Law No. (14) of 2017

Regulating

Endowments and Gifts in the Emirate of Dubai[1]

We, Mohammed bin Rashid Al Maktoum, Ruler of Dubai,

After perusal of:

Federal Law No. (5) of 1985 Issuing the Civil Code of the United Arab Emirates and its amendments;

Federal Law No. (10) of 1992 Issuing the Law of Evidence Governing Civil Obligations and Commercial Transactions and its amendments;

Federal Law No. (11) of 1992 Issuing the Civil Procedures Code and its amendments;

Federal Law No. (28) of 2005 Concerning Family Affairs;

Federal Law No. (2) of 2015 Concerning Commercial Companies;

Law No. (6) of 1997 Concerning Contracts of Government Departments in the Emirate of Dubai and its amendments;

Law No. (9) of 2007 Establishing the Awqaf and Minors Affairs Foundation;

Law No. (2) of 2011 Concerning the Islamic Affairs and Charitable Activities Department;

Law No. (21) of 2015 Concerning Judicial Fees of the Dubai Courts;

Law No. (1) of 2016 Concerning the Financial Regulations of the Government of Dubai;

Law No. (13) of 2016 Concerning the Judicial Authorities in the Emirate of Dubai;

Law No. (17) of 2017 Establishing the Mohammed bin Rashid Global Centre for Endowment Consultancy;

The Decree of 1971 Establishing the Jaafari Charitable Endowments Administration Council in Dubai;

Decree No. (9) of 2015 Regulating the Raising of Donations in the Emirate of Dubai; and

Executive Council Resolution No. (25) of 2013 Concerning Mosques and Religious Activities in the Emirate of Dubai,

[1] *Every effort has been made to produce an accurate and complete English version of this legislation. However, for the purpose of its interpretation and application, reference must be made to the original Arabic text. In case of conflict, the Arabic text will prevail.*

Do hereby issue this Law.

Chapter One
Title, Definitions, Objectives, and Scope of Application of the Law

Title of the Law
Article (1)

This Law will be cited as "Law No. (14) of 2017 Regulating Endowments and Gifts in the Emirate of Dubai".

Definitions
Article (2)

The following words and expressions, wherever mentioned in this Law, will have the meaning indicated opposite each of them unless the context implies otherwise:

UAE:	The United Arab Emirates.
Emirate:	The Emirate of Dubai.
AMAF:	The Awqaf and Minors Affairs Foundation.
MBRGCEC:	The Mohammed bin Rashid Global Centre for Endowment Consultancy.
Competent Court:	The Dubai Courts.
Endowed Property:	The property and things that a Donor owns or over which he holds the right of disposition. These include, but are not limited to, movable and immovable property; shares; stocks; bonds; securities; usufruct rights; tenancy rights; and other personal, real, and moral rights that may be endowed.
Endowment:	A scheme under which the proceeds from Endowed Property are dedicated to Beneficiaries or to charity while keeping the principal intact.
Donor:	A person who renders Endowed Property inalienable through an Endowment with the intent to allocate its proceeds to an individual, a category of individuals, an entity, an initiative, or a project.

Beneficiary:	An individual, a category of individuals, or an entity to whom the proceeds of an Endowment are dedicated.
Trustee:	A natural or legal person who is appointed to manage an Endowment.
Endowment Deed:	A document issued by the Competent Court to validate an Endowment.
Register:	A register maintained by the AMAF for registering Endowments based on Endowment Deeds.
Dubai Endowment Sign:	A sign awarded by the MBRGCEC to individuals, public entities, and private entities that make Endowment-related socially responsible contributions.
Endowment Foundation:	A non-profit foundation, having legal personality, licensed by the AMAF, funded exclusively by Endowment proceeds, and utilising these proceeds to fund its programmes, initiatives, and activities.
Gift:	The movable or immovable property which is donated in accordance with this Law and other applicable legislation for the benefit of an individual, a category of individuals, an entity, an initiative, or a project.

