



AICIF

PROCEEDING 7TH ASEAN UNIVERSITIES International Conference on Islamic Finance

Revival of Islamic Social Finance To Strengthen Economic
Development Towards A Global Industrial Revolution

Co Host:



IIUM
International Islamic
University Malaysia



UIN SUKA
Universitas Islam Negeri
Sunan Kalijaga, Yogyakarta
Indonesia



UNISSULA
Universitas Islam
Sultan Agung, Semarang,
Indonesia



UNISSA
Universiti Islam
Sultan Sharif Ali,
Brunei Darussalam



Fathoni University
Thailand



Mindanao State
University of Philippines



STEI
Tazkia University,
Indonesia



SECRETARIAT
International Council
of Islamic Finance Educators

**PROCEEDING OF 7TH ASEAN UNIVERSITIES INTERNATIONAL
CONFERENCE ON ISLAMIC FINANCE (AICIF) 2019
“REVIVAL OF ISLAMIC SOCIAL FINANCE TO STRENGTHEN
ECONOMIC DEVELOPMENT TOWARDS A GLOBAL INDUSTRIAL
REVOLUTION”**

**UNIDA GONTOR
3 – 4 December 2019**



**Publisher
UNIDA Gontor Press
University of Darussalam Gontor**

PROCEEDING OF 7TH ASEAN UNIVERSITIES INTERNATIONAL CONFERENCE
ON ISLAMIC FINANCE (AICIF) 2019

“REVIVAL OF ISLAMIC SOCIAL FINANCE TO STRENGTHEN ECONOMIC
DEVELOPMENT TOWARDS A GLOBAL INDUSTRIAL REVOLUTION”

Executive Committee :

Chairman	: Dr. Iqbal Imari, M.S.I
Vice Chairman	: Muhammad Abdul Aziz, M.Si.
Secretaries	: Dr. Hartomi Maulana, M.Sc. Atika Rukminastiti Masrifah, M.E.Sy. Tri Wijayanti Septiarini, M.Sc.
Treasurer	: Rahma Yudi Astuti, M.E.Sy. May Shinta Retnowati, M.E. Aqif Khilmia, S.E., M.Pd
Event Organizer	: Abdul Latif, M.E.Sy Andini Rachmawati, M.C.L. Achmad Arif, B.Sh., M.A. Apriliana Ika Kusumanisita, S.E.I., M. Lathiefa Rusli, S.E., M.M.
Accommodation	: Imam Haryadi, M.S.I. Saiful Nasution, M.A.
Consumption	: Tarech Septa, S.Pd.
Equipment	: Muhammad Syifaurrosyidin, S.E.I., M.Pd. Dedy Mulyanto, M.Pd
Publications	: Muchammad Taufiq Affandi, M.Sc.
Transportation	: Abdul Latif Rizqon, M.E.Sy.
Sponsorship	: Dr. Syamsuri, M.Sh. Fajar Surya Ari Anggara, S.TP., M.M. Syahrudin, M.Sc.Fin. Mufti Afif, Lc., M.A.
Entertainment	: Nusa Dewa Harsoyo S.H.I , M.A. Dhika Amalia Kurniawan, M.M.
Public Relations	: Azidni Rofiqo, M.E. Muhammad Alfian R, M.E

Steering Committee :

Prof. Dr. Amal Fathullah Zarkasyi, M.A.
Dr. Hamid Fahmy Zarkasyi, M.A.Ed., M.Phil.
Dr. Setiawan Lahuri, M.A.
Dr. Abdul Hafidz Zaid, M.A.
Dr. Mulyono Jamal, M.A.
Dr. Imam Kamaluddin, Lc., M.Hum.
Dr. Khoirul Umam, M.Ec

Reviewer :

Dr. Hamid Fahmy Zarkasyi, M.A.Ed., M.Phil.
Dr. Setiawan Lahuri, M.A.
Dr. Abdul Hafidz Zaid, M.A.
Dr. Mulyono Jamal, M.A.
Dr. Imam Kamaluddin, Lc., M.Hum.
Dr. Khoirul Umam, M.Ec
Prof. Dr. Abdul Ghafar Ismail
Dr. Ascarya
Bedjo Santosa, Ph.D
Assoc. Prof. Dr Salina Kassim
Saaduddin M. Alauya, Jr.
Dr. Abdul Nasir bin Haji Abdul Rani
Dr. Syafiq Mahmadah Hanafi
Dr. Murniati Mukhlisin, M.Acc.

Managing Editor :

Dr. Hartomi Maulana, M.Sc.
Atika Rukminastiti Masrifah, M.E.Sy.

Publisher :
UNIDA Gontor Press

© 2019 AICIF is a collaborative effort among IliBF International Islamic University Malaysia, Mindanao State University (MSU), UIN Sunan Kalijaga, Yogyakarta, Universitas Islam Sultan Agung (UNISSULA), Semarang, Indonesia, Universitas Darussalam Gontor, Indonesia and Sultan Sharif Ali Islamic University, Negara Brunei Darussalam and STEI Tazkia University, Indonesia.

All rights reserved. No part of this publication may be reproduced , stored in a retrieval system or transmitted in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise without the prior written permission of the copyright holder, except reference and citation, but must be properly acknowledged.

The views expressed in this publication are those of the authors and do not necessarily reflect the views of the AICIF.

Cover Design by Muhammad Uwais Alqorni

First Published 1441 H (November 2019)
Second Published 1441 H (December 2019)

Jl. Raya Siman Km. 6 Demangan Siman Ponorogo 63471
Telp. +62 352 3574562: Fax: +62 352 488182
Email: press@unida.gontor.ac.id



FOREWORDS

PROF. DR. AMAL FATHULLAH ZARKASYI, M.A.
Rector of University of Darussalam Gontor

Assalamu'alaikum warahmatullahi wabarakaatuh

As the Rector of University of Darussalam Gontor, it is a great honour for us to welcome our distinguished guests from neighbourhood countries. Hence, I feel very grateful to Allah, I would like to thank you for your kind willingness to attend and participate in our 7th ASEAN Universities International Conference on Islamic Finance (AICIF) 2019.

The development of Islamic economics and finance not only concerns on commercial issues, but also social finance (such as zakah, infaq and waqf). Since the Prophet Muhammad Rasulullah period, Waqf has been developed and played a major role in the socioeconomic of Muslim. On his arrival at Madinah in the first year of Hijrah, he constructed a mosque known as Quba. Subsequently, the Prophet built a new mosque known as Masjid an-Nabawi due to the increasing number of people who converted to Islam. In addition, the example of waqf in practical level when the Prophet encouraged Utsman ibn 'Affan to buy Rumah well of water and finally he declared it as waqf to provide water for all citizens. Currently, this heritage has been extended to accommodate the need of society from across the world.

Based on the historical foundation, it would be extremely necessary supported by education and research related to Islamic social finance in an attempt to increase the welfare of the Ummah. Hopefully this conference will be one of the efforts in providing enlightenment and insight related to Islamic social finance and Islamic economics continues to grow worldwide, and provide benefits and prosperity for all mankind as well as the entire universe (rahmatan lil Alamein).

Therefore we all have a duty and responsibility to develop education and research related to Islamic economics. Let us pray to God for asking His assistance and guidance to carry out this duties and responsibilities together.

Finally, I congratulate all the faculty members in the Faculty of Syariah and Faculty of Economics & Management as well as all members of AICIF for organizing this conference. For the committees who have worked hard in preparing this conference, I suggested them to service all the guests very well. Make them feel like in their own homes. I would like to say good luck in joining the conference until completion. Thank you very much.

Wa'alaikumsalam warahmatullahi wabarakaatuh



INTERNATIONAL ISLAMIC UNIVERSITY MALAYSIA

All praises due to Allah (swt), the Most Merciful, the Most Compassionate. May His peace and blessings be upon our beloved Prophet Muhammad (saw), his companions, descendants and all those who follow his steps.

On behalf of the IIUM Institute of Islamic Banking and Finance (IiBF), International Islamic University Malaysia, I would like to congratulate the University of Darussalam, UNIDA Gontor, for the successfully organizing and hosting the 7th ASEAN Universities International Conference on Islamic of Islamic Finance (AICIF 2019). IiBF, as the pioneering institution in organizing the AICIF, is indeed, very happy to note that the AICIF has already reached its 7th year of organization, with the consortium of universities joining the conference has increased to seven from only one when the IiBF first hosted it in Kuala Lumpur in 2013.

