

## Natural Language

Status:  Law in force

DUBAI RES EXEC COUN No. 26 of 2013

### Executive Council Resolution No. 26 of 2013 concerning Charities, Quran Memorization Centers and Islamic Foundations in the Emirate of Dubai

We, Sheikh Hamdan Bin Mohammed Bin Rashid Al Maktoum, Crown Prince of Dubai and Chairman of Dubai Executive Council

#### Having reviewed:

Law No. (3) of 2003 Establishing An executive Council for the Emirate of Dubai; and

Law No. (2) of 2011 on the Islamic Affairs & Charitable Activities Department,

#### Hereby resolved as follows:

#### Article 1 Definitions

The following words and phrases shall, whenever mentioned herein, bear the meanings assigned thereto respectively, unless the context otherwise requires:

The State:	The United Arab Emirates
The Emirate:	The Emirate of Dubai
The Department:	The Islamic Affairs & Charitable Activities Department (IACAD)
The Law:	Law No. (2) of 2011 on the Islamic Affairs & Charitable Activities Department.
The Director General:	The Director General of IACAD
The Charity:	Any sole proprietorship or a group of an organization entitled to continue for a definite or indefinite period, comprising of natural or legal person/s, is concerns with religious or charitable affairs and engages in its activity within the Emirate, including religious or charitable

	foundations and associations established or to be established by law or decree.
Holy Quran Memorization Center:	The place where learning the rules governing recitation and intonation of the Holy Quran, its memorization and teaching are administered in the Emirate, whether permanently or temporarily.
The Islamic Foundation:	Any entity concerns with the spread of Islamic culture and development of religious awareness in the Emirate, and engages in its activity therein whether permanently or temporarily.
Articles of Association:	The Articles of Association of the <b>Charity</b> , the Holy Quran Memorization Center and the Islamic Foundation, as the case may be.
The Board:	The Board of Directors (BOD) of the <b>Charity</b> , the Holy Quran Memorization Center and the Islamic Foundation, as the case may be.
The Founder:	The natural or legal person willing to establish a <b>Charity</b> , a Holy Quran memorization center or an Islamic foundation.
The Member:	The BOD Member.

## Article 2 Scope of Application

The provisions hereof shall apply to **Charities**, Holy Quran memorization centers and Islamic foundations duly licensed in the Emirate at the time when this Resolution comes into force, as well as those to be licensed after entry into force of the provisions hereof.

## Article 3 Engagement in Activities

No natural or legal person may engage in any activity of Charities, Holy Quran memorization centers or Islamic foundations in the Emirate except after obtaining the respective license from the Department.

## Article 4 Tasks and Powers of the Department

For the purposes hereof, the Department shall undertake the following functions and powers:

1. Consider the license applications of Charities, Holy Quran memorization centers and Islamic foundations willing to engage in their activity in the Emirate, and take the necessary measures in this regard;
2. Approve the religious curriculum and programs studied in the Holy Quran Memorization Center;
3. Set the procedures pertaining to organization of Holy Quran competitions in particular and Islamic cultural competitions in general, and create a generation memorizing the Book of Allah, acquainted with

- the science of the Holy Quran and adopting the morals thereof;
4. Be responsible for the administrative, financial and cultural control and supervision of Charities, Holy Quran memorization centers and Islamic foundations;
  5. Audit the documents, records, books and data of Charities, Holy Quran memorization centers and Islamic foundations whether at the headquarters thereof or that of the Department; and
  6. Put the audit and control findings in the form of notes to be communicated to Charities, Holy Quran memorization centers and Islamic foundations;

#### **Article 5 Conditions applicable to Founder**

- A. The Founder shall meet the following conditions:
  - a. Be a national of the State;
  - b. Enjoy the legal capacity;
  - c. Has the solvency and financial capability necessary for spending on the activities of the Charity, the Holy Quran Memorization Center or the Islamic Foundations which he/she is willing to establish;
  - d. Be of good conduct and reputable and never been sentenced to a free-restricting punishment on a felony or misdemeanor involving moral turpitude or breach of trust, unless rehabilitated; and
  - e. Never been dismissed nor stopped from his/her activity in any Charity, Holy Quran memorization center or Islamic foundation.
- B. The conditions referred to herein under Paragraph (A) of this Article shall be applicable to the extent necessary in the case where the Founder is a legal person.
- C. The Director General may exclude any person from the condition set forth under Clause (1) of Paragraph (A) of this Article.

