

# The Construction of Corporate Waqf Models for Indonesia

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This study aims to explore the management and development models of waqf assets of companies in Malaysia and Singapore, as well as their relevance for the development of corporate waqf constructions that are in accordance with Indonesian waqf law and the wisdom of traditions that have been developed in keeping with the culture. By using an interpretative exploratory type qualitative approach, this study yields findings that the construction of management and development models of corporate waqf assets in Indonesia that are in accordance with Indonesian legal endowments and traditional wisdom are business entities, banks, universities, foundations, hospitals, and cooperative companies. This study aims to demonstrate the strengthening of the holistic corporate waqf model in Indonesia, as it is necessary to strengthen regulatory stakeholders as well as an integrative and holistic understanding among scholars.

**Key words:** *Waqf, corporate waqf; endowments, Islamic philanthropy.*

## Introduction

As Miriam Hoexter stated (Hoexter, 2006), various forms of Islamic philanthropy, namely zakat, infaq alms, and endowments, only endowments can become fully developed legal institutions. Among the social institutions in Islam, throughout Islamic history, waqf has played a very important role in developing the social, economic and cultural activities of the Islamic community (Ramli, et al, 2018). This shows historically that waqf institutions have carried out part of the functions and duties of the government (Kemenag RI, 2008). For example, it can be found in Egypt (Sharing, 2011), with waqf being developed in various forms, so many benefits can be made from the results of the waqf. Famous universities in Cairo, namely Al Azhar University, established in 970 AD and until now has majorly been funded by the management of endowments (Kemenag RI, 2008). Students from outside Egypt, who number in the thousands and study at the university also receive scholarships from the endowments.

One of the contemporary waqf concepts is known as corporate endowments. Corporate waqf is usually considered a component of money waqf. However, a modern development is that corporate waqf must be defined as an independent waqf concept (Ramli & Jalil, 2013; Arshad, et. al, 2018). This means that corporate endowments as independent endowments categories because of the prominent characteristics will broaden the understanding and concepts of the latest waqf companies.

Corporate waqf has been practiced in a number of modern Muslim countries, namely; Turkey, Singapore, Malaysia, Bangladesh, India and Pakistan. The company's participation in building and managing waqf assets originated in Pakistan, Singapore and Turkey (Mohsin, 2009). The involvement of corporate bodies into charitable endowments activities shows the ethical dimension of the business world.

In Malaysia, Johor Corporation (JCorp) started a waqf venture in 1998, which later developed into a company waqf entity known as Waqaf An-Nur Corporation Berhad (WAN Corp). As a consequence of this waqf scheme, Johor Corporation Berhad (JCorp) carried out the implementation of their CSR program through the An Nur Corporation Berhad Waqf (Ramli & Jalil, 2013). Likewise, Singapore corporate-based productive waqf was developed by the Ugandan Islamic Assembly Singapore (MUIS). All MUIS waqf properties are managed by Warees Investments Pte Ltd, a real estate company owned by MUIS. Warees managed to build 20 Kassim Waqf housing units, including a commercial building and educational institution, Wisma Indah on Changi Road. The Kassim Waqf generates benefits for this company S \$ 300,000 every year from the rental of Wisma Indah (Aula, 2017).

In term of waqf implementation in Indonesia, a research conducted by Ascarya states that there are the most applicable productive waqf models in Indonesia, in accordance with Law No. 41 of 2004 concerning endowments. The study divided the waqf model into two major parts, namely simple waqf models and innovative waqf models. Ascarya explained, from 172 simple waqf models and 106 more innovative waqf models that developed in the world, there were 10 simple waqf models and 6 innovative waqf models which were considered the most applicable to be applied in Indonesia (Ascarya, 2017).

The two most applicable simple waqf models in Indonesia include Cash Waqf and Self-Management (raising waqf through money and self-managing) and Cash Waqf and External Management (raising money waqf and managed by other parties). Meanwhile, the innovative waqf model has not been implemented in Indonesia, considering its complicated scheme, which generally involves more than five stakeholders. However, some innovative waqf models will be implemented in Indonesia in the next few months. For example, the BOT by PC / SOC & International Financing (Built-operate-transfer with private companies and international

financing) models were implemented by the Global Wakaf Foundation together with the Raudhatul Mutaallimin, Provera, and IDB Foundations (Ascarya, 2017).

