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THE POTENTIAL IN REVIVING *WAQF* THROUGH CROWDFUNDING TECHNOLOGY: THE CASE STUDY OF THAILAND

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Abstract

Disruption of technology continues to change the global market and economy today. Simultaneously, Islamic social finance and its mechanisms has continued to gain spotlights due to their viability and sustainability nature. They are not only offering chances to achieve Sustainable Development Goals (SDGs) but also beyond such goals. Looking into the application of waqf as one of Islamic social finance's instruments, this continuous charitable giving is preferred due to its features that are perpetual, irrevocable, and inalienable. In Thailand, reviving and sustaining waqf properties are still limited due to the lack of funds. However, with the existence of new technology called crowdfunding platform, the revival of waqf can be made possible. Such revival of waqf is essential for the society at large, especially for the Muslim community. The revival of waqf may provide essential assistance in alleviating poverty and gives an equal opportunity for economic participation. By using a qualitative research method and documentary-based legal analysis, this research looks at the opportunity of reviving waqf in Thailand through crowdfunding platforms.

Keywords: *Waqf*, Islamic Social Finance, Crowdfunding, Thailand

1.0 Introduction

As divinely inspired, *waqf* is one of the oldest accepted charitable giving mechanisms in Islām. *Waqf* offers not only religious and spiritual purification, it is a mechanism provided for the creator of *waqf* to contribute back to the public at large or for his selected beneficiaries. *Waqf* is preferred due to its three main features i.e. (i) perpetuity, (ii) irrevocable and (iii) inalienable. *Waqf* will be operative as long as the *waqf* asset and its benefits are in existence. *Waqf* cannot be terminated or canceled once it is made. Additionally, *waqf* cannot be transferred to anyone and it is philanthropically existed to provide for the public or the legal beneficiaries. Thus, *waqf* cannot be sold, inherited, or given as a gift to anyone once it is created. Majority Muslim jurists are in the opinions that the *waqf* assets can be either movable or immovable properties.

Literally, *waqf* or *awqāf* is a verbal noun (*masdar*) in the Arabic language that means "to stop or to prevent"¹. From technical perspective, *waqf* is defined by Imam Abu Hanifah (one of the four founders of Islamic school of legal thoughts) as "the detention of specific thing in the ownership of *wāqif* (the *waqf* creator), and the devoting or appropriating of its profits or usufruct in charity on the poor or other good objects"². Ahmad Yusuf and Muhammad further elaborate the concept of *waqf* as the extinction of the *wāqif*'s ownership over the assets that are dedicated and detained under the implied ownership of Allah (ﷻ)³. Once such dedication is placed, the *Waqf* asset and its benefits may be utilized for the benefits of mankind.

Waqf derives its religious motivation by the saying of Allah (ﷻ) that indicates, "Never will you attain the good [reward] until you spend [in the way of Allah] from that which you love. And

¹ M.I. Mohsin, *Financing the Development of Old Waqf Properties* (New York: Palgrave Macmillan, 2016), 1-4.

² A. Trakic, "A Legal and Administrative Analysis of Inalienable Muslim Endowments (Awqaf) in Bosnia and Herzegovina," *Islam and Civilisational Renewal (ICR)* 3(2), (2012), 337-354.

³ F. Johari, "Identifying the Potential of Continuity in Cash *Waqf* Contribution: A Descriptive Analysis," *The Journal of Muamalat and Islamic Finance Research*, 204 (3695), (2015), 1-14.

whatever you spend – indeed, Allah is Knowing of it”⁴. The practice of *waqf* can be traced back since the earlier of the 8th century. This continuous charitable giving has been practiced mostly throughout the countries, with either majority or minority Muslim populations. Throughout those centuries, many *waqfs* have lost from records⁵. Based on a report from Islamic Development Bank in 2014, the *waqf* assets reach up to 1/3rd or more globally, with the majority of these assets consist of cultivated lands⁶. Their value is believed to reach from USD\$ 100 billion to USD\$ 1 trillion⁷. However, such figures are based only on estimation and the real figures may be more, since the increase of value may happen annually.

