

WAQF

A Sustainable Development Institution
for Muslim Communities

by Imtiaz B. Ali

Takaaful T&T Friendly Society 2009

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Printed by:
Graphic Scripts Printing

Published by:
Takaaful T&T Friendly Society
P.O. Bag 1066
Valsayn
Trinidad and Tobago

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FOREWORD

From the very beginning of history, economic activity has been among the everyday activities that are continuously being adopted by human beings for their survival in this natural world

These economic activities cannot be translated into material benefit without mutual cooperation and empathy for our fellow mankind. Instead, they can be successfully executed when undertaken within the framework of Islamic *Shari'ah* (Islamic Law).

However, among us, there are always those of our fellowmen who remain unable to maintain themselves through their own resources, and who depend on others to provide, for them, a reasonable supplement towards their basic needs and comfort.

The institution of *Waqf* (Voluntary Charity) is one of the divine alternatives that seeks to build a sustainable bridge across this gap, within the holistic framework of brotherhood, mutual care and concern for the psycho-physical enrichment and survival of those among us who are in need.

It is, therefore, timely that Mr. Imtiaz Ali through his wise concern and intellectual effort has re-discovered the importance and application of the institution of *Waqf* within the parameters of contemporary practical reality.

Though the manuscript is not lengthy, it succeeds in addressing this intellectual, rational and practical paradigm with acceptable results, particularly as an answer to the existing global socio-economic and cultural challenges.

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Abstract

The paper begins with an introduction to Islam and a concise explanation of the meaning of *Waqf*. It explores the general concept of charity in Islam and then focuses on the ‘lasting charity’. It further establishes that the institution of *Waqf* has played a significant role in sustainable development in the history of Islam and establishes that *Waqf* institutions are integral to the survival and growth of Muslim communities (minorities). The paper underpins the importance of co-operation and solidarity among Muslims especially those in minority settings. Generally, the paper seeks to promote the establishment of *Waqf* institutions among Muslim communities and to encourage Muslim families and individuals to give in *Waqf*.

Introduction

Islam is a complete way of life based on submission to Allah as revealed in the Glorious Qur’an and practised by Prophet Muhammad, upon whom be peace (uwbp). As a way of life and religion, it is concerned with the welfare of human beings in this world and their salvation in the Hereafter. It encompasses all aspects of human existence in their fullness. It guides the personal lives of individuals, as well as their collective existence as integral components of their entire society. Islam is meant for all mankind, throughout all ages and affirms the equality of all humans even as it seeks to meet the basic needs of all human beings. To achieve all of this, it relies on the state to activate certain institutional mechanisms in conjunction with the voluntary action of members of the society. It also appeals to the latter to please Allah and fear His punishment in all affairs. Among the voluntary actions encouraged by Islam is the institution of *Waqf*.

Meaning

Waqf is an Arabic word derived from the root verb *Waqafa*. *Awqaf* is the plural of *Waqf*.

Raissouni (2001, p. 13) explains that from a linguistic point of view, *Waqf* means forbidding movement, transport or exchange of something.

Bewley (2001, p.62) also explains that in the Arabic language, the word *Waqf* literally means ‘confinement or prohibition’. In legal usage it means the non-negotiability of property ownership which is of employable value, and the direction of its benefits to a certain charitable purpose, once and for all.

In his quest to define *Waqf*, Raissouni opted for the definition of Ibn Qudama: “and it means bequeathing the property and dedicating the fruit.” (Raissouni 2001, p. 14)

Kahf (1998, p. 4) adds, “From a *Shari’ah* point of view, *Waqf* may be defined as holding a *Maal* (an asset) and preventing its consumption for the purpose of repeatedly extracting its usufruct for the benefit of an objective representing righteousness and/or philanthropy. Hence, *Waqf* is a continuously usufruct-giving asset as long as its principal is preserved. Preservation of principal may result from its own nature - as in land - or from arrangements and conditions prescribed by the *Waqf* founder.”