The distinction of this research, by exploring the comparative advantage, seeks to make comparisons of corporate-based waqf management in Southeast Asia, especially Malaysia and Singapore, to be used as models of waqf development in Indonesia. Therefore, this research is expected to contribute intentionally to the development of waqf assets in Indonesia through corporations or company for the welfare of the wider community. Departing from the background above, this article will focus on the study of how to design corporate waqf development models for Indonesia that are suitable to the Indonesian legal endowment context and developed wisdom of tradition.

### **The Concept of Corporate Waqf**

Waqf is defined as every movable or immovable object which is provided for public necessity (Islam) as an endowment. Corporate is an incorporated organisation which conducts transaction or business. Corporate waqf has been proven to be an Islamic philanthropic institution that develops both theoretically and practically. The emergence of movable waqf assets, especially in the form of company shares and cash applied has occurred in a number of Muslim countries, and also affects the practices of waqf companies in various countries.

Corporate waqf is also simply understood as the management of waqf assets and the distribution of endowments by business entities either independently or in collaboration with other parties. This definition can be further elaborated into four main things, namely: waqf assets and waqf management, continued distribution of waqf, corporate entities, and independents or cooperation with other external parties (Jcorp, 2008).

In the first phase of a company endowment, the company entity will create its own waqf assets using its own assets. In this situation, the corporate entity in the maker of waqf or al-waqif itself. Endowment assets can be financial assets such as cash or stocks or non-financial assets such as buildings or land. At the same time, the business entity nominates itself as a trustee responsible for managing, maintaining and investing waqf assets. This means that the corporate entity is also the nazir or mutawalli of waqf assets (Ramli & Jalil, 2013).

The company entity can then nominate itself as the only beneficiary or one of the beneficiaries of the waqf in order to have flexibility in managing and utilising the fund. This is known in Islamic jurisprudence as al-Waqf ala al-Waqif or waqf made by the owner himself (Jamal, 2007). This practice has been permitted by several Islamic jurists (Jamal, 2007). The fund is then distributed to the final and appropriate beneficiaries such as low socio-economic people, Islamic institutions and so on. This scheme gives flexibility to the corporate entities to manage

and utilise waqf productivity results. Such flexibility is critical to attract more participation from corporate entities into corporate waqf practices. This means that corporate entities can manage and plan the distribution of funds creatively and productively based on the needs of the entity and the community at the time of distribution of funds. If the economic situation is bad and the corporate entity finds itself in difficult financial conditions, they can use the waqf funds for themselves, and they are not obliged to distribute them. An important aspect of this corporate waqf aspect will involve elements of business interests into the concept of entrepreneurship waqf (*tabarru*).

Tun Sri Ali Hasyim describes six corporate waqf models that can be structured, among others, (i) business entities or companies, (ii) banking and financial institutions, (iii) universities, (iv) foundations, (v) cooperatives, and (vi) hospital or clinic (Ramli & Jalil, 2013). Corporate waqf refers to the surrender of assets such as cash, shares, profits and dividends by the accountant consisting of individuals, companies, corporations, organisations or institutions as well as the sustainable distribution of benefits for the benefit of the community (Mohsin, 2013).

This definition connotes that corporate endowments if viewed from the point of view of assets, are part of cash waqf i.e. the apostle invokes immovable property such as cash, shares, profits and dividends. Companies and companies can usually organise submission of assets such as shares, profits and dividends. Asharaf and Abdullah, also provide a definition of corporate endowments as the establishment and management of waqf assets as well as channelling the benefits of waqf by a company itself or through cooperation with other parties.

Through this definition, the company will be directly involved in the three aspects of the establishment of waqf assets, management of waqf assets and also the distribution of benefits of waqf to recipients that have been determined based on waqf arguments. There are four main features of corporate endowments, namely the establishment and management of waqf assets, distribution of waqf benefits, the donor, consists of the company itself, and also the involvement of the company with or without the cooperation of other parties.

Awqaf Holdings (Ramli & Jalil, 2013), as a corporate waqf entity has also used the terminology of corporate waqaf to explain the concept of corporate waqf which was introduced as contained in Awqaf's Memorandum. According to the AWQAF Memorandum, corporate waqf refers to a company, namely a community organisation funded by contributions from the community, aiming to be invested in a profitable business, so that all profits and added value are made into AWQAF's eternal assets ([awqaf.com..my](http://awqaf.com.my), 2018).