According to a report from the Pew Research Centre in 2017, the total population of Muslims is 24% out of the total global population⁸. It is estimated that there was 1.8 billion Muslims as at 2015⁹ and the number continues to grow. From the Organisation of Islamic Cooperation or OIC’s member countries, Indonesia is at the top place with the largest population of Muslims.¹⁰ Furthermore, Islām is the fastest growing religion in the world, where it is estimated that the Muslims population will outgrow Christians by the end of the 21st century¹¹. In Thailand, Muslims are recognized as the second largest religious minority, with the concentrated population majorly located in Southern provinces of Narathiwat, Pattani, Yala,

⁴ Al-Qur’ān, “Surah Al-Imran: Verse 92”, accessed July 1, 2019, <https://quran.com/3/92>

⁵ N.R. Mohd Zain and E.R.A. Engku Ali, “An Analysis on Islamic Social Finance for Protection and Preservation of Maqāṣid al-Sharī‘ah,” *Journal of Islamic Finance* 6, (2017), 133-141.

⁶ Thomas Reuters, “Islamic Social Finance Report 2014”, accessed July 1, 2019, <http://www.irti.org/English/Research/Documents/Report-2.pdf>

⁷ Ibid.

⁸ Pew Research Centre, “World’s Muslim Population”, accessed July 1, 2019, <https://www.pewresearch.org/fact-tank/2017/01/31/worlds-muslim-population-more-widespread-than-you-might-think/>

⁹ Ibid.

¹⁰ Oxford Islamic Studies, “Indonesia”, accessed July 1, 2019, <http://www.oxfordislamicstudies.com/article/opr/t236/e0363>

¹¹ Pew Research Centre, “World’s Muslim Population”, accessed July 1, 2019, <https://www.pewresearch.org/fact-tank/2017/01/31/worlds-muslim-population-more-widespread-than-you-might-think/>

and Satun. The total number of Muslims is reaching 7.5 million or 12% out of 62.5 million total population of Thailand¹².

By analyzing these numbers, the creation of *waqf* locally and globally will continue to grow and benefit the society at large. Simultaneously, it will create a vibrant economic activity, equal economic participation, alleviate poverty, and socio-economic inclusion of group classes either rich or poor. Thus, it is an open opportunity for countries either with the majority or minority Muslims to participate and appreciate *waqf* to its fullest potential. Moreover, with the continuous development of technology nowadays, participation in implementing *waqf* becomes more dynamic and innovative. Thus, this research looks into (i) the application of *waqf* as the instrument of Islamic social finance; (ii) the revival of *waqf* in Thailand, and (iii) the alternative financing mechanism in reviving *waqf* in Thailand through crowdfunding. The qualitative research methods and documentary-based legal analysis are used in this research.

2.0 Islamic Social Finance, *Waqf* and Crowdfunding

Almost similar to social finance, Islamic social finance is an Islamic concept that concern with the process of investing, managing, and generating a certain fund or asset to solve the existence of societal challenges. Different from social finance, Islamic social finance may involve (i) a form of co-operative investment that leads to financial return and social returns.¹³ It may also involve (ii) a process of investing, managing, and generating funds or assets that begins with charitable intention, charitable-based project, and the end result is solely for social contributions. As identified by Mohd Zain and Engku Ali, the instruments of Islamic social finance can be divided into (i) the traditional instruments that cover *zakāt*, *ṣadaqah*, *waqf*,

¹² The Royal Thai Embassy, “Muslims in Thailand”, accessed July 1, 2019, <http://www.thaiembassy.org/riyadh/th/organize/29025-Muslim-in-Thailand.html>

¹³ N.R. Mohd Zain and E.R.A. Engku Ali, “An Analysis on Islamic Social Finance for Protection and Preservation of Maqāsid al-Sharī ‘ah,” *Journal of Islamic Finance*, 6, (2017), 133-141.

and others, and (ii) innovative instruments that include *ṣukūk*, *takāful* and Islamic microfinance¹⁴.

Waqf is not only divinely inspired, but also is a traditional instrument of Islamic social finance. It is a continuous charitable giving that starts with a charitable intention with the aim to make social contributions. Throughout countries, *waqf* has been utilized to contribute to the society in versatile charitable purposes. It can be traced from social, health, environmental, education, infrastructures, agriculture and others. It is also noted that *waqf* is a valid instrument that can be used in achieving directly or indirectly the 17 goals of Sustainable Development Goals (SDGs). This is essentially relevant for the alleviation of poverty, economic inclusion, and healthy circulation of wealth from the rich to the poor.

