



Organisation of Islamic Cooperation  
Organisation de la Coopération Islamique



مجمع الفقه الإسلامي الدولي  
International Islamic Fiqh Academy  
Académie Internationale du Fiqh Islamique

A MONTHLY NEWSLETTER BY THE INTERNATIONAL ISLAMIC FIQH ACADEMY | PUBLISHED IN ARABIC, ENGLISH AND FRENCH | Rabi' al-Thani 1447 - October 2025

## The Academy Mourns the Passing of the Grand Mufti of Kingdom of Saudi Arabia



**“O reassured soul, return to your Lord, well-pleased and pleasing. Enter among My servants, and enter My Paradise.”  
(Al-Fajr: 27-30).**

With deep sorrow and full submission to the divine decree, the International Islamic Fiqh Academy received the news of the passing of His Eminence Sheikh ‘Abdulaziz ibn ‘Abdullah ibn Muhammad ibn ‘Abdul-Latif Al-Sheikh, Grand Mufti of the Kingdom of Saudi Arabia, President General of Scholarly Research and Ifta, Call and Guidance, and Chairman of the Council of Senior Scholars. He returned to his Lord after a blessed life dedicated to knowledge, issuing fatwas, and serving

Islam and Muslims worldwide. Throughout his noble life—may Allah have mercy on him—he called to Allah with wisdom, sincere counsel, and exemplary dialogue. He devoted his efforts to spreading monotheism, strengthening moderation, and guiding people with knowledge, integrity, and steadfast adherence to the Qur’an and Sunnah.

On this sad occasion, the Academy—its President, Secretary General, members, scholars, experts, and staff across the globe—extends its deepest condolences to the Custodian of the Two Holy Mosques, King Salman bin Abdulaziz Al Saud; to His Royal Highness Crown Prince Mohammed bin Salman bin Abdulaziz Al Saud, Prime Minister; to the people of

Saudi Arabia; and to the entire Muslim Ummah.

We beseech Allah the Almighty to shower the deceased with His boundless mercy, forgive him, grant him the highest ranks of Paradise among the prophets, the truthful, the martyrs, and the righteous, and to grant patience and comfort to his family, students, and all who loved him.

**“Indeed, we belong to Allah, and indeed, to Him we shall return.”**

(Al-Baqarah: 156)

On behalf of the Academy,  
**Prof. Koutoub Moustapha Sano**  
Secretary General

## The Bureau of the Academy Convenes Its First Meeting of 2025

The Bureau of the Council of the International Islamic Fiqh Academy convened its first meeting for the year 1447 AH / 2025 CE on Monday, 28 Rabi' al-Thani 1447 AH, corresponding to 20 October 2025, via video conference. The meeting was chaired by His Excellency Sheikh Dr. Saleh bin Abdullah bin Humaid, President of the Academy's Council and Vice President of the Bureau, and attended by His Excellency Professor Dr. Koutoub Moustapha Sano, Secretary-General of the Academy and Secretary



generous support and exceptional care for the Academy and its headquarters in Jeddah, support that has enabled the Academy to discharge its scholarly and jurisprudential mission with distinction and effectiveness.

During the session, His Excellency



agreements concluded by the Academy with the Ministry of Awqaf and Islamic Affairs of the State of Qatar and Sultan Sharif Ali Islamic University in Brunei Darussalam; as well as a review of the Academy's financial position and follow-up on the contributions of



of the Bureau, together with a number of eminent members of the Academy: Dr. Abu Bakr Doukouré and Dr. Tijani Saboun Muhammad, Representatives of the African Group; Dr. Ajeel Jasem Al-Nashmi and Dr. Ahmad Abdulaziz Al-Haddad, Representatives of the Arab Group; and Mr. Murtadha Badr, Representative of the Asian Group.

The meeting opened with a welcoming address by His Excellency the President of the Academy, in which he conveyed his sincere appreciation to the esteemed members of the Bureau for their presence and constructive engagement. He further expressed his profound gratitude to the Custodian of the Two Holy Mosques, King Salman bin Abdulaziz Al Saud, and to His Royal Highness Crown Prince Mohammed bin Salman bin Abdulaziz Al Saud—may Allah preserve them—for their



announced the approval of Malaysia to host the 27th Session of the Academy's Council, scheduled, God willing, to take place during the Gregorian year 2026.



For his part, His Excellency Professor Dr. Koutoub Moustapha Sano, Secretary-General of the Academy, presented the agenda of the Bureau, which comprised the approval of the minutes of the previous meeting; a comprehensive review of the activities and achievements of the General Secretariat during the preceding period; an examination of memoranda of cooperation and academic partnership



Member States.

At the close of the meeting, His Excellency the President of the Academy and the honorable members of the Bureau expressed their deep appreciation for



the Academy's sustained efforts in implementing the Bureau's resolutions and in strengthening scholarly cooperation with jurisprudential and research institutions throughout the Islamic world. They also commended the Academy's initiative to translate its resolutions into Turkish and Urdu, in preparation for their publication and wide dissemination.



## The Academy and the Qatari Ministry of Endowments Sign a MoU to Strengthen Mutual Cooperation



In line with efforts to enhance cooperative relations in shared fields and to reinforce scientific and intellectual collaboration in addressing contemporary challenges, the International Islamic Fiqh Academy (IIFA) signed a Memorandum of Understanding with the Ministry of Endowments and Islamic Affairs of the State of Qatar on Monday, 7 Rabi' al-Thani 1447 AH, corresponding to 29 September 2025.

The MoU was signed on behalf of the Academy by His Excellency Professor Dr. Koutoub Moustapha Sano, Secretary-General of the Academy, and on behalf of the Ministry by His Excellency Dr. Sheikh Khalid bin Mohammed bin Ghanem Al Thani, Undersecretary of the Ministry of Endowments and Islamic Affairs.

In his remarks on this occasion, His Excellency Professor Sano stated that this MoU crowns the fraternal relations and continued cooperation between the Academy and the Qatari Ministry of Endowments.

He clarified that the Academy's central mission is to foster intellectual convergence and knowledge integration among the Ummah's jurists and scholars in various human and natural sciences. He added that this partnership will further joint efforts to monitor intellectual and social challenges and to provide sound Islamic legal guidance that supports the stability and prosperity of Muslim societies, safeguards heritage, and promotes religious awareness.

For his part, Dr. Sheikh Khalid bin Mohammed bin Ghanem Al Thani affirmed that the signing of this MoU constitutes a practical step within the Ministry's strategic plan for international cooperation. He emphasized that the Academy is a key strategic partner due to its scholarly depth and distinguished jurisprudential expertise. He stressed that this cooperation will positively contribute to the dissemination of Islamic knowledge and culture, particularly through the exchange of expertise and publications

and the organization of joint academic activities, benefiting Qatari society and the entire Muslim Ummah.

The MoU aims to advance Islamic knowledge and culture, preserve Islamic heritage, and enrich the Islamic library with rigorous research and scholarly resources. It also seeks to organize joint academic programs, including conferences, seminars, and panel discussions on emerging issues; exchange knowledge resources and publications issued by both parties; and expand participation in conferences and seminars of mutual interest. This MoU represents a continuation of the existing cooperation between both institutions and a consolidation of their institutional and jurisprudential partnership, thereby strengthening joint efforts to serve the causes of the Islamic Ummah and address its intellectual and social challenges.



## The Secretary-General Receives the Highest Medal of Spiritual Unity

On the evening of Friday, 13 Rabi' al-Awwal 1447 AH, corresponding to 5 September 2025 CE, His Eminence Sheikh Rawi 'Ain al-Din, Head of the Religious Administration of Muslims in the Russian Federation, conferred the Medal of Spiritual Unity upon His Excellency Professor Dr. Koutoub Moustapha Sano, Secretary-General of the International Islamic Fiqh Academy, affiliated with the Organization of Islamic Cooperation. This distinguished honor was awarded in recognition of his outstanding efforts to strengthen relations among nations and peoples, advance scientific research, and expand avenues of cooperation between institutions and organizations throughout the



Islamic world.

