to the requirements of Sharia prohibition and the purification of investments—particularly endowment funds—from prohibited matters and ambiguities (Shub-uhat), and an approach that takes into account institutional necessity and permits the application of mixed share controls to certain investment vehicles with their quantitative and qualitative controls and purification mechanisms, while highlighting the impact of Sharia committees in governance, oversight, and achieving the specific effective cause (Tahqiq Al-ma-natt Al-khass). The importance also emerged of differentiating between the nature of investment entities, management responsibility, the methodology of measurement and evaluation, and the limits of necessity recognized by Sharia.

In summary of the foregoing, investment in these vehicles is not subject to an absolute ruling, but rather is governed by a disciplined evaluation that balances between the objectives of Sharia (Ma-qa-sed Al-shariah) in preserving and safeguarding wealth, and the requirements of efficiency and development, within a framework of transparency, compliance, and institutional Sharia supervision; thereby enhancing confidence in the Islamic finance industry and supporting its path towards greater maturity and methodological coherence.

The symposium concluded with the presentation of the findings, recommendations, and scholarly summary of what the symposium reached, which have not been published until the preparation of this presentation.

And all praise is due to Allah, Lord of the world

obligation to dispose of its returns without the intention of seeking nearness to God (Qur-bah), which necessitates purifying endowment funds from any prohibited taint. He explained that the approval of the ratios was based on the need at the time of their issuance, and that the expansion of permissible alternatives today weakens the justification for broadening its application. He pointed out a fundamental difference between joint-stock companies and funds; in the former, a separation is made between the shareholder and the board of directors, whereas the fund manager is a direct agent of the investors, and his actions are constrained by their authorization, which entails holding them responsible for his actions.

He then presented specific commentaries on each paper of the theme/topic, indicating his scholarly observations on them.

Conclusion:

The scholarly papers presented in the symposium's themes collectively demonstrated that contemporary investment issues in Islamic financial institutions—particularly those related to mixed shares, investment funds, and alternative investments—represent a field of juristic reasoning (Ijtihad) in which juristic, economic, and governance dimensions intersect. The research papers sought to establish foundational concepts, refine terminology, delineate the points of contention, and analyze practical applications considering adopted Sharia standards, considering market realities and the complexities of modern investment structures.

The treatments complemented one another between an approach affirming the necessity of strict discipline according

the four papers in detailed commentary, indicating his scholarly observations on each paper, within an evaluative framework that enhances the delineation of the issue and refines the methodologies for examining it.

This was followed by the second commentary, presented by Professor Dr. Abdullah bin Musa Al-Ammar, Professor of Fiqh at the College of Sharia, Imam Muhammad bin Saud Islamic University, and Member of the Sharia Board at Bank Al-Bilad. He divided it into a general commentary and a specific one on each paper.

In the general commentary, he pointed to the necessity of defining the terminology of investment funds and clarifying their types, characteristics, and the differences between them in terms of nature, investment mechanisms, financing methods, listing, and disclosure, due to the variation in their realities and the effect of that on the Sharia ruling. He also drew attention to the importance of differentiating between the ruling on investment in general and the ruling on endowment investment in particular, due to the different nature of the endowment as a financial act of worship requiring the pursuit of pure lawful (Halal) earnings and avoidance of ambiguities (Shub-hat), such that it cannot be analogized to other forms of acquisition. He emphasized the necessity of invoking the controls of earning in Sharia, its texts, and its principles before applying the ratios for mixed shares to funds.

He also emphasized that those who hold the opinion permitting investment in mixed shares explicitly stipulated the absolute prohibition of directly engaging in what is prohibited and the

Following the conclusion of the presentations of the papers for the second theme/topic, the commentaries were delivered.