Currently, there are several innovative efforts made to combine *waqf* as the Islamic social finance's traditional instrument to the modern digital investment platform. Among these efforts, a viable platform can be traced from the crowdfunding initiative. Mohd. Thas Thaker *et al.* defined crowdfunding as “the collection of funds (in small amounts) from many crowdfunders on Web-based platforms for specific projects, business ventures or for social causes”¹⁵. Basically, crowdfunding can be divided into four categories:

- i. Lending crowdfunding: the lenders or investors are matched by the online platform with borrowers or issuers in need to finance a certain amount of loans, with a small interest rate which usually set by the online platform.
- ii. Equity-based crowdfunding: the collection of funds is raised for the sake of providing a certain amount of capital to a business, from which crowdfunders are offered to have equity interests in the business as investors.
- iii. Reward crowdfunding: the collection of funds is generated from crowdfunders that contribute the funds either to get any

¹⁴ Ibid.

¹⁵ M. A. Mohd Thas Thaker, H. Mohd Thas Thaker and A. Allah Pitchay, “Modeling Crowdfunders’ Behavioral Intention to Adopt the Crowdfunding-Waqf Model (CWM) in Malaysia: The Theory of the Technology Acceptance Model,” *International Journal of Islamic and Middle Eastern Finance and Management*, 11(2), (2018), 231-249.

personal benefits or socially motivated to contribute, from which tangible rewards are given to the crowdfunders. Such rewards are not monetary in form, e.g. membership rewards, coupons, etc.

- iv. Donation crowdfunding: the collection of funds is derived from crowdfunders' philanthropic or charitable intentions to achieve certain objectives, without requiring any exchange or profitable returns.

This crowdfunding initiative is essential in reviving *Waqf* in Thailand, simultaneously, it encourages the charitable participations from Muslims locally or globally in generating active economic activities that may contribute to the advancement of the local economy that ultimately beneficial to the public at large.

3.0 Nature of Laws and Practices of *Waqf* in Thailand

Waqf in Thailand remains the same as its original form as prescribed under the principles of *Shari'ah*. According to research done by Duereh and Noipom, there is no specific standard of practice in the formation and management of *waqf* and its assets¹⁶. Thus, there are diversify practices that may disturb the legal enforcement in managing and reviving such *waqf*. Additionally, there are no proper records as to the total of *waqf* available in Thailand, except those *waqf* that are recorded by the registered Mosque committees¹⁷. Without a proper database on these *waqf*, they may be lost in time or open for illegal encroachments or left abandoned without proper revival processes. In practice, normally those who want to create *waqf* will contribute the assets to the mosques and their management. This is due to the functions of mosques as a community center which not limited to religious devotion per se.¹⁸ Furthermore, there is a

¹⁶ S. Duereh and T. Noipom, "An Overview of Waqf Administration: A Case Study of Thai Administrative Law". In *Proceedings of International Conference on Islamic Jurisprudence (ICIJ)*, 2016, 588-591.

¹⁷ Ibid.

¹⁸ N.R. Mohd Zain and H. Shakeel Shah, "*Mosques as the Heart of Islamic Social Finance: Innovative Roles and Significances*". In the 4th Global Forum on Islamic Economics, Finance and Banking (IEFB) 2019, 27th-28th February 2019, Lahore, Pakistan. (Unpublished).

high level of trustworthiness among Muslims towards mosques and their management. Thus, those who are responsible for the mosques' managements stand with a high level of accountability religiously and legally.

It is interesting to note that even though Thailand is a country with a majority of Buddhist population, there are harmonious approaches made by the current Government in ensuring equality among the citizens. Moreover, there is a peaceful co-existence among the citizens, regardless of their religions and backgrounds. There was consistent financial support to Muslim citizens from the previous His Majesty King Bhumibol Adulyadej. During His Majesty's reign, the process of Thai translation and publication of the Qur'an was carried out. Later, the copies of translations are distributed throughout Thailand. Nowadays, Muslims continue to love their King as a source of inspiration, guidance, and support¹⁹. Such generosity is also continuously done by the current His Majesty King Maha Vajiralongkorn (Rama X).

