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WAQF AS ONE SOLUTION FOR ECONOMIC AND SOCIAL SUSTAINABILITY

By: Syafiqah Binti Abdul Razak
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Definition Waqf

Waqf is one instrument for wealth and asset management for Muslims. The Waqf (State of Selangor) Enactment 2015 defines "Waqf" as to surrender any property to enjoy future benefit or interest, to surrender advantages or interests that may enjoy future benefit from any property or to contribute expertise and services that may give future benefit or interest.

Waqf represents a long-lasting charity whose profits or benefits are meant for the economic improvement and overall welfare of the society.

In contemporary contexts, waqf is also known as a charitable trust, especially in countries practicing common law. Trust is defined as a legal relationship between two persons where one of them is holding the property for the benefit of another[1].

Whereas waqf is defined as an Islamic endowment with the same objective as a charitable trust. The uniqueness of waqf is due to its being a special kind of sadaqah (charity) from which the beneficiaries gain benefits to the exclusion of the donor himself.

[1] **NUR KHALIDAH DAHLAN, NOOR INAYAH YAA'KUB, MOHAMAD ABDUL HAMID, AND MOHD RIZAL PALIL. (2014). Waqf (Endowment) Practice in Malaysian Society. Waqf (Endowment) Practice in Malaysian Society.**

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Thus, it differs from a charitable trust where the donor is considered one of the beneficiaries. Waqf, then, means "to protect something by preventing it from becoming the property of a third party".

However, the concept of waqf embodies any property whose benefits are used for a charitable purpose, be it public or specific, in accordance with the principles of Shari'ah. It is also perceived to mean the eternal dedication of a movable or immovable asset or property to a good and charitable cause.

Pillars of Waqf

Generally, there are four; namely waqif (waqif), endowed property (mawquf), beneficiaries of waqf property (mawquf 'alaih), and a statement of waqf desire (sighah), also referred to as justification of waqf.

The practice of waqf becomes invalid if all or one of the four things in the pillars are not complied with (Wahbah al-Zuhaili, 2011).

Firstly, Waqif A waqif, or waqf giver, is a person who surrenders or hands over his property to be used as waqf.

Secondly, Mawquf, or the endowed property, must be property that is legally owned by the waqif, permanent or durable and not easily damaged, and have value or benefits.

Thirdly, Mawquf 'Alaih Mawquf 'alaih or waqf recipient is an individual or organisation that receives the benefits of waqf property, whether the recipient has been specifically determined. For example, it may be limited to the waqif's descendants or not clearly specified, such as being endowed to community projects, schools, and institutions.

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Fourthly, Sighah, which is also referred to as hujjah waqf or hasrat waqf, must contain the elements of offer (ijab) and acceptance (qabul). Ijab is a pledge or utterance uttered by a waqif.

Waqf as one solutions for economic sustainability

We have to view waqf as one solution for economic sustainability for the community as a whole. Discussion about waqf should extend beyond religious perspectives. A holistic view of waqf implementations will give tremendous benefit to all.

For instance, the concept of waqf laid the foundation for the establishment of Al Azhar University. It reflects the concept of education for all, regardless of class background[2].

Then, develop the socio-economy that can provide employment opportunities for the young generations through the waqf concept. For instance, establish a skill centre through waqf to prepare the upcoming generation for the realities of the future. Skills like coding, AI, and technology are essential for this new era. Through the waqf model, these skills can be taught to those who are less fortunate.

Personally, I believe that waqf practices can be applied in the fields of agriculture, education, retirement homes and economic development. We are moving towards an ageing society, as indicated by research conducted by several experts in this field[3].

[2] **Mohd Ali Muhammad Don. (2024). Waqf Model: Al-Azhar University Forever. 2024, International journal of academic research in business & social sciences**

[3] **Abdullah JM, Ismail A, Yusoff MSB. Healthy ageing in Malaysia by 2030: needs, challenges and future directions. Malays J Med Sci. 2024;31(4):1-13. <https://doi.org/10.21315/mjms2024.31.4.1>**

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Therefore, retirement homes are crucial to maintaining the welfare of the elderly. Thus, through waqf projects, a substantial amount of money can be injected to run these projects. At the end of the day, this vulnerable community can enjoy their lives in more peaceful manners.

The most important part of ensuring a successful model of waqf projects lies in the principles of governance and accountability. All the stakeholders should play a role and have a clear direction to ensure the success of waqf projects.

The significance of waqf governance reporting lies in its ability to foster transparency and accountability within the sector, which is essential for maintaining the trust and confidence of stakeholders. The establishment of effective governance practices in waqf entities holds enormous importance.

This is because robust governance enables organisations to operate efficiently. With strong governance structures in place, organisations can fulfil their obligations to stakeholders in a fair and efficient manner[4].

We, at Atiqah Syafiqah & Associates, are committed to assisting individuals, companies, state governments, agencies, NGOs, foundations and others who have an interest in this area of waqf. We believe that this waqf principle should be applied as a solution for economic and social sustainability.

Disclaimer: This newsletter contains general information only. It does not constitute legal advice nor an expression of legal opinion. For further information or inquiries kindly contact syafiqah@legalasa.com or **+60149238785**

[4] **Mohd Hadli Shah Mohamad Yunus, Mohd Rizal Muwazir, and Kamaruzaman Noordin. (2023) Contemporary Waqf Reporting Practices and Governance in Malaysia: A Systematic Literature Review. International Journal of Advanced Research in Economics and Finance.**