

## Challenges and Prospects of Cash Waqf Development in Malaysia

Che Zuina Ismail<sup>1</sup>, Syafini Muda<sup>2</sup>, Nor Jawanees Ahmad Hanafiah<sup>3</sup>

<sup>1</sup>Academy of Contemporary Islamic Studies

<sup>2</sup>Faculty of Law

<sup>3</sup>Academy of Language Studies

Universiti Teknologi MARA (Terengganu) Kuala Terengganu Campus, Chendering, 21080 Kuala Terengganu

Received: December 30 2013

Accepted: January 27 2014

---

### ABSTRACT

The manifestation of both efficient waqf system and competitive waqf products in the Islamic non-banking financial institutions (NBFIs) has enabled efficient and equitable distribution of wealth to the Muslim communities. It is one of the most effective instruments for promoting and enhancing the economic, educational, religious and social developments of the Muslim communities whilst sustaining their faith and spiritual strength to face the current challenges. This paper aims to explain the concept, role and prospect of cash waqf pertaining to the contemporary law and our country's economic scenario. Besides, it is also the aim of the paper to discuss the development of cash endowment based on the country's current and long term strategic plans. This qualitative study examines data obtained from library research, interviews, close observations of cases and practices in order to come up with a complete account of the waqf development agenda in Malaysia. In short, this study offers specialized and rich knowledge of cash waqf development in Malaysia which could help to accelerate and transform the Muslims' minds into having an optimistic and positive perception towards the role of waqf as a mechanism to dynamically generate income, extensively increase the waqf revenue and confidently ensure equitable distribution of the wealth among the Muslim communities.

**KEYWORDS:** endowment, law, economic, plan, income.

---

### INTRODUCTION

The word waqf is derived from the Arabic verb (*fi il*) *waqafa* which means to hold (*al-habs*) and to confine (*al-man'*) [1]. Waqf is an endowment of property, in which the asset is held and only the profits from it will be devoted for general or specific charitable purposes. The Enactment of Waqf (state of Selangor) 1999 defines waqf as to surrender any property with its profits or interests may be enjoyed for any charitable purposes either as waqf *am* or waqf *khusus* in accordance with the *Syariah* principles, but does not include a trust defined under the Trustee Act 1949 (Act 208). A waqf can be founded when the intention is clearly and directly declared (*sarih*) or implied or indirectly declared (*kinayah*) [2-4]. Charitable waqf can be classified into two categories namely *Wakaf Am* (general waqf) and *Wakaf Khusus* (special waqf). *Wakaf Am* or general waqf refers to any form of charitable dedication or endowment made to support all public welfare purposes without stating any special beneficiaries (be it any individuals, organizations or institutions). This type of charitable endowment can be used to support a diversity of charitable work which can provide the benefits to the general public and enhance the image of Islam and its community. On the other hand, *Wakaf Khusus* or special waqf refers to any form of dedication or endowment precisely declared for specific purposes or special beneficiaries. During waqf declaration stage, the endower may specify who the beneficiaries of the waqf are or what purposes or functions the waqf should be used for.

In order to achieve a developed and high-income nation status by 2020, the country's leaders have carefully developed a structured plan based on the four pillars of the National Transformation Agenda; Government Transformation Plan (GTP), the Economic Transformation Program (ETP), the National Key Result Areas (NKRAs) and the National Key Economic Areas (NKEAs). It is therefore very important for the country to have an effective waqf development plan which is in line with the four pillars to ensure that the national vision can be successfully achieved. Since the Muslims are facing with ownership of national asset constraints and low purchasing power among the community, innovative, creative and proactive mechanisms need to be systematically made available in order to encourage and ease the Muslim community to practise waqf. In order to do so, several Islamic institutions run by the government and private bodies have adopted both traditional and contemporary mechanisms and approaches to manage the cash waqf effectively and efficiently. One of the mechanisms is to create waqf fund [5-6] which can be contributed from various waqf forms such as *Waqf Saham*, *Waqf Kaki*, *Waqf Irshad* and *Musya'* and

adoption of the *Istibdal* concept to expand the current waqf development. By creating such efficient mechanisms, the Malays and all Muslims at large would be able to seize the opportunities to make waqf contribution through ownership or purchasing power permitted by their financial situation. Apart from fixed assets such as land and building, money can also be endowed and this kind of endowment is known as cash waqf [7-8].

Currently, the main source of waqf fund comes mainly from cash waqf, returns of waqf shares and the Federal Government's budget (which is allocated for the national development plan). As a matter of fact, almost every state in Malaysia has a lot of waqf lands. However, most of the development plans are hindered due to insufficient funds [9]. In certain states, many Muslims in the country could not dedicate land for waqf due to rising property prices. However, if the waqf assets are divided into small affordable share units, this approach can certainly provide opportunities for many more people to take part and make some endowments [10]. This approach is also able to pull the interest from various groups of Muslim individuals and corporate institutions to buy the units offered and eventually endow all or parts of the dividend. Thus, cash waqf actually has the potential to promote the development of the Moslem community in the country.

