



Application of al-Qarḍ al-Ḥasan For Social Financing Through Temporary Cash Waqf and Zakāh: A Maqāṣidic Approach

توظيف القرض الحسن للتمويل الاجتماعي من خلال الوقف النقدي المؤقت والزكاة: دراسة مقاصدية

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Abstract

This research article aims to study the possibility of applying temporary cash waqf and zakāh in the contemporary world as they constitute the fundamental pillars of social financing in the Islamic financial and economic system, and they have a crucial role in achieving higher intents of Shari'ah, like legal justice, social cooperation, and economic welfare. The problem of the research lies in the differences of opinions of scholars regarding the permissibility of applying al-qarḍ al-ḥasan on zakāh. This article attempts to employ the maqāṣid approach to give the preference among those views as well as delineating the rules and proposing suitable tools for it. Similarly, this research again takes the maqāṣid approach to offer the application of al-qarḍ al-ḥasan on temporary cash waqf. Content analysis and comparative analysis methods have been used in this research. By applying a maqāṣidic analogy between zakāh and cash waqf, the study concluded that al-qarḍ al-ḥasan is permissible to be granted through cash waqf based on the analogy of the permissibility of granting al-qarḍ al-ḥasan through zakāh. The study recommends that the proposed al-qarḍ al-ḥasan grants through zakāh and waqf be managed by governmental zakāh and waqf institutions as well as public Islamic banks for better governance.

Keywords: Temporary Cash Waqf, Zakāh, al-Qarḍ al-Ḥasan, Social Financing, Maqāṣid al-Shari'ah.

ملخص البحث

يهدف هذا البحث إلى دراسة إمكانية توظيف الوقف النقدي المؤقت والزكاة في العالم المعاصر، حيث يشكلان الركائز الأساسية للتمويل الاجتماعي في النظام المالي والاقتصادي الإسلامي، ولهما دور حاسم في تحقيق المقاصد العليا للشرعية، مثل العدالة القانونية والتعاون الاجتماعي والرفاه الاقتصادي. تكمن مشكلة البحث في اختلاف آراء العلماء في جواز توظيف القرض الحسن على الزكاة. تحاول هذه المقالة استخدام المنهجية المقاصدية للترجيح بين تلك الآراء وكذلك لتحديد الضوابط واقتراح الأدوات المناسبة له. وأيضاً، يستخدم هذا البحث مرة أخرى المنهجية المقاصدية لتقديم كيفية توظيف القرض الحسن على الوقف النقدي المؤقت. يُستخدم منهجاً تحليل المحتوى والتحليل المقارن في هذا البحث. وتوظيف القياس المقاصدي بين الزكاة والوقف النقدي، خلصت الدراسة إلى جواز منح القرض الحسن من خلال الوقف النقدي بناء على قياس جواز منح القرض الحسن من خلال الزكاة. توصي الدراسة بأن يُدار منح القرض الحسن المقترح من خلال الزكاة والوقف من قبل مؤسسات حكومية للزكاة والوقف وكذلك البنوك الإسلامية العامة من أجل حوكمة أفضل.

الكلمات المفتاحية: الوقف النقدي المؤقت، الزكاة، القرض الحسن، التمويل الاجتماعي، مقاصد الشريعة.

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1. Introduction

Al-Qarḍ al-Ḥasan is an essential concept of the Qur'an and *Sunnah*, which might be very useful in incorporating social financing through *zakāh* and temporary cash *waqf*. Contemporary banking is mainly based on loans which contain elements of interest that are strictly prohibited in Islam. *Al-qarḍ al-ḥasan* may become a great alternative to this loan if theorized and appropriately presented. To apply *al-qarḍ al-ḥasan* as a tool to be used for social financing through Islamic banks, *zakāh* and temporary cash *waqf* can help in designing good products for Islamic banking.

This article utilizes content analysis and comparative analysis using the *maqāṣid* approach ideals with the possibilities of applying *al-qarḍ al-ḥasan* on *zakāh* and temporary cash *waqf*.

Whether it is *zakāh* or *waqf*, they are still in practice according to what was available in the premodern system of finance and economy. It is the need

of our time to connect the utilization of *zakāh* and *waqf* with later developments in the field of economy and finance.

This study has tried to propose *al-qarḍ al-ḥasan* as a tool for social financing through *zakāh* and temporary cash *waqf*.

Many studies deal with the issue of *zakāh* or temporary cash *waqf*, but there are very few studies that deal with the question of *al-qarḍ al-ḥasan* in *zakāh* and *waqf*. When it comes to the question of *al-qarḍ al-ḥasan* in *zakāh*, there are two significant and noteworthy studies; one is written by Nā'if al-'Ajmi entitled "*al-Iqrāḍ min Amwāl al-Zakāh*" (Al-'Ajmi, 2008), and the second with the same title by Ḥamdī Ṣubḥ Ṭāhā (Ṭāhā, 2009). Both studies have investigated the question from one side of the argument without considering *maqāṣid* and trying to combine the two camps. Al-Qaraḍāwī has also discussed the issue in his magnum opus book "*Fiqh al-Zakāh*" (al-Qaraḍāwī, 1973), which was very helpful in the discussion, but he didn't discuss it with reference to finance and Islamic banking. As far as the question of *al-qarḍ al-ḥasan* in temporary cash *waqf* is concerned, there are no direct studies. However, Ferdous Abdul Rahman and Muhammad Amanullah wrote an article entitled "Implementation of Temporary *Waqf*: A Comparative Study Between Kuwait and Malaysia" (Ab Rahman & Amanullah, 2017b) in which they looked at temporary *waqf* from a legal perspective in the two countries. These two authors published another article entitled "Challenges and Problems Facing the Application of Temporary *waqf* in Selected States in Malaysia: New Issues and their Guiding Rules" (Ab Rahman & Amanullah, 2017a) which again limited its scope to legal aspects of temporary *waqf*. Another relevant work was published by Bouhedda Ghaliā, et al. entitled "Activating Temporary *Waqf* and Its Mechanisms in Social Financing in Alleviating the Effects of Covid-19: Application Prospects in Malaysia" (Ghaliā, et al., 2021) which was limited in its scope and touched on the possible role of temporary *waqf* in situations such as Covid-19, flood, or any natural disaster, and proposed some models to help the people in such type of disaster. However, those mentioned above do

not address temporary cash *waqf* through *al-qard al-hasan* as a tool for social financing using the *maqāṣid* approach. Some other works confined their scope to historical aspects of *waqf* in Malaysia, such as “*Waqf History and Legislation in Malaysia: A contemporary Perspective*” (Yacoob, 2013) by Hisham Yaacob; “*Model Perbankan Wakaf Korporat: Analisis Wakaf Selongor Muamalat*” by Ramli and Jalil (Ramli & Jalil, 2014); and another one by Fares Djafri and others entitled “*Waqf Property: Concept, Management, Development, and Financing*” (Djafri et al., 2022). All these studies are beneficial in understanding the history and development of *waqf* in Malaysia, but they do not touch on its relationship with *al-qard al-hasan* for social financing. Therefore, the present study will fulfil a very critical gap where *zakāh* and temporary cash *waqf* will be studied as potentials for social financing through *al-qard al-hasan*.

