examinations of the Waqf, or to provide the Authority with documents, records, or information it requests for the purpose of fulfilling its duties in protecting the Endower's conditions and achieving the interest and benefit of the Waqf.

.03 Without prejudice to the provisions of this Article, the committee shall, when imposing penalties, take into account the Schedule of Violations and Sanctions issued by the Authority.

Article (25): Decisions on Violations and Objections Thereto

- .01** The decision of the Committee referred to in Article (23) shall be subject to objection before the Administrative Court, in accordance with the statutory provisions governing such objections, where the penalty decided is one of the following:
- a. Warning;
 - b. Imposition of a fine not exceeding SAR 500,000.

Article (25): Decisions on Violations and Objections Thereto

- .02** The decision of the Committee referred to in Article (23) shall be subject to objection before the competent divisions for the dismissal of the beholder within (30) days from the date of issuance of the decision, where the decision includes any of the following penalties:
- a. Suspension of the beholder from performing beholding duties for a period not exceeding (90) days from the date of commission of the violation.
 - b. Removal of the beholder
- .03** The judgment of the competent division in respect of the objection referred to in paragraph (2) of this Article shall itself be subject to objection in accordance with the statutory procedures for challenging judgments.

Article (26): Corrective Measures

The Authority may take, or require the beholder to take, any corrective measure it deems appropriate for violations committed, including, by way of example and without limitation:

- .01** Removing the violation and the effects resulting therefrom.
- .02** Increasing the number of specialized staff.
- .03** Contracting specialized technical offices to rectify deficiencies.

Article (26): Corrective Measures

- .04** Appointing one or more advisers to provide consultation.
- .05** Requiring the beholder to remedy the committed violation and restore the rights of entitled persons arising from such violations.
- .06** Requiring the beholder to attend one or more qualification or training courses related to the committed violation.

The beholder shall bear the financial costs resulting from corrective measures where such measures arise from his negligence or failure.

Article (27): Measures Resulting from Removal from Beholding

The penalty of removal from beholding referred to in Article (24) of this Regulation shall entail the following procedures:

- .01** The Authority shall notify the competent authority, the removed beholder, and all stakeholders dealing with the Waqf of the decision removing the beholder.

Article (27): Measures Resulting from Removal from Beholding

.02 The competent authority shall take the following measures, while notifying the Authority;

- a. Amend all documents related to the Waqf in accordance with the decision removing the beholder.
- b. Notify the Saudi Central Bank and the Capital Market Authority to revoke authorization to operate bank accounts and investment accounts belonging to the Waqf from the person against whom the removal decision has been issued.
- c. Appoint an alternative beholder in accordance with the procedures for appointing beholders set out in this Regulation, following nomination by the Authority, selection from among those registered in the Register of Beholders, and documentation of the appointment.

.03 The removed beholder shall be obliged to:

- a. Disclose to the Authority all Waqf assets and all documents, records, data, and information related to the Waqf.
- b. Deliver all matters relating to the Waqf to the alternative beholder and notify the Authority accordingly.
- c. Enable the alternative beholder to update the Waqf registration certificate.

Chapter (5): Final Provisions

Article (28): Exemption from the Provisions of the Regulation

Without prejudice to the relevant laws, the Authority may exempt one or more beholders from the application of one or more provisions of this Regulation, in accordance with the type and size of the Waqf and in a manner proportionate to its condition.

Article (29): Implementation of the Provisions of Regulation

The Authority may issue the guidelines and indicative templates necessary for the implementation of the provisions of this Regulation.

Article (30): Amendment of the Regulation

This Regulation shall be amended in the same manner in which it was issued.

Article (31): Transitional Phases

Persons to whom the provisions of this Regulation apply shall be granted a period of one (1) year from the date of entry into force of the Regulation to regularize their status in accordance with its provisions.

Article (32): Entry into Force

The provisions of this Regulation shall enter into force from the date of its publication in the Official Gazette.

