



World Waqf Foundation

Member of the Islamic Development Bank Group
Together We Build the Waqf for the Development of the Ummah

REGULATIONS OF THE WORLD WAQF FOUNDATION

2nd Edition
2003



World Waqf Foundation

Member of the Islamic Development Bank Group

Together We Build the Waqf for the Development of the Ummah

REGULATIONS OF THE WORLD WAQF FOUNDATION

2nd Edition
2003

REGULATIONS OF THE WORLD WAQF FOUNDATION

PREAMBLE:

IN VIEW of the IDB's purpose of fostering the economic development and social progress of its member countries and Muslim communities in non-member countries; and in pursuance of the powers of the IDB to operate trust funds; and in support of the activities and programmes undertaken by the IDB within the framework of the Special Assistance Programme; and desirous to afford the opportunity to all those who wish to contribute to and support the foregoing;

THE BANK HEREBY DECIDES to establish a Trust Fund to be known as the "World Waqf Foundation".

1. DEFINITIONS

In these Regulations, unless the context otherwise requires, the following expressions shall have the meanings indicated against each of them:

Articles of Agreement	:	the Articles of Agreement establishing the Islamic Development Bank
IDB	:	The Islamic Development Bank
The Bank	:	The Islamic Development Bank
Board of Executive Directors	:	The Board of Executive Directors of the IDB
Board of Governors	:	The Board of Governors of the IDB
Board of Trustees	:	The Board of Trustees of the Foundation
President	:	The President of the IDB
The Foundation	:	The World Waqf Foundation
Council of Waqifs	:	The council established in accordance with Article 6 of these Regulations

2. ESTABLISHMENT OF THE FOUNDATION

- 2.1 A fund to be known as the World Waqf Foundation shall be established under these Regulations.
- 2.2 The Foundation shall be a Trust Fund within the IDB and shall be governed by its Articles of Agreement and these Regulations.
- 2.3 The IDB shall manage and administer the Foundation in its capacity as a Waqf Trustee (nazer) in conformity with Shariah rules concerning waqfs and in accordance with the provisions of these Regulations.
- 2.4 Special waqfs may be established within the Foundation for a specific purpose or for a certain geographical area as may be desired by the Waqif or Waqifs.

3. PURPOSES AND POWERS OF THE FOUNDATION

- 3.1 The Foundation aims to achieve the following purposes in member countries of the IDB and in Muslim communities in non-member countries:
 - a) to support the establishment of a network of waqf institutions that would perform Shariah compatible charity activities,
 - b) to sponsor and support waqf institutions, coordinate their activities and provide them with expertise,
 - c) to extend assistance to students and provide scholarships in disciplines that can fulfil the needs of the Ummah,
 - d) to establish and support educational, health and social institutions and programmes,
 - e) to contribute to the alleviation of poverty so as to enable peoples of the world overcome hardship and build their capabilities,
 - f) to provide relief aid in the form of goods and services,
 - g) to help IDB member countries to enact uniform waqf legislations.
- 3.2 The Board of Trustees may establish in member countries and in Muslim communities in non-member countries, in accordance with their existing laws and regulations, sister institutions or funds that would have the same purpose as the Foundation. The Board of Trustees shall lay down rules and regulations that would ensure coordination between the activities of the Foundation and sister institutions or funds.

3.3 To fulfil its purposes, the Foundation may undertake any other activity that may advance its purposes.

3.4 The Foundation shall not finance any project in the territory of a member country of the IDB if that member objects to such financing.

4. **RESOURCES OF THE FOUNDATION**

4.1 The resources of the Foundation shall be constituted from allocations by the IDB, as well as from the waqfs devoted to any of the purposes of the Foundation and donations and grants that support the purposes of the Foundation.

4.2 When the liquid funds of the Foundation reach a suitable level to be determined by the Board of Trustees, the Board of Trustees shall purchase appropriate waqf properties that would generate adequate income and shall adopt regulations that govern the aforesaid.

4.3 Expenditure from private waqfs resources shall be made in conformity with the terms and conditions laid down by the Waqif.

4.4 The Board of Trustees shall deduct annually not less than 20% of the realized income to be dedicated to the maintenance of the assets of the waqf as well as the efficiency and sustainability of the waqf.