The award ceremony was held during an official event in Rio de Janeiro, Brazil, on the sidelines of the BRICS Religious Leaders Summit, convened under the theme:

"The Spiritual Silk Road: The Role of Moral

Values in Building Bridges Between Nations and Continents," on 4–5 September 2025, with the participation of a distinguished gathering of religious, intellectual, and diplomatic leaders from around the world.



## The Permanent Representative of Mauritania to the OIC Visits the Academy



His Excellency Professor Dr. Koutoub Moustapha Sano, Secretary-General of the Academy, received on Thursday, 10 Rabi' al-Awwal 1447 AH, corresponding to 2 October 2025, at the Academy's headquarters in Jeddah, His Excellency Mr. Mokhtar Ould Dahi, Ambassador of the Islamic Republic of Mauritania to the Kingdom of Saudi Arabia and the newly appointed Permanent Representative of his country to the Organization of Islamic Cooperation, during an official introductory visit to the Academy.

During the meeting, His Excellency congratulated the Ambassador on his appointment and wished him every

success in his new responsibilities. He expressed his appreciation and gratitude to the Islamic Republic of Mauritania for its continued support and patronage of the Academy since its establishment. He then presented to His Excellency an overview of the Academy's vision, mission, objectives, programs, activities, and various initiatives aimed at promoting moderation, centrism, and peaceful coexistence among peoples and religions. He also expressed pride in the strong fraternal relations between the Academy and Mauritania, highlighting the distinguished role of Mauritanian scholars and jurists in enriching the Academy's work since its inception.

For his part, Ambassador Mokhtar Ould Dahi expressed his deep appreciation for the Academy and its rigorous scholarly and jurisprudential contributions in serving the causes of the Islamic Ummah. He affirmed Mauritania's keen interest in strengthening cooperation with the Academy and supporting it in fulfilling

its noble scholarly and jurisprudential mission.

The meeting further discussed ways to enhance cooperation between the Academy and scientific institutions in Mauritania, particularly in the fields of scholarship, intellectual development, and jurisprudence, in a manner that serves Islam and Muslims.

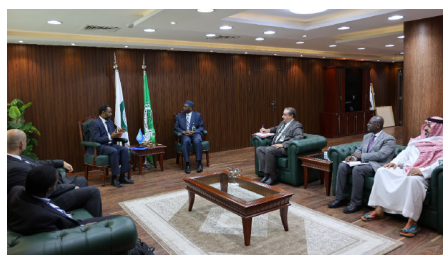
The meeting was attended by Mr. Mohammed Al-Munzir Reda Al-Shawk, Director of Protocol and Cabinet Affairs; Mr. Mohammed Walid Al-Idrisi, Director of Media and Public Relations; and Mr. Amjad Ibrahim Al-Mansi, Head of the Protocol Division.



## Delegation from the International Organization for Migration Visits the Academy

His Excellency Professor Dr. Koutoub Moustapha Sano, Secretary-General of the Academy, received on Sunday, 13 Rabi' al-Thani 1447 AH, corresponding to 6 October 2025, a high-level delegation from the International Organization for Migration (IOM), affiliated with the United Nations, at the Academy's headquarters in Jeddah. The delegation was led by Mr. Mohamed Abdiker, Chief of Staff of the Executive Office, accompanied by Mr. Sheikh Said Youssef, Private Sector Engagement Officer at the Organization, and Mr. Othman Bibsi, Regional Director for the Middle East and North Africa.

At the outset of the meeting, the delegation expressed its deep appreciation to His Excellency for the warm welcome and generous hospitality, and particularly praised his recent statement on humanitarian relief efforts, which contributed to strengthening



the credibility and standing of the Islamic Philanthropic Fund affiliated with the IOM.

In response, His Excellency welcomed the delegation and reaffirmed the Academy's support for the objectives of the Islamic Philanthropic Fund, which seeks to assist vulnerable individuals and those affected by migration. He emphasized that these efforts are in full harmony with the humanitarian principles of Islam, which the Academy is dedicated to promoting and upholding. He also commended the significant momentum and noticeable increase in the Fund's resources following the Academy's fatwa concerning

the Fund and its encouragement for donors to allocate portions of their zakat and charitable contributions to it. His Excellency further confirmed the Academy's readiness to deepen cooperation between the two institutions in order to alleviate the suffering of displaced and marginalized communities.

The meeting was attended by Mr. Mohammed Al-Munzir Reda Al-Shawk, Director of Protocol and Ceremonies; Mr. Mohammed Walid Al-Idrisi, Director of Media and Public Relations; Dr. Alhagi Manta Drammeh, Head of the International Cooperation and External Relations Division; and Mr. Amjad Ibrahim Al-Mansi, Head of the Protocol Division.





## The Special Envoy of Germany to the Organization of Islamic Cooperation Visits the Academy



His Excellency Prof. Dr. Koutoub Moustapha Sano, Secretary-General of the Academy, received Her Excellency Andrea Christ, the newly appointed Consul General of the Federal Republic of Germany in Jeddah and Special Envoy of Germany to the Organization of Islamic Cooperation, accompanied by Ms. Mona Hgjazi, Coordinator at the Consulate General, on Tuesday, 15 Rabi' al-Thani 1447 AH, corresponding to 7 October 2025, at the Academy's headquarters in Jeddah.

At the outset of the meeting, His Excellency warmly welcomed her and the accompanying delegation, expressing his pleasure at the visit, which reflects the distinguished and steadily developing relations between the Academy and the Federal Republic of Germany. He stated: "We are delighted to welcome Your Excellency, the Consul General. This visit reflects the strong and growing relationship between the Academy and the Consulate

General. We look forward to enhancing academic cooperation with relevant German institutions to support intellectual exchange and cultural dialogue between the Islamic world and Germany."

He added: "This cooperation between the Academy and German academic and intellectual institutions presents a valuable opportunity to correct misconceptions arising from misunderstanding and lack of dialogue. It is essential that we work together to confront extremist ideologies and promote balanced understanding."

His Excellency also provided the delegation with an overview of the Academy, describing it as one of the most important institutions affiliated with the Organization of Islamic Cooperation, and the highest jurisprudential reference body for member states and Muslim communities worldwide. He noted that the Academy issues rulings on emerging issues and matters of concern to Muslims globally and affirmed its commitment to presenting the true image of Islam based on moderation and peaceful coexistence.

For her part, Andrea Christ expressed her deep gratitude for the visit and the opportunity to meet His Excellency. She praised the Academy's active role in promoting tolerance

and establishing the principles of peaceful coexistence, stating:

"I am here to learn more about the Academy's vision and mission. I recognize that the Academy plays an important role in fostering understanding between the Islamic world and the international community, based on shared values of mutual respect and peaceful coexistence."

At the conclusion of the meeting, His Excellency reaffirmed the Academy's readiness to cooperate with all international partners to achieve common objectives.

The meeting was also attended by Mr. Mohamed Al-Munzir Reda Al-Shawk, Director of the Secretary-General's Office and Protocol; Ms. Sarah Amjad Badawi, Director of the Department of Family, Women, Children, and the Elderly; and Dr. Alhagi Manta Drammeh, Head of the International Cooperation and External Relations Division at the Academy.



## Professor Fukuko Ikemata from Hiroshima University Visits the Academy



Professor Fukuko Ikemata, from the Graduate School of Humanities and Social Sciences at Hiroshima University in Japan, visited the Academy at its headquarters in Jeddah, Kingdom of Saudi Arabia.

