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Waqf Legislation and Its Impact on Developing Endowments in Hail Region: A Jurisprudential-Legal Study in Light of the SDGs

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ABSTRACT: The objective of this study is to explore the laws and regulations related to waqf in Saudi Arabia and to study their impact on the development of awqafs in the Hail region. It adopts a jurisprudential and legal approach that highlights the foundations of the Sharia and the legal principles governing the endowment investment and driving its development according to the SDGs of Saudi Vision 2030. The objective of this study is to discuss the concept of waqf (endowment) and its importance in Islamic jurisprudence as a sustainable scheme for social and economic development. It describes the legal and religious basis of the waqf in the Kingdom of Saudi Arabia, with a focus on the current situation of endowments in the Hail region, analyzing their scope, management mechanisms, and development potential. The study further points to the legal and administrative obstacles that hinder the establishment of these institutions and offers recommendations for their development in line with the Sharia and legal framework. The research method is descriptive-analytical, and the research approach is comparative between Islamic jurisprudence and Saudi law, and the case study approach is applied, and the subject of the study is waqfs in the Hail region. The study is expected to conclude that the Saudi Arabia's modern endowment legislation is of high quality and a significant step forward in the management and development of endowments compared to other Islamic countries. But its effect is still relatively limited in the region of Hail, especially as far as the endowments of Hail University and other public endowments are concerned. The research aims to identify the reasons for this limitation and to provide practical advice to improve the role of endowments in the development of the region.

FIRST, INTRODUCTION AND METHODOLOGY FRAMEWORK:

1. INTRODUCTION:

Endowments (waqf) are among the most important financial and social institutions in Islamic civilization, playing a pivotal role in achieving social solidarity and sustainable development. Throughout history, endowments have contributed to funding education, healthcare, infrastructure, and public services, making them an effective tool for realizing the objectives of Islamic law (Sharia) in developing the land and fostering communities. In the Kingdom of Saudi Arabia, endowments have received

increasing attention amidst the economic and social transformations the country is undergoing with the launch of Vision 2030. The Vision emphasizes the role of the non-profit sector in achieving sustainable development, recognizing it as an active partner in human development and the development of the region. Current endowment legislation aims to enhance the efficiency of endowment management and maximize its developmental impact, thereby fulfilling the objectives of Islamic law in preserving and growing wealth, while simultaneously aligning with global sustainability standards.

The Hail region stands out as a local model rich in historical endowments and emerging endowment initiatives. However, many of these endowments have not been optimally invested to achieve renewable developmental returns. Hence the importance of this study, which seeks to examine the impact of endowment legislation in Saudi Arabia on the development of endowments in the Hail region, and to demonstrate the extent to which this legislation contributes to the development of the region's endowments, in order to provide an integrated vision that contributes to enhancing the developmental role of endowments in Hail.

2. SIGNIFICANCE OF THE STUDY:

The importance of this study is that waqf is an institution of sustainable development that combines the preservation of the corpus of endowment with the distribution of the benefits to charitable and public interest purposes. It also aims to study the role of recent Saudi waqf regulations in improving the governance, documentation and investment of awqaf, and link this to the development potential of awqaf in the Hail Region in light of Saudi Vision 2030 and the Sustainable Development Goals.

3. RESEARCH PROBLEM:

Although the legal and regulatory framework governing awqaf in the Kingdom of Saudi Arabia has undergone some evolution, there is a need to explore to what extent this evolution is reflected in the reality of awqaf in Hail Region, particularly concerning their documentation, governance, investment and their potential to make a sustainable developmental impact. Therefore, the problem of the study is to identify the gap between the recent waqf regulations and the practical reality of awqaf in the region and to propose means to activate them in a way that fulfills the conditions of endowers and serves local development.

4. RESEARCH QUESTIONS:

The study seeks to answer the following questions:

- What are the jurisprudential principles for the development of awqaf and investment of waqf funds?

- What is the legal and regulatory framework of the management and development of awqaf in the Kingdom of Saudi Arabia?

- What is the extent of the Saudi waqf regulations in line with the jurisprudential principles of maintaining the endowed corpus, enhancing its returns and fulfilling the endowers' conditions?

- How to activate the recent waqf regulations to increase the impact of awqaf on sustainable development in Hail Region?

5. OBJECTIVES OF THE STUDY:

This study aims to:

- Discuss the jurisprudential basis for developing awqaf and investment of waqf funds.

- Evaluate the legal and regulatory framework of awqaf in the Kingdom of Saudi Arabia.

- Evaluate the impact of the recent waqf regulations on governance, documentation and investment of awqaf.

- Suggest some feasible steps to improve the sustainable development effects of awqaf in the area.

