

## A Comparative Study of Waqf Management in Malaysia

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**Abstract.** Muslims all over the world are exposed to the Waqf practice, but how deep is their knowledge on Waqf is quite difficult to determine. In general, the Muslims society is aware of the requirement of practicing Waqf since it is beneficial to the Muslims and at the same time can help those needy people such as the poor, orphans and others. In Malaysia, there is an increase amount of Waqf land given by the Muslims from time to time. This research is done to identify the methods and also strategies in implementing the management of Waqf property in comparison to some of the methods done by other states in Malaysia (Kedah, Penang, Perak, Selangor, Johor dan wilayah Persekutuan) and overseas (Brunei, Singapore, Indonesia, Bangladesh and Kuwait). As a whole, the researchers used existing data obtained from the MAIK (Majlis Agama Islam Kedah) Waqf department which include 12 areas in Kedah state and also through interviews done to several individuals directly involved in the management of Waqf property. The prevailing issues, however, is to determine how far the Waqf land can fully benefit the Muslims. Through the suggestions and opinions from this research, hopefully, the proceeds from the management of Waqf properties in Malaysia can be optimized.

**Keywords:** Waqf Property, MAIK, Waqf management, Malaysia

### 1. Introduction

Waqf has existed since the time of Rasullullah S.A.W, when Saidina Umar r.a gained a land in Khaibar. Saidina meet the Prophet Muhammad S.A.W to know what he should do with the obtained land. Rasullullah S.A.W said, Saidina Umar can donate the proceeds and not sell or give it to others (Safiah Mohamed et. Al 2006). Waqf is also the property of the Muslims which is waqf for the benefit of the Muslims generally and welfare of the trustee to gain merit till the netherworld. According to Ahmad Zaki Abd Latif et. al (2006), the Al-Quran has clearly mentioned that waqf institution is for the humans to do good deeds for the society.

Allah decreed :

“O you who have believed, bow and prostrate and worship your Lord and do good - that you may succeed.”

(Al-Haj 17:77)

“Never will you attain the good [reward] until you spend [in the way of Allah ] from that which you love. And whatever you spend - indeed, Allah is Knowing of it.”

(Al-Imran 4:92)

Waqf is much needed in Islam although it is not compulsory. In Malaysia, there is an increase in total waqf land by the Muslims from time to time. But the issue at stake is how much can the waqf property fully

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benefit the local Muslim community (Waqf Land, 2009), Minister at Prime Minister's Department, Datuk Jamil Khir Baharom explained, unused waqf land involves about 9,937 hectares of land. Unused waqf land with an estimated value of RM1.9 billion must be developed efficiently and systematically so it will benefit the Muslims.

## **2. Comparison Analysis of Malaysia's Waqf Management**

In Malaysia, Waqf Management of Selangor which is managed by MAIS has introduced a scheme called Selangor Share Scheme with the purpose to encourage the public to purchase the share units which are offered by MAIS and to waqf the certificates in the name of Allah S.W.T. This scheme is established based on Section 17 Waqf Enactment (Selangor) 1999 with the main purpose of taking care of the importance and welfare of the Muslims. Collection from this scheme is put into a Cash Waqf Group Fund, a group of money collected from income received from waqf properties. This scheme is open to everyone who is a Muslim. Cash Waqf Group Fund collects all waqf proceeds and will be distributed for the usage of Muslims that includes aspects such as economics, education, social and spiritual.

Waqf Share Scheme facilitates the Muslims to waqf their property even though they are not able to waqf high value and permanent assets such as land, house, building and many more (Mohd Saharudin Shakrani et. al 2003). Selangor Share Waqf is a cash waqf method introduced by MAIS as a way to better the economy of the Muslims in Selangor. For that purpose, the Muslims can purchase shares offered by MAIS as sole trustee and waqf the share units in the name of Allah S.W.T. for the betterment and welfare of Muslims. Traditionally, waqf is done individually, but Selangor Share Waqf is a group waqf. Apart from that, this also allows the public that do not have permanent asset such as land, house, building etc to waqf ([www.mais.gov.my](http://www.mais.gov.my)).