#### **Article 6 Licensing Procedures**

- A. The license application of the Charity, the Holy Quran Memorization Center or of the Islamic Foundations shall, supported by the required instruments and documents, inter alia, the Articles of Association, be submitted to the Department, provided that the following shall be included in such application:
  - a. The name and address of each of them;
  - b. A study showing the aspects pertaining to the system and method of work therein;
  - c. The name of the Founder, the names and addresses of the Proposed Board members as well as a copy of their passports;
  - d. The Articles of Association duly signed by the Founder;
  - e. The organizational structure and the distribution of competencies and responsibilities;
  - f. Annual programs, plans and activities;
  - g. Sources of funding;
  - h. Provision of the premises in which the Charity, the Holy Quran Memorization Center or the Islamic Foundations engages in its activity, provided that such headquarters shall fulfill the conditions set in this regard by the Department; and
  - i. Any other data or documents required by the Department.
- B. The Department shall study the application referred to herein under Paragraph (A) of this Article, and shall take a decision thereon within (60) days as from the date on which such application was submitted thereto. The application shall be deemed to have been dismissed if the decision is not issued within this period.
- C. The license of the **Charity**, the Holy Quran Memorization Center or the Islamic Foundation shall, by a decision of the Director General, be issued.
- D. The **Charity**, the Holy Quran Memorization Center or the Islamic Foundation shall acquire the independent legal personality once the licensing procedures are finalized.
- E. The **Charity**, the Holy Quran Memorization Center or the Islamic Foundation shall be recorded in a special register with the Department, evincing its name, address, purposes, headquarters and the beginning and end of the fiscal year, the number of the BOD members, the name of the director and legal representative, along with any other data to be determined by the Department.

#### **Article 7 Term of License**

License term of the Charity, the Holy Quran Memorization Center or the Islamic Foundation shall be one year subject to renewal for similar periods, and the renewal application shall, (30) days prior to the expiration of license, be submitted. The Department shall determine the instruments and documents required to be enclosed to the renewal application.

## **Article 8 Establishment of Branches**

- A. The Charity, the Holy Quran Memorization Center or the Islamic Foundation may establish branches inside the Emirate in accordance with the following conditions:
  - a. The application for this purpose shall be submitted to the Department;
  - b. It shall have been duly licensed at the time when such application is submitted;
  - c. It shall be able to bear the expenses the branch and the management thereof; and
  - d. It shall have reasons justifying the opening of the branch.
- B. The Department shall study the application referred to herein under Paragraph (A) of this Article, and shall take a decision thereon within (30) days as from the date whereon such application was submitted thereto. The application shall be deemed to have been dismissed if the decision is not issued within this period.

## **Article 9 Board of Directors**

The Charity, the Holy Quran Memorization Center or the Islamic Foundation shall have a board of directors the members of which are not less than three. The Board shall formulate the general policy of such Association, Center or Foundation, manage its funds, undertake its affairs and provide the means necessary for the performance of its activity and achievement of its goals. The Articles of Association shall evince the competencies of the Board, the number of members, the method whereby they are selected, the termination of their membership, the procedures governing the invitation for a meeting, and the validity of meetings held and resolutions passed.

## **Article 10 Conditions applicable to Board Member**

- A. The Board Member shall fulfill the conditions mentioned under Paragraph (A) of Article (5) hereof, except the condition mentioned under Clause (3) of this Article.
- B. The Director General may exclude the member from the condition set forth under Clause (1) of Paragraph (A) of Article (5) hereof.

## **Article 11 The Director**

- A. The Board may not appoint a director for the Charity, the Holy Quran Memorization Center or the Islamic Foundation except after securing the respective prior approval from the Department and fulfilling the conditions adopted thereby in this regard.
- B. The director of the Charity, the Holy Quran Memorization Center or the Islamic Foundation shall, directly, be responsible before the Board for executing the policies, plans and programs adopted by the Board, and for any other tasks entrusted therewith under the Articles of Association of such Association, Center or Foundation.

## **Article 12 Obligations**

The Charity, the Holy Quran Memorization Center or the Islamic Foundation shall comply with the following:

1. Secure prior approval from the Department before opening any bank account;
2. Provide the place where it will engage in its activity and which shall be in compliance with the stipulations made by the Department in this regard;
3. Deposit all cash amounts collected thereby in its bank account before spending the same on its activities;
4. Provide the Department every three months with its bank statement of account evincing all financial disposals;
5. Provide the Department with any other data, records, books or documents required therefrom;
6. Neither overstep the goals set under its Articles of Association nor engage in any activity other than that permitted and licensed;
7. Not to intervene in politics or incite sectarian, racial, religious or ethnic conflicts;
8. Not to participate in any conference, seminar, meeting or competition inside or outside the State except after securing the prior written approval from the Department;
9. Not to affiliate to, participate in or join any entity headquartered inside or outside the State after securing the prior written approval from the Department;
10. Spend its funds in achievement of the goal for which it was established, and not to engage in trade or financial speculations;