Under Thailand's administration of laws, as identified by Dorloh,²⁰ there are no direct laws relating to *waqf*. However, references can be made to the general applications of certain laws. The most relevant laws are:

- The Royal Act Concerning Muslim Mosque 1947: under this Act, it recognizes the establishment of mosque committees and their authorities. The mosque committees have the jurisdiction to manage, protect, and revive the mosques and any related properties belong to the mosques. This can be seen from Section 7 of the Act. In order to have recognized Mosque committees under this Act, the mosques themselves must be properly registered at the Muslim Religious Committee

¹⁹ The Nation Thailand Portal, "His Majesty King Bhumibol Adulyadej and the Thai Muslim Community", accessed July 1, 2019, <http://www.nationmultimedia.com/advertisement/kingdomgrieves/14>

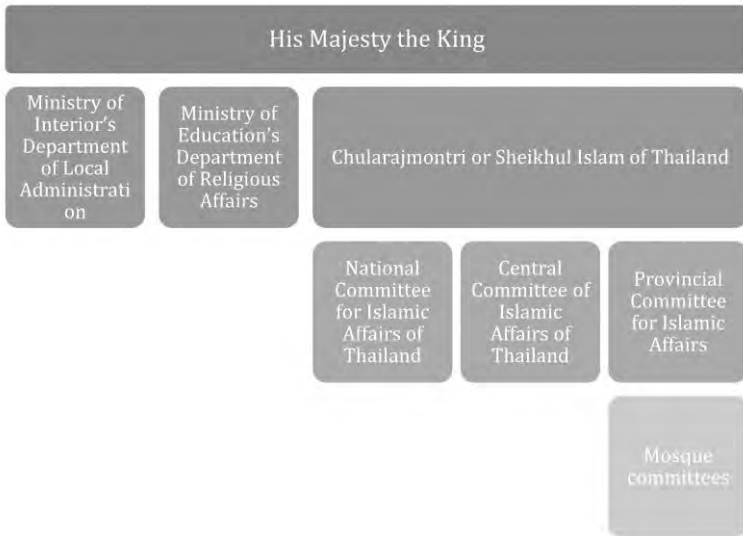
²⁰ S. Dorloh, "The Status of Waqf Properties in the Malay-Muslim Majority Areas of Thailand: A Legal Survey", *Waqf Laws and Management (with Special Reference to Malaysia)*, Institute of Objective Studies, New Delhi (2012): 263-276.

Council (MRCC) available in the related province. MRCC is responsible to monitor the establishment of mosques and the mosque committees. The mosque committees are usually the *imām* (the person who is responsible to lead 5-times *ṣalāh* or prayers), *khaṭīb* (the person who is responsible to perform sermons), and *bilāl* (the person who is responsible to call for solat i.e. *azan*) of the mosques. According to Dorloh²¹, once the *waqf* is created, *waqf* assets are given to the mosques with the *imam* as the mosque committees' leaders and the responsible recipients. Thus, the *imam* and the mosque committees ultimately act as the managers or *mutawallī* of the *waqf* assets and hold the said assets as trusts on behalf of Muslim communities and the public at large. Under this Act, the mosque committees may act accordingly with wide flexibility in managing the *waqf* assets and the manners of beneficial utilization from the *waqf* assets to the public.

- The Royal Act Concerning Islamic Patronage Act 1945: this Act provides the general structure of available religious administration and Muslim affairs in Thailand. His Majesty the King is placed at the apex structure, which follows with (i) the Ministry of Interior's Department of Local Administration; (ii) the Ministry of Education's Department of Religious Affairs; and (iii) Chularajmontri or *Shaykh al-Islām* of Thailand, who is appointed by His Majesty the King on a permanent basis. Under the Chularajmontri, there are other three main committees which are: (i) the National Committee for Islamic Affairs of Thailand consists of five persons; (ii) the Central Committee of Islamic Affairs of Thailand; and (iii) the Provincial Committee for Islamic Affairs that consist of twenty-six persons, the mosque committees follow underneath them lead by the Imams (see Figure 1.0).

²¹ Ibid.

Figure 1.0: Thailand's general structure of religious administration and Muslim affairs



Sources: Dorloh (2017).

- Other relevant Thai laws relating to the administration of assets: depending on the types of *waqf* assets, other relevant Thai laws may be enforced accordingly in administering the involved assets.

3.1 Evaluation on Other Relevant Thai Laws Towards *Waqf*

According to Dorloh, the most relevant laws relating to *waqf* assets are (i) Thai Civil and Commercial Law Code 1934 (amended in 1976) that governs the business and individual transactions; and (ii) Thai National Land Code 1951 (amended 1954) that governs the administration of land matters²². He considers such laws as relevant to be considered since the *waqf* assets are majorly in the form of cultivated lands and the benefits from the lands such as the produced

²² S. Dorloh, "The Status of Waqf Properties in the Malay-Muslim Majority Areas of Thailand: A Legal Survey", *Waqf Laws and Management (with Special Reference to Malaysia)*, Institute of Objective Studies, New Delhi (2012): 263-276.

fruits or coconuts may be sold to generate funds for the *waqf* beneficiaries.

