



INVOLVEMENT OF CORPORATE ENTITIES IN WAQAF MANAGEMENT: EXPERIENCES OF MALAYSIA AND SINGAPORE

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ABSTRACT

The main focus of this paper is to examine the corporate management models of selected waqaf entities in Malaysia and Singapore. The waqaf entities involved in this study include two corporate waqaf institutions namely Kumpulan Waqaf An-Nur Berhad and IIUM Endowment Fund and one corporate waqaf institution in Singapore namely Warees Private Limited, Majlis Ugama Islam Singapore. It also analyzes how these waqaf entities finance the development of their waqaf property, especially land. Such a comparison is necessary considering the diverse experiences of these selected corporate waqaf entities in view of the differences in their endowments and different corporate management models. The paper concludes that these three corporate waqaf entities have adopted a more structured approach in financing the development of their waqaf properties and experimenting new ways of managing and investing waqaf assets. They have created opportunities for the improvement of waqaf institutions and revitalize the potentials of these waqaf assets to yield greater benefits to the society.

Keywords: Corporate entities, Waqaf management, Corporate management models.

INTRODUCTION

In Malaysia, corporate waqaf is a relatively new idea introduced by Johor Corporation in 2006. It is an idea combining corporate efforts with the aim of giving back to the society through awqaf

concept. Corporate waqaf is an innovation with the intention to revitalize the once powerful waqaf institution and benefitting from its dynamics towards adding value and producing wealth through business and corporate efforts to encourage economic growth.

Corporate waqaf, according to [Waqaf An-Nur Corporation \(2008\)](#) is more than a charitable and philanthropic act by a business entity. It is an initiative to combine waqaf concept and apply it to achieve business and corporate objectives. Corporate waqaf, consequently, intends to redefine the role and function of business organizations in today's society by 'giving back' to the society and reaching out to the community.

One great advantage of corporate waqaf is its longevity. This is important to address the issue to maintaining corporate ownership and continuity in an effort of servicing the Muslim ummah. When it is appropriately structured, properly planned and organized, and efficiently managed, corporate waqaf can be anticipated to have all the competence, potential, and vitality of any well-functioning corporate entity.

This study examines the corporate management model of waqaf properties in Malaysia and Singapore. It analyzes how the selected waqaf institutions finance the development of their waqaf property, especially land. Based on the analysis of selected waqaf institutions, the study also identifies new ways for the management and investment of waqaf assets. The paper is organized as follows. Section 2 presents the literature review and followed by a discussion on the methodology used in the study. Section 4 provides discussion on involvement of corporate entities in Malaysia and Singapore in managing waqaf properties and finally, Section 5 concludes.

LITERATURE REVIEW

The Role of Waqaf in Socio-Economic Development of Muslim Ummah

Waqaf institutions have been known to play an important role in the socio-economic development of the Muslim Ummah in the middle period of Islamic history. [Kahf \(2003\)](#) reported that in 1800s, waqaf lands cover substantial proportion of land area in Egypt, Algeria, Turkey and Palestine. Kahf stated that most of waqaf revenues were spent on mosques, payment for the salaries of imams, teachers and preachers, and payment for the expenses on maintenance of the mosques. According to Kahf, this independent source of financing enabled the religious leaders and teachers in the Muslim countries occupied under colonization to take social and political positions independent of that of the ruling class.

Education has been the second largest recipient of waqaf revenues. According to Kahf, at the beginning of 20th century, all schools in Jerusalem are waqaf entities and were supported by awqaf properties. The third largest beneficiary of waqaf falls under the category of the poor, orphans,

needy, etc. Waqaf revenues have also been used to construct hospitals and provide health services. An example of a hospital operating under waqaf budget is the Sishli Children Hospital in Istanbul which was established in 1898 (Kahf, 2003; Al Syed. and Abd, 2011).