Objectives of the Law
Article (3)

This Law aims to:

1. implement the UAE vision of consolidating the values of altruism, philanthropic giving, and performing charitable deeds without expecting anything in return;

2. develop an integrated legal framework that meets modern-day requirements and the need of society for the regulation, management, operation, and preservation of Endowments and Gifts;

3. create an environment that encourages charitable work and social contribution to education, health, culture, arts, the environment, sports, social solidarity, and other relevant fields;

4. encourage Endowments and Gifts through innovative initiatives that meet the needs of the community, individuals, and various other categories;

5. determine the role of concerned entities and the rules and procedures governing Endowments and Gifts, their management and development, and the allocation of their proceeds to individuals, categories of individuals, entities, initiatives, and projects that are worthy of support;

6. diversify the forms and channels of distribution of Endowment proceeds and Gifts through traditional and innovative methods; and

7. develop a clear system of governance for the Endowment Foundations established in the Emirate.

Scope of Application
Article (4)

This Law will apply to:

1. all Endowments existing in the Emirate by the effective date of this Law and those established thereafter by Muslims or non-Muslims; and

2. all Gifts granted in the Emirate in accordance with this Law and other applicable legislation.

Chapter Two
Endowment Provisions

Establishment and Legal Effect of Endowments
Article (5)

a. An Endowment will be established by the expression of the legally valid intent of the Donor as evidenced by an Endowment Deed recorded in the Register.

b. An Endowment Deed must contain a statement of intent of the Donor to render the principal of the Endowed Property inalienable and to distribute its proceeds among the Beneficiaries he specifies and under the terms he prescribes. It must also contain all information about the Donor, the Endowed Property, the Beneficiary, the Trustee, and the term of the Endowment.

c. An Endowment Deed will be legally binding on all persons, including the Donor and his universal and particular successors.

d. An Endowment established prior to the effective date of this Law may be proven by all means of evidence.

e. Any Endowment established contrary to the provisions of this Law will be deemed void and will have no legal effect.

Types of Endowments
Article (6)

a. Endowments are categorised according to type of Beneficiary as follows:

   1. Family Endowment: an Endowment established for the benefit of the Donor himself, his offspring, or any other persons he specifies by name or description whether or not they are from amongst the Donor's relatives;

   2. Charitable Endowment: an Endowment whose proceeds are allocated to the public, a specific entity, an initiative, or a project; and

   3. Joint Endowment: an Endowment whose proceeds are allocated to the Donor's offspring and to public charity.

b. Endowments are categorised according to their term as follows:

   1. Permanent Endowment: an Endowment which is not limited in time; and

   2. Term Endowment: an Endowment for which the Donor determines a specific period or a specific generation of his offspring;

c. Endowments are categorised according to scope as follows:

   1. Specific-purpose Endowment: an Endowment established by the Donor for a specific purpose; and

   2. Public Charity Endowment: an Endowment established by the Donor for multiple purposes or for public charitable activities.

Endowment Term
Article (7)

a. A Term Endowment will be maintained for the duration specified by the Donor in the Endowment Deed. This duration may not be less than one (1) year.

b. An Endowment will be deemed a Permanent Endowment in the following cases:

   1. where the Endowment Deed expressly states that the Endowment will be maintained in perpetuity;

   2. if it is a mosque Endowment;

3. if it is a cemetery Endowment; or

4. where the term of the Endowment is not specified in the Endowment Deed.

Acceptance of Endowments
Article (8)

a. To be deemed valid, an Endowment must be accepted by its Beneficiary where he is specified by name. Where the Beneficiary is a minor or a person placed under interdiction, the Endowment will be accepted on his behalf by his guardian or custodian.

b. Acceptance will not be a prerequisite for the validity of an Endowment where the Beneficiary is an unspecified entity or where such acceptance is inconceivable.