The first commentary was by Professor Dr. Saleh bin Abdullah Al-Luhaidan, Secretary and Member of the Sharia Board at Al Rajhi Bank, and Member of the Sharia Board at both the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) and Al Rajhi Cooperative Insurance Company (Takaful Al Rajhi). He focused on delineating the point of disagreement and fulfilling the purpose of the symposium. He explained that the orientations of the papers presented, overall, revert to three approaches:

The first: The impermissibility of applying the controls to the fund as a whole, but rather requiring that all its components be compliant with Sharia controls, and prohibiting its inclusion of any prohibited company, whether the prohibition is due to the nature of its activity, due to what its articles of association stipulate, or due to violation of the prescribed ratios for mixed shares.

The second: The permissibility of applying the standards for mixed shares to the fund on the basis that it is a single entity, such that consideration is given to the total of prohibited elements within it without regard to the status of each company individually, as long as the total does not exceed the prescribed ratios, with some proponents excluding conventional banks from this.

The third: Differentiating between the type of violation; it permits the aggregate application if the reason for prohibition is violation of the financial ratios, and prohibits that if the prohibition arises from the inherently prohibited activity itself. He then discussed

structuring via a Special Purpose Company, side agreements, or direct investment with purification. It addressed the classification of the management relationship between agency (Wakalah) and partnership (Mudarabah), and the prohibition of capital guarantee and privileges that definitively preclude participation in profit and loss, while highlighting the role of Sharia committees in governance and oversight, and linking this to the objectives of Sharia (Maqasid Al-shariah) and the rules for removing hardship.

The paper concluded with the following:

- The permissibility of investing in compliant funds that adopt permissible structures, exclude prohibitions, and observe purification ratios.
- The division of non-compliant funds into three types: those with prohibited activity, which are not permissible; those with permissible activity adhering to the ratios, which are permissible; and those with permissible activity not adhering to the ratios, which are to be avoided as a rule, and may be permissible, when necessary, through legitimate means with purification.
- Adoption of a maximum limit for usurious debts not exceeding (30%) of the fair value of the fund's total assets, while emphasizing the absolute prohibition of usury.
- The necessity of observing the structures of entry and the controls for preferred shares, and prohibiting anything that undermines participation in profit and loss, and addressing violations and disposing of impermissible distributions if they occur.

The third type: its activity is partially permissible, but it does not adhere to the prescribed ratios, so it must be avoided as a rule, and if necessity arises, dealing with it may be permissible through legitimate means, such as Murabaha structuring via a Special Purpose Company, or through side agreements separating the permissible from the others, or direct investment with disposal of the prohibited return.

The fourth paper was presented by Dr. Khalid bin Abdullah Al-Muzaini, Associate Professor of Fiqh in the Department of Islamic and Arabic Studies at King Fahd University of Petroleum and Minerals, entitled: «The Ruling on Applying Investment Controls for Mixed Shares on Investment Funds.» His study was organized into an introduction, a preamble, four sections, and a conclusion. The paper addressed the problem of applying the controls for mixed shares to alternative investment funds, particularly Public Investment Funds, by precisely defining the point of contention between those who prohibit applying the standard to the fund vehicle due to its inclusion of prohibited elements, and those who permit it in consideration of institutional necessity while adhering to quantitative and qualitative controls and purification rulings. The study examined the determination of the criterion for Sharia evaluation: whether it is the fund as an independent legal personality or each asset individually, and the methodology for calculating prohibited debts at two levels (the fund and its share in companies), adopting fair value as a principle, and regulating the time dimension of measurement and the mechanisms for addressing excess of the ratios. It also examined means of compliance, when necessary, such as Murabaha

or portfolios constituted through an investment manager, all collectively referred to as «funds.» The Sharia issues arise in the target companies, whether due to the prohibition of their activity or the existence of usurious loans, necessitating an examination of the extent to which the Sharia controls applied to mixed shares can be applied to these funds. The researcher also addressed the concept of Public Investment Funds and their relation to alternative investments, emphasizing that funds whose governing documents stipulate commitment to Sharia provisions under a standing Sharia committee fall outside the scope of the research. The focus of the research is on funds that do not explicitly commit to Sharia controls and are managed in environments where it is difficult to find Islamic alternatives for the activities of the fund or the companies invested in. The study concluded by establishing controls for evaluating investment in Public Investment Funds and other alternative investments from a Sharia perspective, **clarifying the following:**

