

***Towards the Establishment of Waqf Companies in Algeria: A Foundational Study with Practical Proposals.***

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***Abstract:***

*This study aims to explore the feasibility of establishing Waqf companies in Algeria as an innovative model to revitalize the institution of endowment (waqf) and enhance its developmental impact. The objective is to align with the higher objectives of Sharia (Maqasid al-Sharia) by investing waqf proceeds in sustainable economic ventures whose returns are allocated to various charitable activities. The research adopts a descriptive-analytical methodology, relying on a review of relevant jurisprudential and legal literature concerning waqf and corporate structures, in addition to analyzing pioneering experiences—particularly the Kingdom of Saudi Arabia's model of Waqf companies under its corporate law. The study concludes that the creation of Waqf companies in Algeria is legally feasible within the current commercial framework, provided that appropriate legal adaptations are made while complying with Sharia principles. This would grant such companies the flexibility to meet the evolving needs of both philanthropic and investment activities, making them a strategic tool to support the third sector and promote sustainable development.*

**Keywords:** *Waqf; Waqf Sukuk; Waqf Companies; Algerian Commercial Law.*

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## **1. INTRODUCTION**

Private or community-based waqf institutions, which rely on the endowment of assets and properties from their founders, represent one of the most prevalent forms in the charitable and waqf sectors. However, another type of waqf entity remains largely unknown, at least in Algeria—namely, waqf companies. It is important to distinguish these from waqf management institutions, which act as investment arms of waqfs in some countries, such as the Kingdom of Saudi Arabia. These institutions focus on developing investment mechanisms, diversifying portfolios, and formulating strategies to maximize returns, manage funds and assets efficiently, achieve growth, and ensure financial sustainability (Saudi Waqf, 2021). In contrast, waqf companies refer to entities whose capital assets are endowed as waqf (endowment certificates). Although Algerian Law No. 25-06 governing waqfs does not explicitly mention such companies, Article 8 defines a waqf institution as an entity established with the approval of the waqf authority to provide charitable services by managing, operating, investing, and developing endowed properties, while preserving and enhancing their returns and benefits (Waqf Law No. 06-25, Article 8). This research paper aims to explore the feasibility of establishing waqf companies in Algeria. The central research questions are:

**To what extent can waqf companies be established in Algeria? And what are the necessary prerequisites to achieve this?**

To address these questions, the study will examine the conceptual framework of waqf companies, propose applicable models based on Algerian Commercial Law drawing from the Saudi waqf corporate experience, and identify the key requirements for their successful establishment and operation.

The study will focus on the following elements:

1. The conceptual nature of waqf companies;
2. Proposals for establishing waqf companies under Algerian Commercial Law;
3. Requirements for Establishing Waqf Companies;
4. Presentation of results and recommendations.

**The conceptual nature of waqf companies:**

### **1-1- Definition:**

Waqf companies refer to entities whose assets are managed according to commercial company principles. They can be defined as: “The combination

of waqf assets managed with the aim of engaging in commerce in accordance with commercial regulations.” (Khalid bin Abdulrahman Al-Muhanna, 2013, p. 19) They are also defined as: “A capital partnership contract between two or more waqfs in a profit-oriented project, where the resulting profits are dedicated as waqf (charitable use).”(Khalid bin Abdulrahman bin Suleiman Al-Rajhi, 2016, p. 15) Moreover, Muhammad bin Abdulrahman Al-Mushaylih defines them as: “Companies whose assets are managed according to commercial company systems, and are established after the waqif obtains a commercial registration based on the waqf deed in accordance with applicable commercial laws.” (Muhammad bin Abdulrahman Al-Mushaylih, 2011). These similar definitions, which revolve around the same conceptual foundation for this type of charitable company, allow us to explain some key terms with either a Sharia or legal dimension, as follows:

**Combination of Waqf Assets:** This refers to the partnership of at least two parties, each possessing legal personality (i.e., only legal entities can participate in such a partnership). This is formalized through a waqf deed (*Sukuk al-waqfiyyah*), which is the document issued by the waqif (endower) in which the endowment contract is recorded. It specifies the endowed properties, their boundaries, the designated beneficiaries, and the waqif’s conditions regarding the distribution of returns, the management of the waqf (i.e., the appointment of a trustee), and other related matters. In summary, it is the official document that records the details of the endowed assets, the contract of endowment, and the will of the waqif regarding both the entitlement to benefits and the administration of the waqf.