6. SCOPE OF THE STUDY:

The study is limited thematically to Saudi laws and regulations that pertain to the management, development and investment of awqaf, most notably the Law of the General Authority for Awqaf, the Regulations Governing Waqf Administration, the Regulations on the Revival of Unidentified and Inactive Awqaf, the Regulations on Establishing or Financing Awqaf through

Fundraising, and the Regulations on Waqf Investment Products. Its geographical scope is limited to the Hail Region, while its temporal scope covers the laws and regulations in force up to the date of preparing the study.

7. RESEARCH METHODOLOGY:

The study is descriptive analytical based on the study of jurisprudential concepts, legal texts and regulations of the awqaf. It also applies the comparative method to measure the extent of compatibility of Saudi regulations with the jurisprudential principles governing waqf. It also employs the case-study method to analyze the reality of awqaf in Hail Region, their development opportunities and the challenges they encounter.

8. PREVIOUS STUDIES:

There are a number of previous studies including:

- AlNemer (2022) study of the reality of the waqf governance in the Kingdom of Saudi Arabia. It emphasized the need for institutional change and the creation of governance tools to safeguard and enhance waqf assets, while also highlighting the difficulties associated with data availability, the competence of administrators, oversight, and investment mechanisms.

- Kassim and Noordin (2025) study on legal and institutional framework of waqf of Kingdom of Saudi Arabia. It expanded the shift from the traditional administration of individual administrators to a more institutionalized model of regulation and associated this to the needs of Saudi Vision 2030. This research is similar to the current research in the legal framework of Saudi Arabia, but it is different in the analysis of the impact of recent waqf regulations on the reality of awqaf in the Hail Region specifically.

- Elmahgop et al. (2025) studied the socio-economic impact of waqf investment funds as a model of sustainable financing in the Kingdom of Saudi Arabia. The findings of this research support the applied dimension of the current research by highlighting the role of waqf investment products in improving the sustainability of waqf resources and turning them into sources of financing developmental programmes.

SECOND, THEORETICAL FRAMEWORK OF THE STUDY:

1. Waqf: Its Concept and Legitimacy:

1.1 The Juristic Concept of Waqf:

The Four Sunni Schools of Jurisprudence regard waqf as a recommended act of devotion, based on the established practice of the Prophet and a number of his companions. In common parlance, a waqf is referred to as a pious foundation. But Muslim jurists differ on the definition of waqf, as they differ on some rulings and issues, such as the types of property that can be endowed; if usufruct and movable assets are included; if waqf should be perpetual or temporary; and the legal status of ownership after endowment, whether it remains with the endower or transfers to God Almighty or passes to the beneficiaries.

The Hanafi School:

Ḥanafī jurists differ in their definition of waqf based on the divergent opinions of their three leading imams. According to Imam Abū Ḥanīfah (d. 150 AH), waqf is: "Detaining an asset in such a manner that the endower's right in it remains intact, while its usufruct is directed to a charitable purpose, resembling a loan (ʿāriyah)." He held that waqf is non-binding, permitting the endower to resume it, sell or gift it, and for it to pass to heirs upon death (al-Marghīnānī, n.d., Vol. 2, p. 231)

In contrast, according to the Two Companions (Abū Yūsuf and Muḥammad ibn al-Ḥasan), waqf is: "Detaining an asset in such a manner that it becomes subject to the rules of divine ownership, whereby the endower's right is extinguished, and it becomes the property of God Almighty, with its usufruct dedicated to His servants." They held that waqf is perpetual and binding, prohibiting the endower from resuming it, selling or gifting it, or for it to pass to heirs (al-Marghīnānī, n.d., Vol. 2, p. 232).

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The Maliki School:

In Mālikī jurisprudence, ḥubs (also termed waqf) refers to dedicating the usufruct of property either in perpetuity or for a specified period. In the case of a temporary endowment, the dedicated usufruct ends upon expiry of the stipulated term. The Maliki Jurists permit temporary waqf and expand scope of waqf to include usufruct and all owned assets (Ruxton, 1916, p. 261(

The Shafi'i and Hanbali Schools:

In the Shāfiʿī and Ḥanbalī schools, waqf refers to the permanent dedication of an asset whose underlying substance is preserved, while its usufruct or proceeds are directed to a charitable, religious, or other legally recognized purpose. The essential elements of waqf are therefore the preservation of the endowed asset and the allocation of its benefits or returns. Accordingly, the endowed property may not ordinarily be sold, gifted, or inherited, while its benefits are made continuously available to the designated beneficiaries. This concept is exemplified by the Prophetic instruction to ʿUmar concerning his property at Khaybar: "If you wish, you may retain its principal and give its fruits in charity," establishing the fundamental principle of preserving the corpus while dedicating its benefits to charitable purposes (Nawawi, 1914, Ibn Qudāma al-Maqdisī, n.d).