### THE CONCEPT OF CASH WAQF

Kahf [11] has highlighted three kinds of waqf which started before and after the death of prophet Muhammad PBUH namely land waqf, philanthropic waqf and posterity or family waqf. In Malaysia, the type of waqf which is increasingly accepted and established is cash waqf. Cash waqf refers to endowment of an amount of money, which is managed by *mutawalli* (cash waqf trustees) to financially support a diversity of charitable work. The collection of cash will be converted to a permanent property that will then be used for the welfare and interest of the community and it is managed by *Yayasan Wakaf Malaysia* [12]. A waqf fund which is referred to as *Kumpulan Wang Wakaf* is established to keep the endowment of money and properties or any revenues or profits derived from *istibdal* or *mawquf* and is governed by certain statutes (see for example sections 24 and 26 of Negeri Sembilan Waqf Enactment 2005 (No. 5 of 2005) and Sections 2 and 39 of Malacca Waqf Enactment 2005 (No. 5 of 2005)). Cash waqf has also been introduced by the State Islamic Religious Council (MAIN). For instance, the State of Selangor Islamic Religious Council (MAIS) has introduced a waqf scheme called *Skim Saham Waqf* (Waqf Shares Scheme) [13]. Other states which have implemented similar waqf shares scheme are Penang, Pahang, Johor, Terengganu and Malacca. Cash waqf is easier to manage than the fixed assets such as land and so on. Its moveable characteristic enables diversified functions. Besides being used to finance development projects, it can also be invested in various Islamic investment instruments and returns from these investments can then be used to support projects which benefit the Muslim community.

### THE ROLE OF WAQF

Studies conducted by Boudjellal and Cizakca [14-15] revealed that waqf is able to address many socio-economic issues. The important role played by waqf institutions in socio-economic development has been clearly explained by Sabra [16] and Cizakca [8]. They have clearly analyzed and explained the Muslim communities' concern of social problems and the role waqf institutions have played to solve the problems. Other studies conducted by Stilman, Kafadar, Garber, McChensney, Khan, Al Shoumil, Syed Othman, Power, Boudjellal and Yedyidz [17-26] proved that waqf has enormous potential to promote the development of excellent educational institutions, research, health, defence and also the public utilities such as water, roads and bridges. Waqf has also extensively contributed to the development of the socio-economic status of the Muslim community and it is proven to be a powerful tool to alleviate poverty among them [27-32]. In another study, Siti Mashitoh [33] asserts that cash waqf certainly provides funding sources to expand and develop waqf assets whilst fostering endowment culture in the society. Thus, the corporate sector is also urged to contribute to waqf fund in the form of shares [34]. In Malaysia, Johor Corporation (JCorp) has become the only corporate institution which has implemented the concept of waqf in managing its assets through the adoption of Waqf Shares approach. This philanthropic move should be followed by other corporate institutions to fulfil their corporate social responsibility towards the community [35]. The results of the previous studies suggest that MAIN should play its role to transform its management and administration of the Muslims' property endowment. This is to ensure that Baitul Mal (Islamic treasury) and waqf institutions would be able to generate more competitive capital and returns which are in line with the National Key Result Areas (NKRA) [36].

### PROSPECTS OF WAQF ASSETS

The concept of waqf emphasizes that a waqf asset is a permanent endowment with its permanent benefits or profits are distributed to the beneficiaries [37]. The profits of the waqf assets can be generated and expanded if the

waqf assets are efficiently developed. Thus, it is highly important to maintain consistent development of the waqf assets to ensure that the properties will generate income or profits continuously [38]. According to Chapra [39], waqf is an institution which plays a very important role in ensuring the sustainability and stability of human life in terms of achieving equality in the socio-economic development. Therefore, he asserts that waqf asset must get due recognition and must never be regarded as a second grade asset from both legislative and marketable perspectives to ensure that these assets will be able to generate income continuously and independently (self-reliant). Effective and efficient management of waqf assets is able to provide basic resources of wealth to the Muslims and improve the country's economy. There are two important issues that need to be addressed when formulating waqf assets development plans which are maintaining the waqf assets and funds as well as fulfilling the needs and demands of the beneficiaries [10]. Therefore, the *mutawwali* must implement a strategic mechanism which could generate income from the abandoned lands. Indeed, there also seems to be an urgent need for the waqf concept to be implemented in a contemporary structure such as introducing cash waqf to increase funds to finance the development of waqf assets. Contemporary waqf such as cash waqf needs to be explored in order to encourage waqf practice among the Muslim community and educate them that waqf asset is no longer restricted to endowment of large area of lands such as graveyards, mosques and *madrasah*. This will eventually remove the Western ideology that Islamic products are unsuitable and irrelevant to today's modern society [40]. It is seen timely to establish a dynamic system of waqf asset management which is on par with the contemporary Islamic financial system [41]. More studies on strengthening the role of waqf institutions in Malaysia which specifically identify contemporary, creative, innovative and effective approaches to develop waqf assets should be conducted.