Conditions of Endowments
Article (9)

a. An Endowment will be valid whether it takes effect upon its establishment or after the death of the Donor. An Endowment may also be contingent upon a condition. However, and where such a condition is illegal, the Endowment will be valid but the condition will be void.

b. A condition stipulated by the Donor is as binding as a legal provision to the extent that it does not contradict the provisions of this Law. The intent of the Donor will be interpreted based on the wording of the condition and the purposes of the Donor.

Revoking and Modifying Endowments
Article (10)

a. Where the Donor so stipulates in his Endowment Deed, he may revoke his Endowment during his lifetime, and may modify the Endowment Deed or add, remove, or modify any condition thereof. Where two (2) valid conditions conflict, they must be reconciled where possible, failing which the more recent condition will prevail.

b. Revocation of an Endowment or modification of any of its conditions will be made pursuant to a written document attested by the Competent Court and recorded in the Register.

Requirements for Donors
Article (11)

For an Endowment to be valid, the Donor must meet the following requirements:

1. He must be of full capacity and not be prohibited from making donations.
2. He must be the owner of the property to be endowed or have the right of legal disposition over it.
3. He must not be liable for a debt incurred prior to establishing the Endowment, where the settlement of the debt consumes the Donor's entire property or where the Donor's property in excess of the Endowment will not cover that debt, unless the Endowment is permitted by the creditor.
4. Neither the conditions stipulated by the Donor nor the purpose of the Endowment may aim at evading the repayment of a debt; at impeding the exercise of a right of pre-emption; at circumventing inheritance provisions; or at violating applicable legislation, public order, or public morals.

Requirements for Endowed Property
Article (12)

Endowed Property must:

1. be usable without being consumed;
2. be legally usable;
3. be owned by the Donor or be under his right of legal disposition, and the Donor must not be prohibited from disposing thereof; and
4. be free from encumbrances.

Requirements for Beneficiaries
Article (13)

A Beneficiary must:

1. be specified by the Donor. Where no person is specified by the Donor, the poor will be deemed as Beneficiary. A Donor may, during his lifetime, specify another Beneficiary. Where the Beneficiary passes away without specifying a Beneficiary, the proceeds of the Endowment will continue to be disbursed to the poor;
2. have a legitimate interest in the Endowment;

3. exist or be likely to exist in the future. The Donor may during his lifetime reallocate entitlement to Endowment proceeds from a Beneficiary to another;

4. be legally eligible for being identified as a Beneficiary of an Endowment; and

5. not have any interest that conflicts with public interest.

Endowment Proceeds in Excess of Beneficiary Needs
Article (14)

Where the proceeds of an Endowment exceed the needs of the Beneficiary, the Donor may, during his lifetime, specify a second Beneficiary. Upon the death of the Donor, any proceeds in excess of the Beneficiary's needs will be paid under the Trustee's supervision to a second Beneficiary, in which case the heirs of the Beneficiary and heirs of the Donor will take priority if this achieves the purpose of the Endowment prescribed by the Donor.

Validity of Endowments
Article (15)

Where an Endowment is established in compliance with all the conditions stipulated in this Law, it will be deemed valid and will have full legal effect, in which case the Endowed Property may not be disposed of throughout the term of the Endowment in any manner that involves transfer of ownership or restriction of the use of the proceeds of the Endowment, such as sale, pledge, or donation.

Effects of Endowments
Article (16)

a. An Endowment will take effect from the date on which it is recorded in the Register. An Endowment may be recorded in the Register only after the Endowment Deed is issued.

b. Recording an Endowment in the Register will have the following effects:

    1. The Endowment will have legal personality, financial and administrative autonomy, and the right to sue and be sued in its own name.