The theme of the conference “Revival of Islamic Social Finance to Strengthen Economic Development Towards A Global Industrial Revolution” highlights the remarkable contributions and guidance of our beloved Prophet Muhammad (saw) on his various efforts on social welfare and sustainable social development policies. These efforts have led to the remarkable economic development of Islamic societies, which needs to be emulated by our leaders today in the Islamic banking and finance industry. While there is a remarkable growth and expansion of the Islamic finance industry today, a pertinent issue to highlight is the role and contribution of Islamic finance in the achievement of socio-economic goals of the society. Islamic financial institutions need to continuously innovate and go beyond their traditional role in providing financing just to the bankable. Efforts should be intensified to expand their scope of services and aim to achieve better financial inclusion to all levels of the society.

The importance of technology in Islamic social finance could not be over-emphasized. Several important global cases borne out of the synergised approaches involving Islamic social finance with sustainable digital technology. The International Federation of Red Cross and Red Crescent Societies (IFRC) has recently developed an online blockchain technology application providing organizations and individuals with the ability to track and follow up their contributions in highly complex humanitarian settings. This has helped in providing transparency and laying a platform for increased trust between humanitarian organizations and those in Islamic social financing activities. This digital innovation has received universal acceptance and recognition and is the IFRC’s first foray into Islamic finance, advancing their cause to develop Islamic social finance strategies and fundraising tools in support of IFRC’s humanitarian aid programs.

Islamic social finance supported by mobilisation of digital technology has also brought about the effective distribution of zakat contributions from the Malaysian state of Perlis towards a relief project in Kenya. The project became successful and profitable as the cash value of the crop grown exceeded the value of the seeds purchased, which in turn allowed subsistence farmers to acquire a certain amount of disposable income that can be channelled towards other social impact areas focusing on food, healthcare, and education.

I would have to mention, however, that our goal of revitalizing and rejuvenating Islamic social finance and socially responsible finance may not be achieved without well-coordinated inter-countries synergy and cooperation. We are very much aware of the remarkable progress recorded in ASEAN, and especially Malaysia and Indonesia, in terms of Islamic banking and finance innovation and Islamic finance in general, which have proven to be veritable tools for social development of the Ummah. We hope that efforts are made for new inter-countries' cooperation within ASEAN and other destinations across the globe. It is high time that these vast experiences being shared to other parts of the world with more universities to join this consortium in efforts to remain abreast in the dynamic area of Islamic banking and finance.

Thank you. Wabillahi-tawfiq wal-hidayah, Wassalamu alaikum warahmatullahi wabarakatuh.

ASSOC. PROF. DR. SALINA KASSIM

Dean

IIUM Institute of Islamic Banking and Finance



STATE ISLAMIC UNIVERSITY SUNAN KALIJAGA YOGYAKARTA

Assalamualaikum Warahmatullah Wabarakatuh

Welcome to 7th AICIF 2019. We are very happy for the enthusiasm of all colleagues and participant to take part of the 7th ASEAN International Banking & Finance or 7th AICIF 2019. We are wholeheartedly grateful to University of Darusaalam Gontor Indonesia for organizing this event. AICIF has been held seven times in the Southeast Asia region. This event will took theme which highlighted the Revival of Islamic Social Finance to Strengthen Economic Development Toward a Global Industrial Revolution. We expect, this activity will increase the knowledge, abilities and role of stakeholders in facing the 4.0 industrial revolution. By strengthening the knowledge of Islamic social finance, hopefully it will be able to improve analytical skills to improve the welfare of Muslims. The challenges of Muslims today are very diverse, not only eradicating usury but also creating world welfare and hereafter. That's why, it is very important to understand Islamic social finance clearly.

Besides, we also looking for the academic result from this event such as increasing the transfer of knowledge of in Islamic economics, cooperation in the field of research, journal publications, guest lectures, student exchange and etc.

We also would like to thank all co-organizer who were invited to attend this conference and members of the procedural committee. We are deeply grateful for enthusiastic support from all units and individuals, and we appreciate all the participant who undertake preparation and reception services during the conference. We hope you granted benefit from the exchange of ideas and research at 7th AICIF 2019 through discussions with colleagues, participants and conference sessions and activities. We would like to take this opportunity to fulfill our success stepping stone as co-organizers. It is our sincere hope that this collaboration will continue in the future. May Allah SWT bless us and continue to guide us in all our efforts. Aamiin. Wassalamualaikum Warahmatullah Wabarakatuh

DR. H. SYAFIQ M. HANAFLI, S.Ag., M.Ag.
Dean of Faculty Islamic Economics and Business



SULTAN AGUNG ISLAMIC UNIVERSITY, SEMARANG INDONESIA

Assalamu'alaykum warahmatullahi wabarakatuh

A warmest word of welcome to the organizers and participants of the 7th Asian Conference on Islamic Finance (AICIF) 2019. Our honored to the main organizer of the 7th AICIF University of Darussalam (UNIDA) GONTOR, Indonesia.

Economic development in this digital age creates new challenges for Islamic finance especially Islamic social finance institutions in the ASEAN countries. The increase of market competition demanding the Islamic industry to innovate continuously so that it is able to serve customers and create maslahat. Financial technology (Fintech) is also part of the challenges that must be faced. In this case, the Islamic social finance industry must be able to answer the advancement of financial technology while maintaining applicable sharia principles. On this occasion, the 7th AICIF raised the theme of Revival of Islamic Social Finance to Strengthen Economic Development towards a Global Industrial Revolution. This theme is very urgent to be discussed today as in its system, Islamic finance is not only seen from a commercial point of view, but also a social point of view. Contemporary Muslim society in particular is an important subject that must be prepared to support this revival and make Islamic social finance as a milestone in the power of Islam in giving rahmat for everyone in today's era. 7th AICIF is part of an effort to push the Islamic social finance system achieving betterment. I am sure that with the collaboration of experts, researchers, academics and practitioners in this forum, various innovations will emerge. Issues from various national and cultural backgrounds relating to Islamic social finance will be discussed here. Thus, each other can exchange ideas and provide inspiration in order to form decisions and policies that are needed both for educational institutions and government as well as leaders of Islamic institutions. In addition, this forum is also an effort to strengthen good cooperation between various parties who have high concern in order to develop the Islamic social finance system.

Therefore, I do appreciate and thank you for significant contribution of many parties including the main organizer, co-organizers, support organizations and sponsors for the success of the 7th AICIF 2019. To all the speakers and participants, we wish you all the best for your perspective involvement. I hope that you will have pleasant and enjoyable learning experiences in the Forum. Finally, I wish that the participants will put to new journeys of learning, sharing, and growing for a common reason "to make our system, a better one".

We are really honored for your participation and we look forward to meet you again in 8th AICIF 2020. Terima Kasih

Wassalamu'alaykum warahmatullahi wabarakatuh

PROF. OLIVIA FACHRUNNISA, Ph.D
Dean of Faculty of Economics, UNISSULA
Indonesia



First of all, I would like to take this opportunity to welcome you all to the 7th ASEAN Universities International Conference on Islamic Finance (7th AICIF) and to extend out deepest gratitude to Universitas Darussalam Gontor, Indonesia for hosting this year's 7th AICIF held on 3rd and 4th December 2019.

Universiti Islam Sultan Sharif Ali (UNISSA), Brunei Darussalam, realized that this yearly conference served as an important platform with researchers, professionals coming in from all parts of the world in gaining further insights into the frontier of knowledge as well as understanding the broader scope of Islamic Finance.

I sincerely hoped that this conference will continue to play its role as an important platform for all stakeholders to meet and addressed issues related to Islamic Finance especially in this era of globalization where Islamic Finance industries have witnessed a significant growth over the past years. I also hope that this conference will be able to help in promoting and strengthening the networking and collaboration between researchers, academicians and professionals.

On behalf of UNISSA, I would like to extend my sincerest appreciation to the Main Organiser, Co-Organisers, sponsors and many thanks to everyone involved in organizing such a successful conference. To all participants and presenters attending this year's AICIF, I hope you will be able to benefit greatly from this conference and take part in strengthening the role of Islamic Finance so that it can contribute to a more sustainable and well-balanced economic growth in the society.

Sincerely,

DR ABDUL NASIR BIN HAJI ABDUL RANI

Dean

Faculty of Islamic Economics and Finance

Universiti Islam Sultan Sharif Ali, Brunei Darussalam



MINDANAO STATE UNIVERSITY PHILIPPINES

Assalamu Alaykom Warahmatullahi Wa Barakato.

My heartfelt congratulations to the organizers or people behind the 7th ASEAN International Conference on Islamic Finance (AICIF). People see only the finished product and are not likely to have an idea of the enormous behind-the-scene work that preparations for a grand activity like this entails.