Waqf practice through the establishment of Bon Waqf (sukuk endowment) as mentioned in Negeri Sembilan Waqf Enactment 2005 should be initiated so that the development of the waqf assets can be continuously funded accordingly. Besides, the concept of contemporary REITs (Real Estate Investment Trusts) should also be adopted to increase the waqf fund [33]. In Singapore, the Islamic Religious Council of Singapore (MUIS) has successfully developed its waqf assets by practising Islamic transaction contracts involving bonds or *sukuk musyarakah* and *ijarah* as well as implementing internal REITs [42]. In another Islamic country, Saudi Arabia has impressively managed to develop its Zam Zam Tower Complex by applying the method of *sukuk* or Islamic bonds and application of the *sukuk al-intifa'* (timeshare bond) [43].

## MANAGEMENT AND DEVELOPMENT OF CASH WAQF IN MALAYSIA

MAIN has identified shortage of funds as a major problem faced in developing the waqf assets [44]. The same problem has also been identified by the Department of Awqar, Zakat and Hajj (JAWHAR) [45]. The Asset Rich Cash Poor scenario has also been identified as a major hindrance to excellent waqf assets development in most Muslim countries [46]. The Federal Government has allocated RM256.4 million to develop 17 waqf projects in the Ninth Malaysia Plan (9MP) and RM109.445 million in the Tenth Malaysia Plan (10MP) [47]. Since the budget proposed by MAIN for the development of waqf properties across the country is more than RM1 billion, the fund is definitely not sufficient [48].

Hence, there is an urgent need for MAIN to provide a complete infrastructure which could conveniently promote the community to endow moveable assets (*manqul*). Such effort will indirectly increase the number of waqf assets and this concept should not be just limited to cash only, but it should also be extended to bonds [49]. Besides, another approach which can be adopted to widen the waqf property concept is by introducing Waqf Shares Scheme as implemented by the State of Johor Islamic Religious Council [50] and the State of Penang Islamic Religious Council. The implementation of waqf share will encourage more individuals to purchase waqf properties in the form of share units. The individual share units can be accumulated and be used to buy other properties such as land or buildings. It is evident that the adoption of this concept has resulted in an increase of the annual waqf fund and has managed to gain an impressive response towards waqf fund-raising projects [51].

The State of Pulau Pinang has pioneered the effort to increase the wealth of waqf by establishing *Permodalan Wakaf Pulau Pinang Sdn. Bhd.* which is a subsidiary company owned by the State of Pulau Pinang Islamic Religious Council (MAIPP). The establishment of the company is in accordance with Section 9 (1) of the Administration of the Religion of Islam (State of Pulau Pinang) Enactment 2004 with the approval of the Yang Di Pertuan Agong. Other states which have adopted similar approach are Johor, Malacca, Pahang and the latest is Negeri Sembilan [52-53]. Section 11 (1) (b) of Negeri Sembilan Waqf Enactment 2005 states that the *Majlis* may establish any waqf scheme by offering waqf shares for sale, or by issuing waqf bonds or any other instruments for valuable securities as waqf, to any person, association or institution. Section 11 (1) (a) of Negeri Sembilan Waqf Enactment 2005, permits a new waqf scheme to be introduced in Negeri Sembilan in which an endowment can be

made in the form of cash money. It involves the collection of cash which will be used to purchase an asset or for any other charitable purposes as permitted by Islamic law.

The State of Johor Islamic Religious Council (MAIJ) introduced *Skim Saham Wakaf Johor* in 1993 to encourage the Muslims to perform waqf which can be bought at RM10.00 per unit. All of the money obtained from the scheme is channelled to *Projek Saham Wakaf* [47]. The scheme uses an on-line system which can be accessed at [www.e-wakafjohor.gov.my](http://www.e-wakafjohor.gov.my). The payment can be made using credit cards, money orders, cheques and FPXs (financial process exchange). If the endowers face problems in using the system, they can contact MAIJ. This scheme is not only open to Muslims, but also to the non-Muslims who can make endowment through *Skim Saham Wakaf Johor*. So far, the fund has been successfully channelled to a number of projects such as *Wakaf Bangunan Perniagaan* at Fortune Point and *Taman Perindustrian Nusa Cemerlang*, Nusajaya at a cost of RM1,573,560.00. The projects have been developed with the aim to open up business opportunities to all Muslims residing in Iskandar Development Region. Besides, the fund has also been used to finance Mushaf Al Quran waqf project which involved the purchasing of 30,000 copies of Mushaf Al-Quran at a cost of RM1,485,000.00. The Qurans were distributed to religious schools in Johor. Next, some of the money was also used to build 121 religious school buildings at a cost of RM280 million and about RM6 million was allocated for the construction of the hostel for Johorean students in Egypt [54].