The perpetual nature of waqaf resulted in the buildup of waqaf properties in many Muslim countries, including Malaysia. Hasan and Abdullah (2008) stated that in Malaysia, waqaf lands are reported to be over 32,000 acres. According to Hasan and Abdullah, these lands have the potentials to be invested and generate income to benefit the Muslim society. Hasan and Abdullah quoted an example of a large scale investment of waqaf land in Malaysia involving the Federal Territories' Islamic Religious Council, Tabung Haji, TH Technologies Sdn. Bhd., and Bank Islam Malaysia Berhad to construct a 34-storey building at a cost of RM151 million. Despite this development, Hasan and Abdullah observed that waqaf lands are under-utilized and under-developed.

In the case of Singapore, even though it is a small country with only 14% of the population are Muslims, Abdul Karim (2010) reported that there are 99 waqaf institutions managing over 200 properties with assets worth approximately S\$300 million. Most of the awqaf in Singapore are created with the intention of building and maintaining the mosques. Besides these two objectives, financing the religious schools is another popular objective of waqaf. The third beneficiary of waqaf revenues in Singapore are the poor and the needy.

Effectiveness on the Management of Waqaf Institutions

It is very important to make sure that waqaf institutions are managed efficiently as waqaf institutions interact directly with the society similar to Corporate Social Responsibility (CSR) program of a company. An essential element of Corporate Social Responsibility is Stakeholder theory, in the open system in which organizations work together with society; different groups with their own specific sets of needs, expectations and demands represent every interaction. CSR programs are or should be customized around these different needs in a strategic way (Faris *et al.*, 2012; Rodolfo, 2012).

There has been a dearth of studies conducted to examine the efficiency of waqaf institutions. Ibrahim *et al.* (2009) conducted a study to explore the issues of accountability and transparency in waqaf institutions in Muslim countries. They made a comparison between waqaf and charity organizations in the United Kingdom (UK). Through an examination of the UK Charity Commission, Ibrahim *et al.* (2009) argued that the following aspects from the Charity Commission could be adopted to improve the management of waqaf: internal financial controls, transparency and reporting, management of funds, and the code of Good Governance.

Osman (2010) conducted a study to examine the way in which the efficiency of waqaf management may be made through its relationship with beneficiaries, namely the poor. He uses

the concept of accountability as a way to improve waqaf management. Osman (2010) argues that while the effort to improve the effectiveness of waqaf management tends to focus on upward reporting and accountability to boards of trustee similar to corporate style reporting to boards of director, there may be a huge potential if waqaf institutions adopt the notion of downward or participative accountability by listening to and having a dialogue 'downwardly' with the beneficiaries. This recommendation concurs well with the findings of Hassan and Shahid (2010) in which they concluded that by introducing stakeholders' principles into the waqaf management, the waqaf institutions would be revitalized. In particular, by employing the best management practices, many opportunities for improvement of the waqaf institutions would be created.

According to Hassan and Shahid (2010), despite the important and great potential of waqaf in the Muslim socio-economic development, the present state of waqaf institutions is unsatisfactory. As a result of the poor management of the waqaf institutions, the vulnerable segments of the Muslim society have lost cover of the waqaf. In many countries, waqaf institutions are not being given proper attention, resulting in a vast amount of waqaf properties being ill-managed. Many of these properties have vast commercial potentials, but are not being maintained properly, resulting in these properties do not yield their greatest benefits to the society. Several factors have been identified as the source for the non-satisfactory waqaf management, including legislative lacunae, administrative lapses, lack of political will, indifferent attitude of the management of the awqaf, and lack of honesty and integrity. As a solution to the problem, the study suggests that the waqaf institutions to be managed into a professional way of managing the assets within a modern administrative framework. In particular, the study suggests that the principles of stakeholders' to be introduced in the waqaf management. Additionally, in efforts to revitalize the waqaf assets, the study proposes two sources of funds, namely cash waqaf and musharakah sukuk to provide the financial needs for the development of the waqaf properties.