2. Waqf in Islam

Waqf is among the most essential concepts of Islamic economic systems, which effectively works for the social welfare of deprived and poor classes of societies. However, there is no consensus on the definition of *waqf* among Islamic scholars as Ḥanafī scholars define it as “restraining a property from the ownership of others” (Al-Sarakhsī, 1989, p. 12:27), while according to Mālikī scholars, it is defined as “providing the benefits of a property or its yields in any form even with a charge to someone deserving for the period the donor deems appropriate” (Al-Dardīr, 2000, p. 124). Shafīʿī scholars define it as “holding up the useful wealth while retaining its original form and spending its benefits on available permissible things” (Al-Shirbīnī, 1997, 2:485), whereas Ḥanbalī scholars defined it as “keeping the useful wealth of an absolute owner from him while retaining its original form and making its benefits for charity to get closer to Allah” (Al-Bahūtī, 2000, 4: 329-30). One major aspect in these definitions is the ownership of the corpus of *waqf* asset after the *waqf* has been created. Abū Ḥanīfah maintains that the corpus of *waqf* still belongs to the *wāqif* (Al-ʿAynī, 2000, 7: 432). The Mālikīs concurred with this opinion stressing that the benefits of *waqf* must be distributed to

the beneficiaries of *waqf* (Al-Kharashī, 1317AH, 7/98). Imām Aḥmad concurred with the same view. However, Imām al-Mardāwī mentioned another view of Imām Aḥmad where he maintained that *waqf* corpus belongs to Allah only (Al-Mardāwī, 1995, 16/420), which is the same view of the Shafīʿīs (al-Anṣārī, 1994, 1/309). The main reason behind this disagreement on the definition of *waqf* is that there are not so many details of *waqf* in scriptural texts as observed by Jasser Auda, and that is to make it as much flexible as it can continually evolve with the needs and demands of new circumstances (Auda, 2020). Most of the Qurʾānic texts which are referred to in connection with the validity and permissibility of *waqf* are general references related to charity and spending for the sake of Allah. For example, Allah says in the Qurʾān 2:177:

﴿لَيْسَ الْبِرَّ أَنْ تُوَلُّوا وُجُوهَكُمْ قِبَلَ الْمَشْرِقِ وَالْمَغْرِبِ وَلَكِنَّ الْبِرَّ مَنْ آمَنَ بِاللَّهِ وَالْيَوْمِ الْآخِرِ وَالْمَلَائِكَةِ وَالْكِتَابِ وَالنَّبِيِّينَ وَآتَى الْمَالَ عَلَى حُبِّهِ ذَوِي الْقُرْبَىٰ وَالْيَتَامَىٰ وَالْمَسَاكِينَ وَابْنَ السَّبِيلِ وَالسَّائِلِينَ وَفِي الرِّقَابِ وَأَقَامَ الصَّلَاةَ وَآتَى الزَّكَاةَ وَالْمَوْفُونَ بِعَهْدِهِمْ إِذَا عَاهَدُوا ۚ وَالصَّابِرِينَ فِي الْبَأْسَاءِ وَالضَّرَاءِ وَحِينَ الْبَأْسِ ۚ أُولَٰئِكَ الَّذِينَ صَدَقُوا ۚ وَأُولَٰئِكَ هُمُ الْمُتَّقُونَ﴾

“True piety does not consist in turning your faces towards the east or the west, but truly pious is he who believes in Allah, and the Last Day, and the angels, and the Book, and the prophets; and spends his wealth – in spite of love for it— upon his near of kin, and the orphans, and the needy, and the wayfarer, and the beggars, and for the freeing of human beings from bondage; and performs Ṣalāh, and gives the Zakāh, and who fulfil their covenant when they make it, and who are patient in extreme poverty and ailment (disease) and at the time of fighting (during jihād). Such are the people who proved themselves to be true, and they are al-Muttaqūn (the pious).”

Similarly, at another place He says in the Book 2: 261

﴿مَثَلُ الَّذِينَ يُنْفِقُونَ أَمْوَالَهُمْ فِي سَبِيلِ اللَّهِ كَمَثَلِ حَبَّةٍ أُنْبِتَتْ سَبْعَ سَنَابِلَ فِي كُلِّ سُنبُلَةٍ مِائَةٌ حَبَّةٌ ۗ وَاللَّهُ يُضَاعِفُ لِمَنْ يَشَاءُ ۗ وَاللَّهُ وَاسِعٌ عَلِيمٌ﴾

“The parable of those who spend their wealth for the sake of Allah is that of a grain out of which grow seven ears, every ear has a hundred grains. Allah grants manifold increase to

whom He wills. And Allah is All-Sufficient (for His creatures' needs), All-Knowing."

As far as prophetic narrations are concerned to the permissibility and significance of *waqf*, there are three different expressions that denote the meaning of *waqf*.

There is a set of narrations which speaks in terms of charity and spending in the path of Allah, and they are used to legitimate *waqf* and convey the essence and significance it carries. For instance, it has been narrated on the authority of Abū Mas'ūd al-Anṣārī who said:

((جَاءَ رَجُلٌ بِنَاقَةٍ مَخْطُومَةٍ فَقَالَ هَذِهِ فِي سَبِيلِ اللَّهِ. فَقَالَ رَسُولُ اللَّهِ صَلَّى اللَّهُ عَلَيْهِ وَسَلَّمَ لَكَ بِهَا يَوْمَ الْقِيَامَةِ سَبْعُمِائَةٍ نَاقَةٍ كُلُّهَا مَخْطُومَةٌ)).

"A man brought a muzzled she-camel and said: it is (offered) in the way of Allah. The Messenger of Allah (pbuh) said: "For this, you will have seven hundred she-camels on the Day of Resurrection, all of which will be muzzled" (Muslim, 1955).