**Commercial Regulations:** Waqf companies acquire the status of a commercial entity by obtaining commercial registration, thereby functioning similarly to conventional commercial companies. This legal registration grants them the same rights and obligations as traditional business entities under commercial law.

**Tasbeel al-Ribh (Devotion of Profit):** While profits in conventional companies are distributed to owners and shareholders, waqf companies also aim to maximize profit—but the generated profits from endowed assets are allocated exclusively to charitable purposes. This aligns with the classical Islamic definition of waqf. According to Imam Abu Hanifa

(may Allah have mercy on him), waqf is defined as "withholding the asset under the ownership of the waqif (endower) and donating its benefit." Similarly, the author of *Kashshaf al-Qina'* explains: "Withholding the principal means restraining the property from transactions of ownership, cutting off the waqif's ownership over it, and directing its yield—meaning the financial returns—to a charitable destination. This is the essence of 'tasbeel al-manfa'a' (dedication of benefit): releasing the benefits of the endowed asset, such as its revenue, fruits, and other gains, to a specified charitable cause." (Khalid bin Abdulrahman Al-Muhanna, 2013, p. 18).

## **1-2. Characteristics of Waqf Companies:**

Based on the previous definitions, the key characteristics of waqf companies can be outlined as follows:

**First:** Their capital is established through endowments (waqf deeds) that meet all the recognized Shariah conditions. A waqf company cannot be founded without at least two waqf deeds.

**Second:** The company's assets are operated for commercial purposes in accordance with customary business practices and commercial regulations. This commercial activity aims to generate profits that are subsequently devoted to charitable causes.

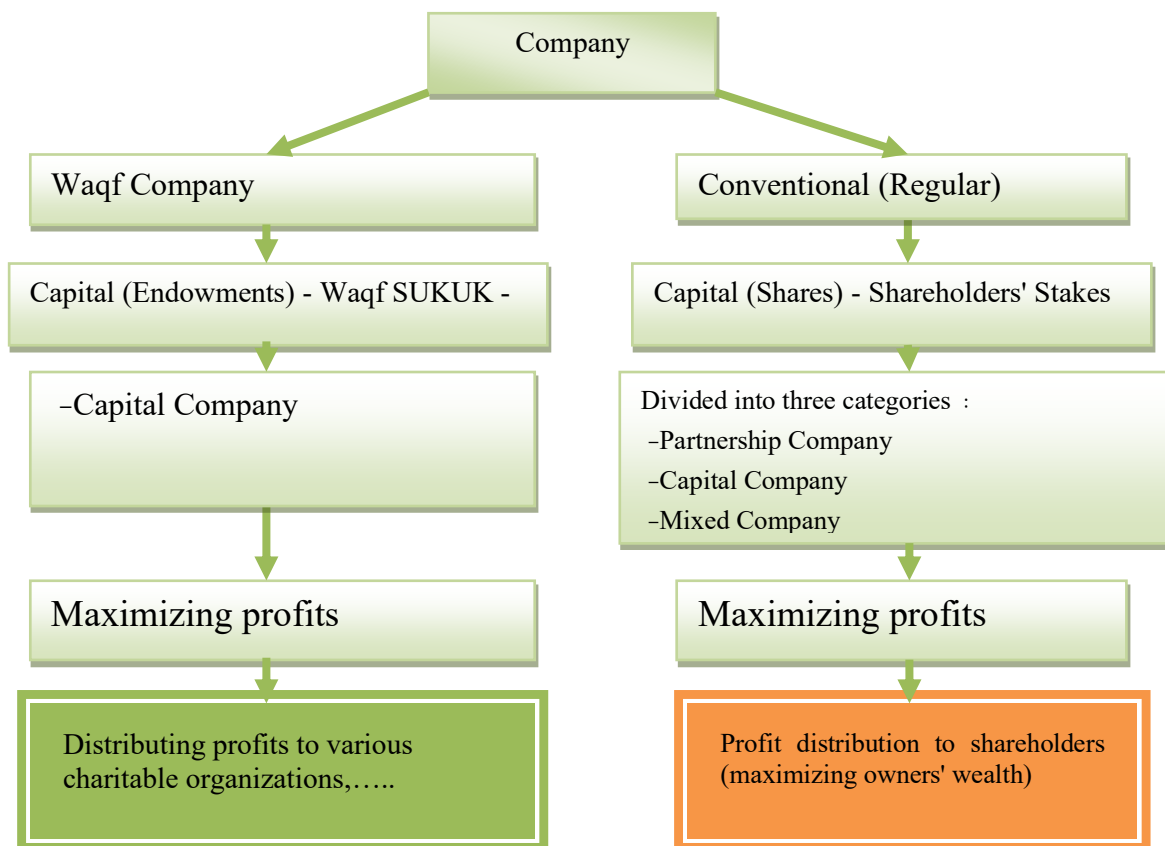
**Third:** A waqf company is categorized exclusively as a capital company, since its legal entities are entirely composed of waqf bodies or institutions. As a result, personal considerations are irrelevant to its formation or structure (Khalid bin Abdulrahman bin Suleiman Al-Rajhi, 2016, p. 15). In contrast, commercial companies in many legal systems—including the Algerian Commercial Law—are generally classified into three main categories: Partnership Companies (*Sharikāt al-Ashkhās*): These are based on personal trust and mutual confidence among partners and include general partnerships, limited partnerships, and joint ventures. Capital Companies (*Sharikāt al-Amwāl*): These are based on the financial contributions (shares) of partners forming the company's capital. Examples include joint-stock companies and partnerships limited by shares. Hybrid Companies: These combine both personal and financial considerations, such as limited liability companies (Algerian Commercial Code, 2007, Articles 544 to 840, pp. 137–249).

