

Promoting Community Based Waqf: A Case Study Of Co-Operative Society Waqf In Malaysia

by :

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ملخص

الوقف تتمثل عن التدين، تأثر الإقتصاد، تقنية السخاء، دوافع أو قوة اتحاد الإجتماعي في مجتمع المسلم في الدول المسلمة أو الدول غير المسلمة. هذا البحث ستقيم مخطط سخاء المجتمع في جمعية تعاونية خاصة (المعروف بالإنفاق للوقف) التي تعطي الفرصة على المجتمع للمساهمة باستخدام مفهوم الوقف أو الوقف الإسلامي. إن الهدف الهامة من الوقف هو رفع التمويل لمشروع رفع مستوى الإجتماعي والإقتصادي في جمعية تعاونية وأفراد المجتعة عامة. وللوصول على ذلك فقد أسس وحدة خاصة المعروف بالإنفاق للوقف تحت وحدة جمعية تعاونية ماليزيا (Angkasa). ودور جمعية تعاونية في ماليزيا جيد جدا ثم تجرى على توسعة عمل الجمعية مثل: التجارة، والتربية، والخير، والصحة، والسكن، وأماكن الراحة والمباحة. والأرباح العائدة تفيض عدد أعضاء وحدة الجمعية (Angkasa) بل المجتمع عامة، المسلم وغير المسلم. التقرير السنوي لدرجة Angkasa مبشر وموعد بذلك التخطيط. لأنه نجح على مستوى الشعبي فإنه سوف ينجح على مستوى الدولي.

كلمات مفتاحية: الوقف، إنفاق للوقف، جمعية تعاونية إجتماعية، Angkasa.

Abstract

Waqf represents religious commitment, economic stimulus, philanthropist mechanism, and also social unity thrust or force in any Muslim society in a Muslim or non Muslim country. This paper evaluates a special co-operative social philanthropist scheme known as infaq lil-waqf which provides opportunities for co-operative society to contribute employing the concept of waqf or Islamic endowment. The most important goal of the waqf product is to raise fund for projects that will enhance socio-economic status of cooperative as well as the general members of society. To achieve this goal, a special unit known as infaq lil waqf was established under National Co-Operative Movement of Malaysia (Angkasa). The participation from the co-operative society in Malaysia is very impressive. It has ventured into widen horizon of co-operative activities including business, education, welfare, health, real estate and Rest and Recreation Area. The benefit reaches beyond the members of the cooperative but the general public, Muslim and non Muslim alike. The Annual Report for Angkasa records a very promising and encouraging result of the scheme. As it is successful at national level, the scheme is also potential to be expanded at international level.

Key words: waqf, infaq lil waqf, cooperative society, Angkasa

A. Introduction

Waqf has been recognised as one of the potential economic sectors to generate the third sector economy especially for the Muslim (Mohamad Haneef M.A and Mohd Arshad, M.N, 2016; Sait, S. and Lim, H., 2006). The institution of waqf is a perpetual charity institution in Islam. The Muslims' history shows the existence of various waqf activities endeavoured by the early pious Muslims to help their fellow brothers, Muslim and non Muslim as well as other God's creation in the earth (Sait, S. and Lim, H., 2006). In today's world, the spirit in doing charity remains but it is said that it decreases in volumes, strategies and creativity as compared to contribution made by the earlier generation of Islam. Acknowledging this phenomenon, Malaysia has continuously worked towards enhancing the mechanism to move waqf as not only religious institution but a branch of economic initiative strategies.

Infaq lil waqf was launched on 15th August 2011 under ANGKASA.¹ ANGKASA is an apex co-operative recognized by the government to represent the Malaysia Co-operative movement nationally and internationally. The scheme is closely monitored by a special body called Hisbah

1. ANGKASA was proposed in 1966 based on the First Co-operative Congress with the goal to establish a national cooperative union. The aim was to unite all the co-operatives in Malaysia under one federation for cooperatives. On 12 May 1971, Angkatan Kerjasama Kebangsaan Malaysia Berhad (ANGKASA) was officially registered as the national union as a result from the Second Co-operative Congress. ANGKASA has played the role as the apex of cooperatives for the Malaysian cooperative movement. With the approval of the new Cooperative Act in 1993, ANGKASA was formally recognized by the government of Malaysia to represent the co-operative movement nationally and internationally. ANGKASA carries out its core service which is providing salary deduction service to the government servants, co-operatives statutory bodies, clubs, school co-operatives, unions and GLC companies. There are currently more than 12,000 co-operatives and over 7.5 million co-operators under the stewardship of ANGKASA. ANGKASA earns these roles with the objectives, namely:

- To unite and represent co-operators in Malaysia at national and international level
- To stimulate and develop the co-operatives business by identifying new business areas while developing and strengthening existing business to create a national and international network
- To increase the understanding and practices of co-operative values and principles aligned with ILO Recommendation 193 which recognize co-operatives as a tool for economic and social development of the community.

Committee for Scheme of Infaq lil-Waqf. The program is intended to provide opportunity for co-operatives to contribute with the concept of endowment. Contributors who are the co-operative members or the co-operative itself are encouraged to contribute gradually or lump sum within the stipulated time period. The benefits reach certain specified beneficiaries among the co-operative society as well as the general public.

B. Definiton of Infaq Lil Waqf

Infaq lil waqf in this context, refers to the collective contribution of cash waqf (jama'ei) or smart sharing of manfa'ah through sustainable contribution of donation for the purpose of waqf in the name of Allah in order:

- a. To get close to Allah, the Sustainer;
- b. To seek the blessing of Allah swt;and
- c. Seeking forgiveness from Him, and hope for His paradise (jannah)

The fund raised in the above scheme shall be converted into permanent property (ain mauquf) in which the benefit of the property (manfa'ah) shall be utilised for the public according to the intention of the donors (waqif) based on the 'aqad of waqf.

C. The Objective of Infaq Lil- Waqf Scheme

The main purpose of the scheme is to encourage co-operative to jointly involve in social philanthropic activities to benefit the community (ummah) through a more sustainable and permanent scheme of donation (sadaqah jariah) called waqf² (Islamic endowment). The main focus is to raise funds for projects or programs that will enhance socio-economic status of co-operatives and their members.

2 Waqf is an Arabic word from the root word 'waqafa' which means to stop. There are various types of waqf: waqf khas (special waqf), waqf am or waqf khairi (general waqf), or waqf dhurri (family waqf). Waqf may involve movable and movable properties such as money, transports, carpets, etc). See Section 2 of Administration of Islamic Law Kelantan, n02/1994, section 2 Wakaf (Perak) Enactment 2015.

D. Legal Framework for Waqf

Malaysia is a Federal-States country. There is a clear demarcation of power between state and federal in certain matters including Islam, land and adat. Since waqf is a matter falls under Islam and Islam is in the State List (List 2, Schedule Ninth) as provided in the Federal Constitution 1957, any decision related to the matter must be endorsed by the highest state authority. Article 74(2) of the Federal Constitution gives power to the States to enact state own laws. The highest agency dealing with Islam in a state in Malaysia is called the State Islamic Religious Council (SIRC) led by the Sultan or the King of the State. There are several laws that governed the administration and governance of waqf. Some states such as Selangor, Perak, Negeri Sembilan and Melaka have specifically enacted a special waqf enactment which detailing the creation of waqf, the main elements to create waqf such as mawquf 'alaih, the right of waqif (the donor), registration of waqf with the SIRC, istibdal (replacement or exchange of waqf properties), the power of the Majlis (SIRC), the appointment of the Registrar of Waqf, establishment of Waqf Fund and the general provision on waqf. Most importantly, the enactments in all states shall provide that the SIRC is the sole mutawalli (trustee) for waqf. Being the sole mutawalli, the SIRC has a role to manage and develop waqf properties and also to decide on how the benefit (manfa'ah) of the properties to be distributed to the deserving grantees and decide on the best mechanism to achieve the best benefits.⁴

E. Institutional Framework

The highest body to administer and manage

waqf in Malaysia is the SIRC.⁵ In some of the states, matters pertaining to waqf are dealt with under two different departments or units known as Zakat and Baitul Mal Unit or State Waqf Share Unit. The Waqf Enactment as in the case or the Administration of Islamic Law Enactment for some states has clearly provided that the SIRC is the sole trustee (mutawalli) for waqf. Being the highest body, the SIRC determines the roles and how the SIRC shall function in matters on waqf. The word "sole" has created a considerable number of issues and has been associated with many factors that contribute to the slow development of waqf in Malaysia.⁶ Lack of professionalism, lack of staff as well as mismanagement among the mutawallis are the common factors identified in many studies on waqf.⁷