Of these three definitions, there are several similarities, such as corporate waqf assets consisting of financial assets such as cash, shares, profits and dividends. From the management

aspect, also the established waqf assets will be managed by the corporate body responsible for channelling the benefits of waqf to the recipient.

The conceptual explanation of fiqh considerations about corporate endowments is as follows: First, *Shakhsiyyah Itibariyyah*: Expertise (Legal Capacity) and Territory (Legal Authority). In the concept of waqf law, donors are usually natural individuals (*shakhsiyyah haqiqiyyah* or *tabiiyyah*). However, in the practice of corporate endowments, donors are usually institutions. Thus, the legal concept of an individual or entity (*shakhsiyyah itibariyyah/ qanuniyyah/ manawiyyah*) may arise. However, because most contemporary Islamic jurists have agreed to recognise this concept based on an analogy with bayt al-mal, and the mosque, the problem may be considered resolved. However, the two most important requirements that must be enjoyed by representatives of *shakhsiyyah itibariyyah* are expert capacity (legal capacity) and territory (legal authority) (Jalil & Ramli, 2014).

The second requirement means that the donor must be the owner of the subject matter or an agent (representative) appointed by the owner, who is contracting based on the agency contract. This problem may be more important if the company - which plans to make its own waqf scheme - is owned by the government and not by individuals. Second, Waqf al-Waqif to himself. Generally, the practice of waqf is meant for charity and *qurbah*. Therefore, the majority of Islamic jurists state that ownership of waqf should not return to the waqf itself because it rejects the purpose of waqf. However, based on the author's analysis, some practices of waqf companies nominate waqif themselves as legal owners of waqf. Islamic law experts on this issue view that this is not true because waqf cannot return to own what they have (Al-Kabisi, 2004).

Third, Waqif Sets for himself. Another idea that may be similar to the previous situation is a situation where the waqf establishes itself as the only beneficiary or the main beneficiary or among the beneficiaries of the results of the waqf. Hanabilah, Hanafiyyah and Shafiyyah opinion view such practices as actions that are permitted to encourage people to make shamans and based on some evidence of Sharia. On the other hand, the Shafiyyah and Muhammad Ibn al Hasan of Hanafiyyah viewed such practices as generally undeniable with certain exceptions (Jalil & Ramli, 2014).

Fourth, Hybrid Waqf (*waqf mushtarak*): *waqf khayri* combination and expert waqf/*dhurri*. In the case of beneficiaries, endowments can be *waqf khayri* (charity endowments) or expert waqf / *dhurri* (gift for offspring) (Huda, 2015). Based on the practice of waqf companies, it has been observed that some institutions establish themselves or their subsidiaries as the main beneficiaries of the waqf. As discussed above, there are several Islamic jurists and opinions that agree with such practices. From a fiqh perspective, the combination of *waqf khayri* and *waqf dhurri* is known as the *mushtarak waqf*. From a managerial perspective, *waqf mushtarak*

can benefit institutions involved in waqf corporate. This institution can design the company's waqf scheme to be in line with its CSR program. Thus, the practice of entrepreneurial programs and CSR endowments can be built together as partners.

Fifth, *Istibdal*, which are defined as special ideas that are very important for the continuity and sustainability of waqf companies. Even though some Islamic jurists have approved special practices with certain conditions, this problem can be reviewed in detail to ensure compliance with ethical practices. The corporate waqf model which was pioneered and practiced by conducting *istibdal* practices, namely replacing waqf assets with similar ones. Special practices are based on stock values and not stock quantity. This practice has become an alternative to ethical practices if needed in the future (Al-Kabisi, 2004).

## **Construction of the Corporate Waqf Model for Indonesia**

### ***CW Model Based on Financial Business***

In the practice of productive waqf in Indonesia, it is actually embryonic that a waqf-based financial business has grown, but it has not become a comprehensive movement in the form of an integral corporate business model, both its governance, its collection and distribution as in Turkey or Malaysia. However, it is still limited to the initiative and creativity of each institution.