**Fourth:** Taspil (dedication) of company profits and the realization of

the multiple maqasid al-sharia (objectives of Islamic law) associated with waqf. Waqf companies are not profit-averse; rather, they actively seek to maximize profits, but with a fundamental distinction: profits are not distributed to private shareholders. Instead, these profits are channeled towards charitable causes, aligning with the traditional Islamic concept of waqf—preserving the capital (the waqf asset) and dedicating its yield for public benefit.

In the following figure (not shown here), we illustrate the differences between waqf companies and conventional companies, particularly in terms of:

**Figure 1:** Comparison Between Waqf Company and Conventional Company in Terms of Their Profit Objectives and Beneficiaries:



**Source:** Adapted

### **1-3- The Importance of Activating Waqf Companies:**

The activation of commercial waqf companies is of great importance as part of expanding the uses of waqf assets. This will increase growth

opportunities, enhance investment prospects, enable participation in tenders and large projects, and facilitate access to financing. Ultimately, this contributes to the growth of returns and broadens the scope of beneficiaries.

If the traditional forms of waqf (private and community waqfs, etc.) have already secured employment opportunities for large segments of society and created numerous activities—such as leading prayers in mosques, education in waqf schools, employing labor, building commercial markets, and providing housing for the poor (Abdullah bin Nasser Al-Sadhan, 2010, pp. 84-85)—then we believe that the corporate waqf model will further enhance hopes for achieving sustainable development and the economic diversification urgently needed under the rentier economies of many Arab countries in general, and Algeria in particular. The waqf company model also represents an opportunity to expand the uses of waqf and better fulfill its objectives.

The importance of waqf companies can be highlighted through the following points: (Osama Omar Al-Ashqar, 2007, pp. 120-121).

The corporate (or institutional) model ensures optimal utilization of waqf funds and serves as a competitive alternative to other forms such as individual or government management.

Waqf companies are capable of efficiently and effectively meeting specific developmental needs and achieving targeted goals, especially given their functional specialization, which leads to the true activation of waqf funds through enhanced efficiency and effectiveness.

The company model allows for fulfilling the specific wishes of waqf donors, such as establishing hospitals, schools, or care homes.

The inclusion of waqf companies (which are non-profit entities) within the new corporate system is highly significant, as it introduces flexibility and effectiveness to waqf management—addressing a major weakness currently affecting many waqfs.

