

CASH WAQF PRACTICES IN MALAYSIA AND INDONESIA**Hardianti Yusuf**

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ABSTRACT

This paper is a study of the practice of Waqf-Al-Nuqud in Malaysia and Indonesia. How is the practice of cash waqf in each of these countries by looking at the results and allocations. This problem is described by comparative research, namely research conducted to compare a variable (object of research), between different subjects and find a causal relationship. The research is directed to find out whether between two or more groups there are differences in the aspects or variables studied. Based on the results of the discussion, the author understands that the waqf practice carried out by Malaysia and Indonesia can be seen the difference. The practice of cash waqf in Malaysia is better known as stock waqf where cash waqf is collected from various circles of society with a stock waqf system by setting a minimum number of share prices that can be purchased by the public which will later be used as a property waqf that is utilized according to the purpose of waqf according to sharia. As for Indonesia, the practice of classical waqf is still very widespread. Regulations have been adequate even with the rules for managing it, but it seems that not many people know about cash waqf which is easier and more affordable. However, the presence of TWI has become a breath of fresh air for the development and socialization of cash waqf in Indonesia. TWI also issued a cash waqf certificate as a form of eternal cash waqf. It can



be seen that TWI is still the community's choice for waqf compared to BWI which is a national waqf institution. But in reality, according to TWI regulations, it is not the institution intended to issue cash waqf certificates.

Keywords: Cash Waqf; Malaysia; Indonesia

INTRODUCTION

Waqf is a religious institution in Islam that has a direct functional relationship with efforts to solve social and humanitarian problems, such as poverty alleviation and economic empowerment of the people.¹ The first appearance of *waqf* since the time of the Prophet Muhammad (pbuh) was in the second year of hijriyah. Rasulullah (pbuh) gave a plot of land which was used to build a mosque.² Along with the development of the *waqf* paradigm which was originally only as a fulfillment of personal worship needs, to the productive *waqf* paradigm which can be one of the supporters of the economic life of Muslims, now *al-Nuqud waqf* has developed which is also one of the public financial instruments.

Money has a very strategic position in economic traffic. Today money not only functions as a medium of exchange, but also an object that can be produced. Therefore, some scholars do not hesitate to define money as an object of *waqf* in terms of cash *waqf*, *waqf al-nuqud*, which in Indonesian is translated as cash *waqf* and some others translate it as cash *waqf*. It is undeniable that cash *waqf* has great potential in the economic development of the people, because it is flexible and can be reached by most people.

Currently *waqf* can not only be done by landowners who a while ago only those who owned large lands were able to *waqf*, but currently with a certain nominal limit a person can *waqf* through this cash *waqf*. The development of this *waqf* has given birth to the concept of a cash *waqf* certificate which was presented for the first time by Prof. Mannan

¹ Rozalinda., *Manajemen Wakaf Produktif*. 1st Print; Jakarta: Rajawali Pers, 2015. p. 1

² Nurul Huda and Mohamad Heykal, *Lembaga Keuangan Islam: Tinjauan Teoritis dan Praktis*, (1st Print; Jakarta: Kencana, 2010). p. 314



at the Third Harvard University Forum on Islamic Finance in October 1999. In Bangladesh the concept of Islamic public finance was introduced to the public in December 1997 and SIBL only formally issued it on January 12, 1998. The idea of cash *waqf* is managed by Social Investment Bank Ltd (SIBL) by developing social capital markets through the development of Islamic financial instruments such as *waqf* properties, development bonds, cash *waqf* deposits, *waqf* certificates, and dozens of other business institutions. This breakthrough is allegedly a guide in developing the concept of cash *waqf* in several Muslim countries in the world.

Muslim countries that have developed cash *waqf* include Indonesia and Malaysia. Indonesia is one of the countries that has practiced cash *waqf*. In Indonesia, cash *waqf* has started to bloom since the Joko Widodo and Ma'ruf Amin governments launched the National Cash *Waqf* Movement (GNWU) on January 25, 2021, which became a steppingstone for the introduction of cash *waqf* in the community. The *waqf* movement is actually not a new thing introduced to the public by the government. The same thing was done in the era of Susilo Bambang Yudhoyono in 2010.³

The movement also has a similar vision, namely, to become cash *waqf* as one of the mainstays in the future economic development of the people in improving the welfare and progress of the nation. For this reason, it is important that cash *waqf* can be managed and developed properly, transparently, and accountably. Even though the response from the community was not as warm as today. At least with the existence of this movement, it proves our government's concern for the economic empowerment of the community in Islam.