- Compliant funds: These are funds that pursue permissible structures and strategies, exclude prohibited sectors, and observe purification ratios; there is no issue in investing in them.
- Non-compliant funds are divided into three types:

The first type: its activity is inherently prohibited, so investing in it is not permissible.

The second type: its activity is permissible and it adheres to the required qualitative and quantitative ratios, so investing in it is permissible.

- Funds committed to Sharia controls are given priority, followed by local funds not violating the controls, then international funds when local investment is not feasible, with preference given to funds managed by Muslims and in Muslim countries.
- It is permissible to substitute an endowment when its benefits are disrupted or to achieve a preponderant interest, such as substituting units of a mixed fund with units of a non-mixed fund or substituting an endowment of little benefit with one of greater benefit, taking into account the supervision and oversight of a Sharia committee over the Sharia benefit of the endowment.

The third paper was presented by Dr. Faisal bin Saleh Al-Shammari, lawyer, Sharia and legal advisor, member of the committee for redrafting the Sharia standard for investment sukuk at AAOIFI, and member of several Sharia committees in financial institutions. The title of his paper was: «The Application of Investment Controls for Mixed Shares on Investment Funds.» The paper aims to establish foundational concepts in contemporary Islamic finance and analyze its modern applications, through combining precise technical description and disciplined juristic analysis, thereby enhancing the understanding of competent authorities and Sharia committees and enabling them to apply Sharia rulings to actual investment practices. The researcher focused on the challenges faced by endowments and financial institutions with abundant liquidity in investing in alternative investments and private equity funds. These are investments not typically listed in conventional financial markets, and they may take the form of investment funds

investment funds, the mechanism for applying them to alternative investments, the effect of the investor being an endowment, the purification resulting from the expenditure of profits, the calculation of the ratio of prohibited debts in relation to the fund's assets, the need for supplementary agreements to exclude non-compliant assets, and the rulings on endowment substitution to achieve better benefit. The paper was divided into an introduction, three sections, and a conclusion: The introduction presented the importance of the topic, the reasons for its selection, previous studies, the research plan, and the difficulties faced by the researcher. The first section addressed the definition of investment in mixed funds. The second section addressed the characterization of mixed shares and mixed investment funds according to Sharia Rules. While the third section addressed the ruling on endowment participation in mixed investment funds, taking into account adherence to Sharia controls and the achievement of the endowment's benefit.

Among his most prominent findings:

- It is prohibited to endow units of mixed funds and to invest the revenues of endowments in them if there are permissible, non-mixed investments that achieve the purpose of the endowment, and this becomes particularly evident in the case of small endowments.
- It is permissible to endow units of mixed funds and to invest the revenues of endowments in them if the funds adhere to the investment controls for mixed shares, with the ratios being calculated based on the fund's total assets and not each investment individually.

section, he examined the ruling on applying investment controls for mixed shares on investment funds, with an explanation of the forms of the issue, the opinions of the jurists, and the Sharia evidence thereon. Then, in the second section, he reviewed practical issues, such as the effect of the investor being an endowment on the ruling, and the method of calculating prohibited loans against the fund's assets.

Among his most prominent findings:

- It is permissible to invest in funds whose entire components are permissible companies, and it is not permissible to establish or manage funds containing shares of companies that are non-compliant with Sharia controls, whether due to the prohibition of the activity or exceeding the prescribed ratios.
- It is not permissible to invest in funds in which the investment controls for mixed shares are not satisfied, as is the case with individual shares.
- The ratio of prohibited loans is calculated against the fund's assets upon entry into it, which is the methodology of relying on the fulfillment of conditions and the absence of impediments at the time of the contract.