#### **1-4 The Establishment Experience of Waqf Companies in the Kingdom of Saudi Arabia:**

Abdul Karim Ahmed Qandouz points out that the Kingdom of Saudi Arabia pays great attention to activating waqf in line with its new directions, whether within the framework of the 2020 Economic Transformation Plan or

the 2030 Strategic Vision. This is evident through the establishment of the General Authority for Endowments (1437 AH), the Ministry of Commerce and Investment's issuance of the draft Non-Profit Companies Law, and efforts to increase the contribution of the third sector from less than 0.2% to nearly 5% of the GDP. There are also expectations regarding amendments to the Income and Zakat Law to accommodate non-profit companies in terms of zakat treatment. (Abdul Karim Ahmed Qandouz, 2018, p. 7)

The formal registration of waqf companies in the Kingdom of Saudi Arabia follows a streamlined procedural framework, with the main steps outlined as follows: (Mohammed bin Abdulrahman Al-Mushaylih, 2011)

A. Identifying the asset to be endowed, verifying its ownership, specifying the beneficiaries, and naming the trustees (nuzzar). The endowed asset is not required to be real estate; it may also consist of movable assets or financial resources.

B. Including a clause in the waqf deed affirming the right of the waqf to establish entities such as institutions or companies, either fully owned by the waqf or in partnership with others, and outlining the governing rules and conditions.

C. Legally registering the waqf at the Personal Status Court and obtaining an official waqf deed.

D. Presenting the waqf deed to the Ministry of Commerce to issue a commercial registration certificate for the waqf company.

E. Registering the director's name, who serves as the trustee (اظرن), thereby enabling them to open a bank account in the name of the waqf company, register with the Ministry of Labor to recruit workers and hire the necessary personnel, among other administrative procedures.

F. Afterward, the funds are deposited into the waqf company's account, remaining endowed properties are transferred, and the institution purchases assets—real estate or movables—that serve its charitable objectives. The trustees (nuzzar) are granted discretion, within the parameters set by the waqif (endower), to invest in ways that achieve the intended benefit.

G. The institution can be converted into a Single-Person Company in accordance with Article 154 of the Saudi Companies Law. Upon

approval by the Ministry of Commerce and Industry, the waqf company is officially established. This option is preferable in terms of ensuring continuity of operations, preserving the workforce, and maintaining a separate legal personality with independent financial liability—thus shielding the original endowment (as stated in the waqf deed) from any investment-related debts.

K. At this stage, the waqf company is recognized as a legal entity with independent financial liability. It may establish specialized subsidiaries focused on specific investment sectors or acquire shares in existing commercial companies, in accordance with the waqif's conditions stated in the waqf deed. It may also establish entities designed to safeguard waqf assets, whether real estate or movable property.

It is worth noting that there are numerous innovative models and ideas for establishing waqf-owned companies under the Saudi Companies Law—such as closed joint-stock companies or holding companies—which may later be listed on capital markets, given their commercial and investment nature.

Below is a simplified and innovative model outlining the steps for establishing a limited waqf company, developed upon the request of the Islamic Waqf Administration in the Kingdom of Saudi Arabia. (Sulaiman bin Saleh Al-Tufail, 2021).

**Figure 2:** Summary of the Key Steps for Building the Innovative Model for Establishing a Limited Waqf Company

**Selecting the Waqf Asset**

The waqif (endower) must act with full free will, genuine intention, and sincere desire .

The designated waqf asset must be something legally permissible to sell and beneficial to use while preserving its substance



**Waqf Deed**

Details of the waqf, its conditions, and purposes

Information on the beneficiaries (waqf disbursement channels)

Details of the waqf supervisor (nazir) and their responsibilities



**Waqf Certificate (SOKUK)**

Proof of ownership of the waqf presented before a judge in the presence of two trustworthy witnesses, upon which the official waqf certificate is issued.



**Waqf Bank Account**

\*Opening an independent bank account based on the waqf certificate

\*The waqif (founder) or the nazir (trustee) must be authorized to manage



**Establishment of the Waqf Company**

Reserving the trade name through the Ministry of Commerce and Investment website

Issuing the company's Articles of Incorporation (to be completed directly on the ministry's website (

Attaching the original waqf deed and the ID of the waqif (founder) or the nazir (trustee)

Issuing and printing the commercial registration and the articles of incorporation of the waqf company.



**Waqf Company Bank Account**

The waqf company's bank account is dedicated to managing the waqf's investment funds and handling all external expenses related to its commercial and investment activities.