Belkhoja (p. 7) selected Imam Ibn Abdelbar’s definition as follows: “It’s when an owner gives benefactorily whatever he likes from his revenue, fruits, crops or real estate so that the yield, tax and benefits thereof follow the course he schemed willingly. That is one way of seeking God’s favour. Legal claim is in this case mortmained and meant neither to be sold nor granted and never inherited no matter how much remains thereof.”

Since *Waqf* involves the transfer of ownership and the endowment of the recurring benefits of the gift, the words ‘bequest’ and ‘endowment’ do not by themselves convey the exact meaning of the word. Additionally, ‘bequest’ is associated with the demise of an individual while *Waqf* can be established both during one’s lifetime and via a Will after one’s demise.

Ahmed (1998) asserted that there is no equivalent word or expression in English to convey the Islamic concept and meaning of *Waqf* in the true sense of the term.

Therefore, I shall use the word *Waqf* in its Arabic form instead of attempting to give a precise translation.

General Charity

The institution of *Waqf* in Islam is augmented by the prevailing spirit of altruism which forms an integral part of the Islamic way of life.

Islam views charity not only as a means of wealth transfer to the poor but as a mechanism for self-development and an avenue for achieving Allah’s pleasure and reward in the Hereafter.

In addition to the compulsory *Zakah*, the Holy Qur’an strongly advocates the giving of charity. Giving charity is synonymous with ‘spending in the way of Allah’ as in the following parable:

“The likeness of those who spend their wealth in the way of Allah, is as the likeness of a grain (of corn); it grows seven ears, and each ear has a hundred grains. And Allah gives manifold increase to whom He wills. And Allah is All-Sufficient for His creatures’ needs, All-Knower. (Qur’an 2:261)

“And spend out of the substance which We have bestowed on you, before death should come to any of you and he should say, “O my

Lord! If only Thou would reprove me for a little while, then I would give alms and be among the righteous.” (Qur’an 63:10)

“... Whatsoever good you send before you for your souls, you would surely find it with Allah, better and greater in recompense.” (Qur’an 73:20)

“Those who spend their wealth in the cause of Allah, and follow not up their gifts with reminders of their generosity or with injury, for them their reward is with their Lord; on them shall be no fear, nor shall they grieve.” (Qur’an 2:262)

“To the question of what should be spent out of one’s income and wealth for welfare purposes, the Qur’an answers that whatever is over and above one’s need, i.e. the surplus after personal, business/ investment and savings need. ... In a sense, the Qur’an is encouraging people to contribute generously for social development and for helping the needy in the society. ... So the Qur’an establishes the general principle of generous welfare spending while encouraging sacrificial levels of spending for social emergencies and for situations demanding major financial support.”

(Haq 1996, p. 171)

Lasting charity- Waqf

Waqf is a special kind of voluntary charity that has permanence and the capacity to generate income.

“When a human being dies, his work for Allah comes to an end except for three things:

a lasting charity (sadaqa jaariya), knowledge that benefits others, and a good child who calls on Allah for His favour.” (Related by Muslim in his Sahih, the book of “Al-Wassiya”. Related also by Abu Daoud, At-Tirmidhi and An-Nasaii.)

Commenting on this Hadith, Mufti Bewley stated that the ‘lasting charity’ is generally recognized as referring to *Waqf* endowments.

This type of charity gained prominence because it provided the dead posthumously with permanent reward and the living with an endowment of lasting benefit.

The following *ayat* of the Qur’an makes mention that Allah takes into account the actions of human beings that have ongoing consequences after they have died.