Among the identified functions of the sole mutawalli are:

- a. To ensure all waqif who reside in the state may create waqf of any properties in and outside the states;
- b. SIRC will take the necessary steps to ensure all waqf land or to be waqf land to be registered under SIRC;
- c. All waqf land must be registered with the approval from the Land Administrator;
- d. Waqf properties which lack intention of its creation must be put under the General Khairat Fund;
- e. All documents or contract on waqf properties shall be kept by SIRC. SIRC must exert itself to manage waqf property with professionalism and diligent. As such,

3 Administration of Islamic Law (Federal Territories) Act 1993 (Act 505); Wakaf (State of Selangor) Enactment 1999 (No 7 Year 1999), Wakaf (State of Melaka) Enactment 2005; Wakaf Enactment (Negeri Sembilan) 2005, Wakaf Enactment (State of Perak) 2015.

4 Section 32 of the Wakaf (State of Selangor) Enactment 1999

5 Ibid. See also, Nor Asiah M., Shariyah Zubaidah S.A.K and Zuraidah A., (2012), *Waqf Lands and Challenges from the Legal Perspective in Malaysia*, paper presented in IUM-Toyo Joint Symposium 2012. Sustainable Built Environment: lesson learned from Malaysia and Japan.

6 Che Zurina I, Nor Jana S. and Nor Hawanees M H, (2015) "Administration and Management of Waqf Land in Malaysia: Issues and Solution", *Mediterranean Journal of Social Sciences* 6 (4) July 2015.

7 Siti Aishah, H. and Rusnadewi A.R. 2015, "Towards Improvement of the Rights and Duties of Mutawalli and Nazir in the Management and Administration of Waqf Assets ", *Proceeding of IDMAC2015*, <https://www.researchgate.net/publication/303406706>

the authority has also issued circulars and guidelines on waqf administration and management for the staff as well as the donor (waqif).

F. Modus Operandi

1. Internal governance of Infaq lil Waqf of ANGKASA

ANGKASA is a cooperative society governed and monitored by the Commissioner of Cooperative Malaysia. Infaq lil Waqf is a scheme based on cash waqf.⁸ In this case, the mutawalli or the agent or nazir will collect money from the donors on the basis of waqf and convert the money into a permanent or real asset which is inalienable, in perpetuity and cannot be passed to the kins of the donors. ANGKASA is a co-operative body was an idea initiated by the late Professor Emeritus Ungku Aziz from the University of Malaya. The introduction of cash waqf known as infaq lil waqf falls in line with ANGKASA main role to carry out its core service to provide salary deduction service to the government servants, co-operatives statutory bodies, clubs, school co-operatives, unions and GLC companies. The highest authority in ANGKASA is the President of ANGKASA assisted by the Deputy President and four (4) Vice Presidents. ANGKASA has also established its own Shariah Management and Development Division to ensure Shariah services applied by co-operatives in particular and society in general. Infaq lil Waqf is a breed of the Shariah initiative under this division.

Among the responsibilities of the division are:

- To perform duty as representative of co-operative zakat collection in collaboration with the State Islamic Religious Council / State Zakat Central and to distribute

ANGKASA business as decided by the National Working Committee.

- To collect, coordinate and administer ANGKASA Infaq Lil-Waqf funds.
- To implement ANGKASA Tahayyu 'Lil-Haj program.
- To ensure that ANGKASA and its member transaction activity to comply with Shariah requirements.
- The Syariah Committee is supervised by the Malaysia Co-Operative Societies Commission through its Guidelines on Syariah matters.