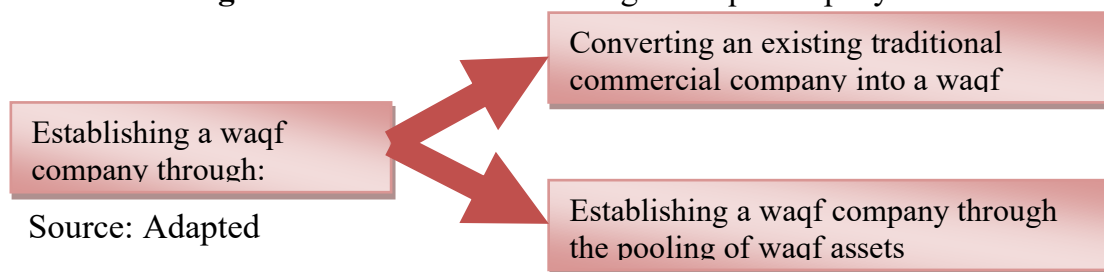
**Source:** Adapted from Suleiman bin Saleh Al-Tufail, "An Innovative Model for Establishing a Limited Waqf Company: Sustainability – Independence – Governance"

In light of this diagram, the model was developed after completing the organizational coordination among various ministries and authorities, such as the Ministry of Justice, Ministry of Commerce and Investment, the General Authority for Awqaf, and the Saudi Arabian Monetary Authority.

## **2- Proposals for establishing waqf companies under Algerian Commercial Law:**

**Waqf companies can be established through two possible scenarios:** either by taking an existing commercial company in its known form, and then having each partner endow all their shares in the company, thus fully converting the company into a waqf company, where the waqf certificates replace the previous partners' ownership of the shares; or by establishing a waqf company through the pooling of waqf assets according to the type of waqf commercial company intended to be formed. (Osama Abdel Majid Al-Ani, 2018)

**Figure 3: Forms of Establishing a Waqf Company**



**In addition to these two methods, a puzzling question arises:** Is it possible for a company to have some of its assets as shares owned by natural or legal persons, while the rest are waqf assets (shares endowed by their owners)? Khalid bin Abdul Rahman Al-Muhanna believes that a waqf company's entire assets must be waqf, and it cannot be a company where some assets are waqf and others are personal property. (Khalid bin Abdul Rahman Al-Muhanna, 2013, p. 30). This is likely due to the unique legal and religious nature of waqf, and the difficulty in achieving legal and economic flexibility if owners' shares are combined with waqf deeds in building the capital of a single company.

It is preferable to convert owners' shares from regular (traditional) commercial companies into waqf companies. This is an advanced practice in Western countries. For example, Henry Ford laid the foundation for the giant Ford Foundation by transferring 90% of his company's shares to the

waqf institution, in accordance with his will. These assets were then invested by the waqf foundation in scientific projects and social capital to achieve sustainable development.

## **2-1- Proposal for Establishing Waqf Joint-Stock Companies in Algeria:**

Joint-stock companies are based on financial consideration, with no regard to personal consideration. Therefore, a partner's liability in capital companies is limited to the extent of their share in the capital. Due to their large size, these companies are not confined to a single country but extend their branches to several countries. They now operate alongside state-owned enterprises to cooperate in developing the national economy and effectively investing funds within the country, generating profits for both capital owners and small savers alike. (Nadia Foudil, 2003, pp. 141-142)

As for establishing a waqf joint-stock company, we distinguish between two cases:

**In the first case:** The joint-stock company is a commercial company existing in its known form, and then each shareholder, whether a natural or legal person, endows all his shares in the company. Thus, the company is transformed into a waqf company in its entirety, and the waqf certificates replace the previous shareholders in the ownership of the shares. Scholars in this field consider the endowment of shares in joint-stock companies to be valid, citing the hadith of Umar ibn al-Khattab, may God be pleased with him, which is considered a fundamental principle in the legislation of waqf and its jurisprudential rulings. Al-Nasa'i narrated (Sunan al-Nasa'i, Book of Al-Ahbās (29), Chapter (3) Habis al-Musha', Hadith No. 3603, p. 590) that Muhammad ibn Abdullah al-Khalanji informed us in Bayt al-Maqdis, saying: Sufyan told us, on the authority of 'Ubayd Allah ibn Umar, on the authority of Nafi', on the authority of Ibn 'Umar, who said: Umar came to the Messenger of God, may God bless him and grant him peace, and said: O Messenger of God, I have acquired property like which I have never acquired before. I have a hundred shares in Khaybar from its people, and I have intended to draw closer to God, the Mighty and Sublime, with it. He said: "Restrain the principal and give away the fruit." 'Umar, may God be pleased with him, endowed a hundred shares in Khaybar, and this is an example of the endowment of shared