The development of cash *waqf* in Indonesia is actually not so widespread, when compared to other Muslim countries. Although in Indonesia, cash *waqf* is not so widespread compared to other Muslim countries. But with the issuance of regulations, namely Law no. 41 of 2004 concerning *Waqf* which opens the tap to develop the potential of cash *waqf* with the background of the MUI fatwa in 2002, namely the ability (*jawaz*) to carry out cash *waqf*. Practice One of the cash *waqf* strategies that can be developed in mobilizing cash *waqf* is the People's

³ IJN News, February 2021



Endowment Fund (DAU) model, namely funds collected from various sources in various legal and lawful ways, then the funds collected in large volumes are invested with a high level of security. valid through a sharia guarantee institution (LPS).

Apart from Indonesia, another Muslim country that has developed cash *waqf* is Malaysia. The 77th Malaysian National Assembly Fatwa Authority for Religious Affairs, which convened on 10-12 April 2007 in Kuala Terengganu, has decided that *waqf* in the form of cash is permissible in Islam⁴. With this fatwa, the Islamic community in Malaysia can pay *waqf*. The *waqf* made is in the form of purchasing *waqf* shares issued by the State Islamic Religious Councils, certain institutions and also *waqf* money in the form of participation in takaful *waqf* plans. This cash *waqf* can be made more widely where all groups can afford *waqf* because the value of one *waqf* share is a minimum of RM 2.00, for example the nominal limit of cash *waqf* in Melaka (Malaysian *Waqf* Foundation).⁵ By looking at the discussion, the author feels the need to discuss further regarding the practice of cash *waqf* in the two countries, namely Indonesia and Malaysia.

METHOD

Comparative research is research conducted to compare a variable (object of research), between different subjects and find a causal relationship. The research is directed to find out whether between two or more groups there are differences in the aspects or variables studied.⁶

The purpose of comparative research, according to Aswani Sudjud (in Suharsimi Arikunto), is to find similarities and differences about things, about people, about work procedures, about ideas, criticism of other people, groups, and ideas or work procedures. It can also compare common views and changes in views of people, groups,

⁴Yayasan Waqaf Malaysia, <http://www.ywm.org.my/index.php/wakaf-tunaiMalaysia/>, Accessed on May 20, 2022.

⁵Yayasan Waqaf Malaysia, <http://www.ywm.org.my/index.php/wakaf-tunaiMalaysia/>, Accessed on May 20, 2022.

⁶Nana Syaodih Sukmadinata, *Metode Penelitian Pendidikan*, (tc; Bandung: Remaja Rosdakarya, 2010), p. 56



or countries towards cases, to people, to events or to ideas.⁷ Comparative research referred to in this study is research in the form of literature (library research).

RESULT AND DISCUSSION

Cash Waqf Practices in Indonesia

Indonesia, with a Muslim majority population, is very prospective to develop the potential of cash *waqf*, because economically with this cash *waqf* model and concept the mobilization range will be more evenly distributed to the target community in need compared to the conventional traditional *waqf* concept, namely in the form of physical assets that are usually carried out by an established and wealthy family. This all aims to make it easier for people to *infaq* and *waqf*, so cash *waqf* was developed.