1.2 Endowable Assets in Islamic Jurisprudence:

What is established in the Prophetic Sunnah is that real estate and agricultural land constituted important forms of charitable endowment in early Islamic practice. This is particularly evident in the reports concerning ʿUmar ibn al-Khaṭṭāb and Abu Ṭalḥah—may Allah be pleased with them. In the report concerning Abu Ṭalḥah, he offered his most beloved property, the garden of Bayrūḥāʾ in Madinah, as charity for the sake of Allah, seeking its reward from Him. The Prophet ﷺ praised his act and recommended that its benefits be directed to his relatives (Al-Bukhari, n.d., Hadith 2769).

The report concerning Umar provides an even more explicit foundation for the institution of waqf. After acquiring a valuable piece of land in Khaybar, Umar sought the Prophet's ﷺ guidance concerning it. The Prophet ﷺ instructed him: "If you wish, you can keep it as an endowment to be used for charitable purposes." Umar subsequently dedicated the land on the condition that its corpus would neither be sold, gifted, nor inherited, while its proceeds would be directed to the poor, relatives, emancipation of slaves, the cause of Allah, guests, and travelers. The report also permitted the administrator to benefit from it reasonably and to feed a friend without seeking personal enrichment from the endowment (Al-Bukhari, n.d., Hadith 2772).

These two reports illustrate two fundamental dimensions of waqf in Islamic law: the dedication of valuable property for a charitable purpose and, more explicitly in the case of Umar, the preservation of the endowed asset while directing its benefits to designated beneficiaries. The latter principle constitutes a foundational feature of the classical concept of waqf, commonly expressed as preserving the corpus and dedicating its usufruct for charitable purposes.

Accordingly, the majority of jurists generally required that the endowed asset be capable of generating a benefit while its underlying substance remains intact. In other words, the endowed asset should not ordinarily be consumed or exhausted through its use, as is the case with real estate and agricultural land. This principle is reflected in the positions of the Shāfiʿī and Ḥanbalī schools discussed above (al-Nawawi, 1914; Ibn Qudamah al-Maqdisi, n.d.). The Maliki jurists, however, adopted a broader approach. They extended the category of endowable property to include "all owned wealth", whether the endowed property consisted of a tangible asset (ʿayn) or a usufruct (manfaʿah), and whether the endower owned the asset itself or possessed its usufruct through a lease (ijārah). Moreover, they did not make the validity of waqf dependent in all cases upon the physical preservation of the endowed asset. They permitted, under certain conditions, the endowment of consumable assets, such as food and currency, when the waqf was structured as a loan (iqrāḍ), provided that an equivalent replacement was returned and treated as a substitute for the original endowed asset. In this approach, the return of an equivalent replacement is regarded as functionally preserving the endowed property, even though the original asset itself is consumed (Ruxton, 1916, p. 261).

This expansive Maliki approach to the range of assets eligible for endowment is now widely reflected in practice across countries.

1.3 The Scope of Waqf Assets under the Saudi Regulatory Framework:

The draft Saudi Waqf Law adopts a broad definition of the scope of properties that can be endowed, extending waqf to include movable assets, usufructs, intellectual property rights and similar intangible rights, undivided shares, money, shares, corporate interests, sukuk, investment units and debts, in addition to traditional real estate, subject to the conditions prescribed for each category. This represents a major expansion of the legal definition of waqf, enabling a wider range of economic and financial assets to be mobilized for charitable and developmental purposes. This draft framework can help to improve investment diversification, financial sustainability, and the capacity of waqf institutions to respond to changing economic and social needs by allowing the inclusion of diverse and possibly income generating assets in the waqf sector. (General Authority for Awqaf, n.d, Draft Waqf Law).

2. WAQF AND SUSTAINABLE DEVELOPMENT:

2.1 The Concept of Sustainable Development and Its Dimensions:

The World Commission on Environment and Development in its 1987 report defined the term sustainable development as "development that meets the needs of the present without compromising the ability of future generations to meet their own needs" (World Commission on Environment and Development [WCED], 1987, p. 24).

Sustainable development has three inter-related dimensions. First, there is the economic dimension, which demands the creation of prosperity at various levels in society and the long-term viability of economic activities and institutions. The second dimension is the social dimension which demands equal opportunities for all in the society, equitable distribution of benefits and focus on poverty alleviation. The third one is the environmental dimension, which refers to the conservation and management of resources (especially non-renewable ones), and to the preservation of natural heritage and biodiversity (United Nations Environment Programme [UNEP] & World Tourism Organization [UNWTO], 2005, pp.8-9, Alboraie, et al., 2026).

2.2 The developmental dimensions of waqf:

Waqf is one of the most important financial and social institutions in the Islamic civilization because of its pivotal role in achieving social solidarity and sustainable development over time. It has been one of the important tools of charitable work from the time of Prophet Muhammad (peace be upon him) through various Islamic periods and up to the present day (Siregar, 2024).

