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Cash Waqf as an Instrument of Islamic Philanthropy: A Juridical Review and Its Implementation in Indonesia and Singapore

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Abstract

Cash waqf has become a form of contemporary waqf that is increasingly being discussed, both within the body of Islamic law and in the practice of social philanthropy. This paper seeks to examine cash waqf from the perspective of Islamic jurisprudence, covering its conceptual framework, legal validity, normative foundations, historical development, and its application in Indonesia. The analysis reveals that although early jurists disagreed regarding cash waqf particularly concerning the requirement for the preservation of the waqf asset (baqā' al-'ayn) the Hanafi school, along with contemporary scholars, validates it by emphasizing the continuity of benefits and the public interest. The normative foundation of cash waqf rests on the general principles of the Qur'an, the Prophet's guidance regarding ongoing charity (ṣadaqah jāriyah), ijma' (consensus), and qiyas (analogy), in addition to rational arguments and socio-economic considerations. Historically, cash waqf was effectively implemented during the Ottoman Caliphate era, serving as clear evidence of its effectiveness. In Indonesia itself, cash waqf is legally enshrined in Law No. 41 of 2004 on Waqf and is supported by the Indonesian Waqf Board and Islamic financial institutions. Although hampered by a number of issues, such as a lack of public understanding and limited professionalism among managers, cash waqf holds great potential as a means of strengthening the economy and fostering sustainable social development.

Keywords: cash waqf, Islamic jurisprudence, shariah justification, productive waqf, Indonesia.

INTRODUCTION

Waqf constitutes one of the instruments of Islamic philanthropy that plays an important role in the social, economic, and religious development of the community.[1] Throughout history, waqf has proven to make a substantial

[1] Girindra Mega Paksi, Asfi Manzilati, Marlina Ekawaty, "Kajian Hukum Dan Implementasi Wakaf Harta Bergerak Di Indonesia: Wakaf Uang Dan Saham", *Islamiconomic: Jurnal Ekonomi Islam,* Vol. 9, No.

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contribution to the provision of public facilities such as mosques, educational institutions, hospitals, and various other social services. Unfortunately, under long-standing convention, waqf has commonly been understood in a narrow sense, limited to immovable property such as land and buildings. This conventional outlook has left the potential of waqf not fully harnessed in responding to the social and economic problems of contemporary society. In line with the changing times and the increasingly diverse needs of the community, a more flexible form of waqf has emerged, namely cash waqf. Cash waqf opens the way to broader public participation because it does not require the ownership of fixed assets and can be carried out with a relatively small amount.[2] When managed productively and professionally, cash waqf has great potential to become a sustainable source of financing for strengthening the community's economy, alleviating poverty, and fostering inclusive social development.

Nevertheless, the standing of cash waqf within the framework of Islamic jurisprudence still leaves room for debate, particularly within the classical juristic heritage. The point of contention among scholars revolves around the requirement that the object of waqf be perpetual in nature (baqa' al-'ayn), whereas money is regarded as an object that vanishes as soon as it is used. On the other side, the Hanafi school and contemporary scholars affirm the validity of cash waqf by emphasizing the dimension of the continuity of benefit and the orientation toward public welfare (maqasid al-shari'ah). This divergence of views reveals the living dynamics of ijtihad in Islamic law, which demand a thorough and comprehensive study.

From a normative perspective, cash waqf rests upon the general principles of the Qur'an, the hadith concerning ongoing charity (sadaqah jariyah), consensus (ijma'), and analogy (qiyas), reinforced by rational and socio-economic considerations. Moreover, cash waqf possesses a firm historical record, particularly during the era of the Ottoman Sultanate, when cash waqf was managed productively and contributed tangibly to the welfare of the population. This historical record serves as empirical evidence that cash waqf is not an innovation at odds with the shariah, but rather part of the institutional

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2, (2018),h.174

[2] Moh. Mujibur Rohman, "Fiqh Wakaf Progresif: Wakaf Tunai (Cash Waqf) di Indonesia dalam Memberdayakan Ekonomi Umat Berbasis Maqâshid Ibn 'Asyur', Al-*Muamalat: Jurnal Ilmu Hukum & Ekonomi Syariah*, Vol. 7, No. 1, (2022),h.33

evolution of waqf throughout Islamic civilization.[3] In the Indonesian context, cash waqf has obtained legality through Law No. 41 of 2004 on Waqf, and is supported by the role of the Indonesian Waqf Board (BWI) and Islamic financial institutions as its managers. Nevertheless, the implementation of cash waqf in Indonesia is still overshadowed by various obstacles, such as the shallow public understanding of cash waqf, the limited public trust in managing institutions, and the still inadequate professionalism of the nazir in managing waqf productively.