    2. Ownership and possession of the Endowed Property will be vested in the Endowment.

    3. The conditions of the Endowment will come into force.

    4. The Endowment will become binding on all persons.

Appointment of Trustees
Article (17)

a. Each Endowment must have a Trustee.

b. The Trustee will be appointed by the Donor. Alternatively, the method of appointment of the Trustee will be determined in the Endowment Deed.

c. A Donor may act as a Trustee. The Trustee may also be one or more natural or legal persons.

d. Where no Trustee is appointed by the Donor and no method of appointment is determined in the Endowment Deed, the AMAF will assume trusteeship of the Endowment.

Requirements for Trustees
Article (18)

a. A Trustee must:
   1. be of full capacity;
   2. be of good character and repute and not have been convicted of any felony or other crime affecting honour or trustworthiness, unless he has been rehabilitated;
   3. have the ability to manage the Endowment in accordance with the Donor's conditions; and
   4. satisfy any other conditions determined by the Donor.

b. The conditions stipulated in paragraph (a) of this Article will apply to a legal person to the extent applicable considering the status of that person.

Obligations of Trustees
Article (19)

A Trustee must:

1. satisfy the conditions stipulated by the Donor in terms of time and place;

2. preserve the Endowed Property from dilapidation or damage, and ensure that the repair and preservation of Endowed Property takes precedence over disbursing its proceeds among the Beneficiaries.

3. manage and preserve the Endowment, and distribute its proceeds among the Beneficiaries as stipulated in the Endowment Deed, this Law, and the resolutions issued by the AMAF;

4. exercise due diligence in developing and investing the Endowed Property, whether by himself or through contracting any other experts and specialists;

5. not dispose of the Endowed Property in any manner that involves transfer of ownership or pledging it as debt collateral, unless this is required for the preservation of the Endowed Property and only after obtaining the Donor's or the Competent Court's approval, otherwise the disposition will be deemed null and void;

6. invest, manage, or use the Endowed Property for its intended purposes;

7. not lease out or utilise the Endowed Property at lower rates than those of similar property;

8. prepare the annual budget of the Endowment, prepare its final accounts by the end of each financial year, and prepare and maintain its accounting records and financial documents; and submit the required reports on the financial position of the Endowment to the Donor, to the person he names in the Endowment Deed, or to the AMAF, as the case may be, in accordance with the Endowment Deed and the procedures adopted by the AMAF in this respect;

9. deposit Endowment proceeds in the name of the Endowment in an account with any of the banks licensed in the UAE;

10. expend Endowment proceeds through its proper channels as per the Donor's conditions and public interest exigencies;

11. settle any liabilities incurred by the Endowment including the repayment of debts and other outstanding amounts, subject to serving the interest of the Endowment; and

12. undertake the legal dispositions stipulated by the Donor in the Endowment Deed, provided that such stipulation is valid.

Rights of Trustees
Article (20)

a. A Trustee will manage the Endowment in the manner he deems appropriate. However, his management must not conflict with the Donor's conditions, the provisions of this Law, and the rules and procedures prescribed by the AMAF.

b. Unless he is a volunteer, a Donor will be entitled to the Trustee remuneration determined by the Donor. Where such remuneration is not determined by the Donor, it will be determined by the AMAF in accordance with the rules it adopts in this respect.

Responsibilities of Trustees
Article (21)

A Trustee will be entrusted with the management of the Endowment, and will represent it before third parties. A Trustee's claim regarding any disbursement made in relation to the management of the Endowment or the Beneficiary will be accepted only if supported by evidence, except where it is customary that no such evidence is required. The Trustee will also be liable for any gross omission, breach, or negligence in respect of the Endowment or its proceeds.