11. Not to provide financial support to any entity without securing the prior written approval from the Department;
12. Respond to the reports, remarks, inquiries and correspondence of the Department within the deadlines;
13. Submit a copy of its annual budget and final account to the Department;
14. Obtain the prior written approval from the Department with respect to the appointment of the Board chairman and members, its director, personnel and volunteers therein, and its program.
15. Obtain the prior written approval from the Department in the case of organizing seminars, meetings, lectures and lessons in which people from outside and outside the State participate.
16. Enable the employees working at the Department or those assigned thereby to review and audit at any time its records, documents and books;
17. Not to obtain any gifts, benefits, aid, bequests, donations or grants from inside or outside the State except after securing the prior written approval from the Department;
18. Obtain, upon its dissolution or winding up, the prior written approval from the Department concerning how to dispose of its funds, assets, documents and books; and
19. Obtain the prior written approval of its programs, projects and activities inside and outside the State from the Department.

### **Article 13 Articles of Association**

The Articles of Association of the Charity, the Holy Quran Memorization Center or Islamic Foundation shall include all the basic components thereof, particularly the following:

1. Its name and headquarters;
2. The goals for which it is established;
3. The method whereby the Board is formed, its functions, system of sessions, and how the meetings are held and the resolutions are taken;
4. The rules amending the Articles of Association and the conditions governing establishment of branches and merger with third parties;
5. The financial resources thereof, how they are spent and the beginning and end of the fiscal year; and
6. Any other data determined by the Department.

### **Article 14 Voluntary Dissolution and Winding-up**

Without prejudice to the provisions of Clause (18) of Article (12) hereof, the Charity, the Holy Quran Memorization Center or Islamic Foundation may, voluntarily and under a resolution issued by the Board, be dissolved or wound up. In this resolution, the method of dissolution, how to dispose of the funds and documents and the entity to which those funds will belong shall be determined.

### **Article 15 Compulsory Dissolution and Winding-up**

- A. The Charity, the Holy Quran Memorization Center or Islamic Foundation may, compulsorily and under a resolution from the Director General, be dissolved or wound up in any of the following cases:
  - a. Failure to meet the shortage in the number of the Board members as prescribed under the Articles of Association within (30) days as from the date whereon the Department requested to meet this shortage.
  - b. Where it is evident that its activities contradict the goals for which it is established or failure to achieve such goals.
  - c. Where it disposes of its funds in other than the specified aspects.
  - d. Failure to fulfill its financial obligations.
  - e. Where it submits incorrect data or documents to the Department.
  - f. Where it disallows the competent employees of the Department or those assigned thereby to perform the activities of control, inspection and audit, or where it fails to give any information or data with respect to any investigation conducted by the Department.
  - g. Where it fails to reply to the remarks or correspondence of the Department, or in the case of delay in replying for a period exceeding (30) days with no acceptable excuse.
  - h. Where it fails to implement any of the requests or measures required by the Department.
  - i. Where it fails to provide the Department with the financial final accounts and statements as well as the supporting documents on the scheduled dates, or the instruments or documents necessary for conducting the control activities.
  - j. Where it commits a flagrant breach of the Articles of Association, the provision of the law or the provisions hereof and the decisions issued hereunder.

- k. Where it fails to keep its records and documents in accordance with the provisions hereof, or where its records contain incorrect data.

Without prejudice to the provisions of Paragraph (A) of this Article, the Director General may, by a reasoning resolution, appoint a new board vested with the competencies of the previous board if so achieves the public interest of the Charity, the Holy Quran Memorization Center or the Islamic Foundation. The previous board and the employees working at the Charity, the Holy Quran Memorization Center or the Islamic Foundation shall proceed to deliver all funds, records, books and documents in their possession to the new board.

#### **Article 16 Dissolution and Winding up Committee**

- A. A committee shall, by the decision of the Director General determining the functions and work method of such committee and how the decisions are taken thereby, be formed for dissolving and winding up the Charity, the Holy Quran Memorization Center or the Islamic Foundation.
- B. The Committee referred to herein under Paragraph (A) of this Article shall submit a report on its work to the Director General.

#### **Article 17 Banning the Disposal of Funds**

Those in charge of the Charity, the Holy Quran Memorization Center or the Islamic Foundation, for which a decision on its voluntary or compulsory dissolution or winding up is issued, may not dispose of its funds, records, books and documents except after securing the prior written approval from the Department.

#### **Article 18 Records**

The Charity, the Holy Quran Memorization Center or the Islamic Foundation shall keep the following records:

1. The record of the Founder and the funding provided by the same thereto;
2. The record of the Board chairman and members' names;
3. The record of the Board's minutes of meetings;
4. The record of income and expenditure account corroborated by supporting documents; and
5. The record of bank accounts evincing all financial disposals, inter alia, deposit and withdrawal.