Proceeding from this reality, the examination of cash waqf becomes an important undertaking, particularly in unraveling its juristic aspect, its normative foundation, its history, and its implementation in Indonesia. This study is expected to present a more comprehensive understanding of the validity of cash waqf under Islamic law, while also contributing conceptual ideas for the development of cash waqf as a strategic instrument for empowering the community's economy and building sustainable social welfare.

RESEARCH METHOD

This study employs a qualitative approach with a library research (studi pustaka) design, since the object of examination concerns juristic concepts, normative foundations, and the institutional practice of cash waqf rather than field-based numerical data. Through this approach, the discussion is directed toward a conceptual and analytical understanding of cash waqf from the perspective of Islamic jurisprudence, encompassing its legal validity, its supporting evidence (hujjah), its historical trajectory, and its implementation in Indonesia and Singapore. The choice of a qualitative method is regarded as appropriate because the issue under study demands interpretation and contextual analysis rather than statistical measurement.

The data used in this study are secondary in nature, drawn from various written sources such as the Qur'an and hadith, the views of the jurists of the four schools of law, statutory regulations, and scholarly works in the form of books, academic journals, and previous research relevant to the theme of cash waqf. In addition, official documents and publications from institutions managing waqf, such as the Indonesian Waqf Board (BWI) and the Islamic Religious Council of Singapore (MUIS), are used to depict the actual practice of cash-waqf governance in both countries. These sources were selected purposively on the basis of their

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[3] Yudi Permana, Meirani Rahayu Rukmanda, "Wakaf: Tinjauan Fiqh, Dasar Hukum, dan Implementasinya di Indonesia", *Al-Kharaj: Jurnal Ekonomi, Keuangan & Bisnis Syariah*, Vol. 3. No. 2, (2021),h.155

relevance, credibility, and currency in relation to the object of the study.

The data were analyzed using a descriptive-analytical method complemented by a comparative approach. The descriptive stage was undertaken to present the concept, legal foundation, and practice of cash waqf systematically, after which the analysis was deepened by examining the juristic arguments and the applicable normative framework. The comparative approach was employed to juxtapose the management and implementation of cash waqf in Indonesia and Singapore, so as to identify their respective strengths, characteristics, and lessons that may be drawn. Through these stages of analysis, the study is expected to yield a comprehensive and well-grounded understanding of the position of cash waqf within Islamic law and its development as a strategic instrument of contemporary Islamic philanthropy.

DISCUSSION

The Concept of Cash Waqf from the Perspective of Islamic Jurisprudence

From a linguistic standpoint, the word waqf derives from the Arabic term waqafa, meaning to withhold or to halt.[4] Within the framework of the shariah, waqf is understood as the act of withholding the principal of property so that it remains intact, while its benefits are channeled for purposes of worship and the welfare of society.[5] Cash waqf, or cash waqf, is a form of waqf whose object is cash, the underlying value of which is preserved so that it does not diminish, while the proceeds of its management are allocated to the parties entitled to receive them.

Within the body of Islamic jurisprudence, the imams of the schools of law have formulated definitions of waqf in varying phrasings that nonetheless converge upon a similar core meaning. The Hanafi school regards waqf as the withholding of property whose ownership remains vested in the wakif, while its benefits are given in charity.[6] This view affords latitude with respect to the object of waqf, including movable property such as money, provided that its benefits can be derived without eliminating its principal value.[7] For this reason, the

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[4] Mustafa Kamal, "Wakaf Tunai Menurut Pandangan Fiqh Syāfi'Iyah Dan Fatwa Majelis Ulama Indonesia No.2 Tahun 2002 Tentang Wakaf Uang*", Jurnal Ilmiah Islam Futura,* Vol. 15, No. 1, (2015),h.98

[5] Sudirman Hasan. "Wakaf uang dan implementasinya di Indonesia*." de Jure: Jurnal Hukum dan Syari'ah* Vol. 2. No. 2 (2010),h.163

[6] Asri, Khaerul Aqbar, Azwar Iskandar, "Hukum Dan Urgensi Wakaf Tunai Dalam Tinjauan Fikih", *BUSTANUL FUQAHA:Jurnal Bidang Hukum Islam,* Vol. 1, No. 1, (2020),h.83

[7] M.Anwar Nawawi,"Pengembangan Wakaf uang tunai sebagai system pemberdayaan umat dalam pandangan ulama konvensional dan kontemporer",*Jurnal fikri*,Vol.1, No.1(2016), h.184

Hanafi school has served as the principal reference for the permissibility of cash waqf since the earliest period.

The Maliki school defines waqf as the conferral of the benefit of a property, whether for a specified period or in perpetuity, without absolutely requiring the physical permanence of the property.[8] Through this approach, cash waqf may be accepted insofar as it is capable of yielding sustainable benefit and is consistent with the aims of the shariah. The Shafi'i school, meanwhile, understands waqf as the withholding of property that is permanent in nature and can be utilized without destroying its substance, accompanied by the relinquishment of the wakif's ownership rights. On this basis, the majority of classical Shafi'i scholars rejected cash waqf because money was deemed to be consumed upon use. However, in the development of contemporary juristic thought, some Shafi'i scholars have begun to accept cash waqf, taking into account the dimension of public welfare and the modern management systems capable of preserving its principal value.