Investment and Substitution of Endowed Property
Article (22)

a. A Trustee may invest the Endowed Property for the benefit of the Endowment until the commencement of construction works.

b. A Trustee may obtain loans to develop or repair the Endowed Property. However, he may not pledge the Endowed Property as debt collateral.

c. Where the proceeds of the Endowment are not sufficient to repair damaged Endowed Property and where no surplus proceeds are generated from another Endowment, the Trustee may, subject to approval of the Donor or the Competent Court, sell part of the Endowed Property to pay for repairing the other parts.

d. A person who demolishes Endowed Property in whole or in part must restore the Endowed Property to its original state, failing which he will be liable for the value of the property and for damages. A person who causes damage to Endowed Property in whole or in part will be liable for restitution in kind or in value.

e. A Donor may stipulate a change or substitution of an Endowed Property.

f. Endowed Property consisting of moveable property may be replaced where no party is financially supporting it and it is at risk of loss, or is no longer usable, and fails to deliver the benefits for which it is endowed. Where such Endowed Property is sold, the sale proceeds will be used to purchase a similar property where possible.

g. Endowed Property consisting of real property which is dilapidated and no longer usable may be sold and replaced by another property provided that the sale proceeds are used to purchase a similar property.

h. A Trustee may, upon the Donor's or the Competent Court's permission, purchase new property with the sale proceeds of the replaced property, invest such proceeds in any legal manner, and expend the returns on such investment through the original disbursement channels of the Endowment.

Assignment of Trusteeship
Article (23)

A Trustee may not assign his trusteeship or delegate his trusteeship powers to third parties unless he is so authorised by the Donor or the AMAF.

Removing Trustees
Article (24)

A Donor may remove a Trustee he has appointed. The Competent Court may remove a Trustee appointed by the Donor where, upon considering his actions or Endowment-related claims, he is proven to have breached his obligations.

Breach by Trustees of their Obligations
Article (25)

A Donor or the AMAF, as the case may be, may take any of the following measures against a Trustee:

1. suspend him and appoint a replacement Trustee where he repeatedly delays in submitting Endowment annual budgets, final accounts, and the documents supporting the collection and disbursement of Endowment proceeds;

2. where he receives trusteeship remuneration, deprive him of this remuneration in whole or in part in case of negligence or omission;

3. remove him where he is proven to have committed a breach against the Endowed Property or to have committed any omission or negligence in respect of his Endowment trusteeship;

4. have recourse against him for any damages where he causes loss or damage to the Endowed Property; and

5. refer him to the competent judicial authorities where he commits any act that may compromise the Endowed Property or its proceeds in any manner whatsoever.

Trusteeship by the AMAF
Article (26)

The AMAF will assume trusteeship of an Endowment where the Donor does not appoint a Trustee, or where the Endowment trusteeship falls vacant. In return for management of the Endowment, the AMAF will charge a percentage of the annual proceeds of the Endowment as determined by the Board of Directors.

Death of Donors
Article (27)

Where a Donor who assumes trusteeship during his lifetime passes away, his heirs must appoint a replacement Trustee and record such appointment in the Register within thirty (30) days from the Donor's death, failing which the AMAF will assume the Endowment trusteeship.

Endowment Reports
Article (28)

a. A Trustee must, within the time frame determined by the AMAF, submit to the AMAF periodic reports, accompanied with supporting documents, on the state of the Endowment, the proceeds that have been distributed among the Beneficiaries, the proceeds deposited in the Endowment bank account, the amounts expended in preserving and maintaining the Endowment, and any other information required by the AMAF.

b. A predecessor Trustee of an Endowment must present to the successor Trustee a final report on all matters related to the Endowment in which he details the information determined by the AMAF. He must also surrender to the successor Trustee all the funds, property, and documents of the Endowment within thirty (30) days from the end of his trusteeship. The predecessor Trustee will remain responsible for the preservation of the Endowed Property until it is surrendered to the successor Trustee.

Penalty for Misappropriation of Endowment Funds
Article (29)

Without prejudice to any stricter penalty stipulated in any other legislation, a Trustee who is proven to have misappropriated or caused damage to Endowed Property or its proceeds, or have breached his obligations and responsibilities stipulated in this Law, in the Endowment Deed, or in the resolutions of the AMAF will be punished by imprisonment for not less than one (1) year and/or a fine of not less than fifty thousand Dirhams (AED 50,000.00). He must also return what he has misappropriated where applicable.

