



Waqf in Non-Muslim Countries: A Case Study of Singapore

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Waqf is an Islamic concept that refers to a charitable endowment or trust. It involves dedicating a specific asset, such as property, land, or money, for the benefit of the community or a specific purpose, in accordance with Islamic law. One of the important aspect in the success of waqf is the management and optimization concept. This research will try to elaborate further on the development of waqf in the non-Muslim country of Singapore. This paper also tries to look at the revitalization of existing waqf land in Singapore, given its very limited area. The result show that, although it is Muslim-minority country, Singapore is able to professionally manage its waqf assets and properties productively. Through MUIS, waqf is managed optimally. The impressive performance of Warees, an important philanthropic institution in Singapore, cannot be separated from its professionalism, innovation in financing, initiation of cash waqf and the release of fatwa on istibdal waqf.

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INTRODUCTION

Waqf has played a significant role in Islamic societies since the time of the Prophet Muhammad. Historically, it has been a key institution for funding education, healthcare, and other public services in Muslim communities. Today, the waqf system remains active in many Muslim-majority countries, often adapted to modern legal and economic systems to align with contemporary needs and governance frameworks.

Once an asset is designated as waqf, it becomes irrevocable and cannot be sold, gifted, or inherited. The asset is considered to belong to Allah (God). The proceeds or benefits of the waqf are used to support charitable, social, or religious causes, such as building mosques, schools, hospitals, or providing for the poor and needy. The waqf is typically managed by a custodian or trustee (known as a mutawalli), who is responsible for ensuring that the waqf's benefits are distributed as per the founder's wishes.

Currently, the condition of waqf generally is still mostly unproductive. Meanwhile, to maintain the sustainability of waqf assets as well as to achieve more optimal benefits, waqf land needs to have high productivity. Of course, with careful and professional management of waqf assets.

Waqf managers or nadzirs need to have sufficient competence and innovativeness to be able to develop existing waqf assets. Waqf institutions need to have professionalism in the management and management of waqf assets. Based on the results of research, for example, there are several factors that influence the selection of waqf institutions by the public. These factors can be classified into internal and external factors (Rusydiana, 2018a). Based on the calculation results, the most prioritized criterion influencing the selection of waqf institutions in Indonesia is the financial transparency factor (0.296) followed by the factor of program innovation owned by waqf institutions (0.259). The next criteria are the professionalism factor of the waqf institution, the service factor and the convenience factor.

From this result, the waqf management nazir must always be trustworthy and fully responsible in managing waqf funds and objects. In addition, waqf nadzirs need to innovate both in terms of fundraising for waqf funds/objects, management and investment distribution of cash waqf funds. Last but not least, in terms of competence, waqf nazirs are required to be professional, trustworthy and understand waqf fiqh and management.

One of the countries that is able to manage its waqf assets well is Singapore. Although not a Muslim-majority country, Singapore is able to professionally manage its waqf assets and properties productively. Through MUIS or MUI level in Indonesia, waqf is managed optimally.

This research will try to elaborate further on the development of waqf in the non-Muslim country of Singapore. This paper also tries to look at the revitalization of existing waqf land in Singapore, given its very limited area. In addition, what types of properties are managed by the relevant waqf institutions, in order to produce the existing waqf assets.

LITERATURE REVIEW

Waqf comes from the Arabic waqafa (plural: awqaf, waqfs) which means forever holding back, preventing. While Imam Maliki defines waqf as confinement for the cause of Allah. Other schools of Islamic law namely Hanafi, Shafi'i and Hambali note that waqf is the retention of certain property from the ownership of the founder of the waqf and dedicating its income to charitable purposes for the community, because of Allah. This definition emphasizes on the principle that waqf should be preserved. Kahf (2000) defines waqf as "...holding certain property and preserving it for certain limited philanthropic purposes and prohibiting its use or disposition beyond its specific purpose".

Research on waqf has an important role for Muslims in realizing the benefits of optimizing the management of waqf funds in empowering the community's economy. The discussion of waqf research is still dominated by the discussion of non-cash waqf rather than cash waqf from 2011 to 2015 (Rusydiana and Alparisi, 2016). This provides a general picture for researchers or experts to further increase the discussion related to cash waqf. Because cash waqf has great power and potential in collecting waqf funds from the wider community which are then used as productive waqf in empowering the community's economy.

Singapore is one of the minority Muslim countries pioneering the trend of productive waqf. The Islamic Religious Council in Singapore in this case Majlis Ugama Islam Singapura, MUIS undertakes the renewal of waqf properties to generate additional income to enhance the socio-economic and sustainable development of the Muslim community. Almost all waqfs in Singapore were established between the late nineteenth and mid-twentieth centuries. This implies that the existence of waqf in Singapore is relatively

recent when compared to the long history of waqf in the Middle East.