In addition, the Hanbali school defines waqf as the withholding of property whose benefits may be enjoyed on a continuous basis. Although it fundamentally aligns with the Shafi'i view, the Hanbali school allows room for the endowment of movable property whenever a strong need and benefit exist, so that cash waqf may be permitted provided that its management is secure and productive. Viewed through the framework of maqasid al-shari'ah, cash waqf is oriented toward realizing the welfare of the community, particularly in the social and economic spheres. Cash waqf may be regarded as more inclusive because it opens broad public participation without requiring ownership of fixed assets. Moreover, cash waqf has the potential to become a strategic instrument for empowering the community's economy through the productive and sustainable management of its funds.

The Validity of Cash Waqf under Islamic Law

The examination of the validity of cash waqf under Islamic law occupies an important place in contemporary juristic discourse, given that cash waqf is a form of waqf not widely known in earlier juristic practice. The central point of disagreement among scholars revolves around the fulfillment of the

[8] Martin Dwi Pusparini, "Konsep Wakaf Dalam Perspektif Hukum Islam: Studi Pemikiran Abdul Manam", *Falah, Jurnal Ekonomi Syariah,* Vol. 11, No. 1, (2016),h.17

requirements pertaining to the object of waqf, particularly the principle of the perpetuity of the waqf asset (baqa' al-'ayn), which demands that the property endowed not be consumed or destroyed when utilized.[9] In the view of classical scholars, money was regarded as a medium of exchange that would vanish upon use, and thus was deemed not to satisfy the criteria of a waqf object, which must be permanent in nature.

Nevertheless, differences of opinion emerged in step with the development of methods of property management and of the understanding of the economic function of money. The Hanafi school serves as the principal reference in this discussion because, from the outset, it opened a space of legitimacy for the endowment of movable property, including money.[10] In the Hanafi view, the essence of waqf lies in the continuity of benefit rather than in the physical permanence of the object. So long as the principal value of the money can be preserved so that it does not diminish, and its benefits can be continually channeled to the recipients, cash waqf is regarded as valid and consistent with the principles of the shariah.

Within the framework of modern jurisprudence, this Hanafi view is reinforced by the maqasid al-shari'ah approach and the principle of public welfare. Contemporary scholars hold that money in the present era is no longer used merely for consumption, but can be invested productively through Islamic financial instruments.[11] With professional, transparent, and accountable governance, the principal value of the cash waqf can be preserved, while the proceeds of its management are directed toward social, educational, health, and economic-empowerment purposes for the community. Furthermore, contemporary scholars also affirm that the notion of baqa' al-'ayn in cash waqf need not be understood literally as the physical permanence of the object, but rather as the permanence of its value and function. Such an understanding signals the vitality of the dynamics of ijtihad in Islamic jurisprudence, which is capable of adapting to the changing times without disregarding the fundamental principles of the shariah. Accordingly, cash waqf is regarded as a manifestation

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[9] Shinta Wulandari, Jaenal Effendi, Imam Teguh Saptono, "Pemilihan Nazhir Dalam Optimalisasi Pengelolaan Wakaf Uang", *Jurnal Aplikasi Manajemen dan Bisnis*, Vol. 5 No. 2 (2019),h.296

[10] Syarif Hidayatullah, "Wakaf Uang Dalam Perspektif Hukum Islamdan Hukum Positif Di Indonesia" *Waratsah*, Vol. 1, No. 2, (2016),h.72

[11] Diah Sulistyani dkk, "Pelaksanaan Dan Pengembangan Wakaf Uang Di Indonesia" *Jurnal USM Law Review,* Vol. 3, No. 2, (2020),h.331

of waqf that is relevant to the needs of

modern society. On the basis of the foregoing exposition, it may be concluded that although cash waqf once provoked differences of opinion within the classical juristic heritage, its shariah validity has grown ever firmer in the contemporary juristic view.[12] The support of the Hanafi school, together with the argumentation of modern scholars, positions cash waqf as a practice that is valid, reasonable, and oriented toward the welfare of the community, while also reflecting the flexibility of Islamic law in responding to social and economic developments.[13]

The Justification and Normative Foundation of Cash Waqf

The justification and normative foundation of cash waqf are directed toward tracing the shariah evidence that underpins the validity of the practice of cash waqf under Islamic law.[14] This examination encompasses the use of the principal sources of Islamic law, namely the Qur'an, the hadith of the Prophet, the consensus (ijma') of the scholars, and analogy (qiyas) as methods of ijtihad in responding to new issues not explicitly addressed in the textual sources (nas). Although cash waqf is not found textually in the classical sources of law, the core values embodied in the teachings of Islam provide strong legitimacy for the practice.