Since 2010, the Federal Government has channelled RM30 million to the *Yayasan Wakaf Malaysia* (YWM) for high impact small projects development programs in selected mosque areas across the country. YWM has completed two types of waqf iconic projects in the country:

- i. *Bazar Wakaf Rakyat*-a retail space provided for Muslim entrepreneurs and the poor to run various types of businesses in order to increase their income.
- ii. *Wakaf Mart*-a halal grocery store which provides a variety of daily household goods at a competitive price.

A total of 69 projects are now being run in selected mosque areas across the country as shown in Table 1.

Table 1: Number of high impact small projects according to states

| No           | State               | Number of Projects |
|--------------|---------------------|--------------------|
| 1.           | Perlis              | 6                  |
| 2.           | Negeri Sembilan     | 6                  |
| 3.           | Kedah               | 8                  |
| 4.           | Johor               | 7                  |
| 5.           | Terengganu          | 2                  |
| 6.           | Melaka              | 3                  |
| 7.           | Selangor            | 5                  |
| 8.           | Wilayah Persekutuan | 7                  |
| 9.           | Pahang              | 8                  |
| 10.          | Kelantan            | 4                  |
| 11.          | Sabah               | 4                  |
| 12.          | Pulau Pinang        | 4                  |
| 13.          | Perak               | 5                  |
| <b>Total</b> |                     | <b>69</b>          |

Some examples of waqf lands which have been developed by YWM and MAIN using cash waqf are the *Bazar Wakaf Rakyat* projects. In Perlis, 5 units of MAIN's *Bazar Wakaf Rakyat* were developed at Masjid Al-Barakah, Jelempek Arau and 2 units of MAIN's *Bazar Wakaf Rakyat* were developed at Masjid Tun Abdul Razak Repoh. In Negeri Sembilan, 6 units of MAIN's *Bazar Wakaf Rakyat* were developed at Masjid Kariah Rasah Jaya, Seremban, and 1 unit of Waqf Mart was developed at Masjid Kariah Panchor Jaya, Ampangan. In Johor, 5 units of MAIN's *Bazar Wakaf Rakyat* were developed at Masjid Jamek Paya Redan, Kg. Paya Redan, Pagoh, Muar and 5 units of MAIN's *Bazar Wakaf Rakyat* were developed at Masjid Hajjah Mominbi, Taman Ungku Tun Aminah, and Johor Baharu. In Malacca, 4 units of the MAIN's *Bazar Wakaf Rakyat* were developed at Tapak Surau Pulau Besar, Pernu, Melaka Tengah, Melaka and 2 units of *Bazar Wakaf Rakyat* (kiosks) were developed at Lot 1491, Tapak Masjid Tg minyak, in the the district of Melaka Tengah. In Selangor, 5 units of MAIN's *Bazar Wakaf Rakyat* were developed at Masjid Jamek in the Hulu Langat district, Kajang and 5 units of MAIN's *Bazar Wakaf Rakyat* were developed at Masjid Al-Hasanah, Bandar Baru Bangi. In Pahang 6 units of MAIN's *Bazar Wakaf Rakyat* were developed at Masjid Lama Bandar Bentong, Pahang. 5 units of MAIN's *Bazar Wakaf Rakyat* were developed at Masjid Tengku Mahkota Abdullah in Rompin district and 5 units of MAIN's *Bazar Wakaf Rakyat* were developed at Masjid Baru in Pekan district. In Kelantan, 5 units of MAIN's *Bazar Wakaf Rakyat* were developed at Masjid Felda Kemahang 2,

Tanah Merah and 5 units of MAIN's *Bazar Wakaf Rakyat* were developed at Masjid Felda Ciku 1, Gua Musang. In Sabah, 2 units of MAIN's *Bazar Wakaf Rakyat* were developed at Masjid Kampung Manggis, in Menumbok district and 5 units MAIN's *Bazar Wakaf Rakyat* were developed at Masjid Nurul Iman, Pekan Membakut, in Beaufort district. In Penang, 5 units of MAIN's *Bazar Wakaf Rakyat* were developed at Masjid Jamek Bayan Baru, in Bayan Lepas district and 5 units of MAIN's *Bazar Wakaf Rakyat* were developed at Masjid Shaikh Eusoff Jalan Air Itam. In Perak, 4 units of MAIN's *Bazar Wakaf Rakyat* were developed at Masjid Jamek Taman Kledang Jaya, Ipoh and 8 units of MAIN's *Bazar Wakaf Rakyat* were developed at Masjid daerah Taiping, Bandar Taiping. In Terengganu, 19 units of the MAIN's *Bazar Wakaf Rakyat* were developed at Tanah Wakaf Kg. Kelulut, Marang and 4 units of double-storey *Bazar Wakaf Rakyat* were developed at Masjid Balik Bukit Jerteh, Besut [55].