One of the cash *waqf* strategies that can be developed in mobilizing cash *waqf* is the Community Endowment Fund (DAU) model, namely funds collected from various sources in various legal and lawful ways, then the funds collected in large volumes are invested with a valid level of security. through a shari'ah guarantor institution which covers at least two main aspects, namely: First, Security Aspect; namely ensuring the security of the principal value of the Eternal Fund so that there is no depreciation and reduction (integrity guarantee). Second, Aspects of Benefit or Productivity; namely the investment from the Abadi funds must be useful and productive that is able to bring in results or income that is guaranteed halal (incoming generating allocation), because from this income the financing of activities and programs of the *waqf* organization is carried out.⁸

Cash *waqf* is very strategic to be developed. Therefore, cash *waqf* should receive more attention to finance various social projects through the empowerment of immovable *waqf* which has been a burden and can also be channeled through economic empowerment institutions. One of the efforts is to channel *waqf* funds in the form of

⁷ Arikunto Suharsimi, *Prosedur Penelitian Suatu Pendekatan Praktik*. (Jakarta: Rineka Cipta, 2010), p. 310

⁸ A. Faishal Haq, "Wakaf Kontemporer, Dari Teori Ke Aplikasi", *Jurnal MALIAH*, Vol. 02, No. 02, December 2012, P. 398



productive financing to the real sector that can be mobilized namely by providing microcredit through a collective investment contract mechanism such as Sharia mutual funds (a kind of insurance) which are collected through Cash *Waqf* Certificates (SWT) to the middle to lower class people in order to have business opportunities and little by little they can rise from poverty and adversity due to prolonged crisis.⁹

In order to develop *waqf* optimally, as mandated by Law Number 41 of 2004 concerning *waqf*, a professional *waqf* management institution is needed. Unfortunately, not many institutions are able to carry out this great mandate. However, in the midst of this concern, a non-profit organization that focuses on this field was born, namely Indonesian *Waqf* Savings or *Tabung Wakaf Indonesia* (TWI). One of the advantages of TWI is that it deserves to be used as an example in the management of cash *waqf*. TWI is a *waqf* institution founded by Dompot Dhuafa and inaugurated on July 14, 2005.¹⁰ TWI acts as an institution that socializes, educates, and advocates for *waqf* to the community as well as acts as an institution to accommodate and manage *waqf* assets.

The Vision & Mission of TWI is to become a globally oriented *waqf* institution capable of making *waqf* as one of the pillars of the people's economic revival based on a just economic system. In addition, TWI wishes to encourage the economic growth of the people and optimize the role of *waqf* in the productive social and economic sector.¹¹

According to BWI records, the cash *waqf* collected until 2020 reached Rp 391 billion. Whereas the potential *waqf* per year reaches Rp 180 trillion. This is due to the lack of literacy, governance, *waqf* portfolio, to the ease of *waqf*. Meanwhile, according to BWI data, as of January 20, 2021, the accumulated cash *waqf* reached Rp 819.36 billion. Consisting of *waqf* through cash of Rp 580.53 billion and cash *waqf* of Rp 238.83 billion. Meanwhile, the number of nazir cash *waqf* in

⁹Direktorat Pemberdayaan Wakaf, *Strategi Pengembangan Wakaf Tunai di Indonesia*, Kemenag RI, 2007, p. 75

¹⁰Muhyar Fanani, "Pengelolaan Wakaf Tunai", *Jurnal Walisongo*, Vol. 19, No. 1, May 2011, p. 182

¹¹Muhyar Fanani, "Pengelolaan Wakaf Tunai", *Jurnal Walisongo*, Vol. 19, No. 1, May 2011, p. 182



Indonesia reached 264 institutions, while the number of LKS-PWU reached 23 Islamic banks. In addition, the *waqf* index in 2020 has only reached 50.48 and is in the low category. Meanwhile, the number of wakif or people who offered their property to be *waqf* through BWI reached 1,041 people.¹² The funds are obtained from the community directly and distributed to objects that have been prepared by TWI.

TWI issues a Cash *Waqf* Certificate (SWT) as evidence for the wakif that he has *waqf*. In managing *waqf*, TWI uses an asset management pattern, which treats *waqf* as an asset that generates a surplus, so that *waqf* becomes a "friend" of the community and is able to become a driver of social justice.

However, in terms of issuing cash *waqf* certificates by TWI, it seems inappropriate because in the law on *waqf* it has been stated that LKS PWU is an authorized institution and legally issues cash *waqf* certificates. The role of the Indonesian *Waqf* Board (BWI), as an independent institution that was born based on the mandate of Law no. 41 of 2004 concerning *Waqf*, has a great responsibility in advancing and developing *waqf* in Indonesia (Article 47).