In the Qur'an, there are numerous verses that emphasize the call to spend one's wealth in the path of Allah and the exhortation to employ wealth for the welfare of the community. These general principles demonstrate that Islam encourages the productive and sustainable management of wealth.[15] Accordingly, cash waqf is understood as a development of the concepts of infaq and sadaqah of a long-term character, even though its object is not immovable property as in conventional waqf. The normative foundation of cash waqf is further reinforced by the hadith of the Prophet affirming the concept of ongoing charity (sadaqah jariyah), namely a good deed whose reward continues to flow

[12] Khadijah Hasim dkk, "Analisis Faktor-Faktor yang Memengaruhi Penghimpunan Wakaf Uang di Indonesia (PendekatanAnalytical Network Process)", *Jurnal Al-Muzara'ah* Vol.4, No.2, (2016),h.132

[13] Aam S. Rusydiana, Abrista Devi, "Analisis Pengelolaan Dana Wakaf Uang Di Indonesia: Pendekatan Metode Analytic Network Process (Anp)", *Jurnal Waqaf dan Eonomi Islam*, Vol. 10, No. 2, (2017),h.117

[14] Dwi Weni Jayanti, *Tinjauan Hukum Islam Terhadap Pengelolaan Wakaf Uang Di Indonesia.* Diss. Institut Agama Islam Negeri Palopo, (2023.),h.77

[15] Wahyu Abdul Jafar, "Eksistensi Wakaf Tunai Dalam Tinjauan Maslahah Mursalah", ALHURRIYAH: *Jurnal Hukum Islam,* Vol. 4, No. 1, (2019),h.21

even after its doer has passed away. This hadith constitutes the principal pillar of the institution of waqf in Islam. In the context of cash waqf, the principle of sadaqah jariyah is embodied through the productive management of waqf funds, so that its benefits may be continually experienced by the wider community without eliminating the value of the waqf property.

From the standpoint of consensus (ijma'), although no unanimous agreement among classical scholars concerning cash waqf specifically can be found, there exists a general consensus regarding the validity of waqf as an instrument of Islamic philanthropy. The practice of waqf in its various forms has been accepted as an integral part of the Islamic social order.[16] As for analogy (qiyas), it is employed to equate cash waqf with other forms of movable-property waqf whose validity has been recognized, taking into account the shared effective cause (illat), namely the capacity of such property to generate sustainable benefit.

In addition to normative evidence, the validity of cash waqf is further reinforced through a rational approach and socio-economic considerations. Cash waqf is regarded as more flexible and inclusive because it opens participation to members of society across various economic levels. In the modern context, cash waqf holds great potential to be developed as an alternative source of financing for social, educational, health, and economic-empowerment activities for the community.[17] With a management system that is professional and consistent with the principles of the shariah, cash waqf is transformed into an instrument of Islamic philanthropy responsive to the movement of the age and to the needs of contemporary society. Thus, the justification and normative foundation of cash waqf rest not solely upon textual evidence, but also upon an approach of ijtihad that weighs the aims of the shariah and social reality. This indicates that cash waqf possesses a strong legal basis and a high degree of relevance in the development of the modern waqf system in the Islamic world, particularly in addressing the social and economic challenges facing the community today.

The History and Development of Cash Waqf

The history and development of cash waqf highlight the historical fact that

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[16] Muhammad Umar. "*Wakaf Uang Melalui Program Qris Menurut Hukum Islam (Studi Lembaga Wakaf Uang UNISIA Yayasan Badan Wakaf Universitas Islam Indonesia)".* Diss. Universitas Islam Indonesia, (2023.),h.44

[17] M. Razi Zakaria, *Hukum Menjual Tanah Wakaf Yang Lokasinya Sulit Di Akses Di Tinjau Dari Maslahahh Mursalah*. Diss. Institut Agama Islam Negeri Curup, (2025),h.26

the practice of waqf has not always been confined to immovable property such as land and buildings, but has also encompassed waqf in the form of money. In the tracing of Islamic history, cash waqf had been known and practiced since the earliest period, yet it attained significant development during the era of the Ottoman Sultanate.[18] This practice serves as empirical evidence that cash waqf is not a new innovation, but part of the institutional dynamics of waqf within Islamic civilization. During the era of the Ottoman Sultanate, cash waqf (cash[19]

The success of the practice of cash waqf during the Ottoman era demonstrates that money can serve as a productive waqf asset, so long as it is managed prudently and in accordance with the values of the shariah. This system not only preserves the continuity of the waqf's principal value but is also capable of yielding sustainable economic benefit for society.[20] For this reason, this historical experience is frequently invoked as a reference by Muslim scholars and intellectuals when discussing the validity of cash waqf in contemporary jurisprudence.