In the Islamic law, endowment is not simply a charitable or individual act of worship but a sustainable social and financial institution that combines the preservation of the principal with its benefits repeatedly allocated to charitable and public welfare purposes. The developmental capacity is based on the legal and economic structure of the waqf based on the allocation of an asset, money or benefit for a legitimate purpose, and the continuous directing of the return or benefit to the deserving according to the stipulations of the waqf and the legal regulations. Hence, waqf is different from one-time donations of consumers because it is able to generate a renewable resource that can be used to finance the needs of the community in the long run and realize the most urgent Sustainable Development Goals (Abdullah, 2018).

2.2.1 Economic Dimension and Financial Sustainability:

The economic dimension of Waqf lies in its ability to convert private wealth into an asset that provides a continuous public benefit. This is accomplished through the maintenance of the capital or economic value given the endowment, and the application of its income or usufruct to the purposes specified by the endower. Therefore, waqf is not only a mechanism for the redistribution of wealth at a specific point in time, but also a sustainable source of funding that can reduce the need for periodic donations or direct government expenditure.

In this context, studies indicate that Islamic social-finance instruments, including waqf, can be significant in supporting social and public infrastructure, financing small and micro enterprises and hence fostering inclusive and resilient economic growth (Ahmed et al., 2015). The literature also indicates that waqf-based and Shariah-compliant microfinance models can improve access to finance for low-income households and entrepreneurs neglected by the conventional financial system (Ahmed et al., 2015).

The significance of this dimension is further highlighted in modern applications of waqf, in particular, cash waqf, waqf portfolios, waqf investment funds and income generating real estate assets. These instruments allow for the diversification of sources of income, the reinvestment of part of the returns and the improvement of the long-term sustainability of educational, health and social programs funded by waqf.

Cash awqaf is a flexible and viable financing instrument that can contribute to economic growth, infrastructure financing and support for small enterprises, strengthening financial inclusion and contributing to the Sustainable Development Goals (SDGs) (Hassan et al., 2021). The chapter is featured in Islamic Wealth and the SDGs and examines the potential role of cash awqaf to contribute to the SDGs.

In the Saudi context, Elmahgop et al. (2025) further demonstrate that waqf investment funds are capable of merging the social function of waqf with sustainable investment, thus generating both economic and social impact.

2.2.2 Social Dimension and Redistribution of Benefits:

Waqf performs a basic social role in guiding the benefits of endowed assets to groups and areas of need within the society, including the poor, the needy, students, patients and orphans, as well as financing public facilities serving the wider community. Historically, awqaf were used to fund mosques, schools, libraries, hospitals, shelters, water facilities, roads and other public utilities and services.

From a contemporary perspective, Waqf can play a role in reducing poverty and inequality through providing funds for educational scholarships, training and capacity-building programmes, small enterprises, health care, housing and social services. Abdullah (2018) argues that waqf as a perpetual institution has a strong relationship with several Sustainable Development Goals (SDGs), in particular those related to poverty eradication, good health and well-being, quality education, decent work and economic growth, and reduced inequalities. It is connected to the wider context of maqāṣid al-sharīʿah, in particular the protection of wealth, life and intellect.

2.2.3 Environmental Dimension of Waqf:

Awqaf can contribute to the environmental dimension of sustainable development through the financing of water projects, sustainable agriculture, land conservation, clean-energy initiatives, afforestation and the environmentally efficient rehabilitation of waqf buildings and assets. Contemporary scholarship increasingly has looked at applications such as green waqf as an emerging field that can connect Islamic social finance with environmental protection, climate action, and sustainable cities and communities.

Thus, green waqf is a form of divestment or management of waqf assets and income for environmentally oriented purposes, such as preservation of forest, restoration of ecological systems, development of renewable energy, sustainable infrastructure and ecological education. These applications can be used to complement the environmental pillars of sustainable development, such as protecting biodiversity, managing resources responsibly, mitigating climate change, and safeguarding non-renewable resources (Othman, et al., 2025).

3. LEGAL AND REGULATORY FRAMEWORK OF WAQF IN SAUDI ARABIA:

The Saudi Arabia's waqf sector has witnessed a gradual process of legislative and institutional development, moving from a traditional model of administration heavily dependent on individual waqf administrators (nāẓirs), Sharia courts, and government bodies responsible for religious affairs, to a more institutionalized model based on centralized regulation, waqf registration, asset protection and development, and enhanced governance and investment management. This transformation does not mean that the character of waqf as being based on Sharia is abandoned. Rather, it is an effort to regulate the sector in a way that is consistent with the conditions of endowers, in protecting endowed assets and improving their benefits in the face of changing economic and social circumstances.