In addition, the Indonesian *Waqf* Board is also responsible for fostering *nazhir* to become more professional. For example, by organizing a number of *waqf* asset management trainings, publishing *waqf* books and others. Moreover, the development of *waqf* is now supported by Law no. 41 of 2004 concerning *Waqf*, Government Regulation of the Republic of Indonesia No. 25 of 2018 concerning *waqf* which is an amendment to Government Regulation no. 42 of 2006 concerning the Implementation of Law no. 41 of 2004 concerning *Waqf* and Indonesian *Waqf* Agency Regulation Number 01 of 2020 concerning Guidelines for Management and Development of *Waqf* Assets.

Therefore, there is no reason anymore if the management and development of *waqf* assets in Indonesia lags behind other countries in the world, because Indonesia is a country with the largest Muslim population.¹³ The Indonesian *Waqf* Board has a very strategic function

¹³Muhammad Azis, "Peran Badan Wakaf Indonesia (BWI) dalam mengembangkan prospek wakaf uang di Indonesia", *Jurnal Ekonomi Syariah*, Volume 1, Number 2, March 2017, p. 204



in assisting, both in financing, coaching and supervising the *nazhir* to be able to manage *waqf* more productively. The pattern of organization and institutions of the Indonesian *Waqf* Board (BWI) must be able to respond to the problems faced by society in general and Muslims in particular.

At the community level, the most basic problem is poverty, both in a special sense, as reflected by the level of community income, as well as in a broad sense that includes aspects of health, education, or the fulfillment of human rights in general. For an alternative source of funds, *waqf* managed by a national institution such as the Indonesian *Waqf* Agency, for example, should be a potential source of funds in overcoming social problems such as poverty and aspects of its decline.

Social problems are not only the responsibility of the State as the highest institution of governance, but also become a common problem that must be resolved together as well. Islamic-based community organizations are also responsible for building a more realistic social movement in overcoming this problem. Access to *waqf* resources should also be given and widely opened to socially affiliated Islamic and non-Islamic organizations so that the existing poverty problem can be resolved. The role of the Indonesian *Waqf* Board is becoming increasingly important in playing its role. The main tasks such as administration to the management of *waqf* funds must be in line with the program that has been created.¹⁴

National *waqf* institutions, such as the Indonesian *Waqf* Board, should have started to collaborate with the private sector in *waqf* management for the productivity of the *waqf* objects they manage. Existing *waqf* assets can be differentiated collectively with private professionals to work on projects that include *waqf* assets as the main part of business activities, such as in agriculture.

Looking further at the main factors why the potential of *waqf* in Indonesia has not been productive, in principle this problem lies in the hands of *nazhir*, as the holder of the mandate of *waqif* (the person who

¹⁴Muhammad Azis, "Peran Badan Wakaf Indonesia (BWI) dalam mengembangkan prospek wakaf uang di Indonesia", *Jurnal Ekonomi Syariah*, Volume 1, Number 2, March 2017, p. 205



gives *waqf*) to manage and develop *waqf* assets. This means that the management of *waqf* assets has not been carried out professionally.

Judging from the way it has been managed so far, there are three types of *nazhir* in Indonesia. First, it is managed traditionally. *Waqf* assets are still managed and placed as pure teachings that are included in the category of worship only. Such as for the sake of building mosques, madrasas, prayer rooms and cemeteries. Second, *waqf* assets are managed semi-professionally. The management method is still traditional, but the administrators (*nazhir*) have begun to understand how to develop *waqf* assets more productively. However, *Nazhir's* ability and managerial level are still limited. Third, *waqf* assets are managed professionally. *Nazhir* is required to be able to maximize *waqf* assets for more productive interests and be managed professionally and independently.¹⁵

The management of *waqf* in Islamic countries has made significant progress, both immovable *waqf* and movable (cash) *waqf*. However, this is not the case in Indonesia. In fact, if you look at the number, *waqf* assets throughout Indonesia are quite large. In its concept, *waqf* is often considered as a source of assets that provide eternal use. The problem that developed later was the problem of collecting, managing, and utilizing and utilizing productive *waqf* assets in Indonesia which required serious handling. The utilization of cash *waqf* in Indonesia must learn from other developed Islamic countries. As the world's largest Muslim country, Indonesia has the potential to develop cash *waqf*. However, until now the potential of *waqf* as a means of doing good for the benefit of the community has not been managed and empowered optimally in the national scope.