In contrast to the practice of the financial business waqf model is seen in Malaysia, which was practised through Bank Muamalat Malaysia Berhad (BMMB) in September 2012 in collaboration with the Selangor Waqf Company (PWS). These two companies introduced a cash waqf scheme known as the Selangor Muamalat Waqf. Through this collaboration, BMMB and PWS are joint managers of waqf assets obtained through the purchase of cash waqf certificates that can be done at any BMMB branch. In addition, waqf contributions can also be operated through internet banking, monthly deductions and periodic payment instructions (BMMB, 2012). In terms of the distribution of the benefits of waqf, generally the community, recipients of waqf come from the education, health, religious and social sectors. Common recipients include prayer rooms, mosques, schools and also individuals particularly to cover the costs of health and education. Reports on collection and distribution of waqf benefits are delivered every three months to facilitate stakeholders to obtain detailed information about waqf.

The practice of corporate waqf models for banking and financial institutions, endowments programs run jointly between Bank Muamalat Malaysia Berhad (BMMB) and Selangor Waqf Comparations (PWS) can at least be utilised as a model in developing a more comprehensive financial waqf business in Indonesia.

Waqf funds are obtained through individual and institutional donations which may deposit cash as waqf assets in all branches of Bank Muamalat throughout Malaysia. Minimum waqf contributions for individuals amount to RM10, for institutions amounting to RM100, and there is no limit to the maximum amount. This waqf fund manager expects to raise an amount of RM50 million in the period of three years, and this initiative began with donations of waqf from Bank Muamalat totalling RM1 million and staff totalling RM74,040 when the director of the Selangor Muamalat Waqf transfer (BMMB, 2012). Endowments collected will be channelled by the JPB to recipients rather than the three main sectors as below:

1. Education, for example, fostering school buildings, purchasing educational equipment and so on.
2. Health care such as purchasing dialysis machines, medical equipment and care.
3. Investment in waqf funds will be managed by Muamalat Invest Sdn. Bhd.

Muamalat Invest Sdn. Bhd, a subsidiary of BBMB, is a capital management company which professionally merges the investment in Shariah market instruments for profit. About 25 per cent of the proceeds will be distributed initially to PWS, and the remaining 75 per cent will be handed over to the JPS to be distributed initially to the corresponding sectors. The two main sectors that receive Selangor Muamalat Waqf benefits are health and education, especially for groups of poor people either they are Muslim or not Muslim. If reviewed in Islamic history, these two sectors are the primary recipients of the benefits of waqf. This means that the distribution of the benefits of waqf to laypeople who are less fortunate to be able to relieve their living expenses and lessen the financial burden of the kingdom (Cizakca, 2011).

### ***Corporate Business-based CW Model***

The term waqf company was first used by Johor Corporation (JCorp), which launched a corporate endowment in 2006 by endorsing its shares valued at RM200 million in its subsidiaries namely Kulim (M) Berhad, KPJ Healthcare Berhad and Johor Tanah Berhad (JCorp, 2006). Waqf An-Nur Corporation (WANCORP), a subsidiary of JCorp, has been accounted for managing corporate waqf that focuses on health aspects through the network of the An-Nur Endowments Clinic and the An-Nur Endowments Hospital (Asharaf and Abdullah, 2012; Hajah Mustafa et.al, 2009 ; Ab. Shakor, 2011).

Patients who receive treatment at the clinic and hospital are subject to a minimal fee, namely in Malaysian Ringgit, patients consist of Muslims and others. Aside from the represented shares, WANCORP also grants opportunities for individuals to be a donor by becoming members of corporate waqf where some of the members' fees are donated. The aspects of governance implementation in waqf assets management by WANCORP can be seen through the Annual Financial Reports and reports of other activities.

The waqf model of the company managed by the Waqaf An-Nur corporate Berhad (WANCorp) is considered the first company waqf model in Malaysia. WANCorp is a subsidiary of JCorp and is a limited company that does not have a shareholding and was established to manage assets and represented JCorp shares based on Shariah principles.

As a company under JCorp, WANCorp acts as a waqf executive company founded by JCorp through an authorisation granted by the Johor Islamic Religious Council (MAIJ). Based on a memorandum of understanding (MoU) signed with MAIJ and JCorp on December 4, 2009, MAIJ has agreed to appoint WANCorp as a "Typical Nazir" waqf stock starting on July 11, 2005. WANCorp operates as recipient (mawquf alayh), waqf asset manager and administrator certified by MAIJ. In addition, WANCorp also implements Islamic Corporate Social Responsibility (CSR Islam) representing JCorp.