Sait and Lim (2005) highlight several factors that result in the decline of the waqaf sector. This includes the impact of colonial powers which prefer a status quo with regard to endowments, the power base of the religious clergy which has some degree of economic independence by taking credit for the benefits of the endowment system, the issue of perpetual benefits of waqaf has always been highlighted to a point that the benefits accruing to an individual were insignificant, and the issue of rigidity in managing the waqaf, which many attribute as the main cause for the backwardness of the Muslim economy. The study provides several suggestions to revive the role of waqaf in the contemporary setting, such as having an international support, particularly from the OIC, IDB and the ISESCO, bringing up innovation in the administrative structure of the waqaf sector, and providing innovative approaches to waqaf lands by releasing the potential of a high proportion of these lands in the public interest. With regard to modernizing the administration of waqaf, the study suggests that waqaf should be seen as a civil society institution providing public space, thus capable of promoting democratization and good governance. This includes the

challenges of adapting modern management techniques to the prevailing economic relations among societies where waqaf exists such as linking waqaf funds to microfinance through the Islamic microfinance initiatives.

According to (Mohammad and Mar), due to the many failures of the waqaf institutions, time is ripe to think of new measures to change the one-man-management to institutional management of the waqaf institution. This study emphasizes on the need to adopt the principle of value concept of the waqaf properties. In the new proposed waqaf management model, there should be proper recording and appropriate value requisition, and such value must be subjected to appreciation or depreciation as time passes by. More specifically, it is proposed that there should be a distinction between the perpetuity of the physical being of the object and its “dedication” of benefits, in which a waqaf property is considered as perpetual by assigning a value to it but its physical form is subjected to transfers. By introducing the value-based capital waqaf, the problem of non-liquidity of the waqaf assets is no longer an issue.

Research Methodology

The research will focus on several corporate waqaf institutions in Malaysia and Singapore so as to understand the issues and challenges in implementing such models in waqaf management. By learning from the experience of other country, the study would ultimately contribute towards a better management of waqaf properties, thus increasing the efficiency of waqaf institutions in Malaysia. The study uses secondary data obtained from the selected corporate waqaf institutions in Malaysia and Singapore. The data are used to identify and compare the most suitable methods for raising funds to develop waqaf land. The waqaf institutions involved in the study include two corporate waqaf entities in Malaysia namely Kumpulan Waqaf An-Nur Berhad and IIUM Endowment Fund and one corporate waqaf entity in Singapore namely Warees Private Limited, Majlis Ugama Islam Singapore.

EXPERIENCES OF SELECTED CORPORATE WAQAF ENTITIES

Waqaf An-Nur Corporation Berhad, Malaysia

Waqaf An-Nur Corporation (WANCorp) was established on 25 October 2000 to manage assets and shares of Johor Corporation¹ (JCorp) which have been transferred to them as waqaf assets. A memorandum of understanding (MOU) was made between JCorp and Islamic Religious Council of Johor on 4 December 2009 whereby the Johor Islamic Religious Council has agreed to appoint WANCorp to act as a special Mutawalli to manage shares and assets which have been made waqaf assets by JCorp and transferred to WANCorp (Borham, 2011). In the MOU, the Mufti of Johor and

¹ JCorp was formerly known as Johor Economic Development Corporation. It was established by the Johor State government on 18 May 1968 (Borham, 2011)

his Deputy, the Director General of Johor Islamic Religious Council, and executives from Johor Islamic Religious Council who were in charge of awqaf were made directors of WANCorp while some selected executives from JCorp were appointed as mutawallis.

On 3 August 2006, JCorp announced that RM200 million of the company's shares were given away as waqaf assets and transferred these shares to WANCorp ([Waqaf An-Nur Corporation, 2008](#)). These shares were taken from JCorp's public listed subsidiaries consisting of 12.35 million unit shares in Kulim Malaysia Bhd, 18.60 million unit shares in KPJ Healthcare Bhd, and 4.32 million unit shares in Johor Land Bhd. On 29 June 2009, WANCorp had used the *istibdal* principle to substitute waqaf share from Johor Land Bhd with share from Al-'Aqar KPJ REIT since Johor Land Bhd. was no longer listed in the Malaysian Bourse.