Another set of narrations uses the word *ḥabs* which means holding or restraining. For example, it is narrated:

((أَصَابَ عُمَرُ بْنُ الْخَطَّابِ أَرْضًا فَأَتَى النَّبِيَّ ﷺ فَقَالَ أَصَبْتُ أَرْضًا لَمْ أَصِبْ مَالًا قَطُّ أَنْفَسَ مِنْهُ، فَكَيْفَ تَأْمُرُنِي بِهِ قَالَ: إِنْ شِئْتَ حَبَسْتَ أَصْلَهَا، وَتَصَدَّقْتَ بِهَا. فَتَصَدَّقَ عُمَرُ أَنَّهُ لَا يَبِيعُ أَصْلَهَا وَلَا يُوهِبُ وَلَا يُورِثُ، فِي الْفُقَرَاءِ وَالْقُرْبَى وَالرِّقَابِ وَفِي سَبِيلِ اللَّهِ وَالضَّيْفِ وَابْنِ السَّبِيلِ، وَلَا جُنَاحَ عَلَى مَنْ وَلَّيَهَا أَنْ يَأْكُلَ مِنْهَا بِالْمَعْرُوفِ، أَوْ يُطْعِمَ صَدِيقًا غَيْرَ مَتَمَوْلٍ فِيهِ)).

"When 'Umar got a piece of land in Khaybar, he came to the Prophet (ﷺ) saying, "I have got a piece of land, better than which I have never got. So, what do you advise me regarding it?" The Prophet (ﷺ) said, "If you wish you can hold it as an endowment to be used for charitable purposes." So, 'Umar gave the land in charity (i.e. as an endowment) on the condition that the land would neither be sold nor given as a gift, nor bequeathed, (and its yield) would be used for the poor, the kinsmen, the emancipation of slaves, way of Allah (Jihād), and for guests and travellers; and its administrator could eat in a reasonable just manner, and he also could feed his friends without intending to be wealthy by its means" (Bukhārī, 2001).

Finally, there is a mention of word *waqf* as stated in a saying (*athar*) of Jābir as he said:

((لَمْ يَكُنْ أَحَدٌ مِنْ أَصْحَابِ النَّبِيِّ ﷺ ذُو مَقْدَرَةٍ إِلَّا وَقَفَ)).

"There was no one in the Companions of the prophet (pbuh) who was capable but didn't make *waqf*" (Al-Nabawī, n.d., p. 15:323).

So, it is agreed upon among Muslim scholars that *waqf* is permissible or rather highly recommended in Islam. Still, since the scriptural text of Islam is silent on most of the details of *waqf*, therefore there is a vast range of issues in *waqf* that are points of disagreement and contention among the scholars as they go back to scholarly opinions of jurists based on *ijtihād* and reasoning. We will discuss here some such issues related to the topic at hand.

2.1 The Issue of Classification of Endowment (Waqf)

In classical Muslim scholarship, there was no specific classification in *waqf*. It was simply a permanent endowment of properties for the welfare of general people or for particular groups of society. The condition of permanence (*ta'bīd*) was essential in *waqf*, even though some scholars had prospects for the temporary endowment also, as can be noticed above in the definition expounded by Malikī scholars. However, in modern times, many scholars have classified *waqf* into two types based on the duration of its usufruct as follows:

- Permanent Endowment (Waqf Mu'abbad):** To hold the property permanently for the welfare of the people in general or for specific groups. This is the classical notion of *waqf*, and there is no disagreement on this kind of *waqf*.
- Temporary Endowment (Waqf Mu'aqqat):** Temporary confinement of wealth for public benefit from it directly or indirectly for the welfare of the people in general or for specific groups.

There are two camps among the scholars regarding the permissibility of temporary *waqf*. The first camp comprises of majority of classical scholars and some contemporary scholars. According to the Ḥanafis (Ibn

‘Ābidīn, 2000, 6: 518), and Shāfi‘ī (Al-Shīrāzī, n. d., 2: 326), *waqf* must be established without a specific duration. Creating a *waqf* for a fixed period of time contradicts the terminology used and is not recognized by Islamic law. Their main argument is that the property of *waqf* can never come to the ownership of anyone, and secondly, *waqf* is spending for the sake of Allah (SWT), and it can be achieved only by withdrawing from the ownership permanently. The second camp comprises Mālikī scholars and other scholars from other schools of jurisprudence as well as many contemporary scholars. The Mālikī school does not consider perpetuity as a requirement for a valid *waqf* (Al-Kharashī, 1317H, 7:78). The person establishing the *waqf* (referred to as the *wāqif*) has the right to set a time limit for the *waqf*. If the *wāqif* passes away before the required period elapses, the *waqf* property will be given to the founder's heirs. Their counterarguments are as follows: firstly, there is no condition of permanence (*ta‘bīd*) in the original sources of Islam. Secondly, *waqf* is made for social welfare, and scholars are allowed to put constraints on the ways of its usufruct. Similarly, there should not be any impediment in placing the condition of the period of its usufruct.

From the *maqāṣid* perspective, the second position seems preferable as it allows the opportunity of charity and endowment for those who are not capable of donating their wealth permanently. Secondly, with the advent of new institutions of finance and economics, the regulation and management of temporary *waqf* have become feasible, which would not have been easy erstwhile.

2.2 The Issue of Cash Waqf

Cash *waqf* has been defined as “the confinement of an amount of money/cash from the founder and the dedication of its usufruct, according to the founder’s condition (s), in perpetuity to the welfare of the society” (Magda, 2009, p. 40).

In early Islamic jurisprudence, there was a debate about whether wealth (*māl*) or cash could be the object of *waqf* or not. The majority of classical Muslim scholars are

of the view that wealth (*māl*) or cash is not acceptable in *waqf* (Auda, 2020). The reason behind this view goes back to the same point as discussed above that permanence and perpetuity is a necessary condition for a *waqf* to be valid and acceptable (Al-Maqdisī, 2005). There are two significant counter arguments against this point. Firstly, as mentioned above, the condition of permanence does not have any clear and undisputed ground in the Qur’ān and *Sunnah*. Secondly, there are, on the contrary, some examples from the time of the Prophet (pbuh) that the Companions did *waqf* of those things which were from the category of consumable wealth rather than having the quality of permanence. For instance, Abū Hurayrah narrated: The Prophet (ﷺ) said:

((مَنِ احْتَبَسَ فَرَسًا فِي سَبِيلِ اللَّهِ إِيمَانًا بِاللَّهِ وَتَصَدِيقًا بِوَعْدِهِ، فَإِنَّ شِبَعَهُ وَرِيَهُ وَرَوَّهُ وَيُولَهُ فِي مِيزَانِهِ يَوْمَ الْقِيَامَةِ)).