The conference theme “Revival of Islamic Social Finance to Strengthen Economic Development Towards a Global Industry Revolution” cannot be more timely and auspicious. Hurtling into a future of prodigious and rapid change, the Islamic world should take stock and determine how we are holding up, coping, and keeping apace with the challenges of a global industry revolution. Although Islamic Finance is anchored on principles and core values enshrined in the Holy Qur’an and the Sunnah, which are practically etched in stone, we recognize the fact that failure to adapt to present realities stands to leave us stranded and marooned on the shore, or lagging behind while the rest of the world eagerly sets sails or takes great strides in the march of progress.

On the other hand, the taking of stock seems crucial to ascertain how faithful we have been to the philosophical underpinnings of Islamic Finance, which means we go back to the primary sources. Much as we wish for seamless transitions or smooth passages from where we stand now to a global industry, for example, these do not come easy. In fact, there are issues and gray areas that I hope will be taken up in this Conference like the enforcement of zakah and how, and how it can help in alleviating poverty, the questions of profit, competition and control in business, and the line between halal and haram in investment (when does a halal investment become haram?).

It is my hope, too, that the Conference will be more productive of answers than of questions, and the discourses of the speakers bring greater enlightenment to the participants and all stakeholders.

Finally, the Mindanao State University looks forward to more collaborative efforts of this kind. Meaningful high-level discourse expected to ignite sparks can generate critical ideas for a more stable Islamic Finance and greater economic development.

My best wishes for the success of the Conference.

HABIB W. MACAAYONG
DPA President MSU System



Assalamu'alaikum Warahmatullah Wabarakatuh

It is a privilege for Tazkia University College of Islamic Economics to be co-hosted at the 7th ASEAN Universities International Conference on Islamic Finance that held on December 3rd & 4th 2019 at University of Darussalam Gontor. Tazkia University College of Islamic Economics is a pioneer of the development of Islamic economics and finance in Indonesia. Our joining in this event was a manifestation of our vision to become a world class university in 2025.

Tazkia University College of Islamic Economics has contributed to the development of Islamic Economics and Finance in Indonesia since 2 decades ago. We helped convert the 25 banks and conventional insurance to full fledged Islamic Banking. Besides that, Tazkia University College of Islamic Economics also empowers the grassroot by creating "Tazkia Islamic Village" located in Babakan Madang, Bogor Regency.

In the future, our joining in AICIF will contribute to strengthening Islamic Economic & Financial resilience in ASEAN through collaborative research, so that research is appropriate and supports the advancement of science in ASEAN moreover in the World.

We congratulate University of Darussalam Gontor as a Host from this conference and wish for the smooth running of this event so that the 7th AICIF theme is "Revival of Islamic Social Finance to Strengthen Economic Development Towards a Global Industry Revolution" can be achieved together.

Best Regards,

DR. MURNIATI MUKHLISIN M. ACC

RECTOR OF STEI TAZKIA

TABLE OF CONTENT

FOREWORDS	vi
TABLE OF CONTENT	xv

ISLAMIC SOCIAL FINANCE

TYPES OF CHICANERIES REGARDING MURABAHA CONTRACTS IN ISLAMIC BANKS: AN ANALYTICAL STUDY

Abdulmajid Obaid Hasan Saleh ¹ , Anwar Hasan Abdullah Othman ² and Abdoul Razzak Kaba ³	1
--	---

الوقف وأهمية تفعيله كأداة في التمويل الاجتماعي المعاصر

El Fedil Abdullah Eldersevi ¹ and Fatime Muhammed Cuneyt Eldersevi ²	4
--	---

تحليل سلوكيات المستهلكين العناية بالبشرة المنتجات الخدمة في قانون المستهلك وحماية الفتوى جمعية العلماء الإندونيسيين

Amin Fitria ¹ , Annisa Silfi Kusumastuti ² , and Euis Nurkholifah ³	5
--	---

أسلمة أخلاقية العمل

Euis Nurkholifah ¹ and Annisa Silvi Kusumastuti ²	6
---	---

دور مؤسسات المالية الإسلامية في تحقيق أهداف التنمية المستدامة : البنك الإسلامي للتنمية نموذجاً

Hazim Sasse ¹ and Azman Mohd Noor ²	7
---	---

دور الوقف في مواجهة الثورة الصناعية الرابعة

Aulia Maulida ¹	8
----------------------------------	---

ZAKAH EXECUTION AND ITS INFLUENCE ON THE RECIPIENTS AS PERCEIVED BY THE FIRE PERSONNEL OF LANA DEL SUR

Naim S. Noor and Monara M. Maruhom	9
--	---

ESTABLISHING WAQF STUDENT HOUSE

Furqonul Haq ¹ and M. Zainul Wathani ²	10
--	----

SOCIAL ACTIVITIES EFFECT ON HOUSEHOLD ENTERPRISE, A DESCRIPTIVE ANALYSIS FORM EAST INDONESIA

Riswanti Budi Sekaringsih ¹	11
--	----

AWARENESS OF MAIN OBJECTIVE OF ZAKAT TO ALLEVIATE POVERTY

Muhd Zaki Hj Zaini	12
--------------------------	----

ISSUES AND CHALLENGES IN FINANCING THE POOR: LESSONS LEARNED FROM ISLAMIC MICROFINANCE INSTITUTIONS

Salina Kassim ¹ and Norizan Satar ²	13
---	----

A MODEL TO IMPROVE ISLAMIC COMMUNITY SOCIAL IDENTITY AND SMES PERFORMANCE	
Ardian Adhiatma, Riski Aska Nafsian	14
CRITICAL THINKING FRAMEWORK OF ZAKAT REGULATION TO SUPPORT TAX COMPLIANCES: COMPARISON OF INDONESIA AND MALAYSIA	
Provita Wijayanti ¹ , Wahyu Setyawan ² , and Dian Esa Nugrahini ³	15
INCREASING THE ACCEPTANCE OF ZAKAT BASED ON ZAKAT LITERACY AND GOOD CORPORATE GOVERNANCE	
Mochammad Tholib ¹ and Mutamimah ²	16
IMPACT OF WAKAF IN THE PEOPLE'S ECONOMIC WELFARE	
Syamsuri and Amin Fitria ²	17
THE INSTRUMENTATION OF SHADAQAH FUNDS AS A MEANS OF MOSQUE BASED COMMUNITY EMPOWERMENT	
Widiyanto bin Mislan Cokrohadisumarto ¹ and Yuli Indah Sari ²	18
ISLAMIC SOCIAL REPORTING DISCLOSURE : SHARIA ENTERPRISE THEORY (SET) PERSPECTIVE	
Hani Werdi Apriyanti	19
ACHIEVING ISLAMIC SOCIAL FINANCE GOALS THROUGH ZAKAT, WAQF, AND SADAQA IN SELECTED COUNTRIES: ISSUES AND CHALLENGES	
Dzuljastri Abdul Razak ¹ & Qosdan Dawami ²	20
SOCIAL ENTERPRISE AND WAQF: AN ALTERNATIVE SUSTAINABLE VEHICLE FOR ISLAMIC SOCIAL FINANCE	
Noor Suhaida Kasri ¹ and Siti Fariha Adilah Ismail ²	21
WAQF PRACTICES AND ITS SUSTAINABILITY: THE CASE OF UNIVERSITI SAINS ISLAM MALAYSIA	
Mariam Saidona Tagoranao¹, Alizaman D. Gamon² and Lutfi Muhammad Zain³	22
A REVIEW OF ZAKAT PRACTICES OF ISLAMIC FINANCIAL INSTITUTIONS IN MALAYSIA	
Moutaz Abojeib ¹ , Burhanuddin Lukman ² , Mezbah Uddin Ahmed ³ and Mahadi Ahmad ⁴	23
PROFILING THE COMPETENCY OF NAZHIR WAQF: A CONCEPTUAL PAPER	
Yayan Firmansah ¹ , Lathiefa Rusli ² , Hartomi Maulana ³	24
KAMISEDEKAH: AN INNOVATION PROGRAM IN ISLAMIC SOCIAL FINANCE INSTRUMENTS	
Nihayatul Masykuroh ¹ and Asep Dadan Suganda ²	25

ZAKAT COMMUNITY DEVELOPMENT AS THE KEY OF PRESSING POVERTY
NUMBERS IN BANYUASIN REGENCY, SOUTH SUMATERA (*MAQASHID SYARI'AH
APPROACH*)

Abdullah Sahroni26

EXPLORING POLICY FORMULATION IN INDONESIAN WAQF SECTOR: AN
ORGANIZATIONAL LEGITIMACY PERSPECTIVE

Lisa Listiana¹, Syed Musa Alhabshi², Ahmad Zamri Osman³27

EFFORTS TO FULFILL SHARIA HOUSE OWNERSHIP; BANKLESS SOCIAL SYSTEM
(STUDY ON 2 SHARIA HOUSING IN BOGOR, INDONESIA)