As a corporate waqaf entity, WANCorp strives to achieve the following objectives:

- i. Incorporating Islamic values in the management and administration of JCorp and its subsidiary companies.
- ii. Undertaking research on contemporary approach and providing policy recommendations in making JCorp an Islamic corporate entity.
- iii. Coordinating and managing the operation of Waqaf An-Nur Clinics to ensure that the objective of providing affordable health care and dialysis service to the poor is realized.
- iv. Planning and coordinating Islamic activities and incorporating Islamic values in JCorp and its group of companies.
- v. Acting as the Secretariat for Mosque Committee and coordinating the management of mosques which belong to JCorp.
- vi. To be a main centre of reference for business management from Islamic perspective.

All income earned by WANCorp is declared as dividend. In terms of distribution of benefits, 70% of the benefit goes back to JCorp for reinvestment and human capital development, 25% goes to WANCorp for Fisabilillah and 5% is distributed to Islamic Religious Council of Johor. The idea behind this 70:25:5 formula and JCorp receiving bulk of the dividend is that the core contributor (JCorp) to the awqaf must continue to grow to enable it to contribute more of its assets to awqaf in the future. For the distribution of benefits under Fisabilillah, it has been used to fund charity and social works, human capital development, and for treatment of sick patients.

One of the most outstanding contributions of WANCorp through corporate waqaf is offering health services to the poor through chain clinics known as An-Nur Waqaf Clinic and Hospital Waqaf An-Nur which started their operation in June 2007 ([Waqaf An-Nur Corporation, 2008](#)). This was made possible with the professional and financial support of KPJ Healthcare Berhad, a subsidiary of Johor Corporation Berhad. At the end of 2011, WANCorp owns and operates 16 branches of An-

Nur Waqaf Clinic, 4 dialysis centres, and one waqaf hospital managed by KPJ Healthcare Bhd (Waqaf An-Nur Corporation, 2011). In addition to using its own resources, WANCorp also received cash donations and in kinds donations, such as medicine, dialysis machines, and medical equipment from the community members and also corporate donors. Since starting its operation, as of 2011 An-Nur Waqaf clinics had treated more than 765,000 patients from various ethnic groups and religious background with only a nominal charge of RM5 for each treatment. All An-Nur Waqaf clinics are equipped with dialysis machines to cater the needs of patients at subsidized rates. In some cases, for deserving patients, the services are given free of charge.

Besides operating waqaf clinics, WANCorp is also involved in management of mosques and development of waqaf land. As of 2011, WANCorp is managing 7 mosques and 2 Islamic schools as well as developing a piece of land for to be used as orphanage. With respect to socio-economic development, WANCorp has set up a fund called Waqaf Business Fund to give microcredit to small business using qardul hasan concept. At the end of 2011, WANCorp has disbursed a total of RM393,600 microcredit loans given to 250 micro-entrepreneurs (Waqaf An-Nur Corporation, 2011).

Table 1. Disbursement of Benefits

| | 2010 | 2011 |
|---|----------------|------------|
| Beneficiaries/Activities | (Amount in RM) | |
| I. Reinvestment in JCorp (70%) | 10,297,744 | 28,650,000 |
| II. Fisabilillah (25%) | 866,635 | 930,218 |
| a. Charity and health services | 192,027 | 132,000 |
| b. Community programs held at mosques | | 20,000 |
| c. Construction of mosques, suraus, and Islamic centre | | 223,825 |
| d. Community service, orphans, and other CSR activities | | 439,244 |
| e. Entrepreneurship and human capital development | 35,000 | 74,116 |
| f. Special projects | | |
| i. Orang Asli | | 41,034 |
| ii. Imam Bukhari Theater | 659,608 | |
| III. Johor Islamic Religious Council, MAIJ (5%) | 380,000 | 718,076 |

Source: Annual Report, WANCorp, 2011

On the humanitarian side, WAN Corp has established waqaf brigade to provide emergency and relief works for victims of earth- quake, flood, tsunami, etc. In 2011, a total of RM127,414 has been channeled to provide relief for victims of natural disasters.