“If somebody keeps a horse in Allah's cause motivated by his faith in Allah and his belief in His Promise, then he will be rewarded on the Day of Resurrection for what the horse has eaten or drunk and for its dung and urine” (Bukhārī, 2001).

Similarly, it is reported regarding Khālīd bin Walīd that he kept his armour and weapons in the path of Allah (Bukhārī, 2001; Muslim, 1955).

However, it should be noted that the acceptability and permissibility of cash *waqf* is not entirely a new view, instead it can be referred to a few early Ḥanafī scholars like Muḥammad bin Ḥasan and Zūfar who gave emphasis on custom (*‘urf*) in the matter of *waqf* and suggested that anything that can be measured or weighed can be designated as *waqf* (Ibn ‘Ābidīn, 2000). In the view of *maqāṣid al-Sharī‘ah* and developments of the modern institutions of finance like Islamic banks and Islamic finance, many contemporary Muslim scholars and organizations are in favour of cash *waqf*, such as the International Fiqh Academy, The European Council of Fatwa and Research and the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), among others, have published *fatāwā* in support of the legitimacy of cash *waqf* (Auda, 2020).

3. The Issue of *al-Qarḍ al-Ḥasan*

Loan has a very crucial role in any financial system. There is a dire need to introduce new concepts and innovative products of loan in Islamic finance and Islamic banking. Islam has a unique notion about the loan which is termed *al-qarḍ al-ḥasan*. However, to understand the idea of *al-qarḍ al-ḥasan* it is imperative to understand the connotation of loan (*qarḍ*).

What is loan? According to the Cambridge dictionary: loan is “an amount of money that is borrowed, often from a bank, and has to be paid back, usually together with an extra amount of money that you have to pay as a charge for borrowing” (*Cambridge Dictionary*, n. d.). Similarly, it is defined in the Oxford dictionary as: “A thing lent; something the use of which is allowed for a time, on the understanding that it shall be returned or an equivalent given; *esp.* a sum of money lent on these conditions, and usually at interest” (*Oxford English Dictionary*, n. d.). Another famous dictionary defines it as: “something lent usually for the borrower’s temporary use” (*Merriam-Webster*, n. d.).

It can be summed up that loan is borrowed (a), for temporary use of the borrower (b), and usually paid back with an extra charge (c).

On the contrary, *al-qarḍ al-ḥasan* is defined in the dictionary as: “loan provided without any profit or extra charge” (Muṣṭafaā et al., n.d., 1:444). As a terminology, it is very close to how it is defined linguistically. Some of the definitions are as follows:

- “Agreement with someone on providing him an amount of money on the terms that he will return the same” (Ibn ‘Abidin, 2000, p. 5:161).
- “Offering an amount of money to someone for the sake of Allah so that he can benefit from it and later return the similar or the same” (Al-‘Adwī, 1994, 2:164).
- “To own something on the condition that same will be returned” (Ibn Mulaqqin, 1986, 5:36).
- To offer someone an amount of money with the purpose of ease so that the beneficiary can benefit from it and return the same” (Ibn Muflīh, 1997, 4:92).

From the above definitions, it is evident how interest-free loan or *al-qarḍ al-ḥasan* is different from the conventional notion of loan which is the cornerstone of modern economy and banking. The differences and similarities between the two can be seen in the table below:

S.N.	Conventional Loan	<i>Al-qarḍ al-Ḥasan</i>
1	Extra charge or profit is expected.	No additional charge or profit is expected.
2	The Intention is to make the profit.	For the sake of Allah.
3	No non-monetary factors.	To ease and facilitate the business of others are the objectives of it.
4	Temporary use of the loan.	Temporary use of interest-free loan.
5	A conventional loan is not permissible in <i>Sharī‘ah</i> .	A goodly loan (<i>qarḍ ḥasan</i>) is highly recommended.

3.1 *Sharī‘ah* Standpoint on *Al-Qarḍ al-Ḥasan*

Al-qarḍ al-ḥasan is permissible (*mubāḥh*) for the borrower and recommended (*mustaḥabb*) for the lender. There are two kinds of evidence for its recommendation. Firstly, there is general evidence that encourages people to help others in their need. For instance, Abu Hurayrah (RAA) narrated that the Messenger of Allah (ﷺ) said:

((مَنْ نَفَسَ عَنْ مُؤْمِنٍ كُرْبَةً مِنْ كُرْبِ الدُّنْيَا، نَفَسَ اللَّهُ عَنْهُ كُرْبَةً مِنْ كُرْبِ يَوْمِ الْقِيَامَةِ، وَمَنْ يَسِّرْ عَلَى مُعْسِرٍ، يَسِّرَ اللَّهُ عَلَيْهِ فِي الدُّنْيَا وَالْآخِرَةِ، وَمَنْ سَتَرَ مُسْلِمًا، سَتَرَهُ اللَّهُ فِي الدُّنْيَا وَالْآخِرَةِ، وَاللَّهُ فِي عَوْنِ الْعَبْدِ مَا كَانَ الْعَبْدُ فِي عَوْنِ أَخِيهِ)).

“If anyone relieves a Muslim believer from one of the hardships of this worldly life, Allah will relieve him of one of the hardships of the Day of Resurrection. If anyone makes it easy for the one who is indebted to him (while finding it difficult to repay), Allah will make it easy for him in this worldly life, and in the Hereafter, and if anyone conceals the faults of a Muslim, Allah will conceal his faults in this world

and in the Hereafter. Allah helps His slave as long as he helps his brother". (Muslim).

Imam Shawkânî said in the commentary of this narration: "there are many Qur'anic verses and Prophetic sayings which call for cooperation and helping needy Muslims and removing their hardships, and there is no disagreement among scholars on its legality. Ibn Raslân said: there is no disagreement in the legitimacy of asking for loan in a time of need" (Al-Shawkânî, 1993, 5:272).

Secondly, there are many explicit texts on it in the Qur'an and *Sunnah*. For example, Allah says in the Qur'an, 2:245:

﴿مَنْ ذَا الَّذِي يُقرضُ اللَّهَ قَرْضًا حَسَنًا فَيُضَاعِفَهُ لَهُ أَضْعَافًا كَثِيرَةً ۖ وَاللَّهُ يَقْبِضُ وَيَبْسُطُ وَإِلَيْهِ تُرْجَعُونَ﴾

"Who is he that will lend to Allah a *qarḍ ḥasan*, so that He may multiply it to him many times? And Allah decreases or increases (your wealth), and unto Him you shall be brought back".