### STATUTORY PROVISIONS OF WAQF FUND AND THE JURISDICTION OF STATE ISLAMIC RELIGIOUS COUNCIL AS A SOLE TRUSTEE OF WAQF PROPERTY

The waqf system in Malaysia is implemented through the jurisdiction of the Islamic Religious Council (MAIN). MAIN in every state of Malaysia acts as the sole trustee for all waqf properties in the state whether in the form of general or special waqf, or in the form of moveable or immovable properties (see for example Section 61 of the Administration of Islamic Law (Federal Territories) Act 1993 (Act 505) and Section 83 of the Administration of the Religion of Islam (State of Negeri Sembilan) Enactment 2003 (No. 10 of 2003). Section 89 of the Administration of the Religion of Islam (State of Penang) Enactment 2004 (No. 4 of 2004) provides that: Notwithstanding any provision to the contrary contained in any instrument or declaration creating, governing or affecting it, the *Majlis* shall be the sole trustee of: (a) all waqf whether *waqf am* or *waqf khas*; (b) all *nazr am*, and (c) all trusts of every description creating any charitable trust; to support and promote the religion of Islam or for the benefits of Muslims in accordance with *Syariah* principles, to the extent of any property affected by the waqf, *nazr am* or trust and situated in the State of Penang. Next, Section 32 of Selangor Waqf Enactment 1999 provides: Notwithstanding any provision to the contrary contained in any instrument or declaration creating, governing or affecting it, the *Majlis* shall be the sole trustee of all waqf whether *waqf am* or *waqf khas* situated in the State of Selangor.

Section 17 (1) of Selangor Waqf Enactment 1999 (No. 7, 1999) states that the *Majlis* can offer waqf shares of any property obtained or to be obtained by it to any person for such shares to be purchased and subsequently endowed as a waqf to the *Majlis*. The money obtained from this transaction will be kept in a trust fund which could be used to support the economic, educational, social and other welfare activities depending on the choices made by the participants. The waqf fund in Malacca is administered and managed by the Waqf Management Committee which was established under Section 21 of Malacca Waqf Enactment 2005. Among its function as mentioned in Section 24 is to develop, improve and upgrade the *mawquf* (See S.24, Enactment No.5 of 2005). In Negeri Sembilan, the management of the waqf fund is taken care of by the Advisory Panel on Management of Waqf as stated under Section 24 (2) of Negeri Sembilan Waqf Enactment 2005. Pursuant to Section 22 (2) of the enactment, this panel can also set up a committee, with the approval of the *Majlis*, to assist it in the performance of its functions and in making payments for the purposes of the committee.

In Wilayah Persekutuan, the administration of waqf is managed by the *Sub-Unit Sumber Am* under *Unit Urusan Baitul Mal* which also manages other activities such as *fidyah*, *kaffarah*, *luqatah*, *faraid* and others. *Jawatankuasa Pembangunan dan Pelaburan* (the Development and Investment Committee) has been appointed to manage the development, lease and progress of waqf land in the Federal Territories [56]. First Provision: Section 6 of the Administration of Islamic Law (Federal Territories) Act 1993 (Act 505) authorizes the *Majlis* to appoint committees to assist it in the performance of its duties or the exercise of its powers. Second Provision: Section 7 (1) (Act 505): The duty of the *Majlis* is to promote, stimulate, facilitate and undertake the economic and social development and well-being of the Muslim community in the Federal Territories consistent with Islamic Law. In Malaysia, the role of the *Majlis* in developing the waqf fund is in line with the above section. Third provision: Section 7 (2) (b) (Act 505): The *Majlis* shall have power, for the purpose of the discharge of its duty under section 7(1), to promote the carrying on of any such activities by other bodies or persons, and for that purpose to establish or expand, or promote the establishment or expansion of, other bodies to carry on any such activities either under the control or partial control of the *Majlis* or independently. The above section permits the *Majlis* to encourage other organizations, agencies or professionals to bring together efforts towards increasing the country's waqf fund. In order to do so, an approval from the State Islamic Religious Council needs to be sought in advance. This is because according to the Malaysian Law, only MAIN has the authority to act as the sole trustee of the waqf properties, as mentioned earlier. Fourth provision: Section 7 (2) (c) (Act 505): The *Majlis* shall have power, for the purpose of the discharge of its duty under section 7(1), to carry on any such activities in association with other bodies or persons, including the departments or authorities of the Federal Government, or as managing agent or otherwise on behalf of

the Federal Government. The Islamic Religious Council can form a joint venture with other institutions or organizations to overcome shortage of funds for developing the waqf assets in each state. The joint venture will also help the council to finance the development and expansion of waqf assets and concurrently generate and create new waqf funds. Sixth provision: Section 7 (2) (g) (Act 505): The *Majlis* shall have power to do all acts which the *Majlis* considers desirable or expedient. This provision allows the *Majlis* to execute any plan or develop any project to increase the waqf funds in the country as long as it is in accordance with the Syariah principles. Seventh provision: Section 8 (1) (Act 505): The *Majlis* may with the approval of the *Yang Di Pertuan Agong*, from time to time by order published in the Gazette, establish a corporation by such name as the *Majlis* may think fit in execution of its duty or powers under section 7. Under the above provision, it appears that the *Majlis* may establish a corporation, with the approval of the respective head of the state to manage the development of waqf fund. The establishment of the corporation and professional management will be able to increase the waqf fund in the respective states. One of the corporations which has involved in the development of potential waqf properties is *Perbadanan Pembangunan Wakaf Malaysia*. It has so far been involved in upgrading the waqf database information and registration of the waqf lands in this country through close cooperation with the State Islamic Religious Council [57].