She was received by Ms. Sarah Amjad Bedewi, Director of the Department of Family, Women, and Children at the Academy, who conveyed the greetings of His Excellency Professor Dr. Koutoub Moustapha Sano, Secretary-General of the Academy. She also conveyed his apologies for being unable to personally

welcome the guest due to prior commitments, while reaffirming the Academy's keenness to maintain communication and cooperation with Japanese academic institutions.

For her part, Professor Ikemata expressed her delight at visiting the Academy and her wish to repeat the visit in the future. She highlighted the important role played by the Academy in promoting intercultural dialogue and fostering mutual understanding among nations. She further explained that she is currently conducting academic research on the Organization of Islamic Cooperation (OIC) and the International Islamic Fiqh Academy (IIFA), expressing her hope to obtain official permission from both institutions to support her study. She also emphasized her strong interest in meeting with the Secretary-General to discuss key issues related to Islamic jurisprudence, the

issuance of fatwas, and the role of scholars and religious institutions.

The meeting concluded with fruitful discussions on ways to establish academic cooperation between Hiroshima University and the Academy, thereby contributing to the strengthening of scholarly relations between the two sides.

The meeting was also attended by Dr. Alhagi Manta Drammeh, Head of the International Cooperation and External Relations Division at the Academy.



## The Academy Participates in a Workshop on Empowering Families to Address Addiction and Cyberbullying in the Digital Age



As part of the Organisation of Islamic Cooperation's (OIC) efforts to enhance the protection of children from digital risks, Ms. Sarah bint Amjad Hussein Bedewi, Director of the Department of Family, Women, Children, and Elderly Affairs at the Academy, participated in a workshop entitled:

“Electronic Addiction: Best Practices for Protecting Children from Online Violence in OIC Member States,”

organized by the Statistical, Economic and Social Research and Training Centre for Islamic Countries (SESRIC), in cooperation with the OIC General Secretariat, and held from 22–23 Rabi’ al-Thani 1447 AH (14–15 October 2025) in Ankara, Turkey.

The workshop aimed to strengthen cooperation and coordination among member states in safeguarding children from digital threats, exchange best practices in confronting electronic addiction and cyberbullying, and develop comprehensive, child-centred strategies to ensure the safe and responsible use of modern technology.

During the workshop, Ms. Sarah Bedewi presented a paper titled:

“The Importance of Islamic Values in Building a Balanced Personality Capable of Facing Digital Challenges,”

in which she emphasized the vital role of value-based Islamic education in nurturing moral awareness and digital responsibility among youth, enabling them to distinguish between beneficial and harmful online content. She also called for intensifying awareness programmes targeting children and young people on the safe and responsible use of technology.

She further highlighted the importance of

joint efforts among religious institutions, educational bodies, and digital content developers to produce safe and purposeful content that promotes Islamic values and protects young people from the dangers of cyberspace. Additionally, she stressed the need to engage families and communities in national and international initiatives aimed at protecting children from digital harm.

It is noteworthy that the Academy has issued several resolutions and recommendations related to protecting children from digital risks and empowering families to monitor and guide their children’s use of modern technology. Among the most prominent are: Calling for clear regulations on internet use in schools and homes

Providing educational and awareness programmes that promote a safe digital culture

Encouraging educational institutions to integrate digital literacy topics into their curricula

## The Academy Participates in the Fifth Session of the OIC Ministerial Conference on Water

The International Islamic Fiqh Academy participated in the fifth session of the Conference of Ministers Responsible for Water in OIC Member States, held in Jeddah, Kingdom of Saudi Arabia, on Wednesday, 30 Rabi’ al-Thani 1447 AH (22 October 2025), under the theme: “From Vision to Impact.”

The Academy was represented at the conference by Dr. AlHagi Manta Drammeh, Head of the Department of International Cooperation and External Relations, alongside a number of ministers and regional experts in the water sector.



The conference aimed to develop comprehensive solutions to enhance member states’ capacities in water desalination, promote the use of efficient and cost-effective technologies, and improve the management of groundwater and renewable water resources. Discussions focused on strengthening global efforts to address water scarcity and advance water innovation. The conference underscored the importance of cross-border integration and coordination in shared river basins, as well as the development of integrated national strategies to achieve the Sustainable

Development Goals (SDGs) related to water. Participants emphasized the need to adopt artificial intelligence and modern technologies in water management and to train national personnel in order to enhance technical and operational capabilities in this vital field. The conference also called for strengthening partnerships among member states to explore innovative and sustainable financing mechanisms that encourage investment in the water sector and ensure water security for future generations.

The Academy’s participation in this conference comes within the framework of its continued efforts in Islamic cooperation to address water-related challenges and highlight their jurisprudential and humanitarian dimensions, in support of the OIC General Secretariat’s objectives to safeguard the interests of member states and promote water security.



## The Fifty-Sixth Monthly Meeting of the Academy's Staff

On Sunday, 16 Safar 1447 AH, corresponding to 10 August 2025, the Academy held its fifty-sixth staff meeting at the headquarters of the General Secretariat in Jeddah, chaired by His Excellency Prof. Dr. Koutoub Moustapha Sano, Secretary-General of the Academy. His Excellency opened the meeting by welcoming the attendees and expressing his appreciation for the efforts of the Department of Sessions and Conferences in completing the session booklet and forwarding it to Malaysia. He also emphasized the importance of strengthening cooperation among the various departments and translating ideas and proposals into practical plans that contribute to improving the Academy's performance and enhancing its presence locally and internationally.



He then spoke about the invitation he received from the Muslim World League to participate in the First Jurists Forum, scheduled to be held in Kuala Lumpur at the end of this month, affirming his intention to communicate with the Malaysian Ministry of Religious Affairs to discuss arrangements for the session in the event their delegation is unable to attend in Jeddah.

As this meeting was dedicated to serving as a platform for constructive dialogue among the Academy's staff, resolving issues, and presenting proposals to enhance institutional performance, several key topics were discussed, most notably:

Assigning the Department of Fatwas and Libraries to coordinate with Dar Al-Maiman to finalize contracting arrangements

Uploading electronic versions of past issues of the Academy's Journal available on the website

Communicating with ICESCO to explore signing a memorandum of cooperation with the Academy

Presenting a proposal to update the Academy's official website

## 144th Meeting of Departments



His Excellency Prof. Koutoub Moustapha Sano, Secretary General of the Academy, presided over the 144th weekly Departments Meeting on Tuesday, 10 Safar 1447 AH, corresponding to 5 August 2025, at the headquarters of the General Secretariat in Jeddah, Kingdom of Saudi Arabia.

He opened the meeting by warmly welcoming the attendees and stressing the importance of early preparations for the upcoming postponed scientific symposium entitled:

"The Role of Religious Leadership in Combating Violence Against Women,"

scheduled to be held in October, in light of the research papers received by the Academy. He emphasized the need to include a distinguished group of female scholars from member states, along with several researchers from the host country. He also recommended inviting both the Organization for Women's Development and the Independent Permanent Human Rights

Commission to participate in the symposium.

The meeting then reviewed the resolutions adopted during the previous session and issued several new decisions, most notably:

Drafting an official letter to the Ministry of Foreign Affairs concerning the scientific symposium and notifying relevant embassies and permanent missions of their expected participation, in addition to obtaining quotations from hotels.

Preparing a comprehensive summary of the implementation progress of the Academy's strategic plan over the past four years, with the aim of reviewing and updating it for presentation at a dedicated meeting.