The second paper was presented by Dr. Yazid bin Abdulrahman Al-Fayyad, Associate Professor in the Department of Fiqh at the College of Sharia, Imam Muhammad bin Saud Islamic University, entitled: «Endowment Investment in Mixed Funds.» The paper discussed a set of juristic questions, most importantly: the permissibility of applying investment controls for mixed shares on

rather, it has been practiced since the emergence of Islamic banks under the title «Murabaha intermediation,» and that its prohibition encompasses similar transactions with conventional banks. He also delivered another detailed commentary on each scholarly paper.

The door was then opened for interventions from the participating scholars, before the session was adjourned for Dhuhr prayer and lunch.

Then the second session was held to discuss the second theme/topic: «The Application of Investment Controls for Mixed Shares to Investment Funds.»

The first paper was presented by Professor Dr. Talal bin Sulaiman Al-Dosari, Professor of Comparative Fiqh at the College of Sharia, Qassim University, entitled: «The Application of Investment Controls for Mixed Shares on Investment Funds.» The researcher addressed the issue of investing in shares of companies whose original activity is permissible, but which sometimes deal with usury or partially prohibited activities. This is a contemporary juristic issue that has received widespread attention, and the permissibility of investment subject to controls has become common in the practice of Sharia committees in financial institutions, while noting the necessity of understanding the objections to this opinion when applying it to transactions involving something prohibited.

The researcher divided his paper into an introduction, two sections, and a conclusion: The introduction addressed a brief definition of investment funds and their types, and the ruling on shares of permissible companies that involve partially prohibited operations such as depositing or borrowing with interest. In the first

He delivered two commentaries. The first was general, directed to all the researchers, in which he praised the efforts made, the scholarly depth, and the juristic grounding, noting the researchers' attentiveness to the questions posed to them. He explained that all the papers addressed the issue: ‹The Ruling on Investing in Funds that are Non-Compliant with Sharia Rules through Financing Intermediation (SPV/Special Purpose Vehicle) with the isolation of the prohibited contract within another legal layer.' He highlighted the commonalities among the papers: agreement that intermediation does not change the reality of the fund's activity, the existence of differences in applications and boundaries among the researchers, and agreement on the necessity of adhering to the controls of ‹the endower's condition' (Shart Al-Waqif) for endowment entities, reflecting the relevance of the topic to endowment investment. He then delivered a detailed commentary on each scholarly paper.

The second commentary: by Dr. Muhammad Ali Al-Qarri, Professor of Islamic Economics at King Abdulaziz University and Executive Member of Sharia Supervisory Board at Bidaya Home Financing Company:

He also delivered two commentaries. The first was general, on all the papers, in which he praised their precision in preparation and their objectivity, while enriching the understanding of the issue under study. He noted that most researchers focused on the effect of the Special Purpose Vehicle in the investment structure, pointing out that it is a means of risk management and legal protection, not for conferring permissibility on a prohibited investment. He emphasized that this transaction is not new in Islamic banking;

while the fourth section addressed the ruling on intermediating financing via Murabaha to enter into investment.

Among his most prominent findings:

- The subject of the research is the intermediation of financing via Murabaha to enter a specific investment that may be prohibited or non-compliant with Sharia controls, such that the objective is the prohibited investment, and the subject of the paper is defined around this use of Murabaha.
- There are three approaches to determining the criterion for the independence of the Special Purpose Company: the ownership criterion, the management criterion, and combining both criteria together.
- The fundamental principle is that transactions of sale and purchase within this structure is not considered cooperation in sin, but rather it is cooperation in what is permissible and commerce, and the principle of blocking the means to evil (Sadd Al-Zara'i') is observed therein, such that the intermediation of the Murabaha contract is subject to controls preventing the attainment of what is prohibited, with the application of the rulings on deferred sales to the investment.