While, a new approach introduced by Majlis Agama Islam Kedah to encourage the public to do good deeds is through a project called "Waqf Jemba". Majlis Agama Islam will purchase a property/land and then will divide it according to jemba and later on, sold to the public. The public in return will purchase the land that is divided for them to waqf. An estimation of one jemba is between RM5.00 to RM30.00, this project is still used till now ([www.maik.gov.my](http://www.maik.gov.my)).

Whereas, in Penang waqf management is managed through; (1) Development of Majoodsaw Waqf which about a 21 storey Menara UMNO, Developed 8 units of commercial premises, 12 units of accommodation, 3 storeys of treatment centre, 5 units of shop lots and Developed 9 units of office shops; (2) Development of Khan Mohamad Waqf; which a Proposed development of 32 units of medium cost apartment (700sqft) and (3) AlimsahWaley Waqf Mosque, Lebu Chulia; which Developed 56 units of accommodation premise, Proposed development of 43 units of 2 storeys terrace house (70'x20') and General Land resource ([www.maip.gov.my](http://www.maip.gov.my)).

And for Waqf Management in Federal Territory, this unit's role as sole trustee for all general waqf in Federal Territory and is responsible to develop waqf lands for the benefit of Muslims through; (1) Mosque; (2) Education centres; (3) Old folk's & Orphanage; (4) Shelter centres; (5) A 34 storeys 'A' class office building which will be rented out (ready in April 2011); (6) Dialysis centres; (7) Service apartments and (8) Waqf Share Scheme ([www.maiwp.gov.my](http://www.maiwp.gov.my)).

In achieving the target "Melaka Maju 2010", development in management and administration in all agencies in Malacca are also given attention and updates done from time to time to better the administration. Many efforts are done to balance all aspects of management to maintain the historical values and maintain the status of World Heritage City. Malacca has a very systematic database that should be exemplary to all waqf managements in other states. The works to identify cemetery's data in An-Nur Mosque, Peringggit in order to update the registered death among Muslims to be more orderly and systematic must be praised.

Apart from that, a project done by PERZIM and a joint venture with Jabatan Agama Islam should be followed by other agencies to be more systematic ([www.jaim.melaka.gov.my](http://www.jaim.melaka.gov.my)).

MAIN's management is related to waqf properties in Malaysia, MAIK also practised the same system as MAIS (Selangor). Other than that, joint ventures in agriculture and farming with government agencies such as FAMA, MARDI, RISDA and many more can be done to enrich waqf properties as done by MAIJ (Johor). To improve to a more efficient and effective data base, MAIK can follow the example of JAIM (Malacca).

### **3. Conclusions and Suggestions To Improve Waqf Management**

After much research done, the researcher would like to suggest a few suggestions to improve the management of waqf property in Malaysia. The results achieved from the research done are also used to help improve the existing management.

#### **3.1. Role of Local Management**

To better the waqf institution in this country, the local administrator such as the mosque management or mosque qari must be alert and play their role to have activities that can benefit the space of the waqf property. Many projects conducted can benefit the local Muslim community. For open space around the mosque which is not used, it can be developed into a few business premise and the rental can be used for the local community. It will also help the mosque financially and not depend on grants and donation from Religious Departments/Offices/Majlis Agama Islam Negeri or even state government. As an example, a mosque in Pulai, Baling Kedah, the qari and the management of the mosque has succeeded in preparing a few units of business premise space to let and now receiving rental every month.

#### **3.2. To create a standardised waqf management in the whole of Malaysia**

Until now, its known that waqf properties are under supervision of each State's Majlis Agama Islam. This will create a gap in waqf management. To overcome this issue, maybe there is a need to establish a waqf management net that is effective for all states in Malaysia. The method "Benchmarking" must be executed by the state waqf management in other states in and out of the country. It also can give more exposure and improve the quality of waqf management.

Mohd Saharudin Shakrani et.al (2003) also suggest that a net between the waqf and baitulmal of each state. Therefore, there is a need to establish a board at federal level which manages and report every information received from each states concerning waqf. This board also makes analysis about the economic development of the Muslim community as a whole and investment opportunities towards waqf properties that has potential to increase in value. This board also supervise matters pertaining to state waqf.

