

Sultan: Islamic Financial Institutions Should Find Ways To Develop Waqaf
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LANGKAWI, Oct 29 (Bernama) -- Islamic financial institutions such as banks, insurance and property development should play an active role in finding ways on how waqaf, zakat and sadaqah could be used as instruments in the economic transformation of the Muslim ummah.

Sultan of Kedah Tuanku Abdul Halim Mu'adzam Shah said, while Islamic management experts might formulate the management structures or systems, Islamic scholars could look at the conformation of these systems, in line with Maqasid Al-Syariah (the objective of Syariah).

"A good example that is possible to be carried out is the formation of 'Corporate Waqaf' as introduced by the Johor Corp.

"This is the first of its kind ever being introduced in the world, and should be studied, how this mechanism could be further enhanced, and be developed all over the world," he said in his speech during the official opening of the Third Langkawi Islamic Finance & Economics International Conference (LIFE 3) here Saturday.

The three-day conference is themed 'Islamic Banking and Finance: Waqaf, Zakat and Sadakah As Community Empowerment And Strategies For The Economic Transformation Of The Ummah'.

It is jointly organised by the Insaniah University College, Islamic Development Bank (IDB) and Islamic Research and Training Institute (IRTI).

Tuanku Abdul Halim said there was a critical need in managing waqaf and a study being carried out in the country found that there were more than 8,000 hectares of waqaf land, most of which were used for non-economic activities.

"For example, larger percentages are being used for graveyards, mosques and suraus. These non-economic activities, by right, are normally provided by the government, at state and federal-level.

"Many of the waqaf lands are not developed and left unattended, and in some cases, lost in the records or could not be physically traced or being used illegally by others. I think it is happening, not only in Malaysia but in other countries, as well."

He said waqaf, zakat and sadaqah were the main instruments for the development of Islamic economics, for the betterment of the Muslim Ummah in particular, and mankind in general.

"But today, I do not see any significant role played by waqaf, zakat and sadaqah, as what we have seen in the past.

For example in Malaysia, although methods of collection have improved, resulting in more than RM1 billion zakat collected yearly, there is no significant impact that could be seen in

the development of Muslim economics in Malaysia," he said.

He said much focus or emphasis was given in the collection of zakat or lately, waqaf, by the institutions, including Islamic banks, but the distribution of zakat to the recipients and to ensure the aid they received would be able to improve their economic and financial situation, was a very difficult task.

Tuanku Abdul Halim said waqaf, zakat and sadaqah should be focused for the development of human capital, and for example, Al-Azhar University, a world renowned university, had all these years been operating entirely by means of its endowment fund.

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