Likewise, the Prophet (SAW) said:

((مَا مِنْ مُسْلِمٍ يُقرضُ مُسْلِمًا قَرْضًا مَرَّتَيْنِ إِلَّا كَانَ كَصَدَقَتَيْهَا مَرَّةً))

"There is no Muslim who lends something to another Muslim twice, but it will be like giving charity once" (Ibn Mājah, 2009).

It is clear from the above references that interest-free loan is highly encouraged in Islam. Now we will look at the possibility of applying *al-qarḍ al-ḥasan* on the temporary cash *waqf*.

There are no explicit texts on permissibility or impermissibility of lending from *waqf* in the sources of the *Shari'ah*, as observed by Jasser Auda that texts (*nuṣūṣ*) are silent on most of the details regarding *waqf*. However, this issue largely resembles the case of lending from *zakāh*. Even though there was no discussion on borrowing from *zakāh* in the classical Muslim period but due to the recent institutional development of finance and banking and the advancement of the vast industry of Islamic finance and banking, contemporary Muslim scholars have sufficiently dealt with the question of financing from *zakāh*. We will use that discussion to understand the question of lending

from temporary cash *waqf* based on the method of analogical reasoning (*Qiyas*).

4. Lending from *Zakāh*

Muslim scholars have dealt with the question of lending or financing from the money of *zakāh*; however, they define the issue in different ways. We will present two definitions of what it means to lend from *zakāh*.

Firstly, some scholars define it as: "that a person who has the amount of *zakāh* lends a part of it to someone needy but not from those who deserve *zakāh* so that he can benefit from it and return it later" (Ühāh, 2009).

Another definition says: "that a person who has the amount of *zakāh* lends from that amount to someone who needs it" (Al-'Ajmi, 2008).

It can be noticed here that the first definition limits its scope to only those needy people who are not eligible for *zakāh*, while the second keeps it open for anyone who needs it. However, both above definitions failed to take into consideration the objectives and intents of allowing financing from *zakāh*. Some other scholars have proposed a more comprehensive definition: "that a person who has *zakāh* lends from it to someone for his ease or in the interest of *zakāh* so that he benefits from it and return it later" (Sālim, 2014). It implies that the loaning from *zakāh* can be for two purposes: firstly, in the interest of *zakāh*, i.e. to protect the amount of *zakāh* from damage or loss (such as theft or robbery etc.), which will also be eventually beneficial for needy people. Secondly, to help the needy people out of facilitation and ease.

Based on these two purposes and reasons for loaning or financing from *zakāh*, scholars have different opinions on the permissibility or impermissibility of financing from *zakāh*.

4.1 The Issue of Financing from *Zakāh* to Protect the Money of *Zakāh*

Contemporary Muslim scholars unanimously opine that if the purpose of lending from the money of *zakāh* is to keep that money from damage, loss, theft etc., then the lending

is permissible as it will protect the capital of *zakāh* and, at the same time, it will be helpful for those people who need a loan (Üähā, 2009). They corroborate this view with the following arguments:

Firstly, classical scholars had permitted collectors of *zakāh* to make use of that money in the way the interest of *zakāh* or the interest of beneficiaries require it. For example, Ibn Qudāmah, a famous Ḥanbali scholar, said: “when the collector has collected the *zakāh* and needs to sell it for the interest of beneficiaries of it, he may do so” (Al-Maqdisī, 2005, 2:532). Similarly, al-Bahūtī, another classical scholar said: “it is allowed for the collector of *zakāh* to sell the cattle and such goods of *zakāh* for reasons such as fear of loss, the benefit of *zakāh* etc.” (Al-Bahūtī, 1983, 2:270). Drawing on the same line, if lending or financing from the money of *zakāh* can help protect that money of *zakāh* from loss and damages or to avoid unnecessary costs or risks of transferring from one place to another, it should be permissible.

Secondly, in the situation of fear of loss and wastage, lending can guarantee its protection as the loan is secured, and the borrower is supposed to return it anyway, regardless of whether he lost it by mistake or by action (Al-'Ajmi, 2008).

Thirdly, scholars permitted lending from the properties of orphans if it is in the interest of the orphans (Al-Maqdisī, 2005). Using this analogy, the same ruling can be extended to lending from *zakāh* if it is in the interest of *zakāh*.

Fourthly, this issue can also be extended from what is referred to as the issue of *al-Suftajah*. It is defined as: “a person lends someone an amount in a place and receives the same amount in another place. In doing so, the lender avoids the risks of the way and the costs of carrying, and the borrower benefits from that loan.” (Ibn Taymiyyah, 2004, 29:534). Ibn Taymiyyah comments on this saying: “the right view in this regard is permissibility because the lender sees the benefits of being safe from the risks of carrying along and borrower sees the benefits of loan, hence, both are in a win-win situation. The lawgiver does not prohibit what is beneficial for people, and people

need that. He prohibits only those things which are harmful and corrupt, and He provides better substitute.” (Ibn Taymiyyah, 2004, 29:455-56) Using analogical reasoning, lending from *zakāh* is considered permissible as it protects the goods of *zakāh* and achieves the benefits intended by it.

4.2 The Issue of Lending Zakāh to Non-Zakāh Beneficiaries

Contemporary Muslim scholars are divided into two groups when it comes to the issue of lending from *zakāh* for the ease of needy people where the protection of *zakāh* is not concerned.

One group of scholars views it as impermissible. For instance, 'Alī Jād al-Ḥaq, Rafiq al-Miṣrī, Aḥmad bin Ḥumayd, Ḥamdī Ṣubḥ Üähā, Ḥusām al-Dīn 'Afānah and others. This is supported by the permanent *fatwā* council of Saudi Arabia (8/453-455). Whereas the other group of scholars opined on its permissibility. For example, Maududi, Abū Zahrah, Khallāf, 'Abd al-Raḥmān Ḥasan, Muhammad Hameedullah, Qaraḍāwī, 'Abd al-Sattār Abū Ghuddah, Muḥammad al-Zuḥaylī, Nā'f al-'Ajmi and others.