The regulation of waqf in Saudi Arabia is basically based on the Sharia as the highest source of legislation and the juristic rules that govern the waqf. These include protecting the corpus, implementing the conditions of the endowers as long as they do not violate Sharia or applicable law, designating benefits and income for specific purposes, and protecting the rights of beneficiaries. But the application of these principles in the administrative and regulatory sphere has gone through several phases. Traditionally, the administration of some awqaf was jointly overseen by waqf administrators, the judiciary and

government bodies that deal with Islamic affairs. This setup offered flexibility in the administration of private awqaf. However, this sometimes led to variations in documentation, disclosure and investment efficiency.

The need for reforming the Saudi waqf sector has been recently studied and includes challenges such as diverse administrative arrangements, limited availability of verified data on some awqaf, inadequate financial reporting and information on endowed assets and income, as well as variations in administrators' competence and oversight and investment mechanisms. AlNemer (2022) states that a high percentage of awqaf had insufficient information and reporting, which suggests the need to modernize governance and regulatory structures, improve investment channels, and protect endowed assets. Hence, waqf reform was not only administrative modernization but also a response to the need for asset protection, the sustainability of benefits, and more confidence in waqf institutions. These reforms are consistent with the Saudi Vision 2030's focus on the significance of waqf in supporting and financing social and economic projects, in addition to the anticipated growth of the sector to SR 350 billion by 2030 (AlNemer, 2022).

First: The Traditional Phase of Waqf Administration:

This was prior to the establishment of the General Authority for Awqaf. It was in this period that the Ministry of Hajj and Awqaf was established in 1961 and charged with the supervision of waqf. Later, responsibility for awqaf was transferred to the Ministry of Islamic Affairs, Dawah and Guidance in 1993. During this period, the administration of waqf was governed by the Regulations on the Organization of Charitable Endowments, issued in 1973.

During this stage the waqf was administered by the endower himself or a nāẓir appointed by the endower. Matters concerning the legal establishment of waqf, the interpretation of endowers' conditions, dispute resolution, and the protection of endowed property fell within the jurisdiction of Sharia courts. This model was consistent with the traditional juristic structure of waqf, in which the administrator played a central role in preserving, managing, and investing the endowed corpus and distributing its income in accordance with the endower's conditions.

However, this period witnessed a number of obstacles that hampered the development of the waqf sector. They included lack of administrative competence and occasional mismanagement. And, also, encroachments on endowed property and neglect of its maintenance and development. Hence, there was a need to move from limited judicial and administrative protection to more specialized regulatory oversight of the state's role (Kassim & Noordin, 2025).

Second: The Transition to Specialized Institutional Regulation:

The waqf sector underwent major structural changes during this phase, moving away from traditional administrative arrangements and individual discretion towards centralised governance and a structured legislative framework in line with the objectives of Saudi Vision 2030. Such a transformation required clear legislative and institutional frameworks to govern awqaf and to enhance their role as a key contributor to sustainable economic and social development.

This stage began with the establishment of the General Authority for Awqaf in 2010, and then the promulgation of the Law of the General Authority of Endowments in 2015. The Authority was established as an independent regulatory body to supervise and regulate awqaf and enable them to achieve a sustainable developmental impact.

This stage was an important turning point in the regulation of awqaf in Saudi Arabia. It involved a shift from an administrative model, in which the responsibility primarily rested with the waqf administrator or the local supervisory body, to a specialized regulatory model combining supervision, asset protection, regulation and sector development. This characterization is also supported by Kassim and Noordin (2025) who argue that recent reforms have transformed the legal and institutional framework of waqf through the expanded role of the state in terms of supervision, registration and regulation. However, they stress the importance of further improving governance mechanisms, defining institutional responsibilities, enhancing competence of administrators and increasing transparency and accountability (Kassim & Noordin, 2025).

Third: The Phase of Governance, Development, and Investment:

Saudi Arabia's modern regulatory development in the waqf sector has shifted its focus from the protection and preservation of endowed property to the enhancement of its administration, development of its resources and strengthening its sustainability. This approach is represented in the Law of the General Authority of Endowments, which stipulates the

Authority's objectives of regulating, preserving, developing and growing awqaf, and linking of these objectives to the Authority's role in achieving the conditions of endowers and reinforcing the role of waqf in economic and social development and social solidarity. The Law also gives the Authority the power to register awqaf after their legal documentation, to compile an inventory of endowed assets and to establish a database, to supervise waqf administrators, to review annual accounting reports, to provide technical support and financial and administrative advice and to develop existing forms of waqf and seek to introduce new ones (Law of the General Authority of Endowments, 2015, arts. 3–5).

In addition to Articles 3–5, Article 7 gives powers concerning approval of establishment of waqf investment funds and portfolios, establishment of waqf institutions or companies and development and substitution of the endowed assets in conformity with the applicable rules. Articles 15-18 also address the investment of waqf assets and surplus income, auditing of waqf accounts and establishment of financial and accounting systems for awqaf. Meanwhile, Articles 23 and 24 emphasize the requirement to comply with the conditions of the endowers, the principles of Sharia and the relevant laws, and to prevent conflicts of interest in the Authority's dealings (Law of the General Authority of Endowments, 2015, arts. 7, 15–18, 23–24).