If *waqf* in Indonesia can be handled properly in terms of management, then surely the problems faced by our nation today and in the future will be easy to overcome, because at the end of the day the problems of society in general revolve around financial problems. Thus, in order for Indonesian *waqf* to provide social welfare for the community, it is necessary to optimally manage *waqf* by *waqf* managers

¹⁵Muhammad Azis, "Peran Badan Wakaf Indonesia (BWI) dalam mengembangkan prospek wakaf uang di Indonesia", *Jurnal Ekonomi Syariah*, Volume 1, Number 2, March 2017, p. 206



(*nadzir*). The *nadzir* must optimize the management of productive *waqf* or money. Therefore, the management of *waqf* funds as an investment instrument can be an alternative to the impasse in the management of *waqf* assets.

Until now, the practice of *waqf* in Indonesia is still classic. Regulations have been adequate even with the rules for managing it, but it seems that not many people are aware of this cash *waqf* which is easier and more affordable. However, the presence of the Indonesian *Waqf* Savings has become a breath of fresh air for the development and socialization of cash *waqf* in Indonesia. *Waqf* Savings Indonesia also issues cash *waqf* certificates as a form of eternal cash *waqf*. It can be seen that the Indonesian *Waqf* Savings is still the community's choice for *waqf* compared to BWI which is a national *waqf* institution. This is due to the loss of public trust in the government.

Cash Waqf Practice in Malaysia

In Malaysia, cash *waqf* has received attention. The State Islamic Religious Council (MAIN) has started to build a cash *waqf* system and *waqf* shares. Giver of *waqf* gives money to MAIN to be put into the *waqf* tube. This money is then used for social activities, including for investment. *Waqf* shares are used to finance *waqf* investments. An individual or an organization buys a number of shares offered by MAIN with the desire to *waqf* it. All profits born from these shares are eternal in the form of *waqf* and are not given to the purchaser of the shares.

Among the states that implement a cash *waqf* system and the most active *waqf* shares are those in the states of Selangor and Johor.

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1. Cash *Waqf* in Selangor

The Selangor Islamic Religious Council (MAIS) was the first institution to introduce *waqftunai*. Selangor switched from cash *waqf* to share *waqf*. It was first managed by the Selangor Islamic Religious Council. In 2011, state *waqf* management was placed under a new unit called the Selangor *Waqf* Agency (PWS) to improve *waqf* management in

¹⁶ Amilah Awang Abd. Rahman, and Abdul Bari Awang, "Exploring the Dynamics of Cash Waqf: A Critical Analysis of It's Implementation in Malaysia, *Intellectual Discourse*, Vol. 26, 2018, p. 1126



Selangor. In 2012, Bank Mu'āmalāt Malaysia Bhd and PWS joined forces to increase *waqf* collection under *Waqf Selangor Mu'āmalāt* (Amilah Awang Abd. Rahman, and Abdul Bari Awang).¹⁷

The Selangor Stock *Waqf* is an investment through cash by purchasing units of shares offered by MAIS. Participation in this scheme is open to all Muslims, minimum limit is RM 10.00 (per unit) with no maximum limit. The Selangor Stock *Waqf* has managed to attract a large number of contributions which continue to increase every year.