“Verily We shall give life to the dead, and We record that which they send before and that which they leave behind, and of all things have We taken account in a clear Book (of evidence).” (Qur’an 36:12)

Commenting on this *ayat*, Maulana Maududi wrote, “This shows that three kinds of entries are made in the conduct book of men. Firstly, whatever a person does, good or bad is entered in the Divine Register. Secondly, whatever impressions a man makes on the objects of his environment and on the limbs of his own body itself, are recorded, and all these impressions will at one time become so conspicuous that man’s own voice will become audible and the whole history of his ideas and intentions and aims and objectives, and pictures of all his good and bad acts and deeds will appear before him. Thirdly, whatever influences he has left behind on the future generation of his society and on mankind as a whole as a result of his good/bad actions will continue to be recorded in his account as far as they reach, and as long as they remain active and operative. The full record of the good and bad training given by him to his children, the good and evil that he has spread in the society, and its impact on mankind as a whole, will continue to be maintained until such time that it goes on producing good or evil results in the world.”

Waqf at the time of the Prophet (uwbp)

1. Philanthropic *Waqf* began with Prophet Muhammad (uwbp). A Jewish man called Mukhairiq made his will that his seven orchards in Madinah be given after his death to Muhammad (uwbp). In the year four of the Hijrah calendar, the man died and the Prophet, uwbp, took hold of the orchards and made them a charitable *Waqf*. (Kahf 'a' undated, p. 2)
2. According to Abdullah ibn Omar (May Allah be well-pleased with them both), Omar obtained a land lot in Khaibar; he came to the Prophet (uwbp) asking for advice. He said: "Ye Apostle of Almighty, I obtained a land in Khaibar. I never obtained a property more precious to me than this. What do you advise me? He said: "If you want, you can bequeath it, and give it as charity; provided that it should not be sold, bought, given as gift or inherited." He said, "then Omar gave it as charity for the poor, relatives, slaves, wayfarers, and guests. There is no harm for the person responsible for it to feed himself or a friend from it but for free. Al-Bukhari
3. And according to Anas (May Allah be pleased with him), Abu Talha was the richest Ansari person near Madina. And the property he cherished most was "Bir Ha'e" (a palm tree orchard near the Prophet's Mosque). When the verse was revealed, Abu Talha went to the Apostle of Allah (uwbp) and said: "Allah Most High says in His Book: "Ye will not attain unto piety until ye spend of that which ye love," and the most cherished property I have is Bir Ha'e. I am giving it as charity, wishing goodness and preservation; thus, O Apostle of Allah, use it the way you want." Al-Bukhari
4. According to Othman (May Allah be pleased with him), the Prophet (uwbp) arrived in Madinah and realized that the city had very little drinking water except the water of Bi'r Ruma (Ruma Well). He asked: "Who will purchase Bi'r Ruma to equally share the water drawn therefrom with his fellow

Muslims and shall be rewarded with a better well in the Garden (of Eden)?” Then I bought it from my own money.
At-Tirmizhi

Since the Prophet (saw) instructed his Companions about *Waqf* and its benefits, they never stopped attending to it and putting their money and property in it; so much so that Jabir said: “Any of the Prophet’s (uwbp) Companions (may Allah be pleased with them) who could afford it made endowments.” (Raissouni 2001, p.19)

Waqf in Muslim History

Since making a *Waqf* is considered a virtuous act - i.e. an act of spending in the path of Allah which carries great reward - throughout Islamic history and in all lands inhabited by Muslims, *Waqf* had a formidable presence. Wherever one travels in the Islamic world, from West Africa to the Philippines, wherever there is an established Muslim community, one finds the *Waqf*.

After the demise of the Prophet (saw), *Waqf* grew by leaps and bounds. *Waqf* endowment became a pillar in the religious, social, cultural, scientific, economic and political life of Islamic society. Even non-Muslims in Muslim countries established *Waqf* for the benefit of their communities.

For every conceivable enterprise of social benefit there was a *Waqf*. There were *Waqfs* for mosques, universities, schools, hospitals, orphanages, houses for the poor, food for the poor, the blind, battered/abused women, soup kitchens, wells, aqueducts, fountains, public baths, watchtowers, bridges, cemeteries, salaries, pensions, guest houses, libraries, books and animal welfare.