In the subsequent course of its development, the concept of cash waqf has continually adapted in line with the shifting social and economic circumstances of the Muslim community. In the modern era, cash waqf has begun to be integrated with the Islamic financial system, rendering its management increasingly professional, transparent, and accountable.[21] This long historical span of cash waqf demonstrates that the institution of waqf possesses a high degree of flexibility and is capable of adapting to the demands of the age without abandoning the fundamental principles of the shariah. Accordingly, the examination of the history and development of cash waqf illustrates that this practice is deeply rooted in the Islamic tradition.

The Implementation of Cash Waqf in Indonesia and Singapore

The implementation of cash waqf in Indonesia is centered on how the concept of cash waqf is concretely realized within the legal, institutional, and

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[18] Marina Zulfa, Muhammad Arif, "Potensi Wakaf Tunai Dalam Mendorong Pengembangan Umkm Di Kota Pekanbaru" *Jurnal Tabarru' : Islamic Bangking and Finance,* Vol. 3, No. 2, (2020),h.5

[19] Cupian, Nurun Najmi, "Analisis Faktor-Faktor yang Memengaruhi Persepsi Masyarakat Terhadap Wakaf Uang di Kota Bandung", *Jurnal Ilmiah Ekonomi Islam,* Vol. 6, No. 2, (2020),h.4

[20] Hisam Ahyani, Muharir Muharir, "Perspektif Hukum Ekonomi Syariah Tentang Wakaf Uang di Era Revolusi Industri 4.0", *Jurnal Al-Tsaman,* Vol. 3, No. 1, (2020),h.136

[21] Nala Fariha. *Optimalisasi Wakaf Uang dalam mendukung Inklusi Keuangan Syariah Era Digital: Analisis Maqāṣid Al-syarī 'ah dan Regulasi Hukum di Indonesia.* Diss. Universitas Islam Indonesia, (2025),h.61

social practice of the country. Within the national legal framework, cash waqf has secured a firm legitimacy through Law No. 41 of 2004 on Waqf, which expressly states that money falls within the category of valid waqf property. This legal recognition demonstrates the state's endeavor to[22] accommodate the development of modern waqf instruments while providing legal certainty for all parties involved in the endowment. Furthermore, the implementation of cash waqf in Indonesia is inseparable from the role of the Indonesian Waqf Board (BWI) as an independent institution tasked with the guidance, coordination, and supervision of waqf management. The BWI plays an important role in promoting the professional, transparent, and productivity-oriented governance of cash waqf.[23] Through its various policies and programs, the BWI endeavors to ensure that cash-waqf funds are not merely collected but also managed optimally in order to generate long-term benefit for society.

In operational practice, the collection and management of cash waqf are carried out through Islamic financial institutions designated as cash-waqf recipients (LKS-PWU), which are officially appointed by the government. These institutions serve as the official intermediaries that receive cash-waqf deposits from the public, issue waqf certificates, and channel the funds to the nazir to be managed in accordance with shariah principles. This mechanism is intended to safeguard waqf funds, foster public trust, and ensure that the management of cash waqf is conducted accountably.

The development of cash waqf in Indonesia still faces a number of structural and cultural obstacles. One of the principal impediments is the low level of public understanding of waqf, which causes waqf to be narrowly perceived as merely the donation of fixed assets such as land or buildings. This condition results in limited public participation in cash waqf, even though, economically, cash waqf is more accessible to various segments of society. In addition, the issue of public trust in waqf-managing institutions constitutes a significant challenge. The lack of transparency and accountability in the management of waqf in the past has affected the level of public trust. Furthermore, the capacity and professionalism of the nazir in managing cash-waqf funds still need to be improved, particularly

[22] Risca Putri Prasinanda, Tika Widiastuti, “Peran Nazhir Dalam Mengelola Hasil Wakaf Uang Pada Badan Wakaf Indonesia Jawa Timur” *Prasinanda, et al/Jurnal Ekonomi Syariah Teori dan Terapan* Vol. 6 No. 12, (2019),h.2554

[23] M. Andika Yuda Pratama, “Digitalisasi Wakaf Uang di Indonesia: Potensi, Tantangan, dan Studi Kasus Platform Digital”, *Jurnal Ilmiah Ekonomi dan Keuangan Syariah*, Vol. 7, No. 1, (2025),h.42

in the areas of financial management, shariah-compliant investment, and risk management, so that waqf funds can be developed effectively.

Nevertheless, cash waqf holds highly promising prospects in Indonesia. Equipped with a large Muslim population, adequate regulatory support, and the rapid growth of the Islamic financial industry, cash waqf has the potential to become a strategic instrument for empowering the community's economy. The productive management of cash waqf can be directed toward supporting a variety of social and economic programs, such as the financing of education, health services, the development of micro and small enterprises, and poverty-alleviation programs.[24] Thus, cash waqf functions not only as a means of worship but also as an instrument of sustainable social development oriented toward the welfare of the community.