As stipulated in the *fatwa* issued by the Selangor Fatwa Board on 5 September 2009, profits from the Selangor Share *Waqf* Scheme must be used to purchase permanent assets. The proceeds can be used for charitable purposes and other transactions that benefit the public as approved by the Selangor Islamic Religious Council. A number of projects have been successfully funded from cash *waqf*.¹⁸

In addition, there are also known terms, general and special *waqf* as referred to by PWS which are distinguished based on the purpose of *waqf*. According to scholars, there are two kinds of *waqf*, namely *waqf ahli* (special) and *waqf khairi* (general). *Waqf ahli* is also called family *waqf* or special *waqf*. That is, *waqf* is addressed to certain people, both to their families and to other parties. *Waqf ahli* is sometimes referred to as *waqf 'alal aulad*, which is *waqf* intended for social interests and security within the family environment.¹⁹

Special *waqf* based on conditional encouragement, which occurs when someone is abandoned by his family, so that no one bears it, like a nomad who leaves his family far away. *Waqf khairi*, explicitly intended for the benefit of religion or the general public. Such as *waqf* that was handed over for the construction of mosques, hospitals, orphanages and so on.

By means of *waqf*, the *wakif* can channel his wealth to support these

¹⁷Amilah Awang Abd. Rahman, and Abdul Bari Awang, "Exploring the Dynamics of Cash Waqf: A Critical Analysis of It's Implementation in Malaysia, *Intellectual Discourse*, Vol. 26, 2018, p. 1121

¹⁸ Amilah Awang Abd. Rahman, and Abdul Bari Awang, "Exploring the Dynamics of Cash Waqf: A Critical Analysis of It's Implementation in Malaysia, *Intellectual Discourse*, Vol. 26, 2018, p. 122

¹⁹ Direktorat Pemberdayaan Wakaf, Dirjen Bimas Islam Depag RI, *Fiqih Wakaf* (Sayyid Sabiq, Fiqh Sunnah, (Lebanon: Dar al-Arabi), 1971, p. 378.



people. This differs from the PWS implementation, where *waqf* is used for an unspecified project in the public interest, whereas a typical *waqf* is a *waqf* intended for a specific purpose.

PWS has found a new mechanism to promote the collection of cash *waqf*. In collaboration with Bank Mu'āmalāt Malaysia Bhd, it created *Waqf Selangor Mu'āmalāt*. This *waqf* focuses on two main areas of development: health and education, and investment.²⁰

2. Cash *Waqf* in Johor

The Johor *Waqf* Shares were launched by the Johor Islamic Religious Council. Among his successful projects are the construction of a Malaysian student dormitory in Cairo, Egypt. Other more recent projects include a partial contribution to the construction of a religious school building of RM 322 million, the construction of *Dār Al-Furqān* for religious classes, the purchase of a building that serves as a Malaysian student dormitory in Amman, Jordan, and the purchase of medical equipment. *Waqaf an-Nur Corporation Bhd* launched *Waqaf An-Nur Hospital* in Pasir Gudang and two mobile clinics in Johor.²¹ As explained from the projects mentioned above, the sharing benefits are invested in projects that benefit the Muslim community. Some projects cannot be considered as complete *waqf* properties because they are joint venture programs in collaboration with other departments or other units under MAIJ.

Johor Corporation Berhad (JCorp), an institution under the Kingdom of Johor in Malaysia, uses this stock system by introducing a more innovative system, called *Corporate Waqf*. JCorp does not sell shares to individuals or organizations as is done in a common stock *waqf*. On the other hand, JCorp itself *waqf* its shares. For example, on August 3, 2006, JCorp through its 3 subsidiaries has *waqf*ed its shares with an asset value of RM 200 million. JCorp also *waqf* a 75% stake in the Tiram Travel company which manages Umrah and Hajj packages. Apart from *Corporate Waqf*, JCorp also uses cash as a movable object to provide

²⁰Mohd Ramli, Ashraf and Abdullah Jalil, "Model Perbankan Wakaf Korporat: Analisis Wakaf Selangor Mu'āmalāt", *Jurnal Pengurusan* 42 /165, 2014, p 116

²¹ Muhammad Syukri, "Transformasi dan Panduan Pemerksaan Wakaf" dalam Suhrawardi K. Lubis, *Wakaf dan Pemberdayaan Umat* Jakarta: Sinar Grafika, 2010) p. 126



health services to those in need, not differentiated between Muslims and non-Muslims.²² JCorp realized this effort by establishing the An-Nur Waqf Clinic Fund for the purpose of building a hospital and An-Nur Waqf Clinic.