## CONCLUSION AND RECOMMENDATIONS

Studies on strengthening the role of waqf in Malaysia which specifically identify an appropriate approach to develop the waqf assets in a more creative and innovative way are most relevant and significant in the current scenario. One of the mechanisms that should be given attention is efficient management of cash waqf. This is to ensure that endowment of property which has a very high commercial value could be preserved to protect the interest of the endowers and to educate the public about the importance of waqf. Efficient and systematic management of waqf plays a very significant role in ensuring equal distribution of wealth, lessening the government's liability, improving and strengthening the economy of the Muslim community. However, in order to ensure that cash waqf would be able to be used as a tool to improve the development of waqf lands and other assets in Malaysia, a few issues should be carefully addressed.

### Efficient Management and Standardization of Waqf Law

A Waqf Management Committee and *Baitul Mal* should be formed to ensure that all of the waqf assets can be benefitted according to the intention of the endowers as well as be able to generate income and revenue to MAIN and strengthen the economy of Muslims. JAWHAR has provided Cash Waqf Management Manual as guidelines for MAIN to help with the management of waqf and come up with a pro-active agenda as the benchmark for the implementation of systematic and effective management of waqf. It is hoped that MAIN will bring up waqf development and administration issues and challenges to be debated in Parliament and the State Legislative Assembly to enact a new specific waqf law. Its provisions should cover all aspects of waqf management and administration and should serve as clear guidelines for dynamic and systematic management and administration of waqf in Malaysia.

### Innovative Waqf

The adoption of Waqf approaches which could encourage endowments to be made from various methods such as shares and other contemporary properties mentioned earlier is very suitable to be implemented in this country. Thus, any endowment should not be narrowed to lands or buildings only but the Muslim community should also be encouraged to practise emerging form of waqf that is cash waqf in order to generate more income and expand the assets and properties of the Muslim community.

### Waqf Endowment Master Plan

To ensure that waqf development plan is relevant to the country's transformation policy, a proper master plan which is in line with Vision 2020 should be developed. The plan should be the basis of any proposed waqf development projects to ensure the funds spent on the development of waqf will have strong impacts to the economy of the Muslim community.

### Tax Rebate

It should be noted that effective December 1, 1999, the Board of Inland Revenue has granted tax rebate to endowers and donors of *Dana Klinik Wakaf An Nur* as permitted by Section 44 (6) of the Income Tax Act, 1967 (Act 53). Therefore, other states which are currently conducting or will conduct fund raising activities should also

grant similar tax rebate to the endowers. MAIN should make the public aware of this tax rebate so that more people will be more motivated to practise endowment or donate funds for other charitable projects.

### **Community awareness program**

It highly recommended that MAIN, JAWHAR and YWM to use a variety of channels to inform the community about any waqf development projects so that they receive accurate and sufficient information and be able to make appropriate contribution to the projects. Any misconception of waqf must be overcome to avoid any objections to the development of waqf assets. Therefore, more waqf awareness campaigns should be organised through the mass media, publications, seminars and forums. Other activities such as Waqf Day, Waqf Week or Waqf Month should be organised to promote and educate the public the role and contribution of waqf in improving the growth and socio-economic status of the nation.

### **ACKNOWLEDGEMENT**

The authors would like to thank Mr Zairi Ismael Rizman for his guidance and assistance in getting this paper published.