## The 57th Monthly Meeting of the Academy's Staff

His Excellency Professor Dr. Koutoub Moustapha Sano, Secretary-General of the Academy, chaired the 57th monthly staff meeting, held on Wednesday, 19 Rabi' al-Thani 1447 AH, corresponding to 1 October 2025, at the General Secretariat headquarters in Jeddah.

His Excellency opened the meeting by welcoming the attendees and expressing his gratitude to Mr. Khalid Al-Ahmadi, Director of Financial and Administrative Affairs, for serving as Acting Secretary-General during his leave. He emphasized the importance of this monthly meeting as a platform for effective institutional communication and for encouraging the exchange of constructive ideas and proposals among the Academy's staff.

His Excellency also spoke about his recent external engagements, including his participation in the Muslim World League's Conference on Religious Leadership in Malaysia, where he chaired a scholarly session during the First



Jurists Forum organized by the League in Kuala Lumpur. He further highlighted his meetings with officials from the Malaysian Ministry of Religious Affairs to discuss arrangements for the upcoming Academy session in Malaysia, as well as his participation in the "Moral Values Along the Silk Road" Conference held in Rio de Janeiro, Brazil, on 4-5 September 2025. In addition, he took part in the "Ethics of Artificial Intelligence" Conference organized by Hamad Bin Khalifa University in Qatar, during which a Memorandum of Cooperation was signed between the Academy and the Qatari Ministry of Awqaf and Islamic Affairs.

As the meeting served as a forum for dialogue among staff, addressing challenges, and presenting proposals to enhance the Academy's work, several important decisions were adopted, including:

Sending the Academy's publications to partner institutions with which Memoranda of Understanding were recently signed, and distributing the latest issue of the Academy's journal to scholars and universities.

Referring the Academy's publications to specialists to convert them into digital formats in preparation for supervised online publication.

Preparing a comprehensive report on the Academy's activities and programs for the year 2024, in both English and French.

Reviewing the Academy's Biographical Dictionary and sending it for printing in its final version.

Circulating the evaluation file of the five-year strategic plan to all departments for review, in preparation for a dedicated session to discuss it.

## Secretary-General Chairs the 145th Weekly Departmental Meeting

His Excellency Prof. Dr. Koutoub Moustapha Sano, Secretary-General of the Academy, chaired the 145th weekly departmental meeting on Monday, 24 Safar 1447 AH, corresponding to 18 August 2025, at the Academy's headquarters in Jeddah.

His Excellency opened the meeting by welcoming the attendees, then spoke about the importance of inviting influential scholars and religious leaders from across the Islamic world to present working papers within the framework of the postponed scientific symposium entitled:

“The Role of Religious Leadership in Combating Violence Against Women.”

The meeting discussed the names of several prominent religious leaders from



OIC member states and countries with Muslim minorities, as well as the possibility of commissioning distinguished female researchers in this field. He stressed the need to ensure the participation of researchers from both the host country and member states, in addition to inviting the Organization for Women's Development and the Independent Permanent Human Rights Commission to

take part in this important symposium.

The meeting then reviewed the resolutions issued in the previous session and adopted several new decisions, most notably:

Approval of the purchase of a binding machine for the Academy

Preparation of various attractive design models for the introductory booklet and the endowment booklet to be presented to the Secretary-General

Preparation and submission of a summary reviewing completed and pending activities and programs within the Academy's strategic plan

Completion of the transcription of all interventions, comments, and discussions related to the 26th session



## A Brief Introduction to the Resolutions and Recommendations of the Academy

For four decades, the Council of the International Islamic Fiqh Academy has from time to time issued clear, effective, and compelling Sharia-based resolutions in response to the issues and developments that continue to affect contemporary life and preoccupy Muslims in the East and the West. The number of resolutions issued by the Council of the Academy has reached two hundred and fifty-five (255) resolutions on intellectual, educational, social, economic, and halal issues. Thanks to Allah, these resolutions

have become the scientific reference to which many countries turn, societies take refuge, and many peoples prefer to follow. They have also evolved into fatwas that serve as the foundation for current Islamic financial applications and industries. Many Sharia courts, health organizations, and scientific educational institutions around the world adhere to them, and they have become solid scientific foundations and Sharia standards approved and recognized by the scholars, experts, and intellectuals of the Ummah.

The Secretariat General of the Academy has chosen to devote the last few pages of its monthly bulletin to publishing them consecutively in order to present their sober contents and to remind of their utmost importance, while praying to Almighty Allah to reward the honorable scholars and experts who participated in their formulation and publication in a manner beneficial to humanity that will remain forever on earth.





## Resolutions and Recommendations of the 24th Session of the Council of the International Islamic Fiqh Academy Dubai - United Arab Emirates 7-9 Rabal-Awwal 1440

### Resolution No. 230 (1/24) Smart Contracts: Activation and Reversal Methods (Study of Smart Contracts and the Extent of their Relation to Cryptocurrency)

The Council of the International Islamic Fiqh Academy of the Organization of Islamic Cooperation, holding its 24th session in Dubai, United Arab Emirates, on 7-9 Rabī al-Awwal 1440h (4-6 November 2019),

Having examined the research papers submitted to the Academy concerning Smart Contracts: Activation and Reversal Methods (Study of Smart Contracts and the Extent of their Relation to Cryptocurrency),

Having listened to the in-depth discussions on the subject,

Resolves

First: confirmation of the resolution of the International Islamic Fiqh Academy no. 52

(3/6), in its sixth session, held in Jeddah in 1440/1990, with all its paragraphs, on contracting using modern communication devices. This resolution also applies to electronic contracts which are independent of smart contracts.

Second: the concept of smart contracts; It is an automatically implemented contract between two parties based on the idea of a peer-to-peer system through a decentralized distribution network (blockchain), which operates by encoded (encrypted) currencies such as bitcoin and others.

Third: smart contracts are concluded via private centralized or public de- centralized

platforms and generally use cryptocurrencies.

Fourth: the Academy resolved to postpone adopting a resolution on the subject, until holding a specialized symposium on smart contracts and after adopting a resolution on cryptocurrencies, in order to study all aspects of smart contracts, with a focus on those mentioned in paragraph (2). Moreover, it would be advisable to invite technical specialists in the blockchain, cryptocurrencies and related areas.

Indeed, Allāh is All-Knowing.

### Resolution No. 231 (2/24) Inflation and the Changing Value of Currency

The Council of the International Islamic Fiqh Academy of the Organization of Islamic Cooperation, holding its 24th session in Dubai, United Arab Emirates, on 7-9 Rabī al-Awwal 1440h (4-6 November 2019),

Having examined the research papers submitted to the Academy concerning Inflation and the Changing Value of Currency,

Having listened to the in-depth discussions on the subject,

Resolves

First: the Academy confirms resolution no. 42

(4/5) issued at its fifth session and considers it applicable in cases of non-inflation and low inflation.

Second: in case of hyperinflation, its calculation on reconciliation, otherwise it is resorted by mutual consent, or by the judiciary, or by arbitration, depending on circumstances.

Third: if hyperinflation occurs after the emergence of debt, nothing prevents the creditor and the debtor from agreeing, at the time when it is due, to settle it at its value or by dividing the losses between the two

parties as a consensual reconciliation. Also, it is permissible to make a settlement through the judiciary or arbitration, but it is not permissible to make such an agreement at the time of the contract.

Fourth: the Academy confirms the recommendation addressed to Muslim governments in resolution no. 115 (9/12).

Indeed, Allāh is All-Knowing.

## Resolution No. 232 (3/24) FIDIC Contracts (International Federation of Consulting Engineers' Contracts Templates)

The Council of the International Islamic Fiqh Academy of the Organization of Islamic Cooperation, holding its 24th session in Dubai, United Arab Emirates, on 7–9 Rabi' al-Awwal 1440h (4–6 November 2019), Having examined the research papers submitted to the Academy concerning FIDIC Contracts.