Under the Thai Civil and Commercial Law Code 1934, it provides certain specific provisions that govern the creation of gifts. These provisions can be found from Sections 522 to 527 and Sections 537 to 538.²³ These provisions naturally cover the elements of gifts and do not portray the essential elements of *waqf* creation. Nevertheless, these provisions indirectly touch on the nature of *waqf* as a charitable giving. Thus, these provisions can be considered suitable in a general application towards *waqf* assets. Different from the opinion of Dorloh²⁴, the researchers consider that such general application is good for *waqf*, at least *waqf* can be recognized as a form of gift under the Thai Civil and Commercial Law Code 1934. In any event of litigations involving *waqf* assets, a careful treatment should be considered by the judges in arriving at a just decision due to the religious nature of *waqf*. Thus, by having a general application of the provisions, the judges may call for expert witnesses that stand with strong religious understandings of *waqf* in providing them the correct *Shari'ah* application to the cases. This will ensure the flexibility of judges in arriving at a just decision. Nevertheless, a careful treatment should be considered especially when the facts of the case involve any kind of prohibited elements as recognized under *Shari'ah* such as interest (*ribā*), speculation (*maysir*), and uncertainty (*gharar*). By doing so, *Shari'ah* principles can be more appreciated and amendments of the laws can be avoided.

Under Chapter 7 of Thai National Land Code 1954, certain limitations are provided for rights in land for the use of religious purposes as provided under Sections 84 to 85 of Thai National Land Code 1954. The details of Sections 84 and 85 are as follows:

- Section 84 of the Act states that “Wats, temples, Roman Catholic Churches, Christian Foundations or Moslem may acquire land with the permission of the Minister and may acquire not more than fifty *rais* (acres). In certain appropriate

²³ Thailand Law Library, “Thai Civil and Commercial Law Code 1934”, accessed July 1, 2019, <http://library.siam-legal.com/thai-law/civil-and-commercial-code-exchange-section-521-536/>

²⁴ Op. cit.

cases, the Minister may allow the acquisition of more land than that prescribed in the preceding paragraph (i.e. Section 85). The provisions of this Section shall not affect the acquisition of land prior to the effective date of this Code or acquisition of the Muslim *masjid* (mosque) under the provisions of Muslim law in *Changwat* (province) having an Islamic magistrate (*Dato Yutitham*)”²⁵.

- Section 85 of the Act states that "a juristic person who acquires more land than that provided in Section 84 after the effective date of this Code shall dispose of the excess within five years. If the land is not disposed of within such time the Director-General shall have the power to dispose of it applying the provisions relating to a forced sale of land in Chapter 3 (of the Code)"²⁶.

Waqf assets cannot be disposed-off pursuant to Section 85 of the Thai National Land Code 1954 since such assets are perpetual charitable giving instruments. Under section 84 of the same Code, it seems that any acquisition of lands in the provinces may fall as an exception pursuant to the Royal Act Concerning Muslim Mosque 1947. This means the mosques at the provinces may still acquire more than 50 acres of lands. As for other areas of Thailand, the acquisition of land as *waqf* assets which is more than 50 acres may be done with clear permission from the Minister. Such practice is considered fair and just, especially to avoid any kind of unjust acquisition of lands. Again here, the provisions are stipulated in a general form without having any direct or specific details on the nature of *Waqf*. However, such a general application of the laws is necessary to ensure flexibility in legal practice.

With such wide flexibility, it is necessary for the Mosque committees to take a progressive step in the management of *waqf*. All of the Mosque committees should have a proper discussion and cooperation with the *Shaykh al-Islām* (Chularajmontri) and the

²⁵ Thailand Law Library, “Thai National Land Code 1954”, accessed July 1, 2019, <http://library.siam-legal.com/thai-law/land-act-2497-limitations-religious-purpose-sections-84-85/>

²⁶ Ibid.

Provincial Committee for Islamic Affairs to ensure a certain consistency in *waqf* practice. Based on a good practice approach, they should have a proper guideline in managing *waqf* and reviving them. This is necessary to avoid any misappropriation of *waqf* assets and their benefits, increasing the transparency in management and revival of *waqf*, securing trusts from the public towards the Mosque committees and having a proper establishment of modern *waqf* institution.