### **REFERENCES**

1. Mustafa al-Khin, Mustafa al-Bugha and Ali al-Sharbaji, 2005. *Al-Fiqh al-Manhaji* (7<sup>th</sup> ed.) Damascus: Dar al-Qalam.
2. Ibn Qudamah, Muwaffiq al-Din Abu Muhammad `Abdullah b. Ahmad b. Muhammad, 1972. *Al-Mughni*. Beirut: Dar al-Kitab al-`Arabi.
3. Ibn al-Humam, Kamal al-Din Muhammad `Abd al-Wahid al- Siwasi al-Sakandri, 1316H. *Sharh Fath al-Qadir* (1<sup>st</sup> ed.). Bulaq: Al-Kubra al-Amiriyyah.
4. Al-Bujayrimi, Al-Shaykh Sulayman, 1951. *Bujayrimi `ala al-Khatib*. Egypt: Mustafa al-Babi al-Halabi wa Awladuh.
5. Ahmad, S., 2008. Wakaf Tunai: Peranan dan Keistimewaannya Dalam Sistem Ekonomi Islam. In the Proceedings of the 2008 Konvensyen Harta Pusaka, Wasiat dan Wakaf, pp: 320-323.
6. Ibrahim, M.B., 2008. Pelaksanaan Skim Wakaf Tunai oleh Yayasan Waqaf Malaysia. *Jurnal Pengurusan JAWHAR*, 2 (1): 3-5.
7. Kuran, T., 2004. The Logic of Financial Westernization in the Middle East. *Journal of Economic Behavior & Organization*, 56 (2005): 593-615.
8. Cizakca, M., 2000. *A history of philanthropic foundation: Islamic world from the seventh century to the present*, Istanbul: Bagazici University Press.
9. Ismail, C.Z., 2012. *Pembangunan tanah wakaf: analisis menurut perundangan dan pelaksanaannya di Malaysia*, PhD thesis, Universiti Malaya, Malaysia.
10. Karim, S.A., 2010. Contemporary Shari`A Compliance Structuring for the Development and Management of Waqf Assets in Singapore. *Kyoto Bulletin of Islamic Area Studies*, 3 (2): 143-164.
11. Kahf, M., 2009. *Waqf and Its Sociopolitical Aspects*. Retrieved from *Islamic Economics & Finance Pedia* <http://www.iefpedia.com/english/wp-content/uploads/2009/11/Waqf-and-its-Socio-Political-Aspects1.pdf>.
12. Yayasan Wakaf Malaysia, 2013. Retrieved from <http://ywm.gov.my/wakaf/tunai>.
13. Wakaf Tunai, 2013. Retrieved from <http://www.ikim.gov.my/index.php/ms/berita-harian/7541-wakaf-tunai-pendekatan-terbaik-untuk-mewakafkan-harta-masa-kini>.
14. Boudjellal, M., 1998. Revival of the Sunnah of Waqf in Muslim Countries and Communities: Justifications and Conditions of Success. In the Proceedings of the 1998 International Seminar on Awqaf and Economic Development, pp: 6-10.
15. Cizakca, M., 1997. Towards a Comparative Economic History of the Waqf System. *Al-Shajarah Journal of the International Institute of Islamic Thought and Civilization*, 2 (1): 64-70.
16. Sabra, A., 2000. *Poverty and charity in medieval Islam mamluk Egypt*. UK: Cambridge University Press, pp: 1250-1517.
17. Stilman, N.A., 1975. Charity and social service in medieval Islam. *Societas-A Review of Social History*, 5 (2).

18. Kafadar, G.N., 1991. The Süleymaniye Complex in Istanbul: an interpretation. *Muqarnas*, pp: 3.
19. Garber, H., 1994. *State society and law in Islam: Ottoman law in comparative perspective*. USA: State University of New York Press.
20. McChensney, R.D., 1995. *Waqf in central asia-four hundred years in the history of Muslim shrine*. UK: Princeton.
21. Khan, A.M., 1994. *An introduction to Islamic economic*. Pakistan: International Institute of Islamic Thought and Institute of Policy Studies.
22. Al Shoumil, M., 1998. *Case Study of Waqf: Jordan*. In the Proceedings of the 1998 International Seminar on Awqaf and Economic Development.
23. Al-Habshi, S.O., 1991. *Waqf management in Malaysia*. In Mohamed Ariff (Ed.), *The Islamic Voluntary Sector in Southeast Asia: Islam and the Economic Development of Southeast Asia*. Singapore: Institute of Southeast Asian Studies.
24. Powers, D.S., 1984. *Revenues of Public Waqfs in Sixteenth-Century Jerusalem*. *Archivum Ottomanicum*, (9): 163-202.
25. Boudjellal, M., 2008. *The Need for a New Approach to the Role in Socioeconomic Development of Waqf in the 21st Century*. *Review of Islamic Economics*, 12 (2): 125-136.
26. Yediyildiz, B., 1996. *The Habitable Town and the Turkish Waqf System*. In the Proceedings of the 1996 Habitat II.
27. Cizakca, M., 1998. *Awqaf: In History and Implication for Modern Islamic Economic*. In the Proceedings of the 1998 International Seminar on Awqaf and Economic Development, pp: 14.
28. Islahi, A.A., 1996. *Provision of Public Goods: Role of the Voluntary Sector (Waqf) in Islamic History*. In the Proceedings of the 1996 Jeddah: Islamic Research and Training, pp: 367-391.
29. Kahf, M., 2003. *The Role of Waqf in Improving the Ummah Welfare*. In the Proceedings of the 2003 Waqf as a Private Legal Body.
30. Rahman, A.A., 2009. *Peranan Wakaf Dalam Pembangunan Ekonomi Umat Islam dan Aplikasinya di Malaysia*. *Jurnal Syariah*, 17 (1): 136-144.
31. Ahmad, S. and N.D. Muhamed, 2011. *Institusi Wakaf dan Pembangunan Ekonomi Negara: Kes Pembangunan Tanah Wakaf di Malaysia*. In the Proceedings of the 2011 PERKEM VI, pp: 138-147.
32. Ismail, C.Z., 2011. *Peruntukan Undang-Undang Berkaitan Pembangunan Tanah Wakaf di Malaysia*. In the Proceedings of the 2011 International Conference on Humanities.
33. Mahamood, S.M., 2007. *Pembentukan Dana Wakaf Menurut Perspektif Syariah dan Undang-Undang Serta Aplikasinya di Malaysia*. *Jurnal Syariah*, 15 (2): 61-83.
34. Yusof, N.M., 2010. *Saham Wakaf Selangor: Hala Tuju dan Potensi Dalam Pembangunan Masyarakat*. *Jurnal Kanun*, pp: 29-46.
35. Mahamood, S. M., A. A. Rahman, A. C. Seman., N. A. Ali and S. Sarif, 2009. *Konsep dan Aplikasi Produk Wakaf Kontemporari di Malaysia: Saham Wakaf dan Wakaf Saham*. In the Proceedings of the 2009 Seminar Ekonomi Islam Peringkat Kebangsaan.
36. Ngadimon, M.N., 2011. *Transformasi pengurusan dana Baitulmal di Malaysia*. In the Proceedings of the 2011 Program Promosi Baitulmal 1432H/2011M, pp: 1-11.
37. Kahf, M., 1999. *Towards the Revival of Awqaf: A Few Fiqhi Issues to Reconsider*. In the Proceedings of the 1999 Harvard Forum on Islamic Finance and Economics, pp: 103-109.