“The Ottoman society left the financing of health, education and welfare entirely to the *Waqf* system so much so that the following saying does not exaggerate its central importance: “Thanks to the

Waqfs that flourished during the Ottoman Empire, a person would have been born into a *Waqf* house, slept in a *Waqf* cradle, eaten and drunk from *Waqf* properties, read *Waqf* books, been taught in a *Waqf* school, received his salary from a *Waqf* administration, and when he died, placed in a *Waqf* coffin and buried in a *Waqf* cemetery.” (Baskan 2002, p. 18)

The voluntary institution of *Waqf* supplemented the state in fulfillment of its obligation towards the provision of public goods. After the establishment of various departments of the Islamic state the importance of voluntary contribution especially in the form of *Waqf* did not diminish. This practice has been commonly followed by Muslims throughout the ages all over the Muslim world (Azmi 2002, p. 45).

Writing about *Waqf* in Morocco, Raissouni (p. 37) said, “*Waqf* donations took different forms and their benefit was extended to all kinds of scientific and educational needs. For many centuries, bequest makers were in charge of what many ministries are bearing now, such as the Ministry of Education, the Ministry of Higher Education and Scientific Research and the Ministry of Culture.”

Today, almost every Muslim country has a Ministry that handles *Awqaf* and Islamic Affairs while *Awqaf* properties make up a considerable proportion of the social wealth in several Muslim countries.

***Waqf* and Development**

It has now become evident that the growth and development of Islamic civilisation continues to depend on the growth and development of *Waqf*.

The Islamic system of *Awqaf* revolutionizes the non-profit sector and its role in social welfare. It creates a permanent, cumulative

and ever-increasing capital base and infrastructure for benevolent activities. *Awqaf* expands the scope of benevolence to cover all areas of social welfare even sectors which many contemporary economists and political sociologists consider as part of the domain and responsibility of governments such as health, education and defense. (Kahf 2007, p. 18)

Today, many scholars advocate the use of *Waqf* in structuring and operating Takaaful (Islamic insurance) and Micro-finance even as they continue to emphasise its role in the alleviation of poverty.

Financing the needs of Muslim Communities

Among the needs of Muslim communities are mosques, educational institutions (pre-school to university level), cemeteries, da'wah material, adult education, training and research, counseling, health care, senior citizens care, homes for orphans and abused women and children, rehabilitation of prisoners, interest-free investments, credit and insurance products and services, halaal food, employment, entertainment, recreation and sporting facilities, and mass communication facilities.

Depending on the history of the development of a community and the facilities provided by the state in which it is located, the needs that require financing by the community may vary. The community, therefore, is totally dependent on the voluntary actions of its members to fund its needs.

Since the beneficiaries of *Zakah* are limited, the community must depend on voluntary donations and fund-raising events to cover the cost of whatever activities they may choose to pursue.

Establishing *Waqf* in Muslim communities

“It is not far-fetched to surmise that the role of *Waqf* is likely to increase in countries with Muslim minorities but not in countries where the majority of the population is Muslim. The reason for a more active role for *Waqf* in the former lies in the realization that, with a state which is at best indifferent to their religion and to many of their special socio-economic needs, they have to use *Waqf* for the fulfillment of these needs and for the protection and promotion of Islam.” (Siddiqui 1996, p. 149)

Many Muslim communities depend on local voluntary contributions, fund-raising events and foreign assistance to cover the cost of operating mosques, educational and welfare institutions. However, while the altruistic and philanthropic nature of Muslims has facilitated the establishment, growth and development of such institutions, the establishment of revenue streams to facilitate sustainable growth and development remains sadly lacking in most communities. What is needed is the availability of a revenue stream that can revolutionalise how Muslim communities operate and what they achieve, and which can also facilitate better planning and budgeting for growth and development.

We need to spend effort to revitalize the process of creating *Awqaf* in the Muslim communities in the West for the purpose of generating a permanent and stable flow of revenue that can support the needs of the community activities and enhance its religious and social programmes. The process of creating new *Awqaf* should be made available to every Muslim family in our communities not only to the rich few. (Kahf ‘b’ undated, p. 10)

Since *Waqf* enhances the socio-economic welfare of a society, its contribution to Muslim communities must not be underestimated.