Asfi Manzilati¹, Fawri Nashr²28

THE INFLUENCING OF WAQF UNDERSTANDING THROUGH INTERNATIONAL
CENTER FOR AWQAF STUDIES INDONESIA

Ahmad Fanani¹ and Norhazlin Muhammad²29

A CONCEPT OF ZAKAT IN ISLAMIC ECONOMIC PERSPECTIVE (HISTORICAL
STUDY)

Soritua Ahmad Ramdani Harahap¹, Muhammad Ulul Azmi², Dadang Irsyamuiddin³,
Mohammad Ghozali⁴, Syamsuri⁵30

ROLE OF FAY 'IN BUILDING THE ISLAMIC PUBLIC FINANCE (SHARIA
ECONOMIC HISTORICAL STUDY)

Mohammad Ghozali¹, Syamsuri², Muhammad Ulul Azmi³, Dadang Irsyamuiddin⁴,
Soritua Ahmad Ramdani Harahap⁵31

ANALYSIS ON STRATEGIES IN OPTIMIZATION ZAKAT AS DEDUCTION OF
TAXABLE INCOME AT BAZNAS YOGYAKARTA

Salsabilla Ayu Wardhana32

ENHANCING STRATEGY FOR ISLAMIC MICRO FINANCIAL INCLUSION IN
INDONESIA.....33

Dzikrina Fikrotus Salma¹ & Thuba Jazil²33

ISLAMIC ECONOMICS

INVESTIGATING THE LEVEL OF INTEREST TO LEARN ISLAMIC ECONOMIC
PRINCIPLES IN LANA DEL SUR

Jawad Z. Salic¹ and Shahid Q. Manalundong²34

HOUSEHOLD SAVINGS, INDEBTEDNESS, AND ECONOMIC GROWTH: HOW
ISLAMIC ECONOMIC IMPLEMENTED IN OECD COUNTRIES

Galuh Tri Pambekti¹ and Rizaldi Yusfiarto²35

ISLAMIC POLITICAL ECONOMY AND SUSTAINABLE SOCIAL DEVELOPMENT
POLICIES: AN ANALYTICAL STUDY

Auwal Adam Sa'ad¹, Sayed Musa Alhabshi² & Salina Kassim³36

ENERGIZING INTELLECTUAL CONCEPT : ON THE PERSONALITY ULUL ALBAB SOLUTION TO ECONOMIC CRISIS	
Zulkifli ¹ , Tatiek Nurhayantie ² ,Widodo ³ , and Ayu Widya Wardani ⁴	37
IMPACT OF ISLAMIC RELIGIOUS REVENUES ON ECONOMIC DEVELOPMENT ACROSS STATES IN MALAYSIA	
Abdul Ghafar Ismail, Syahrul Annuar Ali, and Muhammad Hasbi Zaenal	38
THE INFLUENCE OF ISLAMIC ECONOMIC LITERACY ON THE PURCHASING POWER OF UNIDA’s STUDENTS IN UNIT USAHA UNIDA (U3)	
Ahmad Lukman Nugraha ¹ , Arie Rachmat Soenjoto ² , and Adib Susilo ³	39
POTENTIAL OF SHARIA FINANCIAL INSTITUTIONS IN SUPPORTING INDONESIA'S ECONOMIC GROWTH	
Annas Syams Rizal Fahmi ¹ and Fikri Muhammad Arkhan ²	40
DEFINITION OF ISLAMIC MUTUAL FUNDS AS AN INDICATOR OF THE ECONOMY OF THE UMMAH	
Annas Syams Rizal Fahmi ¹ , May Shinta Retnowati ² , Muhammad Ilham Amrullah ³	41
DISTRIBUTION AND COLLECTION’S ETHICS OF KHARRAJ FOR ISLAMIC PUBLIC FINANCE (A HISTORICAL STUDY OF LAND TAX FROM THE ROMAN EMPIRE TO THE ABBASID ERA)	
Mohammad Ghozali ¹ , Dadang Irsyamuiddin ² , Muhammad Ulul Azmi ³ , and Soritua Ramdhani Harahap ⁴	42
THE INFLUENCE OF MONETARY INSTRUMENT TOWARD MONEY DEMAND M2 UNDER DUAL BANKING SYSTEM IN INDONESIA PERIOD 2015-2018	
Imam Haryadi ¹ and Vinny Kurniati ²	43
 ISLAMIC BANKING, FINANCE, AND CAPITAL MARKET	
POTENTIAL OF ISLAMIC DEBT SALE-BASED FINANCING IN A FORM OF BAY’BITHAMAN AJIL (BBA) AND MURABAHAH IN RECONSTRUCTING AND REBUILDING MARAWI CITY AFTER THE SIEGE	
Minombao Ramos-Mayo, Salma Esmael and Abdalcader M. Ayo	44
SUKUK FINANCING: A VIABLE STRATEGY TO FINANCE THE RECOVERY AND REBUILDING OF MARAWI AFTER THE SIEGE	
Abdalcader M. Ayo ¹ , Atty. Saaduddin M. Alauya, Jr. ² and Minombao Ramos-Mayo ³ ..	45
AWARENESS ON ISLAMIC ACCOUNTING AMONG FIRST YEAR ACCOUNTANCY STUDENTS IN MARAWI CITY, PHILIPPINES	
Papala P. Masorong	46
SHARIAH AUDIT FOR ISLAMIC FINANCE INDUSTRY IN REVOLUTION INDUSRTY 4.0: A PART OF RELIGIOUS CONFESSION	
Abdurrahman Raden Aji Haqqi.....	47

DETERMINANTS OF ATTITUDE AND INTENTION OF BANK EMPLOYEES TOWARDS CONVERSION TO FULL-FLEDGED ISLAMIC BANKING IN LIBYA Mohamed A. M. Abdelrahim El-Brassi ¹ , Syed Musa Alhabshi ² , Anwar Hasan Abdullah Othman ³	48
THE ESTABLISHMENT OF ISLAMIC FINANCE AND ITS IMPACT IN THE BANGSAMORO AS PERCEIVED BY SELECT ULAMA AND PROFESSIONALS IN LANAO DEL SUR Anwar M. Radiamoda.....	49
KNOWLEDGE AND ATTITUDES TOWARDS ISLAMIC BANKING IN THE PHILIPPINES Sahraman D. Hadji Latif	50
DO BANK CUSTOMERS PREFER PROFIT SHARING INVESTMENT ACCOUNTS? A PROPOSED CONCEPTUAL FRAMEWORK Romzie Rosman, Isah Ya’u and Anwar Hasan Abdullah Othman	51
AN ANALYSIS ON THE CHANGING OPERATIONAL NATURE OF BAITUL MAAL INSTITUTIONS IN INDONESIA Adi Saifurrahman ¹ and Salina Kassim ²	52
CHALLENGES FACED BY MALAYSIAN ISLAMIC BANKS IN TREATING SHARIAH NON-COMPLIANCE EVENTS Hani Nabila Omar ¹ and Prof. Dr. Rusni Hassan ²	53
ISSUES AND CHALLENGES IN ISLAMIC ESTATE PLANNING IN MALAYSIA Azi Haslin Abdul Rahman ¹ and Rusni Hassan ²	54
ACHIEVING THE MAQASID OF ISLAMIC FINANCE THROUGH SOCIAL IMPACT BONDS (SIB) AND SUSTAINABLE AND RESPONSIBLE INVESTMENT (SRI) SUKUK Syed Marwan ¹ , Aslam Haneef ² , Engku Rabiah Adawiah ³ and Suhaiza Ismail ⁴	55
EXTERNAL FINANCING AND FINANCIAL LITERACY THE IMPLICATIONS FOR PERFORMANCE IMPROVEMENT (A CASE STUDY IN FURNITURE SMES CENTRAL JAVA JEPARA INDONESIA) Ibnu Khajar.....	56
RETHINKING THE PARADIGM OF ISLAMIC BANKING: INTEGRATED OF PROFIT AND SOCIAL ORIENTED Nurizal Ismail ¹ and Siti Aisyah ²	57
ZAKAT MANAGEMENT FOR POVERTY ERADICATION Budhi Cahyono.....	58
PREDICTING RENTAL YIELD FOR THE BENCHMARK PRICING OF EQUITY HOME FINANCING Nur Harena Redzuan ¹ , Salina Kassim ² , Rosylin Mohd Yusoff ³ , and Anwar Hasan Abdullah Othman ⁴	59