4.0 Crowdfunding and *Waqf*

Globally, crowdfunding platforms are increasingly used for multiple purposes such as for businesses, entrepreneurship, investments, charitable and etc. As reported by Statista in 2019, the transaction value in the crowdfunding sector is amounting to US\$ 6,839 million in 2019.²⁷ This crowdfunding platform shows a lot of potentials to be utilized in generating capital and fund. Such transaction value is also estimated to have an annual growth rate of 17.1% from 2019 to 2022, with a total of US\$ 10,990.7 million by the year 2022.²⁸ China stands out among countries in the world with the highest transaction value with US\$ 5,572 million as at the beginning of 2019 alone²⁹. This data indicates the active participation among investors in using crowdfunding platforms.

In Thailand, there is increasing participation from the public in the crowdfunding platforms. As reported by the Fintech News³⁰, there are five top crowdfunding platforms in Thailand. They are known as Indiegogo, Asiola, Dreamaker Equity, Kickstarter, and Phoenixict. However, these majority known crowdfunding platforms are conventional in nature applying element of interest (*ribā*) in their platforms. However, the majority of these crowdfunding platforms are depending on the debt. According to the Securities and Exchange Commission of Thailand, they introduced a new regulation on

²⁷ Statista, “Crowdfunding Worldwide”, accessed July 1, 2019, <https://www.statista.com/outlook/335/100/crowdfunding/worldwide>

²⁸ Ibid.

²⁹ Ibid.

³⁰ Fintech News, “Crowdfunding Thailand”, accessed July 1, 2019, <http://fintechnews.sg/6125/crowdfunding/crowdfunding-platforms-thailand/>

debt-based crowdfunding through funding portals. They said:

“The regulations came into force on May 16 after focus groups and public consultation sessions held in January this year. They will be similar to the existing framework governing equity crowdfunding. The debt crowdfunding framework requires the borrower to be a Thai company (SME or start-up) with a clear business plan. The company is allowed to raise up to 20 million baht (roughly USD 627,000) for the first 12 months, and its capped at 40 million baht in total for proceeds from equity and debt crowdfunding combined, throughout the entire project. There is also an investment limit of 100,000 baht per business, equity and debt combined, to safeguard investors”³¹.

Based on earlier research done by Wahjono and Marina, they found that the crowdfunding platform in Thailand is opened mainly to Thai nationality. They said:

“Thailand is developing models of crowdfunding, some platforms already in operation, including i) *Share and Raise* is a platform for individuals in dire need of financial resources to get through tough times. ii) *Dreamaker* is one of the first crowdfunding platforms targeting Thai Entrepreneurs and the Thai market. Launched in August 2015 by four co-founders, the platform only Thai nationals or Thai registered companies are authorized to post projects. iii) *Dreamaker Equity*, a crowdfunding platform when project owners offer equity instead of gifts and rewards, in exchange for the funding money. iv) *Perdmuak.com* is Thailand’s very own crowdfunding site is fairly new to the game. They have yet to complete their first project, although a Muay Thai film campaign is close. It

³¹ Kr-Asia, “Thailand Debt Crowdfunding”, accessed July 1, 2019, <https://kr-asia.com/thailand-issues-regulations-on-debt-crowdfunding>

has secured 92,320 baht (USD 2,930) with a target of 100,000 baht³².

In order to collect funds for the purpose of revival or management of *waqf*, such funds must be in compliance with *Shari'ah* principles. This is necessary to purify the means or funds that will be used for the *waqf* revival. The present crowdfunding platforms as available in Thailand need to be evaluated from the *Shari'ah* perspective. Unfortunately, as up to date, there is no available crowdfunding platforms in Thailand that are in compliance with the *Shari'ah*.

However, the absence of such *Shari'ah*-compliant nature of crowdfunding platform in Thailand must not be used as an excuse in avoiding the revival of *waqf*. Muslims in Thailand may still utilize any *Shari'ah*-compliant crowdfunding platforms that are established to collect funds. The world's first global crowdfunding *waqf* platform is known as WaqfWorld that was launched during the 12th World Islamic Economic Forum (WIEF) on 3rd August 2016.³³ A *waqf* crowdfunding platform was first proposed by the Research Centre for Islamic Economics and Finance (Ekonis) of Universiti Kebangsaan Malaysia (UKM). Such a proposal was made in January during a roundtable discussion organized by the Islamic Development Bank's Research and Training Institute (IRTI) in Jeddah. According to Suhaili Alma'amun, the Head of Ekonis, he stated that "we believe that the marriage between *waqf* and crowdfunding will be the new powerhouse in financing SMEs (small and medium enterprises) and social entrepreneurship across South-East Asia"³⁴.