***Waqf* in some Muslim communities**

Muslim communities in non-Muslim countries have organized their *Waqfs* within the framework of their local legal systems. *Waqf* in some communities are governed by Act of Parliament such as in India, Sri Lanka, Myanmar and Kenya while many are operated under laws governing Trusts, Foundations, Non-Profit Organisations, Non-Government Organisations and Societies. Kahf, in many of his papers on *Waqf* (see ‘b’ undated p. 7) expresses concerns about the capacity for the preservation and protection of *Waqf* properties under these “non-*Waqf*” legislations and further suggests that Muslim communities take the initiative to develop *Waqf* Acts within their legal systems.

India

Islam was introduced in India as early as the 7th century with the first mosque being built during the lifetime of the Prophet (upon whom be peace). Muslims form the largest minority group in India and constitute the third largest population of Muslims in the world (after Indonesia and Pakistan). There are approximately 154 million Muslims in India i.e., 13.4% of the population as at 2008 - according to the 2001 government census. (en.wikipedia.org).

The extensive establishment of *Waqfs* is one of the main contributions of Muslims in India. The extent of the spread of Muslim *Awqaf* in India may be surmised from the fact that in all those states where there is a large Muslim population, there is a separate Ministry of Awqaf in the state government. Ahmed also noted, that in India, there is a *Waqf* “in every nook and cranny.” He added that “India is a vast country and innumerable and scattered are the *Waqfs*.” (Ahmed 1998).

There are an estimated 250,000 *Waqf* properties in India, valued in excess of US\$75 billion and with a potential for generating approximately US\$3 billion in revenue. (Masoud 1999).

Since 1913 a number of Waqf Acts were passed by the central and state legislatures while the Waqf Act of 1954 was a major development in the history of *Awqaf* in India.

United Kingdom

For over two decades, Islamic Relief has been providing emergency aid and long-term assistance to some of the world's most deprived people. In 2000, it set up the Waqf Future Fund aimed primarily at reviving a great tradition of setting up a charity that continues to benefit the needy for many future generations. The Fund allows donors to support numerous ongoing charitable projects, not just for people who need immediate help but for those who will continue to need help in the future (www.islamic-relief.com).

Singapore

Waqf in Singapore can be traced back to 1826 when the first mosque was built. The Muslim philanthropists, however, created a revenue stream to ensure that the mosques have income for their maintenance and religious activities. In 1968, all *Awqaf* were vested in the Majlis Ugama Islam Singapura (MUIS) under the Administration of Muslim Law Act (AMLA). Under MUIS, information on *Waqf* properties, revenues, expenses and disbursements began to be collated which led to better management and increased revenues. The commercial development of *Waqf* properties was also initiated by MUIS. and by 2005, the total *Waqf* assets managed by MUIS were valued at US\$250M. (Shamsiah Abdul Karim 2007)

South Africa

With only a few exceptions, most of the *Awqaf* institutions in South Africa are related to mosques and religious educational institutions. Among the few income-generating *Waqf* institutions in South Africa is the Hajee Ahmed Mahomed Lockhat Wakuff, established in Durban in 1933. Another recent initiative is the National Awqaf Foundation of South Africa (Habib 2004). Initiated in 2000, Awqaf SA was registered as a trust in 2003, as a Non-Profit Organisation in

2005 and as a Public Benefit Organisation in 2005.
(www.awqafsa.org.za)

Trinidad and Tobago (T&T)

In 2004, Takaaful T&T Friendly Society (TTTFS) launched its income-generating co-operative *Waqf* Fund. Prior to this, the concept of *Waqf* in T&T was limited to the building of mosques and was known as *sadaqah jaariyyah*. The idea of a co-operative *Waqf* meant that the Society aimed to create a pool of *Waqf* (cash and real estate) from as many people as possible, thereby facilitating small contributions. At the end of 2008, the assets of the Fund amounted to just over TT\$1 million (US\$161,795.) with orphans, abused women, senior citizens and bereaved families benefitting from the annual surplus. See appendices 1 & 2 for more information. (www.takaafultt.org)

USA & Canada

The North American Islamic Trust (NAIT) is an organization based in Indiana which seeks to own and promote *Waqf* (Islamic endowment) by Muslims in North America.