#### **Article 19 The Holy Quran Circles**

The Department may, based on an application submitted thereto, accept the holding of temporary circles for memorizing, reciting and teaching the Holy Quran, and the Department shall reply to the application referred to herein within (15) days as from the date of its submittal thereto. The application shall be deemed to have been dismissed if the decision is not issued within this period.

#### **Article 20 The Measures**

Any of the following measures shall be imposed on whoever violates the provisions hereof and the decisions issued in execution hereof:

1. Draw attention in writing by requesting to rectify the violation within a week as from the date on which the attention is drawn.
2. A written notice requesting to remedy the violation within a week as from the date of such notice.
3. Cease the license of the Charity, the Holy Quran Memorization Center or the Islamic Foundation, and close the violating headquarters for a period not less than one month nor more than one year.
4. Withdraw permanently the license of the Charity, the Holy Quran Memorization Center or the Islamic Foundation, dissolve and wind up the same.

#### **Article 21 Judicial Officership**

The Department employees, whose names are listed in decision by the Director General in coordination with the Director General of the Government of Dubai Legal Affairs Department, shall have the capacity of judicial officers in recording the acts committed in violation of the provisions of the law, the provisions hereof and the decisions issued in execution hereof. For that sake, they may draw up the records of judicial control and seek

the assistance of competent authorities, inter alios, the police.

#### **Article 22 Financial Violation Detection Measures**

The Director General or whoever is duly authorized thereby may take one or more of the following actions upon committing a financial violation by the Charity, the Holy Quran Memorization Center or the Islamic Foundation:

1. Assign the violating entity to conduct an initial investigation into the committed violation, and provided the Department with the relevant findings.
2. Form a committee undertaking the investigation into the committed violation.
3. Stop the violating employee from work until the investigation is completed.
4. Seize any papers, documents, records or any other matter used in committing the violation.
5. Assign the Board to impose a disciplinary penalty on the violating employee in accordance with the regulations applicable and prevailing in the Charity, the Holy Quran Memorization Center or the Islamic Foundation, and the Board shall impose such penalty within (15) days as from the date on which the Department requests its imposition, and shall notify the Department with the disciplinary action taken.
6. Refer the investigation papers to the Public Prosecution in the case there is any penal crime for which any legislation prescribed a punishment.
7. Archive the investigation if the financial violation is proven to have no existence.

#### **Article 23 Financial Resources**

The financial resources of the Charity, the Holy Quran Memorization Center or the Islamic Foundation shall consist of the following:

1. The funding provided by the Founder.
2. Endowment Proceeds.
3. The surplus derived from the budget of previous years.
4. The aid, grants, donations, benefits, subsidies, donations and bequests approved by the Director General.

#### **Article 24 Suspension and Cancellation of Bank Accounts**

The Director General may address the banks, which have accounts belonging to the Charity, the Holy Quran Memorization Center or the Islamic Foundation decided to be dissolved and wound up, or whose license is stopped or withdrawn, to cease its accounts. The Director General may further request to close such accounts and transfer the funds to the Department.

#### **Article 25 Grievance**

Any interested party may lodge a written complaint to the Director General against any decision or measure taken vis-à-vis the same by the Department, within (30) days as from the date whereon such decision is taken or such measure is imposed. The complaint shall, within (30) days as from the date of its submittal, be decided by a committee formed by the Director General for this purpose, and the decision issued on this complaint shall be deemed final.

#### **Article 26 Adjustment of Status**

The Charity, the Holy Quran Memorization Center or the Islamic Foundation existing at the time when the provision hereof is applicable shall adjust their status according to the provisions hereof within a period not exceeding (6) months as from the effective date hereof.

#### **Article 27 Issuance of Executive Resolutions**

The Director General shall issue the resolutions necessary for executing the provisions hereof, including the following:

1. Organizing the activities which the **Charity**, the Holy Quran Memorization Center or the Islamic

- Foundation may engage in;
2. Determining the joint-cooperation mechanism between similar **Charities**, Holy Quran memorization centers or Islamic foundations; and
  3. The controls governing the collection of donations by the **Charity**, the Holy Quran Memorization Center or the Islamic Foundation in compliance with the legislation applicable and prevailing in this regard.

### **Article 28 Repeal**

Any provision, in any other resolution, which contradicts with the provisions hereof shall be repealed to the extent of such contradiction.

### **Article 29 Publishing and Entry into Force**

This Resolution shall be published in the Official Gazette, and shall enter into force as from the date of publication.

### **Signed**

Hamdan Bin Mohammed Bin Rashid Al Maktoum

Crown Prince of Dubai

Chairman of Dubai Executive Council

Issued in Dubai on July 24, 2013 AD

Corresponding to Ramadan 15, 1434 AH