In 2006, JCorp launched Corporate Waqf by moving 12.35 million JCorp shares in Kulim (M) Bhd., 18.60 million units of shares in KPJ Healthcare Bhd and 4.32 million units of shares in Johor Land Ltd to the Waqaf An-Nur Bhd Group as trustee. This concept is an important strategy for implementing JCorp's corporate mission, Jihad Business. As evidenced by the waqf corporate agenda, in a 2007 report, JCorp has allocated 25 per cent of dividends obtained from share units to be involved as waqf (Jcorp, 2007). Therefore, dividends obtained can be used to finance various charities and specifically provide welfare that benefits the Muslim and non-Muslim communities as a whole. The main financial source of WANCorp is the waqf shares sponsored by corporate companies consisting of several JCorp subsidiaries. The shares consist of shares listed on Bursa Malaysia and not registered. Mining companies are involved in waqf corporate models, including KPJ Healthcare Berhad, Kulim (M) Berhad and Al-Aqar KPJ REIT. While unregistered companies such as Tiram Travel Sdn Bhd, Aspiration Access Sdn Bhd and TPM Management Sdn Bhd. Distribution of waqf benefits is also executed based on the Waqf Argument document which states that 70 per cent of it will be reinvested, 25 per cent will be channelled for benevolent purposes (fi sabilillah), and 5 per cent will be donated to MAIJ (WANCorp, 2011; Johor Corporation, 2008; KWANB, 2007; WANCorp, 2010). A total of 70 per cent of the endowments will be invested in fixed-sharia compliant financial deposit investments and the purchase of Dana Johor shares. While 25 per cent benefits of waqf will be channelled to finance three forms of benevolence programs, namely: i. Welfare Program (55%) which includes donations to health aspects, mosques, surau, public organisations, orphans, waqf brigades and other CSR projects. ii. The Specific Project (35%) is a special WANCorp project that involves high costs such as a joint project with native people in 2011 and Imam Bukhari Theater in 2010. iii. Human Resource Development, Education and Entrepreneurship (10%) in the form of conference financing, training for students, books, interest-free loans, scholarships and others for 5 per cent of waqf benefits for MAIJ, a total of RM718, 076 has been submitted to MAIJ in 2011.

Based on the figures above, a corporate entity can be established as a subsidiary to manage waqf activities as carried out by JCorp. At the same time, the subsidiary is also a Nazir and recipient of waqf assets as well as the results of endowments. Referring to JCorp, 70 per cent of the benefits of waqf were channeled to the An-Nur Corporation Berhad Waqaf, which then distributed them to the final recipients.

Regarding the corporate business endowments model, in Indonesia, many institutions have started to implement it, but it is still not comprehensive and has not been able to run the corporate model integrally. Some examples include (Rozalinda, 2015; Hosen, 2016 dan Muljawan *et. al*, 2016): Indonesian Waqf Tube (TWI), National Conscience Awakening Foundation (YWBNNB), Al-Azhar Waqf, Indonesian Waqf House (RWI), Global Waqf Corporation (GWC), Al Khairaat Foundation, and several similar businesses.

The developing and diverse corporate waqf models need to be synergised and integrated with the Jcorp and Awqaf waqf models that have a very comprehensive and integral scheme. The scheme includes the area of supervision, with the existence of independent auditors. Thus, it will favourably produce comprehensive waqf model practices in Indonesia (Muljawan, *et al*, 2016).

### ***Business-based CW Model University***

The company waqf feature that provides flexibility to the donors as manager and beneficiary of waqf has attracted the attention of the university to establish waqf funds to generate the next income to finance scholarship schemes and operational costs of the institution. Alternative financing needs for universities are very urgent, especially when the government has reduced the annual budget allocation by around 10-20 per cent to public universities starting from 2016 (Zulkahiri, 2016). Several state universities have implemented waqf schemes such as UIAM, UKM, UPM and USIM. Establishment and management of waqf in universities are managed by waqf organisation whose role is to collect, manage, invest and distribute benefits to recipients. At present, most recipients are students who are granted the benefits of waqf in the form of scholarships (Asharaf dan Mustafa, 2013).

Some universities have established their respective endowments such as UIAM, UKM, UPM and USIM. For the purpose of illustration, the practice of the corporate waqf university model follows the waqf model applied by USIM.