NAIT is a not-for-profit entity that qualifies as a tax-exempt organization under Section 501(c) (3) of the Internal Revenue Code. Established in 1973 in Indiana by the Muslim Students Association (MSA) of the United States and Canada, (the predecessor of the Islamic Society of North America i.e.ISNA), NAIT supports and provides services to ISNA, MSA, their affiliates, and other Islamic centres and institutions. The President of ISNA is an ex-officio member of the Board of Trustees of NAIT.

NAIT holds titles to mosques, Islamic centres, schools and other real estate, safeguards and pools the assets of the American Muslim community, develops financial vehicles and products that are compatible with both the *Shari'ah* and American law, publishes and distributes credible Islamic literature, and facilitates and coordinates community projects.

A sister organization under the same name is registered in the province of Ontario in Canada. (en.wikipedia.org)

***Waqf* administration**

Waqf takes a property out of individual ownership and vests it in the ownership of Allah, to be managed by a custodian. Over the ages, *Waqf* properties have been misappropriated by the state as well as faced mismanagement by the custodians. Therefore, for the successful management of *Waqf* among Muslim communities, the following should be considered:

- Preference should be given to organizations (over individuals) as custodians so that continuity is assured.
- Organisations managing *Waqf* should ensure that they are properly registered under legislation that would allow them to function as custodians of *Waqf*.
- Muslim communities can lobby for special legislation to govern *Waqf*.
- Initially, preference should be given to establishing a large national *Waqf*.
- The donors and beneficiaries of *Waqf* should be vigilant about the management of *Waqf* with special emphasis on efficiency, accountability and transparency.

Conclusion

The Islamic institution of *Waqf* has the potential to revolutionize the operations and achievements of Muslim communities. It provides tangible opportunities for Muslims to channel their charities into income-generating activities so as to fuel the immediate, short-term and long-term development of their respective communities. In addition to promoting social welfare, *Waqf* has the potential to fill the gaps in the development of Muslim communities in such areas as

education and research, da'wah and the development of alternatives to interest-based banking, finance and insurance.

In order to achieve the true potential of *Waqf*, the concept has to be marketed to the communities, institutions have to be strengthened and new ones established where none exist. While many Muslim communities do not have a history of co-operation at the regional or national level, we strongly recommend that Muslims break their organizational, Jamaat and ethnic barriers and work towards the establishment of regional or national *Waqfs* in order to maximize efficiency and productivity

And Allah knows best.

Appendix 1

Takaaful T&T Friendly Society *Waqf* Fund

Introduction

Takaaful T&T Friendly Society (TTTFS) was registered in 1999 under the Friendly Societies' Act of Trinidad and Tobago (T&T). It is an Islamic Shariah-compliant multi-purpose co-operative-type institution specializing in risk pooling, investments and endowments. Its membership is open to Muslims only.

As a Friendly Society, there are no shareholders and as such members do not share in the surplus of the Society. Members, however, can benefit financially through rebates and dividends from their participation in various mutual assistance plans and investment funds operated by the Society.

From the inception in 1999, it launched a Funeral Benefit Scheme (Death Benefit) and in 2000 an Investment Fund was started. A Hajj Fund and a *Waqf* Fund were launched in 2004.

Waqf Rules

During 2003, the Rules (Appendix 1) governing the *Waqf* were approved by the Registrar of Friendly Societies after they were passed at the Annual General Meeting of the Society. The *Waqf* Rules, which are incorporated in the Bye-Laws of the Society, are very simple and place the responsibility of managing the *Waqf* in the laps of the Board of Management.