Having listened to the in-depth discussions on the subject,

Resolves

FIDIC contracts are a set of engineering construction contracts templates designed

to regulate the relationship between the employer or his representative and those who execute this contract, to achieve a project with multiple construction elements, to be delivered ready-for-use, as envisioned.

If Shariah provisions and rules have been complied with, the Academy considers these contracts permissible based on an analogy with the contracts of *istiṣnā* (manufacturing), *ijārah* (leasing), and *muqawala* (entrepreneurship). Disputes and disagreements that may arise should be resolved through arbitration by virtue of the Academy resolution no. 91 (8/9).

In case of delay in meeting the execution deadline, it is permissible to apply a penalty clause by virtue of the Academy resolution no. 109 (3/12).

If the price increases due to a change in execution circumstances, or to a modification in the project of the contract, it shall be considered a compensation for the losses.

Indeed, Allāh is All-Knowing.

## Resolution No. 233 (4/24) Tolerance in Islam: Social, International Necessity and Effects

The Council of the International Islamic Fiqh Academy of the Organization of Islamic Cooperation, holding its 24th session in Dubai, United Arab Emirates, on 7–9 Rabi' al-Awwal 1440h (4–6 November 2019), Having examined the research papers submitted to the Academy concerning Tolerance in Islam: Social, International Necessity and Effects, Having listened to the in-depth discussions on the subject,

Resolves

First: confirming the resolutions, recommendations, statements and press releases of the Academy Council calling for peaceful coexistence.

Second: tolerance is a fundamental principle, with many references in the Holy Quran and the Noble Sunnah. It had many applications throughout the life of Prophet Muhammad SAW, in the actions of the Companions RA and Islamic history.

The Charter of Medina is one of the most notable examples of tolerance towards non-Muslims in the time of Prophet Muhammad SAW.

Third: tolerance is enjoined among Muslims as well as between Muslims and non-Muslims. Fourth: there is an urgent need to behave on the principle of tolerance in both words and actions, and all areas. Tolerance is one of the most important consequences of peaceful coexistence and social cohesion. It is essential to maintain social relations and unity with all its components, as well as to preserve national unity.

Fifth: the Council of the Academy commends the following:

1. International initiatives, declarations, and efforts by world
2. The United Arab Emirates' various activities to achieve tolerance and co-existence between peoples reflect an excellent image of

Islam's tolerance and coexistence.

Recommendations

- Include the values of tolerance in educational programs and
- Include the values of tolerance in all areas of religious
- Highlight the values of tolerance in the media and various social
- Urge experts and intellectuals to give prominence to writing, translating, and propagating the values of tolerance via the media.
- Invite the United Nations and its Member states to enact laws and sign international treaties that criminalize xenophobia, exclusion, fanaticism, and racial discrimination, and to reinforce these within constitutions of its Member states.

Indeed, Allāh is All-Knowing.

## Resolution No. 234 (5/24) Achieving Food and Water Security, Most Critical Problems and their Effects on the Future Challenges of the Ummah

The Council of the International Islamic Fiqh Academy of the Organization of Islamic Cooperation, holding its 24th session in Dubai, United Arab Emirates, on 7–9 Rabi' al-Awwal 1440h (4–6 November 2019), Having examined the research papers submitted to the Academy concerning Achieving Food and Water Security, Most Critical Problems and their Effects on the Future Challenges of the Ummah, Having listened to the in-depth discussions

on the subject,

Resolves

First: water security means the supply of safe water for human use, enough to meet the country's needs in quantity and quality and to ensure its continuity without interruptions. Second: food security means providing people with safe and healthy food while ensuring the minimum nutritional needs of all members of society.

Recommendations

As Islam calls for the preservation and economy of water and food and prohibits excess and waste in everything that harm humans and societies, the Academy recommends the following:

1. Governments of Muslim countries should prioritize water and food security and develop policies and programs to rationalize water and food
2. As dictated by Shariah, Muslims should save water and food and not waste



them.

3. Scientists specialising in hydrology, agriculture, and the environment should strive to establish devices and find solutions to ensure water and food. They should also take advantage of techniques provided by the fourth industrial revolution in water recycling, in accordance with the regulations and rulings of Shariah.

4. Muslim countries have to urgently

cooperate to solve problems related to water and food shortages by establishing appropriate policies and plans to ensure developing water resources and achieving food security. They should also cooperate with regional as well as international organizations specialized in water and food areas.

5. Use modern seed production techniques and improve agricultural development equipment to ensure higher

production rates and to achieve food

6. Muslim countries should endeavor to benefit from Shariah teachings and regulations in regard to developing agricultural resources by following the doctrine of the restoration of infertile soil, as advocated by Shariah teachings and They should also endeavor to remove obstacles to its realization.

Indeed, Allāh is All-Knowing.

### Resolution No. 235 (6/24) Human Genome and Future Bioengineering: Review of IIFA Resolutions, their Practical Results, Updates and Challenges

The Council of the International Islamic Fiqh Academy of the Organization of Islamic Cooperation, holding its 24th session in Dubai, United Arab Emirates, on 7–9 Rabi' al-Awwal 1440h (4–6 November 2019),

Having examined the research papers submitted to the Academy concerning the Human Genome and Future Bioengineering: Review of IIFA Resolutions, their Practical Results, Updates and Challenges,

Having listened to the in-depth discussions on the subject,

Resolves

First: confirmation of the Academy resolution no. 203 (9/21) on Heredity, Genetic Engineering and Human Genome, held at its 21st session in Riyadh, Kingdom of Saudi Arabia, on 18–19 Muharam 1435 (22 November 2013).

Second: genome editing techniques (e.g. CRISPR-CAS 9) are modern techniques of genomic modification and genome editing, which utilize substitution or correction, resembling the method used in computer spell-checking; but instead of editing words, genome editing techniques rewrite DNA.

These techniques are more accurate and accessible than previous gene therapy techniques and aim to cure many incurable diseases. However, these techniques still need further research to ensure their safety and effectiveness. Genome editing would be allowed only if it fulfils the following conditions:

1. Safety and effectiveness should be accredited by relevant medical
2. To be used for medical purposes, such as preventing and treating genetic

Using these techniques for aesthetic (ameliorative) purposes is strictly forbidden.

3. Requiring stringent regulatory procedures to ensure genome editing patients' dignity and prevent abuse of these techniques.

Third: Mitochondrial Transfer Technique. Given the confounding of kinships (ikhtilāt al-ansāb) that this entails, it is prohibited in Shariah to transfer mitochondria (i.e. the cell energy generator) of the egg cell of a healthy woman with its DNA to a woman suffering from mitochondria DNA lesion by using the mitochondrial technique for the purpose of producing a healthier child as it may also cause an incurable disease, as well as the confounding of kinships mentioned above.

Indeed, Allāh is All-Knowing.

### Resolution No. 236 (7/24) The Role of Religious Education in Promoting Peace

The Council of the International Islamic Fiqh Academy of the Organization of Islamic Cooperation, holding its 24th session in Dubai, United Arab Emirates, on 7–9 Rabi' al-Awwal 1440h (4–6 November 2019),

Having examined the research papers submitted to the Academy concerning the Role of Religious Education in Promoting Peace,

Having reviewed the recommendations of the international scientific symposium on the Role of Religious Education in Promoting Peace held by the Academy in Rabat, Kingdom of Morocco, on 17–18 Sha'bān 1440 (23–24 April 2019), in cooperation with the Islamic Educational, Scientific, and Cultural Organization (ISESCO),

Having listened to the in-depth discussions

on the subject,

Resolves

1. Drawing attention to the Holy Quran, the book of guidance, sent by Allāh, The All-Wise and the All-Knowing, and to the Noble Sunnah of Prophet Muhammad SAW and strengthen drawing from the educational methods found in the Holy Quran and the Noble

2. Continue holding regional and sub-regional conferences, seminars and meetings within the Muslim world and beyond on strengthening the role of religious education and learning and also, organizing international dialogue forums, with the participation of a well-selected elite of intellectuals and experts to present Islamic teachings on moderation and

3. Invite OIC Member states to establish special commissions to conduct detailed scientific studies on religious education programs in their respective countries and also include Islamic values and teachings on peace, dialogue and coexistence.