Table 1 shows details of distribution of benefits in 2010 and 2011 according to 70:25:5 formula as agreed between Johor Corporation and Johor Islamic Religious Council in 2006. In general, it can

be seen from Table 1 that disbursement of proceeds to the three categories of beneficiaries increased significantly from 2010 to 2011. The amount reinvested in JCorp in 2011, for example, is more than doubled (RM28.65 million) compared to that of in 2010 (RM10.30 million). Proceeds allocated for Fisabilillah has also increased from RM0.87 million in 2010 to RM0.93 million in 2011. Furthermore, the beneficiaries under the category of Fisabilillah have also been expanded from 3 subcategories in 2010 to 6 subcategories in 2011 so that the allocation can cover more activities. It is also shown in Table 1 that the amount given to MAIJ has also increased from RM0.38 million in 2010 to RM0.72 million in 2011.

IIUM Endowment Fund

IIUM Endowment Fund (IEF) was established on 15 Mac 1999 as a division of the International Islamic University Malaysia, under the Office of the Rector. It is being established with the main aim to assist excellent IIUM students who could not afford the tuition fees and living costs of studying in the university, with several specific objectives to maintain the characteristics of a perpetual endowment fund. In particular, the specific objectives of the IIEF are as follows:

- i. to solicit and receive contributions in the form of movable and immovable properties, cash, shares, negotiable instruments etc. from Malaysian and international donors for the purpose of education and research;
- ii. to provide scholarships, loans and assistance to the needy students of IIUM;
- iii. to promote and develop academic activities in IIUM, including research and publications;
- iv. to fulfill specific wishes of a donor in so far as they relate to a particular objective within the parameters of IIUM; and to invest in investment avenues permitted by the Shari'ah.²

Since its establishment, IEF has initiated several activities to raise funds from IIUM community and the public at large. These activities include requesting donations, collecting zakat through collaboration with Selangor Zakat Authority, and involving in a few business collaborations to increase the capacity of the funds. For example, in 2005, cash collections amounting to nearly RM3 million came from the activities of mainly general donations, dividends from investments, and business activities.

The IEF has been innovative in its income generating activities, leveraging from the distinguished characteristics of its beneficiaries and contributors. One major cash collection activities of the IEF is the Kafalah (or foster parents) program. The Kafalah program allows the donor to sponsor a student studying in the IIUM with an initial gift of at least RM350. With the objective of promoting cross-cultural appreciation and learning, the Kafalah program also embarks on an innovative program by allowing more than one foster parent to adopt a student such that it will not be burdensome to adopt and sponsor the student. The program has received good response from the

² Downloaded from http://neeze.com.my/demo/ief/index.php?page=&lang=eng&id=8&parent_id=8

IIUM staff and the collection from this program has also contributed to the accumulation of funds for the IEF.

More recently in 2008, the IEF endowed to physical properties that are used as investment to create or earn a consistent flow of income for the fund. In this regard, the IEF has invested in 12 units of Putra Villa Condominium which are to be rented out at rental rates ranging from RM2,000 to RM2,100 monthly. The steady flow of rental income of these properties would add up to the endowment of the IEF, apart from the fact that this investment would also benefit IEF in the form of capital gain due to the appreciation of the properties. In addition, this investment is an effective hedge against inflation compared to merely accumulating cash as what is normally the case. Several possible arrangements can be implemented in terms of renting out these properties to interested parties so as to ensure highest rental return that could increase the ability of the IEF to become self income-generating that would ultimately benefit the beneficiaries.

Additionally, with the completion of the Azman Hashim Complex, a commercial complex built within the IIUM campus area, it is expected to generate a steady income flow into the IEF. The project costing RM6.4 million was fully funded by the Yayasan Azman Hashim, comprising of business premises (including banks, executive café, and bookstore) and a multi-purpose hall. Estimated rental income from the complex is expected to provide RM0.51 million per year, which is intended to be used to sponsor poor but excellent students for the whole period of their studies in IIUM.