property, and the Messenger of God, may God bless him and grant him peace, approved it, indicating the permissibility of endowing shared property absolutely. Since the purpose of the waqf is to benefit the beneficiary and ensure its continuity, it is not required for the beneficiaries to take possession of the asset, nor is it permissible to transfer ownership to them. On this basis, Talib ibn 'Umar ibn Haydara al-Kathiri considers the endowment of shares in joint-stock companies to be valid, citing a number of warnings mentioned by scholars that should be taken into account. The most notable of these is that the endowment of these shares is achieved through the individual will of the endower, or by subscribing to shares in the waqfs dedicated to the project, and that the activity of the company whose shares are to be endowed is permissible, and that the endowed shares are among the permissible shares, such as ordinary shares. It is also irrelevant whether the company includes real estate, movable property, and money, as this does not affect the validity of the endowment. Furthermore, it is not permissible to trade in the sale of endowed shares in joint-stock companies, as the waqf cannot be sold or disposed of in a manner that transfers ownership, but rather only its revenue can be utilized.

**In the second case:** the Algerian legislator has set a minimum number of shareholders in a joint-stock company, which is seven persons at least (Algerian Commercial Law, Article 592/2). If the legislator has set a minimum number of shareholders, he has not set a maximum number of shareholders. In addition, the legislator has not required that the shareholders be natural persons, which allows legal persons to participate in the establishment of a joint-stock company. It is also required that the capital of the joint-stock company is not less than five million Algerian dinars (DZD) if the company resorts to public subscription, and not less than one million DZD if the company resorts to closed subscription (the formation of capital is limited to the founders only) (Algerian Commercial Law, Article 594). Therefore, the establishment of a waqf joint-stock company through the Algerian Commercial Law will start from waqf entities that are not less than seven waqfs, through commercial registers owned by those waqfs, to be an independent company with its own legal personality and independent entity, and a capital not less than five million

DZD, regardless of the difference between the shares of the partners in the waqf. The management of the company will be in accordance with the condition of the endower in the waqf deed, which must be included in the articles of association in accordance with the conditions of the endowers. The supervisors of the waqf will be the representatives of the founders in the company. The most important thing to be considered in the context of establishing this type of company is that it is free from Sharia prohibitions, ease of codification, and economic flexibility.

## **2-2- Proposal for Establishing a Waqf Limited Liability Company in Algeria:**

A waqf limited liability company can be established by following one of two cases:

**In the first case:** the limited liability company is an existing commercial entity in its conventional form, and then each shareholder, whether a natural or legal person, endows all their shares in the company. Consequently, the company is fully transformed into a waqf company, and the waqf deeds replace the former shareholders as the owners of the shares.

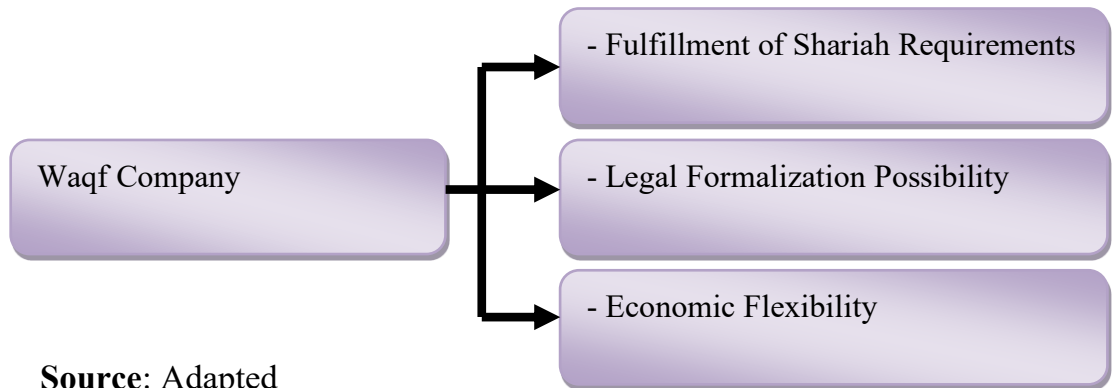
**In the second case:** according to the Algerian legislator, "a limited liability company may be established by one or more persons who are only liable for losses up to the extent of their shares." (Algerian Commercial Law, Article 564). The legislator also specified that "the capital of a limited liability company shall not be less than 100,000 DZD, divided into shares of equal nominal value of at least 1,000 DZD each." (Algerian Commercial Law, Article 566/1). Furthermore, "the number of partners in a limited liability company shall not exceed twenty; if the company includes more than twenty partners, it must be converted into a joint-stock company within one year. Failure to do so results in the dissolution of the company, unless the number of partners returns to twenty or fewer within that period." (Algerian Commercial Law, Article 590). Therefore, the establishment of a waqf limited liability company under Algerian commercial law would begin with two to twenty waqf entities, through commercial registries owned by those waqfs, with a minimum capital of 100,000 DZD, regardless of differences in partners' shares in the waqf. This is a general proposal, and further details are