4. Invite competent educational authorities of OIC Member states to include religious teachings on peace in their school curricula.

5. Emphasize, in religious education programs, that Allāh the All-High has honored the human being; and as a human being, he/she has the right to a decent life, education, good health and other life essentials.

6. Highlight skills and concepts that promote religious values on tolerance, patriotism, and positive community attitudes;

and emphasize these in religious education, learning, and preaching

7. Spread advanced educational programs for teaching the Arabic language to non-Arabic speakers, in order to improve their knowledge of Islam, its culture, and values.

8. Broader propagation of educational programs using modern communication devices to rectify the common negative perceptions of Islam and

9. Stress the importance of partnership and cooperation between religious scholars and experts in education and education sciences to elaborate religious education programs based on an educational approach that elevates religious values and reinforces them into the youth

10. Coordination and cooperation between media, educational, preaching, dawah, and youth institutions, to reinforce and promote religious and cultural identity, and to consolidate national identity and respect of others'

11. Develop training methods and programs for religious guides and civil servants in religious affairs.

12. Scientific and pedagogical training of religious education teachers in the Member states and their continuous qualification through in-service

13. Develop educational methods and resources adapted to the multimedia generation, strengthen the values of dialogue and debate, and expand using educational activities method which teaches systematic thinking and constructs personal dialoguing attitude with others.

14. Prepare and publish foundational studies and research on strengthening education based on moderation and temperance, and translate them into living languages.

15. Establish research centers in charge of guiding and counselling Muslims, confronting fanaticism, takfirism, atheism, and refuting their opinions and arguments based on the teachings of Shariah.

16. Hold international symposiums and conferences on the use of social networks in promoting the values of peace, temperance and moderation.

17. Promote the culture of peace and develop skills, values and attitudes in religious education programs, which strengthen social interaction and

18. Stress the importance of teaching comparative jurisprudence (al-fiqh al-muqārin) and comparative religion at Member states universities, following methodologies inspired by the flexibility of Shariah, its values of divergence and diversity, its role in pluralism, broader understanding and acceptance of others, and making flexible judgments.

19. Emphasize the importance of religious education and the development of its education methodologies.

20. Highlight authentic Islamic concepts regarding women and include them within religious education programs.

Indeed, Allāh is All-Knowing.

## Resolution No. 237 (8/24) Electronic Currencies

The Council of the International Islamic Fiqh Academy of the Organization of Islamic Cooperation, holding its 24th session in Dubai, United Arab Emirates, on 7–9 Rabi' al-Awwal 1440h (4–6 November 2019),

Having reviewed the recommendations of the scientific symposium on Electronic Currencies, organized by the Academy in Jeddah, Kingdom of Saudi Arabia, on 10–11 Muharam 1441 (09-10 September 2019),

Having listened to the in-depth discussions on this subject,

Resolves

First: Concept, Dealing mechanisms and Risks

1. Given the general meaning of the concept of electronic currencies, which includes credit cards, prepaid cards, electronic cheques and others, discussions concluded to use the term of "digital and coded (encrypted)" Some of the most popular of these currencies include bitcoin, ethereum, and the ripple. Despite having notable differences, these currencies are characterized by being encrypted, having no tangible physical existence or presence. Its

transaction might be traded between parties without intermediaries, which is known as a peer-to-peer system.

According to the research presented, these currencies are classified into three types:

1. Coins, such as bitcoin.

2. Alternative currencies or altcoins such as light coin, bitcoin cash, ethereum and the ripple.

3. Tokens, which are tradable and exchangeable assets with goods and

One of the most significant characteristics of the first type of coins is decentralization, which means that, unlike other types of currencies, no government or private entity supervises its issuance. Most cryptocurrencies function on blockchain technology, producing the currency and maintaining the full record of currency transactions. Another characteristic of Bitcoin is the controversy over the personality of its first user (inventor).

2. Transactions in cryptocurrencies are processed directly via platforms available online or through There are fees to use these platforms, and the client should have a personal electronic wallet on his own

computer, to document his ownership of the cryptocurrency and his ability to deal with it. One of the most distinctive characteristics of electronic platforms and wallets is the possibility of using pseudonyms, which is known as anonymity.

3. Some countries, such as Malaysia, have made it mandatory to obtain a necessary license from the relevant authorities to create these electronic platforms, and set in place regulations for their users, particularly disclosing their real identities.

4. Although cryptocurrencies have spread in many countries, in thousands of retail stores, have been exchanged for national currencies, and have been approved by some government authorities, many studies indicate the risks of using cryptocurrencies, particularly currency rates

Second: Shariah Ruling

After reviewing the research presented and after listening to the debates on the subject, it became clear that some issues are affecting Shariah rulings on cryptocurrencies, which still need further consideration, notably:

1. What is the exact nature of the



cryptocurrency; is it a commodity, a benefit, an investment financial asset or a digital asset?

2. Is cryptocurrency considered by Shariah a real-valued property and a tradable

item?

Third: In light of the above and given the significant risks associated with this type of currencies and the instability of their transactions, the Academy recommends

pursuing research and studies on issues affecting its ruling.

Indeed, Allāh is All-Knowing.

## Resolution No. 238 (9/24) Hedging Transactions in Islamic Financial Institutions

The Council of the International Islamic Fiqh Academy of the Organization of Islamic Cooperation, holding its 24th session in Dubai, United Arab Emirates, on 7–9 Rabi' al-Awwal 1440h (4–6 November 2019),

Having reviewed the recommendations of the scientific seminar on Hedging Transactions in Islamic Financial Institutions, organized by the Academy in Jeddah, Kingdom of Saudi Arabia, in cooperation with the Iqra Waqf for Development and Employment, on 24–25 Rajab 1440 (31 March – 1 April 2019),

Having listened to the in-depth discussions on the subject,

Resolves

First: confirming the resolutions of the Academy concerning hedging in financial transactions; in particular, resolution no. 224 (8/23) on Hedging in Financial Transactions, Regulations and Rulings, adopted at its 23rd session in al-Madinah al-Munawarah on 19–23 Šafar 1440 (28 October – 1 November 2018), including all its paragraphs, as follows:

1. Concept of hedging
2. Concept of risk.
3. Concept of
4. Shariah position towards risks
5. Shariah rules for hedging formulas and methods.

Second: Hedging (protection) transactions in their general meaning:

There is a range of transactions that can generally serve as a basis for hedging and protection formulas. They are in actual practice in financial institutions and they are permissible under Shariah, in particular:

1. Economic hedging: It consists of a diversity of assets, investment portfolios and formulas. It is required, according to Shariah, in order to achieve good resources management.

2. Cooperative hedging: It is based on takaful formulas by concluding takaful insurance contracts to compensate for damages and losses that the Islamic financial institution may face. This formula is not objected by Shariah due to the lawfulness

of cooperative insurance on projects and physical and financial assets. Hence, the Academy resolutions no. 9 (9/2) and no. 200 (21/6) confirmed the lawfulness of cooperative insurance and its different formulas.