Chapter Three
Endowment Provisions

Family Endowments
Article (30)

The AMAF will identify the Family Endowments which are recorded in its registers and whose Beneficiaries are unspecified. The details of these Endowments will be published in two (2) widely-circulated daily newspapers, and will be posted at the AMAF premises and at police stations in whose jurisdiction Endowed Property is located for sixty (60) days. Affected persons may claim their dues from the Endowment proceeds within two (2) years from the date of publication. Any unclaimed share will constitute a separate Endowed Property whose proceeds will be dedicated to charity. The AMAF must return the principal of the Endowment, excluding proceeds for the previous period of time, to its owners or to their heirs whenever they present their claims.

Entitlements of Beneficiaries
Article (31)

a. Endowment proceeds must, depending on the type of Endowed Property, be expended on the Beneficiary that the Donor identifies and in the manner prescribed in the Endowment Deed or in this Law.

b. Entitlement of a Beneficiary will be limited to the proceeds of the Endowed Property, and will not include the principal.

c. Subject to the Donor’s approval if he is alive, or the AMAF’s approval where the Donor is deceased, Charitable Endowment proceeds may be expended through channels that are not mentioned in the Endowment Deed if this achieves public interest.

d. Where a Donor's parent, offspring, spouse, or relative up to the fourth degree is stricken by poverty, proceeds of a Charitable Endowment will be disbursed to that needy person to meet his basic needs within the limits determined by the AMAF.

e. A Trustee may, upon the Donor’s approval if he is alive or upon the AMAF’s approval if he is deceased, expend part of a Charitable Endowment proceeds or part of the charitable share in a Joint Endowment, or use Endowment assets for public disaster relief.

f. Endowment proceeds will be dedicated to public charity in the following cases:

   1. where the Donor does not specify a particular disbursement channel for the Endowment proceeds;

2. where the Endowment proceeds disbursement channels cannot be identified;

3. where the Beneficiary is unknown or ceased to exist; or

4. where an Endowment is rejected by the Beneficiary.

g. Where the Endowment Deed of a Joint Endowment does not stipulate distribution of shares, proceeds will be equally divided between Beneficiaries and public charity;

h. Proceeds of Family Endowments will be equally divided amongst male and female Beneficiaries, unless the Donor stipulates otherwise in the Endowment Deed.

i. Where a Family Endowment follows a family hierarchy, and one of the Beneficiaries passes away or forfeits his share of the Endowment, the conditions, if any, prescribed by the Donor must be honoured in respect of that Beneficiary's share, otherwise it will devolve on his offspring. In the absence of offspring, his share will devolve on another person within the same family hierarchy level. In the absence of such person, his share will devolve on the next lower family hierarchy level. Where a child is born at the higher family hierarchy level, that Beneficiary's share will devolve on the new-born Beneficiary effective from the date of birth. Where no progeny is left for the Donor, proceeds of the Endowed Property will revert to the AMAF for use in public charity.

j. Unless the Endowment Deed stipulates otherwise, a Family Endowment which follows no family hierarchy will expire where no Beneficiary is left.

k. Unless the Endowment Deed stipulates otherwise, Endowed Property proceeds will devolve on heirs of the Beneficiary upon his death. Upon extinction of the Beneficiary's offspring, Endowed Property will revert to the Donor himself or devolve on his heirs upon his death. Where none manifests, Endowed Property will revert to the AMAF for use in public charity.

Forfeiture of Entitlements
Article (32)

A Beneficiary will forfeit his share in the Endowment proceeds if he is convicted by a definitive court judgement of wilful murder of the Donor, the person from whom he receives Endowment proceeds, any other Beneficiary, or any other person whose death will lead to an increase in the share of the Beneficiary or will expedite his entitlement to the proceeds. Forfeiture by the Beneficiary of his share of the proceeds will not prejudice the rights of those murderer's offspring who did not take part in the murder if they are entitled to such Endowment proceeds.