In an effort to exercise these statutory powers, the Authority has promulgated a range of regulations and regulatory instruments the most important of which are set out below:

A) Regulations Governing Waqf Administration (Naẓārah), Approved by Resolution No. (31/1/18/43) of the Board of Directors of the General Authority for Awqaf, dated 30/ 05/ 1443 AH (January 3, 2022).

The Regulations Governing Waqf Administration is a significant tool for enhancing governance in waqf management. They regulate the appointment of waqf administrators (nāẓirs), their eligibility, rights and obligations; the registration of awqaf with the General Authority for Awqaf; adherence to the conditions of the endowers; protection of assets; financial management; investment; conflicts of interest; record-keeping; and supervision and oversight. Article 2 lists their objectives as regulating waqf administration, enhancing the professional competence of administrators, increasing transparency and supervision, protecting and developing awqaf, and reinforcing their developmental role (General Authority for Awqaf, 2022, arts. 2, 5, 8–20).

The significance of these Regulations is that they translate the duties of administrators into clearer administrative and financial obligations. Article 15 provides for the establishment of a bank account in the name of the waqf, prohibits the mixing of waqf funds with personal funds and requires that all financial transactions and systematic retention of documents and correspondence relating to the waqf be recorded. Article 16 also states that the investment of waqf funds must be Sharia compliant, the expected returns must be assessed against the respective risks, the waqf must not be exposed to high risks and due care must be exercised to ensure the sustainability and growth of the waqf . These provisions form a basis for reducing risks of inadequately controlled individual administration and for improving the quality of financial and investment decision making in awqaf (General Authority for Awqaf, 2022, arts. 15–16).

B) Schedule of Violations and Penalties under the Regulations Governing Waqf Administration, Issued pursuant to Board Resolution No. (46/34/1/100), dated 15/ 06/ 1446 AH)December 16, 2024(.

The governance framework was further augmented by the Schedule of Violations and Penalties of the Regulations Governing Waqf Administration. The Schedule classifies violations pertaining to conditions of endowers, applicable laws and regulations, endowed assets, beneficiary rights, governance, financial management and cooperation with the Authority. In determining penalties, it considers the size of the waqf and the recurrence of the violation. It thereby supports a graduated and proportionate approach to enforcement (General Authority for Awqaf, 2024).

The Schedule is intended to enhance the enforceability of regulatory obligations, safeguard the rights of beneficiaries and prevent practices that could lead to the loss of endowed assets or hinder their productive use. The supervisory framework is much more than penalties: Article 26 of the Regulations Governing Waqf Administration further provides for corrective measures such as rectification of violations, engagement of specialists, restoration of the entitlements of beneficiaries and the employment of appropriate training by the waqf administrator. The regulatory framework thus links accountability with the correction of institutional deficiencies (General Authority for Awqaf, 2022, arts. 26).

C) Regulations on the Revival of Unidentified and Inactive Awqaf, Approved by Resolution No. (1/1/48/T) of the Board of Directors, dated 12/03/1448 AH (August 25, 2026).

These Regulations are a step beyond the mere protection of waqf to the causes of its inactivity and to restore it to productive use. "remedial measures" to include identifying a waqf, and legally establishing its status, removing encroachments upon its property and appointing an administrator (nāẓir). Conversely, "Revival" refers to measures that restore the ability of the waqf to fulfilll its purpose in accordance with the endower's conditions. The Regulations are therefore intended to create a framework for dealing with the situation of unrecognized and inactive awqaf and to revivify them in a manner conducive to their sustainability (General Authority for Awqaf, 2026a).

Articles 15–18 also regulate the rewards offered for reporting unidentified awqaf, providing an incentive to facilitate their identification and revival (General Authority for Awqaf, 2026, arts. 15–18).

D) Regulations on Establishing or Financing Awqaf through Fundraising, Approved by Resolution No. (6/1/47/T) of the Board of Directors of the General Authority for Awqaf, dated 23/03/1447 AH (September 15, 2025).

These Regulations shall apply to the collection of funds for the establishment of new awqaf or the financing of existing awqaf. They include procedures for license applications, eligibility criteria for applicants, rules for allocation of funds and licensee obligations. They also need a separate bank account for each fundraising campaign, regular reporting and documentation of related transactions (General Authority for Awqaf, 2025).

The Regulations are intended to facilitate innovative sources of financing and to allow nonprofit entities to employ community contributions and broad fundraising campaigns to build significant endowed assets that may produce sustainable returns in support of education, healthcare, community development and environmental initiatives. They also support the goals of the General Authority for Awqaf and Saudi Vision 2030, by supporting the increase of the contribution of the nonprofit and waqf sectors to gross domestic product and enhancing confidence in waqf institutions.