The implementation of cash waqf can be realized through a variety of productive and social programs integrated with the Islamic financial system. Several examples of the implementation of cash waqf are as follows:

1. Productive Cash Waqf for Economic Empowerment

   Cash-waqf funds are collected from the public through LKS-PWU and managed by the nazir in the form of shariah-based financing for micro and small enterprises. The profits from such enterprises are utilized to elevate the welfare of the community, while the principal value of the waqf is preserved so that it does not diminish.[25]

2. Cash Waqf for Sustainable Education

   Cash waqf is allocated to support the operational financing of Islamic educational institutions such as pesantren, madrasahs, and universities. The proceeds from the management of the waqf funds are used to provide scholarships, improve the quality of educational facilities, and enhance the welfare of teaching staff.

3. Cash Waqf in the Health Sector

   Cash-waqf funds are managed to support public health services, such as financing free clinics, providing medical assistance to underprivileged

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[24] Ani Yumarni dkk, "Kepastian Hukum Ikrar Wakaf Uang Melalui Platform Digital Dalam Perspektif Transparansi Dan Akuntabilitas" *Al'Adl : Jurnal Hukum,* Vol. 17, No. 2, (2025),h.181

[25] Fajriansyah Abdillah Fajri, Fatkhur Rohman Albanjari, Nugraheni Fitroh Rezqi Syakarna, "Optimalisasi Wakaf Uang Berbasis Digital dalam Meningkatkan Inklusivitas Filantropi Islam di Yayasan Edukasi Wakaf Indonesia" *Adzkiya: Jurnal Hukum dan Ekonomi Syariah*, Vol. 13, No. 1, (2025),h.10

groups, and supplying health facilities that can be utilized on a sustainable basis.

4. Cash Waqf for Social and Humanitarian Programs

Cash waqf is employed to support social programs, such as assistance for disaster victims, the construction of public facilities, and the strengthening of the community's social resilience.[26] The proceeds from the management of the cash waqf are utilized on a continuous basis to meet long-term social needs.

5. Shariah Investment-Based Cash Waqf

Cash-waqf funds are invested in secure and lawful (halal) Islamic financial instruments, such as sukuk, Islamic deposits, or other productive enterprises. The returns on such investment are then channeled for the benefit of the community in accordance with the purpose of the waqf.[27]

The procedures for the implementation of cash waqf in Indonesia are carried out in a structured manner, following the principles of the shariah and the applicable legal provisions, which may be described as follows:[28]

1. Affirmation of the Intention and Purpose of the Waqf

The wakif establishes the intention to endow voluntarily and, at the same time, determines the purpose of the cash waqf, whether for general or specific purposes, such as education or health.[29] This affirmation of intention constitutes the spiritual as well as the legal foundation of the practice of waqf.

2. Deposit of the Cash Waqf through an LKS-PWU

The wakif deposits the waqf funds through an LKS-PWU that has been appointed by the government. This stage is essential to ensure that the waqf funds are managed through a legal, secure, and shariah-compliant institution.

3. Pronouncement of the Cash-Waqf Declaration (Ikrar)

The wakif pronounces the cash-waqf declaration (ikrar), whether in

[26] Rizal Mutaqin, "Peran Perbankan Syariah dalam Upaya Meningkatkan Ekonomi Syariah Melalui Optimalisasi Pengelolaan Wakaf Uang untuk Kemaslahatan Umat." *Karimah Tauhid* Vol. 4. No. 2 (2025),h.909

[27] Dinda Nurmulya, Masruchin, Inovasi Pengumpulan Dana Wakaf Uang Untuk Pemberdayaan Ekonomi UMKM Dalam Perspektif Maqasid Syariah (Studi Kasus BMT AU Surabaya)." *Syarikat: Jurnal Rumpun Ekonomi Syariah,* Vol. 8. No.1 (2025),h.97

[28] Sundana Effria, *Manajemen Literasi Wakaf Uang di Yayasan Edukasi Wakaf Indonesia Yogyakarta dalam Perspektif Maqasid Wakaf.* Diss. Universitas Islam Indonesia, (2025),h.34

[29] Gita Agriana, Taufiqur Rahman, "Digital Wakafraising: Strategi Dalam Mengoptimalkan Wakaf Uang Pada PT Edukasi Wakaf Indonesia." *Dialektika: Jurnal Ekonomi dan Ilmu Sosial*, Vol.10, No.1 (2025),h. 67

writing or orally, in accordance with the applicable provisions. This declaration constitutes the official statement of the transfer of the waqf property for purposes of worship and social benefit.