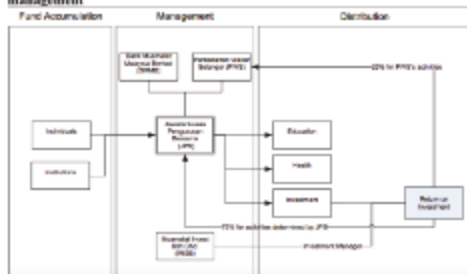
2. ANGKASA as Mutawalli

Mutawalli refers to individual or agency which has been entrusted to manage waqf property, in cash or in kind based on the principles of Shariah. In Malaysia, there are three important terms to indicate a similar role assigned to the appointed individual or agency, namely, mutawalli, nazir and wakalah. In Malaysia, the Waqf Enactment of some states and the Administration of the Islamic Law Enactments have declared the State Islamic Religious Council as the sole trustee or the Mutawalli for all waqf created within the particular state jurisdictions.⁹ As such, waqf created within that state will need to be registered with the State Islamic Religious Council (SIRC). Thus, it is the duty of the body to manage and administer the property. In an occasion where the waqif (endower or donor) may appoint any individual or body as his waqf administrator (mutawalli/nazir), the waqif or the administrator must seek approval or letter of appointment as mutawalli or nazir from the SIRC.

⁸ It means "the devotion of an amount of money by a founder and the dedication of its usufruct in perpetuity to the prescript purposes" (Magala Ismail Abdel Mohsin, 2008, P.4) Council Fatwa Malaysia has

⁹ The Malaysian Federal Constitution has identified matters pertaining to Islam, including waqf under the State List, Ninth Schedule.

Chart 1: Model for the appointment of *Mutawalli/Nazir* and *Wakalah* in a waqf management



Source: Ashraf Mubd Ramli and Abdullah Jalil, 2013.

3. Modes of Contribution

ANGKASA has taken various proactive approaches in reaching its target group. Since its official launching in 2011, ANGKASA through its Shariah Management and Development Division has rigorously reached the members of ANGKASA from various branches to make special briefing on the new scheme. Apart from normal training and awareness sessions to its members, they have also move in tandem with the current generation media. At present, the cooperative and its members as well as the general public can contribute via several means namely:

- Salary deduction; either through employer's salary deduction (ANGKASA) or salary deduction for ANGKASA (BPA). ANGKASA has developed a system where deduction of co-operatives and other organisations are managed through a channel to facilitate members' salary deductions. The deduction specifically will be processed by the departments' concerned either private employers or the government agencies.
- CIMB Clicks which promotes the concept of charities online is an easy and quick manner; and a FB Page "Donate Now" which is available through Facebook (FB) account;
- Cheque, Postal Order, or cash contribution

by filling up a form are acceptable and certificate will be issued;

- Subscription through magazine such as Solusi, GenQ and Al-Ustaz where 20% of the payment for the magazine will be channelled for Infaq lil Waqf.
- The donors will fill in a specified form which includes an 'aqd (declaration of willingness) to indicate his willingness to participate in infaq lil waqf. The contribution or donation shall go to a special account which is subject to periodical audit check by the management of ANGKASA. The management of Infaq lil Waqf will identify specific projects to benefit from the collection. After the project is ready and completed, ANGKASA or the management of Infaq lil Waqf will transfer the property identified as waqf to the SIRC being the sole trustee oversees waqf in Malaysia. Nevertheless, most of waqf agencies will negotiate with SIRC to continue managing waqf property either as mutawalli or nazir or agent of the property (Infaq lil Waqf Rules and Regulation).

4. Distribution of Benefit

The management of ANGKASA has identified the great potential of ANGKASA to be involved in contributing to the welfare of the ummah through its corporate social responsibility. In fact, the belief of Islam and its concept of barakah (blessing) in giving and helping others has triggered a serious discussion and plan for a sustainable scheme later known as infaq lil waqf.

The benefits of Infaq Lil- Waqf can be enjoyed by all co-operative members and society in general. It will be used for a variety of activities that do not conflict with Islamic law. ANGKASA and co-operatives as well as the general public shall reap the benefit of Infaq Lil- Waqf such as:

- Create co-operative business centre

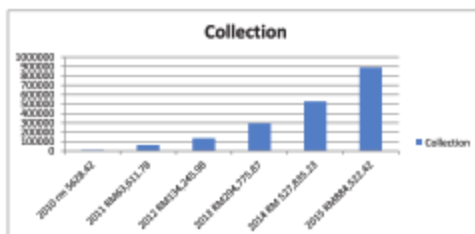
- Establish accommodation service (Co-operative Rest House)
- Provide nursing home and protection to those in need
- Establish educational institution
- Establish Dialysis Centre and smart partnership with hospital to supply dialysis machine

The list of activities are closely monitored by the Hisbah for Infaq lil Waqf Committee consisting of experts from various field ranging from experts in Fiqh (islamic jurisprudence) and Islamic law, Islamic banking, economist and others. At the moment there are six (6) members in the Committee and ANGKASA top management has the right to appoint other members when necessary. The list of current activities may need to be improved from times to times to meet the needs of the society. For example, education may also include research and experts in-puts in order to address various major issues revolving around waqf land in general. At the moment, there is no exact figures of waqf land which the information are still raw in the field. Smart partnership with SIRC is vital to address some common issues on waqf.