4.3 Arguments of Opponents of Lending Zakāh to Non-Zakāh Beneficiaries

The opponent group who sees the financing or lending from *zakāh* as impermissible hold their position on the following grounds:

Firstly, they say that the Qur'ān has specified the channels of *zakāh* as mentioned in the verse, and lending or financing is not among them. The Qur'ān, 9:60 reads:

﴿إِنَّمَا الصَّدَقَاتُ لِلْفُقَرَاءِ وَالْمَسْكِينِ وَالْعَامِلِينَ عَلَيْهَا وَالْمُؤَلَّفَةِ قُلُوبُهُمْ وَفِي الرِّقَابِ وَالْغَارِمِينَ وَفِي سَبِيلِ اللَّهِ وَابْنِ السَّبِيلِ ۚ فَرِيضَةً مِّنَ اللَّهِ ۚ وَاللَّهُ عَلِيمٌ حَكِيمٌ ۝﴾

“*Al-Sadaqāt (Zakāh) are only for the poor and the needy, and those who are in charge thereof, and those whose hearts are to be won over, and for the freeing of human beings from bondage, and [for] those who are overburdened with debts, and [for every struggle] in Allah's cause, and [for] the*

wayfarer: [this is] a duty imposed by Allah, and Allah is All-Knowing, All-Wise."

Secondly, lending from *zakāh* delays its reaching those who deserve it on time, and this is not permissible because the payment of *zakāh* is obligatory instantly.

Thirdly, by starting the cycle of lending and financing from *zakāh*, the offerings will never reach those who deserve it and who are mentioned in the Qur'ān, as there will be an unending cycle of lending and repaying. Therefore, lending, being an obstruction to what is commanded in the Qur'ān, is impermissible.

Fourthly, lending from *zakāh* results in the deprivation of real needy and poor people from what they deserve, and *zakāh* is devised for the need of poor people.

Fifthly, there are many risks and threats in lending from *zakāh*, such as the inability of the borrower to repay, his delay in repayment without a reason, his denial of having taken a loan and other risks which may cause wastage and loss of *zakāh*.

Sixthly, it is nowhere recorded in the life of the Prophet (pbuh) and the Companions and the entire Muslim history that they lent from *zakāh*, while there were all the reasons that they should have done it. Hence, it is evident that lending is not permissible. (Al-Sayyārī, 2014, pp.63-64).

4.4 Arguments of Proponents of Lending *Zakāh* to Non-*Zakāh* Beneficiaries

Scholars who are in favour of financing from *zakāh* for ease and facilitation of the people rely for their position on the following arguments:

Firstly, they consider beneficiaries of loans from *zakāh* comparable with those who are overburdened with debts (*Ghārimūn*). Since debts can be paid from *zakāh* while they will not be paid back, it should be preferable to give *al-qarḍ al-ḥasan* from *zakāh* to those who will pay it back later (Qaraḍāwī, 1973).

Secondly, the Qur'ān has mentioned among the channels of *zakāh* debtors who are in fact borrowers, and it also includes those who need to borrow for temporary

needs but are willing to repay after a short duration of time.

Thirdly, the interest-free lending should be considered in the same category of debtors (*ghārimūn*); hence, it is enough for a person who is giving *zakāh* to give it to the account of debts, which can be spent as interest-free lending. Therefore, this account will be part of the channels of *zakāh* without any need to make a distinction between debtors and borrowers in its functions.

Fourthly, they refer to a tradition which says:

((عَنْ زَيْدِ بْنِ أَسْلَمَ، عَنْ أَبِيهِ، أَنَّهُ قَالَ خَرَجَ عَبْدُ اللَّهِ وَعَبِيدُ اللَّهِ ابْنَا عُمَرَ بْنِ الْخَطَّابِ فِي جَيْشٍ إِلَى الْعِرَاقِ فَلَمَّا قَفَلَا مَرَّ عَلَى أَبِي مُوسَى الشَّعْرِيِّ وَهُوَ أَمِيرُ الْبَصْرَةِ فَرحَّبَ بِهِمَا وَسَهَّلَ ثُمَّ قَالَ لَوْ أَقْدَرُ لَكُمَا عَلَى أَمْرِ أَنْفَعَكُمَا بِهِ لَفَعَلْتُ . ثُمَّ قَالَ بَلَى هَا هُنَا مَالٌ مِنْ مَالِ اللَّهِ أُرِيدُ أَنْ أَبْعَثَ بِهِ إِلَى أَمِيرِ الْمُؤْمِنِينَ فَاسْلَفُكُمَا فَتَبْتَاعَانِ بِهِ مَتَاعًا مِنْ مَتَاعِ الْعِرَاقِ ثُمَّ تَبِيعَانِهِ بِالْمَدِينَةِ فَتَوَدَّيَانِ رَأْسَ الْمَالِ إِلَى أَمِيرِ الْمُؤْمِنِينَ وَيَكُونُ الرِّبْحُ لَكُمَا فَقَالَا وَدِدْنَا ذَلِكَ . ففَعَلَ وَكَتَبَ إِلَى عُمَرَ بْنِ الْخَطَّابِ أَنْ يَأْخُذَ مِنْهُمَا الْمَالِ فَلَمَّا قَدِمَا بَاعَا فَأَرْجَحَا فَلَمَّا دَفَعَا ذَلِكَ إِلَى عُمَرَ قَالَ أَكُلُ الْجَيْشِ أَسْلَفَهُ مِثْلَ مَا أَسْلَفَكُمَا قَالَا لَا . فَقَالَ عُمَرُ بْنُ الْخَطَّابِ ابْنَا أَمِيرِ الْمُؤْمِنِينَ فَاسْلَفُكُمَا أَدْيَا الْمَالَ وَرَبَّحَهُ . فَأَمَّا عَبْدُ اللَّهِ فَسَكَتَ وَأَمَّا عَبِيدُ اللَّهِ فَقَالَ مَا يَنْبَغِي لَكَ يَا أَمِيرُ الْمُؤْمِنِينَ هَذَا لَوْ نَقَصَ هَذَا الْمَالُ أَوْ هَلَكَ لَضَمَّنَاهُ . فَقَالَ عُمَرُ أَدْيَاهُ . فَسَكَتَ عَبْدُ اللَّهِ وَرَاجَعَهُ عَبِيدُ اللَّهِ . فَقَالَ رَجُلٌ مِنْ جُلَسَاءِ عُمَرَ يَا أَمِيرُ الْمُؤْمِنِينَ لَوْ جَعَلْتَهُ قِرَاضًا . فَقَالَ عُمَرُ قَدْ جَعَلْتَهُ قِرَاضًا . فَأَخَذَ عُمَرُ رَأْسَ الْمَالِ وَنَصَفَ رِبْحَهُ وَأَخَذَ عَبْدُ اللَّهِ وَعَبِيدُ اللَّهِ ابْنَا عُمَرَ بْنِ الْخَطَّابِ نِصْفَ رِبْحِ الْمَالِ)).