After the presentation of the scholarly papers, the commentaries on the three preceding papers began:

The first commentary: by Professor Dr. Abdullah bin Nasser Al-Sulami, Professor of Comparative Fiqh at the Higher Judicial Institute, Imam Muhammad bin Saud Islamic University:

- The transaction involves three main parties: the investor, the investment manager, and the investment place, as well as three complementary parties: the Special Purpose Company, the financial company, and the Sharia advisor.
- The Sharia ruling on the transaction does not change with the multiplicity of Murabaha operations or the multiplicity of parties involved in it, as long as adherence to Sharia controls remains in effect.

The third paper was presented by Professor Dr. Fahd bin Badi Al-Murshidi, former academic and Sharia advisor in Islamic banking, entitled: «Investment in Funds that are Non-Compliant with Sharia Controls through Financing Intermediation to Access Investment.» The researcher focused on studying the ruling on financing contracts used to intermediate investment in specific funds, which may invest in conventional debt instruments, shares of companies that are non-compliant with Sharia controls, or properties linked to prohibited activities, with the aim of attaining unlawful returns. The researcher divided his paper into an introduction and four sections: The introduction addressed the concept of investment through financing intermediation, the criterion of independence for the Special Purpose Company, the issue of assisting in what is prohibited and blocking the means to evil (Sadd Al-Zara'i'). The first section addressed the independence of the financing of the Special Purpose Company. The second section addressed the effect of the intermediation of the Special Purpose Company between the financier and the investment fund. The third section addressed the ruling on intermediating financing via Murabaha to enter investment,

Funds through Financing Intermediation.» The researcher explained that Sharia research on this investment structure is still in its early stages, despite the spread of its practical applications, with the existence of Sharia resolutions addressing specific areas of dealing. The researcher divided his paper into three main sections:

First: The Preamble: It included the introductory material and basic definitions, the research issue, the evolution of using Murabaha contracts for investment purposes, and the juristic differences between financing and investment.

The second section: The Technical Description of the Dealing: In it, the researcher reviewed the parties to the dealing, its implementation stages, related documentation, purposes and advantages, and types of structures used, with an explanation of how this structure is applied in investing in non-compliant funds.

The third section: The Sharia Rulings: In it, he examined the effect of Murabaha on the investor's connection to the investment, the financing of the investment manager or the Special Purpose Company, the Sharia ruling on settlements between Murabaha differences and actual performance, the method of accounting registration and its effect on the Sharia characterization, and the proposed Sharia controls governing such transactions.

Among his most prominent findings:

- The structure of intermediating Murabaha to enter investments that are non-compliant with Sharia controls is considered one of the investment structures that have not been sufficiently examined from a Sharia perspective despite their prevalence.

with Sharia Regulations. The researcher divided the paper into an introduction, a preamble, a section comprising two main issues, and a conclusion. The introduction addressed the description of the transaction, the two issues dealt with the primary problems of the transaction, and the conclusion identified the Sharia principles for formulating a ruling on it.

Among the most prominent findings:

- The structure involved two main issues: the first: the intermediation of special purpose vehicles and Murabaha transactions to access the investment; and the second: that it ultimately leads to investment in funds compliant with the Sharia controls of the investing institution.
- Funds can be classified according to compliance with Sharia controls into compliant or non-compliant, taking into account the juristic controls regarding the level of violation.
- If the funds are compliant with Sharia controls, the original ruling is the permissibility of investing through this structure or any permissible structure free of prohibitions.

In his recommendations, the researcher pointed to the necessity for Islamic financial institutions to sign agreements with non-compliant funds, stipulating that the institution's funds not be used in prohibited activities, in line with Sharia Standard No. (30) concerning Investment Agency and No. (46) concerning Tawarruq.