Being an agency with a most secured contribution for waqf, ANGKASA can move towards energising more waqf project channeled through their co-operatives members. Sustainability is an issue in waqf management either for donation or maintenance.

ANGKASA through the Infaq lil Waqf scheme may help in providing training to add skills and create life long learning opportunities for the members.

Table 1: Collection of Infaq lil Waqf Scheme from 2010-2015



Source: PELANCAR Magazine, ANGKASA Feb. 2016.

Chart 2: Distribution of Infaq lil Waqf Collection



Source: SILWA PKTA Working Paper, www.infaqilwaqf.coop

Table 2 : Type of Use from Infaq lil Waqf' Collection up to December, 2015

Types Of Use Of Fund/Waqf/ol	Effective date	Amount (RM)
DISTRIBUTION USING THE CAPITAL FUND (CASH WAQF COLLECTION)		
1. Daud Sakinah Care centre	2004	558,547.34
2. Tuah for Schools Muhammadiyah Dakat Bangli, Pahang	2004	20,000.00
3. Pusat Pendidikan Darul Izzah, Laganu, Pahang	2005	100,000.00
4. Masjid Tahfiz Al Qer an Al Ahsah, Bentong, Pahang	2005	124,000.00
5. Surau Hj Ahmad Shah Mosque, Bentong, Pahang	2005	100,000.00
6. Centre Waqaf An-Nur Iqah, Klinik Waqaf Bandar Sultan Sulaiman, Belitahan Kelantan	2005	212,000.00
7. Kidney Foundation -Nanyang, Seremban	2005	42,400
8. Hospital Sultan Ismail, Acheh; Hospital Alor Setar (old) Hospital Chungkat Melintang, Perak	2005	254,400.00
9. Contribution to 16 Co-Operatives for Qur'anic Mosque	2005	150,000.00
DISTRIBUTION USING THE MANFAAH		
10. My ANGKASA Duitew Sdn Bhd, Temerloh, Pahang	2005	79,640.00

G. Challenges and Moving Forward for Infaq lil Waqf

The introduction of the scheme by ANGKASA is not without challenges. Awareness among the top management and the staff as well as the co-operative members hampered the move of the scheme at the very beginning. Gradual and consistent efforts prove fruitful.

The legal provision which gives the sole power as waqf trustee to SIRC has added a challenge for

Infaq lil Waqf management in terms of beaurocracy and times constraint. The first step is to get the approval to be the agent to collect waqf fund from the members of ANGKASA. ANGKASA needs to be formally appointed either as mutawalli or nazir or the agent (concept of wakalah). Another hurdle is to seek for approval from the Malaysia Co-Operative Societies Commission (Suruhanjaya Koperasi Malaysia, (SKM)) the main regulator for all co-operative activities in Malaysia. An approval was obtained from the Majlis Agama Islam Selangor (MAIS) (SIRC) on 3 December 2010¹⁰ and permission to operate was obtained from the Malaysia Co-operative Societies Commission¹¹ (SKM) on 5 January 2011.¹²

At the national level, there is no clear law to sufficiently govern the powers and the roles of the mutawalli, nazir or issuance of wakalah. The roles of mutawalli as the sole trustee has been excluded from the Trustee Act 1949 which has its origin under the English law. Hence, the role of State Islamic Religious Council (SIRC) as the sole trustee of waqf especially in relation to immoveable waqf has been questioned by many quarters with regard to their efficiency and ability to maximise the use of waqf properties.