Time Limit on Entitlement to Endowment Proceeds
Article (33)

A claim relating to Endowment proceeds will not be heard where the entitlement is not acknowledged and where the Beneficiary fails to provide a valid excuse if the affected party fails to file his claim within two (2) years of becoming aware of his entitlement or non-entitlement.

Division, Apportionment, Pledge, and Attachment of Endowed Property
Article (34)

a. Endowed Property may not be divided or apportioned among Beneficiaries. Beneficiaries may neither dispose of nor pledge Endowed Property. A judgement may not be enforced against it. No third party may create any principal or accessory real right or interest over it. Any such disposition will be null and void unless authorised by law.

b. Endowed Property will not be included in the bankruptcy estate of a Donor or Beneficiary, and may not be subject to attachment for the purpose of repayment of the debts of either of them.

c. Endowed Property may not be encroached upon or confiscated. It may be expropriated only as stipulated by law. It may not be taken possession of, and its proceeds may not be claimed except where Beneficiaries and the Donor's progeny ceases to exist, in which case Endowed Property will revert to the AMAF for use in public charity.

Privileges of Charitable Endowments and Joint Endowments
Article (35)

a. Debts owed to a Charitable Endowment and to the charitable share in a Joint Endowment will be deemed as privileged as public debts, will have priority over debtors' property, and will be collected in the same manner in which public funds are collected.

b. Charitable Endowments and the charitable share in a Joint Endowment will be exempt from all taxes and fees, including court fees.

c. In implementing the provisions of penal legislation, a Charitable Endowment and the charitable share in a Joint Endowment will be deemed Public Funds, and the paper-based and electronic documents, records, and registers thereof will be deemed official documents. A Trustee and those working for an Endowment will be deemed civil servants.

Chapter Four
Expiry of Endowments

Cases of Endowment Expiry
Article (36)

Subject to the provisions of this Law, an Endowment expires in any of the following cases:

1. where the Endowment term specified in the Endowment Deed expires;
2. where the purpose for which the Endowment is established as per the Endowment Deed is achieved;
3. where Beneficiaries cease to exist;
4. where the Donor revokes the Endowment;
5. where the Endowed Property is dilapidated and is not replaced; or
6. where the Endowment is invalid as proven by a definitive court judgement.

Legal Effects of Endowment Expiry
Article (37)

a. Expiry of an Endowment will not prejudice any rights over the Endowment acquired in good faith by third parties prior to its expiry.

b. Where an Endowment expires, the Endowed Property will revert to the Donor if he is alive, or devolve on his heirs upon his death. Where the Donor's offspring cease to exist, and neither he nor his heirs have any heirs, the Endowed Property will revert to the AMAF for use in public charity.

Chapter Five
Dubai Endowment Sign

Awarding the Dubai Endowment Sign
Article (38)

The MBRGCEC may award the Dubai Endowment Sign to individuals and to public and private entities that have initiatives, projects, or sustainable Endowment-related contributions. This sign will be awarded in accordance with the relevant rules and standards adopted by the MBRGCEC.

Benefits of Obtaining the Dubai Endowment Sign
Article (39)

a. An entity that is awarded the Dubai Endowment Sign may use the sign in all its promotional material to inform the public about its social responsibility endeavours.

b. The Dubai Endowment Sign will secure its holder priority in Government procurement. Government entities in the Emirate must consider the Dubai Endowment Sign as an additional qualifying criteria in the selection of contractors, provided that such privilege does not conflict with the price and quality prerequisites.

Obligations of Entities that are Awarded the Dubai Endowment Sign
Article (40)

a. An entity that is awarded the Dubai Endowment Sign must submit to the MBRGCEC an annual report on the activities based on which it was awarded the sign. This report must contain all the information required by the MBRGCEC.

b. An entity that is awarded the Dubai Endowment Sign must cease using the sign where the sign is withdrawn by the MBRGCEC in accordance with the relevant rules adopted by the MBRGCEC, otherwise the competent licensing entity may revoke the licence of any non-compliant entity.