#### **3.3. Improve Information System and ICT Facilities in Handling Waqf Management**

To ensure a more effective waqf management ICT facility must be more systematic and used by all administrators in the whole country. This also can facilitate all facilitators to administer waqf to identify latest information about the status of waqf property such as land total, space, land that has proceeds, land status, purpose of waqf and many more. MAIK has a data base system that is very efficient in managing waqf property. E-waqf system is done as a joint venture effort of MAIK and Accounting Faculty of UUM. From time to time, the data base is updated and improved so that it can have an efficient and systematic waqf management. This is much needed towards a developed and high technology country.

#### **3.4. Handover of Waqf Land and Status**

As discussed earlier in this research, most land in Kedah has not been registered under MAIK. As an example, waqf land in Yan district, which totals to 155 area and about 145.46 hectares wide. Only 65 area (42%) was registered under MAIK (data obtained from Encik Haris bin Osman, a staff of waqf department, MAIK). The process of registration to MAIK must be speed up. This is because if the process can be speed up, MAIK will also benefit the land for development of Muslim economy and also social growth, sports and culture in Kedah.

#### **3.5. Give Exposure to Trustee about Status and Waqf Purpose**

If want to get higher benefit to the waqf land, trustee must be given a clear information towards building the property. According to the status of waqf purpose in Kedah, most properties are waqf for the purpose of mosque site, surau, cemetery, and religious schools. As an example, in Bandar Baharu, Kedah, there is 74 land lots that is waqf, but there's only 4 which is waqf for the purpose of the Muslims.

In certain conditions, if there is a land left without any development, maybe the waqf management can develop the waqf using the Istibdal method. Megat Mohd Ghazali Megat Abd Rahman et.al (2006) explained that Istibdal waqf means to replace or exchange the waqf property with other property that is better, whether through exchange, selling or buying, according to the syara', but maintain the waqf purpose. Basically, property that is waqf cannot be sold or inherited. But to ensure the continuity of benefit from the waqf properties, the judge or the responsible party must manage the waqf according to istibdal as a way to optimized the waqf. Although there are different opinions among ulama' about istibdal, but it is compulsory for the importance of the public.

In discussing istibdal law, there must be a difference between mosque waqf and other waqf properties. For other waqf properties, istibdal must be used if the property can be benefited. Generally, mosque waqfs which still can be benefited, used and prospered plus on good condition, cannot use istibdal without any desperate excuses or needs. According to Hanafi Sect, all mosque that is solely waqf cannot be istibdal even though its not used for prayers, is old and broken. Shafi'e sect too forbids the istibdal method on mosque waqf or others. While for Maliki Sect, mosque istibdal can be done to enlarge the mosque or the road. If the mosque is broken, istibdal is forbidden.

But Hanbali Sect allows mosque that is not in use and not prospered, being sold based on the story of Sayyidina Umar r.a and Saad of Kufah. Sayyidina Umar r.a. has ordered Saad to relocate the mosque and build baitulmal at the mosque's kiblat, and his action is considered as ijma' because it wasn't protested by Rasullullah's friends. The proceeds from the sale can be used to purchase another property that is the same or different, as long as the benefits can be enjoyed by all.

Istibdal is a method that is suitable and important to solve problems pertaining to current waqf properties. Based on the opinion of Imam Ahmad ibn Hanbal, in Hanbali Sect, istibdal is able to create a more dynamic waqf institution for the benefit of the public and also achieve the original waqf purpose which is welfare and continuous merits.

### 3.6. Bond Production

Apart from share sales done by MAIS (Selangor), bond production can also used at the inside and outside of waqf property sale which have higher returns. Bond Production is practised by MUIS (Singapore). As an example, MUIS has produced S\$25 million musyarakah bond for the purchase of a building using the musyarakah (partnership) and ijarah (leasing) principles. Some of the waqf development are through bond is a luxurious residential. MAIK has made detailed discussion with MUIS to apply the bond production system in Kedah which in return also advised other MAIN (state) to produce bond.

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