In Malaysia, apart from cash *waqf* managed by the State Islamic Religious Council, there are also *waqf* stock trust institutions. This *waqf* stock trust is operated through a bank. They offer these shares to the public at a certain price. People who buy these shares do not get any profit and the charity money used to buy the shares is completely handed over to the manager without them being able to ask for it back. The profits obtained will be managed by the government for the public interest. The main objectives of the collected cash *waqf* are; building profitable facilities so that they can be used as capital again, on existing *waqf* lands, buying new facilities that will be used as *waqf* assets, investing them in safe sectors so that the nominal value of *waqf* assets is not lost.

Waqf has the unique characteristics of contributing to the welfare of society, especially through economic activities. Legal experts agree that the most important criterion is the lasting benefit. This means that the most important task of the *nadzir (Mutawalli)* is to maintain the *waqf* property, neither moving nor moving productively and not being exhausted after being utilized.

The efforts of institutions in Malaysia to expand *waqf* activities beyond traditional practices such as *waqf* of land, houses and plantations and include cash should be regarded as a commendable initiative. Introducing share *waqf* is an honorable endeavor that should be supported by the Muslim community. This is an infinite charity (*ṣadaqah jāriyah*) even though it is made in a new form for the welfare of Muslims.

Malaysia has a different cash *waqf* practice from Indonesia. Malaysia as seen in its regulations seems to be more inclined towards *istibdal* practice, namely replacing. Malaysia is more familiar with stock *waqf* where cash *waqf* is collected from various circles of society with a

²²Muhammad Syukri, "Transformasi dan Panduan Pemerkasakan Wakaf" dalam Suhrawardi K. Lubis, *Wakaf dan Pemberdayaan Umat*p. 127



stock *waqf* system by setting a minimum number of share prices that can be purchased by the public which will later be used as a property *waqf* that is utilized according to the purpose of *waqf* according to sharia.

CONCLUSION

In Indonesia, the practice of classical *waqf* is still very widespread. Regulations have been adequate even with the rules for managing it, but it seems that not many people know about cash *waqf* which is easier and more affordable. However, the presence of the Indonesian *Waqf* Savings has become a breath of fresh air for the development and socialization of cash *waqf* in Indonesia. Indonesian *Waqf* Savings also issues cash *waqf* certificates as a form of eternal cash *waqf*. It can be seen that TWI is still the community's choice for *waqf* compared to BWI which is a national *waqf* institution. But in fact, according to the Indonesian *Waqf* Savings regulations, it is not the institution intended to issue cash *waqf* certificates. As for what is meant by regulation, namely Islamic financial institutions.

The practice of cash *waqf* in Malaysia is more of an *istibdal* concept such as *waqf*. Shares in Selangor, cash *waqf* is enshrined in property shares at a predetermined price. Malaysia has a different cash *waqf* practice from Bangladesh and Indonesia. Malaysia as seen in its regulations seems to be more inclined towards *istibdal* practice, namely replacing. In terms of the development of cash *waqf* in Malaysia, it is not much different from Bangladesh but in Malaysia they are more familiar with stock *waqf* where cash *waqf* is collected from various circles of society with the stock *waqf* system by setting a minimum number of share prices that can be purchased by the public which will later be used as a property *waqf* which is used according to the purpose of *waqf* according to sharia.

ACKNOWLEDGMENTS

Regarding the results of this study, it is hoped that cash *waqf* can be better known in the community throughout the country and especially in Indonesia, which actually has the opportunity to advance



cash *waqf* by looking at the potential of the Muslim community in Indonesia. Progress is certainly expected to be in line with the mandate of the *waqf* law.

The progress of cash *waqf* is mainly in the management system or practice which is the most important part in cash *waqf*. It seems that Bangladesh can be used as a mecca in the management of cash *waqf* by developing Muslim countries, especially Indonesia. It is clear that the potential for cash *waqf* progress in Indonesia has a lot of opportunities. In today's modern era, people are accustomed to a fast and easy system. So that the government should provide convenience services in *waqf* cash, of course, accompanied by socialization related to cash *waqf*. That way it will be easy to collect *waqf* funds in the community.

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