left to scholars and legal experts to create flexibility in the formation and implementation of this type of company.

### **3- Requirements for Establishing Waqf Companies:**

The success of establishing waqf companies depends on how well they align with a set of Shariah, legal, and economic requirements, which can be outlined as follows:

**Figure 4:** Shariah, Legal, and Economic Requirements for a Waqf Company



**Source:** Adapted

#### **3-1 Shariah Conditions for Waqf:**

Considering the Shariah aspect in establishing this type of company is the fundamental criterion for it to be recognized as a legitimate waqf entity, especially within the charitable third sector in Muslim countries. This is despite the existence of a vast number of waqf institutions in Western countries across various fields with enormous capital— for example, Harvard Management Company manages over 59 billion, Stanford Management Company over 54 billion, and Yale Investment Office nearly \$42 billion ([www.swfinstitute.org/fund-rankings/endowment](http://www.swfinstitute.org/fund-rankings/endowment)). However, such institutions cannot be established within an Islamic economic framework unless they fully comply with all Shariah conditions that make them religiously acceptable. According to Abdul Karim Ahmad Qandouz, granting waqf companies Sharia flexibility means that the company, with all its components, is able to answer all Sharia questions raised about it, such as the supervisory body of the company, the legitimacy of temporary waqf, the legitimacy of waqf shares and the legitimacy of their trading... without compromising the ultimate goal of the waqf. (Abdul Karim Ahmad Qandouz, p. 16)

This also includes the legitimacy of zakat in it or not, as the company must be able to deal with these Sharia issues in a way that ensures the preservation of the basic objectives of the waqf and achieves the required Sharia flexibility.

### **3-2 Legal Flexibility:**

Legislation governing this type of company acts as a safeguard and formal recognition of its existence, enabling the smooth establishment and operation without violations or oversteps. This requires the company's ability to align and adapt to the existing commercial laws and regulations while ensuring that these laws and regulations strictly respect the known Shariah principles governing the management of waqf assets.

Regulatory bodies responsible for legislation and issuing regulations for the establishment of such companies must provide a clear legal definition that outlines their specific rules, and establish the foundations, conditions, and controls for their practices. This contributes to their governance and distinction. In this context, Momeni Ismail and Owaisi Amin (2018, p. 41) define waqf governance as: “a set of laws, regulations, and instructions aimed at achieving excellence in the sound management of waqf institutions, through the use of effective means to implement planned objectives with the highest quality and lowest cost.”

### **3-3 Economic Flexibility:**

Saleh Salhi considers waqf as a transformation of a portion of private incomes and wealth into sustainable cooperative resources. These resources allocate benefits in the form of goods, services, and returns to meet the needs of various beneficiary groups and entities. This contributes to enhancing the productive capacities necessary for the formation and growth of the cooperative charitable sector, which is considered the foundation of the social economy within the Islamic economy. (Saleh Salhi, 2006, p. 238)

Waqf funds are also considered part of the economic wealth of countries, as they contribute to revitalizing many sectors that serve various segments of society (Mahmoud Ahmed Mahdi, 2021, p. 18). Additionally, they help achieve numerous Islamic objectives through proper management, addressing many social, economic, humanitarian, and educational needs (Maashi Abdulrahman, 2006, p. 40). Therefore, waqf plays a clear role in economic diversification, making it essential to benefit from it across different fields. To realize this, waqf companies are important tools for developing the third sector, which in turn helps meet many economic needs. However, the entry of such companies into the labor and investment markets, and their pursuit of leadership and profit maximization to channel returns to

rightful beneficiaries, requires economic flexibility to fulfill their goals, mission, and future vision.