WaqfWorld is said to be working with *waqf* partners from Indonesia, Malaysia, and Singapore. These partners are registered Islamic microfinance institutions that already have many projects in the pipeline. The platform would allow these *waqf* partners to

³² S.I. Wahjono and A. Marina, "Islamic Crowdfunding: Alternative Funding Solution". In 1st World Islamic Social Science Congress (WISSC) 2015, 1st – 2nd December 2015, Putrajaya International Convention Centre (PICC), Malaysia.

³³ The Digital News Asia, "Crowdfunding Waqf", accessed July 1, 2019, <https://www.digitalnewsasia.com/digital-economy/waqf-crowdfunding-platform-launched-Muslims-contribute-causes>

³⁴ Ibid.

promote and receive donations for their projects, and also connect these projects to donors globally. Donations collected through WaqfWorld will go directly to the partners. Donors need to register themselves with WaqfWorld, choose the projects or campaigns they are most interested in, and donate via PayPal, credit card, or bitcoins, or offline through bank transfers. Donations or cash *waqf* start from US\$50 at the 'first level,' up to the sixth level of US\$10,000. WaqfWorld will charge a transaction fee, ranging from US\$3 up to US\$401. After putting in their pledges, donors can track the progress and will receive impact reports of their donations. Even though *waqf* is an Islamic tradition, WaqfWorld is open to everyone as it believes that social impact goes beyond religious beliefs. However, the status of *waqf* itself will only be applicable to the Muslims.

Besides WaqfWorld, there is also another crowdfunding platform that generates funds through the collection of cryptocurrencies. A company which is known as Finterra that won the 2018 award for Blockchain Technology Excellence at the Global Responsible Business Leadership Awards is a pioneer of using such kind of crowdfunding platform³⁵. This Singapore-based financial technology company has developed a platform that uses digital ledger technology, or blockchain, to create smart contracts or digital contracts that would be tied to specific *waqf* projects. Moreover, they are offering a *Shari'ah*-compliant service in reviving *waqf* assets.

It is interesting to note here that the modern crowdfunding platform is equipped with blockchain technology and smart contracts. These technologies are becoming a new system that can be used in making records and managing businesses. With businesses are placed online, lesser involvement of intermediaries is needed. In comparison with the traditional technologies, this environment offers a high level of governance while reducing cost to a lower cost. Islamic social finance and its instruments such as *waqf* has the opportunity to enhance their governance with these new technological innovations. The revival of *waqf* can be monitored online with blockchain and smart contract in achieving better governance, transparency, and higher trust among *waqifs* and their beneficiaries. With the same

³⁵ Finterra, "Awards", accessed July 1, 2019, https://finterra.org/finterra_wins_at_the_global_responsible/

nature, these new innovations may advance businesses based on the flexibility of time, place, and market accessibility.

Thus, the revival of *waqf* in Thailand can be done easily through these types of crowdfunding platforms that are *Shari'ah*-compliant in nature. Furthermore, the funds can be generated and collected from Muslims or communities from all around the world since the barriers of time and space seem to be non-existence within the usage of every day's internet.

5.0 Challenges in Implementing *Waqf* Crowdfunding

In implementing crowdfunding *waqf* in Thailand, there are challenges that need to be overcome effectively. These challenges are related to: (i) trust of people towards the crowdfunder; (ii) the administration of crowdfunding platform; and (iii) the regulations over crowdfunding platform.

- (i) Trust of people towards crowdfunder: in order to have a successful crowdfunding campaign, trust from people is essential. The crowdfunder must be able to achieve the objectives of having a crowdfunding campaign. In relation to *waqf* crowdfunding, the crowdfunder must equip himself with knowledge of *waqf* and its implementation. In raising funds from crowdfunding platform, the collected fund can be categorized as cash *waqf* subject to a higher degree of integrity and due diligence in management. It is a responsibility of the crowdfunder to ensure that the collected fund reaches to the level of perpetuity by having a good investment in generating more profits for the *waqf*. This can be done by channeling the collected fund to develop any *waqf* asset directly or indirectly.
- (ii) The administration of crowdfunding platform: is also essential to be considered. Without a proper administration of crowdfunding platform, a successful *waqf* crowdfunding can be a challenge. Here, the knowledge relating to internet and computer system must be mastered by the crowdfunder. The administration of crowdfunding platform may be different with the management of tangible business project where the crowdfunder may meet the fund's contributors through a face-to-face meeting. Due to the nature of crowdfunding platform, it is possible to have an online

interaction with the fund's contributors. Thus, the administration of the crowdfunding platform must be user-friendly towards their contributors.