5. **INVESTMENT OF THE FOUNDATION'S ASSETS**

The waqf property shall be held and dealt with in accordance with the principles of Shariah. The liquid assets of the Foundation shall only be placed or invested in conformity with principles of the Shariah.

6. **COUNCIL OF WAQIFS - Composition**

6.1 The Council of Waqifs shall be composed of members, including the Bank, who either severally or jointly contribute to the resources of the Foundation an amount which is not less than one (1) million United States Dollars.

6.2 The President of the Islamic Development Bank shall be the ex-officio chairman of the Council of Waqifs.

7. **COUNCIL OF WAQIFS - Powers**

The Council of Waqifs shall have the following powers:

- a) election of the Board of Trustees,
- b) supervision of the performance of the tasks assigned to the Board of Trustees,
- c) consideration of the annual report of the Foundation,
- d) selection of the external auditors of the Foundation who shall be appointed by the Board of Governors,
- e) review of the final accounts of the Foundation before submission through the Board of Executive Directors to the Board of Governors for approval,
- f) ensuring compliance with these Regulations, and
- g) proposal of amendments to these Regulations.

8. **COUNCIL OF WAQIFS - Procedures**

- 8.1 The Council of Waqifs shall meet at least once a year and whenever the need arises.
- 8.2 A majority of the Council of Waqifs shall constitute a quorum for a meeting of the Council of Waqifs provided that such majority represents not less than two-thirds of the total voting power of the members.
- 8.3 All matters before the Council shall be decided by a majority of the voting power of members of the Council present. Abstentions shall not be counted. In case of an equal division, the Chairman shall have a casting vote.
- 8.4 Each member shall have one vote for every 1 million US dollars contributed by him or the group of Waqifs that he represents in the Council.
- 8.5 A member of the Council may give proxy to another member of the Council or to a person who is not a member to represent such a member at any meeting of the Council.
- 8.6 If the Waqif is a natural person, he may, by will, designate the person who shall represent his share in the Council.

9. **BOARD OF TRUSTEES - Powers**

- 9.1 The Islamic Development Bank shall be the Trustee (Nazer) of the Foundation.
- 9.2 The Foundation shall have a Board of Trustees, which shall be constituted in the manner provided for in Article 10 of these Regulations.
- 9.3 Subject to the provisions of these Regulations, the general supervision of the Board of Executive Directors, and the operational guidelines and principles laid down, from time to time, by the Board of Executive Directors, the Board of Trustees shall have the following powers:
- a) conduct the business and affairs of the Foundation,
 - b) approve the operations of the Foundation,
 - c) approve the operations plan and annual budget of the Foundation,
 - d) propose operational guidelines and principles that ensure
 - e) that the development of the Foundation's resources and sustainable sources of income would be utilized to achieve the purposes of the Foundation and submit them to the Board of Executive Directors for approval,
 - f) undertake periodically review of the performance of the Foundation and submit quarterly and any other reports on the performance of the Foundation to the Council of Waqifs and the Board of Executive Directors,
 - g) prepare an annual report which shall show the other operations, programmes and activities financed from the Foundation's resources and submit the said report to the Council of Waqifs and the Board of Executive Directors, and
 - h) submit the accounts of the Foundation for each financial year for the consideration of the Council of Waqifs and to the Board of Executive Directors for submission for the approval of the Board of Governors.

10. **BOARD OF TRUSTEES - Composition**

The Foundation shall have Board of Trustees composed of :

- a) The President of the Islamic Development Bank as ex-officio Chairman,

- b) six members shall be elected by the Council of Waqifs. Each Waqif or group of Waqifs shall represent, to the extent possible, the number of members on the Board of Trustees that is commensurate with his or group's equity participation in the Foundation's resources, and
- c) members of the Board of Trustees shall be elected for a period of three years, and may be re-elected.