The Annual Financial Statements of the Society incorporate the operations of the *Waqf* to facilitate accountability and transparency. These are presented at the Annual General Meeting of the Society for approval. The audit is performed by an external auditor appointed by the Registrar of Friendly Societies.

The Rules define the *Waqf* as an ‘investment *Waqf*’ to be run on a profit-sharing basis with the Society allocating to its General Fund a maximum of thirty percent of the net surplus as a reward for its management function.

The *Waqf* is referred to as a “Co-operative *Waqf*” since the aim is to pool the contributions of as many people as possible thereby creating a large fund. Additionally, the purpose of the *Waqf* has not been restricted, so that the surplus may be expended on general welfare projects.

Waqf Management & Development Committee (WMDC)

During 2005, owing to the growth of this division of the Society, its vast potential and responsibilities, the Board of Management decided to establish a *Waqf* Management & Development Committee (WMDC) with the following Terms of Reference:

Objectives of the Committee

1. To advise the Board on the management of the assets of the *Waqf*
2. To develop a Plan of Action and Budget
3. To review, from time to time, the performance of the *Waqf* and advise the Board appropriately
4. To conduct educational and promotional activities aimed at increasing the assets of the *Waqf*
5. To facilitate dialogue and co-operation between the Society and other *Waqf* managers locally and abroad.
6. To review, from time to time, the bye-laws of the Society and recommend, to the Board, changes aimed at achieving the objectives of *Waqf*
7. To submit an annual report of its activities to the Board

Appointment of the Committee

1. The Board shall at its first meeting after the AGM appoint the Committee.
2. The term of office shall be one year.

Composition of the Committee

1. This Committee shall comprise at least three (3) persons, who may also be members of the Board or any other committee.
2. The Committee shall appoint, from among its members, a chairperson and secretary at its first meeting.
3. No member of the Committee shall serve for more than five (5) consecutive terms.

Meetings

1. This Committee shall meet at least once per month.

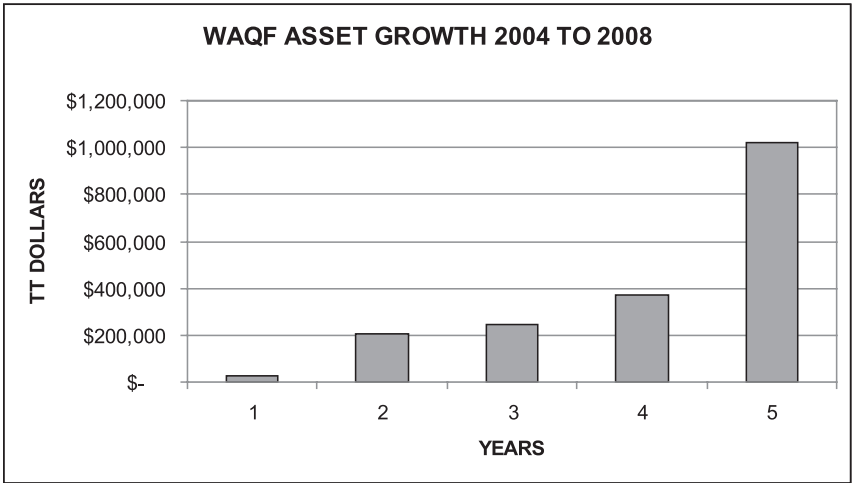
Investments

Takaaful T&T's investment strategy is based on the pooling of all its funds in an "investment pool". So the cash *Waqf*, the contributions from the Funeral Benefit Scheme and the investors capital from both the Investment Fund and the Hajj Fund are all pooled providing a substantial amount for investment purposes.

As at the end of 2008, the majority of the funds were invested in real estate with smaller investments in the T&T Stock Market, shares in the Muslim Credit Union, joint venture transactions with members and equipment rental. The average annualized rate of return to the investors, including the *Waqf*, over the past five years was approximately 14%.

Assets

As can be seen from the chart below, the *Waqf* continues to grow. It is cumulative by nature. As at the end of 2008, the net value of the *Waqf* crossed one million dollars with almost half in cash and half in land.