4. Issuance of the Cash-Waqf Certificate

Once the declaration has been made, the LKS-PWU issues a cash-waqf certificate as legal and administrative evidence of the execution of the cash waqf.

5. Disbursement of the Funds to the Nazir

The cash-waqf funds are channeled to a nazir who has been registered and authorized by the BWI. The nazir bears full responsibility for the management and development of the cash-waqf funds.

6. Productive and Shariah-Compliant Management of the Cash Waqf

The nazir manages the cash-waqf funds through various productive schemes that are lawful (halal), secure, and sustainable, while preserving the integrity of the waqf's principal value.

7. Disbursement of the Waqf's Benefits to the Beneficiaries

The proceeds from the management of the cash waqf are disbursed to the beneficiaries (mauquf 'alaih) in accordance with the purpose of the waqf as determined by the wakif.

Cash Waqf in Singapore

Singapore is frequently regarded as an international reference for the effective management of waqf, even though Muslims constitute a minority in that country. The scarcity of land has rendered cash-based waqf (cash waqf) a more relevant alternative than land waqf, since cash waqf enables anyone to participate through voluntary contributions of an affordable amount.[30] In academic studies, cash waqf is understood as funds pooled and managed in the name of Allah, then invested in various assets to generate income for the beneficiaries (mauquf 'alaih), while the manager (mutawalli) disburses the proceeds for social and charitable purposes.[31] It is precisely this flexibility that makes cash waqf a more inclusive instrument of philanthropy, more readily accessible to various segments of society than waqf of immovable property.[32]

From the standpoint of legal foundation, the entire regulatory framework of waqf

[30] Majlis Ugama Islam Singapura (MUIS), "Asset Creation," muis.gov.sg, diakses Juni 2025.

[31] Vika Annisa Qurrata et al., "Effectiveness of Cash Waqf Management in Improving Community Welfare: Challenges and Opportunities," *Review of Integrative Business and Economics Research* 10, Supplementary Issue 1 (2021)

[32] Vika Annisa Qurrata et al., "Effectiveness of Cash Waqf Management in Improving Community Welfare: Challenges and Opportunities," *Review of Integrative Business and Economics Research* 10, Supplementary Issue 1 (2021)

in Singapore rests upon the Administration of Muslim Law Act (AMLA) of 1966. Under Section 2 of the AMLA, waqf is defined as a permanent dedication by a Muslim of any movable or immovable property for any purpose recognized by Islamic law as pious, religious, or charitable.[33] This statute affirms that the legal ownership of all waqf assets automatically vests in the Islamic Religious Council of Singapore (MUIS), which the courts have positioned as the trustee-equivalent of all waqf; only the income from the waqf assets may be distributed to the beneficiaries, whereas the principal must be kept intact.[34] It is this principle that places the entire governance of cash waqf under a single, centralized authority backed by the force of state law.[35]

Institutionally, Singapore's success is underpinned by a strategy of corporatizing waqf management. MUIS established a subsidiary company named Warees Investment Pte. Ltd. (Waqf Real Estate of Singapore) to separate the management function so that the administration and development of waqf assets may proceed optimally.[36] Through this professional management, the value of waqf properties has reportedly increased manyfold and generates higher income for the waqf fund. A number of studies assess that the establishment of Warees has rendered the management of waqf by MUIS more transparent and clearer, while also making Singapore's centralized model of waqf governance one of the most efficient.[37]

In managing its funds, cash waqf in Singapore applies the principle of preserving the corpus, namely the principal capital in the form of cash pooled from numerous contributors and then invested in shariah-compliant and capital-guaranteed instruments and properties, while only the proceeds of the investment are disbursed to the beneficiaries.[38] This scheme is embodied, among others, in Wakaf Ilmu, initiated by MUIS in 2012 in response to the need of local madrasahs for sustainable sources of income, given that some madrasahs had previously relied on donations for at least 50 percent of their funding.[39]

As for its implementation, it demands administrative orderliness and a high degree of accountability. The AMLA requires that all waqf whether created before or after the entry into force of the statute be registered with MUIS, which is also obliged to maintain an official register of waqf together with the particulars of the mutawalli, the beneficiaries,

[33] Ministry of Law Singapore, "Wakafs," https://www.mlaw.gov.sg/trusts/wakafs/ merujuk pada *Administration of Muslim Law Act* 1966, Pasal 2.

[34] Ministry of Law Singapore, "Wakafs," https://www.mlaw.gov.sg/trusts/wakafs/ , merujuk pada *Administration of Muslim Law Act* 1966, Pasal 2.

[35] Mohd Owais & Zati Ilham Abdul Manaf, "Comparative Analysis of Waqf Institutions Governance in India and Singapore," *El-Barka: Journal of Islamic Economics and Business* 6, no. 2 (2023)

[36] Qurrata et al., "Effectiveness of Cash Waqf Management,"

[37] Owais & Manaf, "Comparative Analysis of Waqf Institutions Governance,".