38. Alston, L.J. and B. Mueller, 2008. Property Rights and the State (eds M. Claude and M. Shirley), Handbook for New Institutional economics, Germany: Springer.
39. Chapra, M.U., 2008. Ibn Khaldun's Theory of Development: Does It Help Explain the Low Performance of the Present-Day Muslim World? *Journal of Socio-Economics*, 37 (2): 836-863.
40. Al-Habshi, S.O., 1986. Konsep Waqaf dan Pelaksanaannya di Malaysia. In the Proceedings of the 1986 Seminar Kebangsaan Pengurusan dan Pentadbiran Harta-Harta Waqaf.
41. Islamic REITs: Growth and Opportunities, 2007. *Quarterly Bulletin of Malaysian Islamic Capital Market*, pp: 13.
42. Karim, S.A., 2007. Contemporary Waqf Administration and Development in Singapore: Challenges and Prospects. In the Proceedings of the 2007 Singapore International Waqf Seminar on Integrating Awqaf in the Islamic Financial Sector, pp: 6-7.
43. Habib, A., 2004. Role of Zakah and Awqaf in Poverty Alleviation. In the Proceedings of the 2004 Jeddah: Islamic Research and Training, pp: 128-129.
44. Siti M. Mahamood, 2006. Waqf in Malaysia: legal and administrative perspective. Kuala Lumpur: University Malaya Press.
45. Syarqawi Muhammad, 2011, January 25. Personal Interview.
46. Zarqa, M.A., 1994. Financing and Investment in Awqaf Projects: A Non-Technical Introduction. *Islamic Economic Studies*, 1 (2): 55-62.
47. Mohd, A., 2012. Pembangunan Wakaf, Pengalaman Malaysia. In the Proceedings of the 2012 Seminar Wakaf Serantau, pp: 5-7.
48. Zainal Hj Mohd Yusoh, 2012, November 5. Personal Interview.
49. Bakri Ibrahim, 2011, March 5. Personal Interview.
50. Ramli Jusoh, 1991. Pengenalan Ibadat Wakaf. Johor: Majlis Agama Islam Johor.
51. Hassan, N.M.N., 1998. Sumbangan Institusi Wakaf Kepada Pembangunan Ekonomi (eds N.M.N. Hassan), Konsep dan Pelaksanaan Wakaf di Malaysia, Kuala Lumpur: Institut Kefahaman Islam Malaysia.
52. Yaacob, A.M. and S.S.M. Supi, 2004. Wakaf: Konsep, Perundangan dan Prospek Pembangunannya di Malaysia. *Jurnal Undang-Undang IKIM*, 8 (1): 190.
53. Latiff, A.Z.A., C.Z. Ismail and N.M. Daud, 2006. Pengurusan Harta Wakaf dan Potensinya Ke Arah Kemajuan Pendidikan Umat Islam di Malaysia. In the Proceedings of the 2006 Konvensyen Wakaf Kebangsaan.
54. Laporan Tahunan Johor Corporation, 2010. Retrieved from <http://www.JCorp.com.my/annual-reports-19.aspx>.
55. Bazar Wakaf Rakyat, 2013. Retrieved from <https://www.ywm.gov.my/projek/dana/bazar>.
56. Zainal Abidin Jaafar, 1999. Pengurusan Wakaf di Wilayah Persekutuan: Amalan dan Perancangan (eds N.M.N. Hassan), Konsep dan Pelaksanaan Wakaf di Malaysia, Kuala Lumpur: Institut Kefahaman Islam Malaysia.
57. Saad, T.M., 2001. Memperkasa Baitulmal Melalui Pembangunan Tanah Wakaf Dalam Menghadapi Era Globalisasi. In the Proceedings of the 2011 Seminar Pembangunan Tanah Wakaf dan Baitulmal Peringkat Kebangsaan, pp: 2.