USIM has been appointed as a special *mutawwali* by the Negeri Sembilan Islamic Religion Majlis which brought the institutionalisation of the USIM Al-Abrar Waqf in 2013. To manage waqf assets, the USIM Waqf and Zakat Center has been institutionalised responsible for managing and distributing waqf benefits to recipients. There are two categories of waqf

products managed by the USIM Endowments and Zakat Center, namely cash waqf schemes and site waqf schemes. No minimum cash has been stipulated for cash waqf donations, but for endowments, the site is also set at RM10 and RM50 for the purchase of one lot for the purchase of 3 lot shops that place the USIM Health and Hospital Expert Clinic.

The way to sterilise Waqf is as follows (USIM, 2017):

1. Distribution of funds from the Education Waqf Saving to students who are eligible and need financial assistance, particularly assistance with the purchasing of learning tools such as textbooks, and so on.
2. Endowments obtained from Cash Waqf, Land Waqf and Educational saving will not be put together. The funds will be used for assistance purposes, which are also represented by land waqf, cash waqf or education saving.
3. The profits obtained for the management of waqf assets such as rented buildings will be systematically billed to the appropriate students.

The university waqf business model is undoubtedly a little different from the one from the managerial side, although each has its advantages and disadvantages. This is because it is still carried out by each institution/foundation of the university, and there is no integral policy. For example, it is only done by private universities, and there is no effort made by state universities. Some of the university's corporate waqf business models are (Hosen, 2016; Muljawan, *et al.*, 2016): Indonesian Islamic University Waqf Foundation (UII), Indonesian Muslim University Waqf Foundation (UMI), Sultan Agung Semarang Waqf Foundation, Paramadina Waqf Agency Foundation, and similar university businesses.

### ***Business-based CW Model Islamic Boarding School***

In order for pesantren (Islamic boarding school) to achieve their vision and mission as part of civil society, the pesantren needs resources/funds to support its noble goals. Waqf boarding schools, namely Islamic boarding schools built with generosity from Islamic philanthropy in the form of waqf institutions are seen as quite appropriate as a model for developing the independence of pesantren in the contemporary Indonesian era. The process of developing waqf boarding schools can be successfully realised through several pillars of driving forces: 1) The sacrifices made by the founders and caregivers of pesantren by confirming their assets for pesantren, 2) Institution of professional waqf board in the form of legal entities/foundations, 3) Management of waqf assets productively, and 4) Distribution of waqf proceeds both for internal boarding schools and the community (Gontor, 1429 H).

**Figure 1.** Islamic Boarding School Corporate Waqf Model



The first and foremost pillar is the existence of good examples from the predecessors and the boarding school leaders who sincerely endow a portion of their property to be devoted to the benefit of the people, namely the development of Islamic boarding schools and not being bequeathed to their children. The fact that Hadratus Syaikh Hasyim Asyari granted about 13 ha of land for boarding schools and paddy fields in 1947 before he died had signalled a higher interest than others for the development and independence of Islamic boarding schools in the future. Likewise, the Gontor Islamic boarding school was established with efforts made by the initial three founders, namely "Trimurti" pledging to endow the boarding school to the community.

The second pillar is that institutional management of pesantren waqf must be conducted professionally and transparently. This is proven in the management of both pesantrens that have implemented the *nâzir* waqf of pesantren in the form of a foundation or legal entity which seems different from the *nâzir of* organisation or an individual in managing waqf. Nadjib and al-Makassary mentioned several advantages of the foundation in the management of waqf. In the first place, the management is more responsive and implementable when accepting modern management models in waqf both in financial transparency, waqf policy-making, waqf administration, work plans, changes management and in developing waqf assets and resources of *nâzir*. In the second place, waqf management has definite legal force because a notary or an authorised official ratifies it. Third, as a practical solution to the existence of an urban conflict that could arise later on. Fourth, in the future, *nâzir of* the foundation is seen as the ideal model in the institution of waqf management. Hasyim Asyari PP Foundation. Tebuireng and PMDG Ponorogo Waqf Agency with the Pondok Modern Waqf Expansion and Development

Foundation (YPPWPM) Gontor has proven that *nâzîr* of the foundation in managing waqf is more appropriate and acceptable in the pesantren community.