3. Parallel Contractual Hedging: It is undertaking a contract parallel to the original contract, with the same terms and specifications, whereby the financial institution protects itself against the risks of the original contract, such as salam (advance payment sale) and salam muwazi (parallel salam), istisna (manufacturing) and istina muwazi (parallel istisna). This is as stated in the recommendations of Academy resolution no. 224 (8/23) on

One of the most important Shariah rules regarding the lawfulness of parallel contracts is not to connect the first contract with the second contract; instead, each contract should remain independent from the other in all its rights and commitments.

4. Combined Contracts: By combining contracts to hedge risks by ways of making the contract side by side, neither as a necessary condition nor incorporating one contract within E.g. the combination between a sale and a binding promise between wakalah (agency) and Murābahah. The following are some of the most important combination modes:

1. The combination of Murābahah and Mushārahah: by dividing the investment portfolio into two parts: the first part is allocated to Murābahah(s) with creditworthy entities, at a fixed profit; and the second part is invested in a Mushārahah contract, such as trading stocks or real estate shares, and so on. Therefore, capital hedging is achieved through the Murābahah contract, with the possibility of loss for the second part.

2. The combination of Ijārah and Mushārahah: hedging mechanism in this mode is similar to the previous. However, hedging is applied with an Ijārah contract instead of a Murābahah contract, such as investing a part of the investment portfolio

in the purchase of šukūk al-Ijārah with an income sufficient enough to protect all the capital, and the remaining amount shall be invested in Musharaka contracts.

3. The combination of Murābahah and Bay' al Urbun (earnest money): The manager divides the capital in two parts: the first part is placed

in Murābahah contracts with solvent companies at a definite profit, while the second part is used as Urbun for the purchase of shares. If shares' price increases, the manager would proceed with purchasing them, take delivery of the shares and sell them, and of course pay the remainder of the contracted price to the seller, and the portfolio realizes profits for the funds. However, if shares prices do not increase, the manager does not proceed with the Urbun sale contract and loses the earnest money, but the capital remains already protected by the Murābahah contract.

In this process, it is compulsory to comply with Shariah rules of bay' al urbun, which includes keeping the subject matter of the urbun sale (in the hands of seller) intact without any disposition from the moment the contract was signed until the settlement between the two parties and avoidance of trading the urbun itself.

5. Hedging using Khayar al-Shart (conditional options) to cover against the client's default:

For example; In Murābahah, and Ijārah ending with ownership contracts, the Academy resolutions on mutual promises confirm that they are permissible provided conditional options are made available one or both parties, but without this condition, the mutual promises are not permissible.

It should be noted, in this regard, that in the resolutions in which the Academy allowed "binding undertaking" by one of the parties, regarding it as a hedge against the default of the client, and protection of the financial institution against any losses, still maintain the right to opt-out for the other party.

6. Hedging using guarantees to protect the investment capital: There are diverse mechanisms which are included within the guarantee modes to cover risks arising from loss or non-profit in investment projects that the Academy resolutions confirmed their permissibility of which are the follows:

1. Third-party guarantee: It is a natural or legal person independent from both parties of the contract if he/it undertakes to donate the guarantee in a specified project. The Academy resolution no. 30 (5/4) confirmed that this guarantee is permissible if the guarantor is independent in his/its personality and financial entity from both parties of the The third-party commits to donating a contribution, without any benefit to him/itself to compensate for the loss of a specific project provided that it is a commitment made independently.

1. Charging the muḍārib the burden of proof if a loss is claimed: the Academy stressed in its resolution no. 212 (8/22) that transferring the burden of proving the loss to the bank (being the muḍārib) as contrary to general principles provided that there are indirect evidences contrary to its claim of non-violation.

Third: hedging transactions that are, in the general sense, prohibited in Shariah include: Hedging through conditional mutual loans in two different currencies:

This formula is used to cover against exchange rate fluctuations and over-draft of correspondent accounts. If a financial institution has a surplus of a particular currency, it lends it to another institution provided that the latter lends the former another currency that it needs, whether this condition is explicit, implicit or customary. It is a kind of lending a loan against getting another loan, which is not permissible in Shariah, based on a consensus of all fiqh schools, because of the association between two loans (i.e. give me a loan and I give you a loan in return) whether the due dates of the two loans are same or different.

Hedges to Secure Capital in Shares and Ṣukūk: There are a few hedges, conditions and commitments usually incorporated in Ṣukūk issuance prospectuses which are incompatible with Shariah rules and with the Academy resolution no. 30 (5/4) of 1988 on Muqāraḍah Bonds and Investment Certificates; and no. 188 (3/20) on the Pursuit of Research on Islamic Ṣukūk, notably:

1. Guaranteeing the nominal value

by the issuer (muḍarib, managing partner, investment agent).

2. The Muḍārib undertaking to lend the ṣukūk portfolio to guarantee a certain rate in the distribution of dividends.

3. Requiring that ṣukūk holders shall not have the ability to control the leased assets, e. no resort to dispose of the leased assets in case of installments payment default.

4. Non-transfer of ṣukūk assets ownership to investors or to ṣukūk holders which means that assets are not under their liability and are consequently not entitled to the assets' return as they do not bear the liability against deserving the return. This is indicated by the fact that these assets often remain on the balance sheet of the

5. Requiring the inclusion in the issuance prospectus a commitment by the manager to lend the ṣukūk holders in case the actual profits fall below

a given percentage. This requirement is often backed by another that if the profit exceeds this percentage, the excess shall fully be granted to the manager as an incentive.

Fourth: Alternative hedging instruments for financial derivatives and their Shariah rulings: These instruments can be divided into three essential types:

Type I: Hedging against the risk of future exchange rate fluctuations

Among its most significant transactions are:

1. Binding mutual commitments between the two parties to enter into a currency exchange contract in the future:

Formula: Both parties make binding commitments one to the other to enter into a currency exchange contract on a specified future day and at a pre-determined exchange rate.

Shariah Ruling:

1. It is not permissible to utilize the binding mutual commitment as a hedging mode for currency exchange contracts. The Academy resolution no. 102 (5/11) on trading currencies stated that it is not permissible to sell currencies on deferred payment. Mutual binding promises on future currency exchange contracts are also not This is because the binding mutual commitment are similar to the contract as stated in the Academy resolution no. 40 (2/5) on fulfilling promises and the Murābaḥah to the purchase orderer, which stated that the binding mutual commitments to sell are equivalent to the sale itself.

2. This formula is not included in the

exceptional cases mentioned in the Academy resolution 157 (17/6), on binding mutual commitments and collusion to make contracts; which allowed binding mutual commitments in exceptional cases while confirming that in such exceptional cases, binding mutual commitments should not have any ribā.

2. The two commitments, one against the other (a binding commitment with specific conditions, against a binding commitment with different conditions on a future currency exchange contract).

Formula: The first party shall make a binding commitment to the second party to sell an amount of a currency at a fixed rate at a specified time if the exchange rate direction is not in favor of the promise. But if the exchange rate is in the latter's favor, the commitment becomes null. The second party shall also make a binding commitment to purchase the same amount of same currency, at the same fixed rate, at the same specified time if the exchange rate direction is not in favor of the promise. However, if it is in his favor, the promise becomes null.

Shariah Ruling:

Mutual commitments are not allowed to hedge against exchange rate fluctuations, as their reality is similar to binding mutual commitments to make a currency exchange contract that is prohibited in Shariah, by virtue of the Academy resolutions above.

3. An offer extended for a fixed period binding the offeror to enter into a currency exchange contract.

Formula: The first party issues an offer, extended until a given day, in which a currency exchange contract is concluded by selling the currency at a fixed rate and amount. The other party makes a binding or non-binding undertaking to issue its consent within the agreed deadline.

