

## Unleashing the Potential of Waqf: An Exploratory Study of Contemporary Waqf Models in Islamic Finance Ecosystem

**Authors :** Mohd Bahroddin Badri, Ridzuan Masri

**Abstract :** Despite the existence of large volume of waqf assets, it is argued that the potential of these assets not fully unleashed. There are many waqf assets especially in the form of land waqf that are idle and undeveloped mainly because of the insufficient fund and lack of investment expertise. This paper attempts to explore few cases on the innovation of waqf development in Malaysia and some countries that demonstrate synergistic collaboration between stakeholders, e.g., the government, nazir, Islamic religious councils, corporate entities and Islamic financial institutions for waqf development. This paper shows that cash waqf, corporate waqf, Build-Operate-Transfer (BOT) and Sukuk are found to be contemporary mechanisms within Islamic finance ecosystem that drive and rejuvenate the development of waqf to the next level. It further highlights few samples of waqf Sukuk that were successfully issued in selected countries. This paper also demonstrates that the benefit of waqf is beyond religious matters, which may also include education, healthcare, social care, infrastructure and corporate social responsibility (CSR) activities. This research is qualitative in nature, whereby the researcher employs descriptive method on the collected data. The researcher applies case study and library research method to collect and analyse data from journal articles, research papers, conference paper and annual reports. In a nutshell, the potential of contemporary models as demonstrated in this paper is very promising, in which the practical application of those instruments should be expanded for the rejuvenation of waqf asset.

**Keywords :** cash waqf, corporate waqf, Sukuk waqf, build-operate-transfer

**Conference Title :** ICIBFBC 2018 : International Conference on Islamic Banking, Finance, Business and Commerce

**Conference Location :** London, United Kingdom

**Conference Dates :** August 20-21, 2018