THE EFFICIENT FINTECH OF INDONESIAN ZAKAT INSTITUTION BASED ON MUZAKKI'S PSYCHOLOGY

Farikha Amilahaq60

THE ROLES OF SHARIAH GOVERNANCE AND REGULATORY FRAMEWORK FOR DEVELOPMENT FINANCIAL INSTITUTION: THE CASE OF EXPORT-IMPORT BANK OF MALAYSIA (MEXIM)

Hafiza Harun¹ and Muhammad Hafiz Shmsuddin²61

COMPARATIVE ANALYSIS OF FINANCIAL PERFORMANCE OF ISLAMIC BANKS AND CONVENTIONAL BANKS

Bahrain Pasha Irawan62

DOES ISLAMIC FINANCING REALLY BENEFICIAL FOR MSMEs IMPROVEMENT? – EMPIRICAL EVIDENCE OF MSMEs IN SEMARANG, INDONESIA

Mutoharoh¹ and Naila Najihah²63

ANALYSIS OF SHARIAH ENTERPRISE THEORY IN FINANCIAL STATEMENT FOR ISLAMIC ENTITIES (BASED ON SHARIA FINANCIAL REPORTING STANDARD IN INDONESIA)

Naila Najihah¹, Mutoharoh² and Maya Indriastuti³64

AN ANALYSIS OF FACTORS AFFECTING ISLAMIC SOCIAL REPORTING (EMPIRICAL STUDY ON JAKARTA ISLAMIC INDEX (JII) IN INDONESIA ON 2014-2016)

Sri Dewi Wahyundaru¹65

COMPARATIVE ANALYSIS OF CALCULATION OF INCOME TAX ARTICLE 21 AND ZAKAT

Tutut Adiningsih¹ and Ronan Roby Cahyandi²66

THE ROLE OF THE INTERNATIONAL ORGANIZATION OF SECURITIES COMMISSION (IOSCO) AND ISLAMIC FINANCIAL SERVICES BOARD (IFSB) IN PROGRESSING SUKUK IN BRUNEI DARUSSALAM

Haji Suhaili Bin Haji Momin67

ANALYSIS OF TOP UP BANKING TRANSPARENCY REVIEWED FROM ISLAMIC ECONOMICS

Rahma Yudi Astuti68

BUILDING THE OPTIMAL LEVEL OF PRESSURE FOR THE RESILIENCE OF ISLAMIC BANKING IN INDONESIA

Dimas Bagus Wiranatakusuma, Jarita Duasa and Satria Malik69

OPERATIONAL RISK ANALYSIS IN ISLAMIC MICRO FINANCIAL INSTITUTION BASED ON GRAMEEN MODEL

Hana Maulina Musyirah¹ and Ascarya²70

TRADING OF SHARES VIA SALAM CONTRACT: AN EXPLORATORY STUDY	
Silmi Binti Mohamed Radzi ¹	71
THE CHOICE BETWEEN BOND AND SUKUK: EVIDENCE FROM ASEAN-3 COUNTRIES	
Ryan Kusuma Wardhana ¹ and Rahmat Heru Setianto ¹	72
CONVERSION OF SAVINGS AND LOAN COOPERATIVES INTO SYARIAH IN THE PERSPECTIVE OF EMPLOYEES AND BOARD OF DIRECTORS BY ADKAR MODEL	
Mukhamad Yasid ¹	73
INTRODUCING MUSAWAMAH TO INDONESIAN RETAIL ISLAMIC BANKING SYSTEM: A PRELIMINARY INVESTIGATION	
Muchammad Taufiq Affandi ¹ , Setiawan Bin Lahuri ² , Y Suyoto Arief ³ , Mulyono Jamal ⁴ , and Royyan Ramdhani Djayusman ⁵	74
 ISLAMIC MANAGEMENT AND FINTECH	
IMPACT OF DIGITAL SHARIA BANKING SYSTEMS ON CASH WAQF AMONG MILLENNIAL GENERATIONS	
Izra Berakon ¹ , Hendy Mustiko Aji ² , and Muhammad Riza Hafizi ³	75
THE RELATIONSHIP BETWEEN ENTREPRENEURSHIP AND IMPROVING YOUTH EMPLOYMENT: A STUDY OF EAST AND SOUTH ASIA	
Nurul Nabilah Haji Ali	76
SERVICE QUALITY ON CUSTOMERS' SATISFACTION AND LOYALTY: SURVEY EVIDENCE ON MEDIATION ROLE OF TRUST IN ISLAMIC BANKS	
Razali Haron ¹ , Noradilah Abdul Subar ² and Khairunisah Ibrahim ³	77
ISLAMIC LONG-LIFE LEARNING (I3L): A POWERFULL STRATEGY TO INCREASE ADAPTIVE SELLING CAPABILITY	
Ken Sudarti ¹ , Olivia Fachrunnisa ² , Wahyono ³	78
SPIRITUAL-INNOVATIVE LEADERSHIP AS A DRIVER FOR KNOWLEDGE SHARING AND EMPLOYEES SPIRITUAL WELL-BEING IN THE DIGITAL ERA	
Nurhidayati ¹	79
INTEGRATED SUKUK BASED WAQF IN PESANTREN: A MODIFIED GENERIC MODEL	
Atika Rukminastiti Masrifah ¹ and Khoirul Umam ²	80
THE DETERMINANT OF EARNING PERSISTENCE IN COMPANIES LISTED ON JAKARTA ISLAMIC INDEX	
Winarsih ¹ and Rachmadu Krissie ²	81
THE ROLE OF ISLAMIC CORPORATE GOVERNANCE IN PREVENTING FRAUD	
Nunung Ghoniyah ¹ and Sri Hartono ²	82

NEW INTEGRATED FINANCIAL TECHNOLOGY MODEL ON ISLAMIC SOCIAL FINANCE FOR ECONOMIC DEVELOPMENT	
Mutamimah ¹ and Hendar ²	83
THE INGREDIENTS OF MARKETING MIX (4C'S) AND COMPLIANCE SHARIA IN CONJUNCTION TO CUSTOMER PURCHASE INTENTION ON THE PRODUCT OF SMALL MEDIUM ENTERPRISE (AREA OF RESEARCH IN CULINARY)	
Sutopo ¹ , Yaser Syamlan ² , and Syamsul Huda ³	84
EYE CATCHING PROMOTION, ALLIGNING HUMOUR ENDORSEMENT TOWARDS PURCHASE INTENTION OF MOSLEM MERCHANDISE	
MA Irfan Rahmana ¹	85
OPTIMIZATION OF HUMAN RESOURCES PERFORMANCE WITH INFORMATION TECHNOLOGY AS MODERATING VARIABLE	
Diah Ayu Kusumawati	86
THE ROLE OF MUSLIM FAMILY AWARENESS FOR HUMAN DEVELOPMENT: A CASE STUDY OF SOKOTO STATE, NIGERIA	
Sambo Shehu	87
THE EFFECT OF BUDGET CLARITY, ACCOUNTING CONTROL AND REPORTING SYSTEM ON ACCOUNTABILITY OF GOVERNMENT PERFORMANCE IN PATI	
Ahmad Rudi Yulianto ¹ and Osmad Muthaher ²	88
ROLE OF ISLAMIC LEADERSHIP ON TEACHER PERFORMANCE	
Siti Sumiati ¹ and Erni Yuvitasari ¹	89
DEVELOPMENT OF THE EQUILATERAL AGILITY CONCEPT TO IMPROVE THE ADVANTAGES OF COMPETITIVE SHARIA BANKS IN SEMARANG CITY	
Lutfi Nurcholis ¹ and Budhi Cahyono ²	90
AN EMPIRICAL STUDY OF TAX WILLINGNESS	
Devi Permatasari	91
ROLE OF ISLAMIC WORKING ATTITUDE IN MODERATING THE RELATIONSHIP BETWEEN REGIONAL FINANCIAL ACCOUNTING SYSTEM AND INTERNAL SUPERVISION ON LOCAL GOVERNMENT PERFORMANCE	
Khoirul Fuad ¹ and Retno Tri Handayani ²	92
SERVICE-DOMINANT ORIENTATION ON MARKETING CAPABILITY AND BUSINESS PERFORMANCE	
Hendar ¹	93
ENABLING SUSTAINABILITY THROUGH KNOWLEDGE MANAGEMENT OF ISLAMIC SOCIAL FINANCE: THE EXPERIENCE OF UNIVERSITAS DARUSSALAM GONTOR, INDONESIA	
Suhaimi Mhd Sarif ¹ , Yayan Firmansah ² , Muhammad Kurnia Rahman Abadi ³	94