Waqf management in various countries does face some challenges. This includes Singapore and Indonesia. The challenges range from the lack of human resource capacity of the nadzir to political issues such as waqf in Tunisia (Juliandi, 2015). For example, the main problems and challenges faced in the development of cash waqf in Indonesia are: System aspects, regulations and rules, products and information technology. Likewise, the aspect of human resources (Rusydiana and Devi, 2018). The main strategies and foundations needed in the framework of cash waqf development in Indonesia are: transparency and accountability of waqf institutions, improving the quality of cash waqf management nazir, and innovative marketing strategies of waqf institutions. As for the aspect of stakeholders or actors involved and related to the development of cash waqf in Indonesia, important actors include: The government or regulator, the Indonesian Waqf Board and Bank Indonesia (Rusydiana, 2018b). Singapore is different from Indonesia.

METHODOLOGY

The research method used in this study is descriptive qualitative method by explaining the development of waqf in Singapore. The sources used are references from scientific publications, journals and related books. In addition, data sources also come from relevant websites such as www.warees.sg which is the website address of Warees or Waqf Real Estate, a subsidiary under MUIS, Majlis Ugama Islam Singapore.

Furthermore, in the discussion and conclusion, the author tries to compare the concept and development of waqf in Singapore with that in Indonesia, although not completely. Hopefully, the opportunities, goodness and *best practices* related to waqf management in Singapore can be emulated and applied in Indonesia, in accordance with the current situation and conditions. One part of the discussion is the fact of the success of productive waqf management in Singapore, which is a Muslim minority country and has limitations in terms of area. Singapore is only one-fifth the size of Malang Regency in Indonesia.

RESULT & ANALYSIS

Most waqfs in Singapore were established by Muslim merchants who were immigrants from the Arab region. Most works on the history of waqf in Singapore cite the Alsagoff family (Al-Saqqaf in Arabic) as an early example of waqf founders (Brown, 2008: 229; Pollard et

al., 2009: 141). This paper also focuses on the Aljunied (Al-Junayd) family as well as the Alsagoff family. They all came from the Hadhramaut region of the Arabian Peninsula.

Syed Sharif Omar bin Ali Aljunaied (1792-1852) was renowned for his success in business in Palembang, and was personally welcomed by Sir Stamford Raffles upon his arrival in Singapore in 1819. He contributed to the provision of infrastructure (wells, bridges, hospitals), and burial grounds in Singapore. In 1845, he built a mosque on Bencoolen Road and donated the property as a waqf after his death. According to Shinsuke's (2016) research, this property is the oldest waqf in Singapore. The mosque was developed for sustainable funding with the request of one of the trustees, Rajab Ally bin Kassim Jeammedah, that the mosque receive rent and profit for maintenance and payment of the salary of the narrator (khatib) during Friday prayers. Currently, there are six properties that are still effective as waqf established by the family.

Syed Abdul Rahman Alsagoff was a spice trader and came to Singapore to start his business in Southeast Asia. His son, Syed Mohamed bin Ahmad Alsagoff (1836-1906), was known for his contributions in Islamic charitable activities. Syed Ahmad established the SMA (Sayyid Muhammad bin Ahmad) Waqf Fund by donating nine properties to become effective upon his death in 1906 (Tumiran, 2011: 436). The fund was dedicated to the maintenance of mosques, burial sites and schools not only in Singapore, but also in the Hadhramaut region (Brown, 2008: 229). He also established the Muslim Trust Fund Association (MTFA) in 1904 at a time when there was no national organization to look after the welfare of the poor and underprivileged Muslims and Muslim orphans. After the death of Syed Mohamed bin Ahmad Alsagoff, Alsagoff and his family went to great lengths in laying the foundation of waqf. Twelve properties established by the family today are still effectively waqf.

There are currently 156 waqf properties in Singapore (as of December 2017). While 68 of these properties are estate waqf, 30 are cash waqf. While 85 of these properties are managed by MUIS, 71 are managed by waqf trustees or nadzirs. Most of the waqf properties are located in the downtown district of Singapore.

According to the 2010 census, Muslims comprised 14.7% of the population aged 15 years or older in Singapore (Department of Statistics, Ministry of Trade and Industry, Republic of Singapore, 2011: viii). As a Muslim minority country, Singapore has provided some specific legal frameworks for Muslims. The

regulation and supervision of waqf property is considered a Muslim affair, and falls under the jurisdiction of the Administration of Muslim Law Act (AMLA) of 1966. According to Section 59 of the AMLA, all waqf properties in Singapore must be under the regulation and supervision of MUIS.