"It is reported on the authority of Zayd bin Aslam that his father said, "Abd Allāh and Ubayd Allāh, the sons of 'Umar bin al-Khaṭṭāb went out with the army to Iraq. On the way home, they passed by Abū Mūsā al- 'Ash'arī, who was the governor of Basrah. He greeted them and welcomed them, and told them that if there were anything he could do to help them, he would do it. Then he said, 'There is some property of Allah which I want to send to the Amīr al-Mu'minīn so that I will lend it to you, and you can buy wares from Iraq and sell them in Madinah. Then give the principal to the Amīr al-Mu'minīn, and you keep the profit.' They said that they would like to do it, and so he gave them the money and wrote to 'Umar bin al-Khaṭṭāb to take the money from them. When they came to sell, they made a profit, and when they

paid the principal to 'Umar he asked, 'Did he lend everyone in the army the like of what he lent you?' They said, 'No.' 'Umar bin al-Khaṭṭāb said, 'He gave you the loan, because you are the sons of the Amīr al-Mu'minūn, so pay the principal and the profit.' 'Abd Allāh was silent. 'Ubayd Allāh said, 'You do not need to do this, Amīr al-Mu'minūn. Had the principal decreased or been destroyed, we would have guaranteed it.' 'Umar said, 'Pay it.' 'Abd Allāh was silent, and 'Ubayd Allāh repeated it. A man who was sitting with 'Umar said, Amīr al-Mu'minūn, it is better that you make it a qirāḍ. 'Umar said, 'I have made it qirāḍ.' 'Umar then took the principal and half of the profit, and 'Abd Allāh and 'Ubayd Allāh, the sons of 'Umar bin al-Khaṭṭāb took half of the profit.' (Mālik, 1985).

This tradition indicates that the property of Allah which include *zakāh* can be used for lending.

Fifthly, the option of lending prevents debtors from taking *zakāh* because borrowing is easier than taking *zakāh*. Some people may feel uncomfortable to take *zakāh* despite their need, but they will not hesitate in taking loans. Therefore, some classical scholars opined that for travellers it is preferred to take the loan than to take *zakāh* and the same applies to debtors also (Ibn Humam, 1970).

Sixthly, interest-free lending from *zakāh* contributes practically to abolishing usury and interest-based loan.

Seventhly, they compare the issue of lending from *zakāh* with the case of borrowing from the properties of orphans, if it is in the interest of the orphans. Likewise, if it is in the interest of *zakāh* and the beneficiaries of *zakāh*, then lending from *zakāh* should be allowed. Muslims at large strengthen this view (Al-'Ajmī, 2008; Taha, 2009).

Eighthly, the general objectives of Islam entail the permissibility of lending to those who need loans as part of the category of debtors. Hence, it is better to provide the facility of financing from *zakāh* to those who need it to meet their necessities (Qaraḍāwī, 1973).

4.5 Analysis of Arguments in the Light of Maqāṣid al-Sharī'ah and Its Implications for the Issue of Waqf

If arguments of both sides are analysed deeply, it is evident that there are two reasons which seem to be constraining the permissibility of lending or financing from *zakāh* for facilitation and ease of the people.

Firstly, it is not among the categories mentioned in the Qur'an according to the first camp, while it is included in the category of debtors as mentioned above.

Secondly, by opening the gate of lending and financing from *zakāh*, those who really deserve it might be deprived of it.

4.5.1 The Maqāṣidic Approach of al-Qarḍ al-Ḥasan through Zakāh and Temporary Cash Waqf

4.5.1.1 The General Maqāṣidic Approach

Taking into consideration the objectives of *Sharī'ah* in *zakāh* such as obedience of Allah, purification of giver from sins and greed, purification of wealth from bad elements, growth of wealth in a more just manner, purification of hearts of needy and poor from envy and jealousy towards rich people, sympathizing and helping needy people, circulation of money, achieving social justice and social cooperation and development of Islamic economic system and the objective of ease (*taysīr*), the objective of facilitation (*irfāq*), the objective of investing and increasing wealth and other objectives, the above two issues can be managed by applying some conditions instead of taking either of two absolute positions: rejection or approval. Therefore, contemporary scholars have introduced many conditions to regulate the process of lending and financing from *zakāh*, such as:

Lending and financing will only be allowed if it does not deprive the real deserving recipients of *zakāh*.

There must be a proper distribution of proportions of *zakāh* between the established channels of *zakāh* and financing.

4.5.1.2 The Maqāṣidic Analogy between Lending Zakāh and Lending Temporary Cash Waqf for Social Finance Purposes

Both *zakāh* and *waqf* are considered Islamic financial instruments designed to cater for the unserved and underserved segments of society. The similarity between the objectives of lending *zakāh* and lending cash *waqf* would certainly justify a *maqāṣidic* analogy between the two. Known in some literature as *al-qiyās al-wāsi'* (expanded analogy), this *qiyās* tends to compare two issues having the same *maqāṣid al-Sharī'ah*, and eventually have the same *Sharī'ah* ruling. This is akin to applying *al-maṣlaḥah al-mursalah* (public benefit) in issues other than pure *'ibādāt* (acts of worship).

Thus, in this *maqāṣidic qiyās*, the objectives of giving *qarḍ ḥasan* through cash *waqf* will be compared to the objectives of giving loan from *zakāh*. Since the *zakāh* loans aim to realize the *maqṣad* of *taysīr* (facilitation) and lifting hardship from the needy (hence permissible), and since cash *waqf* loans aim to achieve the same *maqṣad* (*taysīr*), thus, cash *waqf* loans are permissible.

Hence, using the method of analogical reasoning and considering the higher intents of *Sharī'ah*, it can be derived that offering *al-qarḍ al-ḥasan* for Islamic financing through temporary cash *waqf* is not only permissible but rather recommended.

The above *maqāṣidic* analogy is further bolstered by the *fiqhī* analysis provided in the next issue, which is related to the legitimacy of lending through cash *waqf*.

4.6 The Issue of Lending Through Cash *Waqf*

This issue requires the ascertainment of two sub-issues; the legitimacy of temporary cash *waqf* and lending through cash *waqf*.