The third pillar is managing waqf productively. This is exemplified very interestingly in mobilising the new wâqif in the form of a company by *nâzîr* waqf in Tebuireng. The implementation of planting sengon trees on the pesantren waqf land. For the plants to be productive, the *nâzîr* waqf of this pesantren collaborates and has an agreement with a company in Pasuruan which processes the trees. Additionally, agricultural intensification program in Tebuireng waqf is managed effectively. Whereas, in Gontor waqf agency, cooperation with companies has been carried out as implemented in 2008 through YPPWPM to open land and plant oil palm in Jambi. YPPWPM has purchased customary land (300 ha) which has long been owned by a businessman, located in Jambi 300 ha Jambi area and owned by Gontor Modern Cottage. The Gontor Waqf Agency purchased the land in cash. The land management system is carried out with a pattern of contracting cooperation, with an entrepreneur who has a business license and can manage professionally. The pattern was agreed upon with the initial agreement, that the manager or contractor was willing to reimburse the costs if it turns out later that the crop fails or not productive.

The strategy for developing waqf management productivity in both pesantren is also done by developing productive economic business units from waqf assets that generate income for pesantren. Income development is managed through product sales, professional services, rental of facilities and infrastructure, development of endowments and investment in existing waqf assets. *Nâzîr* wakaf of Tebuireng has implemented a program such as empowering waqf assets in the form of rice fields and land by trying to increase yields with various models of waqf productivity. Likewise, the program of cultivating sengon and the establishment of Limited Liability Company (PT) on behalf of the Tebuireng Islamic Boarding School are responsible for developing Islamic boarding school waqf funding sources. For Pondok Gontor endowments, much effort has been made such as cultivating rice fields with a profit-sharing systems, investing through productive business units and direct fundraising. The most recent effort by Gontor's endowments is to develop dragon fruit plants. Dragon Fruit is one of the options to be developed by YPPWPM agriculture in dry land that has not been utilised optimally. The planting of dragon fruit, at this initial stage, utilises an area of approximately 750 m<sup>2</sup>, using supporting facilities commonly used to cultivate and harvest the fruits. Nevertheless, for particular productive business units, Gontor's endowments have empowered 30 different types of businesses until 2009.

The fourth pillar, the results of management of waqf assets, is managed for community necessity, both internally and externally. Internally, waqf asset is distributed to empower the pesantren in developing the main mission of the pesantren, whilst externally it is used to empower the general public. At the position of distributing the waqf results both for the internal

purposes of the pesantren and externally, then at this point the independence and continuity of the pesantren in carrying out its mission can be measured in its achievements (Huda, 2012).

Another example of the pesantren's business practices related to the management of waqf is the Al Khairaat foundation. This foundation is engaged in Islamic education and based in the Palu, Central Sulawesi. Al Khairaat Foundation manages several land waqf assets. In 1999, there were 17 locations of waqf land in the West Palu District. Meanwhile, there were 46 locations in Poso Regency. In general, waqf land managed by Al Khairaat varies, ranging from 90 m<sup>2</sup> to 50 ha. Al Khairaat's own waqf land distribution is in Palu City (48.4 % of all waqf land); (ii) Donggala Regency (10.33 %); and (iii) Parigi Moutong Regency (29.89 %).

## Conclusion

The whole description that has been stated in the previous chapters, can be concluded as follows: First, the management and development model of waqf assets of companies in several countries, especially in Malaysia and Singapore, has a unique model, at Awqaf Holding BHD Selangor For example, *mutawali* is MAIN Negeri Nine forms of its corporate waqf model applying Corporate Development through Awqaf Persada project. Meanwhile, at Jcorp through the Johor Annur Corporation, the *Mutawali* is MAIN Johor, and the form of developing this corporate waqf model is through Social Entrepreneurship. Furthermore, at Waqf Real Estate Singapore (WAREES), MUTAWALI is held by MUIS Singapore, while its corporate waqf model is named Best Corporate Practice. Secondly, the design of corporate waqf development models for Indonesia that are in accordance with the Indonesian waqf legal context and traditional wisdom that has developed are business entities, banks, universities, foundations, hospitals, cooperatives. Thus, to realise the strengthening of the holistic corporate waqf model in Indonesia, it is necessary to strengthen regulatory stakeholders as well as an integrative and holistic understanding among scholars. In addition, the recommendations that researchers offer are related to this research, namely: First, there is a need to strengthen efforts in terms of understanding and decisions of ulama and regulatory stakeholders about corporate endowments in Indonesia, because to this day there has been no harmonious view regarding the practice of corporate endowments. Secondly, corporate waqf can be a strategic alternative in an effort to accelerate national economic development, as well as to improve the socio-economic status of Muslims in various sectors such as education, health and social.

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