In fact, the difficulty in getting the approval to act as a mutawalli for certain waqf projects has been associated with the slow development of waqf in general. The stand of the SIRC to carefully appoint mutawalli or nazir goes back to the increase number of cases of breach or trust property, fraud, monopoly and disputes involving various types of waqf, waqf khairi (general public waqf) or waqf dhurri (family waqf). In this respect, it is most welcomed that waqf initiative to be introduced by successful agencies such as co-operative societies, banks, takaful companies

or any education institutions. In addition to the pre-equipped infrastructure, professional and well experienced staff, and good reputation, such waqf initiative can be operated at a very low cost with maximum benefit to the public. The issuance of wakalah to any agent to act as the manager or collector of waqf fund or properties are subject to the contractual terms itemised in the letter of appointment of the wakil. As such, the wakalah document must clearly provide for the duties and roles of the wakil.

The SIRC can share the burden in managing waqf property by having more smart partnership with various agencies such as ANGKASA by giving them full fledge authority as the mutawalli or nazir of waqf property. The role of SIRC as the sole trustee or mutawalli is to monitor any wrongful acts done by the appointed nazir or mutawalli based on complaints from the waqif or beneficiaries and through self-checked initiative by the SIRC.

One of the common complaints arising from the lack of having comprehensive law on waqf relates to registration of waqf land and to have the land be registered under the name of the SIRC being the sole trustee of waqf properties. Hence, if a waqif intended to create waqf for his land to be used as madrasa, it is the duty of the waqif to register with the SIRC in his state. All waqf properties needs to be registered and transfered to SIRC. The SIRC as the sole mutawalli will have a few options to manage the properties. SIRC may decide to personally manage the waqf properties or may appoint a specific body or agency to act as a mutawalli or nazir for the properties under the purview of the SIRC. In a case involving waqf land,¹³ the registration of waqf land is subject to the law and procedures under the National Land Code 1965 (the NLC).¹⁴ One of the mechanism

10 Letter no (94) MAIS/E/MAL/01/007/09

11 It is an agency under the Ministry of Trade, Co-Operative and Consumerism Malaysia.

12 Letter with reference no.SKM.IP (UU) 2622 Vol. 9(44).

13 land includes buildings or permanent structures on waqf land, Section 5 of the National Land Code 1965.

14 See for example, Section 214, sections 416 as well as sections

under the NLC is to transfer the land into the name of the SIRC which roles must be read together with the Waqf Enactment or the Administration of Islamic Law Enactment in every state.

The most common challenge to any waqf activities is to maintain the collection from the donors. On this premise, Infaq lil Waqf scheme is of an advantage. Easy and friendly scheme together with monthly contribution by the registered cooperative members as well as corporate members among the co-operatives ensures sustainable income, making plan for waqf project more viable and certain. The projection for the collection is consistent since its first introduction. In addition, the staff managing infaq lil waqf is committed is promoting the scheme assisted by other means of education. Obviously, educating the members on the benefits of the scheme is important especially ANGKASA is a body comprised of muslim and non-Muslim membership.

The effort made by ANGKASA to introduce infaq lil waqf is an alternative to create waqf over a specific fund and enter an agreement with the SIRC where the SIRC then appoints the ANGKASA as the manager of such fund ('muttawali'). In this way, the manager (mutawalli) has more freedom to decide on how the funds are to be used to further the intention stipulated in the waqf deed ('aqd'). The issue is Infaq lil Waqf Fund is yet to meet the qualification to get tax exemption. In fact, the overall issue on tax exemption for waqf fund is still unclear. The provisions in the Income Tax Act 1967, presently, only give exemptions for funds for religious purposes and trusts under double taxation. Nevertheless, some promotions on waqf come with the promise that the endower will get tax exemption. In this respect, more discussion should be engaged between SIRC, waqf managers such banks or co-operative and Inland Revenue Department to look at the best mechanism to make waqf as part of 'religious

purpose' thus qualify for tax exemption under s 44(6) of the Income Tax Act 1967. A researcher proposed a few strategies to be implemented if a waqf institution is to be incentivized:-¹⁵

a. Granting of tax-approved status to incorporated public-benefit waqf under section 44 (6) of the Income Tax Act 1967. Thus, any waqf agency should be able to prove that its constitutional documents provide that a certain minimum percentage of its annual income (such as the current requirements of the IRD of 50%) should be used towards public purposes, such as education, health, religion, community development, economic advancement, poor relief, human assistance and any other purposes as may be considered "public benefit";