Income



Distribution of Surplus

Naturally, disbursements are made only from the net surplus. In 2006, four Islamic organizations were the first recipients of grants from the *Waqf*. The recipients were- the Islamic Home for Children, Madinah House (a home for battered women), Islamic Home for the Aged and Islamic Community Services which also manages a home for the aged. In 2008, the Board of Management decided to boost the Funeral Grant with an additional grant from the *Waqf* surplus thereby adding bereaved families to the list of *Waqf* beneficiaries.

Education & Marketing

While mosques are in principle, *Waqf* properties, the idea of an investment *Waqf* is totally new to the community. As a matter of fact, the words “*Waqf*” and “*Awqaf*” are new to the vast majority of Muslims on the twin-island republic. Funding of Islamic organizations and activities have been mostly through the generosity of the members of the various *Jamaats* and associations and through fundraising ventures such as Bar-B-Ques, dinners, and bazaars.

Among the activities embarked upon to market the *Waqf* were

1. Publication and distribution of a flyer.
2. Publication and distribution of a brochure.
3. Inclusion of some slides on *Waqf* in the general PowerPoint Presentation of the Society.
4. Development of a PowerPoint Presentation on *Waqf* and distributing via the internet.
5. Inclusion of brief articles on *Waqf* in the Societies’ newsletters.
6. Publicising of the distribution of the *Waqf* grants in a daily newspaper.
7. Preparation and delivery of a Khutbah on *Waqf* and subsequent airing of such on the Islamic Broadcast Network Channel 8.
8. Delivering lectures on *Waqf*.

Donors

Since it is a co-operative type *Waqf*, there are many repeat donors and every year new donors have added to the fund. Some have made donations on behalf of deceased parents. There are some who are giving in *Waqf* on a monthly basis and others annually. Cash donations have ranged from \$10 to \$50,000. So far two families have given land to the *Waqf* valued at approximately \$500,000.

Conclusion

Owing to the cumulative nature of *Waqf* and the natural disposition of Muslims to contribute to such as demonstrated in the history of Islam, the potential for the growth and development of *Waqf* in T&T is tremendous. There are approximately eighty thousand (80,000) Muslims in T&T and so far 170 persons have contributed just over one million dollars (TT) in cash and land. By the Grace of Allah, with good management and marketing strategies the *Waqf* will soon be a multi-million dollar enterprise providing benefit to the donors, the managers and the beneficiaries.

And Allah knows best.

APPENDIX 2

Takaaful T&T Friendly Society Co-operative Waqf Rules

1.0 Contributors

Bequests and contributions to this *Waqf* shall be accepted from both members and non-members.

2.0 Contributions

2.1 Contributions shall be in the form of tangible assets including real estate and money.

2.2 All contributions shall be deemed non-returnable donations.

2.3 All monetary contributions shall be banked in a separate account.

2.4 All real estate shall be deeded to the Trustees of the Society.

3.0 Reports

3.1 The Society shall maintain records of all receipts and payments.

3.2 Annual Financial Statements of this *Waqf* shall be published in the Annual Financial Statements of the Society.

4.0 Investment of Funds

4.1 The Board shall invest the funds of this *Waqf* in profitable enterprises.

4.2 All investments shall be made in conformity with the Act and Islamic Shari'ah.

5.0 Management Fee

5.1 The Board shall deduct a maximum of thirty per cent (30%) of the annual surplus of this *Waqf* as a reward for its management function.

5.2 This Management Fee shall be credited to the Income of the General Fund of the Society.

6.0 Surplus

The annual Net Surplus (i.e. Income less Management Fee) of this *Waqf* shall be either expended on charitable projects or ploughed back into this *Waqf*.

7.0 Donations

7.1 Donations shall be made from only the Net Surplus of this *Waqf*.

7.2 The Board or any of its agents so authorized shall approve all disbursements.

8.0 Financial Year

The financial year of this Plan shall be the same as that of the Society i.e. January to December.

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