[38] MUIS, "Asset Creation."

[39] Qurrata et al., "Effectiveness of Cash Waqf Management,"

and the waqf property.[40] MUIS acts as the mutawalli of the waqf, unless there is reason to believe that a private mutawalli is better able to realize the objectives of the waqf; every private mutawalli must undergo a screening process and obtain the approval of MUIS before being appointed, and must comply with the AMLA and its implementing rules.[41] As part of accountability, the mutawalli is required to maintain proper records of all receipts, expenditures, and investments of the waqf funds, and to prepare audited financial statements at the close of each financial year; failure to fulfill this obligation constitutes an offense under the law.[42]

The Meaning and Significance of the Implementation of Cash Waqf

The implementation of cash waqf carries strategic significance in the development of the modern waqf system.[43] Cash waqf is understood not merely as a form of individual worship but also as a socio-economic instrument capable of integrating spiritual values with productive economic practice.[44] Through a structured mechanism and professional management, cash waqf plays a role in broadening public access to waqf and in enlarging its social impact on a sustainable basis. In addition, the implementation of cash waqf reflects the capacity of Islamic law to adapt to the movement of the age without abandoning the fundamental principles of the shariah. Cash waqf becomes a concrete means of realizing the maqasid al-shari'ah, particularly in the preservation of property (hifz al-mal), the enhancement of the community's welfare, and the strengthening of social solidarity. Thus, cash waqf occupies a strategic position as an instrument of Islamic philanthropy that is relevant, inclusive, and oriented toward sustainable social development.

CONCLUSION

On the basis of the entire discussion presented above, it can be affirmed that cash waqf represents a form of renewal and development of waqf that is highly relevant to the social and economic dynamics of modern society. Its emergence

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[40] Ministry of Law Singapore, "Wakafs."

[41] Ibid.

[42] Ibid.

[43] Fajrinyanti Eliza, *Analisis Peran Kantor Urusan Agama Kecamatan Kesambi Kota Cirebon Dalam Pemberdayaan Peran Nadzir Pada Manajemen Pengelolaan Wakaf Berdasarkan Undang-Undang Nomor 41 Tahun 2004 Tentang Wakaf.* Diss. S1-Hukum Ekonomi Syariah UIN SSC, (2025),h.3-5

[44] Uzhma Lia Nurdina, *Pengaruh Sikap, Norma Subjektif, dan Persepsi Kontrol Perilaku Terhadap Minat Wakaf Uang pada Mahasiswa Universitas Islam Indonesia*. Diss. Universitas Islam Indonesia, (2025),h.56

constitutes a response to the need for an instrument of Islamic philanthropy that is not merely traditional in character but is also capable of adapting to the progress of the age and to the contemporary economic order. Although, in classical juristic studies, cash waqf once sparked differences of opinion particularly regarding the requirement of the perpetuity of the waqf asset (baqa' al-'ayn) the trajectory of juristic thought demonstrates an increasingly accommodating tendency toward the practice of cash waqf. The view of the Hanafi school, together with the thought of contemporary scholars, provides a strong legal legitimacy by emphasizing the continuity of benefit and the attainment of the objective of public welfare as the essence of waqf, rather than the mere physical permanence of its object.

From a normative perspective, cash waqf rests upon a firm legal foundation derived from the general principles of the Qur'an, the hadith of the Prophet Muhammad (peace be upon him) concerning the concept of ongoing charity (sadaqah jariyah), the consensus (ijma') of the scholars, and analogy (qiyas) as a method of determining Islamic legal rulings. This normative foundation is reinforced by rational considerations and socio-economic reasoning that position cash waqf as a flexible, dynamic, and adaptive instrument of Islamic philanthropy responsive to changing societal conditions. Furthermore, the practice of cash waqf that once flourished in the history of Islamic civilization particularly during the Ottoman Sultanate serves as empirical evidence that cash waqf can be managed productively and sustainably, and can make a significant contribution to enhancing the social and economic welfare of the community.

In the Indonesian context, cash waqf has obtained formal legal recognition and legitimacy through Law No. 41 of 2004 on Waqf, subsequently reinforced by the role of the Indonesian Waqf Board (BWI) and the involvement of Islamic financial institutions as partners in the management of cash waqf. This regulatory framework signifies the state's commitment to developing cash waqf as part of the national Islamic economic system. Nevertheless, the implementation of cash waqf in Indonesia still faces a range of rather complex challenges, including the low level of public understanding of cash waqf, the suboptimal level of public trust in waqf-managing institutions, and the limited capacity and professionalism of the nazir in managing waqf productively and accountably. Despite these various obstacles, cash waqf holds enormous potential to be developed as a strategic instrument for empowering the community's economy and for building sustainable social welfare.

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