PERFORMANCE ASSESSMENT OF EMPLOYEE ON LIBRARY AT UNIVERSITY OF IBNU SINA USING THE GAP FUZZY ANALYSIS METHOD BASED ON EXPERT SYSTEM	
H. Mustaqim Syuaib ¹ and B. Herawan Hayadi ²	95
HUMAN RESOURCE DEVELOPMENT AND EMPLOYEE PERFORMANCE IN UNIVERSITY OF IBNU SINA	
Sabri ¹ , Sumardin ² , and Mulyadi ³	96
ANALYSIS OF MACROECONOMICS FACTOR AFFECTING JAKARTA ISLAMIC INDEX	
Tri Wijayanti Septiarini ¹ , Muhamad Rifki Taufik ¹ , Mufti Afif ¹ , and Atika Rukminastiti Masrifah ¹	97
COMPARISON OF ACCOUNTING STUDENT PERFORMANCE HAVING PERSONALITY INFLUENCE ON TYPE A AND B IN UNIVERSITY OF IBNU SINA	
Andi Auliya Ramadhany ¹ , Andi Hidayatul Fadlilah ² , and Muhammad Sapuan ³	98
BUSINESS MODEL IN ISLAMIC MICROFINANCE : SUPPORTING BMT INNOVATION	
Fajar Surya Ari Anggara ¹ and Roghiebah Jadwa Faradisi ²	99
THE INFLUENCE OF ISLAMIC BUSINESS ETHICS ON PARTNERSHIP PERFORMANCE (CASE STUDY ON OMAR SMART BRAIN COMPANY 2018)	
M Arief Hidayat ¹ , Abdul Latif ² , Azidni Rofiqo ³ , and M. Alfian Rumasukun ⁴	100
FINTECH CHALLENGES IN INDONESIA AND CONTRIBUTIONS TO FINANCIAL INCLUSION	
M. Kurnia Rahman Abadi	101
DOES RELIGIOSITY MODERATE THE INFLUENCE OF TRUST ON THE INTENTION TO USE SHARIA BANKING PRODUCTS	
Budi Setyanta ¹ and Dhika Amalia Kurniawan ²	102
ANALYSIS OF MAQASHID SHARIA INDEX (MSI) AGAINST CONSUMER BEHAVIOR PATTERNS	
Miftahul Huda ¹ , Achmad Fajaruddin ² , Arie Rachmat Sunjoto ³ , Mufti Afif ⁴ , Andi Tryawan ⁵ , Ahmad Lukman Nugraha ⁶	103
FORMING WAQF BEHAVIOUR BASED ON THEORY OF PLANED BEHAVIOUR: A CONCEPTUAL PAPER	
Muhammad Fazl Rahman Anshori	104

Waqf Practices and Its Sustainability: The Case of Universiti Sains Islam Malaysia

Mariam Saidona Tagoranao¹, Alizaman D. Gamon² and Lutfi Muhammad Zain¹

¹Universiti Sains Islam Malaysia, Malaysia

²International Islamic University Malaysia, Malaysia

Keywords: Waqf Practices, USIM Pusat Waqf Dan Zakat, Sustainability.

Abstract: Waqf practices in the higher education has been adopted in the past centuries by well-known Islamic universities in the world for educational financial sustainability. In Malaysia, for the past few years, some of the government higher educational institutions have implemented the waqf system under the Malaysia Higher Education Blueprint 2015-2025 (MEB) to ensure the universities long-term sustainable funds. But before the MEB was implemented, the Universiti Sains Islam Malaysia (USIM) has developed its own Waqf Center in 2013 as a sustainable funding for the university's programmes and activities. The USIM Waqf and Zakat Centre (PWZ) has been well-developed through its Cash Waqf, Site Waqf and Education Waqf programmes. The objectives of this paper will explore the sustainability of the University waqf programmes and activities to the students and other target group of beneficiaries. For this purpose, analysis of the waqf implementation in other higher educational institutions in the Southeast Asia region will be undertaken. In this study, the data collection will include observation, interview and library documents and texts. The result of the research will analyse the impressive sustainability programmes and activities (students' residential college, health specialist clinic, mosques, hospital and mobile clinic) that have been implemented by USIM as mutawalli. The paper forms a part of an ongoing research on the importance of waqf in enhancing the universities income generation.

1 INTRODUCTION

Background

The *waqf* development in the universities is not relatively new in the Muslim world. Its evolution can be found in the Muslim and non-Muslim countries in several decades prior to colonial era. Waqf in the educational institutions has a long historical roots that can be traced back at the time of the Islamic Golden Age. There are many old famous high educational institutions, such as Al Azhar University in Egypt (970 AD), the Al-Qarawiyin University in Fez, Morocco (859 AD) and the Merton College, Oxford (1274) which were founded through the *waqf* system. Knowing the dynamics roles of *waqf* institution in the transformation of Muslim societies, particularly in the ASEAN region, there is a need to explore the sustainability of *waqf* programs in the Islamic higher education, particularly on its contribution to research, students'

scholarships as well as health and religious services to the Muslim communities.

Tracing the origin of *waqf* is not the prime concern of the study. Rather, it would be sufficient to recognize its development and sustainability in response to the increasing demand for contemporary education and research financial problems. The sustainable *waqf* system, which the higher educational institution had introduced is generally regarded as incomparable with other man-made institution i.e. charity, since its operation and management is deeply imbedded with Islamic worldview. *Waqf* becomes a holistic instrument in upgrading the legal, social and economic growth of Islamic educational institutions. In the olden days, waqf funds became the only financial source for Muslim schools maintenance, teachers and scholars sustenance by providing them a secure means of livelihood, and gave them the freedom to engage in research and produce considerable scholarly output that contribute to the development of the Muslim cultural and scientific activities. Another way of

fulfilling the functions of waqf was collecting cash from individuals and some private institutions to build schools or classrooms for disadvantaged students. It becomes an important part for educational institutions in fulfilling their responsibilities for the welfare of the society.

The waqf practices and its development in the higher education within the context of Malaysia as a secular state has always been an appealing subject to many researchers. The Malaysia Higher Education Blueprint 2015-2025 and the collaborative efforts of the universities are instrumental towards the development and sustainability of waqf practices in their respective campuses. The University Sains Islam Malaysia is one of the public universities that has been empowered in essence to become a *mutawalli* or waqf administrator in uplifting the socio-economic development of the *ummah*. The gradual success and sustainability of waqf practices in the Universiti Sains Islam Malaysia has no doubt, been inspired by other waqf educational institutions in the Muslim world. USIM becomes one of the pioneering forefront for waqf financing when Dato' Prof. Dr. Asma Ismail was the Vice Chancellor of the University. She was inspired to share the knowledge and experience of the Singapore Islamic Religious Council for the successful implementation of waqf management innovations (USIM, Website). USIM has also visited the Universitas Muhammadiyah and Universitas Darussalam in Indonesia which are fully established through waqf.

The Centre for Awqaf Financing Development of USIM started to operate on March 2013 with a total number of three (3) workers. On July 23, 2013, the Majlis Agama Islam Negeri Sembilan (MAIS) recognised the USIM Waqf Centre as a "*mutawalli*", where it was given a power to deal with the fundraising as well as the distribution of the waqf properties in Negeri Sembilan. The USIM academic staff and administrators are made to understand the concept behind *waqf* particularly the increasing realization of the need for support and subsidy for the poor university students and other purpose for the welfare of the needy people.

Objective

The main objective of the study is to explore and examine the sources and factors that contributed to the development and sustainability of USIM Waqf Centre and its activities, particularly on education and health matters. It will determine the growing need for an innovative waqf financing mechanism for socio-economic development. It will also identify the appropriate level of sustainable waqf

financing for other programs and activities in USIM campus. Issues and challenges faced by the Waqf centre as a *mutawalli* will be identified. The study will assess the persistence participation of the University stakeholders and the engagement of local financial institutions in providing quality services to the Muslim *ummah*. The goals and missions by the University on waqf management are mostly achieved particularly after zakat has been integrated to the USIM Waqf centre. The USIM Centre for Awqaf Financing Development has been restructured and renamed as the "Pusat Wakaf dan Zakat (PWZ)". But the contribution for zakat and its distribution will not be discussed in this study.