- (iii) The regulations over crowdfunding platform: are also important. Majority countries are lacking in having proper regulations relating to crowdfunding platform. Nevertheless, it is an absolute responsibility of the *waqf* crowdfunders to maintain *Sharī'ah*-compliance nature of their crowdfunding platform. A good practice can be learnt from a *waqf* crowdfunder like Finterra³⁶ where they have their own *Sharī'ah* expert that works as their *Sharī'ah* advisor in providing advises and ensuring that their crowdfunding is consistent with principles of *Sharī'ah*.

6.0 Conclusion

By viewing the current position of *waqf* and its assets in Thailand, there are a lot of potentials for the *waqf* to be revived and utilized for the sake of Muslims and communities at large. Based on the analysis of the applicable laws relevant to the *waqf* administration in Thailand, even though the laws are not specifically on the elements of *waqf* as they should be, the general application of the laws are relevant and suitable to be referred to. This is especially by viewing the legal landscape of Thailand as a multi-racial and multi-cultural country.

The legal landscape also provides enough space for the mosque committees and the available religious authorities to further develop the guidelines and standard of practices relating to *waqf* in the said country. Proper cooperation should be managed between the said entities responsible in protecting and reviving *waqf* and its assets. This is essential since the benefits of *waqf* belong to the legal beneficiaries, Muslims in general, and the public at large.

It is also highlighted here that there are no applicable *Sharī'ah*-compliant crowdfunding platforms in Thailand in generating funds to revive the *waqf* and its assets. Nevertheless, the responsible entities related to the management of *waqf* and its assets may still use the crowdfunding platforms as created by other

³⁶ See their official website at <https://finterra.org/>

Muslims in other countries, such as from Malaysia, Singapore, and Indonesia. Thus, the revival of *waqf* and its assets may be done and is possible with the participation of other Muslims or members of society from any part of the world.



TRANSLITERATION TABLE

CONSONANTS

Ar=Arabic, Pr=Persian, OT=Ottoman Turkish, Ur=Urdu

Ar	Pr	OT	UR	Ar	Pr	OT	UR	Ar	Pr	OT	UR	
ء	ء	ء	ء	ز	z	z	z	گ	—	g	g	g
ب	b	b	b	ژ	—	—	ʀ	ل	l	l	l	l
پ	—	p	p	ژ	—	zh	j	م	m	m	m	m
ت	t	t	t	س	s	s	s	ن	n	n	n	n
ث	—	—	ṭ	ش	sh	sh	ş	ه	h	h	h¹	h¹
ث	th	th	th	ص	ş	ş	ş	و	w	v/u	v	v/u
ج	j	j	c	ض	ḍ	ḍ	ḍ	ی	y	y	y	y
چ	—	ch	çh	ط	ṭ	ṭ	ṭ	ة	-ah	—	—	-a²
ح	ḥ	ḥ	ḥ	ظ	ẓ	ẓ	ẓ	ال	al³	—	—	—
خ	kh	kh	kh	ع	‘	‘	‘	—	—	—	—	—
د	d	d	d	غ	gh	gh	ğh	—	—	—	—	—
ڈ	—	—	d	ف	f	f	f	—	—	—	—	—
ذ	dh	dh	dh	ق	q	q	q	—	—	—	—	—
ر	r	r	r	ك	k	k/g	k/ñ	—	—	—	—	—

¹ – when not final
² – at in construct state
³ – (article) al - or l-

VOWELS

	Arabic and Persian	Urdu	Ottoman Turkish
Long	ا	ā	ā
	آ	Ā	—
	و	ū	ū
	ي	ī	ī
Doubled	ي	īy (final form ī)	īy (final form ī)
	و	uww (final form ū)	uvv
	و	uvv (for Persian)	uvv
Diphthongs	و	au or aw	ev
	ی	ai or ay	ey
Short	ا	a	a or e
	ا	u	u or ū
	ا	i	o or ö
	ا	i	i

URDU ASPIRATED SOUNDS

For aspirated sounds not used in Arabic, Persian, and Turkish add h after the letter and underline both the letters e.g. چ jh گ gh

For Ottoman Turkish, modern Turkish orthography may be used.

AL-SHAJARAH

Special Issue

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