E) Regulations on Waqf Investment Products, Approved by Board Resolution No. (21/1/47), dated 26/11/1447 AH (May 13, 2026).

The Waqf Investment Products Regulations provide the framework for the waqf-related provisions concerning waqf investment portfolios, investment funds and sukuk, under the supervision of the Capital Market Authority. This regulation links the regulation of these products to the integration of the waqf sector in economic development in line with the objectives of the Authority derived from Saudi Vision 2030 in Article 2 (General Authority for Awqaf, 2026b, arts. 1–3).

The developmentally significant aspect of these Regulations is that they provide a framework for the investment of waqf funds through various financial instruments. They also enable the establishment of waqf funds and portfolios, which are endowed with a security or its value as provided in Article 12. This is a major regulatory development in the Saudi waqf sector, encouraging a move away from traditional management and investment practices, often focused on fixed real estate assets, to modern, innovative, institutionally managed financial investment. The Regulations can provide a clear regulatory framework for structuring waqf investment products including investment funds, sukuk and portfolios which can facilitate diversification, reduce the concentration risk associated with real estate holdings and create opportunities for growth.

The Regulations also provide for cash waqf (cash awqaf), whereby endowed funds can be invested through flexible arrangements that are designed to be Sharia-compliant and in accordance with standards of the financial markets, but with appropriate safeguards.

In addition, the Regulations can help mobilize capital, support sustainable financing and broaden community engagement in waqf investment. Regulated products such as units in waqf investment funds and cash-waqf arrangements can help to ease the participation of both small and large contributors and endowers and contribute to more sustainable cash flows for developmental programs.

4. THE IMPACT OF SAUDI WAQF REGULATIONS ON THE DEVELOPMENT OF THE ENDOWMENT SECTOR IN THE HAIL REGION:

The regulations and bylaws issued by the General Authority of Awqaf, in integration with the legislation governing financial markets, represent a fundamental pillar for the structural transformation underway in the non-profit and waqf sector in the Kingdom of Saudi Arabia. The effect of these legislative reforms is clear when adapted to regions with specific economic and

geographic features as in the region of Hail, which combines the historical and agricultural environments with the contemporary development requirements of Saudi Vision 2030.

4.1 The Impact of the "Regulations on Investment Waqf Products" on Diversifying the Waqf Portfolio in Hail:

This regulation contributes to solving the traditional problem of concentration of endowments in real estate in the Hail region represented in the low financial return of some old buildings and lands that are underutilized, through:

- Transitioning to Cash Waqfs and Investment Waqf Funds: This transition contributes to the sustainability of returns and reduces the operational risks of managing fixed assets on an individual basis (Hassan et al., 2021; General Authority for Awqaf, 2026b).

- Financial Innovation and Participatory Financing: Financing of the major waqf assets in the region without the need of large liquidity from a single endower (Ahmed et al., 2015).

In this connection, the University of Hail Investment Waqf Fund was established in 2023 with a value of SAR 50 million in partnership with the General Authority of Awqaf as a pioneering empirical model for sustainable educational endowments in the region (Saudi Press Agency, 2023). The purpose of the fund is to invest cash surpluses and waqf assets in low risk, Shariah compliant financial products in accordance with the provisions of the "Regulations on Investment Waqf Products". This will ensure that periodic and stable yields are allocated to fund scientific research, nurture talented students and support developmental and community initiatives at the university, in line with the objectives of Saudi Vision 2030 to develop the non-profit sector and improve the financial sustainability of academic institutions.

4.2 Role of the "Regulations on Establishing Waqfs and Financing Them Through Fundraising" in Promoting Transparency and Governance:

Individual management and unclear responsibilities between waqf trustees (Nazirs) and regulatory bodies has been one of the main barriers to the development of regional endowments (Abubakar Kassim & Noordin, 2025). Regulating Crowdfunding and Managing Fundraising Operations This regulation directly affects the environment in Hail: Enabling the collection of funds for the establishment of new waqfs and the preservation of existing properties via approved platforms like the "Waqfy" platform, thus enhancing the credibility of waqf projects among donors and investors in the region (General Authority for Awqaf, 2025).

4.3 The Role of the "Regulations on Reviving Unknown and Inactive Waqfs" in Solving the Problem of Unknown Endowments in Hail:

This regulation is the most direct instrument to address inactive or unknown endowments in Hail, as it provides a legal and operational framework to identify them, determine their waqf status, remove encroachments, appoint trustees (Nazirs) and then revive them to meet the endowers' stipulations.

This framework can be used efficiently in Hail by:

- Inventorying endowments: identifying endowments whose beneficiaries have stopped receiving yields or whose assets have become non-functional.