11. **BOARD OF TRUSTEES - Procedures**

- 11.1 The Board of Trustees shall meet as the business may require but not less than four times a year, upon the request of the Chairman of the Board of Trustees. The Chairman of the Board of Trustees shall cause notice of the date, place and agenda of the meeting to be given to the members.
- 11.2 Special Meetings of the Board of Trustees shall be called whenever requested by the Chairman or at the written request of three members of the Board. The Chairman shall cause notice of the meeting to be given to the members through the most rapid means of communication, not less than fourteen days prior to the date set for such meeting, except that in special circumstances, the notice shall be given not less than three days prior to such date.
- 11.3 The majority of members of the Board shall constitute a quorum for any meeting provided that the Chairman or his representative is present.
- 11.4 All matters before the Board shall be decided by a majority of votes of members present. Abstentions shall not be counted. In case of an equal division, the Chairman shall have a deciding vote.
- 11.5 If, for any reason, the position of a member of the Board of Trustees becomes vacant, the Council of Waqifs shall elect his successor in accordance with Article 10(b).
- 11.6 Any matter, which is not covered by these Regulations, shall be governed by the procedures of the Board of Executive Directors.

12. **POWERS OF THE CHAIRMAN OF THE BOARD OF TRUSTEES**

- 12.1 The Chairman of the Board of Trustees shall submit to the Board of Trustees for approval before the end of every financial year the operational plan and the annual budget of the Foundation for the following year.
- 12.2 The Chairman of the Board of Trustees shall, in the light of the rules adopted by the Board of Trustees, invest the Foundation's resources as may not be immediately required for financing its operations, programmes and other activities. In doing so, the Chairman shall be guided by the generally accepted investment risk management principles giving paramount importance to the need to preserve, in the short, medium and long terms, the resources of the Foundation.
- 12.3 The Chairman of the Board of Trustees shall recruit the technical staff of the Foundation and determine their duties.
- 12.4 The Chairman of the Board of Trustees shall be the legal representative of the Foundation.

13. **OPERATIONAL GUIDELINES**

Any financing from the resources of the Foundation shall be approved by the Board of Trustees or by the Chairman of the Board of Trustees within the powers vested in him by the Board of Trustees and in accordance with the guidelines laid down by the Board of Executive Directors.

14. **SEPARATION OF RESOURCES**

- 14.1 The Foundation's resources shall at all times and in all respects, be held, used, committed, invested and disposed of entirely separately from the resources of the IDB or any other resources placed at the disposal of the IDB.
- 14.2 The Board of Trustees shall keep separate accounts and records of the Foundation's resources and operations in such a manner as to facilitate the identification of its assets, liabilities, revenue and expenses.
- 14.3 The accounts and assets of the Foundation shall be kept and denominated in US dollar.

15. **THE ADMINISTRATIVE EXPENSES OF THE FOUNDATION**

- 15.1 Expenses incurred directly by the activities of the Foundation shall be charged to the revenues of the Foundation. The Foundation's utilization of the IDB's facilities and services shall also be charged against its revenues.
- 15.2 The IDB's ordinary resources shall, under no circumstances, be utilized to recoup losses and commitments on operations or other activities for which the Foundation's revenue have been originally utilized or allocated.

16. **FINANCIAL YEAR AND AUDIT**

- 16.1 The Financial year of the Foundation shall begin from the first of Muharram and end on the last day of Dhul Hijjah of each Hijra year.
- 16.2 Notwithstanding the provisions of paragraph (1) of this Article, the first financial year of the Foundation shall commence on the date the Foundation commences business and shall end on the last day of the month of Dhul Hijjah of the following year.
- 16.3 The accounts of the Foundation shall be audited, at least once a year, by external auditors of international repute, selected by the Council of Waqifs and approved by the Board of Governors. The audit exercise shall include the detailed examination of the underlying accounting records of the Foundation. It shall also include such data that the auditors deem appropriate as well as those which indicate that the financial transactions and investments of the Foundation carried out during the financial year are recorded adequately and appropriately. The Board of Executive Directors shall submit to the Board of Governors, based on the reports of the external auditors, statements on the financial position of the Foundation and the annual budget.

17. **AMENDMENT TO THE REGULATIONS**

- 17.1 These Regulations may be amended by the Council of Waqifs subject to ratification of the Board of Executive Directors.
- 17.2 The Board of Executive Directors shall be the competent body to interpret these Regulations.