2 LITERATURE REVIEW

Islamic Relevant Sources

The important concepts for waqf management and development are based on the principles of perpetuity, inalienability and irrevocability of waqf properties. As the Qur'an says to the effect, O ye who believe! Give of the good things which ye have (honourably) earned, and of the fruits of the earth which we have produced for you, and do not even aim at getting anything which is bad, in order that out of it ye may give away something, when ye yourselves would not receive it except with closed eyes. (Surah Al Baqarah, 2:267), Another important Qur'anic verses on waqf provides "And spend of your substance in the cause of Allah, and make not your own hands contribute to (your) destruction; but do good; for Allah loveth those who do good" (Surah Al Baqarah, 2:195. During the time of the Prophet (s.a.w), it was reported that Umar ibn al-Khatib had a land in Khaibar. He consulted the Prophet on what to do with it. The Prophet said, "If you like you can give it in charity (as an endowment). So Umar gave it in charity as an endowment on the condition that it should neither be sold, nor given to anybody as a gift. (Dar al kotob al Ilmiyyah, 2008) Another Hadith was reported by Muslim from Abu Huraira (r.a) that the Prophet (saw) said: when a son of adam dies, so does their deeds except for three things: alms giving, benefited knowledge and pious son who pray for them (Şaḥīḥ Muslim 1631). It has been narrated that Mukhairiq made his will that his seven orchards in Madinah be given after his death to Prophet (saw). After his death, the Prophet distributed the property to the poor and the needy .

One of the famous story on waqf at the time of the Prophet (saw) was the case of of a water well bought by Uthman (*Radiyahallahu 'anhu*) in Madinah during first year of Hijra. The well was originally belonged to a Jew who used to sell the water to the poor and needy people of Madinah at an exorbitant price. The Prophet (saw) promised Paradise to the person who would buy the well and donate it to the residents of that city. Upon hearing this, Sayyidina Uthman at once set out for the owner and purchased the well in two instalments, paying a total sum of 38,000 silver dirham, which was a hefty sum of money at the time. He then registered the well as *waqf* and allowed everyone, Muslim and non-Muslim, to draw water for free (Nazrin Muizuddin Shah, 2018). The well became a sustainable waqf property that has been used by the people until the present time in watering the surrounding farmlands and other tress including the date palms. In fact, the *mutawalli*, have invested the money or the income of fifty millions (Saudi Riyal) from the products produced by the farm and other waqf investment related to the use of the water well.

Related Studies

Waqf practices today may not be totally the same with the previous traditional practices by considering the present requirements and innovations needed for a corporate and professional waqf management like in the case of Singapore experience. The Majlis Ugama Islam Singapore (MUIS) through its subsidiary Warees Investments Pte. Limited successfully developed the wakaf land on Bencoleen Street from an abandoned wakaf site to a commercial residential building (USIM Website). Another example to be considered that has been practiced is the cash transfer funds and the concept of a *sukuk musyarakah* by involving mutual funds between investors and MUIS. This practice provides a huge returns for the MUIS and able to finance the needs of the *ummah*.

Waqf sustainability has been widely and deeply discussed in some previous studies and research program. Rashed Al-Jayyousi explained that waqf fund can promote partnerships among all relevant players within and between countries of the world. In Malaysia, the state of Negeri Sembilan succeed in putting forward the waqf agenda to higher educational institutions. It supports the social and economic activities and other research and educational programs by the local government.

George Makdisi (1981) discussed all the rights and duties pertaining to the administration of waqf including the rebuilding and preservation of waqf

properties, distributing the proceeds among the objects of the waqf, paying its beneficiaries, taking all precautions to preserve the properties and handling all disputes and litigations. As an instance are the rights and duties which was delegated by the Majlis Agama Islam Negeri Sembilan to USIM as an administrator and *mutawalli* for the state's waqf properties. He defines the *mutawalli's* authority over the waqf properties and its proceeds. This is in accordance with the practices of the Prophet (saw) by appointing others somewhere else. But *mutawalli* must be established as responsible and with integrity as well as transparent and rational.

The special features of waqf properties ownership has been explained by Muhammad Nejatullah Siddiqi (1996) by clearly emphasizing that it is not a private or public property but vested on the Almighty. Therefore, it has to be guarded against irregularities such as, fraud, misappropriation and mismanagement by individuals or organisations. It should be the subject for public welfare and Shariah objectives under *maqasid As-Shariah*. Other universities in the West were successfully established through endowment or waqf properties which are not only favourable to the Muslims but also other people with different religions.

According to Hussein Elasrag, prudent waqf management requires preservation and development of waqf assets, investment and generation of returns, ensuring that the returns or benefits flow to the beneficiaries as intended by the *waqif*. He pointed out that investment of waqf assets can be a necessity to generate an income which can be avail of for other matters related to the real intent in creating the waqf.

As the high educational institutions are currently working for a long-term sustainable financial funds due to an increasing cost and financial constraint, the government provides in 2015 the Malaysia Education Blueprint (MEB) for the universities that laid out some shifts to spur continued excellence in Malaysia's higher education. It is a blueprint that provides the tools that can be used and develop by the public universities to acquire an income generations from collaborative activities. One of the important sources for income generation is waqf collection funds. MEB highlights the necessary elements to be achieved for sustainable waqf funds for government universities. The basic concepts and challenges on waqf practices have been discussed to guide the stakeholders.

The State Islamic Religious Council (SIRC) has been recognized under the State List, Ninth

Schedule of the Federal Constitution the right to govern and develop the *waqf* management of the state. The SIRC of Negeri Sembilan can be a *khalifa* or vicegerent to supervise the *waqf* institutions and create partnership with the higher educations to enhance good governance. The *waqf* management in the state is governed by the Waqf Enactment (Negeri Sembilan) 2005 (Enactment No. 5). This enactment has been utilized and implemented to enhance the management of Negeri Sembilan waqf institutions, including the USIM Waqf and Zakat Centre. The enactment is a state law that defines the appointment of *waqf* registrar, the establishment of waqf management committee, the creation of a wide range types of *waqf*, such as *waqf ahli*, *waqf irsod* and, *waqf muabbad* including stocks, cash *waqf* and *waqf* funds.

With the power vested on SIRC as a sole trustee of waqf properties in Negeri Sembilan, a Memorandum of Understanding was signed between them and USIM on 21 January 2014 to jointly develop a number of projects to nurture the waqf culture especially through the establishment of the USIM Medical Specialist Clinic and the Haemodialysis Clinic (M, 2018). SIRC assigned the amount of RM1 million through USIM as a waqf grant. Another RM1 million was allocated for *qardhul hassan* to cover the costs of renovation and to purchase medical equipment for the medical, haemodialysis and special eye clinic. This loan has been already been paid after its few years operation.

3 ANALYSIS MODEL

The study utilizes the qualitative research methods. Inspired by the philosophy of integration of *Naqli* and *Aqli*, current literatures on Islamic and conventional social finance are consulted to understand waqf practices and its sustainability in the higher education. Various practices that had contributed to the development and sustainability of waqf centre in USIM are examined intensively. In-depth interviews with the officers of Pusat Zakat and Waqf in USIM had been conducted to assess the innovative financing mechanism and to understand the challenges faced the waqf centre as mutawalli. In addition, the blue print of Malaysian government in enhancing university income generation through endowment and waqf is examined to determine the sustainability of the programs and activities of waqf centers in USIM.

Development and Achievement of USIM Waqf Centre

The Universiti Sains Islam Waqf Centre has a great potential to achieve its own goals and missions because of having a dynamic nature in providing a continuous benefit to the social and economic development of the Muslim *ummah*. Although, waqf financing has been practiced in the past, but it is considered as something new in the context of USIM as a higher education. For the past few years, USIM was able to develop the best and most competitive model of financial development that gives a positive impact to education and health development. With the dedicated support of the SIRC to the USIM's waqf programs, right incentives in collecting the waqf endowment has been successfully implemented in the following ways:

- a. The *Wakaf Tunai* (Wakaf Al-Abrar Fund) or cash waqf has been practiced by collecting cash money from those who donated and who cannot endow a land or immovable properties. It is known as "*waqf musytarak*", which means, the gathering of several waqf endowment including money waqf. The cut-off salary and deduction from other claims are part of cash-waqf scheme. It provides an opportunity for the academic and administrative staff to take part in a charity as a kind of good deeds that will be rewarded in the Hereafter. The cash money has been used to fund the USIM Health Specialist Clinic for its medicinal, dental, primary care and haemodialysis. Other parts of the cash waqf has been used towards the development of mosques, hospitals, specialist clinics, student accommodations, Islamic kindergartens, playgrounds and many other aspects, all for the benefits of current and future generations (USIM Website).
- b. *Wakaf Tapak* or waqf site, refers to the endowed rental double-storey shop lots that accommodate the USIM Health Specialist Clinic (formerly named as USIM Eye Specialist Mobile Clinic) that provides health services among the needy people. It operates since 2015 to treat the asnaf patients who need a haemodialysis treatment due to an end-stage-renal disease.
- c. Education Waqf Programme is an endowment that has been contributed by different agencies beyond the USIM campuses and other donation from private individuals for the benefit of USIM undergraduate students who are not financially capable of maintaining their studies.