4.6.1 The Legitimacy of Temporary Cash *Waqf*

Temporary cash *waqf* is not quite addressed in classical Islamic jurisprudence as the majority of *fiqhī* schools advocate perpetuity *waqf* endowments. The Mālikīs and some other scholars are known to have legitimized temporary cash *waqf*. In al-Mudawanah of Imām Mālik bin Anas we read the following:

"We asked Mālik about a person creating a cash waqf of hundred dinars for the period of one or two years to another person, which he will allocate for trade. However, the amount will decrease over time. Mālik replied: he (the trader) is liable as the amount is a loan. I said: are these dinars considered waqf in the opinion of Mālik or not. He said: [these dinars] are deemed waqf for the period determined for the waqf as this is considered a loan waqf (ḥabs al-qarḍ)." (Mālik, 1994, 4:452).

The above text explicitly shows that cash *waqf* was accepted by Imām Mālik. The text also emphasizes the nature of the cash *waqf*, i. e. loan. Being a loan, the rules of *ḍamān* (liability) and ownership of the loan by the borrower shall apply. The famous Mālikī jurist, Khalīl bin Ishāq al-Jundī highlighted the temporary cash *waqf* in his seminal book al-Tawḍīh. He referred to one of the Mālikī references (al-Mutaytiyyah), in which a case of a woman who created a cash *waqf* to her daughter is mentioned. According to Ibn Rashīd (one of the Mālikī scholars), the cash *waqf* created by the woman to her daughter is a loan (Khalīl, 2008, 7:281).

This is the most explicit text about the legitimacy of temporary cash *waqf* in the Mālikī School. Imām 'Adawī from the Mālikī school ascertained this issue in response to the majority of scholars who confine *waqf* only to the perpetual one. He emphasized that "the authoritative view in the Mālikī school is that cash (dinars and dirhams) *waqf* and food *waqf* are permissible" (Al-'Adawī, 1994, 2: 262).

Some Mālikī scholars such as Ibn al-Ḥājjib and Ibn Shāṣ alluded that cash *waqf* and food *waqf* are prohibited. In explaining their stand, Khalīl highlighted that Ibn al-Ḥājjib and Ibn Shāṣ meant that the prohibition is related to a stipulation by the *wāqif* that *waqf* should not perish. Nonetheless, there is a view from some Mālikīs that food and cash *waqf* is reprehensible (*makrūh*), which Imām al-Ḥaṭṭāb described as weak (Al-Ḥaṭṭāb, 1992: 6:22).

4.6.2 Lending Cash *Waqf*

The above text of Imām Mālik in al-Mudawanah shows that cash *waqf* is basically a loan. It also shows that *al-qarḍ*

al-ḥasan can still be given under the umbrella of *waqf*. Imām al-Mardāwī quoted Imām Aḥmad as saying: "It is permissible to create cash *waqf* (*darāḥim*) for the purpose of benefiting from it in giving loans and the like" (al-Mardāwī, 1995, 16:377-378). The same approach was adopted by Ibn Taymiyyah who held that "if the *wāqif* says: I have created this *waqf* to be given as loans to the needy people, the permissibility of such *waqf* is not far [i.e: permissible]" (Ibn Taymiyyah, 1418 A. H., 4:91).

These views focused on the *maqāṣid* of *waqf*, namely community empowerment triggered by the *ḥājah* (need) that befall some people in certain critical situations.

5. Recommended Mechanism of Granting al-Qarḍ al-Ḥasan from Zakāh and Temporary Cash Waqf

It is very important to note that in order to legitimize the grants of loans under the *zakāh* and temporary cash *waqf*, an institution should be established. Such institution could be the existing governmental *zakāh* and *waqf* institutions or public Islamic banks owned by the State. Operating loans under *zakāh* and *waqf* should have specific governance considerations, taking into account transparency, accountability and fairness to the *wāqifs* and all stakeholders. The reason to confine the management of granting *al-qarḍ al-ḥasan* from *zakāh* and cash *waqf* to the existing governmental *zakāh* and *waqf* institutions or public Islamic banks is to protect the *waqf* from the manipulation and incompetency of some individual *wāqifs* and private institutions.

There are four actors in the process of this financing: a donor who gives *zakāh* or makes a temporary cash *waqf*; Islamic banks who will act as agents of a donor; thirdly, state religious council who will supervise the whole process to ensure *Shari'ah*-compliance in it; and finally the beneficiaries or borrowers who will take *al-qarḍ al-ḥasan* and return it after a defined period. However, there is a need to study different modalities of governing *zakāh* and temporary cash *waqf* for social financing which

are not in the scope of this article, and in the future, further studies should be carried out for it.

6. Conclusion

In conclusion, *waqf* has been among the most significant tools for social welfare throughout Islamic history, but unfortunately, with the advent of modernity and new developments of the world, *waqf* was not updated to be effective and practical through new institutions of our time, such as banks and other financing institutions, etc. There were differences of opinions on different forms of *waqf*; still, in the view of new developments, it is easy to give preference to those opinions which are more compatible with time and more beneficial and effective to achieve objectives of *Shari'ah* as *maqāṣid al-Shari'ah* are considered as a valuable tool for preference. Therefore, it is submitted that *waqf* can be cash as well as temporary.

Similarly, *al-qarḍ al-ḥasan* is another essential notion in Islam that might be very helpful if employed in coordination with *zakāh* and temporary cash *waqf*. There has been a lengthy discussion on the permissibility or impermissibility of applying *al-qarḍ al-ḥasan* on *zakāh*. It is found that though both camps have arguments to corroborate their views, still, if the issue is analysed in the light of the *maqāṣid* approach, the position of those scholars who see permissibility is preferable. There were a few discussions championed by Mālikī scholars on the permissibility to grant *al-qarḍ al-ḥasan* from temporary cash *waqf*. Besides, the issue of granting a loan from *waqf* in comparison with *zakāh* or in *maqāṣidic* analogy with *zakāh* (*al-Qiyās al-Wāsi'*), it seems that there is no issue in applying *al-qarḍ al-ḥasan* on temporary cash *waqf*. However, it is important to note that there must be a proper mechanism and model to govern this whole procedure to avoid anything contrary to the principles of *Shari'ah*. The proposed model is for public offices such as *zakāh* and *waqf* public institutions to manage *al-qarḍ al-ḥasan* through *zakāh* and *waqf* undertakings.

Moreover, it can be concluded that social financing is a significant notion and has a crucial role in social welfare and alleviation of poverty, and promotion

of knowledge for those who are unable to afford the cost of education; and by employing *al-qarḍ al-ḥasan* through *zakāh* and temporary cash *waqf*, Islamic banks can play a profound role in social financing.

Finally, it is recommended that further studies should be conducted on more specific details regarding governing and operationalizing the notion of applying *al-qarḍ al-ḥasan* on *zakāh* and temporary cash *waqf* through institutions of Islamic finance and banks.

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