Economic flexibility means that a waqf company benefits from modern sciences in work methods, management, and contemporary financing mechanisms without violating the Shariah rules governing its activities (Abdul Karim Ahmed Qandouz, p.16). Waqf companies demonstrate economic flexibility when they fulfill the requirements for their success, some of which can be outlined as follows:

Achieving a satisfactory economic return to fund the beneficiaries of the waqf;

Growing the waqf's revenue and expanding its yield according to recognized commercial and investment standards in the market, in compliance with Islamic law and permitted by the regulations;

The necessity to preserve the waqf's assets, which requires strict control and regular review of all investment plans of waqf companies, especially under exceptional circumstances;

Contributing to the preservation of financial and food security;

Governance of financial and accounting management, investment governance, and adherence to Shariah standards to achieve distinguished and high-quality economic performance.

#### **4. Presentation of results and recommendations.**

##### **4.1. Presentation of results:** The following conclusions can be drawn:

**Economic diversification through awqaf (endowments):** The study demonstrated that endowments (awqaf) serve as an effective tool for national economic diversification by strengthening social and economic sectors and addressing multiple needs through the allocation of sustainable resources.

**International experiences as a source of inspiration:** The research highlighted the importance of benefiting from successful international experiences in establishing and managing waqf companies, such as those in Saudi Arabia and Western countries, which enhances the opportunity to adopt innovative models suited to the Algerian context.

**The necessity of adapting the legal framework:** The study concluded that establishing waqf companies in Algeria requires developing a clear and specialized legal framework that considers the specific religious and economic characteristics of waqf, ensuring legal recognition and comprehensive regulation of their activities.

**The importance of Sharia compliance:** The research emphasized that fulfilling Sharia requirements is a fundamental condition for the success of waqf companies, as they must meet all religious criteria related to waqf to ensure their acceptance within the Islamic economic environment.

**Economic flexibility as a vital element:** The findings indicate that the flexibility of waqf companies in adopting modern management methods and contemporary financing mechanisms—without violating Sharia rules—is key to achieving sustainability and maximizing their profitability.

#### **4.2. Presentation of recommendations:**

Based on the information presented in this research paper, several recommendations can be proposed that we believe will facilitate the establishment of waqf companies in Algeria and maximize their benefits in achieving the intended purposes of waqf:

The first recommendation is to intensify comprehensive Shariah and legal studies to address all challenges and nuances related to this type of company. Additionally, it is crucial to undertake economic foresight regarding the management of waqf in Algeria under this novel framework, recognizing that this model has not existed for over fourteen centuries.

Raise awareness of waqf and expand its use among wealth holders in the country to develop the charitable third sector, particularly through the waqf company model, since the establishment of any company in a country is largely driven by its business community.

Gradually introduce legal regulations for waqf companies in Algeria, starting by referencing them in various regulatory frameworks and draft laws. Once they mature from all aspects (Shariah, legal, etc.), they should be officially recognized as a type of capital company under Algerian commercial law.

Benefit from successful experiences in developing waqf models by establishing waqf companies, whether from Arab-Islamic contexts (notably the Kingdom of Saudi Arabia) or Western models (especially American and British companies), with careful consideration of Shariah compliance.

Ensure coordination among relevant ministries and authorities (Ministry of Justice, Commerce, Finance, Religious Affairs and Endowments, etc.) to facilitate and organize the procedures for establishing such companies in Algeria.

## **Conclusion:**

Considering the foregoing regarding the nature of waqf companies and the clarity of their distinguishing characteristics from ordinary companies, as well as outlining proposals through which we envision the establishment of this type of company following its success in countries such as the Kingdom of Saudi Arabia, it can be stated that the conditions are ripe for their introduction in Algeria. This is especially true as this model expands the scope of social and charitable benefit derived from waqf assets, promotes their investment, and contributes to economic development. However, their success depends on strict adherence to the Shariah rules governing waqf, their adaptation within the legal frameworks regulating companies in the country, and maintaining economic flexibility to keep pace with evolving work and investment methods aimed at maximizing profits and channeling them to their rightful beneficiaries.

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