The second paper was presented by Dr. Ibrahim bin Muhammad Al-Otaibi, Professor of Fiqh at the College of Sharia, Imam Muhammad bin Saud Islamic University, entitled: «Investment in Non-Compliant

The symposium opened with a recitation of verses from the Holy Quran and a visual presentation introducing the endowment, followed by speeches from the Chairman of the Board of Trustees and the Chairman of the Sharia Committee before the commencement of the scholarly sessions. It concluded with a closing session for reading of the scholarly summary of the papers and commentaries.

The first session was dedicated to discussing the first theme/ topic: «Investment in Funds that are Non-Compliant with Sharia Regulations through Financing Intermediation.» **The first paper was presented** by Professor Dr. Abdulrahman bin Fouad bin Ibrahim Al-Amer, Professor of Fiqh at the College of Sharia, Imam Muhammad bin Saud Islamic University, entitled: «The Ruling on Investing in Funds that are Non-Compliant with Sharia Regulations through Financing Intermediation.» The paper addressed an innovative investment structure used by some Islamic financial institutions to invest in funds that are non-compliant with Sharia controls, through the intermediation of Special Purpose Vehicles (SPVs) financed via Murabaha. These vehicles invest in the funds and return the proceeds to repay their financing, without the institution investing directly in the fund. The researcher explained that the purpose of this structure is to circumvent Sharia restrictions on direct investment, such as ratios of financial risk or usurious loans. The paper examined several juristic questions, most notably: the ruling on this structure, the extent to which it involves concealment, and the permissibility for financial institutions to use this method to invest in non-compliant funds, while distinguishing between funds that violate all controls and those that are partially compliant

and achieving continuous reward and public benefit. This is grounded in the text of the endowment deed (Sakk Al-Waqf) of Sheikh Sulaiman Al Rajhi, which emphasizes the commitment of Board of Trustee to the provisions/rulings of Islamic Sharia in all endowment activities and directives, as well as the endower's (Al-waqif) keenness to involve Sharia scholars in endowment management and to form a Sharia supervisory committee overseeing all its operations.

This symposium came as part of efforts to enhance Sharia compliance in the endowment sector, which represents a pillar for achieving the goals of the Kingdom's Vision 2030 in promoting sustainability and development for non-profit sector. It also falls within the context of developing institutional governance and elevating the level of endowment work, particularly given that Sulaiman bin Abdulaziz Al Rajhi Endowment is considered one of the pioneering endowments in the Kingdom and the region.

Several scholars, academics, and researchers participated in the symposium, as well as members of the Board of Trustees and the General Authority for Awqaf. The symposium included the presentation of seven scholarly papers and four **commentaries, distributed across two main themes/ topics:**

The first theme/topic: Investment in Funds Non-Compliant with Sharia Controls through Financing Intermediation, as three scholarly papers, two commentaries, and six interventions were presented.

The second theme/ topic: The Application of Investment Controls for Mixed Shares on Investment Funds, as four scholarly papers, two commentaries, and eight interventions were presented.

Presentation on the Symposium of Endowment (Waqf) Issues and Transactions, held under the title: (Investing Endowment Entities in Alternative Investment Funds)

Prepared by:

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The Sharia Committee of Sulaiman bin Abdulaziz Al Rajhi Endowment (Waqf), under the patronage of the General Authority for Awqaf, organized the First Scientific Symposium on Endowment Issues and Transactions under the title: «Investing Endowment Entities in Alternative Investment Funds,» with the motto: «An Extending Impact and a Growing Vision.» This took place on Wednesday, 19 Jumada al-Thani 1447 AH, corresponding to December 10, 2025, in the conference hall at the Movenpick Hotel in Riyadh, Kingdom of Saudi Arabia.

The selection of the symposium's topic aimed to discuss real-world issues, emerging transactions, and contemporary jurisdiction on unprecedented matters related to the investment, commercial, banking, developmental, and charitable activities of endowments (Awqaf). This contributes to strengthening Sharia compliance among endowment entities, supporting their scholarly reference framework,