The 1999 amendments to the AMLA gave significant powers to MUIS, and provided concrete procedures and provisions for MUIS to appoint, supervise, and, if necessary, remove trustees of waqf properties although the AMLA has a notional provision on this in Article 58(5) of the AMLA. Such procedures and concrete provisions are stated in Article 64 of the 1999 revised AMLA. The purpose of this amendment was to encourage increased efficiency in waqf management with strong incentives from MUIS. Even MUIS became very active in refurbishing dilapidated waqf properties after the amendment.

The practice of waqf property renewal in Singapore can be divided into two types. The first type is to renew the waqf in the original location by removing the old estate and building a new one. The second type is to renew the waqf by relocation and consolidation of properties. The renewal process includes the disposition of dilapidated waqf properties and building new estates in one location. This paper provides examples of each type as follows.

Over the past ten years, several projects to refurbish waqf properties in Singapore have been completed under the same scheme with the collaboration of MUIS, Warees and Islamic finance. Currently, new projects to refurbish other properties are also underway.

It cannot be argued that Singapore's waqf reform practice is a clear and pioneering example of this organic integration. However, its characteristics differ from the revitalization practices found in other countries. Recently, some countries such as Malaysia, Indonesia, Sudan, Turkey, the United Kingdom, and the Gulf countries have also started to revitalize the waqf system. Unlike in Singapore, these countries mainly seek to establish a new waqf system by using cash waqf schemes, known as "corporate waqf" (or "stock waqf"), which accumulate capital through fundraising from investors.

Under this scheme, investors receive a certificate as proof of having purchased a certain amount (even as low as USD 1, for example) of newly established waqf shares, thus becoming a donor. The accumulated capital is invested just like any other Islamic financial product. Although MUIS oversees some cash waqf in

Singapore, the number (30) is relatively smaller than that of estate waqf properties (68).

Given the above, why is Singapore so active in revitalizing old waqf properties? One reason is the scarcity of land due to the country's small size. Even if Singapore is able to establish a new waqf system using cash waqf schemes, it is not easy to find vacant land in the island nation. In addition, Singapore has strict land regulations under the Land Acquisition Act. The Act states that "whenever certain land is required: (a) for a public purpose; (b) by any person, company or statutory board, for any work or undertaking which, in the opinion of the Minister, is in the public interest or of public utility or in the public interest; or (c) for residential, commercial or industrial purposes, the President may, by notice published in the Gazette, declare the land to be required for the purpose specified in the notice" (Land Acquisition Act 5(1)). Jieming Zhu regards this Act as giving the government power to acquire land and make it available for redevelopment (Zhu, 2010: 280). In fact, more than 90% of land in Singapore is currently owned by the government which leases it back for residential, commercial and industrial purposes (Bhaskaran and Wilson, 2011: 32). If the analysis can be understood in the context of waqf, the Act gives the government the power to take over waqf properties citing inefficient management. Therefore, this unique legal framework has forced MUIS to update its real waqf property practices to preserve this traditional Islamic institution.

Warees: A Best Practice

Warees (an acronym for Waqf Real Estate) currently manages waqf assets worth 769 million Singapore dollars or more than 8 trillion rupiah. Warees assets are divided into 2 groups, namely, waqf assets and institutional assets. The total number of properties managed by Warees is 156 properties consisting of villas, office buildings, hotels, mosques, and apartments. The entire waqf properties are managed by MUIS with 85 properties and by other nadzir/mutawalli with 71 properties.

Waqf assets were first recorded in Singapore in 1820. At that time, a trader from Palembang of Hadramaut Yemeni descent named Syed Sharif Omar bin Ali Aljunied arrived. He built the oldest mosque in Singapore, the Omar Mosque in Kampung Melaka. In addition, Syed Omar also built a mosque on Bencoolen street which was later also endowed for public use. To date, these waqf assets are under the management of Warees investment Pte Ltd, a professional organization

formed in 2001 and 100% owned by MUIS (Majlis Ugama Islam Singapore).

It was these Warees who then made major innovations to optimize waqf assets in Singapore. Unproductive waqf buildings are transformed into high-value commercial settlements and generate good returns. Most of the waqf assets are located in the *Central Business District* (CBD) area such as Orchard Road, Marina Bay Sand, and others.

There are two kinds of waqf in Singapore. Expert Waqf/Family Waqf where the beneficiaries of the waqf are exclusively the family of the waqf donor, and Khairi Waqf/Public Waqf where the beneficiaries of the waqf are the general public. Warees only manages public waqf. In this case, Warees tries to achieve two things, getting the maximum financial benefit and then channeling it back to the community and the environment.

The country, which according to the 2010 census only has a Muslim population of 14.7%, relies heavily on the property and financial services sectors. This is the reason why Warees chose to follow suit and enter the property sector to optimize waqf assets. Singapore has emerged as a country with *best practices* in productive waqf management.