MANAGEMENT OF WAQAF IN SINGAPORE

History and Background of Waqaf in Singapore

The experience of Singapore in developing and administering waqaf sector has been quoted as a success story and best examples in many forums. Waqaf in Singapore has a humble beginning in 1826 when the first waqaf asset, the Omar Mosque in Kampung Melaka was given out by a philanthropist ([Abdul Karim](#)). Today, total value of the waqaf assets in the country is estimated to reach more than S\$250 million, with a bright prospect for greater growth due to efficient management and administration of the assets. Apart from creating the waqaf asset, there are intensive efforts being undertaken to create a revenue stream (for example, through rental facilities) so as to create a steady flow of income for the maintenance of the waqaf asset. It is based on this socio-religious enterprise model that is developed circa 1980s that become the model of waqaf management in Singapore today.

The provision of waqaf is vested in the Majlis Ugama Islam Singapore (MUIS) under the Administration of Muslim Law Act (AMLA) in 1968. Despite this, there are also several waqaf that are run by private trustees. Several incidences that waqaf properties are sold by the trustees

without the knowledge of MUIS have led to the amendments of the AMLA in 1995 whereby all waqaf in Singapore must be registered with MUIS. As a result, from only six waqaf that were registered with MUIS in 1968, there are currently more than 100 waqafs being registered (by the year 2000). With the registration of all waqaf funds with MUIS, it has allowed for more structured and further improvement in the management of waqaf at the national level basis. In particular, MUIS has able to come up with complete database of all waqaf properties, the revenue, expenses and disbursement information, and all these information are accessible to the public.

Development of Waqaf Properties in Singapore

Due to the availability and accessibility of information, MUIS are able to improve revenue generating activities of the waqaf assets. This development can be discussed through the chronological of events of the commercialization of waqaf asset development. In 1990, commercial development was initiated for Waqaf Jabbar, whereby the vacant land at Duku Road was transformed into a four units of terrace residential housing, increasing the rental income to S\$36,000 per annum in 2005 from a mere S\$68 per annum in 1990.

In 1991, MUIS embarked on an already occupied property in Telok Indah. In particular, the premise was already occupied by an old mosque and dilapidated shophouses, and were later replaced by a new and bigger mosque, a commercial complex and 20 units of maisonettes in a mixed development property project. In undertaking this project, MUIS has gone through the various challenges and experience in the property development process, particularly in terms of management expertise and the external regulating factor. Following this, MUIS recruited professionals such as civil engineers, architect and quantity surveyors as part of the team to manage their portfolio. This experience results in the joint venture between MUIS and Warees Pte. Ltd. of which the latter has the niche specialty of management and administration of waqaf and Baitulmal properties and assets. Part of Warees portfolio is the management of Waqaf and Baitulmal assets worth more than \$250 million comprising religious, commercial, residential and educational buildings. WAREES has successfully transformed a number of these low yielding assets into high income generating performers giving higher returns for the Trust beneficiaries. Warees also holds directly some of MUIS assets for investment and development purposes.

Financing of Waqaf Development in Singapore

The above waqf development projects were financed by the Baitulmal, and managed by MUIS. For example, the cost of developing the Telok Indah properties in 1991 required financing amounting to S\$28 million. MUIS and Baitulmal became the joint venture partners and internal financing was being provided from the Baitulmal. Based on the fatwa formulated and issues by the Singapore Fatwa Committee, the 20 units of maisonettes were sold on a leasehold basis until 99 years. The proceeds from this sale were later used to develop the mosque and commercial complex without the need of any external financing.

Another approach of raising financing for the development of waqaf properties in Singapore is through leveraging on the properties. In a particular waqaf development project on Bencoolen Street, a musharakah sukuk was issued to raise about S\$60 million for two projects. The partners on the joint ventures are MUIS-Baitulmal, Warees and the Waqaf. Despite the several challenges due to the recent nature of the financing option, the musharakah bond was 100% subscribed since MUIS carries a sovereign rating for its certificates issued. Due to the development of the project, the revenue coming from the project escalated to S\$5.3 million in 2006 from a mere S\$19,000 in 1995.