Shariah ruling:

4. It is not permissible to apply the principle of an extended offer to the currency exchange contract due to the existence of the condition of taqabud (i.e. to take delivery of the object of sale and to pay its price) in the contract meeting; whether or not it is faced with a binding commitment on behalf of the other party, as stated in the Academy resolution 52 (3/6) on concluding contracts by modern communication devices. See article 4.

5. If the extended and binding offer is faced with binding commitment from the other party, it is then similar to the binding commitment, but even worse due to the



existence of an offer, regarded as one of the two pillars of the contract.

4. Execution of two mutual tawaruq transactions (tawaruq mutaqabil): Formula: The execution of structured tawaruq resulting in the confirmation of debt with the amount of the first currency required to be paid, then a reverse tawaruq transaction is carried out to result in a debt with the amount of the second currency required to be paid. This will result in two mutual debts on both sides of the transaction, each in a different currency.

Shariah ruling:

It is prohibited because it is based in its structure on Tawaruq which Shariah prohibits. The Academy resolution no. 179 (5/19) on tawaruq and its types confirmed that both types of tawaruq (structured or reverse) are prohibited, as there is explicit, or implicit, or customary collusion between the financier and the mustawriq (tawaruq beneficiary), to deceitfully collect at present money against a larger amount as future debt, and that is riba.

5. The bilateral binding commitment to conclude a Murābahah transaction or a future sale with loss, whose profit or loss is based on an agreed Formula: This transaction is executed through a binding bilateral commitment by both parties to make a Murābahah/sale with loss transaction, from the first party to the second party or from the second party to the first party on a given future day. The profit or loss of this transaction is calculated based on the positive/negative variance in a future day agreed upon for the calculation index.

Shariah ruling:

1. The principle is that it is not permissible to make bilateral binding commitments between the two parties, in accordance with the Academy resolution 40 (2/5).

2. This formula is not included in exempted cases allowed by the Academy resolution (157), stated above, in paragraph (4), article 1/1/A.

6. Two mutual commitments (a binding commitment with specific conditions against a binding commitment with different conditions, to execute Murābahah/sale with loss transaction in the future).

Formula: The first party makes to the second party a binding commitment to execute a Murābahah/sale with loss transaction at a specified moment if the direction of the currency exchange rate index moves not in favor of the other party. However, if

the direction of the currency exchange rate index moves in his favor, the promise is null. The second party shall also issue a promise to execute a Murābahah/sale with loss transaction at the same specified moment if the direction of the currency exchange rate index is contrary to promise benefit. However, if the exchange rate index is favorable to his interest, the commitment becomes null. The profit or loss of the sale is calculated based on the agreed index.

Shariah ruling:

The two mutual commitments are not permissible as their real form resembles a binding mutual commitment that is prohibited by Shariah

according to the above mentioned paragraph (4) article (5).

Type II: Hedging against fluctuations in interest-rate indices which affect profit rates in Islamic formulas

1. Binding mutual commitment of both parties to enter into a future Murābahah or sale with loss contract, whose profit or loss will be calculated on basis of an agreed index.

Formula: This transaction is made with binding mutual commitments by the two parties to carry out a series of Murābahah/sale with loss transactions from the first party to the second party or from the second party to the first party in a series of days in the future. The profit or loss of these sale transactions is made to equal with the positive or negative variance in each of the coming days agreed for the index's calculation.

Shariah ruling:

1. It is not permissible to utilize the bilateral binding commitments as a hedging mode to exchange fixed and floating interest rates because the mode of bilateral binding commitments is similar to the concluding a contract, as stated in the Academy resolution 40 (2/5) on fulfillment of promises and Murābahah to the purchase orderer. Binding mutual commitments to make a sale is similar to the sale itself.

2. This mode is not included in the exempted cases allowed by the Academy resolution no. 157, as described above in paragraph (4) article 1/1/A.

2. Two mutual commitments (a binding commitment with specified terms against a binding commitment with different conditions to execute a future Murābahah/sale with loss transaction).

Formula: The first party makes a binding promise to the second party to undertake

a series of Murābahah/sale with loss transactions at a specified time if the direction of the interest rate index is not in favor of the second party. But if the direction of the interest rate index is in the latter's favor, the promise is annulled.

The second party also undertakes to execute a series of Murābahah/sale with loss transactions at the same specified times if the direction of the interest rate index is not to his interests, but if the direction of the interest rate index is to his interests, the commitment becomes null. The profit in Murābahah or the sale with loss is calculated based on the changes in the agreed index.

Shariah ruling:

It is not permissible to make two mutual commitments, as their reality is equivalent to the bilateral binding commitments prohibited in Shariah, according to paragraph (4) mentioned above.

3. Execution of mutual tawaruq transactions:

Formula: Executing a structured tawaruq transaction resulting in confirmation of indebtedness at the required fixed interest rate. Then proceeding to a reverse tawaruq transaction resulting in the affirmation of indebtedness at variable interest rates. This will allow the two debts to be offset against each other on each day up to their deadlines. Compensation is then made by paying only the difference. There are three methods usually utilized to calculate the variable interest rate in this tawaruq transaction:

1. Contracting variable-rate tawaruq.

2. Contracting fixed-rate tawaruq with a commitment to discount any excesses in interest rate index for each future installment

3. Cyclical tawaruq by executing a series of short-term tawaruq transactions, each at a fixed price to create, at the end, a floating rate debt.

Shariah ruling:

It is not permissible because the transaction is based on a mode prohibited by Shariah (tawaruq), as stated in section (4), paragraph 4.

Type III: One-party binding commitment as an alternative to options transaction

Formula: Issuance of a binding commitment by one party to execute a Murābahah transaction with the second party for the amount of the positive variance, on an agreed day or within an agreed period, when the second party requests.

price which shall be paid in the beginning. The first party who issues the binding commitment shall become the option seller, and the second party who has the right to enforce fulfillment of the binding commitment shall be the option purchaser.

#### Shariah Ruling:

It is not permissible to pay for a binding commitment.

The Academy resolution no. (63) on financial markets stated the following:

#### Second: Options

1. Options contracts: The meaning of options contracts is to pay for the undertaking to sell or purchase a specific item at a given price, within a given period, either directly or through an authority guaranteeing the rights of both parties.

2. Shariah ruling: Options contracts, as currently traded in the international financial markets, are new contracts that do not fall under any Shariah-nominate contracts. Since

the subject matter of the contract is neither property nor a benefit, nor a financial right that can be paid for, this contract is therefore not permissible in Shariah. Furthermore, since these contracts are initially not permissible to create, their trading is not permissible either. The International Islamic Fiqh Academy also issued resolution no. (224) on hedging that contains regulations of Shariah-permitted hedging. It stated that: "Hedging formulas/modes should not lead to the sale of purely abstract rights, such as the sales of options which the Academy affirmed their prohibition by resolution no. 63 (1/7), paragraph (2-B). They should also not lead to paying for undertakings, such as payment for the guarantee, which the Academy prohibited in resolution no. 12 (12/2)."

#### Recommendations

1. Shariah Councils, Fatwa and Shariah Supervisory Boards, scholars and researchers shall reconcile between compliance with the

fundamental objectives of Shariah and its specific rules and regulations of individual contracts when practicing Ijtihad in structuring Islamic financial products in general and in drafting hedging contracts in particular. Also, to consider the outcomes of these contracts and their effects because the consideration of outcomes is a fundamental principle in Shariah.

2. Investment and treasury departments at the micro-institutional level, as well as authorities in charge of drafting monetary and financial policies at the macro-states level, shall ensure a balance between commitments and debts on the one hand, and wealth and actual economic activities on the other, and to avoid sinking in debts which negatively affects economic activity in general.

Indeed, Allāh is All-Knowing.