Chapter Six
Endowment Foundations

Licensing Endowment Foundations
Article (41)

a. In coordination with the MBRGCEC, the AMAF will license Endowment Foundations.

b. An Endowment Foundation will have legal personality, and the financial and administrative autonomy required for the achievement of its objectives.

Regulating the Work of Endowment Foundations
Article (42)

In coordination with the MBRGCEC, the AMAF will develop the following regulations:

1. licensing regulations for Endowment Foundations, including the substantive and procedural rules required for the licensing of these foundations; and

2. a governance system for Endowment Foundations which determines the terms of reference, management, and obligations of these foundations, as well as the measures that must be taken against any foundation that violates the terms and obligations stipulated in its licence.

Auditing Endowment Foundations
Article (43)

The AMAF will supervise and audit Endowment Foundations, and will take the necessary action against any violating foundations, in accordance with the relevant regulations it adopts in this respect.

Chapter Seven
Gifts

Gift Provisions
Article (44)

The above-mentioned Federal Law No. (5) of 1985 will apply to all matters related to Gifts and their validity requirements, effects on donor and donee, revocation, and expiry.

Allocation of Donated Property
Article (45)

Donated property will be allocated in accordance with the conditions stipulated by the donor, if any, or as determined by the AMAF in coordination with the MBRGCEC.

Application of Endowment Provisions to Gifts
Article (46)

The Endowment provisions of this Law will apply to Gifts to the extent that these provisions do not conflict with the nature of these Gifts, and with the provisions of the above-mentioned Federal Law No. (5) of 1985.

Mosque Endowments and Trusteeships
Article (47)

Notwithstanding the provisions of this Law:

1. Mosque Endowments will be registered in the name of the Islamic Affairs and Charitable Activities Department that will assume their management and trusteeships.

2. The Jaafari Charitable Endowments Administration Council in Dubai will assume the management and trusteeship of the Endowments of the Jaafari sect, their places of worship, and Husseini Obsequies.

Chapter Eight
Final Provisions

Jurisprudential Rules of Reference
Article (48)

Where this Law is silent, the legislation in force in the UAE will apply, otherwise, the verified rules of the following schools of Islamic jurisprudence will apply in this order: the Maliki, Hanbali, Shaafi'i, Hanafi, then the principles of justice and equity.

Raising Donations
Article (49)

The provisions of this Law do not prejudice the provisions of the above-mentioned Decree No. (9) of 2015 on all matters related to the raising of donations in the Emirate.

Compliance
Article (50)

Trustees of the Endowments established prior to the effective date of this Law must comply with its provisions within one (1) year from its effective date. This includes to:

1. obtain Endowment Deeds and record them in the Register; and
2. provide all information related to Endowments as required by the AMAF.

Obligations of Government Entities
Article (51)

All Government entities in the Emirate must:

1. provide the AMAF and the MBRGCEC with the necessary support to enable them to implement the provisions of this Law; and
2. amend the private ownership registers of Endowed Property to render them in compliance with the provisions of this Law.

Endowments at the Dubai International Financial Centre
Article (52)

The provisions of this Law will not preclude implementation of the Endowment provisions applicable within the Dubai International Financial Centre or the DIFC Courts jurisdiction in respect of the Endowments that are registered with it.

Issuing Implementing Resolutions
Article (53)

The Board of Directors of the AMAF will issue the resolutions required for the implementation of this Law. These resolutions will be published in the Official Gazette of the Government of Dubai.

Repeals
Article (54)

Any provision in any other legislation will be repealed to the extent that it contradicts the provisions of this Law.

Publication and Commencement
Article (55)

This Law will be published in the Official Gazette and will come into force on the day on which it is published.

Mohammed bin Rashid Al Maktoum

Ruler of Dubai

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Corresponding to 28 Muharram 1439 A.H.