CONCLUSION

Corporate waqaf is more than a religious endowment and it is a relatively new idea introduced by Johor Corporation in 2006. It intends to redefine the role and function of business organization by using the waqaf concept to achieve the business and corporate objectives. This study examines the involvement of corporate entities in waqaf management of selected waqaf institutions in Malaysia and Singapore. It discusses the role of waqaf in socio-economic development of Muslim ummah, the effectiveness of the management of waqaf institutions and the experiences of selected corporate waqaf entities namely Waqaf An-Nur Corporation, IIUM Endowment Fund and Majlis Ugama Islam Singapore (MUIS).

Waqaf institutions have been known to have the ability to contribute to the economy and could play an important role in the socio-economic development of the Muslim society. According to [Hasan and Abdullah \(2008\)](#), waqaf property in Malaysia, especially in the form of land is reported to be more than 32,000 acres and if these lands are invested and managed properly, they have the potentials to generate a steady stream of income that could benefit the Muslim society. However, as in many countries, waqaf institutions are not being given the proper attention, resulting in a vast amount of these properties being ill-managed. Many of the waqaf properties have immense commercial potentials, but are not being maintained properly, resulting in these properties do not yield their greatest benefits to the society. Among the factors identified include: legislative lacunae, administrative lapses, lack of political will, indifferent attitude of the management of the awqaf, and lack of honesty and integrity.

This study also discusses the experiences of three corporate waqaf entities in financing the development of their waqaf property and implementing such models in waqaf management. The first corporate waqaf entity is Waqaf An-Nur Corporation (WANCorp) which was set up on 25 October 2000. It was established to manage assets and shares of Johor Corporation (JCorp) which have been transferred to them as waqaf assets. WANCorp declares all income earned as dividend and distributes the benefits with 70:25:5 formulae of which 70% of the benefit goes back to JCorp

for reinvestment and human capital development, 25% goes to WANCorp for Fisabilillah and 5% is distributed to Islamic Religious Council of Johor. This formula enables the company to sustain its growth and enable it to contribute more of its assets to awqaf in the future.

Another example of waqaf entity is IIUM Endowment Fund (IEF) which was established on 15 Mac 1999 as a division of the International Islamic University Malaysia, under the Office of the Rector. It was established with the main aim of assisting excellent IIUM students who could not afford the tuition fees and living costs of studying in the university. In addition, it also has several specific objectives which among others, is to maintain the characteristics of a perpetual endowment fund. IEF has been innovative in generating income by introducing the Kafalah program which happens to be one of its major cash collection activities. It also has purchased 12 units of Putra Villa Condominium which are to be rented out at monthly rental rates ranging from RM2000 to RM2500 per unit. In addition, the Azman Hashim complex is also expected to generate a steady income flow of RM0.51 million per year to IEF.

The experience of Singapore in developing and administering waqaf sector has been quoted as a success story and best examples in many forums. The joint venture between Majlis Ugama Islam Singapore (MUIS) and Warees Private Limited has successfully transformed a number of low yielding assets into high generating performers giving higher returns. Apart from creating the waqaf assets, another approach of raising financing for the development of waqaf properties by this joint venture effort is through leveraging on the properties, for example the waqaf development projects in Bencoolen Street. The issuance of musharakah sukuk for these two projects was 100% subscribed and managed to raise S\$600 million with revenue escalated from S\$19000 in 1995 to S\$5.3 million in 2006. All these three corporate waqaf entities have adopted a more structured approach in financing the development of their waqaf properties and experimenting new ways of managing and investing waqaf assets. They have created opportunities for the improvement of waqaf institutions and revitalize the potentials of these waqaf assets to yield greater benefits to the society. The involvement of corporate entities in waqaf management is seen as an alternative method to revive the role of waqaf in contemporary setting.

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