There are several things that are key to Warees' success in managing the productive waqf. First, there is professionalism. With the establishment of Warees, MUIS wants waqf assets to be managed professionally by one institution. Warees can focus on generating maximum revenue from waqf properties, while MUIS can also focus on regulatory and supervisory functions.

Second, there is a fatwa on Istibdal waqf. Replacing waqf assets. The *Land Acquisition Act* in Singapore authorizes the local government to confiscate unproductive assets. Due to this concern, MUIS established warees and also issued a fatwa on istibdal waqf to safeguard waqf assets that were not well managed. An unpopular fatwa for a country where the majority of people follow the Shafi'i school of thought. But in fact, MUIS still pursued it by considering the mudharat and maslahah of what was done.

Small, rundown waqf assets that no nadzir is willing and able to manage are taken over by MUIS. They are then replaced with new waqf assets. There are two ways to conduct istibdal waqf. Renew or relocate. Renewing can be done by demolishing the old waqf building and then building a new property on the former land. Meanwhile, relocating means selling old waqf assets that are considered unproductive and prospective.

The proceeds from the sale will be used to buy new waqf assets in another place.

Warees applies both of these. As for the first example, it is applied to waqf assets in Bencoolen street. There are waqf assets in the form of a mosque and four shophouses that were donated by Syed Sharif Omar bin Ali Aljunied in 1845. Warees raised surplus funds from the mosques receiving the waqf funds and issued a USD 35 million sukuk musyarakah. The funds were used to rebuild the waqf asset.

After completion over a period of five years (2002-2007), the waqf asset was transformed into a 12-story building. It contained a mosque, 107 apartment units, three office spaces and three shops. All the units were then rented out to generate rental income. As for the relocation of waqf assets, Warees applied it to the Beach Road project (2001-2006). Apart from the CBD area, there are also many waqf assets outside the CBD area. These waqf assets tend to be small, rundown and difficult to turn into productive assets. Several studies related to this can be found in [Hanefah et al., \(2011\)](#), [Owais & Manaf \(2023\)](#), and also [Saad et al., \(2013\)](#).

MUIS in conducting asset relocation requires at least four things. First, the asset is in a state of neglect. second, the asset is prone to being acquired by the government. third, the asset is located in an unsuitable area, even in an area of prostitution. Finally, the asset can provide better income if relocation and reconstruction are carried out. Under these conditions, the relocation of the Beach Road Project was carried out. Several waqf properties spread across several areas were sold and then merged and bought a new building in the city center that provided a higher *return*.

The return from the management of this waqf property is distributed to several parties. USD \$3 million was distributed to the beneficiaries of the waqf (mawquf 'alaih) in 2016. The largest beneficiaries were mosques (62%), overseas institutions (13%) usually the waqf donor's home country, madrasas (9%), social organizations such as orphanages etc (5%), the poor (4%), funeral services for the poor (3%), others (4%).

The next innovation is cash waqf or what they call knowledge waqf. Because the main target beneficiary of the cash waqf fund is the Islamic education sector in Singapore. While infaq and shodaqoh funds can certainly fulfill the immediate operational needs of the madrasah, they are not sustainable in the long run. A waqf of knowledge fund can provide income that supports the madrasah's finances in a sustainable manner.

Added to this is the fact that since the 1970s there have been no new waqf assets from the Singaporean Muslim community. One of the reasons is the skyrocketing property prices that make waqf in the form of assets a very difficult thing to do. Cash waqf has become one of the solutions to accumulate waqf funds from many people.

Singaporean Muslims can choose to pay cash waqf incidentally or regularly through payroll deductions directly debited from their accounts. The funds raised from cash waqf are invested in the property sector and relatively safe financial instruments. In this way, from 2012 to 2016, madrasas have received US\$1.96 million in cash waqf fund investment returns.

As a result, Warees' impressive performance cannot be separated from its professionalism, innovation in financing, initiation of cash waqf and the release of the fatwa on waqf istibdal. There is certainly a lot of controversy regarding waqf istibdal. However, quoting a statement from the Secretary General of AAOIFI, Dr. Hamed Merah, who said that to formulate a fatwa in Islamic finance cannot be *strict* on one madhhab, but also examine from all madhhabs, even from outside the Sunni.

CONCLUSION

Based on the above exploration, it can be concluded that the development of waqf in Non-Muslim countries, in this case Singapore, is quite good. In Singapore, waqf plays an important role in the socio-religious framework of the Muslim community. The administration and regulation of waqf in Singapore is governed by a modern legal and institutional framework that integrates Islamic principles with the country's secular governance system. Although it is not a Muslim-majority country, Singapore is able to professionally manage its waqf assets and properties productively. Through MUIS or MUI level in Indonesia, waqf is managed optimally. The impressive performance of Warees, an important philanthropic institution in Singapore, cannot be separated from its professionalism, innovation in financing, initiation of cash waqf and the release of fatwa istibdal waqf.

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