- Encouraging Community Reporting: Incentivizing local communities and regional bodies to report unknown or underreported waqf assets.

- Establishment of a local waqf registry Establishment of a dedicated local endowment database with supporting documentation where legal or administrative procedures could not previously be completed.

- Preparation of Asset Revitalization Plans Preparation of asset-specific restoration plans including maintenance, re-utilization or consolidation with existing active endowments wherever necessary.

4..4 Leveraging the Specific Advantages of the Hail Region (Green and Heritage Waqf):

The Hail region is characterized by its agricultural and environmental features, due to the vast arable lands in areas like Baq'a and Jubbah. It is also known for its exceptional tourism and cultural importance with UNESCO World Heritage sites such as the Rock Art in Jubbah (Jabal Umm Sinman) and Shuwaymis (Alboraie et al., 2026, Alboraie et al., 2025). The region's natural

and historical diversity enables the creation of innovative non-traditional waqf models, such as the activation of agricultural and Green Waqf initiatives for environmental preservation and sustainable rural development, as well as the development of heritage and tourism waqfs adjacent to archeological sites.

5. RESULTS:

1- Waqf has a clear jurisprudential foundation that makes it an instrument of sustainable development; it is based on preserving the endowed corpus and directing its returns or benefits towards charitable and public-interest purposes, thereby ensuring the continuity of benefit and fulfilling endowers' conditions.

2- The waqf sector in the Kingdom of Saudi Arabia has undergone a transition from traditional administration to institutional regulation; the responsibility has shifted from reliance on individual administrators and Sharia courts to a model based on the General Authority for Awqaf, waqf registration, asset protection, and the development of governance and investment.

3- The recent waqf regulations provide an integrated framework for the development of the waqf sector. The Regulations Governing Waqf Administration and the Schedule of Violations and Penalties address governance and accountability; the Regulations on the Revival of Unidentified and Inactive Awqaf address underutilized assets; the Regulations on Establishing or Financing Awqaf through Fundraising regulate waqf financing; and the Regulations on Waqf Investment Products expand the range of investment instruments.

4- The Regulations Governing Waqf Administration facilitate the waqf governance by specifying the financial and administrative duties of administrators such as a requirement to separate waqf funds from personal funds, maintain proper records of transactions and ensure the Sharia compliance and an appropriate risk-return ratio of investments.

5- The Regulations on the Revival of Unidentified and Inactive Awqaf provide a practical instrument for addressing non-productive waqf assets; they enable the identification of such assets, verification of their waqf status, removal of encroachments, appointment of administrators, and restoration of the asset to fulfil its purpose in accordance with endowers' conditions.

6- The Regulations on Establishing or Financing Awqaf through Fundraising provides a regulated source of funding for new or existing awqaf. Licensing requirements, dedicated accounts and periodic reporting improves transparency and confidence in waqf initiatives.

7- The Regulations on Waqf Investment Products provide a framework for the expansion of investment instruments available to waqf funds through waqf investment portfolios, funds and sukuk, thus enabling diversification of income sources and reducing dependence on fixed real estate assets.

8- The University of Hail Investment Waqf Fund is one of the early practical models for activating waqf investment instruments in the Hail region. It was established in partnership with the General Authority for Awqaf, with a value of 50 million riyals, and reflects the trend towards employing waqf to support education, scientific research and development programmes.

9- The impact of waqf regulations in Hail is still at the implementation stage; the existence of a legal framework does not mean that its developmental impact has been fully realized, especially with the need for accurate local data on registered awqaf, their assets, returns, and cases of inactivity.

10- Awqaf can have a significant role in sustainable development in Hail if they are compatible with the needs of the region, such as education, social solidarity, sustainable agriculture, the environment, heritage and tourism, and in accordance with the conditions of the endowers and the relevant Sharia and legal requirements.

6. RECOMMENDATIONS:

The study recommends strengthening the documentation and registration of awqaf in the Hail Region, using the digital services of the General Authority for Awqaf, and establishing an accurate database on waqf assets, administrators, returns and beneficiaries. It also calls for the activation of the Regulations on the Revival of Unidentified and Inactive Awqaf to identify underutilized assets, rehabilitate them and convert them into productive resources, as well as improving governance and financial transparency in accordance with the Regulations Governing Waqf Administration. It also suggests expanding the use

of waqf investment products, such as investment funds and portfolios, to diversify income sources and reduce reliance on fixed real estate assets. It also suggests encouraging community participation in the establishment and financing of awqaf through regulated and transparent fundraising mechanisms. Finally, waqf returns should be linked to local development needs in Hail, such as education, social solidarity, sustainable agriculture, the environment, heritage, and tourism, in a manner that meets the conditions of the endowers, and enhances the sustainable development impact of the waqf sector in the region.

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