The main focus of the funding is for USIM to distribute and share the benefits for collective use. The scholarships are allocated for study fees, allowances, and other relevant financial assistance (USIM Website).

For the past few months, the PWZ was able to succeed in promoting the Wakaf and Zakat Boost by scanning the QR Code in a particular assigned strategic places around the main University campus. The cashless contribution from individual through Boost Application has increased the waqf collection from the past few months. Table 1 shows the amount collected from individuals by using the Boost QR Code from January-May 2019.

Table 1: Report on the contribution of individual waqf through BOOST.

Month	Contribution/Donation
January	-----
February	RM47.00
March	RM102.20
April	RM109.09
May	RM310.94

Source: *Al-Abrar Bulletin* 2019.

Cash wakaf scheme has been stated in Section 11 of Wakaf Enactment of Negeri Sembilan 2005. One of the methods to implement this Cash Wakaf Scheme is by salary deduction (*potongan gaji skim wakaf*). This scheme was introduced by USIM Wakaf Centre after it was established in 2013. The applicant staff needs to fill-up the application form and determine the amount to be deducted from the staff's monthly salary. Table 2 shows the amount deducted from the salary of 421 staff (out of 1,455 USIM staff) from January to May 2019.

Table 2: Report on Waqf collection from USIM staff's salary deduction.

Month (2019)	Contribution/Donation
January	RM12,238.00
February	RM13,722.00
March	RM14,411.00
April	RM14,956.00
May	RM15,659.00

Source: *Al-Abrar Bulletin* 2019.

Table 3: Report on Annual Waqf collection from USIM staff's salary deduction.

Year	Contribution/Donation
2015	RM68,280.00
2016	RM89,020.00
2017	RM123,040.00
2018	RM165,210.00
2019	RM85,629.00 (January-June 2019)

Source: *Al-Abrar Bulletin* 2019.

Table 3 shows the waqf contributions of USIM staff from 2015-to June 2019. The waqf funds have been used for USIM Specialist Health Clinic, the maintenance of the students' residence college and the Qur'anic Study Centre for Disabled people. Aside from funding those projects mentioned above, the PWZ has been providing financial funds and services to a number of educational and social activities such as:

- a. The Annual ASEAN Seminar on Mukhtamar Waqf Iqlimi, the "Waqf sustainability and Islamic Social Finance in Empowering Global Ummah Development". This seminar was held four times in Malaysia and Thailand for the past years. It disseminate information on the sustainability of establishing waqf that will strengthen the global community development by expanding the levels of teaching, research and industrial networking activities. The annual seminar was used to be co-sponsored by the Majlis Agama Islam Negeri Sembilan and other organisations and agencies.
- b. There are workshop sponsored by PWZ such as, Bengkel sumbangan projek pendanaan wakaf (Februari 14, 2019), Bengkel Pelan strategic dan Garia Panduan Zakat PWZ (March 28-30, 2019) and Bengkel Pemurniaan GARIS Panduan Agihan Zakat (April 26-28, 2019). These workshops were able to gather some experts on waqf and zakat to contribute their expertise to produce waqf products on education.
- c. One hundred deserving USIM students were given a free rebate and free prepaid on March 2019 for the purpose of helping them financially.
- d. With the help of Petronas in Bandar Baru Nilai, PWZ provided the free petrol for some motorists on May 2019.

Since January 2019, the USIM Wakaf and zakat centre have received the contribution from Perumahan Kinrara Berhad, Tenaga Nasional

Berhad, Etiqa General Takaful Berhad, Bank Islam Malaysia Berhad, Maybank Islamic Berhad and Swiss Retakaful as well as Syarikat Takaful Malaysia (Al-Abrar Bulletin, 2019).

Analysis

The increasing amount of waqf contribution every month through Boost and also the salary deduction from the USIM staff implies the growing awareness on the importance of waqf and its benefit to the beneficiaries and the *waqif* or donors. It shows that Muslims are encourage to cultivate the Islamic culture of sharing for charitable purposes for the sake of the *Ummah*. Through Boost and deduction from the staff's salary, they are able to practice the waqf in their lifetime based on the concept of *mahabbah* or love and brotherhood, although they cannot afford to provide a high-valued waqf properties such as, lands, houses, and others.

With the trust and transparency that have been shown by PWZ as a *mutawalli*, the government and private agencies have extended their support to the different activities sponsored by PWZ. The health services brought by USIM Specialist Medical Clinic to 2,690 patients over the period 1st January 2016 to 8 June 2018 may have developed an effort to trust the waqf system in a higher educational institution. In fact, the observed success of PWZ in providing the medical and dental services has brought the attention of Perbadanan Nasional Berhad to contribute the RM700 thousand waqf fund for the purchase of two intermediate shop-lots, premises for the USMC and USIM-MAINS Haemodialysis Centre (Muhd. Fadzli Rosli, 2018).

The PWZ was able to sponsor the activities with a high positive impact to the development and sustainability of University. It becomes a dedicated unit that support the income-generating programmes and incentives of the University. In 2019, PWZ has given much attention and planning in developing the students' comfort as part of intellectual capital through the building of students' hostel, the Ummi Maktum Research Centre and the students' medical hospital (Al-Abrar Bulletin, 2019).

In spite of those increasing amount of contribution and additional number of people joining the waqf practices, there are other normal issues to be considered that usually associated with waqf management in SIRC including the PWZ, such as, the workforce is still at a low level compared to other states (Johor and Selangor) with a more systematic management. There is a need to increase the number of staff and experts in relation to the different programs and activities handled by the

institution. Another challenging issue, is how to maintain the participation and cooperation given by the public in continuing their waqf contribution. In order to overcome this problems, the SIRC and the PWZ must work hard in promoting more awareness as to the benefits of waqf and also to develop more sustainable activities for public purposes.

4 CONCLUSION

Conclusion

The study shows that creation of waqf funds in a higher educational institution can increase its dynamic and sustainable programs for social and economic development. The PWZ strategies and initiatives for the past years have assisted the Universiti Sains Islam Malaysia to expand its economy and also promote the marketing agenda in attracting more agencies and organizations to provide financial assistance to the objectives and missions of the PWZ. In conclusion, the PWZ has provided an alternative for a long-term and sustainable source of income to the University's programs related to education, health and other activities.

Recommendation

This study strongly recommends that PWZ has to adopt the funding expansion mission provided in the Malaysia Education Blueprint 2015-2025. The University has to increase its global prominence through the waqf financial fund providing assistance to deserving international students, especially those who are coming from Muslim minority countries to attract international collaborations.

REFERENCES

- Abdullah Yusof Ali. (1991). The Meaning of the Holy Qur'an. Maryland USA: Amana Corporation.
- Dar al kotob al Ilmiyyah. (2008) The fifth correct tradition of the Prophetic Sunna (SUNAN AN-NASA'I) 1-4 VOL 3. P. 189.
- Elasrag, H. (2018) Maximizing Social Impact Through Waqf Solutions. Publish Drive.
- Endowment and Waqf. (2017) UniTP Purple Book Enhancing University Income Generation, Endowment & Waqf. Putrajaya: Ministry of Higher Education
- Facts and Figures. (2019). Al-Abrar Bulletin. Universiti Sains Islam Malaysia. P. 12.

- Makdisi, G. (1981). *The Rise of Colleges*. Britain: Edinburgh University Press. p. 44.
- Mohd Zaini Othman. Ed. (2013) *Mengurus Universiti Melalui Pembiayaan Wakaf*. USIM Website. Retrieved November 1, 2019. www.usim.edu.my/news/mengurus-universiti-melalui-pembiayaan-wakaf/
- Muhd. Fadzli Rosli, et.al. (2018). *Socio-Economic Impact of Selected Waqf Projects: Terengganu Culinary Academy & Usim's Specialist Medical Clinic*. e-Proceedings of the Global Conference on Islamic Economics and Finance 2018 24th& 25th October 2018 / Sasana Kijang, Bank Negara Malaysia, Kuala Lumpur.
- Nazrin Muizuddin Shah. (2018, February 23). *Gaining the trust for social economic sustainability*. The New Strait Times.
- Odeh Rashed Al-Jayyousi, O.R. (2016). *Islam and Sustainable Development: New Worldviews*. New York: Routledge. New York. P. 140
- Ṣaḥīḥ Muslim 1631. *Daily Hadith online*. Retrieved on November 5, 2019. <https://abuaminaelias.com/dailyhadithonline/2011/10/23/deeds-sadaqah-al-jariya/>
- Wakaf (Negeri Sembilan) Enactment 2005. Retrieved on October 30, 2019. http://www2.esyariah.gov.my/esyariah/mal/portalv1/enakmen2011/Eng_enactment_