b. The waqf must meet a certain pay-out rate (in the United States, it is an annual 5% of the value of foundation assets each year) to its stated public purposes perhaps allowing for a minimum number of years of operations to accumulate capital before the payout requirements must be met. Thus, the state policy towards accumulation of assets and/or cash by the waqf to be balanced against the redistributive expectations for the waqf will have to be studied carefully;

c. Full deductibility from taxable income for the donations or endowments made to all public-benefit awqaf. Alternatively, the more expensive (to the state) but equitable tax credit for the value donated, may be considered. The maximum ceiling of allowable deductions may be raised from the current 7-10% to 20-30% of aggregate income to encourage giving;

d. The form of donations allowed should be expanded to land, traded company shares and any other form of valuable assets and a formula for valuing these contributions should be decided

¹⁵ Alias T.A., (undated), "Tax Laws Affecting The Waqf In Malaysia: A Comparison with The United States And Turkey", available at http://www.academia.edu/1101187/Awqaf_tax_laws, retrieved on 23rd October 2016.

upon (perhaps valued at cost to the donor).

e. All business income earned and investment income of tax approved awqaf operating facilities such as hospitals and clinics, universities, research institutes, schools and such like, provided a minimum of 85% of its income are used towards its stated purposes i.e. operating the facilities, should be completely tax exempt;

f. Business income not related to the purposes for which the waqf was established should be subjected to normal corporate taxes, and business income of subsidiaries wholly owned by the waqf which are substantially connected to the purposes of the waqf should be completely exempted;

g. In the case of cash awqaf, where the primary form of income in most instances would be investment income, the draftsman should reduce the tax rate to perhaps 15% instead of the current 26%, or even abolish it altogether for the public-benefit cash awqaf (in particular a public-benefit waqf operating facilities);

h. Certain rules on expenditure, prohibition against self dealing and private inurement, payout and restricting certain activities involving advocacy in favour of certain legislation or political parties should be established;

i. Government service taxes and sales taxes on goods and services produced by awqaf as well as State and municipal laws imposing quit rent on land and assessment rates on buildings owned by waqf should be reviewed.

With tax incentives, more waqf especially waqf corporate may appear. Without which, more agencies will work towards establishing foundation or charitable organizations, which lack the 'waqf values' as promised by Allah swt.¹⁶

¹⁶ *Al Quran Al Baqarah* (2): 261; *Al Baqarah*:272; *Al Imran* (3): 92; *Husud* (11):61; *Rasulullah* (pbuh) in a celebrated hadith said to Umar as regard to his land in Khaybar. *Rasulullah* (pbuh) said "When the son of Adam dies, all his good deeds come to an end except three: ongoing charity, knowledge from which others may benefit, and a righteous son who will pray for him", *Sahih Muslim* 9, n *Sahih Muslim's Book of Bequest (Kitab al Wasiyah)* Book 13, Chapter 5.

ANGKASA also initiated various educational visit involving the SIRC as well as other agencies which have recorded success stories on waqf scheme to view for smart partnership. Nonetheless, there is also smart partnership dilemma in waqf conundrum. SIRC in many occasions seek partners to provide fund to develop waqf land, but the partners may not have trust in them or vice versa. For example, ANGKASA is willing to park part of the fund to help develop waqf land with the SIRC, but the SIRC may not have the expertise and lack manpower to engage in such a project meeting the professionalism determined by the waqf fund provider. The conundrum seems to persist. ANGKASA is committed to improve their contribution to the society especially through its Infaq lil Waqf project. It aims to take part in social and philanthropic activities in other countries. As such, ANGKASA is very proactive in participating in co-operative activities and organisation at the international level.

H. Conclusion

The efforts towards improving the mechanism of waqf management and governance is welcomed. The introduction of specific laws dealing with waqf will help to guide the working as well as the jurisdiction of every agency dealing with waqf. ANGKASA has walked on the right track within the legal and institutional framework in Malaysia in establishing a platform for promoting social philanthropic third sector economy through its infaq lil waqf scheme. The establishment of the Shariah Board Committee at the ANGKASA management level and the Hisbah Infaq Lil Waqf Committee to specifically oversee the policies, procedures and activities of the scheme would increase trust in waqf administration in general. Addressing smart partnership and tax exemption would certainly add value to the present strategies for infaq lil waqf.

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